BEIJING HAIZHI TECHNOLOGY GROUP CO., LTD.
TERMS OF REFERENCE OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Chapter 1 General Provisions

Article 1 In order to enhance the decision-making function of the board of directors of Beijing Haizhi Technology Group Co., Ltd. (the "**Company**"), improve the ability of internal control and further enhance corporate governance structure, the Company has formulated these terms of reference in accordance with the Company Law of the People's Republic of China (the "**Company law**"), the Securities Law of the People's Republic of China, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and other laws, regulations and regulatory documents as well as the Articles of Association of Beijing Haizhi Technology Group Co., Ltd. (the "**Articles of Association**").

Article 2 The audit committee of the board of directors (the "**Audit Committee**") is a specialized working body under the board of directors principally responsible for coordinating, overseeing and inspecting internal and external auditing works.

Article 3 The resolutions of the Audit Committee shall be in compliance with the provisions of the Company Law, the Articles of Association, these terms of reference, the Listing Rules and other relevant laws, regulations and regulatory documents.

Article 4 The Audit Committee shall perform its duties independently within the scope of the duties stipulated by the Company Law, the Articles of Association, the Listing Rules and these terms of reference and be free from the interference of other departments of the Company.

Chapter 2 Composition

Article 5 The Audit Committee shall consist of three non-executive directors and a majority of whom shall be independent non-executive directors. At least one member shall be an independent non-executive director with appropriate professional qualifications or accounting or relevant financial management expertise.

Article 6 Members of the Audit Committee shall be nominated by the chairman of the board of directors, more than one half of the independent non-executive directors or one-third of all directors, and shall be elected by the board of directors. The former partner of the current external audit firm responsible for the audit of the account of the Company shall not be a member of the Audit Committee of the Company within two years from the following date (whichever is later): (1) the date on which the former partner ceased to be a partner of such external audit firm; or (2) the date on which the former partner ceased to enjoy the financial benefits of such external audit firm.

Article 7 The Audit Committee shall have one chairman (convener) who shall be an independent non-executive director appointed by the board of directors.

Article 8 The convener shall be responsible for convening and presiding over the meetings of the Audit Committee. In the event that the convener is unable or fails to perform his/her duties, he/she shall designate another member to act on his/her behalf. If the convener neither performs his/her duties nor designates another member to act on his/her behalf, any member of the Committee may report to the board of directors which shall designate a member to perform the duties of the convener.

Article 9 All members of the Audit Committee shall be directors of the Company, and their term of office on the Audit Committee shall be consistent with that of the board of directors, and shall be eligible for re-election upon the expiration of their term of office.

Before the expiration of the term of office of the members, they may not be removed from position without cause, unless there are circumstances that disqualify them from holding office as stipulated in the Company Law, the Articles of Association, the Listing Rules or these terms of reference. Where a member ceases to be a director of the Company during the term due to resignation or other reasons, his/her membership shall be terminated automatically from the date when he/she ceases to be a director. The board of directors shall appoint new member(s) in accordance with the Articles of Association, the Listing Rules and these terms of reference.

Article 10 Where the number of members of the Audit Committee is less than the quorum, the board of directors of the Company shall promptly supplement new members in accordance with the notification and announcement requirements of the Listing Rules.

Before the number of members of the Audit Committee reaches the quorum, the Audit Committee shall suspend the exercise of the powers stipulated under these terms of reference.

Article 11 The Audit Committee shall have an audit department as an administrative office, which is responsible for the liaison of routine work and organization of meetings. The secretary to the board of directors is responsible for the specific coordination work between the Audit Committee and the board of directors.

Chapter 3 Duties and Authorities

Article 12 The main duties and authorities of the Audit Committee are:

(I) to supervise and assess the external audit work, propose the appointment, reappointment or removal of external auditors (For the purposes of these terms of reference, the "external auditors" are those as defined under the Listing Rules), approve the compensation and terms of engagement for external auditors, as well as handle any matters regarding the resignation or dismissal of such external auditors;

(II) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; and the Audit Committee shall discuss with the external auditor the nature and scope of the audit and the relevant reporting obligations before the audit commences;

(III) to develop and implement polices on engaging an external auditor to provide non-audit services. For this purpose, 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 audit firm nationally or internationally;

(IV) to report and make recommendations to the board of directors on any matters requiring action or improvement regarding the relationship with external auditors;

(V) to supervise the Company's internal audit system and its implementation;

(VI) to coordinate the communication between the internal and the external auditors of the Company;

(VII) to audit the Company's financial information and its disclosure, monitor the completeness of the Company's financial statements, annual report and accounts, half-year report and quarterly reports (if intended to be published), and review significant financial reporting judgments contained in them. In reviewing these reports before submission to the board of directors, the Audit Committee should focus particularly on:

(a) any changes of accounting policies and practices;

(b) major judgmental areas;

(c) significant adjustments resulting from audit;

(d) the going concern assumptions and any qualified opinions;

(e) compliance with accounting standards; and

(f) compliance with relevant provisions in relation to financial reporting under the Listing Rules and laws;

(VIII) For item (VII) mentioned above,

(a) the members of the Audit Committee should liaise with the board of directors and senior management of the Company and the Audit Committee must meet, at least twice a year, with the external auditors of the Company; and

(b) the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts, and give due considerations to any matters that have been raised by the Company's staff being responsible for the accounting and financial reporting function, compliance officer or external auditors;

(IX) to review the Company's financial risk management and internal control systems, perform the assessment and implementation of the internal audit systems of each department, and review the Company's financial controls, and unless expressly addressed by a risk committee under the board of directors, or by the board of directors itself, review the Company's risk management and internal control systems;

(X) to discuss the risk management and internal control systems with the management to ensure that the management has performed its duty to build effective systems. This discussion shall include the adequacy in respect of resources, staff qualifications and experience, and training programs for staff and related budget in the Company's accounting and financial reporting function;

(XI) to consider major investigation findings on risk management and internal control matters as delegated by the board of directors or on its own initiative and the management's response to these findings;

(XII) to ensure the coordination between internal and external audits; ensure that the internal audit function is adequately resourced and has appropriate standing within the Company; and review and monitor its effectiveness;

(XIII) to review the financial and accounting policies, financial status, and financial reporting procedures and practices of the Company;

(XIV) to review the external auditor's Letter of Statement for Audit to the management, any major issue raised by the external auditor to the management on the accounting records, financial accounts or the risk management and control system and the response from the management;

(XV) to ensure the board of directors gives a response in time on the issues forwarded in the external auditor's Letter of Statement for Audit to the management;

(XVI) to act as the major representative of both the Company and external auditor, and be responsible for overseeing the relationship between them;

(XVII) to review the following arrangements set by the Company: employees of the Company can, in confidence, raise concerns about possible improprieties in financial reporting, risk management, internal control or other matters. The Audit Committee shall ensure that proper arrangements are in place for the Company to make a fair and independent investigation on these matters and take appropriate actions therefor;

(XVIII) to review the Company's major connected transactions and asset disposal matters, as well as its major investments and external guarantee matters;

(XIX) to guide the work of the Company's internal audit working group and evaluating the implementation of the internal audit system in each department;

(XX) to report to the board of directors on matters related to the code provisions under Appendix C1 of the Listing Rules; consider other topics as defined by the board of directors;

(XXI) Where the board of directors 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 of directors has taken a different view;

(XXII) to perform the Company's corporate governance procedures:

(a) to formulate and review the Company's corporate governance policies and practices, and make recommendations to the board of directors;

(b) to review and monitor the training and continuous professional development of directors and senior management of the Company;

(c) to review and monitor the Company's policies and practices in respect of compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual for employees and directors of the Company, if any; and

(e) to review the Company's compliance with the code provisions and disclosures in the Corporate Governance Report.

(XXIII) Other matters as authorized by the board of directors.

Article 13 The Audit Committee shall be accountable to the board of directors and submit its proposals to the board of directors for review and approval.

Article 14 Where the Audit Committee considers that there is a material weakness or significant risk in the internal control of the Company, the board of directors shall promptly report and disclose (if necessary) them in accordance with the regulatory rules of the place where the Company's stocks are listed.

Article 15 The relevant departments of the Company shall cooperate with the Audit Committee when performing its duties. Where necessary, the Audit Committee may engage an intermediary institution to provide professional advice, at the cost of the Company.

Chapter 4 Notice and Convening of Meetings

Article 16 Meetings of the Audit Committee shall be divided into regular and extraordinary meetings.

The Audit Committee holds meetings at least once a quarter, and the external auditors of the Company may request an extraordinary meeting to be held if they deem it necessary.

The Company's board of directors, the convener of the Audit Committee, or two or more (inclusive) members may jointly request the convening of an extraordinary meeting of the Audit Committee.

Article 17 The regular meetings of the Audit Committee may be held on-site, by conference call or via video conference. Extraordinary meetings may be held in the form of on-site or off-site meetings such as conference call. Unless otherwise required in the Articles of Association, the Listing Rules and these terms of reference, the Audit Committee may, at extraordinary meetings, pass resolutions by facsimile with members present affixing their signatures thereon, provided that the attending members can fully express their opinions.

In case of a meeting voting by means of communications, members of the Audit Committee signing on the resolutions of meetings shall be considered to be present at such meetings and agree with such resolutions.

Article 18 Notice of regular meetings of the Audit Committee shall be issued five days (excluding the date of the meeting) prior to the meeting, while notice of extraordinary meetings shall be issued two days (excluding the date of the meeting) prior to the meeting.

Article 19 The secretary to the board of directors is responsible for issuing the notice of meetings of the Audit Committee within the time limits stipulated in the preceding article.

Article 20 Notice of meetings of the Audit Committee shall at least include the following items:

(I) time and venue of the meeting;

(II) duration of the meeting;

(III) agenda items to be discussed in the meeting;

(IV) contact person of the meeting and the way of contact;

(V) date of notice of the meeting.

Article 21 Notice of meetings issued by the secretary to the board of directors shall contain complete proposals.

Article 22 Notice of regular meetings of the Audit Committee shall be delivered in writing, while notice of extraordinary meetings may be delivered by telephone, email or other speedy methods.

When the notice is delivered by telephone, email or other speedy methods, the recipient shall be deemed to have been notified of the meeting if no written objection is received from the recipient within two days from the date of delivery of the notice.

Notwithstanding the notification period, the attendance of the members of the Audit Committee at the meeting would be deemed to be treated as the waiver of the required notification requirement.

Chapter 5 Procedures for Decision Making

Article 23 The meeting of the Audit Committee shall only be held in the presence of more than two-thirds of the members. Other directors of the Company may attend the meetings of the Audit Committee, but non-member directors shall have no voting rights on the resolutions proposed at the meeting.

Article 24 Members of the Audit Committee may attend the meetings in person or by appointing another member to attend the meeting and exercise the voting right on their behalf. Each member of the Audit Committee shall appoint only one other member as his/her proxy to vote on his/her behalf at each meeting. Where any member appoints two or more members to vote on his/her behalf, such appointment shall be deemed invalid.

Article 25 Members of the Audit Committee who appoint another member to attend the meeting and exercise voting right on their behalf shall submit a power of attorney to the chairman of the meeting. The power of attorney shall be submitted to the chairman of the meeting no later than the convening of the meeting.

Article 26 The power of attorney shall at least include the following items:

(I) name of the appointer;

(II) name of proxy;

(III) matters to be assigned;

(IV) instruction on the exercise of voting right over the meeting agenda (for, against or abstained) and, where no specific instruction is made, explanation on the capacity of proxy to vote on his/her will;

(V) expiry date of the power of attorney;

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

The power of attorney shall be signed by both of the appointer and proxy.

Article 27 Members of the Audit Committee who have neither attended the meeting in person nor appointed another member to attend the meeting on their behalf are considered to be absent from the relevant meeting. Members of the Audit Committee who are absent from the meeting for two consecutive times are considered to be unable to perform their responsibilities and powers properly and the board of directors may remove such members.

Article 28 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). Each member of the Audit Committee shall have one vote.

Article 29 After the chairman of the meeting of the Audit Committee announces the commencement of a meeting, the corresponding content of the proposals under each agenda will be discussed in proper order.

Article 30 The members of the Audit Committee would be free to discuss the subject matters considered at the meeting, but order shall be maintained at the meeting. No speaker shall use any offensive, insulting or threatening language. The chairman of the meeting shall have the right to decide the time for discussion.

Article 31 Matters proposed at the Audit Committee meeting 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 32 The Audit Committee may, if considered necessary, invite other persons in connection with the proposals to attend the meeting 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 33 The financial department and audit department of the Company are responsible for preliminary preparations and providing the following relevant written information of the Company for the Audit Committee to make decision-making:

(I) relevant financial reports of the Company;

(II) work reports of internal and external auditors;

(III) external audit contracts and relevant work reports;

(IV) the Company's information disclosure;

(V) audit reports on the Company's major connected transactions;

(VI) other relevant matters.

Article 34 The meeting of the Audit Committee shall review reports offered by the financial department and audit department and submit the written resolutions formed on the following matters to the board of directors for discussion:

(I) performance appraisal of external auditors and the appointment and change of external auditors;

(II) whether the Company's internal audit systems have been implemented effectively and whether the Company's financial reports are complete and true;

(III) whether information disclosed by the Company including financial reports is objective, truthful and whether the Company's major connected transactions are in compliance with the relevant laws and regulations;

(IV) performance appraisal of the internal financial department and audit department of the Company, including their persons-in-charge;

(V) evaluation of the construction and implementation of the Company's internal control system;

(VI) other relevant matters.

Article 35 The members present at the meeting shall deliberate the proposals and fully express their opinions with a conscientious and responsible attitude. The members shall be responsible for their own votes.

Article 36 Vote-by-ballot shall be adopted in both regular and extraordinary meetings of the Audit Committee, and the voting options include for, against or abstain. Each member present shall only choose for, against or abstain, multiple choices or failure to choose shall be considered abstention.

If the resolution at the meeting of the Audit Committee is made by facsimile, the voting shall be conducted by signature.

The chairman of the meeting shall count the votes on each proposal and announce the voting results on the spot, which shall be recorded by the person who takes the minutes.

Article 37 The meetings of the Audit Committee shall be recorded. Full minutes of the Audit Committee meetings shall be kept by the Joint Company Secretary or the officially appointed meeting secretary. Draft and final versions of the meeting minutes shall be sent respectively to all members of the Audit Committee within a reasonable period of time after the meeting. The draft version of the meeting minutes is for members' comments and the final version of which is for record purpose.

Chapter 6 Resolutions and Minutes of Meetings

Article 38 Each proposal on which a prescribed number of valid votes are cast shall become a resolution of the Audit Committee upon announcement by the chairman of the meeting. The resolutions of the Audit Committee come into effect after being signed by the members present at the meeting. No modification or alteration shall be made to the resolutions of the Audit Committee that have become effective without going through the legitimate procedures as required by laws, regulations, the Articles of Association and the terms of reference.

Article 39 A member of the Audit Committee or the secretary to the board of directors of the Company shall report details of the resolutions to the board of directors no later than the day after such resolutions have been passed.

The written documents of the resolutions of the Audit Committee shall be kept for record by the Company for a period of no less than 10 years during the Company's existence.

Article 40 Members of the Audit Committee who participate in the voting on a resolution shall bear joint liability for compensation to the Company should such resolution be in violation of laws, regulations or the Articles of Association and cause the Company to suffer material damages. However, if a member is proven to have cast his/her votes against such resolution and it was so recorded in the meeting minutes, he/she may be exempt from the liabilities.

Article 41 The Audit Committee shall maintain written minutes of the meeting. Committee members who attend the meeting and the person who takes the minutes shall both sign their names. Committee members present at the meeting shall have the right to request their explanatory remarks of speeches at the meeting to be recorded in the minutes.

Minutes of the meeting of the Audit Committee shall be kept for record by the Company for a period of no less than 10 years during the Company's existence.

Article 42 The minutes of the meeting of the Audit Committee shall include at least the following information:

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

(II) the names of attendees, and those attendees who are proxies should be specified;

(III) the agenda of the meeting;

(IV) the highlights of speeches of the members;

(V) the voting method on each resolution or proposal and the corresponding voting results (numbers of votes for and against and the number of votes to abstain shall be set out);

(VI) other matters that shall be stated and recorded in the meeting minutes.

Article 43 Members of the Audit Committee shall maintain confidentiality of any information they learn about the Company before the same are made public.

Chapter 7 Supplementary Provisions

Article 44 Matters not covered by these terms of reference shall be implemented in accordance with the provisions of relevant national laws, regulations, regulatory documents, the Listing Rules and the Articles of Association.

Article 45 These terms of reference shall come into effect as of the date when the resolutions of the board of directors are passed and the Company's publicly issued H shares are listed and traded on the main board of the Stock Exchange of Hong Kong Limited.

In case of any contradiction between these terms of reference and the laws, regulations, regulatory documents to be promulgated by state in the future, the Listing Rules or the Articles of Association amended through legal procedures, the provisions of such laws, regulations, regulatory documents, the Listing Rules and the Articles of Association shall prevail, and these terms of reference shall be revised accordingly and submitted to the board of directors for consideration and approval.

Article 46 The right to interpret these terms of reference belongs to the board of directors of the Company.

Beijing Haizhi Technology Group Co., Ltd.