Shanghai Biren Technology Co., Ltd.

上海壁仞科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

Shanghai Biren Technology Co., Ltd.

(the "Company")

Audit Committee

Terms of Reference

Definition

1. For the purpose of these terms of reference ("**Terms of Reference**"):

   Audit Committee refers to the audit committee established through a resolution of the Board of Directors in accordance with Article 2 of these Terms of Reference.

   Board of Directors refers to the board of Directors of the Company.

   Company Secretary refers to one of the joint secretaries of the Company.

   Directors refers to the directors of the Board of Directors.

   Group refers to the Company and its subsidiaries at the relevant time or, where the context otherwise requires in respect of the period before the Company became the holding company of its present subsidiaries, the present subsidiaries of the Company or the enterprises operated by its present subsidiaries or their predecessors (as the case may be).

   Listing Rules refers to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time.

   Company Law refers to the Company Law of the PRC (《中華人民共和國公司法》), as amended from time to time.

   Shareholder(s) refers to the shareholder(s) of the Company.

   Stock Exchange refers to The Stock Exchange of Hong Kong Limited.

Establishment

2. The Audit Committee was established pursuant to a resolution of the 18th meeting of the first session of the Board of Directors.

Members

3. The Board of Directors appoints members of the Audit Committee from among the non-executive Directors. There shall be not less than three members, of whom the majority shall be independent non-executive Directors. At least one member must be an independent non-executive Director who possesses the appropriate professional qualifications or accounting, or related financial management expertise as required under the Listing Rules. The quorum for a meeting of the Audit Committee is two members, one of whom must be an independent non-executive Director.

4. A former partner of the Company's existing auditing firm should be prohibited from acting as a member of the Audit Committee for a period of two years from the date of the person ceasing:

   (a) to be a partner of the firm; or

   (b) to have any financial interest in the firm, whichever is later.

5. The chairman of the Audit Committee shall be appointed by the Board of Directors and shall be an independent non-executive Director.

6. If the Company fails to comply with any such requirement of the Audit Committee under the Listing Rules at any time, an announcement shall be published forthwith stating details and reasons for the failure, which shall be rectified by the Board of Directors with reasonable endeavours in accordance with these Terms of Reference, in a timely manner, in any event three months from its failure to comply with the relevant requirements.

Attendance of Meetings

7. The chief financial officer, the head of the Company's internal auditor, and a representative of the external auditor are generally required to attend the meeting. However, the Audit Committee must meet with the external and internal auditor at least once a year in the absence of an executive Director.

Number and procedures of Meetings

8. Unless otherwise stated herein, the meeting will be conducted in accordance with the provisions of the Company's Articles of Association regarding meetings of the Board of Directors and procedures.

9. A meeting shall be convened at least once a quarter. The external auditor may request a meeting if it considers necessary.

10. The secretary of the Audit Committee shall be the Company Secretary.

11. All agenda and related meeting documents for the Audit Committee meetings should be sent to all Directors in a timely manner and at least 3 days (or other agreed period) prior to the scheduled meeting.

12. Meetings can be attended in person, by means of telephone or video conference. Members of the Audit Committee may participate in the meeting via conference call or similar communication device (through which all participants can listen to each other).

13. A resolution of the Audit Committee, if adopted at a meeting, requires a vote by the majority of the Audit Committee members present at the meeting.

14. Full minutes of meetings of the Audit Committee shall be kept by a duly appointed secretary of the meeting for review by all Directors. The minutes of the meetings of the Audit Committee shall record in sufficient detail the matters considered and the unanimous decision reached by the Audit Committee, including any concerns or objections raised by the Directors and the committee members. Drafts and final versions of minutes of the meetings shall be sent to all members of the Audit Committee for their comment and records, within a reasonable time after the meeting.

15. Senior management personnel are responsible for providing the Audit Committee with sufficient information on a timely basis, with which an informed decision can be made. The information provided must be complete and reliable. Where a Director requests more detailed information than those voluntarily provided by senior management personnel, the relevant Director should make additional enquiries as necessary. The Board of Directors and individual Directors may contact the senior management personnel independently.

Annual General Meetings

16. The chairman of the Audit Committee shall attend the annual general meeting(s) of the Company and be prepared to respond to any questions raised by Shareholders regarding the activities of the Audit Committee.

17. If the chairman of the Audit Committee is unable to attend the annual general meeting of the Company, another member of the Audit Committee (or failing which his/her duly appointed delegate) shall be arranged to attend the meeting on his/her behalf. Such individual shall be prepared to respond to questions raised by any Shareholders regarding the activities of the Audit Committee.

Powers

18. The Audit Committee, authorized by the Board of Directors, may investigate into any activity within the scope of these Terms of Reference. It is authorized to request any information from any employee as required and all employees are instructed to cooperate with the Audit Committee for any requests made by them.

19. Authorized by the Board of Directors, the Audit Committee may solicit independent professional advice from external parties and, when it deems necessary, invite external individuals with relevant experience and expertise to attend committee meetings at the expense of the Company. The Audit Committee is fully responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external auditors who provide advice to the Audit Committee.

Duties and Responsibilities

20. The Audit Committee is responsible for exercising the functions and powers of the supervisory committee as required by the Company Law, reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal control. Its main responsibilities include:

Functions and powers of the supervisory committee as required by the Company Law

(a) examining the Company's finances (for details, please refer to the relevant responsibilities requirements of the Audit Committee in relation to the review of the financial information of the Company and supervision of the financial reporting system of the Company as set out below in these Terms of Reference);

(b) supervising the acts of the directors and senior management personnel in the performance of their duties, and proposing the removal of the directors and senior management personnel who have violated applicable laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed, Articles of Association or the resolutions of the general meeting;

(c) requiring the directors and senior management personnel to correct their acts if such acts damage the interests of the Company;

(d) proposing the convening of extraordinary general meeting and, in the event that the Board of Directors does not perform the obligations to convene and preside over the general meeting in accordance with the Company Law;

(e) submitting proposals to the general meeting;

(f) instituting a lawsuit against the directors or senior management personnel in accordance with the Company Law;

(g) matters as required by applicable laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed or Articles of Association and other matters as required by the domestic and overseas securities regulatory authorities;

Relationship with the Company's auditors

(h) making recommendations to the Board of Directors on the appointment, reappointment and removal of external auditor, making recommendations on approving the remuneration and terms of engagement of external auditor, and dealing with any issues relating to the resignation or dismissal of auditors;

(i) reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

(j) developing and implementing policies on engaging an external auditor to provide non-audit services and reporting to the Board of Directors, and identifying and making recommendations on any matters which, in its opinion, requires action or improvement;

(k) discussing the nature and scope of the audit work and related reporting responsibilities with the external auditor prior to the audit work; if more than one auditing firm is involved, ensuring coordination between the firms;

(l) discussing issues and qualified opinion arising from the interim and final audits, as well as any matters the external auditor wish to discuss (where necessary, such discussions shall be conducted in the absence of senior management personnel);

Review of Financial Information of the Company

(m) monitoring integrity of the financial statements, annual reports and accounts, half-yearly reports and, if prepared for publication, quarterly reports; and reviewing significant financial reporting judgements contained in them. In reviewing these statements and reports before submission to the Board of Directors, the Audit Committee should focus particularly on:

  (i) any changes in accounting policies and practices;

  (ii) major judgmental areas;

  (iii) significant adjustments resulting from audit;

  (iv) the going concern assumptions and any qualifications;

  (v) compliance with accounting standards; and

  (vi) compliance with any Stock Exchange requirements and any legal and regulatory requirements in relation to financial reporting;

(n) regarding (m) above:

  (i) maintaining contact with the Board of Directors, senior management personnel and persons appointed as the qualified accountant of the Company;

  (ii) meeting with the auditors of the Company at least twice a year; and

  (iii) considering any significant or unusual items that are, or may need to be, reflected in such financial statements, reports and accounts, and giving due consideration to any matters that have been raised by the Company's qualified accountant, staff responsible for accounting and financial reporting function, compliance officer or auditors;

Oversight of the Company's financial reporting system and internal control procedures

(o) reviewing the Company's financial controls, and unless expressly addressed by a separate risk committee under the Board of Directors, or by the Board of Directors itself, reviewing the Company's risk management and internal control systems;

(p) discussing the risk management and internal control systems with the management to ensure that the management has performed its duty in establishing and maintaining effective systems, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

(q) considering major investigation findings on risk management and internal control matters as delegated by the Board of Directors or on its own initiative and management's responses to these findings;

(r) where an internal audit function exists in the Company, ensuring co-ordination between the internal and external auditors, and ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, as well as assessing and monitoring the effectiveness of the internal audit department;

(s) reviewing the Group's financial and accounting policies and practices;

(t) reviewing the external auditor's management letter, any material queries raised by the auditor to the management about accounting records, financial accounts or systems of control and management's response;

(u) ensuring that the Board of Directors will provide a timely response to the issues raised in the external auditor's management letter;

(v) reporting to the Board of Directors on matters set out in these Terms of Reference;

(w) reviewing the arrangements in place by the Company under which employees may raise concerns confidentially on the impropriety in financial reporting, internal control or other matters, whilst ensuring that appropriate arrangements are in place to allow for fair and independent investigations into these matters and appropriate follow-up actions will be taken;

(x) acting as the key representative body for overseeing the Company's relations with the external auditor;

(y) establishing a whistleblowing policy and system so that employees and other business parties of the Company (such as customers and suppliers) can discreetly raise their concerns to the Audit Committee about any possible impropriety in any Company-related matters;

(z) formulating and reviewing the Company's corporate governance policy and practices and making recommendations to the Board of Directors;

(aa) reviewing and monitoring the training and ongoing professional development of Directors and senior management personnel;

(bb) reviewing and monitoring the Company's policies and practices in complying with laws and regulatory requirements;

(cc) developing, reviewing and monitoring code of conduct and compliance manuals for employees and the Directors (if any);

(dd) reviewing the Company's compliance with Appendix C1 of the Listing Rules on Corporate Governance Code and the disclosures in the Corporate Governance Report;

(ee) considering any other topics, as defined by the Board of Directors.

The following matters shall be submitted to the Board of Directors for deliberation after being approved by a majority of all members:

(a) disclosure of financial information set out in financial and accounting reports and periodic reports, as well as internal control evaluation reports;

(b) appointment and dismissal of the auditors undertaking the audit work of the Company;

(c) appointment or dismissal of the financial controller of the Company;

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

(e) other matters as required by applicable laws, administrative regulations, domestic and overseas securities regulatory authorities and the Articles of Association of the Company.

21. The main duties and powers of the chairman of the Audit Committee include:

(a) convening and presiding over meetings of the Audit Committee;

(b) supervising and examining the implementation of resolutions passed at meetings of the Audit Committee;

(c) signing important documents of the Audit Committee;

(d) reporting work to the Board of Directors of the Company on a regular basis;

(e) exercising other powers granted by the Board of Directors.

Unable to Reach an Agreement in respect of External Auditor

22. Where the Board of Directors disagrees with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditors, the Audit Committee must submit a statement to the Company explaining its recommendations, for which the Company will disclose in the Corporate Governance Report in accordance with Appendix C1 of the Listing Rules.

Reporting Procedures

23. Without prejudice to the generality of the duties and responsibilities of the Audit Committee as set out in these Terms of Reference, the Audit Committee shall report its decisions and recommendations to the Board of Directors in full knowledge, unless the Audit Committee is restricted by laws or regulations from doing so.

24. The Audit Committee shall ensure that all members of the Board of Directors and each individual Director have appropriate access to the reports and other information relating to the work of the committee (in respect of the requirements of the Listing Rules that the Board of Directors and Directors shall have separate and independent access to senior management personnel). It shall also ensure that the form and quality of such information are sufficient, allowing the Board of Directors to make informed decisions on matters submitted to the Board of Directors for deliberation, and that Directors receive prompt and comprehensive responses to their questions raised.

Making Available the Terms of Reference

25. The Audit Committee shall make available these Terms of Reference at request and publish the same on the Stock Exchange's website and the Company's website, thereby explaining its duties and responsibilities and the authority delegated to it by the Board of Directors.

26. These Terms of Reference shall be reviewed and approved by the Board of Directors and shall become effective and be implemented from the date on which the Company's initial public offering of overseas-listed shares (H shares) are filed with the China Securities Regulatory Commission and H shares are listed on the Main Board of the Stock Exchange.