CNGR Advanced Material Co., Ltd.

Rules of Procedure for the Audit Committee under the Board of Directors

Chapter 1 General Provisions

Article 1 In order to enhance the decision-making function of the Board of Directors of CNGR Advanced Material Co., Ltd. (the "Company"), ensure the effective supervision of the management by the Board of Directors, and improve the corporate governance structure, the Company has specially established the Audit Committee under the Board of Directors, which exercises the powers of the Supervisory Committee as stipulated in the Company Law of the People's Republic of China (the "Company Law"), and is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating the internal and external audit work and internal control.

Article 2 In order to ensure that the Audit Committee can carry out its work in a standardized and efficient manner, the Board of Directors has specially formulated these Rules of Procedure in accordance with the provisions of the Company Law, the Governance Standards for Listed Companies, the Articles of Association of CNGR Advanced Material Co., Ltd. (the "Articles of Association") and other relevant laws, regulations and normative documents.

Article 3 The resolutions made by the Audit Committee shall comply with the provisions of the Articles of Association, these Rules of Procedure, as well as other relevant laws, regulations and normative documents.

Article 4 The Audit Committee shall fulfill its duties within the scope of responsibilities stipulated in the Articles of Association and these Rules of Procedure and operate independently, free from any interference by other departments of the Company.

Chapter 2 Composition

Article 5 The Audit Committee consists of three directors. The members of the Audit Committee shall be Directors who do not serve as senior officers of the Company, of which a majority shall be independent Directors, with an accounting professional among the independent Directors serving as the Convener. All members of the Audit Committee are required to have specialized knowledge and business experience that enables them to perform the duties of the Audit Committee.

Article 6 Members of the Audit Committee shall be nominated by the chairman of the Board, more than half of the independent Directors or more than one-third of all the Directors, and elected by the Board.

The Convener of the Audit Committee is responsible for convening and presiding over the meetings of the Audit Committee. When the Convener of the Audit Committee is unable or fails to perform his/her duties, another committee member shall be appointed to act on his/her behalf. In the event

that the Convener neither performs his or her duties nor designates another Member to perform his or her duties in his or her place, any one of the Members may report the situation to the Board of the Company, which shall designate a Member to perform the duties of the Convener of the Audit Committee.

Article 7 Members of the Audit Committee shall have the same tenure as the directors of the same session of the Board. The members may be re-elected upon the expiration of the term of office. If during the term, any member of the Audit Committee no longer maintains the position as a Director, he/she shall automatically lose the qualification as a member, and the replacement shall be appointed by the Audit Committee in accordance with the above provision.

Article 8 When the Audit Committee has fewer than two-thirds of the required number of members due to the resignation or removal of committee members or other reasons, or when there is a shortage of accounting professionals, the Board shall promptly appoint new members to the committee. Before the number of members on the Audit Committee reaches two-thirds of the quorum, the Audit Committee shall suspend the exercise of the powers stipulated in these Rules of Procedure.

Article 9 The provisions in the Company Law and the Articles of Association regarding the duties of Directors apply to the members of the Audit Committee.

Article 10 An audit department shall be established as the executing agency of the Audit Committee, which is responsible for the organization of meetings and other daily works and contacts.

Chapter 3 Duties and Authorities

Article 11 The main duties of the Audit Committee are as follows:

(I) supervising and evaluating the external audit work, and proposing to engage or replace the external auditor;

(II) supervising and evaluating the internal audit work, and taking charge of the coordination between the internal audit and the external audit;

(III) providing opinions on the performance and work assessment of internal auditors, and nominating the head of the audit department;

(IV) reviewing the financial information of the Company and its disclosure;

(V) supervising and evaluating the internal control system, and providing opinions and suggestions regarding the soundness and improvement of the internal control measures;

(VI) exercising the powers of the Supervisory Committee as stipulated in the Company Law;

(VII) handling other matters authorized by the Board of Directors and stipulated in laws, regulations and relevant rules of the stock exchange.

The Audit Committee shall urge the external auditor to be honest and trustworthy, diligent and responsible, strictly abide by business rules and industry self-regulatory norms, strictly implement internal control systems, verify and validate the Company's financial and accounting reports, fulfill special duty of care, and prudently express professional opinions.

Article 12 The Audit Committee shall be accountable to the Board of Directors. Its proposals shall be submitted to the Board of Directors for deliberation and decision. The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the Board of Directors for consideration upon the consent of more than half of all members of the Audit Committee:

(I) disclosure of financial information in the financial accounting report and periodic report, and the internal control evaluation report;

(II) engagement or removal of accounting firm that provides audit services for the Company;

(III) appointment or termination of the chief financial officer;

(IV) changes in accounting policies and estimates or correcting significant accounting errors for reasons other than changes in accounting standards;

(V) other matters prescribed by laws, administrative regulations, CSRC regulations and the Articles of Association.

Article 13 When conducting guidance and supervision over the work of the internal audit department, the Audit Committee shall fulfill the following main responsibilities:

(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 the implementation of the internal audit plan of the Company;

(IV) guiding the effective operation of the internal audit department. The internal audit department shall report its work to the Audit Committee. All types of audit reports, rectification plans and rectification status for audit issues submitted by the internal audit department to the management shall be simultaneously submitted to the Audit Committee;

(V) reporting to the Board of Directors on the progress, quality of the internal audit work, as well as any significant issues discovered;

(VI) coordinating the relationships between the internal audit department and external auditing entities such as accounting firms and national auditing agencies.

Article 14 The Audit Committee shall supervise the internal audit department to conduct inspections on the following matters at least once half a year, issue inspection reports, and submit them to the Audit Committee:

(I) The implementation status of significant events such as the use of raised funds, provision of guarantees, related party transactions, securities investment, derivatives trading and other high-risk investments, provision of financial assistance, purchase or sale of assets, and external investment;

(II) Large-scale fund transactions of the Company, as well as the fund transactions between the Company and its directors, senior officers, controlling shareholders, actual controllers, and their affiliates.

If the inspections as stipulated in the preceding paragraph reveal that the Company has engaged in illegal or irregular operations, the Audit Committee shall promptly report to Shenzhen Stock Exchange.

The Audit Committee shall, based on the internal audit report and related materials submitted by the internal audit department, issue a written assessment opinion on the effectiveness of the Company's internal control, and report it to the Board of Directors.

Article 15 When the Audit Committee performs its duties, the relevant departments of the Company shall cooperate. If necessary, the Audit Committee can engage an external agency to provide professional advice. The expenses necessary for the Audit Committee to exercise its authority shall be borne by the Company.

Article 16 In the course of performing it supervisory duties, the Audit Committee has the right to propose the removal of directors and senior officers who violate laws and regulations, relevant rules of Shenzhen Stock Exchange, the Articles of Association, or the resolutions of the Shareholders' meeting.

Article 17 The Company shall disclose the annual performance of the Audit Committee in the annual report, including the performance of its duties and the convening of meetings of the Audit Committee.

If the Audit Committee proposes to the Board for deliberation on a matter within the scope of its duties and the Board fails to adopt the proposal, the Company shall disclose the matter and fully explain the reasons.

Chapter 4 Work Content and Procedures

Article 18 The audit department is responsible for making the necessary preparations for the decisions of the Audit Committee, and providing the following relevant written materials:

(I) the relevant financial reports of the Company;

(II) the audit reports of the internal auditor and external auditor;

(III) the external audit contracts and the relevant work reports;

(IV) the preliminary review on the disclosure of financial information to the public;

(V) other relevant matters.

Article 19 The Audit Committee shall conduct legal inspections of the Company's finances and supervise the actions of the directors and senior officers in terms of compliance with laws and regulations, the rules of Shenzhen Stock Exchange, the Articles of Association, and the performance of their duties. It can require directors and senior officers to submit reports on their performance of duties. Directors and senior officers shall truthfully provide the Audit Committee with relevant information and materials, and shall not obstruct the exercise of its authority.

The Audit Committee, upon discovering that directors or senior officers have violated laws and regulations, relevant rules of Shenzhen Stock Exchange, or the Articles of Association, shall notify the Board of Directors or report to the Shareholders' meeting, and promptly disclose the information. It can also directly report to the regulatory authorities.

Reasonable expenses necessary for the Audit Committee to performance its duties shall be borne by the Company.

Article 20 The Audit Committee shall review the Company's financial accounting reports, and provide opinions on the authenticity, accuracy and completeness of the reports, focusing on major accounting and auditing issues in the financial accounting reports, particularly on whether there are fraud, malpractices or the possibility of significant misstatements related to the financial accounting reports, and supervise the rectification of issues in the financial accounting reports.

The Audit Committee shall submit recommendations to the Board of Directors regarding the appointment or replacement of external auditing firms and review the auditing fees and employment contracts of external auditing firms, free from any improper influences from the major shareholders, actual controllers, directors, or senior management officers of the Company.

The Audit Committee shall urge the external auditor to be honest and trustworthy, diligent and responsible, strictly abide by business rules and industry self-regulatory norms, strictly implement internal control systems, verify and validate the Company's financial and accounting reports, fulfill special duty of care, and prudently express professional opinions.

Chapter 5 Convening of Meetings and Notices

Article 21 Meetings of the Audit Committee are composed of regular meetings and extraordinary meetings.

Regular meetings are held at least once every quarter. An extraordinary meeting may be convened on the proposal of two or more members, or if the convener deems it necessary. A meeting of the Audit Committee may be held only when more than two-thirds of the members are present.

The chairman, the convener of the Audit Committee, or two or more (including two) committee members can jointly request the convening of an extraordinary meeting of the Audit Committee.

Article 22 The meetings of the Audit Committee shall be held on the spot in principle. On the premise of ensuring that all participating Directors are able to fully communicate and express their opinions, the meeting may be held by video, telephone or other means in accordance with the procedures when necessary. If a communication voting method is adopted, the members who sign their names on the meeting resolution shall be regarded as having attended the relevant meeting and agreeing to the content of the resolution.

Article 23 For regular meetings of the Audit Committee, a meeting notice shall be issued 5 days before the meeting (excluding the day of the meeting). For extraordinary meetings, a meeting notice shall be issued 2 days before the meeting (excluding the day of the meeting). In case of emergency and it is necessary to convene an extraordinary meeting of the Audit Committee as soon as possible, the meeting notice may be sent by telephone or other oral means at any time, provided that the convener shall make explanations at the meeting.

Article 24 The notice of a meeting of the Audit Committee shall at least contain the following contents:

(I) the time and venue of the meeting;

(II) duration of the meeting;

(III) topics to be discussed at the meeting;

(IV) contact persons for the meeting and their contact information;

(V) the date of the meeting notice.

Article 25 The meeting notice should include a complete set of proposals.

Article 26 The Audit Committee meeting notice will be sent to all committee members through methods such as fax, email, phone call, WeChat and personal delivery.

When using quick notification methods such as email, phone calls, or WeChat, the day of sending is regarded as the date of service.

Chapter 6 Procedure for Deliberation and Voting

Article 27 Resolutions of the Audit Committee shall be adopted by a majority vote of all members.

Voting on resolutions of the Audit Committee shall be conducted on a one-person-one-vote basis.

Article 28 Members may attend the meeting in person or may entrust other members to attend on their behalf and exercise their voting rights. If a member entrusts another member to attend the meeting and exercise his/her voting rights, a power of attorney shall be submitted to the meeting

presider. The power of attorney shall be submitted to the meeting presider no later than the time for voting.

Article 29 If a member of the Audit Committee neither attends the meeting in person nor delegates another member to attend on his/her behalf, it shall be regarded as absence from the relevant meeting.

If a member of the Audit Committee fails to attend the meeting for two consecutive times, it shall be regarded as that the person is unable to properly perform his/her duties. The Board of Directors can remove such member from his/her position.

Article 30 Members of the auditing department may attend the meetings of the Audit Committee. Directors who are not members of the Audit Committee may also attend the meetings of the Audit Committee upon invitation. If the Audit Committee deems it necessary, other persons related to the meeting proposals may be invited to attend the meeting, introduce the situation or express opinions, but persons who are not members of the Audit Committee do not have the right to vote on the proposals.

Article 31 The voting methods of the Audit Committee meeting shall be voting by show of hands or by poll.

Article 32 The committee members present at the meeting shall, in a serious and responsible manner, deliberate the proposals and express their personal opinions freely; and committee members shall be responsible for their individual votes.

Article 33 In the annual work report, the Board of Directors shall disclose the work content of the Audit Committee in the past year, including the meeting schedules and the resolutions made.

Article 34 The resolutions of the Audit Committee shall be duly recorded in the form of meeting minutes. The minutes of Audit Committee meetings shall be true, accurate and complete, and fully reflect the opinions of the attendees on the matters under consideration. The Audit Committee members present at the meeting and the recorder shall sign on the meeting minutes. The meeting minutes of the Audit Committee shall be properly maintained as an important archive of the Company.

The minutes of the Audit Committee meetings shall be maintained as the Company archives by the Board Secretary for 10 years.

Article 35 The meeting minutes of the Audit Committee shall contain the following contents:

(I) the date and venue of the meeting and the name of the convener;

(II) the names of the attendees, and if they are attending on behalf of others, this should be specifically noted;

(III) agenda of the meeting;

(IV) key points of the committee members' speeches;

(V) voting method and results of each resolution or proposal (the voting results shall indicate the number of votes in favor, against or abstention);

(VI) other matters that should be explained and recorded in the meeting minutes.

Article 36 Members of the Audit Committee shall be obliged to keep confidential the information they learn about the Company before the information is made public.

Chapter 7 Supplementary Provisions

Article 37 These Rules of Procedure shall take effect on the date when they are approved by the Board.

Article 38 Any matter not covered by these Rules of Procedure shall be implemented in accordance with the provisions of the relevant laws, administrative regulations and departmental rules of the state and the Articles of Association. If these Rules of Procedure conflict with the relevant laws, administrative regulations and departmental rules enacted by the state in the future or the revised Articles of Association, the relevant provisions of the relevant laws, administrative regulations and departmental rules of the state and the revised Articles of Association shall prevail, and these Rules of Procedure shall be promptly revised and submitted to the Board of Directors for approval.

Article 39 The right to interpret these Rules of Procedure shall reside with the Board.