

**S.F. HOLDING CO., LTD.**  
**順豐控股股份有限公司**

**TERMS OF REFERENCE FOR THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS**

**CHAPTER 1 GENERAL PROVISIONS**

**Article 1** In order to strengthen the decision-making function of the Board of Directors of S.F. Holding Co., Ltd. (hereinafter referred to as the “Company”), achieve effective supervision over the Company’s financial revenues and expenditures and various business activities, maximize the independence and effectiveness of the Company’s internal control system, and protect the rights and interests of all shareholders and stakeholders, the Company has established the Audit Committee of the Board of Directors (hereinafter referred to as the “Audit Committee”) as a specialized body responsible for the communication, supervision and verification of internal and external audits.

**Article 2** In an effort to ensure that the Audit Committee carries out its work in a standardized and efficient manner, the Board of Directors has formulated these Terms of Reference in accordance with the Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the relevant regulatory rules of the stock exchanges where the shares of the Company are listed (including Shenzhen Stock Exchange and The Stock Exchange of Hong Kong Limited, hereinafter collectively referred to as the “Stock Exchanges”), the relevant requirements of the securities regulatory authorities in the places where the shares of the Company are listed (hereinafter referred to as the “Securities Regulatory Authorities”), as well as the Articles of Association of S.F. Holding Co., Ltd. (hereinafter referred to as the “Articles of Association”) and other relevant regulations.

**CHAPTER 2 COMPOSITION AND DUTIES**

**Article 3** The Audit Committee shall consist of three non-executive Directors who are not senior management of the Company. Among which, independent non-executive Directors shall account for more than one-half of the total number of members of the Audit Committee, and at least one independent non-executive Director shall have appropriate professional qualifications or related financial management expertise and meet the qualification requirements of the rules of the Stock Exchanges for the financial professionals of the Audit Committee. The members of the Audit Committee shall possess the professional knowledge and experience to be competent for the duties of the Audit Committee.

**Article 4** The Audit Committee shall have one chairperson who shall be an accounting professional among the above independent non-executive Directors with relevant professional experience in accounting or financial management, who shall be responsible for presiding over the work of the Audit Committee.

**Article 5** The chairperson and members of the Audit Committee shall be nominated by more than one-half of all independent non-executive Directors or more than one-third of all Directors and elected by the Board of Directors.

**Article 6** The term of office of the Audit Committee shall be the same as that of the Board of Directors. Members of the Audit Committee shall be eligible for re-election and re-appointment upon expiry of his/her term of office. Any member who ceases to serve as a Director or independent non-executive Director of the Company during the period shall be automatically disqualified as a member of the Audit Committee. In order to ensure that the composition of the Audit Committee complies with the requirements of these Terms of Reference, the Board of Directors shall fill up the vacancy in a timely manner in accordance with these Terms of Reference. The term of office of a supplementary member shall expire at the end of such member's term of office as a Director or independent non-executive Director.

**Article 7** The Board Secretary shall be responsible for the communication of daily work and meeting organization, etc. of the Audit Committee.

**Article 8** The primary duties of the Audit Committee are as follows:

- (I) proposing the engagement, renewal or replacement of external audit firm;
- (II) supervising and evaluating the work of external audit firm;
- (III) supervising and evaluating the internal audit work;
- (IV) reviewing the financial reports of the Company and expressing opinions thereon;
- (V) supervising and evaluating the Company's financial reporting system and internal control system;
- (VI) supervising and coordinating the communication between the management, the internal audit department and relevant departments and the external audit firm;
- (VII) other matters as authorized by the Board of Directors and other matters as required by relevant laws and regulations, relevant provisions of the Securities Regulatory Authorities and the rules of the Stock Exchanges.

**Article 9** The Audit Committee shall be responsible for reviewing the Company’s financial information and its disclosures, supervising and evaluating the internal and external audit work and internal control. The following matters shall be approved by more than half of all the members of the Audit Committee before being submitted to the Board of Directors for review:

- (I) the disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (II) the engagement or dismissal of the accounting firm that undertakes the Company’s audit;
- (III) the appointment or dismissal of the person in charge of finance of the Company;
- (IV) changes in accounting policies or accounting estimates or corrections of significant accounting errors for reasons other than changes in accounting standards;
- (V) other matters as required by laws and regulations, relevant provisions of the Securities Regulatory Authorities, the rules of the Stock Exchanges and the Articles of Association.

**Article 10** The duties of the Audit Committee for supervising and evaluating the work of external audit firm include the following:

- (I) assessing and supervising the independence, objectivity and professionalism of the external audit firm and the effectiveness of the audit procedures in accordance with applicable standards, especially the impact of the provision of non-audit services by the external audit firm on its independence. The Audit Committee shall discuss with the external auditor the nature and scope of the audit and related reporting responsibilities before commencing its audit;
- (II) formulating and implementing a policy on the provision of non-audit services by external audit firms. For the purposes of this provision, an “external audit firm” includes any firm that is under the common control, ownership, or management with the entity responsible for the audit of the Company, or any organization that a third party with reasonable knowledge of all the relevant information would reasonably conclude to be part of the local or international operations of the entity responsible for the audit. The Audit Committee shall report and make recommendations to the Board of Directors on any matters requiring action or improvement;

- (III) proposing the engagement, renewal or replacement of the external audit firm to the Board of Directors; the Board of Directors may review the relevant proposals only after the Audit Committee has formed review opinions and made recommendation(s) to the Board of Directors on the engagement, renewal or replacement of the external audit firm;
- (IV) reviewing the audit fees and terms of engagement of the external audit firm and addressing any issues related to the resignation or dismissal of the external auditor;
- (V) discussing and communicating with the external audit firm the audit scope, audit plan, audit methods and significant matters identified during the audit;
- (VI) supervising and assessing the integrity and diligence of the external audit firm.

The Audit Committee shall convene a separate communication meeting with the external audit firm at least once a year without the participation of the management. The Board Secretary may attend the meeting.

The Audit Committee shall not be unduly influenced by substantial shareholders, de facto controllers, or the Directors, Supervisors and senior management of the Company in performing its corresponding duties pursuant to subparagraphs (3) and (4) of this Article.

**Article 11** The duties of the Audit Committee for supervising and evaluating the work of internal audit include the following:

- (I) directing and supervising the establishment and implementation of the internal audit system;
- (II) reviewing the annual internal audit work plan of the Company;
- (III) supervising the implementation of the Company's internal audit plan;
- (IV) ensuring that the internal audit function is operated with sufficient resources and has appropriate management position within the Company;
- (V) directing the effective operation of the internal audit department. The internal audit department of the Company shall report to the Audit Committee. All types of audit reports, rectification plans for audit issues and rectification status submitted by the internal audit department to the management shall be submitted to the Audit Committee at the same time;

- (VI) reporting the progress and quality of the internal audit work as well as significant issues identified to the Board of Directors;
- (VII) coordinating the relationship between the internal audit department and external audit units such as accounting firms.

**Article 12** The Audit Committee shall supervise and direct the internal audit department to inspect the following matters at least once every six months, and issue inspection reports and submit them to the Audit Committee. If the inspection finds that the listed company is in violation of laws and regulations or with irregular operations, it shall report to the Shenzhen Stock Exchange in a timely manner:

- (I) the implementation of major matters such as the use of funds raised by the Company, provision of guarantees, related party transactions, securities investment and derivative transactions, the provision of financial assistance, purchase or sale of assets, and foreign investments;
- (II) the transactions involving a large amount of funds of the Company and the transactions with Directors, supervisors, senior management, controlling shareholders, de facto controllers and their associates.

The Audit Committee shall issue a written assessment on the effectiveness of the Company's internal control based on the internal audit report and relevant materials submitted by the internal audit department, and report to the Board of Directors. If the Board of Directors or the Audit Committee considers that there are material deficiencies or significant risks in the internal control of the Company, or if the sponsor, independent financial adviser or accounting firm points out that there are material deficiencies in the effectiveness of the Company's internal control, the Board of Directors shall report and disclose such deficiencies to the Shenzhen Stock Exchange in a timely manner.

**Article 13** The duties of the Audit Committee on reviewing the financial reports of the Company and expressing opinions thereon include the following:

- (I) reviewing and supervising the financial reports of the Company, and reviewing the significant opinions on the financial statements contained in the financial reports, and expressing opinions on the truthfulness, completeness and accuracy of the financial reports;

- (II) focusing on significant accounting and auditing issues in the financial reports of the Company and matters that should be paid particular attention to in the presentation of the relevant financial reports to the Board of Directors, including adjustments for significant accounting errors; changes in accounting policies, accounting practices and estimates; matters involving significant accounting judgements; material adjustments arising from audits; going concern assumptions and any qualified opinions; matters leading to non-standard unqualified audit reports; compliance with accounting standards; compliance with relevant provisions of the Securities Regulatory Authorities and the Stock Exchanges regarding financial reporting and other legal requirements;
- (III) paying particular attention to the possibility of fraud and corruption and material misstatement in relation to the financial statements;
- (IV) supervising the rectification of financial reporting problems.

Members of the Audit Committee shall communicate with the Board of Directors and senior management regarding the work. The Audit Committee shall hold meetings with the Company's external auditors at least twice a year. The Audit Committee shall consider any matters significant or unusual that may arise or need to be reflected in the financial statements and give due consideration to any matters raised by the Company's accounting and financial reporting personnel, compliance department or auditors.

**Article 14** The duties of the Audit Committee on supervising and evaluating the Company's financial reporting system and internal control system shall at least include the following:

- (I) reviewing the Company's financial reporting system and internal control system;
- (II) discussing the internal control system with the management of the Company to ensure that the management has performed its duties to establish an effective internal control system. The discussion shall include the adequacy of the Company's resources, staff qualifications and experience in respect of the accounting and financial reporting function, and the adequacy of the training courses received by the staff and related budgets;
- (III) conducting research on the significant findings of investigations on internal control matters and management's responses to the findings, on its own initiative or upon the appointment of the Board of Directors;
- (IV) reviewing and supervising the effectiveness of the internal audit function;
- (V) reviewing the financial and accounting policies and practices of the Company;

- (VI) inspecting the statements provided by the external audit firm to the management, any material queries raised by the audit firm to the management about the accounting records, financial accounts or monitoring systems, and the responses made by the management;
- (VII) ensuring that the Board of Directors responds promptly to the matters raised in the statement to the management from the external auditor;
- (VIII) reporting to the Board of Directors on the aforementioned matters and other matters required by the rules of the Stock Exchanges;
- (IX) assessing the appropriateness of the design of the Company's internal control systems;
- (X) reviewing the self-assessment report on internal control;
- (XI) reviewing the internal control audit report issued by the external audit firm, and to communicate with the external audit firm on the problems discovered and the improvement methods;
- (XII) ensuring that the Company has appropriate arrangements in place to allow employees of the Company to anonymously raise concerns about possible improprieties relating to the financial reporting system, internal control system or otherwise, and enabling the Company to conduct fair and independent investigations and take appropriate action in such matters, as well as supervising and reviewing the relevant arrangements;
- (XIII) evaluating the results of internal control evaluation and audit, and supervising the rectification of internal control deficiencies;
- (XIV) studying other topics as designated by the Board of Directors.

**Article 15** The duties of the Audit Committee on supervising and coordinating the communication between the management, internal audit department and relevant departments and the external audit firm include:

- (I) supervising and coordinating the management's communication with the external auditor firm on significant audit issues;
- (II) supervising and coordinating the communication between the internal audit department and external audit firm and the cooperation with external audit work.

**Article 16** The Audit Committee shall report and make recommendations to the Board of Directors on measures or improvements it deems necessary.

**Article 17** If the Audit Committee deems necessary, it may engage intermediaries to provide professional opinions, with expenses borne by the Company.

**Article 18** In respect of the engagement or replacement of external audit firms by the Company, the Board of Directors may review the relevant proposals only after the Audit Committee has formulated its review opinions and made recommendations to the Board of Directors.

### **CHAPTER 3 TERMS OF REFERENCE**

**Article 19** Meetings of the Audit Committee shall be in the form of regular meetings and extraordinary meetings. The Audit Committee shall hold at least one regular meeting per quarter. The Board of Directors, the chairperson of the Audit Committee or two or more members shall have the right to propose the convening of an extraordinary meeting of the Audit Committee.

**Article 20** The Audit Committee shall have one convener, who shall be the chairperson of the Audit Committee. The convener is responsible for convening and presiding over the meetings of the Audit Committee. Where the chairperson of the Audit Committee cannot or is unable to perform his/her duties, he/she shall designate another member to perform his/her duties. Where the chairperson of the Committee neither performs his/her duties nor designates another member to perform his/her duties, the Board of Directors shall designate a member to perform the duties of the convener of the Audit Committee.

**Article 21** The Audit Committee shall notify all members three days prior to the convening a meeting. The meeting notice may be delivered in writing by personal delivery, facsimile, express mail or email. A notice may be made via telephone in case of urgency, provided such notice shall at least include the time, place and manner of the meeting, as well as an explanation of the urgency of the situation requiring the meeting to be convened as soon as possible, and shall be supplemented by a written notice thereafter. If there are special reasons requiring an urgent meeting, the aforementioned notice period may be disregarded, but the convenor shall explain this at the meeting.

**Article 22** Meetings of the Audit Committee shall be held only when more than two-thirds of the members are present. Members of the Audit Committee shall attend the meetings in person and express clear opinions on the matters under review. If a member is unable to attend the meeting for any reason, he/she may appoint another member in writing to attend, express opinions, and vote on his/her behalf. The proxy form shall specify the scope and period of the authorization. Each member may only accept the authorization of one other member. Where an independent non-executive Director is unable to attend a meeting in person for any reason, he/she shall appoint another independent non-executive Director to attend on his/her behalf.

**Article 23** Meetings of the Audit Committee may be convened by means of on-site meetings, telephone conferences, video conferences or written circular.



**Article 24** Voting at the meetings of the Audit Committee may be undertaken by show of hands or by poll. Each member has one vote. Resolution(s) made at a meeting must be passed by more than half of all the members. If no valid opinions are formed after review due to abstention from voting of members, the relevant matter shall be reviewed by the Board of Directors directly. If there are objections, the opinions of the members who have voted against the resolution shall be archived.

**Article 25** The review opinions passed at the meetings of the Audit Committee shall be lodged with the Board of Directors in written form.

**Article 26** Where the Audit Committee deems it necessary, it may invite representatives of external audit firm, Supervisors, internal audit personnel, financial personnel, legal advisors and other relevant person(s) of the Company to attend the meeting and provide necessary information.

**Article 27** The Audit Committee shall keep meeting minutes, and members attending the meeting should sign the meeting minutes. Members attending a meeting shall have the right to require explanatory notations on the minutes of what he/she said at the meeting.

The Audit Committee's meeting minutes, together with the signature book of members attending the meetings and the proxy forms, shall be kept as company records for a period of not less than 10 years from the date of the minutes.

**Article 28** All members and other persons who are attending a meeting are obliged to keep confidential all the matters which have been discussed at the meeting, and they are forbidden to disclose any related information without authorization.

**Article 29** If a member of the Audit Committee is interested in the matters to be discussed at the meeting of the Committee, such members shall abstain from attending the meeting.

#### **CHAPTER 4 WORK RULES FOR ANNUAL REPORT**

**Article 30** In the process of auditing on the annual financial report of the Company, the Audit Committee shall perform the following duties:

- (I) coordinating the time schedule of audit work of the external audit firm;
- (II) reviewing the Company's annual financial information and accounting statements;
- (III) supervising the performance of the Company's annual audit by the external audit firm;
- (IV) evaluating and summarizing the audit work performed by the external audit firm;

(V) making proposal on the engagement or replacement of the external audit firm;

(VI) other duties as required by relevant regulatory bodies.

**Article 31** The Audit Committee shall, in accordance with the Company's annual report disclosure schedule and actual situation, jointly determine the audit time of the annual financial report through consultation with the external audit firm.

**Article 32** The Audit Committee shall, before an external audit firm conducts its audit works, attend a meeting with the external audit firm together with the independent non-executive Directors to discuss with the accountants on the audit-related works for the year. After the Audit Committee and the external audit firm determine the audit time, the finance personnel of the Company shall be notified in a timely manner. Before the external audit firm commences the audit work, the Company shall prepare the annual financial accounting statements of the Company for the Audit Committee's preliminary review and the Audit Committee shall issue a written opinion.

**Article 33** The Audit Committee shall maintain timely communication with the external audit firm after the external audit firm commences the audit work. After the external audit firm has issued a preliminary audit opinion, the Audit Committee shall review the financial accounting statements of the Company again and form a written opinion.

**Article 34** The Audit Committee shall supervise the audit process of the Company's annual financial reports, urge the external audit firm to submit audit reports within the agreed time frame from time to time, and record the manner, frequency and results of such urging in the form of written comments, with the signature of the related person in charge for confirmation.

**Article 35** After the external audit firm has completed the audit of the annual financial statements of the Company, it shall submit the same to the Audit Committee for review, and the Audit Committee shall conduct a vote and submit a resolution to the Board of Directors for review.

**Article 36** When submitting to the Board of Directors the resolution of voting on the annual financial audit report, the Audit Committee shall also submit to the Board of Directors the summary report on the audit work of the Company conducted by the external audit firm for the current year and the opinions on the reappointment or replacement of the external audit firm for the next year.

## CHAPTER 5 SUPPLEMENTARY PROVISIONS

**Article 37** Unless otherwise specified, the terms used in these Terms of Reference shall have the same meanings as those used in the Articles of Association.

**Article 38** For matters not provided in these Terms of Reference or where these Terms of Reference are in conflict with the relevant laws, regulations, rules, normative documents, the rules of the Stock Exchanges and the Articles of Association, the relevant laws, regulations, rules, normative documents, the rules of the Stock Exchanges and the Articles of Association shall prevail.

**Article 39** These Terms of Reference shall be reviewed and approved by the Board of Directors and come into effect on the date when the H shares issued by the Company are filed with the China Securities Regulatory Commission and listed on The Stock Exchange of Hong Kong Limited. The original “Terms of Reference for the Audit Committee of the Board of Directors” shall become invalid automatically from the date on which these Terms of Reference come into effect.

**Article 40** These Terms of Reference shall be interpreted and amended by the Board of Directors.

**S.F. Holding Co., Ltd.**  
Board of Directors  
October 2024