Flat Glass Group Co., Ltd.
Terms of Reference of the Audit Committee of the Board of Directors

Chapter 1 General Provisions

Article 1 In order to strengthen the decision-making function of the board of directors (the "Board") of Flat Glass Group Co., Ltd (the "Company", the Company, the "Group"), continuously improve the effectiveness of the Board and the management, and improve the corporate governance structure, the Company has specially established the audit committee of the Board (the "Audit Committee") and formulated the implementation rules of the Audit Committee in accordance with the Company Law of the People's Republic of China, Code of Corporate Governance for Listed Companies, Measures of the Administration of Independent Directors of Listed Companies, Rules Governing the Listing of Securities on Shanghai Stock Exchange (the "Shanghai Stock Exchange Listing Rules"), Self-Regulatory Guidelines of Listed Companies of Shanghai Stock Exchange No. 1 – Standardized Operation, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules of Stock Exchange"), the Articles of Association of Flat Glass Group Co., Ltd (the "Articles of Association") and the relevant regulations.

Article 2 The Audit Committee of the Board is a special committee under the Board and shall be responsible for reviewing the financial information of the Company and disclosure, communicating, reviewing and supervising internal and external auditing and internal control.

Chapter 2 Composition

Article 3 The Audit Committee comprises three non-executive directors, and a majority of them shall be independent non-executive Directors, and one of them shall be an accounting professional.

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

Article 5 The Audit Committee shall have one chairman, who shall be an independent non-executive director who is an accounting professional, shall be responsible for convening and presiding over meetings of the committee, and the chairman of Audit Committee shall be determined by the Board.

Article 6 The term of office of the Audit Committee shall be consistent with that of the Board. A member of the Audit Committee may be re-elected upon the expiry of his/her term of office.

If any member ceases to meet the requirements of directors of the Company during his/her term of office as a member of independent non-executive directors, he/she loses his independence under the Articles of Association and/or Listing Rules of Stock Exchange, he/she shall immediately cease to hold the position of committee member. The vacancy shall be filled by the Board within three months in accordance with Article 3 or 5 above.

Article 7 An Audit Department shall be established under the Committee, which is responsible for the guidance and supervision of the Audit Committee. The secretary of the Board shall take charge of the specific coordination between the Audit Committee and the Board.

Chapter 3 Terms of Reference

Article 8 The Audit Committee of the Board is responsible for overseeing the company's financial information and disclosure, overseeing and evaluating both external and internal audit, and internal control. The terms of reference of the Audit Committee are:

(1) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and dismissal of external auditors, approving the remuneration and terms of engagement of external auditors, and dealing with any issues relating to the resignation or dismissal of the auditors;

(2) to review and monitor external auditors' independence and objectivity and the effectiveness of the audit in accordance with applicable standards;

(3) to discuss with the auditors the nature and scope of the audit and reporting obligations before the commencement of the audit;

(4) to develop and implement policy on the engagement of external auditors to provide non-audit services. For the purpose of this clause, external auditors include 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 local and international business of the audit firm. The Audit Committee shall report to the Board and identify any matters in respect of which it considers that action or improvement is needed;

(5) to discuss and communicate with external auditors the nature of audit, auditors' responsibilities, auditors' methodology and major findings identified in the audit;

(6) to facilitate communication between management, internal auditors and external auditors of the Company and external auditors;

(7) to monitor and evaluate the diligence and competence of external auditors;

(8) to monitor the integrity of the Company's financial statements, annual report, interim report and financial statements contained therein;

(9) to review the Company's financial and accounting policies and practices, compliance and accuracy of the financial statements;

(14) ega di g (13) ab e:

(i) membe f he A di C mmi ee h ld liai e i h he B a d a d e i ma ageme f he G . The c mmi ee m mee , a lea ice a ea , i h e al a di f he C m a ; a d

(ii) he A di C mmi ee h ld c ide a ig ifica al i em ha a e, ma eed be, eflec ed i ch e a d acc , a d i h ld gi e d e c ide a i a ma e ha ha e bee ai ed b he aff e ible f acc ig a d fi a cial e ig fi c i , c m lia ce ffice he a di f he C m a ;

(15) di c i h he a di ab he blem a d e e a i a i g f m he i e im a d fi al a di , a d a ma e he a di ma i h di c (i he ab e ce f ma ageme f he G he e ece a);

(16) f m la e he al he a al a d i e im fi di ib i a d ca i al e e e ca i aliza i f he C m a ;

(17) e ie he C m a ' fi a cial c l , i e al c l a d i k ma ageme em ;

(18) di c he i k ma ageme a d i e al c l em i h ma ageme e e ha ma ageme ha e f med i d ha e effec i e i e al c l em . Thi di c i h ld i cl de he ade ac f e ce , aff alifica i a d e ie ce, ai i g g am a d b dge f he C m a ' acc ig a d fi a ci g e ig fi c i ;

(19) c ide maj i e iga i fi di g i k ma ageme a d i e al c l ma e a

(25) [illegible] review the internal control and risk management and governance processes, as well as the management and improvement measures put in place in connection with the external audit process;

(26) [illegible] external auditor's report, and to specify deficiencies in the external audit;

(27) review the Letter of Representation addressed to the auditors by the management, and significant issues raised by the auditors in relation to the accounting and financial accounting system and the management's response;

(28) [illegible] shall without undue delay report to the Board of Directors on the issues raised in the Letter of Representation addressed by the external auditor to the management;

(29) conduct the review with the chief financial officer, the head of the internal audit department of the Company or their equivalent in charge of the area of the report/the department;

(30) submit the draft annual report to the Board of Directors; and submit the draft annual accounts to the Board of Directors;

(31) consider the issue of the Board having to appoint, replace or remove a member of the Audit Committee, and to act (including drawing up the relevant proposal) with staff;

(32) [illegible] the Board of the above matters;

(33) review the following arrangements of the Company: the employees of the Company can, in confidence, raise concerns about possible irregularities in financial reporting, internal control or the matter; [illegible] the arrangements in place for the Company to conduct fair and independent investigation and take appropriate action;

(34) act as the key representative of the Company and the external auditor and its relationship;

(35) consider and implement the matter delegated by the Board; and

(36) the matter authorized by the Board [illegible] by laws, administrative regulations, department rules, the rules of the place where the Company's shares are listed, and the Articles of Association.

The following matters shall be submitted to the Board of Directors for consideration at the meeting of more than half of all members of the Audit Committee:

(i) the disclosure of the financial information in the financial and accounting policies and the general situation, and the internal control;

(ii) the appointment, removal of any accounting firm which engages in the auditing of the Company;

(iii) the appointment, removal of the financial officer of the Listed Company;

(iv) the change in accounting policies and accounting estimates constituting significant accounting errors of the last change in accounting standard;

(v) the matters stipulated by laws, administrative regulations, departmental rules, the relevant listing rules of the stock exchanges where the Company's shares are listed, and the Articles of Association.

Article 9 The Audit Committee shall provide the internal auditing work, and its duties shall include the following aspects:

(1) to review the implementation of the internal auditing rules of the Company;

(2) to review the implementation of the company's internal auditing;

(3) to review the internal auditing reports, examine the relationship of internal auditing and review the specific financial matters;

(4) to provide the effective communication of the internal auditing departments.

The Company's internal auditing departments shall report to the Audit Committee. Auditing reports, rectification opinions and rectification progress shall be forwarded to the Audit Committee;

Article 10 The Audit Committee shall report to the Board and submit annual work reports to the Board of Supervisors.

Article 11 The Audit Committee shall report to the Board matters of the following circumstances and implement improvements and make corresponding recommendations.

Chapter 4 Procedures of Decision-making

Article 12 The ec e a he B a d hall c di a e i h he A di De a me a d he ele a de a me ide he A di C mmi ee i h he f ll ig ie ma e ial f deci i -maki g e:

(1) ele a fi a cial e f he C m a ;

(2) ele a fi a cial e f he C m a ;

(3) e e al a di c ac a d ela ed k e ;

(4) a di e f i e al c l em f he C m a ;

(5) e e al i f ma i di cl e f he C m a ;

(6) a di e ma e ial ela ed a a ac i f he C m a ;

(7) he ele a ma e .

Article 13 The A di C mmi ee hall c e e mee i g di c e bmi ed b he A di De a me a d he de a me , a d hall bmi i ele a ie e e i he B a d f di c i :

(1) k a ai al e e al a di i i i , a d he e gageme a d e laceme f e e al a di i i i ;

(2) he he he i e al a di em f he C m a ha bee effec i el im leme ed, a d he he he fi a cial e f he C m a a e e a d c m le e;

(3) he he he fi a cial e a d he i f ma i di cl ed b he C m a a e bjec i e a d e, a d he he he ma e ial ela ed a a ac i f he C m a c m l ih he ele a la a d eg la i ;

(4) he e al a i he e f ma ce f he i e al fi a cial de a me a d he a di de a me (i cl di g i head);

(5) he ele a ma e .

Article 14 The membe f he A di C mmi ee hall e ie ed he A di De a me e ie he f ll ig ma e , e a e a e ie e ad bmi i he B a d a lea ce e e a e .

(1) im leme a i f ig ifica ma e f he C m a ic di g e f ai ed ceed , e e al g a a ee , ela ed a a ac i , ec i ie i e me , e ca ial i e me , e e al fi a cial a i a ce, cha e ale f a e ad e e al i e me ;

(2) la ge- al e a ac i f he C m a a d he a ac i i h di ec , e i , e i ma ageme membe , c lli g ha eh lde a d de fac c lle a d hei e ec i e a cia e .

Article 15 The ki g ced e f a al e f he A di C mmi ee a e a f ll :

(1) he A di C mmi ee hall decide he ched le f a di i g a al fi a cial e h gh c mm ica i h he acc i g fi m;

(2) i c he acc i g fi m bmi a di e i hi he e i d ag eed, a d hall ec d he me h d, ime a d e l f he i c i i e f m hich hall be c fi med h he ig a e f he ele a e i cha ge;

(3) he A di C mmi ee hall e ie he fi a cial acc i g a eme e a ed b he C m a a d d i i i i e f m bef e e a ce f he CPA f a al a di ;

(4) e g he he c mm ica i h he CPA f a al a di af e hei e a ce, a d e ie he fi a cial acc i g a eme f he C m a af e he CPA f a al a di gi e hei elimi a a di i i a d d i i i e f m;

(5) he A di C mmi ee hall e f he a al fi a cial acc i g a eme a d bmi ch a eme he B a d af e he e l i a e made;

(6) he A di C mmi ee hall bmi he fi al e he C m a ' a di k e gaged b he acc i g fi m f he c e ea a d he e l i ega di g e e ig he e gageme f, e laci g, he acc i g fi m f he e ea he B a d.

Chapter 5 Procedural Rules

Article 16 The Ar di C mmi ee mee ig hall c e e a lea ce e e a e . Whe m e membe e, he he c e c ide ece a , a e a di a mee ig ca be held.

All membe hall be ified h ee da i he Ar di C mmi ee mee ig. Whe e he e a e eme ge c i a i , he mee ig f he Ar di C mmi ee hall be held a a ible, i h he a im c e f all membe , he e ice f he ice ega di g he mee ig ma be made h gh ele h e all a a ime, he c e ei g f he mee ig i bjec he ime limi f he af eme i ed ice.

The Ar di C mmi ee mee ig hall be e ided e b he chai ma f he Ar di C mmi ee, h hall de ig a e a he i de e de -e ec i e di ec e ide e he mee ig if he/ he i able e f m hi /he d ie .

Article 17 A Ar di C mmi ee mee ig hall be held i h he a e da ce f m e ha - hi d f he membe ; each membe hall ha e e e; e i made a he mee ig hall be ad ed b a maj i f all membe .

Article 18 Membe f he Ar di De a me ma a e d mee ig f he Ar di C mmi ee. The Di ec , e i a d he e i ma ageme f he C m a ma be i i ed a e d mee ig f he Ar di C mmi ee, he e ece a .

Whe e a age da i em ela ig a membe i be di c ed a he mee ig f he Ar di C mmi ee, ch ela ed membe hall ab ai f m he mee ig i e ec he e f. The aid mee ig f he Ar di C mmi ee ma be held b m e ha e-half f he ela ed membe a e di g he mee ig a d e i ed hall be a ed b m e ha e-half f he ela ed membe ; he e he mbe f ela ed membe a e di g he mee ig fall bel e-half f he al mbe f ela ed membe f he Ar di C mmi ee, ch ma e hall be bmi ed he B a d f c ide a i .

Article 19 Membe f he Ar di C mmi ee hall a e d mee ig i e a d e e i i ma e de c ide a i . I he e e ha a membe i able a e d he mee ig i e f a ea , he membe ma bmi a e f a e ig ed b him he a d a i a he membe a e d he mee ig a d e e i i hi /he behalf. If a i de e de -e ec i e di ec membe i able a e d he mee ig f a ea , he/ he hall e ie he mee ig ma e ial i ad a ce f m e lici ad ice, a i a he i de e de -e ec i e di ec membe a e d hi /he behalf. Each membe c ld be e ed b m e ha e membe a e ime. The e f a e hall ecif he c e a d d a i f a h iza i .

Article 20 V e a he mee ig f he Ar di C mmi ee hall be made b a h f ha d b ll ia he ig me h d ec g ized b eg la a h i (ie) f he lace he e he ha e f he C m a a e li ed. The mee ig hall be c e ed ie i i ci le. P ided ha all Di ec ca fi ll e e hei i i a he mee ig , ch mee ig ca be held b mea f ide , ele h e, he me h d he ece a .

Article 21 Whe e ece a , he A di C mmi ee ma e gage i e media e age cie ide fe i al ad ice f i deci i -maki g a he e e e f he C m a .

Article 22 The c e ig ced e f, ad i g me h d ad e l i a ed a , mee i g f he A di C mmi ee hall c m l v ih he e i eme f he ele a la , eg la i , he A icle f A cia i ad he e le .

Article 23 The A di C mmi ee hall kee mi e f i mee i g . D af ad he fi al e i f mi e hall be e all membe f he A di C mmi ee, i hi a ea able e i d f ime af e he mee i g, he d af f hei c mme ad he fi al e i f hei ec d . Membe f he c mmi ee e e a ch mee i g ad mee i g ec de hall ig he mi e . The mi e hall be ke b he ec e a he B a d f he C m a f a e i d f le ha e ea .

Article 24 Membe a e ad ad e e a a mee i g hall be bliged kee c fide ial all ma e di c ed i ch mee i g, ad hall di cl e a ele a if ma i v ih a h iza i bef e blic di cl e b he C m a .

Chapter 6 Supplementary Provisions

Article 25 The e m f e e al a di – ad e e al a di i i i – a efe ed de he e le he ei hall ha e he ame mea i g.

Article 26 A ma e defi ed i he e le ic i e v ih ele a la , admi i a i e eg la i , ma i e d c me , eg la le f he lace v he e he C m a ' ha e a e li ed ad he A icle f A cia i , he ele a la , admi i a i e eg la i , ma i e d c me , he eg la le f he lace v he e he C m a ' ha e a e li ed ad he A icle f A cia i hall e ail fi l .

Article 27 The e m ab e– de he e le i ic i e, hile e ceedi g– i e cl i e.

Article 28 The B a d f he C m a i e ible f i e e i g he e le . The e le v ill ake effec a e ie ed ad a ed b he B a d, ic di g he ame e i i .

Article 29 If he e i a ic i e c be ee he Egli h ad Chi e e e i f he e le , he Chi e e e i hall e ail.