

XIAMEN YAN PALACE BIRD'S NEST INDUSTRY CO., LTD.

廈門燕之屋燕窩產業股份有限公司

(a c c , a c , a,ed Pe, ,e' Re, b, c, f C, a ed, ab,)
(Stock Code: 1497)

AUDIT COMMITTEE UNDER THE BOARD OF DIRECTORS

TERMS OF REFERENCE

Chapter I General Provisions

Article 1 This document is the constitution and decision-making mechanism of the Audit Committee (the Audit Committee) of the Board of Directors of Xiamen Yan Palace Bird's Nest Industry Co., Ltd. (the Company) and is the basic rule for the operation of the Audit Committee. It is formulated in accordance with the Company Law of the People's Republic of China (the Company Law), the Articles of Association of Xiamen Yan Palace Bird's Nest Industry Co., Ltd. (the Articles of Association), the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the Hong Kong Listing Rules) and other relevant laws and regulations.

Article 2 The Audit Committee is a special committee established by the Board of Directors, which is responsible for supervising and managing the financial reporting of the Company and the internal control system.

The members of the Audit Committee shall be appointed or reappointed by the Board of Directors, and the appointment and reappointment shall be effective upon the approval of the Board of Directors. The members of the Audit Committee shall be appointed or reappointed by the Board of Directors in accordance with the provisions of the Articles of Association and the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

Article 3 The Company shall appoint or reappoint at least one independent non-executive director to the Audit Committee and shall ensure that the independent non-executive directors of the Audit Committee constitute a majority of the members of the Audit Committee. The independent non-executive directors of the Audit Committee shall be appointed or reappointed by the Board of Directors in accordance with the provisions of the Articles of Association and the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

Chapter II Personnel Composition

Article 4 The Audit Committee shall consist of at least three members, and at least one of them shall be an independent non-executive director. The independent non-executive directors of the Audit Committee shall be appointed or reappointed by the Board of Directors in accordance with the provisions of the Articles of Association and the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

Article 5 Members of the Audit Committee shall be appointed or reappointed by the Board of Directors, and the appointment and reappointment shall be effective upon the approval of the Board of Directors.

Article 6 The Board of Directors shall elect or reelect at least one independent non-executive director to the Audit Committee, and the election and reelection shall be effective upon the approval of the Board of Directors. The independent non-executive directors of the Audit Committee shall be appointed or reappointed by the Board of Directors in accordance with the provisions of the Articles of Association and the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

Article 7 The Ad. C. ... ee ... a₁₁ ... a e a C, a ... a (, e C, a ... a ...

(7) The name of the Board of Directors shall be the name of the corporation as it appears in the articles of incorporation and the name of the corporation as it appears in the charter of the corporation;

