

SHENWAN HONGYUAN GROUP CO., LTD. WORKING RULES OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

**(As considered and approved at the 23rd Meeting of the 5th Session of
Board of Directors on March 28, 2024)**

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to strengthen and standardize the consideration and decision-making procedures of the Audit Committee of Board of Directors (hereinafter referred to as the **“Audit Committee”**) of Shenwan Hongyuan Group Co., Ltd. (hereinafter referred to as the **“Company”**), improve the work efficiency and scientific decision-making level of the Audit Committee, and ensure the smooth progress of the work of the Audit Committee, pursuant to relevant national laws, administrative regulations and regulatory documents such as the Company Law of the People’s Republic of China (中華人民共和國公司法), the Code of Corporate Governance for Listed Companies (上市公司治理準則), the Administrative Measures for Independent Directors of Listed Companies (上市公司獨立董事管理辦法), regulatory provisions of the places where the Company’s shares are listed, and relevant provisions under the Articles of Association of Shenwan Hongyuan Group Co., Ltd. (hereinafter referred to as the **“Articles of Association”**) and the Rules of Procedures of the Board of Directors of Shenwan Hongyuan Group Co., Ltd. (hereinafter referred to as the **“Rules of Procedures of the Board of Directors”**), combined with the actual situation of the Company, the Board of Directors formulated the Working Rules of the Audit Committee of the Board of Directors of Shenwan Hongyuan Group Co., Ltd. (hereinafter referred to as the **“Rules”**).

Article 2 The Audit Committee is a specific institution under the Board of Directors established in accordance with the Articles of Association, which is accountable to and reports its work to the Board of Directors.

Article 3 The meetings of Audit Committee include regular meetings and ad hoc meetings. Regular meetings shall be convened quarterly at least. Pursuant to the provisions of the relevant national laws, administrative regulations, regulatory documents, regulatory provisions of the places where the Company's shares are listed, the Articles of Association, the Rules of Procedures of the Board of Directors and the Rules, ad hoc meetings of the Audit Committee may also be convened.

Article 4 The Board of Directors shall provide sufficient resources to the Audit Committee to enable the Audit Committee to perform its duties.

Article 5 The office of the Board of Directors is the working body of the Audit Committee, which is responsible for administrative matters in relation to the performance of daily duties of the Audit Committee including receiving relevant proposals, organizing relevant meetings, taking meeting minutes, keeping files and supervising the implementation of resolutions of meetings.

The audit department of the Company is accountable to and reports its work to the Audit Committee. The audit department of the Company assists in coordinating with the office of the Board of Directors, which is responsible for organizing the provision of proposals to be reviewed and research issues, as well as tracking and giving feedback on implementing resolutions of meetings of the Audit Committee, etc.

CHAPTER 2 COMPOSITION

Article 6 The Audit Committee shall consist of three (3) to five (5) directors, all of whom shall be non-executive directors. Independent nonexecutive directors shall take the majority, among whom at least one (1) independent non-executive director is an accounting professional (“**professional accountant**”).

A former partner of the Company’s existing external auditor shall be prohibited from serving as member of the Audit Committee for a period of two (2) years since the date on which he or she ceases to be a partner of the auditor or to have any financial interest in the existing external auditor, whichever is later.

Article 7 The Audit Committee shall have a chairman, and the chairman shall be a professional accountant of the independent non-executive directors. The chairman and other members of the Audit Committee shall be nominated, appointed and removed by the Chairman of the Company after consulting the majority of directors, and shall be approved by the Board of Directors.

Article 8 Members of the Audit Committee shall serve for the same term as the directors and may serve consecutive terms if re-elected upon expiration of the term of office. Any member of the Committee who ceases to be a director of the Company or any member of the Committee as an independent non-executive director who loses his or her independence as required under the laws, administrative regulations and regulatory documents, listing rules of the places where the Company’s shares are listed and the Articles of Association

shall automatically become disqualified and the Board of Directors shall appoint a replacement to fill in the vacancy caused by such disqualification pursuant to the Rules.

CHAPTER 3 TERMS OF REFERENCE

Article 9 Members of the Audit Committee shall liaise with the Board of Directors and senior management of the Company. The Audit Committee shall meet with the Company's external auditor at least twice a year.

Article 10 In accordance with the provisions of the relevant laws, administrative regulations, regulatory documents, regulatory provisions of the places where the Company's shares are listed and the Articles of Association, the Audit Committee, which is accountable to and reports to the Board of Directors, has the following responsibilities:

- (I) Proposing on the appointment or change of the external auditor, making recommendations on the remuneration and terms of engagement of the external auditor, dealing with any issues relating to the resignation or the removal of the external auditor and supervising the practice of the external auditor;
- (II) Monitoring and evaluating the internal audit work, reviewing the Company's annual audit work, making judgments on the authenticity, accuracy and completeness of the financial report information after the annual audit, and submitting it to the Board of Directors for deliberation;

- (III) Reviewing the completeness and effectiveness of the Company's accounting system, audit system, capital management system and financial control system, supervising the implementation of the Company's relevant systems; ensuring that the internal audit function is sufficiently resourced within the Company and has appropriate standing, and reviewing and monitoring its effectiveness;
- (IV) Monitoring and evaluating the internal control, issuing a written assessment on the effectiveness of the Company's internal control and reporting to the Board of Directors;
- (V) Monitoring and evaluating the external auditor's work, reviewing and monitoring the independence and objectivity of the external auditor and the effectiveness of the auditing procedures in accordance with applicable standards; before the commencement of any audit work, the Audit Committee shall discuss with the external auditor about the nature and scope of audit and the related reporting obligations;
- (VI) Formulating and implementing policy on the provision of non-audit services by the external auditor. The Audit Committee shall report such actions or improvements as it deems necessary to the Board of Directors and make recommendations;
- (VII) Coordinating the communication between management, internal audit department and related departments and external audit institutions;

(VIII) Reviewing the financial information and its disclosure of the Company; reviewing and issuing comments on the financial reports of the Company; monitoring the completeness of the Company's financial statements as well as annual reports and accounts, interim reports and quarterly reports, and reviewing significant financial reporting opinions contained therein. In reviewing these statements and reports before submission to the Board of Directors, the Audit Committee shall focus particularly on:

1. any changes thereof in accounting policies and practices;
2. major judgmental areas;
3. significant adjustments resulting from audit;
4. the enterprise's going concern assumptions and any qualifications;
5. compliance with accounting standards; and
6. compliance with the regulatory provisions of the places where the Company's shares are listed and legal requirements in relation to financial reporting.

The Audit Committee shall consider any significant or unusual items therein, or may need to be, reflected in such reports and accounts and shall give due consideration to any matters that have

been raised by the staff responsible for the accounting and financial reporting function, the compliance officer or the external auditor;

- (IX) Reviewing the Company's financial control and internal control systems;
- (X) Having the right to fully discuss the issues related to the Company's financial conditions and internal control content at the meetings of the Board of Directors, and having the right to request the Company's management to explain, respond to, and accept enquiries on relevant issues, and making recommendations to the Board of Directors on such basis to ensure that management has fulfilled its responsibility to establish and maintain an effective internal control system. The discussion shall include the Company's adequacy of resources, staff qualifications and experience, training programmes received by employees and relevant budget in accounting and financial reporting functions;
- (XI) Considering significant investigation findings and the respective management's responses on internal control matters as delegated by the Board of Directors or on its own initiatives;
- (XII) Reviewing the group's financial and accounting policies and practices;

- (XIII) Reviewing the external auditor's management letter, any material queries raised by the external auditor to management in respect of accounting records, financial accounts and control systems and management's responses;
- (XIV) Ensuring that the Board of Directors will provide a timely response to the issues raised in the external auditor's management letter;
- (XV) Advising the Board on the appointment or dismissal of chief financial officer of the Company;
- (XVI) Other duties as provided in the laws, administrative regulations, regulatory documents, regulatory provisions of the places where the Company's shares are listed and the Articles of Association and other matters authorized by the Board of Directors;
- (XVII) Reporting the above-mentioned matters to the Board of Directors;
- (XVIII) Studying other topics defined by the Board of Directors.

Article 11 The employees of the Company could raise concerns about any possible improper behaviors in respect of financial reporting, internal control or others in a furtive manner. The Audit Committee shall ensure that appropriate arrangements are in place in order for the Company to conduct fair and independent investigation and take appropriate actions for those matters.

Article 12 The Audit Committee shall act as the main representative between the Company and the external auditor, and be responsible for supervision of the relationship between both parties.

Article 13 When supervising and evaluating the work of the internal audit department, the Audit Committee shall perform the following main duties:

- (I) Guiding and supervising the establishment and implementation of the internal audit system;
- (II) Reviewing the annual internal audit work plan of the Company;
- (III) Supervising and urging the implementation of the internal audit plan of the Company;
- (IV) Guiding the effective operation of the internal audit department. The internal audit department of the Company must report its work to the Audit Committee, and the various audit reports, the rectification plan and rectification of audit problems submitted by the internal audit department to the management shall be submitted to the Audit Committee concurrently;
- (V) Reporting to the Board of Directors on the progress and quality of the internal audit work and the major problems found;
- (VI) Coordinating the relationship between the internal audit department and external audit units such as accounting firms and national audit institutions.

Article 14 The Chairman of the Audit Committee mainly exercises the following powers:

- (I) Convening regular meetings of the Audit Committee;
- (II) Convening ad hoc meetings of the Audit Committee under special circumstances;
- (III) Presiding over the meetings of the Audit Committee;
- (IV) Supervising and checking the implementation of the resolutions of the Audit Committee;
- (V) Other duties authorized by the Board of Directors and the Audit Committee.

Article 15 The staff of the working body under the Audit Committee are allowed to attend meetings in relation to the Company's audit work as nonvoting attendees, access relevant materials, and issue independent supervision reports on such basis and report them to the Audit Committee, the Chairman of the Company and China Securities Regulatory Commission according to the situation.

Article 16 The relevant senior management and departments of the Company shall assist the Audit Committee and provide relevant information as needed, including but not limited to:

- (I) Relevant financial reports of the Company;

- (II) Audit reports of the internal and external auditors, respectively;
- (III) External audit contracts and related work reports;
- (IV) Disclosure of information by the Company;
- (V) Audit or evaluation reports on significant connected transactions of the Company;
- (VI) Information related to investment decisions;
- (VII) Other relevant matters.

Article 17 Within the authority conferred by the Articles of Association, the Audit Committee may carry out relevant investigation activities, and all employees of the Company shall cooperate with the Audit Committee.

Article 18 The Audit Committee's audit opinion and report shall be submitted to the Company's Board of Directors for deliberation and decision. The Audit Committee shall cooperate with the supervision and audit activities of the Company's Board of Supervisors.

CHAPTER 4 RULES OF PROCEDURES

Article 19 Meetings of the Audit Committee are convened by the Chairman. In the event that the Chairman is unable to or does not perform such duty, he or she shall authorize another member or more than half of the members shall jointly recommend one (1) member to perform his or her duty.

Article 20 In principle, the Audit Committee shall notify each of the Audit Committee members in writing three (3) days prior to the meeting (excluding the meeting day); under special circumstances, if more than two-thirds (2/3) of the Audit Committee members have no objection, the Audit Committee may notify each of members in less than three (3) days or in other ways.

Article 21 A notice of meeting of the Audit Committee includes the following:

- (I) Time and location of the meeting;
- (II) Duration of the meeting;
- (III) Cause and issue;
- (IV) Date of issue of the notice.

The issue and notice of the meeting are prepared by the Chairman of the Audit Committee, and delivered to all Audit Committee members through the staff of the Board of Directors of the Company.

Article 22 Meetings of the Audit Committee may be convened by way of on-site meetings and communications (including but not limited to phone, video and fax).

Article 23 Meetings of the Audit Committee shall only be held when more than two-thirds (2/3) of the members are present. Members shall attend the meetings of the Audit Committee in person and shall not be represented.

Article 24 Meetings of the Audit Committee are presided by the Chairman. In the event that the Chairman is unable to or does not perform such duty, he or she shall authorize another member or more than half of the members shall jointly recommend one (1) member to perform his or her duty.

Article 25 Each of the members of the Audit Committee shall have one (1) vote. Resolutions of the Audit Committee shall be valid only if it has been approved by more than two-thirds (2/3) of all Audit Committee members.

Article 26 The Audit Committee may discuss certain audit matters, reports or documents of the Company, and matters considered by the Audit Committee shall be formed as a resolution of meeting which, together with relevant proposals, shall be submitted to the Board of Directors of the Company.

Article 27 The voting at meetings of the Audit Committee shall be undertaken by way of poll, with signatures on resolutions. The voting at ad hoc meetings may also be undertaken by communication.

Article 28 In principle, the Audit Committee does not consider the issues or matters not listed in the notice of meeting. Under special circumstances when new issues or matters need to be added, more than two-thirds (2/3) of the members shall agree to review and decide on the issues or matters that are temporarily added.

Article 29 Minutes of meetings of the Audit Committee shall include the following:

- (I) Date, location and name of convener of the meeting;

- (II) Supposed number and actual number of the members attending the meeting;
- (III) Description on the legal validity of relevant procedures and resolutions of the meeting;
- (IV) Description on the content of the resolutions considered and voted at the meeting and voting results (including any concerns raised or objections expressed by members);
- (V) Other matters that shall be explained and recorded in the resolutions and minutes.

Article 30 Meetings convened by the Audit Committee shall appraise the related reports, and submit the relevant written resolutions to the Board of Directors for discussion.

- (I) Evaluation of the performance of the external auditor and the appointment and replacement of the external auditor;
- (II) Whether the Company's internal audit system has been effectively implemented, and whether the Company's financial reports are true;
- (III) Whether the information such as financial reports disclosed by the Company is objective and accurate, and whether the Company's significant connected transactions are in compliance with relevant laws and regulations;

- (VI) Evaluation of the performance of the finance and audit departments (including their respective heads) of the Company;
- (V) Other relevant matters.

Article 31 The first and final draft of written documents of resolutions and minutes of meetings of the Audit Committee shall be delivered to all members of the Committee within a reasonable period of time after the meetings. The first draft shall be for the members to express their opinions and the final draft for their records. Written documents of resolutions and minutes of meetings of the Audit Committee shall be kept as company files by the secretary of the Board of Directors. During the existence of the Company, the files shall be kept for at least fifteen (15) years.

Article 32 After resolutions of the Audit Committee meeting are formed, if they need to be submitted to the Board of Directors for consideration, they shall be submitted to the Board of Directors in time to enable the Board of Directors to consider and approve.

Article 33 Members of the Audit Committee attending the meeting and persons attending the meeting as non-voting attendees are subject to confidentiality obligations on all discussed matters of the meeting and shall not disclose relevant information.

Article 34 The general manager and the secretary of the Board of Directors of the Company shall attend meetings of the Audit Committee as non-voting attendees.

Pursuant to meeting agenda and needs, the Audit Committee may convene other persons in relation to the issues of meeting to attend the meeting to introduce relevant situation or listen to relevant opinions, who shall not be absent for no reason. Such persons attending the meeting as non-voting attendees shall not be involved in the consideration proceedings and shall not affect the progress of meeting, as well as the voting and resolutions of meeting.

Article 35 The Audit Committee shall meet with the external auditor at least once a year in the absence of management to discuss matters related to audit fees, any issues arising from the audit work and other matters raised by the external auditor.

Article 36 The Audit Committee may, if necessary, engage intermediary institutions to provide professional advice for its decision, the cost shall be paid by the Company.

CHAPTER 5 MISCELLANEOUS

Article 37 The Company shall disclose the annual performance of the Audit Committee of the Board of Directors in the annual report, mainly including the performance of its duties and the convening of the meeting of the Audit Committee.

The Audit Committee submits audit opinions to the Board of Directors of the Company on matters within its scope of duties. If the Board of Directors does not adopt them, the Company shall disclose the matters and fully explain the reasons.

Article 38 Save for otherwise specified, the terms used in the Rules shall be the same as defined in the Articles of Association.

Article 39 Any matters not covered in the Rules, or shall there be any contradiction between the relevant provisions of the Rules and the laws, administrative regulations, regulatory documents, listing rules of the places where the Company's shares are listed and the Articles of Association promulgated or amended after its effectiveness, the matters shall be implemented in accordance with the relevant provisions of national laws, administrative regulations and regulatory documents, listing rules of the places where the Company's shares are listed and the Articles of Association.

Article 40 When the Rules need to be revised in accordance with the changes in actual situation, the revision draft shall be submitted by the Audit Committee, and to the Board of Directors for consideration and approval.

Article 41 The Rules shall take effect from the date considered and approved by the Board of Directors of the Company. From the effective date of the Rules, the Company's original Working Rules of the Audit Committee of the Board of Directors shall automatically expire.

Article 42 The Board of Directors of the Company shall be responsible for the interpretation of the Rules.