

# Nanjing Sample Technology Co., Ltd.

## Rules of Procedures of Audit Committee of the Board

### Chapter 1 General Provisions

**Article 1** In order to strengthen the organization, duties and responsibilities and working procedures of the audit committee (hereinafter referred to as the “**Audit Committee**” or the “**Committee**”)) of the board (hereinafter referred to as the “**Board**”) of directors (hereinafter referred to as the “**Director(s)**”) of Nanjing Sample Technology Co., Ltd. (the “**Company**”), ensure the effective supervision and management of the operating management team by the Board, and improve the corporate governance structure, these rules of procedures (hereinafter referred to as these “**Rules of Procedures**”) of the Audit Committee are formulated in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the articles of association of Nanjing Sample Technology Co., Ltd. (the “**Articles of Association**”) and other relevant regulations.

**Article 2** The Audit Committee is a professional committee established under the Board. It is mainly responsible for reviewing the Company’s financial information and its disclosure, supervising and evaluating internal and external audit work and internal control, exercising the powers of the supervisory committee as stipulated in the Company Law. It is accountable to the Board, and accepting supervision by the Company’s shareholders in accordance with the law.

### Chapter 2 Composition

**Article 3** The Audit Committee shall consist of three or more Directors, all of whom shall be non-executive Directors, and at least one of the independent (non-executive) Directors shall be a person with appropriate professional qualifications or accounting or related financial management expertise as required by the Listing Rules.

A former partner of the audit institution currently auditing the Company’s accounts must not serve as a member of the Audit Committee within 2 years from the later of: (a) the date on which the person ceases to be a partner of the firm; or (b) the date on which the person ceases to have a financial interest in the firm.

**Article 4** Members of the Audit Committee shall be nominated by the Company's chairman, half or more of the independent (non-executive) Directors or one-third or more of the members of the Board and elected by the Board with a majority of all Directors. Once the proposal for election is approved, the newly elected members shall assume office immediately after the meeting of the Board.

**Article 5** The Audit Committee shall have a chairman (convener), who must be an independent (non-executive) Director and an accounting professional, responsible for convening meetings of the Committee and presiding over the work of the Audit Committee, the chairman of the Committee shall be elected from among the Committee members and approved by the Board.

When the chairman of the Committee is unable or unwilling to perform his/her duties, half or more of the members shall jointly nominate an independent (non-executive) Director to perform his/her duties.

**Article 6** The term of office of the Audit Committee shall be the same as that of the current Board. Members may be re-elected upon expiration of their term. If a member no longer serves as a director of the Company during his/her term of office, he/she will automatically lose his/her membership of the Committee.

Members of the Audit Committee may submit a written resignation report to the Board before the expiration of their term of office to resign from their positions as members. The resignation report shall provide necessary explanations on the reasons for resignation and matters that require the attention of the Board.

When a member of the Audit Committee loses his/her qualifications or is approved for resignation, the Board shall make up the number of members in accordance with applicable laws, administrative regulations, departmental regulations, normative documents, the Listing Rules and the provisions of Articles 3 to 5 above. The term of office of the supplementary member shall end when the member's term of office as a Director ends.

Before the expiry of their term, members shall not be dismissed without causes unless circumstances stipulated in the Company Law, the Articles of Association, or the Listing Rules arise.

**Article 7** The members of the Committee may be adjusted during their term of office upon proposed by the chairman of the Company and discussed and approved by the Board.

**Article 8** The office of the Board is responsible for providing support, including the Audit Committee's daily liaison, meeting organization, document preparation and file management, etc., and assisting the Audit Committee in fulfilling its duties. The Audit Committee shall be provided with sufficient resources to perform its duties.

### **Chapter 3 Duties and Powers**

**Article 9** The specific duties and responsibilities of the Audit Committee are:

- (1) conduct an annual review of the performance of the external auditor, submit a summary report of the external auditor's work on the Company's audit for the current year to the Board, and make recommendations to the Board on the hiring, renewal and dismissal of the external auditor and its audit service fees, terms of engagement, etc. for the next year, as well as handle any matters related to the resignation or dismissal of the external auditor. If the Board disagrees with the opinion of the Audit Committee on the selection, hiring, resignation or dismissal of the external auditor, the Company should include in its corporate governance report a statement of the Audit Committee's recommendations and the reasons for the Board's dissenting opinion;
- (2) as the representative between the Company and the external auditor, it is responsible for the communication between the Company's internal audit department (internal control and internal audit department) and the external auditor, including reviewing and monitoring whether the external auditor is independent and objective and whether the audit procedures are effective according to applicable standards; before the start of the audit procedure, it discusses with the external auditor the nature, scope, methods and reporting responsibilities of the audit for the current year, negotiates with the external auditor to determine the time arrangement for the audit of the financial report for the current year, and urges the external auditor to submit the audit report within the agreed time limit, etc. If more than one external auditor is involved in the work, it shall ensure that they coordinate with each other;

(3) according to work requirements, policies shall be formulated and implemented regarding the provision of non-audit services by external auditor (including their affiliates). If the Audit Committee considers that there are any matters requiring action or improvement, it shall report to the Board and make recommendations; The affiliates of the external auditor mentioned here include any institutions that are under common control, management, or common ownership with the external auditor engaged by the Company, or any third party reasonably knowledgeable of all relevant information who, under reasonable circumstances, would determine that the institution belongs to any part of the domestic or international business of the external auditor engaged by the Company. The Audit Committee shall ensure that the provision of non-audit services by the external auditor does not impair its independence or objectivity. Regarding non-audit services, the Audit Committee shall consider the following matters:

1. whether the external auditor is suitable to provide non-audit services in terms of capability and experience;
2. whether there are safeguards in place to ensure that the objectivity and independence of the external auditor's audit work will not be affected by the provision of such services;
3. the nature of the non-audit services, the related fee levels, and, with respect to the external auditor, the level of individual service fee and total service fees; and
4. the criteria for determining the remuneration of audit personnel.

- (4) inspect the Company's accounting policies, financial condition, financial reporting procedures, and financial controls; review the Company's financial statements and the Company's quarterly reports (if any), half-year reports, annual reports, and the completeness, accuracy, and fairness of the accounts, and review the significant opinions related to financial reporting contained in the aforementioned statements and reports, and review the disclosure of the Company's financial information. Before submitting the relevant statements and reports to the Board, special attention should be given to the following matters: whether there have been changes in accounting policies, practices, and estimates during the reporting period; matters involving significant judgments; significant adjustments required after the auditing of the accounts by external auditor; assumption of going concern or any qualification of opinion; whether the accounts complies with accounting standards and whether it adheres to the relevant financial reporting provisions under the Company Law, the Listing Rules, and other applicable laws, administrative regulations, departmental rules, and normative documents.

Regarding the above key review items, members of the Audit Committee need to communicate promptly with the Board, senior management, and internal and external auditors. The members of the Audit Committee must hold at least two meetings per year with the external auditor without the presence of executive Directors (except those invited by the Audit Committee). The members of the Audit Committee should study significant or unusual matters reflected or should be reflected in the Company's reports and accounts and should appropriately consider issues raised by the Company's accounting and finance departments, regulatory authorities, or auditors.

- (5) discuss the issues and doubts raised by the external auditors after reviewing the Company's half-year accounts and auditing the Company's annual accounts, as well as other matters that the external auditors wish to discuss (if necessary, such discussions may be held in the absence of management);
- (6) examine the Company's financial policies, internal audit system, internal control system, and risk management system, and provide suggestions and recommendations for improvement. and:
  1. examine the Company's financial and accounting policies, practices, and any relevant changes;

2. monitor the process of preparing regular financial reports (quarterly reports (if any), half-year financial reports, annual financial reports), and review the regular financial reports and financial performance announcements and other related information;
3. discuss and evaluate the effectiveness of financial control, internal control and risk management systems with management to ensure that management has fulfilled its responsibilities to establish effective financial control, internal control and risk management systems; the discussion should cover that whether the resources and employee qualifications and experience in respect of the Company's accounting and financial reporting functions are sufficient, as well as whether the training courses received by relevant employees and the budget for the Company's accounting and financial reporting functions are sufficient. If the annual report contains a statement about the Company's internal control system, the Audit Committee should review it before submitting it to the Board for approval;
4. take the initiative or upon the delegation of the Board to study important investigation results on internal control matters and relevant measures taken by management in response to such investigation results;
5. ensure that the work of the Company's internal control and internal audit department and external auditor is coordinated; also ensure that the Company's internal control and internal audit department has sufficient resources to operate within the Company, has appropriate authority and status, and review and monitor the effectiveness of the Company's internal control and internal audit department;
6. review the operating, financial and accounting policies and practices of the Company and its subsidiaries (if applicable in the future);
7. review the inspection statement or management recommendation letter issued by the external auditor, the significant questions raised by the external auditor regarding the accounting records, financial accounts or control systems and the management's response;

8. formulate policies with the Board regarding the Company's policies of employing staff or former staff of external auditor, and monitor the application of such policies. The Audit Committee should consider whether the relevant circumstances have impaired or appeared to impair the judgment or independence of the external auditor in its audit work;
9. serve as the main representative between the Company and the external auditor and be responsible for monitoring the relationship between them;
10. ensure that the Board responds promptly to the inspection statement or management recommendation letter given to the management by the external auditor;
11. formulate and review the Company's corporate governance policies and practices and make recommendations to the Board;
12. review and monitor the training and continuous professional development of Directors and senior management;
13. review and monitor the Company's policies and practices on the compliance with legal and regulatory requirements;
14. supervise the work of the Company's internal audit department, make comments and suggestions on the assessment and change of the head of the Company's internal audit department;
15. monitor potential improper conduct by the Company's employees in relation to financial reporting, internal controls, or other aspects;
16. examine the Company's compliance with the "Corporate Governance Code" set out in Appendix C1 to the Listing Rules and the disclosure in the Company's "Corporate Governance Report";
17. report to the Board on any related matters involved in the above, and study other matters assigned by the Board; and
18. report to the Board on matters set out in code provision C3.3 of the "Corporate Governance Code" in Appendix C1 to the Listing Rules.

- (7) the Audit Committee shall establish relevant procedures to ensure fair and independent investigation and resolution of the following matters:
1. receive and handle complaints regarding the Company's accounting, internal control or auditing matters, and ensure their confidentiality;
  2. receive and handle employees' complaints or anonymous reports regarding possible improper behavior in the Company's accounting, auditing matters, internal control or other aspects, and ensure their confidentiality. Examine the procedures for employees of the Company to confidentially raise concerns about possible improper behavior in financial reporting, internal control or other aspects, and ensure that there are appropriate arrangements for the Company to conduct fair and independent investigations on such matters and take appropriate follow-up actions;
- (8) recommend and ensure that the Board takes effective remedial measures in relation to the Company's failure to comply with the Listing Rules regarding the establishment of an audit committee;
- (9) complete other tasks assigned by the Board;
- (10) perform other duties empowered by applicable laws, administrative regulations, departmental regulations, normative documents, regulatory institutions such as the Hong Kong Stock Exchange Limited and the Hong Kong Securities and Futures Commission, and the Articles of Association.

The Company's senior management and relevant departments should adopt a cooperative and supportive attitude towards the Audit Committee and actively provide relevant information. The finance department should regularly and truthfully provide the Audit Committee with financial accounting information, such as financial reports, fund management reports etc., and timely report on significant business operations, actively cooperate with the work of the Audit Committee, and listen carefully to the suggestions and requirements put forward by the Audit Committee.

#### **Article 10**

The Audit Committee is responsible to the Board and its proposals shall be submitted to the Board for review and decision on a regular basis.

- Article 11** The main duties and responsibilities of the chairman of the Audit Committee are:
- (1) convene and preside over the meetings of the Audit Committee;
  - (2) preside over the daily work of the Audit Committee;
  - (3) review and sign the reports and other important documents of the Audit Committee;
  - (4) examine the implementation of the resolutions and recommendations of the Audit Committee;
  - (5) report to the Board on behalf of the Audit Committee;
  - (6) other duties that the chairman of the Audit Committee should perform.

- Article 12** The following matters shall be submitted to the Board for deliberation after being approved by more than half of all members of the Audit Committee:
- (1) appointing and dismissing the accounting firm responsible for the Company's audit services.
  - (2) appointing and dismissing the person in charge of finance;
  - (3) disclosure of financial accounting reports;
  - (4) other matters stipulated by laws, administrative regulations, regulations of the China Securities Regulatory Commission or the securities regulatory authority where the company's shares are listed, and the Articles of Association.

## **Chapter 4 Working Procedures**

- Article 13** The office of the Board is responsible for the preliminary preparation works for the Audit Committee's decision-making and coordinating the Company's internal audit department, finance department and other relevant departments to provide written materials on the Company's relevant aspects, including:
- (1) the Company's relevant financial reports;
  - (2) the work reports of internal and external auditors;
  - (3) external audit contracts and related work reports;

- (4) information disclosed by the Company to external parties;
- (5) the Company's connected (related) transaction agreements, audit reports for significant connected (related) transactions and feedback of investigation of connected (related) persons;
- (6) financial data and legal data of significant investment projects;
- (7) relevant work reports on the company's internal control system and its implementation;
- (8) Other relevant information.

**Article 14** Working methods of the Audit Committee:

- (1) discuss the internal audit work plan, listen to the work report of the Company's finance department, comment on the reports provided by the internal control and internal audit departments, and review the Company's quarterly (if any), half-year and annual financial reports during the meeting of the Audit Committee. The Audit Committee may make decisions based on the opinions of experts from professional institutions and submit matters that need to be submitted to the Board for discussion, mainly including:
  - 1. evaluation of the work of external auditor, the appointment and replacement of external auditor, and approval of the remuneration and terms of engagement of external auditor;
  - 2. whether the Company's internal control system and internal audit system have been effectively implemented, and whether the Company's financial reports are comprehensive and true;
  - 3. whether the company's financial reports and other information disclosed to external parties are objective and true, and whether the Company's significant connected (related) transactions comply with the provisions of relevant laws and regulations;
  - 4. evaluation of the work of the Company's finance department and its head, and the audit department and its head;
  - 5. other related matters;

- (2) in the preparation and disclosure of the Company's annual financial report, the Audit Committee shall follow the following working rules and procedures:
1. after the end of the financial year, promptly negotiate with the external auditor responsible for the audit of the Company's financial report for that year (hereinafter referred to as the "**Annual Audit Certified Public Accountants**") to determine the time schedule for the audit work for that financial year;
  2. urge the Annual Audit Certified Public Accountants to submit the audit report within the agreed time limit;
  3. review the financial statements prepared by the Company before the Annual Audit Certified Public Accountants commence their on-site work;
  4. review the Company's financial statements after the Annual Audit Certified Public Accountants issues a preliminary audit opinion;
  5. convene a meeting of the Audit Committee to review the financial report, make recommendations on the renewal or replacement of the Annual Audit Certified Public Accountants for the next year, and summarize the work performed by the Annual Audit Certified Public Accountants on the Company's audit for the current year and form a report.

The chairman of the Audit Committee or (in his/her absence) another member of the Audit Committee (who must be an independent (non-executive) Director) must attend the Company's annual general meeting of shareholders and respond to shareholders' questions about the activities and responsibilities of the Audit Committee.

## **Chapter 5 Rules of Procedures**

- Article 15** The meetings of the Audit Committee are divided into regular meetings and extraordinary meetings.
- The Audit Committee shall hold at least two regular meetings each year, which shall be convened before the regular meetings of the Board to discuss opinions and recommendations to be submitted to the Board. At the two regular meetings held each year, the Audit Committee shall review and discuss the Company's interim and annual financial statements.
- The chairman of the Audit Committee may convene extraordinary meetings at their own discretion or at the request of the independent auditor or internal auditor; extraordinary meetings may also be convened upon the proposal of half or more of members of the Committee or at the suggestion of the chairman of the Company.
- Article 16** The Audit Committee shall notify all members at least five days before the meeting is held. The time limit for notice does not apply to extraordinary meetings.
- Article 17** A meeting of the Audit Committee may only be held if two-third or more of the members are present or participate in other ways.
- Article 18** If a member cannot attend the meeting in person due to personal reasons, he or she may authorize another member of the Audit Committee to attend and vote on his or her behalf in writing. The power of attorney shall state the name of the agent, the matters to be represented, the scope of authorization and the validity period, and shall be signed or stamped by the principal and submitted to the meeting host at the latest before vote of the meeting.
- Article 19** The meeting of the Audit Committee may be held in person, by telephone, video conference, circulation of documents, fax, email, or other appropriate means.
- Article 20** The voting method of the meeting of the Audit Committee shall be voting by show of hands, by poll or by correspondence. Each member has one vote, and the voting is divided into three opinions: "for", "against" and "abstention". When the number of votes in favor and against is equal, the chairman of the Committee has the right to cast an additional vote.

The resolutions made at the meeting must be passed by more than half of all members, and the relevant resolutions or opinions should be signed by the members of the Audit Committee who attended the meeting. If voting is conducted by correspondence or by show of hands, once a member of the Committee signs the resolution, he or she will be deemed to have attended the meeting and agreed to the content of the resolutions of the meeting.

- Article 21** When a member of the Audit Committee has conflict of interest with matters discussed in the meeting, the member concerned should abstain; If no effective review opinion can be formed due to the abstention of the members of the Audit Committee, the relevant matters shall be directly considered by the Board.
- Article 22** The Audit Committee may invite other Directors and senior management of the Company to attend the meeting when necessary. If necessary, the Audit Committee may engage intermediaries to provide professional advice for its decision-making, and the expenses shall be borne by the Company.
- Article 23** The proposals and voting results passed by the meeting of the Audit Committee shall be reported to the Board in writing.
- Article 24** The convening procedures, voting methods of the meeting and the proposals passed by the meeting of the Audit Committee must comply with relevant laws, regulations, the Listing Rules, the Articles of Association and these Rules of Procedures.
- Article 25** The meeting of the Audit Committee shall be recorded and the members present at the meeting shall sign the minutes. The minutes shall be properly kept by the secretary to the Board for a period of not less than ten years during the Company's existence. Upon reasonable notice given by any Director, such records shall be made available to that Director for inspection within a reasonable time.
- Article 26** The minutes of the meeting of the Audit Committee shall include at least the following contents: the date, place and name of the convener of the meeting; the names of the persons attending the meeting, and those attending the meeting on behalf of others shall be specially noted; the agenda of the meeting; the main points of the members' speeches; the voting method and results of each resolution or proposal; and other matters that should be explained and recorded in the minutes of the meeting.
- Article 27** All members attending the meeting and those attending the meeting as non-voting attendees have the obligation to keep confidential the matters discussed at the meeting and shall not disclose relevant information without authorization.

## **Chapter 6   Supplementary Provisions**

- Article 28**      The term “above” in these rules includes the number itself; “more than” does not include the number itself; and “day” refers to working days. Unless otherwise specified, the terms used in these Rules of Procedures have the same meaning as those in the Articles of Association.
- Article 29**      The Audit Committee shall publish these Rules of Procedures on the website of The Stock Exchange of Hong Kong Limited and the website of the Company.
- Article 30**      Matters not covered in these Rules of Procedures shall be governed by relevant national laws, regulations, the Listing Rules and the Articles of Association. If these Rules of Procedures conflict with future national laws, regulations, the Listing Rules or the Articles of Association as amended through legal procedures, the latter shall prevail, and these Rules of Procedures shall be amended accordingly and submitted to the Board for deliberation and approval.
- Article 31**      These Rules of Procedures have been reviewed and approved by the Board and have come into effect and been implemented immediately after the approval of the abolishment of the supervisory committee by the shareholders’ meeting held on 19 August 2025.
- Article 32**      These Rules of Procedure shall be interpreted by the Board.