

Uni-Bio Science Group Limited
(Incorporated in Cayman Islands with limited liability)
(the “**Company**”)

Terms of Reference of the Audit Committee
(Adopted by the Board on 4 December 2015)

The Audit Committee

The board (the “**Board**”) of directors of the Company (“**Directors**”, each a “**Director**”) has established a committee of the Board known as the Audit Committee (the “**Committee**”), and its constitution and duties are set out below:–

A. Membership

- a) The members of the Committee shall be appointed by the Board from amongst the non-executive Directors and shall consist of a minimum of three members, a majority of whom shall be independent non-executive Directors (“**INEDs**”, each an “**INED**”). At least one of the INEDs must have appropriate professional qualifications or accounting or related financial management expertise. The constitution of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) from time to time.
- b) The Chairman of the Committee shall be an INED who shall be one of the members of the Committee. The Chairman shall be appointed by the Board.
- c) A former partner of the Company’s existing auditing firm, who is a non-executive Director, shall be prohibited from acting as a member of the Committee for a period of one year from the date of his/her ceasing (a) to be a partner of the firm or (b) to have any financial interest in the firm, whichever is later.

B. Meetings

- a) The quorum of a meeting of the Committee shall be two members.
- b) The Company’s company secretary or financial controller or assistant company secretary or assistant financial controller shall be the secretary of the Committee who should attend all meetings of the Committee and shall be responsible to record the minutes of meeting of the Committee.
- c) The Committee may from time to time appoint any other person with appropriate qualifications to replace the company secretary or financial controller or assistant company secretary or assistant financial controller as the secretary.
- d) In the absence of the secretary at a meeting, the members present shall elect another person as the secretary.

- e) Meetings shall be held at least twice a year. The Company's external auditors may request a meeting if they consider that it is necessary.
- f) Members of the Committee may participate in a meeting of the Committee by means of telephone or other communication equipment and participation in a meeting pursuant to this provision shall constitute presence in person at such a meeting.
- g) Within a reasonable period of time after the meeting, both of the draft and final versions of minutes shall be circulated to all members of the Committee for their comment and records respectively. Full minutes of the meeting should be kept by the secretary of the Committee.
- h) A resolution in writing signed by all members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held and may consist of several documents in like form each signed by one or more of the members of the Committee. Such resolution may be signed and circulated by fax or other electronic communications. This provision is without prejudice to any requirement under the Listing Rules for a Board or Committee meeting to be held.

C. Authority

- a) The Committee is authorized by the Board to investigate any activity within this Terms of Reference and, in order to perform its duties, is also authorized to seek any information it requires from any employees. In this connection, all employees of the Company are directed to cooperate with any request made by the Committee.
- b) The Committee shall be provided with sufficient resources to discharge its duties. The Committee is authorized by the Board, and at the reasonable expense of the Company, to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

D. Roles

The Committee oversees the integrity of the Company's financial affairs (from the effectiveness of its internal control and risk management regime to the fair presentation of the Company's financial position in its corporate communications). It is also responsible for communicating independently with, monitoring and verifying the work of internal audit parties and external auditors, as well as the identification of connected parties of the Company, review and filing of connected transaction, etc.

The Committee shall provide to the Board all the information set out in paragraph L of Appendix 14 to the Listing Rules, to enable the Company to prepare the corporate governance report in its annual report in compliance with such Appendix 15.

The Chairman shall attend (or in his/her absence, appoint another member of the committee or failing this his/her duly appointed delegate, to attend) the annual general meeting of the Company and be prepared to respond to shareholders' questions on the activities of the Committee.

E. Powers and Duties

The Committee shall have the following powers and duties:

Relationship with the Company's external auditors

- a) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of that auditor, and any questions of its resignation or dismissal;
- b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- c) to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;
- d) to develop and implement policy on engaging an external auditor to supply non-audit services and to report to the Board, identifying and making recommendations on any matters where action to improvement is needed. 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;

Review of financial information of the Company

- e) to monitor the integrity of the Company's financial statements and annual reports and accounts and half-year report and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the 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;
 - (vi) compliance with the Listing Rules and legal requirements in relation to financial reporting; and
 - (vii) the fairness and reasonableness of any connected transaction and the impact of such transaction on the profitability of the Company;

- f) In regard to sub-paragraph (e) above,
 - (i) Members of the Committee should liaise with the Board, Senior Management*, and the Committee must meet with the Company's external auditors at least twice a year; and
 - (ii) the Committee should consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts, it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting functions, compliance officer or external auditors;

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

- g) to review the Company's financial controls, and unless expressly addressed by a separate board risk committee, or by the board itself, to review the Company's risk management and internal control systems;
- h) to discuss the risk management and internal control system with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;
- i) to consider major investigations 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;
- j) where an internal audit function exists, 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;
- k) to review the financial and accounting policies and practices of the Company and its subsidiaries;
- l) to review the external auditor's management letter, any material queries raised by the external auditor to management about the accounting records, financial accounts or systems of control and management's response;
- m) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- n) to review arrangements by which employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
- o) to act as the key representative body for overseeing the Company's relations with the external auditor;

- p) to report to the Board on the matters set out in paragraphs C.3.1 to C.3.7 of the Corporate Governance Code in Appendix 14 to the Listing Rules; and
- q) to consider other topics, as defined by the Board.

F. Publication of this Terms of Reference

The Terms of Reference explaining the role and authority delegated to the Committee by the Board are posted on the websites of The Stock Exchange of Hong Kong Limited and of the Company.

* *“Senior Management” refers to the same persons referred to in the Company’s annual report and required to be disclosed under paragraph 12 of Appendix 16 of the Listing Rules.*