Amicro Technology Co., Ltd.

Rules of Procedure of the Audit Committee

Chapter I General Provisions

Article 1 The board of directors (hereinafter referred to as the "Board") of Amicro Technology Co., Ltd. (hereinafter referred to as the "Company") establishes the audit committee and formulates these Rules in accordance with the provisions of 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 other relevant laws, regulations and normative documents, and the Articles of Association of Amicro Technology Co., Ltd. (hereinafter referred to as the "Articles of Association"), in order to strengthen the decision-making function of the Board of the Company and to improve the corporate governance structure and the Company's internal control.

Article 2 The audit committee serves as a specialized working body under the Board of the Company, and is accountable to, and reports to, the Board. The audit committee is principally responsible for the communication, supervision and verification in respect of the Company's internal control, risk management, financial information and internal audit, and for maintaining the relationship with external auditors.

Article 3 The Company's internal audit institution shall be accountable to, and report to, the audit committee.

The Board secretary of the Company shall be responsible for the daily liaison and meeting organization of the audit committee, and shall coordinate and arrange for the Company's internal audit firm to handle the daily affairs of the audit committee and to complete the preparatory work before the audit committee makes decisions.

Chapter II Composition

Article 4 The audit committee shall consist of three or more non-executive directors appointed by the Board, a majority of whom shall be independent non-executive directors, and at least one independent non-executive director shall possess the appropriate professional qualification, or accounting or related financial management expertise as required under Rule 3.10(2) of the Hong Kong Listing Rules. A former partner of the external audit firm currently responsible for auditing the Company's accounts shall not serve as a member of the committee within two years from the later of: (1) the date on which he or she ceases to be a partner of such external audit firm; or (2) the date on which he or she ceases to have any financial interest in such external audit firm. The convener of the audit committee shall be an accounting professional who is an independent non-executive director.

Members of the audit committee shall be nominated by the chairman of the Board, at least one-half of the independent non-executive directors, or at least one-third of all directors, and shall be elected by the Board.

Article 5 The audit committee shall have one chairman (convener), who shall be an independent non-executive director with accounting expertise and who shall be responsible for taking charge of the work of the audit committee. The chairman (convener) shall be elected from among its members and shall take office upon approval by the Board.

Article 6 Members of the audit committee shall, in principle, be independent of the Company's daily operation and management affairs, and shall have the expertise and business experience necessary to perform the duties of the audit committee.

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. Upon expiry of the term, members may be re-elected and serve consecutive terms. If, during the term, a member ceases to hold the position of director of the Company, he or she shall automatically cease to be a member, and the Board shall fill the vacancy in accordance with the relevant provisions of these Rules.

Article 8 A member of the audit committee may resign before the expiry of his or her term of office by submitting a written resignation report to the Board. Such resignation shall take effect upon the approval by the Board. Before the newly elected member assumes office, the original member shall continue to perform his or her duties as a member in accordance with the provisions of relevant laws and regulations, the Hong Kong Listing Rules, the Articles of Association and these Rules.

Article 9 The provisions of the Company Law, the Hong Kong Listing Rules and the Articles of Association concerning directors' duties shall apply to members of the audit committee.

Chapter III Duties and Powers

Article 10 The principal duties and powers of the audit committee are as follows:

(I) to oversee and assess the work of the external audit firm, and to review and monitor, in accordance with applicable standards, whether the external audit firm is independent and objective and whether the audit process is effective. The audit committee shall, before the commencement of the audit, discuss with the external audit firm the nature and scope of the audit and the relevant reporting responsibilities;

(II) to make recommendations to the Board on the appointment, reappointment and removal of the external audit firm, to approve the remuneration and terms of engagement of the external audit firm, and to deal with any issues relating to the resignation or removal of the external audit firm;

(III) to formulate and implement policies on the provision of non-audit services by the external audit firm. For the purposes of this provision, "external audit firm" includes any entity under common control, ownership or management with the firm that is tasked with the audit, or any entity that a reasonable and informed third party would reasonably conclude to be part of the local or international business of the firm responsible for the audit. The audit committee shall report to the Board on any matters requiring action or improvement and make recommendations;

(IV) to review the Company's financial reports and express opinions thereon. To be specific, it shall review the completeness of the Company's financial statements, annual reports and accounts, interim reports and quarterly reports (if any), and review any material opinions relating to financial reporting contained in such statements and reports. Before submitting the relevant statements and reports to the Board, the committee shall give more attention to the following matters in conducting the review:

1. any changes in accounting policies and practices;

2. areas involving significant judgments;

3. significant adjustments arising from the audit;

4. going concern assumption of the Company and any qualified opinions;

5. compliance with accounting standards;

6. compliance with the listing rules of the stock exchange(s) where the shares are listed and legal requirements relating to financial reporting;

(V) for the purposes of Item (4) above,

1. the members of the committee shall liaise with the Board and the senior management of the Company, and the committee shall meet with the Company's external audit firm at least twice a year;

2. the committee shall consider any significant or unusual matters that are, or need to be, reflected in such reports and accounts, and shall give due consideration to those raised by the Company's accounting and financial reporting staff, the compliance officer or the auditor.

(VI) to oversee and assess the Company's internal control and to review the Company's financial controls, risk management and internal control systems;

(VII) to discuss with the management the risk management and internal control systems to ensure that the management has performed its duties to establish effective systems. Such discussion shall include whether the Company has adequate resources, staff qualifications and experience in its accounting and financial reporting functions, and whether the training programs and related budgets for staff are adequate;

(VIII) to conduct, on its own initiative or as delegated by the Board, reviews of significant investigation findings in relation to risk management and internal control and of the management's response to such findings;

(IX) to oversee and assess the internal audit, to be responsible for coordinating the internal and external audit, to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

(X) to examine and review the Company's financial and accounting policies and practices;

(XI) to review the explanatory letter on audit issued by the external audit firm to the management, any material queries raised by the auditor to the management in respect of accounting records, financial accounts or control systems, as well as the management's response;

(XII) to ensure that the Board provides timely responses to the issues raised in the explanatory letter on audit issued by the external audit firm to the management;

(XIII) to report to the Board on matters under these Rules;

(XIV) to examine and review the following arrangement by the Company: the employees may raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters. The audit committee shall ensure that appropriate arrangements are in place for the Company to conduct a fair and independent investigation of such matters and to take appropriate actions;

(XV) to serve as the primary representative between the Company and the external audit firm, and to monitor the relationship between the two parties;

(XVI) to propose to the Board to hold a general meeting, and to convene and preside over a general meeting when the Board fails to perform its duty to convene the general meeting;

(XVII) to submit proposals to the general meeting;

(XVIII) to institute legal proceedings against directors and senior management in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law;

(XIX) to be responsible for other matters authorized by the Board and those under relevant laws and regulations, the Hong Kong Listing Rules and the Articles of Association.

Article 11 The audit committee shall exercise its powers in compliance with the relevant provisions of the Company Law, the Hong Kong Listing Rules, the Articles of Association and these Rules, and shall not prejudice the lawful rights and interests of the Company and its shareholders.

Article 12 When the audit committee performs its duties, the relevant departments of the Company shall provide cooperation, and the relevant expenses shall be borne by the Company.

Chapter IV Working Procedures

Article 13 The internal audit firm of the Company shall be in charge of the preliminary preparation for the decision-making of the audit committee, and shall provide the related written materials of the Company:

(I) related financial reports of the Company;

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

(III) external audit contracts and related work reports;

(IV) information disclosed to the public by the Company;

(V) audit on significant related transactions;

(VI) other related matters.

Article 14 The audit committee of the Board of the Company shall be responsible for reviewing the Company's financial information and its disclosures, and supervising and assessing the internal and external audit work and internal control. The following matters shall be submitted to the Board for deliberation upon approval by a majority of all members of the audit committee:

(I) disclosures of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;

(II) appointment or removal of the accounting firm that provides audit services to the Company;

(III) appointment or dismissal of the person in charge of finance of the Company;

(IV) changes in accounting policies or accounting estimates, or correction of material accounting errors for reasons other than changes in accounting standards;

(V) other matters provided for by laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association;

(VI) other related matters.

Chapter V Procedures of Meetings

Article 15 Meetings of the audit committee are classified as regular meetings and extraordinary meetings.

The audit committee shall meet at least once every quarter. An extraordinary meeting may be held upon proposal by two or more members or when the convener considers it necessary. A meeting of the audit committee may be held if at least two-thirds of its members are present.

Article 16 Meetings of the audit committee shall be convened and chaired by the convener of the audit committee. If the convener is unable or refuses to perform his or her duties, a member of the committee who is an independent non-executive director shall be designated to perform such duties on his or her behalf.

Article 17 Matters discussed and considered at meetings of the audit committee shall fall within the term of reference of the audit committee. Proposals of the audit committee shall be submitted to the Board for review and decision.

Article 18 For the convening of a meeting of the audit committee, the Board secretary shall notify all members and the relevant persons invited to attend the meeting of the time, place, matters to be considered and relevant materials five days prior to the meeting.

In case of emergency, where an extraordinary meeting of the audit committee needs to be convened as soon as possible to protect the Company's rights and interests, the Board secretary may issue the meeting notice at any time by telephone or other oral means, provided that the convener shall provide an explanation at the meeting.

Article 19 A meeting of the audit committee may be held if at least two-thirds of its members are present.

Article 20 Members of the audit committee shall attend meetings of the audit committee in person and express clear opinions on the matters considered. If a member is genuinely unable to attend a meeting in person, he or she may submit a signed power of attorney authorizing another member to attend and express opinions on his or her behalf. The power of attorney shall specify the scope and duration of the authorization. Each member may accept authorization from no more than one other member. If an independent non-executive director member is genuinely unable to attend a meeting in person, he or she shall authorize another independent non-executive director member to attend on his or her behalf. If a member of the audit committee neither attends a meeting nor authorizes another member to attend, he or she shall be deemed to have waived his or her voting rights at the meeting.

Article 21 If a member of the audit committee has a conflict of interest in relation to a matter discussed at a meeting, he or she shall abstain from voting and shall not exercise voting rights on behalf of any other member. If no valid deliberative opinion can be formed due to such abstention, the relevant matter shall be considered directly by the Board.

Article 22 The audit committee may, when it deems necessary, invite representatives of external audit firms, internal audit personnel, financial personnel, legal counsel and other relevant persons to attend a committee meeting and to provide necessary information. Persons attending the meeting in a non-voting capacity may give explanations or clarifications on matters discussed at the meeting, but do not have voting rights.

Article 23 Meetings of the audit committee may be held in the form of physical meetings or via telecommunication means such as video, telephone, facsimile and email, or through a combination of physical and telecommunication means.

Provided that members are able to fully express their opinions, the audit committee may adopt resolutions by means of telecommunication, and such resolutions shall be signed by the members attending the meeting. If the meeting is conducted by means of telecommunication, the signing of the resolutions of the meeting by a member of the audit committee shall be deemed as having attended the relevant meeting and agreed to the contents of the resolutions of the meeting.

Article 24 The voting method at meetings of the audit committee shall be by a show of hands or by poll, and each member shall have one vote.

Voting intentions at meetings of the audit committee are classified into approval, rejection and abstention. The committee members present at the meeting shall choose one of the aforesaid options. Where a member fails to make a choice or chooses two or more options simultaneously, the chairman of the meeting shall require such member to choose again, and where such member refuses to make a choice, he or she shall be deemed to have abstained; where a member leaves the meeting venue midway without returning and does not make a choice, he or she shall be deemed to have abstained.

If the committee members vote after announcement of the voting results by the chairman of the meeting or after close of the specified voting time, their votes shall be disregarded.

Article 25 The audit committee may, if it deems necessary, engage an intermediary institution to provide professional advice for its decision-making, and the relevant expenses shall be borne by the Company.

Article 26 Resolutions adopted at a meeting of the audit committee shall be approved by a majority of all members.

Article 27 Resolutions passed by the audit committee shall comply with the provisions of laws, administrative regulations, normative documents (such as departmental rules), the Hong Kong Listing Rules, the Articles of Association, and these Rules. Where the content of any resolution of the audit committee violates the provisions of relevant laws, administrative regulations, or the Hong Kong Listing Rules, such resolution shall be invalid; where the decision-making procedures of the audit committee violate the provisions of relevant laws, administrative regulations, normative documents (such as departmental rules), the Hong Kong Listing Rules, or the Articles of Association, or these Rules, or where the content of any resolution of the audit committee violates the provisions of the Articles of Association or these Rules, the relevant interested parties may, within sixty days from the date on which such resolution is adopted, request the Board of the Company to revoke such resolution.

Article 28 The convening procedures and voting methods of the meetings of the audit committee and the resolutions passed at such meetings shall comply with the provisions of the relevant laws and regulations, the Hong Kong Listing Rules, the Articles of Association and these Rules.

Article 29 Minutes of meetings of the audit committee shall be prepared and kept properly. The draft and the final version of the meeting minutes shall be sent to all members of the committee within a reasonable time after the meeting, the draft being for members to express their opinions and the final version for their records. The committee members and other persons attending the meeting shall sign the final version of the minutes of the meeting. The minutes of the meeting shall be kept by the Board secretary.

Minutes of meetings of the audit committee should at least include the following contents:

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

(II) name of the chairman of the meeting, as well as names of the persons attending (including by proxy) and persons present in a non-voting capacity;

(III) agenda of the meeting;

(IV) topics of the meeting and main points of the speeches of the committee members;

(V) voting method and voting results for each resolution (stating the number of votes for approval, rejection and abstention);

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

Article 30 The review opinions adopted by the audit committee, together with the relevant proposals, shall be submitted to the Board of the Company in writing.

Article 31 All persons attending the meeting shall have an obligation of confidentiality in respect of the matters discussed at the meeting and shall not disclose any relevant information of the meeting without authorization.

Article 32 Archives of meetings of the audit committee, including meeting notices, meeting materials, attendance records, powers of attorney for attendance by proxy, voting ballots, meeting minutes confirmed by signature, and resolutions, shall be kept by the Board secretary as corporate archives. The retention period for such archives shall be ten years.

Article 33 During the implementation of the resolutions of the audit committee, the chairman of the audit committee or another member designated by him/her shall conduct follow-up inspections on the implementation of the resolutions. Where any matter in violation of the resolutions is identified during such inspections, he/she may require and urge the relevant person to rectify it. If the persons concerned fail to adopt the advice, the chairman of the audit committee or his/her designated member shall report to the Board of the Company, which shall be responsible for handling the matter.

Chapter VI Supplementary Provisions

Article 34 Unless otherwise specified, the terms used in these Rules shall have the same meanings as those in the Articles of Association.

Article 35 For the purposes of these Rules, “or more”, “not more than” and “within” are inclusive of the number itself; and “more than” is exclusive of the number itself.

Article 36 For matters not covered in these Rules, or where these Rules conflict with the laws, regulations, normative documents or the Hong Kong Listing Rules promulgated or amended from time to time, or with the Articles of Association as amended under legal procedures, the provisions of the relevant national laws, regulations, normative documents, the Hong Kong Listing Rules and the Articles of Association then in effect shall prevail, and these Rules shall be amended in a timely manner.

Article 37 The Board of the Company shall be responsible for the formulation, amendment and interpretation of these Rules.

Article 38 These Rules have been considered and approved by the Board of the Company, and shall take effect and be implemented from the date on which the H shares of the Company are first publicly issued and listed on The Stock Exchange of Hong Kong Limited.