

Montage Technology Co., Ltd.

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

(Effective upon issuance and listing of H Shares)

Chapter 1 General Provisions

Article 1 In order to enhance the decision-making functions of the Board of Directors of Montage Technology Co., Ltd. (the “Company”), improve the efficiency of the Board of Directors, establish a sound audit evaluation and supervision mechanism for the Board of Directors, ensure the effective supervision of the Company by the Board of Directors, and improve the Company’s governance structure, the Board of Directors of the Company establishes the Audit Committee with these terms of reference in accordance with the Company Law of the PRC (《中華人民共和國公司法》), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》), the Basic Standards for Corporate Internal Control (《企業內部控制基本規範》), the securities regulatory rules of the place(s) where the shares of the Company are listed and the articles of association of Montage Technology Co., Ltd. (the “Articles of Association”) and other relevant requirements.

Article 2 The Audit Committee is a specialized committee established under the board of directors, which exercises the functions and powers of the supervisory committee as stipulated in the Company Law. The Audit Committee is accountable to and reports to the board of directors. The Audit Committee of the Board of Directors of the Company is mainly responsible for reviewing the financial information of the Company and its disclosure, supervising and evaluating internal and external auditing work and internal control.

Chapter 2 Composition

Article 3 Members of the Audit Committee shall be appointed by the Board of Directors amongst the members of the Board of Directors. The Audit Committee shall comprise three directors. Members of the Audit Committee should be directors who do not hold senior management positions within the Company, with two of them being independent directors (and at least one of the members shall be an independent director and have appropriate professional qualifications or expertise in accounting or related financial management, and in compliance with the qualification requirements for financial professionals of the Audit Committee as required by the security exchange of the place(s) where the shares of the Company are listed). A former partner of an external audit firm which is currently responsible for auditing the accounts of the Company cannot serve as a member of the Audit Committee of the Company for a period of two years from the following dates (whichever is later): (1) the date on which he/she ceases to be a partner of such audit firm; (2) the date on which he/she ceases to be entitled to the financial benefits in such audit firm.

The “independent director” as referred herein shall have the same meaning as “independent non-executive director” in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Article 4 Members of the Audit Committee shall, in principle, be independent of the daily management and operations of the Company. All members of the Audit Committee shall have the professional knowledge and experience capable of performing the duties of the Audit Committee, supervising and assessing the external audit of the Company in a practical and effective manner, guiding the internal audit of the Company, and enhancing the establishment of effective internal control to provide financial reports that are true, accurate and complete.

Article 5 Members of the Audit Committee shall be elected by the board of directors.

Article 6 The Audit Committee shall have one convener (chairperson), who shall be elected from the committee members by the board of directors. The chairperson shall be responsible for presiding over the work of the Audit Committee. The convenor of the Audit Committee shall be an accounting professional with professional experience in accounting or financial management.

Article 7 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. During his/her term of office, a member of the Audit Committee may be removed from his/her roles by the Company in accordance with statutory procedures. 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.

Article 8 The Audit Committee may establish a working group as its daily administrative body. 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

Article 9 The Audit Committee shall be responsible for review of the Company's financial information and disclosure thereof, supervision and evaluation of internal and external audit and internal control. The following matters shall, upon obtaining consent of a majority of all the members of the Audit Committee, be submitted to the board of directors for consideration:

- (1) Disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (2) Appointment or dismissal of the accounting firm that undertakes the Company's audit business;
- (3) Appointment or dismissal of the Company's financial officer in-charge;
- (4) Changes in accounting policies, accounting estimates, or corrections of significant accounting errors due to reasons other than changes in accounting standards;
- (5) Other matters stipulated by laws, administrative regulations, the provisions of the CSRC, the provisions of the Shanghai Stock Exchange and the Articles of Association.

Article 10 The duties and responsibilities of the Audit Committee to supervise and evaluate the work of the external auditor shall include at least the following:

- (1) to evaluate the independence and professionalism of the external audit firm, particularly the influence of non-audit services provided by an external audit firm on its independence; to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee shall discuss with the auditors the nature and scope of the audit and the reporting obligations before the audit commences;
- (2) to make recommendations to the Board of Directors on the appointment, reappointment and removal or change of the external auditors, and to deal with any issues of their resignation or dismissal;
- (3) to review the audit fees and terms of engagement of the external auditors and to make recommendations to the Board of Directors;
- (4) to discuss and communicate with the external auditors on the scope of the audit, the audit plan, the audit methodology and the significant matters identified during the audit;
- (5) to supervise and evaluate whether the external auditors have acted with due diligence;
- (6) to formulate and implement policies on the provision of non-audit services by external auditors. For the purpose of this provision, an "external auditor" shall include any entity under common control, ownership, or management with the company responsible for the audit or a third party with reasonable knowledge of all relevant information, which is reasonably deemed as a part of the domestic or international operations of the company responsible for the audit. The Audit Committee shall report to the Board and make recommendations on any matters requiring action or improvement.

Article 11 The duties and responsibilities of the Audit Committee in overseeing and assessing the internal audit work shall at least include the following:

- (1) to direct and supervise the establishment and implementation of the internal audit system;
- (2) to review the Company's work plan for internal audit;
- (3) to supervise the implementation of internal audit plans of the Company;
- (4) to direct the effective operation of the internal audit institution. The internal audit institution of the Company shall report to the Audit Committee, and various audit reports, rectification plans and rectification progress related to the identified audit issues submitted to the management by the internal audit department shall be concurrently forwarded to the Audit Committee;
- (5) to report to the board of directors on the progress and quality of internal audit and major problems identified;
- (6) to coordinate the relationship between the internal audit institution and the external audit units such as accounting firms and national audit institutions.

Article 12 The Audit Committee shall review the financial accounting reports of the Company, particularly include the following:

- (1) to review the financial reports of the Company and provide opinions on the authenticity, accuracy and completeness of the financial reports;
- (2) to monitor integrity of the Company's financial statements and annual report and accounts, interim report and quarterly reports, and to review significant judgements on financial reporting contained therein. In reviewing these reports before submission to the board of the directors, the Audit Committee shall focus particularly on:
 1. any changes in accounting policies and practices;
 2. significant judgments;
 3. significant adjustments resulting from audit;
 4. the going concern assumptions and any qualifications;
 5. compliance with accounting standards; and
 6. compliance with the Hong Kong Listing Rules and legal provisions in relation to financial reporting;
- (3) regarding (2) above:
 1. members of the Audit Committee shall liaise with the board of directors and senior management. The committee shall hold meeting with auditors of the Company at least twice a year; and
 2. the Audit Committee shall consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, it shall give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function and compliance officer or the auditors;
- (4) to focus on the major accounting and auditing issues in the financial accounting reports of the Company;
- (5) to put extra emphasis on whether there is any possibility of fraud, corrupt practices or material misstatement in relation to the financial accounting reports;
- (6) to supervise the rectification of the issues in the financial accounting reports.

Article 13 The Audit Committee's responsibilities in evaluating the Company's financial reporting system, risk management, and internal control systems shall include at least the following:

- (1) to evaluate the appropriateness of the design of the Company's internal control system;
- (2) to review the self-evaluation reports on internal control;

- (3) to review the internal control audit reports issued by the external auditors, as well as communicate with the external auditors on the issues identified and improvement measures;
- (4) to evaluate the results of internal control evaluations and audits and supervise the rectification of internal control deficiencies;
- (5) to evaluate the financial control of the Company and (unless there is a separate risk committee under the Board of Directors or the Board of Directors itself explicitly deals with it) to evaluate the risk management systems and internal control system of the Company;
- (6) to discuss the risk management and internal control systems with the management to ensure that the management has performed its duty to establish effective systems. The discussion should cover whether the Company has adequate resources, its staff are of sufficient qualification and experience in its accounting and financial reporting function, and their training programmes and relevant budget are adequate;
- (7) to consider major investigation findings on risk management and internal control matters and management's response to these investigation findings on its own initiative or as delegated by the board of directors;
- (8) to ensure coordination between the internal and external auditing bodies and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company; and to review and monitor the effectiveness of the internal audit function;
- (9) to review the Group's financial and accounting policies and practices;
- (10) to review the external auditors' letters to the management on audit results, any material queries raised by the auditors to the management about accounting records, financial accounts or control system and the management's response;
- (11) to ensure that the Board of Directors will provide a timely response to the issues raised in the external auditors' letter to the management on audit results;
- (12) to report to the Board of Directors on the matters included under this paragraph;
- (13) to consider other topics as defined by the board of directors; and
- (14) to review arrangements which employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee shall ensure that proper arrangements are in place for fair and independent investigation of these matters and appropriate follow-up action taken by the Company.

Article 14 The duties of the Audit Committee to coordinate among the management team, internal audit department and related departments and the external auditors include the following:

- (1) to serve as the primary liaison between the Company and the external auditors, overseeing the relationship between the two;

- (2) to coordinate communications between management and external auditors on significant audit matters;
- (3) to coordinate communications between the internal audit department and external auditors, as well as cooperation with external audit work.

Article 15 The Audit Committee is responsible for reviewing the Company's financials in accordance with the law, overseeing the legal and regulatory compliance of the directors and senior management in the performance of their duties, exercising other powers stipulated in the Articles of Association, and protecting the legitimate rights and interests of the Company and its shareholders.

When the Audit Committee discovers that directors or senior management have violated the laws and regulations, relevant provisions of the Shanghai Stock Exchange, or the Articles of Association, it shall notify the Board of Directors or report to the shareholders' meeting and disclose it in a timely manner, or it may report directly to the regulatory agency.

In the process of fulfilling its supervisory duties, the Audit Committee may propose the removal of those directors and senior management who have violated the laws and regulations, relevant provisions of the Shanghai Stock Exchange, the Articles of Association, or resolutions passed by the shareholders' meeting.

Article 16 The Audit Committee shall report to the Board Directors on any measures to be taken or improvements to be made that it deems necessary and make recommendations thereon.

Article 17 When the Company intends to engage or change its external auditor, the Audit Committee shall issue deliberation opinions and make recommendations to the Board of Directors, and then the Board of Directors may deliberate on the relevant proposals.

Chapter 4 Meetings and Rules of Procedures

Article 18 The audit working group shall be responsible for preparing the preliminary work for the Audit Committee's decision-making and providing the Audit Committee with the following written materials from the Company:

- (1) The Company's relevant financial reports;
- (2) Work reports issued by internal audit institutions;
- (3) External audit contracts and relevant work reports;
- (4) Information regarding the Company's external disclosures;
- (5) Other relevant materials.

Article 19 The Audit Committee shall review and evaluate the reports submitted by the audit working group and formulate proposals to be submitted to the Board of Directors for review and decision:

- (1) Evaluation of the Company's external audit firm's performance, appointment and replacement of the external audit firm;

- (2) Assessment of whether the Company's internal auditing system are effectively implemented, and whether the Company's financial reports are fair;
- (3) Determination of whether the Company's externally disclosed financial reports and other information are truthful, accurate and complete;
- (4) Performance evaluations of the Company's finance department and the audit department (including their responsible personnel);
- (5) Other relevant matters.

Article 20 The Audit Committee has regular meetings and extraordinary meetings. The meetings shall be convened and chaired by the convener of the Audit Committee. Where the convener is unable or refuses to perform his or her duties, an independent director member shall be designated to perform such duties on his or her behalf.

Article 21 The Audit Committee shall hold at least one meeting every quarter. The Audit Committee may convene extraordinary meetings as necessary. An extraordinary meeting may be convened where it is proposed by two or more members of the Audit Committee, or where the convener of the Audit Committee considers it necessary.

Article 22 Notice of an Audit Committee meeting shall be given three days prior to the meeting. The meeting notice shall clearly specify the time, venue, agenda and other relevant matters. In the event of urgent matters, the convening of an extraordinary meeting shall not be subject to the foregoing notice period.

Article 23 In principle, meetings of the Audit Committee shall be held on site. Under the premise of ensuring that all participating members can fully communicate and express their opinions, meetings may also be held by means of communication such as video or teleconference with voting conducted through such means.

Article 24 Meetings of the Audit Committee shall be held with the attendance of more than two-thirds of its members. The review opinions submitted by the Audit Committee to the Board of Directors must be approved by more than half of all members.

Article 25 Members shall attend meetings in person and express clear opinions on the matters discussed. Members who are unable to attend due to legitimate reasons may authorize another member to attend and express opinions on their behalf by submitting a written and signed power of attorney. The power of attorney shall specify the scope of authorization and the period. Each member may serve as a proxy for no more than one other member. If an independent director is unable to attend in person due to legitimate reasons, he/she shall appoint another independent director to attend on his/her behalf.

Article 26 If a member of the Audit Committee neither attends a meeting in person nor authorizes another member to attend on their behalf, they shall be deemed not to have attended the meeting. A member who fails to attend two consecutive meetings shall be considered unable to properly perform their duties, and the Board of Directors may remove them from their position on the committee.

Article 27 If a member of the Audit Committee believes that they have a conflict of interest with matters under discussion at a meeting, they shall abstain from voting. If, due to such abstention, the Committee is unable to form a valid review opinion, the relevant matters shall be directly considered by the Board of Directors.

Article 28 When deemed necessary, the Audit Committee may invite representatives of external auditors, internal audit personnel, finance staff, legal advisors, and other relevant personnel to attend committee meetings and provide necessary information.

Article 29 When the Company discloses its annual report, it shall simultaneously disclose the annual performance of the Audit Committee, mainly including its fulfillment of duties and the convening of Audit Committee meetings.

The Audit Committee shall submit review opinions on matters within its scope of duties to the Board of Directors of the Company. If the Board of Directors does not adopt such opinions, the Company shall disclose the matter and fully explain the reasons.

Article 30 When deemed necessary by the Audit Committee, the Company may engage intermediary agencies to provide professional opinions, and the related costs shall be borne by the Company.

Article 31 The convening procedures, voting methods and resolutions of the Audit Committee meetings must be in compliance with the requirements of the relevant laws, regulations, the Articles of Association and these rules.

Article 32 Audit Committee meetings shall be arranged by the Company's Secretary to the Board of Directors. Minutes of the meetings shall be prepared, and the attending committee members and other participants shall sign the minutes. The minutes shall be kept by the Company's Secretary to the Board of Directors.

Article 33 Resolutions passed and the corresponding voting results at Audit Committee meetings shall be reported to the Company's Board of Directors in writing within three days.

Article 34 Committee members and other participants attending and present at the meeting are under a duty of confidentiality regarding the matters discussed and must not disclose any related information without authorization.

Chapter 5 Supplementary Provisions

Article 35 These rules shall take effect upon approval by the Board of Directors and shall become effective on the date the Company's overseas-listed foreign shares (H shares) are listed on the Hong Kong Stock Exchange.

Article 36 Matters not covered by these rules shall be implemented in accordance with relevant national laws and regulations, including those promulgated by the State from time to time in the future, the securities regulatory rules of the stock exchange where the Company's share certificates are listed and the provisions of the Articles of Association; in the event that these rules conflict with laws, regulations, securities regulatory rules of the stock exchange where the Company's share certificates are listed, or the Articles of Association amended through legal procedures, the Board of Directors of the Company shall promptly amend these rules accordingly, and they shall come into effect upon approval by the Board of Directors.

Article 37 These rules shall be interpreted by the Board of Directors.