SHUANGDENG GROUP CO., LTD.

RULES OF PROCEDURES OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to strengthen the function of the board of directors of Shuangdeng Group Co., Ltd. (the "Company"), improve the efficiency of the board of directors, enhance the audit evaluation and supervision mechanisms of the board of directors, ensure the effective supervision to the Company by the board of directors, and improve the corporate governance structure, the board of directors of the Company has established the audit committee of the board of directors (the "Audit Committee") and formulated these rules in accordance with the relevant provisions of the Company Law of the People's Republic of China (《中華人民共和國公司法》), 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 Shuangdeng Group Co., Ltd. (the "Articles of Association") and others.

Article 2 The Audit Committee is a specialized working body under the board of directors. It is a committee composed of directors, primarily responsible for communicating and evaluating internal and external audits, reviewing financial information and its disclosure, supervising and inspecting major decision-making matters, reporting to the board of directors, and reporting on its work to the board of directors (including reporting to the board of directors on matters related to Appendix C1 Corporate Governance Code of the Hong Kong Listing Rules).

CHAPTER 2 COMPOSITION

Article 3 The members of the Audit Committee shall consist of three directors, of whom the majority shall be independent non-executive directors. At least one independent non-executive director of the members shall be a professional accountant. At least one independent non-executive director shall have appropriate professional qualifications or appropriate accounting or related financial management expertise as required under Rule 3.10(2) of the Hong Kong Listing Rules.

Article 4 The members of the Audit Committee shall be nominated by the chairman, more than half of the independent non-executive directors or one-third of all directors, and elected by more than half of all directors.

Article 5 The Audit Committee shall have one chairperson (convener), who shall be an accounting professional among the independent non-executive directors, and shall be responsible for presiding over the work of the committee; the chairperson shall be nominated by the Audit Committee within the independent non-executive director, and elected or dismissed by more than half of the members of the Audit Committee.

Article 6 The term of office of the Audit Committee shall be the same as that of the board of directors. A member may stand for re-election upon the expiration of his/her term of office. If any member ceases to be a director of the Company during the period of office, he/she shall automatically lose his/her membership, and the board of directors shall fill the vacancy in accordance with the provisions of Articles 3 to 5 above.

Article 7 The Audit Committee has established a working group as its daily administrative body, with the internal audit department of the Company serving as the lead unit. The working group is responsible for daily communication and meeting organization. Members of the working group do not need to be members of the Audit Committee.

CHAPTER 3 DUTIES AND AUTHORITIES

Article 8 The Audit Committee has the following duties and authorities:

(I) to propose the appointment or replacement of external audit firms;

(II) to supervise and evaluate internal audit work;

(III) to supervise and evaluate the work of external audit firms;

(IV) to coordinate communication between management, internal audit departments and relevant departments and external audit firms;

(V) to review the Company's financial information and disclosures;

(VI) to review the Company's financial statements and express opinion on it;

(VII) to review the design and implementation of the Company's internal control system;

(VIII) Other matters authorized by the Company's board of directors and other matters covered by relevant laws and regulations.

Article 9 The Audit Committee is accountable to the board of directors. The Audit Committee shall exercise the functions of the board of supervisors as prescribed under the Company Law of the People's Republic of China (《中華人民共和國公司法》).

Article 10 The Audit Committee's responsibility to supervise and evaluate the work of external audit firms shall include at least the following aspects:

(I) primarily responsible for providing recommendations to the board of directors regarding the appointment, reappointment and dismissal of external audit firms, approving the remuneration and terms of engagement of external audit firms, handling any issues related to the resignation or dismissal of external audit firms, and assessing the independence and professionalism of external audit firms;

(II) to review and monitor the independence and objectivity of external audit firms and the effectiveness of audit procedures in accordance with applicable standards, particularly the impact of non-audit services provided by external audit firms on their independence. The Audit Committee should discuss the nature and scope of the audit and related reporting responsibilities with the external audit firm before the audit commences;

(III) to develop and implement policies for external audit firms providing non-audit services;

(IV) to discuss and communicate with external audit firms regarding the scope of the audit, audit plan, audit methods and significant issues discovered during the audit;

(V) to supervise and evaluate whether external audit firms are acting diligently and responsibly.

Article 11 The Audit Committee's responsibility for guiding internal audit work shall include at least the following aspects:

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

(II) to guide and supervise the establishment and implementation of internal audit systems;

(III) to review internal audit reports, evaluate the results of internal audits and urge the rectification of major issues;

(IV) to guiding the effective operation of the internal audit department;

(V) to coordinate relationships between the internal audit department and external audit firms such as accounting firms and national audit agencies.

The internal audit department of the Company shall report its work to the Audit Committee. All types of audit reports submitted by the internal audit department to management, as well as rectification plans and rectification status of audit issues, shall be reported to the Audit Committee at the same time.

Article 12 The Audit Committee's responsibility for reviewing the Company's financial reports and advise opinion on them shall include at least the following aspects:

(I) to monitor the accuracy, completeness, and integrity of the Company's financial statements, annual reports and accounts, semi-annual reports, and (if published) quarterly reports, and review the significant opinions on financial reporting contained in the statements and reports. Before submitting the statements and reports to the board of directors, the Audit Committee shall focus on significant accounting and auditing issues in the Company's financial reports and review the following matters in particular:

(i) any changes in accounting policies and practices;

(ii) where important judgments are involved;

(iii) significant adjustments arising from the audit;

(iv) assumptions regarding the Company's continued operations and any qualified opinions;

(v) compliance with accounting standards; and

(vi) compliance with the Hong Kong Listing Rules and legal requirements relating to financial reporting;

In light of the above, the Audit Committee shall liaise with the board of directors and senior management; the Audit Committee shall hold at least two separate communication meetings with the external audit firm each year, with the board secretary permitted to attend the meetings; the Audit Committee shall consider any significant or unusual matters reflected or required to be reflected in such reports and accounts, and shall appropriately consider any matters raised by the Company's accounting and financial reporting staff, compliance officers, or auditors;

(II) to pay particular attention to the possibility of fraud, misrepresentation, and material misstatement related to financial reporting；

(III) to supervise the rectification of financial reporting issues.

Article 13 The Audit Committee's responsibility for assessing the effectiveness of internal controls shall include at least the following aspects:

(I) to evaluate the appropriateness of the design of the internal control system of the Company;

(II) to review internal control self-assessment report；

(III) to review internal control audit reports issued by external audit firms, and communicate with external audit firms regarding identified issues and improvement measures;

(IV) to evaluate the results of internal control assessments and audits, and urge the rectification of internal control deficiencies;

(V) to review the Company's financial controls and (unless there is a separate risk committee under the board of directors or the board of directors itself explicitly handles) review the Company's risk management and internal control systems;

(VI) to discuss the risk management and internal control systems with management to ensure that management has performed its duty 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;

(VII) to consider major investigation findings on risk management and internal control matters as delegated by the board of directors or on its own initiative and management's response to these findings;

(VIII) where an internal audit function exists, to ensure co-ordination between the internal audit and external audit firms, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

(IX) to review the financial and accounting policies and practices of the Company and its subsidiaries;

(X) to review the "Letter of Explanation on Audit" from external audit firms, any material queries raised by the audit firms to management about the accounting records, financial accounts or systems of control and management's response;

(XI) to ensure that the board of directors will provide a timely response to the issues raised in the "Letter of Explanation on Audit" issued by external audit firms to management;

(XII) to report to the board of directors on matters relating to the provisions of Appendix C1 Corporate Governance Code of the Hong Kong Listing Rules;

(XIII) study other topics defined by the board of directors.

Article 14 The Audit Committee is responsible for coordinating communication between management, internal audit department, relevant departments and external audit firms. Its responsibilities include:

(I) coordinate communication between management and external audit firms on significant audit issues;

(II) coordinate communication between internal audit department and external audit firms and cooperation between internal audit department and external audit work;

(III) the Audit Committee will serve as the primary representative between the Company and external audit firms, and be responsible for overseeing the relationship between the parties.

Article 15 The board of directors of the Company shall fully respect the recommendations of the Audit Committee regarding the appointment or change of external audit firms. Without sufficient reason or reliable evidence, the board of directors shall not set aside or refuse to vote on the recommendations of the Audit Committee.

Article 16 The Audit Committee shall be provided with sufficient resources to perform its duties. When the Audit Committee performs its duties, relevant departments of the Company shall cooperate, and the necessary expenses shall be borne by the Company.

Article 17 The employees of the Company may confidentially raise concerns about possible misconduct in financial reporting, internal controls or other areas. The Audit Committee shall ensure that appropriate arrangements are in place for the Company to conduct fair and independent investigations into such matters and take appropriate action. The Audit Committee may establish and review a whistleblowing policy and system to enable employees and other parties dealing with the company (such as customers and suppliers) to raise their concerns about any possible improprieties relating to the Company to the Audit Committee confidentially and anonymously.

Article 18 The Audit Committee may engage intermediary firms to provide professional advice for its decision-making when deemed necessary, with the costs borne by the Company.

Article 19 The internal audit department is responsible for organizing and coordinating relevant departments or intermediary firms to prepare documents of Audit Committee meeting and ensure that they are true, accurate, and complete. The documents of meeting include, but are not limited to, related financial reports of the Company, work reports from internal and external audit firms, external audit contracts and related work reports, information disclosed by the Company to the public, audit reports on major related-party transactions of the Company and other related matters.

CHAPTER 4 DECISION-MAKING PROCEDURES

Article 20 The audit working group is responsible for preparatory work for decision-making of the Audit Committee, and providing written materials of relevant aspects to the Company:

(I) relevant financial reports of the Company;

(II) work reports of the internal and external audit firms;

(III) external audit contracts and relevant work reports;

(IV) financial information disclosure by the Company to the public;

(V) other relevant matters.

Article 21 The Audit Committee meeting review the materials provided by the audit working group, and report relevant written resolutions to the board of directors for discussion:

(I) work evaluation of the external audit firms, and employment and change of the external audit firms;

(II) internal audit system of the Company is effectively implemented or not. Financial reports of the Company are comprehensive, true and fair or not;

(III) information of the Company disclosed to the public, such as financial reports, is true, accurate and complete or not; material connected transactions of the Company comply with laws and regulations or not;

(IV) work evaluation for Finance Department and Audit Department in the Company, including the heads of these departments;

(V) other relevant matters.

CHAPTER 5 RULES OF PROCEDURE

Article 22 The Audit Committee meetings are divided into regular meetings and extraordinary meetings. Regular meetings shall be convened at least twice a year. Extraordinary meetings shall be convened upon the proposal of the members of the Audit Committee. The contents of the meeting shall be notified in writing to all members three days prior to the meeting. The meeting shall be chaired by the chairperson. In case that the chairperson is unable to attend, he/she may appoint another member (independent non-executive director) to preside over the meeting.

Article 23 Audit Committee meetings shall be held with attendance by more than two-thirds (inclusive) of the members. Each member shall have one vote. Resolutions proposed at the meetings must be passed by a majority of all members.

Article 24 Audit Committee meeting voting shall be by show of hands or ballot; meetings may be held by correspondence voting when necessary.

Article 25 When necessary, other directors and senior management of the Company may be invited to attend meetings of the Audit Committee.

Article 26 When necessary, the Audit Committee may engage intermediary institutions to provide professional opinions for its decision-making, with costs borne by the Company.

Article 27 The procedures of convening a Audit Committee meeting, method of voting thereat and resolutions passed thereby must be in accordance with provisions of pertinent laws, regulations, the Hong Kong Listing Rules, the Articles of Association and these rules.

Article 28 The meetings of Audit Committee shall be arranged by the board secretary of the Company. The meetings shall be recorded, and members attending meetings shall sign the meeting records; meeting records shall be kept by the board secretary of the Company.

Article 29 Resolutions and poll results passed by Audit Committee meetings shall be reported to the board of directors of the Company in writing.

Article 30 Members and proxies attending meetings have confidentiality obligations regarding matters discussed at meetings and shall not disclose relevant information without authorization.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 31 For matters not covered in these rules of procedures, relevant laws, regulations of China, the rules or guidelines of the relevant exchanges and the provisions of the Articles of Association shall apply. In case these rules of procedures conflicts with laws and regulations promulgated by China in future, rules or guidelines issued by relevant exchanges or the Articles of Association amended through legal procedures, the board of directors of the Company shall promptly make corresponding amendments to these rules, which shall be implemented after being reviewed and approved by the board of directors.

Article 32 The term "above" and "at least" mentioned in these rules of procedures includes the original number; "more than half" do not include the original number.

Article 33 These rules shall be construed by the board of directors of the Company.

Article 34 These terms shall come into effect upon the approval by a resolution of the Board.

Shuangdeng Group Co., Ltd.