

Vision Deal HK Acquisition Corp.

(Incorporated in the Cayman Islands with limited liability)

(the “**Company**”)

(**Stock Code: 7827**)

(**Warrant Code: 4827**)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. Members

- 1.1 The audit committee of the Company (the “**Audit Committee**”) should be established by the board of directors of the Company (the “**Board**”) and comprise a minimum of three members.
- 1.2 The Audit Committee should comprise non-executive directors only. The majority of the Audit Committee members must be independent non-executive directors of the Company, and at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise.
- 1.3 The Audit Committee must be chaired by an independent non-executive director and appointed by the Board.
- 1.4 If the Audit Committee comprises a non-executive director, a former partner of the Company’s existing auditing firm should be prohibited from acting as a member of its Audit Committee for a period of two years from the date of his/her ceasing (a) to be a partner of the firm; or (b) to have any financial interest in the firm, whichever is the later.
- 1.5 The terms of appointment of the Audit Committee members should be determined by the Board at the appointment date.

2. Secretary

- 2.1 The company secretary of the Company shall act as the secretary of the Audit Committee.
- 2.2 The Audit Committee may from time to time, appoint any other person with appropriate qualifications and experience to act as the secretary of the Audit Committee.

3. Meetings

- 3.1 The Audit Committee should meet at least twice a year. The external auditors of the Company can convene a meeting if necessary.
- 3.2 Due notice should be given for any meeting, unless such notification is waived by all members of the Audit Committee. Notwithstanding the notification period, the attendance of the members of the Audit Committee at the meeting would be deemed as the waiver of the required notification requirement.

- 3.3 The quorum necessary for the transaction of business of the Audit Committee shall be two members of the Audit Committee, one of whom must be an independent non-executive director.
- 3.4 Meetings can be attended in person or via electronic means, including telephone or videoconferencing. The members of the Audit Committee can attend the meeting via telephone or any other similar communication devices (all persons attending such meetings should be able to hear other members via such communication device).
- 3.5 Resolutions of the Audit Committee should be passed by more than half of its members.
- 3.6 A resolution passed and signed by all members of the Audit Committee is valid, and the validity is the same as any resolution passed in the meeting held.
- 3.7 Full minutes of the Audit Committee meeting should be kept by the company secretary or the duly appointed secretary of the Audit Committee and be available for review by the directors. Draft and final versions of minutes of the meeting should be sent to all members of the Audit Committee for their comments and records, within a reasonable time after the meeting.

4. Meeting attendance

- 4.1 The members of the Audit Committee should meet, at least twice a year, with the Company's auditors without the attendance from the executive directors (except for the one invited by the Audit Committee).
- 4.2 Upon the invitation from the Audit Committee, the following persons can attend the meeting: (i) head of internal audit department or (if absent) the representative from internal audit department; (ii) senior financial manager (or equivalent); and (iii) the other Board members.
- 4.3 Only the members of the Audit Committee can vote in the meeting.

5. Annual General Meetings

- 5.1 The chairman or chairwoman of the Audit Committee or (if absent) another member of the Audit Committee (must be an independent non-executive director) should attend the annual general meeting of the Company, and handle the shareholders' enquiries on the activities and responsibilities related to the Audit Committee.

6. Duties and Powers

The Audit Committee is responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assist the Board to fulfill its responsibility over the audit. The Audit Committee's duties and powers should include:

6.1 Relationship with the Company's external auditors

- 6.1.1 to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any issues related to its resignation or dismissal;
- 6.1.2 to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; and to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;
- 6.1.3 to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, "external auditor" includes 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 audit firm nationally or internationally; and
- 6.1.4 to report to the Board, identifying and making recommendations on any matters where action or improvement is needed.

6.2 Review of the Company's financial information

- 6.2.1 to monitor the integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the committee should focus particularly on:
 - (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; and
 - (f) compliance with the Listing Rules and legal requirements in relation to financial reporting;

6.2.2 Regarding paragraph 6.2.1 above:

- (a) members of the Audit Committee should liaise with the Board and senior management and the audit committee must meet, at least twice a year, with the Company's external auditors; and
- (b) the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer and auditors.

6.3 *Oversight of the Company's financial reporting system, risk management and internal control systems*

- 6.3.1 to review the Company's financial controls, and unless expressly addressed by a separate risk committee of the Board, or by the Board itself, to review the Company's risk management and internal control systems;
- 6.3.2 to discuss the risk management and internal control systems with management to ensure that management has performed its duty to establish and maintain appropriate and effective risk management and internal control systems. Such risks would include, amongst others, material risks relating to environmental, social and corporate governance. The discussion should include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting functions;
- 6.3.3 to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to such findings;
- 6.3.4 to review the Company's internal audit function to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the issuer, and to review and monitor its effectiveness;
- 6.3.5 to review the group's financial and accounting policies and practices;
- 6.3.6 to review the external auditors' management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of risk management and control and management's response;
- 6.3.7 to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- 6.3.8 to act as the key representative body for overseeing the Company's relationship with the external auditor;

- 6.3.9 to review arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, risk management, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
- 6.3.10 to report to the Board on the matters in the code provision under Appendix 14 of the Listing Rules;
- 6.3.11 to consider other topics, as defined by the Board; and
- 6.3.12 where the Board disagrees with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditors, the Company should include in the Corporate Governance Report a statement from the Audit Committee explaining its recommendation and also the reason(s) why the Board has taken a different view;

6.4 Performing the Company's corporate governance functions

- 6.4.1 to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- 6.4.2 to review and monitor the training and continuous professional development of Directors and senior management of the Company;
- 6.4.3 to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- 6.4.4 to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Company; and
- 6.4.5 to review the Company's compliance with the code and disclosure in the Corporate Governance Report of the Company.

7. Reporting

- 7.1 The Audit Committee shall report to the Board after each of its meetings.

8. Authority

- 8.1 The Board should authorize the Audit Committee to inspect all accounts, reports and records of the Company.
- 8.2 In order to fulfill its duties, the Audit Committee is eligible to request the management of the Company to provide any figures related to the financial status of the Company, its subsidiaries and associates.
- 8.3 The Audit Committee should have access to independent professional advice at the Company's expense if necessary, to perform the responsibilities of the Audit Committee.

Note: the independent professional advice can be sought via the chief financial officer or the company secretary.

- 8.4 The Audit Committee should be provided with sufficient resources to perform its duties.

Note: "Senior management" refers to the same persons referred to in the Company's annual report. It is the responsibility of the directors of the Company to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the group as, in the opinion of the Company's directors, is appropriate.