

# **HANGZHOU TIGERMED CONSULTING CO.,LTD.**

## **WORKING RULES OF AUDIT COMMITTEE OF BOARD OF DIRECTORS**

### **Chapter 1 General Provisions**

**Rule 1** In order to strengthen the decision-making function of the board of directors of the Company, audit in advance, audit professionally, ensure effective supervision over the senior management by the board of directors, and perfect its corporate governance structure, the Company has set up the Audit Committee under the board of directors (hereinafter referred to as the "Audit Committee") and formulated these working rules in accordance with the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), Appendix 14 Corporate Governance Code under the Hong Kong Listing Rules (hereinafter referred to as the "Corporate Governance Code"), A Guide for Effective Audit Committee by the Hong Kong Institute of Certified Public Accountants, the Articles of Association of Hangzhou Tigermed Consulting Co., Ltd. (hereinafter referred to as the "Articles of Association"), the Procedural Rules of the board of directors of Hangzhou

Tigermed Consulting Co., Ltd. and other relevant requirements.

**Rule 2** The Audit Committee is a specific working body established by the board of directors and shall be accountable to the board of directors. The Internal Audit Department of the Company shall be accountable and report work to the Audit Committee.

## **Chapter 2 Composition**

**Rule 3** The Audit Committee shall consist of three non-executive directors, of which more than half are independent directors and serve as the convener, who shall be an accounting professional, and at least one of the independent directors shall be an accounting professional and fulfill the requirements under Rule 3.10(2) of the Hong Kong Listing Rules.

**Rule 4** Members of the Audit Committee shall be nominated by the Chairman of the board of directors, more than half of the independent Directors, or by one-third of the Board members, and is subject to election and appointment by the board of directors. A former partner of the external audit firm which is currently responsible for auditing of the Company accounts should be prohibited from acting as a member of the Audit Committee for a period of two years from the date (whichever is the later) as follows: (1) the date of ceasing to be a partner of the external audit firm; or (2) the date of ceasing to entitle any financial interest in the

external audit firm.

**Rule 5** The Audit Committee shall have one chairman who shall be an independent director and responsible for the duties of the Audit Committee. The chairman of the Committee shall be elected directly from the members of the Audit Committee by the board of directors.

**Rule 6** The term of office of the Audit Committee members shall be identical to that of the board of directors. A member may offer himself/herself for re-election upon the expiration of his/her term of office. During his/her term of office, if any member ceases to be a director, his/her membership in the Audit Committee shall lapse automatically, and the vacancy shall be filled by the person elected by the Board in accordance with Rules 3 to 5 above.

**Rule 7** The daily operation institution of the Audit Committee is established under the Internal Audit Department of the Company. The Internal Audit Department is responsible for implementation of resolutions, while the office of the board of directors is responsible for the coordination of daily work liaison, conference organization, etc.

### **Chapter 3 Responsibilities and Authorities**

**Rule 8** The primary responsibilities and authorities of the Audit Committee include:

- (I) To supervise and assess external audit work, make proposals regarding appointment, reappointment and dismissal of external auditors, approve the remuneration and terms of engagement of the external auditors, deal with all matters of the resignation or dismissal of external auditors, supervise practicing activities of external auditors;
- (II) To review and monitor the independence and objectivity of external auditors and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee shall discuss with the external auditors the nature, scope and related reporting responsibility before the audit commences;
- (III) To formulate and implement policies relating to the provision non-audit services by external auditors. For the purpose of this clause, external auditors include any entity under common control, ownership or management with the auditors and any entity that a reasonable and informed third party would reasonably conclude to be part of the local or international operation of the external auditors. The Audit Committee shall advise the board of directors on any actions or improvements and measures to be taken and make proposals;
- (IV) To supervise and assess internal audit work, supervise the internal

audit policy and accounting policies of the Company and its implementation;

(V) To act as the representative of the Company and the external auditor, be responsible for the communication between the internal audit and the external audit and monitor their relationship to ensure the coordination between the works of internal auditor and the external auditor, ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and review and monitor its effectiveness;

(VI) To examine the completeness of the financial statements, annual reports and accounts, half-year reports(if to be published) and quarterly reports of the Company, and review important opinions regarding financial reporting in such statements and reports. When reviewing the related statements and reports before submission to the board of directors, the Committee shall focus on the following matters:

- (1) Changes in accounting policies and practices;
- (2) Major judgments;
- (3) Significant adjustments resulting from audit;

- (4) The on-going concern assumption and qualified opinions;
- (5) Compliance with accounting standards; and
- (6) Compliance with the listing rules and legal requirements of the stock exchange(s) where the shares of the Company are listed in relation to financial reporting;

(VII) For the purpose of item VI above:

The Committee members shall communicate with the board of directors and members of the senior management. The Committee shall meet with the external auditor at least twice a year;

The Committee shall consider any significant and unusual items that are, or may need to be, reflected in such reports and accounts, and shall give consideration the matters raised by the staff responsible for accounting and financial reporting function, compliance officer or the external auditors;

(VIII) To audit the financial information and its disclosure of the Company, and financial and accounting policies and operation;

(IX) To review and evaluate the financial control, risk management and internal control policies of the Company;

- (X) To discuss with the management on risk management and internal control system to ensure that the management has performed its duty to maintain an effective internal control system. The matters discussed shall include the adequacy of resources, qualifications, experience and training of staff and budgets pertaining to the accounting and financial reporting functions;
- (XI) To review major investigation findings on risk management and internal control and the management's response to these investigation findings on its own initiative or as delegated by the board of directors;
- (XII) To review any audit letter by the external auditor to the management, major queries raised by the auditors about accounting records, financial accounts or control systems and the response of the management;
- (XIII) To ensure that the board of directors will provide a timely response to any of the issues raised in the external auditor's audit letter;
- (XIV) To review the internal policies of the Company and organize the review on major connected transactions;

- (XV) To review the following arrangements of the Company: the employees of the Company can, in confidence, raise concerns about possible irregularities in financial reporting, internal control or other matters. The Audit Committee shall ensure that proper arrangements are in place for the Company to conduct fair and independent investigations and to take necessary actions accordingly;
- (XVI) To develop and review the Company's policies and practices on corporate governance and make recommendations to the board of directors;
- (XVII) To review and monitor the training and continuous professional development of directors and members of the senior management;
- (XVIII) To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (XIX) To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors;
- (XX) To review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report set out in the annual reports.



(XXI) To report to the board of directors on the provisions of the Corporate Governance Code;

(XXII) To inspect the Company's compliance with laws and regulations, including supervision and management of business ethics and corruption issues;

(XXIII) To be responsible for the laws and regulations, the Articles of Association, the listing rules of the stock exchange(s) where the shares of the Company are listed and other matters authorized by the board of directors of the Company.

**Rule 9** Proposals of the Audit Committee shall be submitted to the Board of Directors for deliberation and decision-making.

**Rule 10** The Audit Committee shall disclose its scope of authority, and interpret its role as well as powers delegated by the Board of Directors on the website of the exchange as well as the Company's website.

**Rule 11** Where the Board of Directors disagrees with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external audit agency, it shall include in the *Corporate Governance Report* a statement from the Audit Committee explaining its recommendation and also the reason(s) why the Board of Directors has taken a different view.

**Rule 12** The Audit Committee shall be provided with sufficient resources to perform its duties.

#### **Chapter 4 Decision-making Procedures**

**Rule 13** The Internal Audit Department is responsible for preliminary preparations and provision of the following written information of the Company for its decision making:

- (I) Relevant financial reports of the Company;
- (II) Working reports of internal and external auditors;
- (III) Contracts audited externally and relevant working reports;
- (IV) Disclosure of financial information by the Company;
- (V) Audit reports on material connected transactions of the Company;
- (VI) Relevant materials of the internal policy of the Company;
- (VII) Other relevant matters.

**Rule 14** The above reports shall be considered at the Audit Committee meeting and shall submit the following relevant written resolutions to the board of directors for consideration with respect to:

- (I) Evaluation on duty performance of external auditors and engagement and replacement of external auditor;
- (II) Whether the internal audit policy of the Company has been effectively implemented and whether the financial reports of the Company are comprehensive and truthful;
- (III) Whether the information disclosed publicly by the Company is objective and truthful, and whether the material connected transactions of the Company are in compliance with the relevant laws and regulations;
- (IV) Evaluation on duty performance of the Company's internal financial department and audit department, including their persons in charge;
- (V) Other related matters.

## **Chapter 5 Rules of Procedures for Meetings**

**Rule 15** The Audit Committee meeting shall be convened by the chairman. A notice of meeting shall be sent to all the members seven days before the date of the meeting. When there are more than half of the members proposing, a Committee meeting must be convened. A meeting shall be presided over by the chairman. When the chairman of the Audit

Committee is unable to attend the meeting, he/she may appoint another member who is an independent director to preside over the meeting on his/her behalf.

**Rule 16** An Audit Committee meeting may only be convened with the presence of more than two-third of the members. Each member has one vote. Resolutions may only be passed by more than half of all the members of the Audit Committee voting in favor of such resolutions. Where the respective votes for and against a resolution are equal in number, the chairman of the Audit Committee shall have a casting vote.

**Rule 17** Votes may be made by a show of hands or by poll in an Audit Committee meeting, while for voting at an extraordinary meeting of the Committee may also be by correspondence.

**Rule 18** The person in charge of the Internal Audit Department may be required to present at meetings of the Audit Committee. Where necessary, the Audit Committee may invite directors, supervisors and other members of the senior management of the Company to present at its meetings.

**Rule 19** The Audit Committee may, if necessary, engage an intermediary to provide professional advice on its decision-making at the cost of the Company. The related cost incurred by the Audit Committee

when performing its duty shall be bore by the Company.

**Rule 20** The procedures for convening of an Audit Committee meeting, its voting methods and proposals passed at such meeting must comply with the provisions of applicable laws, regulations, the listing rules of the stock exchange(s) where the shares of the Company are listed, the Articles of Association and these rules.

**Rule 21** The Audit Committee shall keep minutes of its meetings. Minutes shall be recorded in sufficient detail the matters considered and decisions reached at the meeting, including any concerns raised by members or dissenting views expressed. Members present at a meeting shall sign the minutes of that meeting which shall be kept by the secretary to the board of directors of the Company. Where a member has any comment or dissidence to the minutes, he/she may refuse to sign it, but shall deliver his/her written opinions to the secretary to the board of directors within the specified time stated above. In case of any proven error or omission, the secretary to the board of directors shall revise the minutes, and the member shall sign the revised minutes.

**Rule 22** Any resolution passed at an Audit Committee meeting and the voting results must be reported in written form to the Board of the Company.

**Rule 23** Members presenting at such meeting are obliged to keep all matters discussed at such meeting confidential, and shall not disclose any relevant information without authorization.

## Chapter 6 Supplementary Provisions

**Rule 24** The working rules became effective upon approval by a resolution of the board of directors of the Company.

**Rule 25** In case of matters not covered herein, the relevant state laws, regulations, the listing rules of the stock exchange(s) where the shares of the Company are listed and the Articles of Association shall apply. In case any of these working rules conflicts with the state laws, regulations, the listing rules of the stock exchange(s) where the shares of the Company are listed promulgated in the future and the Articles of Association as legally modified, the relevant state laws, regulations, the listing rules of the stock exchange(s) where the shares of the Company are listed and the Articles of Association shall prevail. In such case, corresponding amendments shall be made to these working rules immediately and submitted to the board of directors of the Company for approval.

**Rule 26** The board of directors is responsible for prepare, amend and interpret these working rules.

The Board of Directors of Hangzhou Tigermed Consulting Co., Ltd.

Jun 11, 2022