



天津濱海泰達物流集團股份有限公司
Tianjin Binhai Teda Logistics (Group) Corporation Limited*
(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock code: 8348)

The Board of Directors (the “Board”) of the Company
TERMS OF REFERENCE AND RULES OF PROCEDURE
FOR THE AUDIT COMMITTEE

(Adopted by the Company pursuant to the Board resolution passed on 20 March 2012 and amended as of 30 December 2015 and 28 December 2018)

1 MEMBERSHIP

- 1.1 Members of the Audit Committee shall be appointed by the Board of the Company.
- 1.2 The Audit Committee shall consist of a minimum of three members, all of whom shall be non-executive directors.
- 1.3 The majority of the members of the Audit Committee shall be independent non-executive directors (“INEDs”), at least one of whom shall have appropriate professional qualifications or accounting or related financial management expertise as required under the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).
- 1.4 The former partner, director, shareholder or professional personnel of the Company's existing auditor shall be prohibited from acting as a member of the Audit Committee for a period of two years upon leaving.

2 CHAIRMAN

- 2.1 The chairman of the Audit Committee shall be appointed by the Board of the Company and shall be an INED.

3 SECRETARY

- 3.1 The company secretary shall be the secretary of the Audit Committee. In the absence of the company secretary, his/her delegate(s) or any person appointed by the members present at the meeting of the Audit Committee shall attend the meeting of the Audit Committee and take minutes.

* For identification purpose only

4 PROCEEDINGS OF THE AUDIT COMMITTEE

Unless otherwise specified hereunder, the provisions contained in the Company's Bye-laws (as amended from time to time) for regulating meetings of the Board shall apply to the meetings and proceedings of the Audit Committee.

4.1 Quorum

4.1.1 The quorum for meetings of the Audit Committee shall be any two members.

4.2 Frequency of meetings

4.2.1 The Audit Committee shall hold at least four regular meetings in a year to review and discuss the interim, quarterly and annual financial statements of the Company. Additional meetings of the Audit Committee may be held as and when required.

4.2.2 The Audit Committee shall meet with the external auditors of the Company at least twice a year. The external auditors may request a meeting if they consider necessary.

4.3 Attendance at meetings

4.3.1 Meetings could be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment (through which all persons participating in the meeting are capable of hearing each other).

4.3.2 The Finance Director, other directors, company secretary (or his/her delegate(s)), Head of Internal Audit, relevant senior management and any persons(s) invited by a Committee member shall normally attend meetings of the Audit Committee. However, at least once a year the Audit Committee shall meet with the external and internal auditors (if any) without executive directors and management of the Company present.

4.4 Notice of meetings

4.4.1 A meeting of the Audit Committee may be convened by any of its members or by the company secretary.

4.4.2 Unless otherwise agreed by all the members of the Audit Committee, notice of at least five days (including the date of the meeting but with the date of the notification excluded) shall be given for a regular meeting of the Audit Committee.

4.4.3 Notice of meetings may be given to the members of the Audit Committee by oral, in writing or through telephones, facsimiles or e-mails according to the telephone numbers and addresses notified by the members of the Audit Committee to the company secretary from time to time or be sent to the members of the Audit Committee by means as agreed by the members of the Audit Committee from time to time.

4.4.4 Agenda and accompanying supporting papers shall be sent to all members of the Audit Committee and to other attendees as appropriate at least three days before the date of the meeting (or such other period as the members may agree).

4.5 Minutes of meetings

4.5.1 Full minutes of the Audit Committee shall be kept by the company secretary. The company secretary shall send the draft and final versions of minutes of Audit Committee meetings to all Audit Committee members for their comment and records within a reasonable time after the meeting and send all written resolutions of the Audit Committee to all Board members within a reasonable time.

4.5.2 The Audit Committee will regularly report to the Board and submit reports to the Board at least once a year.

4.6 Written resolutions

4.6.1 A resolution signed in writing by all the members of the Audit Committee shall be valid as if it had been passed at a meeting of the Audit Committee duly convened and held.

5 RESPONSIBILITIES AND AUTHORITIES

The Audit Committee shall have the responsibilities and authorities hereunder:

5.1 Relationships with the Company's auditors

5.1.1 To be primarily responsible for making recommendation to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and to consider any matters of their resignation or dismissal, and to act as the key representative between the Company and the external auditor for overseeing their relationship;

5.1.2 To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable accounting standard, and to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;

5.1.3 To develop and implement policies on engaging an external auditor to supply non-audit services. For this purpose, “external auditor” includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee shall report to the Board and make recommendations on any matters where action or improvement is needed.

5.2 Review of the Company’s financial information

5.2.1 To monitor the integrity of the Company’s financial statements and annual report and accounts, half-year report and quarterly reports, and to review significant opinions in relation to financial reporting contained therein. Prior to the submission of the relevant statements and reports to the Board, the Audit Committee shall focus particularly on:

- (i) any changes in accounting policies and practices;
- (ii) major judgmental areas;
- (iii) significant adjustments resulting from audit;
- (iv) the going concern assumptions and any qualifications;
- (v) compliance with accounting standards; and
- (vi) compliance with the GEM Listing Rules and legal requirements in relation to financial reporting.

5.2.2 Regarding Item 5.2.1 above:

- (i) members of the Audit Committee shall liaise with the Board and senior management and the Audit Committee shall meet at least twice a year with the Company’s auditors; and
- (ii) the Audit Committee shall consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts, and it shall give due consideration to any matters that have been raised by the Company’s staff responsible for the accounting and financial reporting function, compliance officer or auditors.

5.3 Oversight of the Company's financial reporting system, risk management and internal control systems;

- 5.3.1 To review the Company's financial controls, risk management and internal control systems;
 - 5.3.2 To discuss the risk management and internal control system with the management to ensure that management has performed its duty to have effective systems. This discussion shall include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;
 - 5.3.3 To consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
 - 5.3.4 To ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;
 - 5.3.5 To review the Group's financial and accounting policies and practices;
 - 5.3.6 To review Explanation Letter on Audit submitted by the external auditor to the management and any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response.
 - 5.3.7 To ensure that the Board will provide a timely response to the issues raised in Explanation Letter on Audit submitted by the external auditor to the management;
 - 5.3.8 To report to the Board on the matters set out herein;
 - 5.3.9 To consider other topics as defined by the Board;
 - 5.3.10 To review the arrangements that employees of the Company can, in confidence, raise concerns about possible improprieties in financial reporting, internal control or other matters, and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
- 5.4 The Audit Committee shall be provided with sufficient resources to perform its duties and shall have access to independent professional advice if necessary;

5.5 All members of the Audit Committee shall have access to the advice and services of the company secretary, and separate and independent access to the Company's senior management for obtaining necessary information.

5.6 The Audit Committee shall disclose its terms of reference on the websites of The Stock Exchange of Hong Kong Limited and the Company, and explain its role and the authorities delegated by the Board.

6 REPORTING RESPONSIBILITIES

6.1 The Audit Committee shall report to the Board after each meeting.

7 ANNUAL GENERAL MEETING

7.1 The chairman of the Audit Committee or in his absence, another member of the Audit Committee or failing this, his duly appointed delegate, shall attend the Annual General Meeting of the Company and be prepared to respond to questions at the Annual General Meeting on the Audit Committee's work and responsibilities.

8 POWERS OF THE BOARD

8.1 The Board may, subject to the compliance with the Articles of Association of the Company and the GEM Listing Rules (including the Corporate Governance Code) of the Stock Exchange, amend, supplement and revoke all rules of the resolution provided that no amendments and supplement to and revocation of these rules of the resolutions passed by the Audit Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such rules of the resolution had not been amended, supplement or revoked.

Note: If there is any inconsistency between the English and Chinese versions of these Terms of Reference, the Chinese version shall prevail.