SICC CO., LTD.

Terms of Reference of the Audit Committee

Chapter I General Provisions

Article 1 In order to enhance the functions of the Board of Directors of SICC Co., Ltd. (the "**Company**"), improve the efficiency of the Board of Directors, establish a sound audit evaluation and supervision mechanism for the Board of Directors, ensure the effective supervision of the Company by the Board of Directors, and improve the Company's governance structure, the Board of Directors of the Company establishes the Audit Committee with these terms of reference in accordance with the Company Law of the PRC (《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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**"), the articles of association of SICC Co., Ltd. (the "**Articles of Association**") and other relevant requirements.

Article 2 The Audit Committee is a specialized working body established under the Board of Directors, primarily responsible for the communication and evaluation of internal and external audits, the review of financial information and its disclosure, and the supervision and inspection of significant decision-making matters. It is accountable to the Board of Directors.

Chapter II Composition

Article 3 The Audit Committee shall be composed of no fewer than three Directors, all of whom must be Directors who do not hold the position of senior management in the Company and must all be non-executive Directors. The majority of the members must be independent non-executive Directors, and at least one independent non-executive Director must have the appropriate professional qualifications required by the securities regulatory rules of the place where the Company's shares are listed, or have appropriate expertise in accounting or related financial management.

Article 4 Members of the Audit Committee shall be nominated by the Chairman of the Board, more than one-half of the independent non-executive Directors, or more than one-third of all Directors, and shall be elected or removed by a majority of all Directors. The tenure of the Audit Committee members shall comply with the requirements of the securities regulatory rules of the place where the Company's shares are listed.

The former partners of the Company's current external auditors shall not serve as members of the Company's Audit Committee within two years from the following date (whichever is later):

(I) the date on which such former partner ceased to be a partner of that accounting firm; or

(II) the date on which such former partner no longer has a financial interest in that accounting firm.

Article 5 All members of the Audit Committee shall possess the professional knowledge and experience required to perform the duties of the Audit Committee, and shall genuinely and effectively oversee and assess the internal and external audit work of the Company, promote the establishment of effective internal controls within the Company and provide true, accurate, and complete financial reports. Members of the Audit Committee shall be Directors who do not hold senior management positions within the Company.

Article 6 The Audit Committee shall have one chairperson (convener), who shall be an independent non-executive Director with accounting expertise and shall be responsible for presiding over the work of the committee. The convener of the Audit Committee, being an accounting professional, should possess rich knowledge and experience in accounting and shall meet at least one of the following conditions:

(I) being qualified to practice as certified public accountant;

(II) having senior professional title, associate professor title, or doctor's degree of accounting, auditing or financial management;

(III) having senior professional title of economic management and more than 5 years of full time working experience in accounting, auditing, financial management and other professional positions.

The chairperson shall be elected from among the members of the committee and shall be approved by the Board of Directors.

Article 7 The term of office of the members of the Audit Committee shall be the same as that of the Directors of the Board of Directors. Members may be re-elected for consecutive terms upon expiration of their term. If a member ceases to hold the position of Director of the Company during the term, he or she shall automatically lose the qualification as a member, and the Board of Directors shall fill the vacancies in accordance with the provisions of Article 3 to Article 6 above.

Article 8 The Audit Committee shall establish an audit working group as a day-to-day office, with the Company's internal audit department as the lead department, responsible for daily communication and meeting organization, among other tasks. Members of the working group need not be members of the Audit Committee.

Article 9 The Board of Directors of the Company shall conduct regular assessments of the independence and performance of the members of the Audit Committee, and may replace any member who is not suitable to continue serving if necessary.

Chapter III Duties and Authority

Article 10 The responsibilities of the Audit Committee include the following aspects:

(I) The relationship with the Company's external auditors, including:

1. Supervising and evaluating the external audit work, making recommendations to the Board of Directors regarding the appointment, reappointment, replacement, and removal of the external auditors, approving the remuneration and terms of engagement of the external auditors, and addressing any issues related to the resignation or dismissal of the external auditors;

2. Reviewing and monitoring the independence and objectivity of the external auditors and the effectiveness of the audit procedures in accordance with applicable standards; the Audit Committee should discuss the nature and scope of the audit and relevant reporting responsibilities with the auditing firm prior to the commencement of the audit work;

3. Formulating and implementing policies regarding the provision of non-audit services by the external auditors. For this purpose, "external auditors" includes any entity that is under the same control, ownership, or management as the firm responsible for the audit, or any entity which a third party reasonably aware of all relevant information would reasonably conclude is part of the audited company's domestic or international business. The Audit Committee should report to the Board of Directors and make recommendations on any matters that require action or improvement;

4. Acting as the primary representative between the Company and the external auditors, responsible for overseeing the relationship between the two parties;

(II) Providing guidance and oversight of the Company's internal audit system and its implementation;

(III) Being responsible for communication between internal audit and external audit;

(IV) Reviewing the Company's financial information and its disclosure, including: overseeing the integrity of the Company's financial statements and the annual report and accounts, semi-annual report, and (if applicable) quarterly reports, and reviewing significant opinions on financial reporting contained in the statements and reports. Before submitting the relevant statements and reports to the Board of Directors, the Audit Committee should particularly review the following matters:

1. Any changes in accounting policies and practices;

2. Areas involving significant judgments;

3. Significant adjustments arising from the audit;

4. The going concern assumption of the company and any reservations;

5. Compliance with accounting standards; and

6. Compliance with the Hong Kong Listing Rules and other legal requirements in relation to financial reporting;

(V) With respect to item (IV) above:

1. Members of the Audit Committee should communicate with the Board of Directors and senior management members. The Audit Committee shall convene meetings with the Company's audit institution at least twice a year; and

2. The Audit Committee should consider any significant or unusual matters reflected or to be reflected in these reports and accounts and should properly consider any matters raised by the Company's accounting and financial reporting staff, the compliance officer, or the audit institution;

(VI) Supervising the Company's financial reporting system, risk management, and internal control system, and assessing the effectiveness of internal controls, including:

1. Reviewing the Company's financial controls, and (unless there is a separate Board-level risk committee or the Board of Directors itself explicitly handles it) reviewing the Company's risk management and internal control systems;

2. Discussing risk management and internal control systems with management to ensure that management has fulfilled its responsibilities to establish effective systems. The discussion should include whether the Company's resources, staff qualifications, and experience in accounting and financial reporting functions are sufficient, and whether the training programs and budgets provided to employees are adequate;

3. Proactively or as delegated by the Board of Directors, conduct a study on the key findings related to risk management and internal control matters, as well as management's responses to the investigation results;

4. Responsible for communication between internal and external auditors; ensuring coordination of work between internal and external auditors; safeguarding that the internal audit function operates with adequate resources and appropriate standing within the Company; overseeing and guiding the Company's internal audit system and its implementation; as well as reviewing and monitoring its effectiveness;

5. Reviewing the Group's financial and accounting policies and practices;

6. Examining the Explanatory Letter of Audit Matters to the management issued by the external auditors, any significant queries raised by the auditing institution regarding accounting records, financial accounts, or control systems to the management, and the responses made by management;

7. To ensure the Board of Directors provides prompt responses to the matters raised in the Explanatory Letter of Audit Matters submitted by the external auditing institution to the management;

8. Reviewing the Company's established arrangements whereby employees of the Company may anonymously raise concerns regarding potential misconduct in financial reporting, risk management, internal controls or other areas. The Audit Committee shall ensure appropriate mechanisms are in place to guarantee fair and independent investigation of such matters by the Company, along with the taking of appropriate remedial actions;

9. Reporting to the Board of Directors on matters related to the Code Provisions of the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules; and

10. Investigating other subjects as defined by the Board of Directors;

(VII) To implement the corporate governance procedures of the Company

1. To formulate and review the Company's corporate governance policies and practices, and to make recommendations to the Board of Directors;

2. Reviewing and overseeing the training and continuing professional development of the Company's directors and senior management;

3. Reviewing and overseeing the Company's policies and practices regarding compliance with legal and regulatory requirements;

4. Formulating, reviewing, and overseeing the Company's code of conduct and compliance manual (if any) for employees and Directors; and

5. Reviewing the Company's compliance with the Code Provisions of the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules, and the disclosures in the Corporate Governance Report.

(VIII) Other matters stipulated by laws, regulations, rules, normative documents, the Articles of Association, and these terms of reference, required by the securities regulatory rules of the place where the Company's shares are listed, or authorized by the Board of Directors.

Article 11 The Audit Committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work, and internal controls. The following matters shall be submitted to the Board of Directors for deliberation after obtaining the consent of more than half of all members of the Audit Committee:

(I) Disclosure of financial information in financial accounting reports and periodic reports, as well as internal control reports;

(II) Engagement and dismissal of the accounting firm responsible for the Company's audit services;

(III) Appointment or dismissal of the Company's chief financial officer;

(IV) Changes in accounting policies, accounting estimates, or significant accounting error corrections for reasons other than changes in accounting standards;

(V) Other matters stipulated by laws and regulations, the relevant provisions of the Shanghai Stock Exchange, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Article 12 The duties and responsibilities of the Audit Committee to supervise and evaluate the external auditors shall include, inter alia, the following:

(I) to assess the independence and professionalism of the external auditors, particularly the influence of non-audit services provided by the external auditors on their independence;

(II) to provide recommendations to the Board of Directors on the appointment or replacement of an external auditor;

(III) to review the audit fees and terms of engagement of the external auditors;

(IV) to discuss and communicate with external auditors the audit scope, audit plan, audit methods and major matters found in the audit;

(V) to supervise and evaluate whether the external auditors have fulfilled their duties diligently.

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

The Audit Committee shall make recommendations to the Board of Directors on the appointment and replacement of the external auditors and review the auditing fees and engagement terms of the external auditors without undue influence from the substantial shareholders, de facto controller or Directors, Supervisors and senior management.

The Audit Committee shall supervise and ensure the external auditors are honest, trustworthy and diligent, strictly complies with business rules and industry self-discipline, strictly implements the internal control system, verifies the financial accounting reports of the Company, performs obligations which need special attention, and prudently gives professional opinion.

Article 13 The duties and responsibilities of the Audit Committee to provide guidance on internal audit shall include, inter alia, the following:

(I) to review the annual internal audit plan of the Company;

(II) to supervise the implementation of internal audit plan of the Company;

(III) to review the internal audit work report, evaluate the results of the internal audit, and supervise the rectification of major problems;

(IV) to guide the internal audit department on effective operation.

The internal audit department of the Company shall report works to the Audit Committee. Various audit reports, rectification plans and rectification situations of audit issues sent by the internal audit department to the management shall be submitted to the Audit Committee at the same time.

Article 14 The duties and responsibilities of the Audit Committee to review the financial reports of the Company and make comments thereon shall include, inter alia, the following:

(I) to review the financial reports of the Company and make comments as to the truthfulness, completeness and accuracy of such reports;

(II) to focus on material accounting and auditing issues contained in the financial reports of the Company, including adjustments to material accounting errors, changes in significant accounting policies and estimates, matters involving major accounting judgments, and matters resulting in a failure to receive standard unqualified opinion audit reports, etc.;

(III) to specifically identify the possibility of fraud, corruption and material misstatement in relation to the financial reports;

(IV) to supervise the rectification of the issues in financial reports.

Article 15 The duties and responsibilities of the Audit Committee to assess the effectiveness of internal control shall include, inter alia, the following:

(I) to evaluate the adequacy of the design of the Company's internal control system;

(II) to review the self-evaluation reports of internal control;

(III) to review the internal control audit reports issued by the external auditors, as well as the matters and improvement measures formulated after communication with the external auditors;

(IV) to evaluate the results of internal control evaluations and audits and supervise the rectification of deficiencies in internal control.

Article 16 The Audit Committee's responsibilities for coordinating and communicating with the management, the internal audit department and relevant departments and external auditors include:

(I) to coordinate the management's communication with external auditors on major audit issues;

(II) to coordinate the communication between the internal audit department and the external auditors and the cooperation with the external auditing.

Article 17 The Audit Committee shall report to the Board of Directors and make recommendations on the measures or improvements it deems necessary.

Article 18 All relevant departments of the Company shall cooperate with the Audit Committee and provide sufficient resources; the Audit Committee may employ intermediaries to provide professional advices when necessary at the expense of the Company.

Chapter IV Decision-making Procedures

Article 19 The audit working group shall be responsible for the preliminary preparations for decision-making of the Audit Committee, and provide written information on relevant aspects of the Company:

(I) Relevant financial reports of the Company;

(II) Work reports of internal and external auditors;

(III) External audit contracts and relevant work reports;

(IV) Disclosure of information by the Company;

(V) Audit report of major related transactions of the Company;

(VI) Other relevant matters.

Article 20 Meetings of the Audit Committee shall evaluate the reports provided by the audit working group, and submit the relevant written resolutions to the Board of Directors for discussion:

(I) Evaluation of the work of external auditors, and appointment and replacement of external auditors;

(II) Whether the internal audit system of the Company has been effectively implemented, and whether the financial reports of the Company are fair;

(III) Whether the financial reports and other information disclosed by the Company are true, accurate and complete, and whether the major related transactions of the Company are in compliance with relevant laws and regulations;

(IV) Evaluation of the work of the finance department and audit department of the Company, including their responsible personnel;

(V) Other relevant matters.

Chapter V Rules of Procedure

Article 21 The Audit Committee shall hold meetings from time to time according to the needs of the Company and notify all Committees five days prior to the meeting. The meeting shall be presided over by the chairman. In the event that the chairman is unable to attend, he/she may entrust another member (who shall be an independent non-executive Director) to preside over the meeting.

Article 22 The Audit Committee shall convene at least one meeting per quarter.

The Audit Committee may convene ad hoc meetings as necessary. An ad hoc meeting may be convened upon the proposal of two or more members of the Audit Committee or at the discretion of the chairman if deemed necessary.

Article 23 Meetings of the Audit Committee shall be held only if at least two-thirds of the members are present; each member shall be entitled to one vote; a resolution shall be deemed to be passed only if it is approved by a majority of all members of the Committee. The issues shall be reviewed directly by the Board of Directors when the Audit Committee is unable to give effective audit opinions due to the abstaining of such member(s).

Article 24 The members of the Audit Committee shall attend meetings in person and give definite opinions on the issues discussed. When a member of the Audit Committee is unable to attend the meeting, he/she may submit an authorization letter signed by him/her to authorize another member to attend the meeting and give opinions on his/her behalf. The authorization letter shall specify the scope and period of authorization. Each member may act as proxy for one member only. An independent non-executive Director shall authorize another independent non-executive Directors within the Audit Committee to attend the meeting on his/her behalf when he/she fails to attend such meeting in person.

Article 25 The Audit Committee shall vote by a show of hands or by a poll. Meetings may also be convened by voting through communication if necessary.

Article 26 If necessary, the Audit Committee may invite representative of external auditors, supervisors, internal audit personnel, financial personnel, legal advisor and other relevant personnel to attend the meeting of the Audit Committee and provide necessary information.

Article 27 The procedures for convening a meeting, the method of voting and the resolutions passed at a meeting of the Audit Committee shall comply with relevant laws, regulations, the Articles of Association, Hong Kong Listing Rules and these Terms of Reference.

Article 28 Meetings of the Audit Committee shall be coordinated by the Secretary to the Board of Directors. Minutes of the meetings shall be kept and signed by the members present, and shall be kept for not less than ten years. Draft and final versions of minutes should be sent to all committee members within a reasonable time after the meeting for their comments and record purposes respectively. Minutes of meetings shall record details of the matters considered and decisions reached, including any concerns raised or dissenting views expressed by Directors. Such minutes of meetings of the Committee shall be kept by a duly appointed secretary of the meeting and open for inspection at any reasonable time on reasonable notice by any Director.

Article 29 Resolutions passed and voting results at meetings of the Audit Committee shall be reported to the Board of Directors of the Company in writing.

Article 30 Members and representatives attending and observing the meeting shall have an obligation to keep all matters discussed in such meetings confidential and shall not disclose relevant information without authorization.

Article 31 The members of the Audit Committee who have conflict of interests in the issues to be discussed at the meetings shall abstain from such discussion.

Chapter VI Information Disclosure

Article 32 The Company shall also disclose a summary of the work of the Audit Committee during the year on the SSE website when publishing its annual report, primarily including the performance of responsibilities of the Audit Committee and the convening of meetings by the Audit Committee.

Article 33 In case of discovery of material matters contravening the information disclosure standards under the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange during the discharge of duties by the Audit Committee, the Company shall promptly disclose such matters and the rectifications thereof.

Article 34 If the Audit Committee puts forward its audit opinions to the Board of Directors of the Company within the scope of its duties and those opinions are not taken by the Board of Directors, the Company shall disclose this matter and provide reasons for taking a different view.

Article 35 The Company shall disclose the opinions issued by the Audit Committee on the material issues of the Company in accordance with relevant laws, administrative regulations, departmental rules, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange and other relevant regulatory documents.

Chapter VII Corporate Governance Report

Article 36 The Audit Committee shall provide a brief description of its work for each financial year in the corporate governance report, which forms part of the annual report.

Chapter VIII Annual General Meeting

Article 37 The chairman of the Audit Committee or in his/her absence, another member of the Committee or failing this, his/her duly appointed delegate, shall attend the annual general meeting and be prepared to answer questions at such meeting on the Committee's work and its responsibilities.

Chapter IX Supplementary Provisions

Article 38 Unless otherwise expressly specified in relevant national laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, the "independent non-executive Director(s)" referred to herein shall have the same meaning as that of "independent Director(s)".

Article 39 Matters not covered herein shall be dealt with in accordance with the relevant provisions of the relevant national laws, administrative regulations, regulatory documents, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association. In the event that these Terms of Reference contradict to the laws, administrative regulations, regulatory documents promulgated by the State in the future, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, these Terms of Reference shall be revised promptly.

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

Article 41 Upon being considered and approved by the Board of Directors, these Terms of Reference shall become effective from the date on which the overseas listed ordinary shares (H shares) issued by the Company are listed on The Stock Exchange of Hong Kong Limited. After these Terms of Reference come into effect, the original Terms of Reference for the Audit Committee of the Company shall become invalid automatically.