Seres Group Co., Ltd.

Rules of Procedure for the Audit Committee

Chapter 1 General Provisions

Article 1 In order to strengthen the decision-making function of the board of directors (hereinafter referred to as the "Board") of Seres Group Co., Ltd. (hereinafter referred to as the "Company"), achieve effective supervision over the Company's financial revenue and expenditure and various business activities, give full play to 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 (hereinafter referred to as the "Audit Committee" or the "Committee") of the Board as a dedicated working body responsible for the communication, supervision and verification of internal and external audits of the Company.

Article 2 To ensure that the Audit Committee carries out its work in a standardized and efficient manner, the Board has formulated these Rules of Procedure in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), and with reference to the Code of Corporate Governance for Listed Companies and other relevant provisions.

Article 3 The Audit Committee shall perform its duties within the scope of responsibilities stipulated in the Articles of Association of Seres Group Co., Ltd. (hereinafter referred to as the "Articles of Association") and these Rules of Procedure, and shall work independently without interference from other departments of the Company.

Chapter 2 Composition

Article 4 The Audit Committee shall consist of five directors, all of whom must be non-executive directors, with the majority being independent directors, and at least one independent director shall be an accounting professional as required by the relevant provisions of the securities regulatory rules of the place where the Company's shares are listed. The members of the Committee shall be nominated by the chairman of the Board, more than half of the independent directors or one-third of all directors, and elected at a Board meeting. A former partner of the auditing firm currently responsible for auditing the Company's accounts shall not serve as a member of the Audit Committee within two years from the later of: (a) the date on which such person ceased to be a partner of the auditing firm; or (b) the date on which such person no longer held any financial interest in the auditing firm.

Article 5 The Audit Committee shall have one chairman and one vice chairman, among them, the chairman shall be the convener who shall be an accounting professional serving as an independent director. The convener of the Audit Committee shall be responsible for convening and presiding over the meetings of the Audit Committee. Where the convener of the Audit Committee is unable to or fails to perform his/her duties, the vice chairman of the Audit Committee shall act on his/her behalf. Where both the chairman and the vice chairman are unable to or fail to perform their duties, more than half of the members of the Audit Committee shall act in concert to appoint one member to perform the duties of the convener of the Audit Committee.

Article 6 The term of office of the members of the Audit Committee shall be the same as that of the directors of the Board of the same session. If any member of the Audit Committee ceases to serve as a director of the Company during his/her term of office, he/she shall automatically lose his/her qualification as a member of Audit Committee. If the Company fails at any time to comply with any relevant requirements regarding the Audit Committee under the Hong Kong Listing Rules, it shall immediately publish an announcement stating the details of and reasons for such non-compliance, and the Board shall make reasonable efforts to remedy the situation in due course (in any event within three months from the date of such non-compliance) in accordance with these Rules of Procedure.

Article 7 The provisions on the obligations of directors stipulated in the Company Law, the Articles of Association and the Hong Kong Listing Rules shall apply to the members of the Audit Committee.

Chapter 3 Duties and Authorities

Article 8 The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external auditing work and internal control. The main responsibilities of the Audit Committee include:

(1) with respect to the relationship with the external auditor of the Company, including:

1) to be responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor, and to handle any issues relating to the resignation or dismissal of the auditor;

2) to review and monitor the independence and objectivity of the external auditor and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

3) to develop and implement policy on engaging an external auditor to supply non-audit services. 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. The Audit Committee should report any matters on which actions are to be taken or improvements are to be made to the Board and make recommendations thereon;

(2) to guide and supervise the internal audit system of the Company and its implementation;

(3) to act as the key representative between the Company and the external auditor and to be responsible for communication of matters on internal and external audits;

(4) to review the Company's financial information and relevant disclosures, including monitoring the integrity of the Company's financial statements and annual reports and accounts, half-yearly reports and, if prepared for publication, quarterly reports, and to review significant financial reporting opinions contained in such statements and reports. Prior to the submission of such statements and reports to the Board, the Audit Committee should focus particularly on:

1) any changes in accounting policies and practices;

2) areas involving major judgments;

3) significant adjustments resulting from audit;

4) the going concern assumptions and any qualifications;

5) compliance with accounting standards; and

6) compliance with the Hong Kong Listing Rules and legal requirements in relation to financial reporting;

(5) in connection with item (4) mentioned above:

1) the members of the Audit Committee should liaise with the Board and senior management. The Audit Committee must meet, at least twice a year, with the Company's auditor; and

2) the Audit Committee should consider any significant or unusual matters that are, or may need to be, reflected in such reports and accounts, and it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;

(6) oversight of the Company's financial reporting system, risk management and internal control systems, including:

1) to review the Company's financial controls, and unless expressly addressed by a separate risk committee under the Board, or by the Board itself, review the Company's risk management and internal control systems;

2) to discuss the risk management and internal control systems with the management to ensure that the management has performed its duties 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;

3) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and the management's response to these findings;

4) to be responsible for the communication between the internal audit department and the external auditor to ensure the coordination between the internal audit department and the external auditor; to ensure that the internal audit function has been supported by adequate internal resources of the Company for operation and has maintained the appropriate standing within the Company; to guide and supervise the Company's internal audit system and its implementation; and to review and monitor its effectiveness;

5) to review the Group's financial and accounting policies and practices;

6) to review the Explanatory Letter on Audit given by the external auditor to the management, any material queries raised by the auditor to the management in respect of the accounting records, financial accounts or systems of control and the management's response;

7) to ensure that the Board will provide a timely response to the issues raised in the Explanatory Letter on Audit given by the external auditor to the management;

8) to review the following arrangements made by the Company: employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, risk management, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

9) to report to the Board on matters outlined in the code provisions of the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules; and

10) to consider other topics as defined by the Board;

(7) performance of the Company's corporate governance functions:

1) to develop and review the Company's policies and practices on corporate governance, and make recommendations to the Board;

2) to review and monitor the training and continuous professional development of the Company's directors and senior management;

3) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

4) to develop, review and monitor the codes of conduct and compliance manual (if any) applicable to the Company's employees and directors; and

5) to review the Company's compliance with the code provisions of the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules and disclosures in the Corporate Governance Report;

(8) to report to the Board on its decisions or recommendations unless it is unable to do so due to legal or regulatory restrictions;

(9) other matters as required by laws, administrative regulations, the China Securities Regulatory Commission and the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and that are authorized by the Board.

The Audit Committee shall exercise the powers and functions of the Supervisory Committee as stipulated in the Company Law.

Article 9 The following matters shall be submitted to the Board for consideration after being approved by the majority of all members of the Audit Committee:

(1) disclosure of financial information in financial and accounting reports and periodic reports and internal control evaluation reports;

(2) engagement or dismissal of the accounting firm engaged in the listed company's audit business;

(3) appointment or dismissal of the chief financial officer of the listed company;

(4) changes in accounting policies and accounting estimates made for reasons other than changes in accounting standards, or corrections of material accounting errors;

(5) other matters as required by laws, administrative regulations, the China Securities Regulatory Commission and the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and that are authorized by the Board.

The Audit Committee shall hold a meeting at least once a quarter to review the work plans and reports submitted by the internal audit department; and report to the Board at least once a quarter on matters including the progress and quality of the internal audit work and major issues identified;

The Audit Committee shall report to the Board on any measures to be taken or improvements to be made that it deems necessary and make recommendations thereon.

Article 10 The Audit Committee of the Board shall supervise and evaluate the internal audit work and shall perform the following duties:

(1) to guide and supervise the establishment and implementation of the internal audit system;

(2) to review the Company's annual internal audit work plan;

(3) to supervise the implementation of the Company's internal audit plan;

(4) to guide the effective operation of the internal audit department. The internal audit department of the Company shall report its work to the Audit Committee. All audit reports, rectification plans and rectification status of audit issues submitted by the internal audit department to the management shall be submitted concurrently to the Audit Committee;

(5) to report to the Board on the progress and quality of the internal audit work and major issues identified;

(6) to coordinate the relationship between the internal audit department and external audit units such as accounting firms and national audit agencies.

Article 11 The Audit Committee of the Board shall review the Company's financial and accounting reports, express opinions on the truthfulness, accuracy and completeness of the financial and accounting reports, focus on major accounting and auditing issues in the Company's financial and accounting reports, pay special attention to the potential existence of fraud, malpractice and material misstatements related to the financial and accounting reports, and supervise the rectification of the issues in the financial and accounting reports.

When the Company intends to engage or change its external auditor, the Audit Committee shall issue deliberation opinions and make recommendations to the Board, and then the Board may deliberate on the relevant proposals. The Audit Committee shall make recommendations to the Board on the engagement or change of its external auditor, review the audit fees and terms of engagement of the external auditor, which shall not be subject to any undue influence by the Company's substantial shareholders, de facto controllers, or directors and senior management.

The Audit Committee shall urge the external auditor to act honestly, diligently and responsibly, strictly comply with the operating rules and self-regulatory rules of the industry, strictly implement the internal control system, verify and validate the Company's financial and accounting reports, fulfill the duty of special care and prudently express professional opinions.

Article 12 The Audit Committee is responsible for reviewing the Company's financials in accordance with the law, overseeing the legal and regulatory compliance of the directors and senior management in the performance of their duties, exercising other powers stipulated in the Articles of Association, and protecting the legitimate rights and interests of the Company and its shareholders.

When the Audit Committee discovers that directors or senior management have violated the laws and regulations, relevant provisions of the Shanghai Stock Exchange, or the Articles of Association, it shall notify the Board or report to the shareholders' meeting and disclose it in a timely manner, or it may report directly to the regulatory agency.

In the process of fulfilling its supervisory duties, the Audit Committee may propose the removal of those directors and senior management who have violated the laws and regulations, relevant provisions of the Shanghai Stock Exchange, the Articles of Association, or resolutions passed by the shareholders' meeting.

Article 13 Unless otherwise provided by laws and regulations, the Audit Committee shall procure the internal audit department to conduct inspections on the following matters at least once every six months, issue inspection reports and submit such reports to the Audit Committee. Any violation of laws and regulations or operating irregularities of the Company identified during the inspections shall be promptly reported to the stock exchange:

(1) the implementation of major matters such as the Company's use of proceeds raised, provision of guarantees, related-party (connected) transactions, securities investment and derivative transactions, provision of financial assistance, purchase or sale of assets, and external investment;

(2) the Company's substantial capital transactions and its capital transactions with directors, senior management, controlling shareholders, de facto controllers and their related (connected) persons.

The Audit Committee shall issue a written evaluation opinion on the effectiveness of the Company's internal control based on the internal audit report and relevant information submitted by the internal audit department, and report to the Board. If the Board or the Audit Committee considers that there are major defects or major risks in the Company's internal control, or if the sponsor or accounting firm points out that there are major defects in the effectiveness of the Company's internal control, the Board shall promptly report to the relevant stock exchange and make disclosure. The Company shall disclose in an announcement major defects or major risks in the internal control, the consequences that have occurred or may occur, and the measures that have been taken or are intended to be taken.

Article 14 The internal audit department shall be responsible for organizing and implementing the internal control evaluation of the Company. Based on the evaluation report issued by the internal audit department and reviewed by the Audit Committee, together with relevant materials, the Company shall issue an annual internal control evaluation report. The internal control evaluation report shall include the following:

(1) the statement of the Board on the authenticity of the internal control evaluation report;

(2) the overall progress of internal control evaluation work;

(3) the basis, scope, procedures and methods of internal control evaluation;

(4) deficiencies in internal control and their identification;

(5) progress of rectification of deficiencies in internal control for the previous year;

(6) the corrective measures to be taken for deficiencies in internal control for the current year;

(7) conclusion on the effectiveness of internal control.

The accounting firm shall verify and evaluate the Company's internal control evaluation report in accordance with the relevant requirements of the competent authorities.

Article 15 The Board and the Audit Committee shall evaluate the establishment and implementation of the Company's internal control based on the evaluation report issued by the Company's internal audit department and related materials, review and formulate an annual internal control evaluation report. The Board shall form a resolution on the Company's internal control evaluation report while considering matters such as the annual report.

The Company shall disclose the annual internal control evaluation report and the internal control audit report issued by the accounting firm at the same time as disclosing the annual report.

Article 16 The Audit Committee is accountable to the Board, and the proposals of the Committee shall be submitted to the Board for consideration and decision.

Article 17 When the Audit Committee performs its duties, the Company's management and relevant departments should cooperate; if necessary, the Audit Committee may engage an intermediary agency to provide independent professional advice at the Company's expense.

Article 18 When disclosing its annual report, the Company shall also disclose the annual performance of the Audit Committee on the website of the relevant stock exchange, mainly including the performance of its duties and the convening of the meetings of the Audit Committee.

Where any deliberation opinion on a matter proposed by the Audit Committee within its terms of reference to the Board is not adopted by the Board, the Company shall disclose such matter and fully explain the reasons therefor.

Chapter 4 Convening and Notice of Meetings

Article 19 The Audit Committee has regular meetings and extraordinary meetings.

The Audit Committee shall hold at least one meeting every quarter and at least one regular meeting within four months after the end of each fiscal year. An extraordinary meeting may be held upon the proposal of two or more members of the Committee or when the chairman of the Board, president or the convener of the Audit Committee deems it necessary.

Article 20 The meetings of the Audit Committee may be held either as a physical meeting or with voting by way of correspondence.

Article 21 The notice of a regular meeting of the Audit Committee shall be given five days (exclusive of the day of the meeting) before the meeting is convened, and the notice of an extraordinary meeting of the Audit Committee shall be given three days (exclusive of the day of the meeting) before the meeting is convened. However, the abovementioned notice period may be waived with the unanimous consent of all members of the Audit Committee.

Article 22 The notice of a meeting of the Audit Committee may be given by fax, email, telephone, or by personal or postal delivery. When the notice is given by telephone, email or other prompt means of communication, the person being notified shall be deemed to have received the notice of the meeting if no written objection is received within two days from the date of giving the notice.

Chapter 5 Consideration and Voting Procedures

Article 23 Meetings of the Audit Committee shall be held only when more than two-thirds (inclusive of two-thirds) of the members are present.

Article 24 A member of the Audit Committee may attend meetings in person or authorize another member of the Committee to attend the meetings and exercise voting rights on his/her behalf.

Article 25 If a member of the Audit Committee authorizes another member of the Committee to attend the meeting and exercise voting rights on his/her behalf, he/she shall submit a power of attorney to the chairman of the meeting. The power of attorney shall be submitted to the chairman of the meeting no later than the voting at the meeting.

Article 26 The resolutions made by the Audit Committee shall not be valid unless approved by the majority of all members (including those who are not present at the meeting). Each member of the Audit Committee shall have one vote.

Article 27 The convener of the Audit Committee office may sit in on the meetings of the Audit Committee. The Audit Committee may gather other persons related to the meeting proposals to sit in on the meetings, giving a briefing or expressing their opinions if it considers necessary. However, those who are not the members of the Audit Committee have no voting right over the proposals.

Article 28 Members attending the meeting shall consider the proposals in a conscientious and responsible manner and fully express their personal opinions, and each member shall be responsible for his/her own voting.

Article 29 The voting method for regular and extraordinary meetings of the Audit Committee shall be a show of hands. If the Audit Committee makes a resolution of meeting by fax, voting shall be undertaken by signature.

Article 30 The proposals passed at the meetings of the Audit Committee and the relevant voting results shall be submitted to the Board in writing.

Article 31 The Audit Committee shall keep written minutes of its meetings, and the members present at the meeting and the person taking the minutes shall sign the minutes. Members present at the meeting have the right to request explanatory remarks on their speeches at the meeting to be recorded in the minutes. The minutes of meetings of the Audit Committee shall be kept by the Board secretary as archives of the Company for ten years during the existence of the Company.

Article 32 The members of the Audit Committee shall be obliged to maintain the confidentiality of relevant information they have learnt about the Company until such information is made public.

Chapter 6 Supplementary Provisions

Article 33 For the purpose of these Rules of Procedure, the terms "more than" include the given figure; "majority" does not include the given figure.

Article 34 The Board shall be responsible for the revision, amendment and interpretation of these Rules of Procedures.

Article 35 For matters not covered in these Rules of Procedure and in case of any conflict between these Rules of Procedure and future national laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the revised Articles of Association, the relevant national laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association shall prevail.

Article 36 These Rules of Procedure shall be considered and approved by the Board, and shall become effective and be implemented from the date on which H shares issued by the Company are listed on the Hong Kong Stock Exchange. From the effective date of these Rules of Procedure, the original Rules of Procedure for the Audit Committee of the Company shall lapse automatically.