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Shenzhen Woer Heat-Shrinkable Material Co., Ltd.

深圳市沃爾核材股份有限公司

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Rules of Procedures of the Audit Committee of the Board of Directors

February 2026

Contents

Chapter 1 General Provisions

Article 1 In order to enhance the internal control capability of Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (the "**Company**"), improve the internal control system, and refine the internal control procedures, the Board of the Company has resolved to establish the Audit Committee. The Audit Committee shall primarily be responsible for communicating, monitoring, and inspecting both internal and external audits of the Company.

Article 2 In order to ensure standardized and efficient operations, these Rules of Procedures are formulated by the Board of the Company in accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Code of Corporate Governance for Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, the Self-regulatory Guideline No. 1 for Companies Listed on the Shenzhen Stock Exchange — the Standardized Operation of Companies Listed on the Main Board, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**"), and the Articles of Association of Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (the "**Articles of Association**").

Article 3 The Audit Committee is a special committee of the Board of the Company, exercising the duties and powers of the Supervisory Committee as stipulated by the Company Law, and shall be accountable to and report to the Board.

Article 4 The Audit Committee shall perform its duties and powers independently in accordance with provisions of the Articles of Association and these Rules of Procedure, free from unlawful interference by any other department or individual of the Company.

Article 5 Resolutions adopted by the Audit Committee must comply with provisions of the Articles of Association, securities regulatory rules of the place where the shares of the Company are listed, these Rules of Procedure, and other relevant laws and regulations. Any resolution adopted by the Audit Committee that violates provisions of the Articles of Association, securities regulatory rules of the place where the shares of the Company are listed, these Rules of Procedure, and other relevant laws and regulations shall be invalid.

Chapter 2 Composition

Article 6 The Audit Committee shall comprise three members, all of whom shall be non-executive directors who do not hold any senior management position in the Company. The majority of the members shall be independent directors. Among the members, there shall be an accounting professional who meets relevant provisions and the convenor shall be the accounting professional among independent non-executive directors. Members of the Audit Committee shall be elected by the Board of the Company.

Article 7 The Audit Committee shall have one chairperson who shall be held by an accounting professional among the independent non-executive directors. The chairperson of the Audit Committee is responsible for convening and presiding over the meetings of the Audit Committee. When the chairperson of the Audit Committee is unable or fails to perform his/her duties, he/she shall designate another independent director member to act on his/her behalf. Where the chairperson of the Audit Committee neither perform his/her duties nor designate another independent director member to act on his/her behalf, any member of the Audit Committee may report the circumstance to the Board of the Company, which shall then designate a member to perform the duties of the chairperson of the Audit Committee.

Article 8 Members of the Audit Committee must meet the following conditions:

(i) having not fallen into the categories where a person shall not serve as a director of the Company in accordance with the Company Law, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association;

(ii) having not been publicly determined as an unsuitable director of a listed company by any stock exchange, and the period of such determination has not yet expired;

(iii) having not been subject to any market entry restrictions imposed by the China Securities Regulatory Commission (the "**CSRC**") prohibiting the person from serving as a director, and the period of such restrictions has not yet expired;

(iv) possessing good moral character, and possessing relevant professional expertise or work experience in finance, accounting, auditing and related fields;

(v) other conditions required by relevant laws, regulations, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

A partner of the current external audit firm engaged by the Company shall be prohibited from serving as a member of the Audit Committee within two years from the date of such person ceasing to be a partner of the audit firm or to have any financial interest in the current external audit firm, whichever is later.

Article 9 A person who does not meet the criteria prescribed in the preceding article shall not be elected as a member of the Audit Committee. A member of the Audit Committee who becomes disqualified in accordance with the requirements of the preceding article during his/her term shall resign or be removed by the Board.

Article 10 The term of office of the members of the Audit Committee shall be consistent with that of directors of the Board. Each member of the Committee shall be eligible for re-election upon the expiry of his/her term of office. If any Committee member ceases to be a director of the Company, his/her qualification as a member of the Audit Committee shall be lost automatically, and the position(s) vacated by such member(s) shall be filled by the Committee in accordance with Articles 6 to 8 as set forth above.

Article 11 Where the number of members of the Audit Committee falls below two-thirds of the required number due to members' resignation or removal or other reasons, the Board of the Company shall elect new members for the Committee as soon as possible.

Article 12 The requirements of the Company Law, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association on the obligations of directors are applicable to members of the Audit Committee.

Chapter 3 Duties and Authorities

Article 13 The duties and powers of the Audit Committee are as follows:

(i) to make recommendations to the Board on the appointment, reappointment, renewal or replacement, dismissal or removal of the external auditor, to approve and review the remuneration and terms of engagement of the external auditor, to address any problems concerning the resignation or dismissal of the external auditor, and to supervise the work of the external auditor and review the report from the external auditor. Where the Company engages or replaces an external accounting firm, the Audit Committee shall form an opinion on relevant matters first and make a proposal to the Board before the Board considers the relevant resolution;

(ii) to review and supervise the independence and objectivity of the external auditor and the effectiveness of the audit process in accordance with applicable standards, and the Audit Committee shall discuss with the auditor on the nature and scope of the audit and reporting obligations before the audit commences;

(iii) to monitor the Company's financial supervision and control and internal audit systems and their implementation;

(iv) to be responsible for the communications between internal audit and external audit and to oversee the relationship between the Company and the external auditor;

(v) to review the integrity of the Company's financial statements, annual reports and accounts, half-year reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements set out therein. Before submitting relevant statements and reports to the Board, the Audit Committee shall focus particularly on reviewing:

(a) any changes in accounting policies and practices;

(b) major judgmental areas;

(c) significant adjustments resulting from audit;

(d) the going concern assumptions and any qualifications;

(e) compliance with accounting standards;

(f) compliance with requirements of laws and the Listing Rules in relation to financial reporting.

(vi) in order to perform the duties of paragraph (v) of this Article:

(a) members of the Audit Committee shall liaise with the Board, senior management and the appointed auditor; the Audit Committee shall convene meetings with the external auditor of the Company at least twice a year;

(b) the Audit Committee shall consider any significant or unusual matters that are, or may need to be, reflected in the financial reports and accounts, and shall give due references to any matters that have been raised by financial personnels, internal auditors or supervisors of the Company, or the external auditor engaged;

(vii) to review the Company's risk management and internal control systems;

(viii) to discuss the risk management and internal control systems with management to ensure that the management has performed its duty to establish effective systems. These discussions shall include the adequacy of resources, employees' qualifications and experience in relation to the Company's accounting and financial reporting function, as well as the training program received by employees and the sufficiency of relevant budget;

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

(x) to ensure co-ordination between the internal audit department and the external auditor, and that the internal audit department is adequately resourced and has appropriate standing, and to review and monitor the effectiveness of the operation of the internal audit department;

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

(xii) to review the explanatory letter on audit work presented by the external auditor to the management, as well as any material queries raised by the external auditor to the management in relation to accounting records, financial accounts or internal control systems and the management's responses;

(xiii) to ensure that the Board will provide a timely response to the issues raised by the external auditor to the management in the explanatory letter on audit work;

(xiv) to ensure that the Company has established appropriate channels for employees to report or raise concerns on potential improprieties in financial reporting, internal controls or other matters in a confidential manner, and to review relevant arrangements from time to time to ensure fair and independent investigations and appropriate follow-up actions have been taken by the Company to address these matters;

(xv) to act as the key representative between the Company and the external auditor to oversee their relationship;

(xvi) to review all external guarantees of the Company, audit material connected transactions and submit the discussion results to the Board for consideration;

(xvii) to formulate and implement policies of non-audit services provided by the external auditor (if any). For the purpose of this article, the external auditor includes any entity under the common control, ownership or management with such audit firm, or a third party who has a reasonable knowledge of all relevant data, which would, therefore, be reasonably concluded to be any entity responsible for part of such audit firm's domestic or international business. The Audit Committee shall report to the Board and make recommendations on any action or improvement it deems necessary;

(xviii) to review the Company's compliance with the Corporate Governance Code as set out in the Listing Rules and disclosures in its Corporate Governance Report;

(xix) other authorities of the Audit Committee under the Listing Rules;

(xx) to report to the Board on matters relating to the provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules;

(xxi) to review and oversee the Company's policies and practices regarding compliance with laws and regulatory requirements;

(xxii) to review the necessity, feasibility and risk control of trading in futures and derivatives;

(xxiii) other matters as authorized by the Board of the Company;

(xxiv) to handle matters related to laws, administrative regulations, normative documents, securities regulatory rules of the place where the shares of the Company are listed and other matters as authorized by the Board.

(v) other matters as stipulated by laws, administrative regulations, securities regulatory and administration rules of the place where the Company's shares are listed, and the Articles of Association.

Article 15

Article 21 The Audit Committee shall publicly disclose its terms of reference on the websites of The Stock Exchange of Hong Kong Limited and the Company, explaining its role and the powers delegated to it by the Board.

Chapter 4 Procedures of Decision Making

Article 22 The preparatory work for the Audit Committee's decision-making shall involve the collection of relevant written materials:

(i) relevant financial reports of the Company;

(ii) work reports of internal and external auditor;

(iii) external audit contracts and relevant work reports;

(iv) external disclosures of information made by the Company;

(v) audit reports on material connected transactions of the Company;

(vi) other relevant matters.

Article 23 The Audit Committee shall convene meetings to discuss relevant reports and information, and shall submit relevant written resolutions to the Board for discussion:

(i) evaluation of the work of external auditor, and the engagement and replacement of external auditor;

(ii) whether the internal audit system of the Company has been effectively implemented, and whether the financial reports of the Company are true in all aspects;

(iii) whether the financial reports and other information disclosed publicly by the Company is objective and true, and whether the material connected transactions of the Company comply with relevant laws and regulations;

(iv) evaluation of work of the Company's internal finance department and the audit department, including their persons-in-charge;

(v) other relevant matters.

Chapter 5 Convening and Notification of Meetings

Article 24 Meetings of the Audit Committee can be classified into regular meetings and extraordinary meetings. Regular meetings shall be held at least once a quarter. Extraordinary meetings may be held when two or more members propose, or when the convener deems it necessary.

Article 25 The regular meeting of Audit Committee is mainly to audit the financial situation and financial revenue and expenditure activity of last financial year, first half of the year and quarter. In addition to those set out in the above paragraph, the Audit Committee may also review at its regular meetings any matters within its terms of reference and that are set out in notices of meetings.

Article 26 The meetings of the Audit Committee shall be held on-site. On the premise of ensuring that all participating directors can fully communicate and express their opinions, the meetings may be held by video, telephone or other means when necessary. If voting by other means of communication is adopted, members of the Audit Committee who have signed the meeting resolutions shall be deemed to have attended the relevant meeting and have agreed to the contents of the resolutions.

Article 27 The Audit Committee shall give notice to all members three days before the convening of the meetings by means of written notification, fax, telephone, e-mail or other expedited means. In the event of emergency requiring convening an extraordinary meeting, the notice of the meeting can be exempted from the above time limit, and be sent at any time by telephone, e-mail or other means together with relevant materials and information, but the convener should make explanations in the meeting.

Chapter 6 Consideration and Voting Procedures

Article 28 The Audit Committee may not be held unless a quorum of more than two thirds (inclusive of two-thirds) of its members is present. Members of internal audit department may attend meetings of the Audit Committee. Where necessary, directors and senior management of the Company may be invited to attend the meetings.

Article 29 The member of the Committee who serves as an independent director shall attend the meeting in person. If the member is unable to attend the meeting for any reason, he/she shall review the meeting materials in advance, formulate a clear opinion, and appoint another member in writing to attend the meeting on his/her behalf. The member who serves as a non-independent director may delegate another member to attend the meeting and exercise the voting right on his/her behalf if he/she is unable to attend the meeting in person for any reason. Each member of the Audit Committee shall appoint only one other member as his/her proxy to exercise the voting right on his/her behalf. Where any member appoints two or more members to exercise the voting right on his/her behalf, such appointment shall be deemed invalid.

Article 30 If any member of the Audit Committee appoints another member to attend the meetings and exercise the voting right on his/her behalf, he/she shall submit a power of attorney to the presider before the voting of the meetings.

Article 31 A power of attorney shall be signed by the appointing member and the proxy, and shall include at least the following information:

(i) the name of the appointing member;

(ii) the name of the proxy;

(iii) the entrusted matters;

(iv) the instruction as to how to vote on the proposed resolutions (voting for, voting against or abstaining) and the explanation as to whether the proxy may vote in his/her discretion in the absence of specific instruction;

(v) the validity period of the power of attorney;

(vi) the date of signing the power of attorney.

Article 32 Members of the Committee will be considered absent from the meetings of the Committee if they fail to attend in person or by proxy. Members of the Audit Committee who are absent from the meetings of the Committee twice consecutively will be deemed unable to perform their duties and powers and may be removed from the Committee by the Board of the Company.

Article 33 Resolutions made by the Audit Committee shall not be valid unless passed by more than half of all members (including those who are not present) voting thereon. Each member of the Audit Committee shall have one vote.

Article 34 Members of the Audit Committee would be free to discuss the subject matters considered at the meetings, but order shall be maintained at the meetings. No speaker shall use any offensive or other insulting or threatening language. The presider of the meeting shall have the right to decide the time for discussion.

Article 35 Matters proposed at the Audit Committee meetings are subject to collective consideration and voting on a case-by-case basis, i.e. all the proposals are considered by all members present and then are put to vote one by one according to the order of consideration.

Article 36 The Audit Committee may, if considered necessary, invite other persons in connection with the proposals to attend the meetings to provide detailed information or express their opinions. Those who are not members of the Audit Committee, however, do not have voting rights on the proposals.

Article 37 Members present at the meetings shall consider the proposals and give full expression of their personal opinions with a conscientious and responsible attitude; members shall be responsible for their own votes.

Article 38 Voting at both the regular meetings and extraordinary meetings of the Audit Committee shall be conducted by a show of hands. The order of voting shall be “for”, “against” and “abstain”. Each member present shall have only one vote on one proposal by a show of hands; should a member put his/her hand up more than once, only the last show of hand is valid. If a member attends the meeting on his/her own and another member’s behalf5 (h a)0.6 (c)0.5 (ok.6 (o)0.5 (

Article 39 Meetings of the Audit Committee shall be recorded by the staff of the secretary's office of the Board of the Company.

Chapter 7 Resolutions and Minutes of Meetings

Article 40 Each proposal on which a prescribed number of valid votes are cast shall become

Article 46 Minutes of the Audit Committee meetings shall include at least the following information:

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

(ii) names of attendees, with special notes added for proxies;

(iii) agenda of the meeting;

(iv) highlights of members' speeches;

(v) the way of voting on each item or proposal and voting results that set out numbers of votes for and against and the number of votes to abstain;

(vi) other matters that shall be explained or recorded in meeting minutes.

Chapter 8 Abstention System

Article 47 Where an Audit Committee member or his/her immediate family member, or any other enterprise controlled by an Audit Committee member or his/her immediate family member has a direct or indirect interest in a matter under discussion at a meeting, the member shall promptly disclose the nature and extent of such interest to the Audit Committee.

Article 48 In the scenario mentioned in the preceding article, the interested member shall explain the relevant circumstances in detail at the meeting of the Audit Committee and clearly indicate that he/she will abstain from voting. However, if the other members of the Audit Committee agree after discussion that such interests will not have a significant impact on the voting matters, the interested member may participate in the voting.

If the Board of the Company deems that it is inappropriate for the interested member in the preceding paragraph to participate in voting, it may revoke the voting results of the relevant proposals and request the disinterested members to vote again on the relevant proposals.

Article 49 The meeting of the Audit Committee shall deliberate and make resolutions on the proposals without including the interested member in the quorum. If the Audit Committee fails to meet the minimum quorum after recusal of the interested member, all members (including interested members) shall resolve procedural matters such as submitting the relevant proposals to the Board for deliberation, and the Board of the Company shall deliberate on such proposals.

Article 50 The meeting minutes and resolutions of the Audit Committee shall indicate that interested members are not counted in the quorum and do not participate in the voting.

Chapter 9 Work Evaluation

Article 51 Members of the Audit Committee shall have the right to conduct internal audits of the Company’s financial activities and revenue and expenditure status for the preceding financial ny s (dl actively)ch irst half of C inuretsud

Article 58 The Board of the Company shall be responsible for interpreting these Rules of Procedures. These Rules of Procedures shall take effect and be implemented upon approval by the Board, commencing from the date the Company's H Shares are filed with the CSRC and listed for trading on The Stock Exchange of Hong Kong Limited.

Shenzhen Woer Heat-Shrinkable Material Co., Ltd.

February 2026