Beijing 51WORLD Digital Twin Technology Co., Ltd.
北京五一視界數字孿生科技股份有限公司

Terms of Reference of the Audit Committee

CHAPTER 1 GENERAL PROVISIONS

Clause 1 In order to ensure the timeliness and professionalism of the internal audit work of Beijing 51WORLD Digital Twin Technology Co., Ltd. (the "**Company**"), enhance the Company's core competitiveness, and improve the corporate governance structure, the Audit Committee has been established under the Board of Directors with these terms of reference in accordance with the Company Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) (the "**Hong Kong Listing Rules**"), the Articles of Association of Beijing 51WORLD Digital Twin Technology Co., Ltd. (the "**Articles**") and other applicable regulations.

Clause 2 All members of the Audit Committee are non-executive Directors who do not serve as senior management of the Company, and more than half of them are independent non-executive Directors. The convener shall be an accounting professional among these independent non-executive Directors.

CHAPTER 2 TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Clause 3 The Audit Committee of the Board of Directors is a specialized working organization under the Board of Directors, mainly responsible for the communication, supervision and verification of the Company's internal and external audits.

Clause 4 Personnel composition:

(I) The Audit Committee comprises not less than three non-executive Directors, of whom the majority should be independent non-executive Directors, and at least one independent non-executive Director is a financial and accounting professional who meets the requirements under Rule 3.10(2) of the Hong Kong Listing Rules.

(II) Members of the Audit Committee shall be nominated by the chairman of the Board of Directors, not less than half of the independent non-executive Directors or one-third of all Directors, and shall be elected by the Board of Directors. A former partner of the existing external auditor currently responsible for auditing the accounts of the Company shall be prohibited from acting as a member of the Audit Committee for a period of two years from the date of his/her ceasing to (whichever is later):

1. Be a partner of the external auditor; or

2. Have any financial interest in the external auditor.

(III) The Audit Committee has one chairman, who is an accounting professional among the independent non-executive Directors, and is responsible for presiding over the work of the committee. The chairman shall be elected among the members and submitted to the Board of Directors for approval.

(IV) The term of office of the Audit Committee shall coincide with that of the Board of Directors. A member may serve consecutive terms if re-elected upon the expiry of his/her term of office. A member shall cease to be a member when he/she is no longer a director of the Company, and the committee shall fill the resulting vacancy in accordance with Clause 4 above.

(V) If a director is not re-elected in a timely manner after the expiration of his/her term of office, the incumbent Director shall still perform his/her duties in accordance with the provisions of laws, administrative regulations, departmental rules, the Articles and these Terms of Reference before the re-elected Director takes office.

(VI) The internal audit department under the Audit Committee is the daily office organization, responsible for daily work liaison and the organization of meetings of the Audit Committee.

Clause 5 Duties and responsibilities:

(I) Primary responsibilities of the Audit Committee:

relationship with the external auditor of the Company:

1. mainly responsible for making recommendations to the Board of Directors on the appointment, re-appointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor, and dealing with any matters in relation to the resignation and dismissal of the external auditor;

2. reviewing and monitoring the independence and objectivity of the external auditor and the effectiveness of audit procedures in accordance with the applicable standards. The Audit Committee shall discuss with the external auditor the nature and scope of the audit as well as the related reporting responsibilities before the audit commences;

3. developing and implementing policies on the provision of non-audit services by the external auditor. For the purpose of this clause, the "external auditor" shall include any entity that is under common control, ownership or management with an auditing firm or any entity that a third party having reasonable knowledge of all relevant information would reasonably conclude as part of the local or international business of the auditing firm. The Audit Committee shall report to the Board of Directors on any matters where action or improvement is required and put forward its proposals accordingly;

4. review of financial information of the Company:

5. supervising the integrity of the financial statements and annual reports and accounts, interim reports and quarterly reports of the Company, and reviewing material comments therein in respect of financial reporting. Before submitting the aforementioned statements and reports to the Board of Directors, the Audit Committee should particularly review:

   (i) any changes in accounting policies and practices;

   (ii) matters involving material judgements;

   (iii) significant audit adjustments;

(iv) assumptions and qualifications of going concern;

(v) compliance with accounting standards; and

(vi) compliance with the listing rules and legal requirements in relation to financial reporting of the place where the Company's shares are listed;

6. in relation to Item 5 above:

(i) members of the Audit Committee should liaise with the Board of Directors and senior management. The Audit Committee shall meet with the external auditor of the Company at least twice a year; and

(ii) the Audit Committee shall consider any significant or extraordinary items that are, or should be, reflected in such reports and accounts, and shall give due consideration to any matters raised by the staff responsible for accounting and financial reporting, compliance officer or external auditor of the Company;

supervising the financial reporting system, risk management and internal control systems of the Company:

7. reviewing and evaluating the financial control, risk management and internal control systems of the Company;

8. supervising the internal audit system and accounting policy of the Company and the implementation thereof;

9. discussing the risk management and internal control systems with the management to ensure that the management has fulfilled its responsibilities to establish an effective internal control system. The content of the discussion should include the adequacy of resources, staff qualifications and experience, training programs and budgets thereof in relation to accounting and financial reporting of the Company;

10. considering, on its own initiative or at the request of the Board of Directors, major investigation findings on risk management and internal control matters, and the management's response to those findings;

11. liaising with the internal audit department and external auditor to ensure that their work is coordinated, ensuring that the internal audit department is adequately resourced and has appropriate standing within the Company; reviewing and supervising its effectiveness; acting as the main representative between the Company and the external auditor, responsible for monitoring the relationship between them;

12. reviewing the financial and accounting policies and practices of the Group;

13. reviewing the external auditor's letter to the management, any material queries raised by the external auditor to the management about accounting records, financial accounts or control systems, and the management's response;

14. ensuring that the Board of Directors provides a timely response to the issues raised in the external auditor's letter to the management;

15. inspecting the internal control system and conducting audits of major connected (related-party) transactions of the Company;

16. conducting regular reviews and evaluations of the Company's internal control system and providing comments accordingly;

17. reviewing arrangements in which employees can raise their concerns about possible improprieties in financial reporting, internal control, or other matters of the Company in confidence. The Audit Committee shall ensure that proper arrangements are in place for the Company to conduct fair and independent investigations and to take appropriate actions accordingly;

18. supervising and improving the principles, structures and systems of corporate governance;

19. developing and reviewing corporate governance policies and practices and making recommendations to the Board of Directors;

20. reviewing and monitoring the training and continuous professional development of Directors and senior management personnel;

21. reviewing and monitoring the Company's policies and practices in compliance with legal and regulatory requirements;

22. developing, reviewing and monitoring the code of conduct and compliance manual (if any) for employees and Directors; and

23. reviewing the Company's compliance with the Code of Corporate Governance set out in Appendix C1 to the Hong Kong Listing Rules and the disclosures in the corporate governance report contained in the annual report;

others:

24. reporting to the Board of Directors on the above matters and other matters as set out in Code Provision D.3.3 of Appendix C1 to the Hong Kong Listing Rules;

25. to exercise the functions and powers of the Supervisory Committee as stipulated in the Company Law of the People's Republic of China;

26. dealing with other matters assigned by the Board of Directors and studying other topics as required by the Board of Directors.

(II) The Audit Committee shall be accountable to the Board of Directors, and its proposals shall be submitted to the Board of Directors for consideration and decision.

Clause 6 Working procedures:

(I) The internal audit department is responsible for making preliminary preparations for the decision-making of the Audit Committee and providing written information related to the Company:

1. financial reports of the Company;

2. work reports of the internal audit department and external auditor;

3. external audit contracts and related work reports;

4. the Company's disclosure of information to the public;

5. audit reports on major connected (related-party) transactions of the Company;

6. other relevant matters.

(II) The Audit Committee shall review the reports prepared by the audit department and submit the relevant written resolutions to the Board of Directors for discussions on:

1. appraisal of the external auditor, and the appointment and replacement of the external auditor;

2. whether the internal audit system of the Company has been effectively implemented and whether the financial reports of the Company are comprehensive and true;

3. whether information, such as financial reports publicly disclosed by the Company, is objective and true, and whether the major connected (related-party) transactions of the Company are in compliance with the relevant laws and regulations;

4. appraisal of the Company's internal finance department and audit department, including their persons-in-charge;

5. other relevant matters.

Clause 7 Rules of procedure:

(I) All members shall be notified three days prior to the meeting. The meeting shall be presided over by the chairman, or if he/she is unable to attend, another member of the committee, who shall be an independent non-executive Director, designated by him/her.

(II) A meeting shall be attended by not less than two-thirds (including two-thirds) of its members, with each member having one vote; The resolution made at the meeting shall be approved by not less than half of all committee members.

(III) Members of the Audit Committee shall attend committee meetings in person. If a member is unable to attend for any reason, he/she may authorize another committee member in writing to attend on his/her behalf. A member who neither attends the meeting in person nor delegates attendance to another member shall be deemed to have waived their voting rights at that meeting.

(IV) Voting at the meetings of the Audit Committee shall be by a show of hands or by poll; extraordinary meetings may be convened by means of communication voting.

(V) Members of the internal audit department may attend meetings of the Audit Committee as non-voting delegates, and may invite Directors and other senior management and financial managers of the Company to attend meetings as non-voting delegates when necessary.

(VI) If necessary, the Audit Committee may engage intermediary firms to provide professional advice on its decisions at the expense of the Company, and the attendees have no voting right.

(VII) The procedures for convening the meetings of the Audit Committee, voting methods and proposals passed at the meeting must follow the provisions of relevant laws, regulations, the Articles and the Terms of Reference.

(VIII) The meetings of the Audit Committee shall be arranged by the secretary to the Board of Directors of the Company; Minutes of meetings shall be kept and recorded in sufficient detail the matters considered and the resolutions passed at the meeting, including any doubts raised or objections expressed by members. The minutes of the meetings shall be signed by members present at the meetings and the complete minutes of the meeting of the committee shall be maintained by the duly appointed secretary of the committee (usually the company secretary) for a period of 10 years. The first draft and final version of the minutes of the meeting shall be sent to all members of the committee within a reasonable period of time after the meeting. The first draft is for members to express their opinions, and the final version is for their records. The directors of the Company may review the minutes of meetings at a reasonable time on reasonable notice.

(IX) The proposals and voting results passed by meeting of the Audit Committee shall be submitted in writing to the Board of Directors.

(X) All members of the committee and persons observing the meeting shall keep their discussions at the meetings confidential, and shall not disclose any relevant information without authorization.

CHAPTER 3 SUPPLEMENTARY PROVISIONS

Clause 9 Matters not covered in these terms of reference shall be implemented in accordance with relevant laws and regulations of the PRC, relevant provisions of China Securities Regulatory Commission, Hong Kong Listing Rules and the Articles; In the event that these terms of reference are in contravention with the relevant provisions of the laws and regulations promulgated by the PRC in the future, Hong Kong Listing Rules or the Articles as amended under lawful procedures, the provisions of the relevant laws and regulations of the PRC and the Articles shall prevail. Amendments to these terms of reference shall be made accordingly and submitted to the Board of Directors for consideration and approval.

Clause 10 These terms of reference shall come into force after being reviewed and approved by the Board of Directors of the Company Not necessary to keep this after this is further amended after the listing of H shares? Please consider.

Clause 11 Unless otherwise specified, terms used herein shall have the same meanings ascribed to them in the Articles. These terms of reference are formulated and may be amended by the board of directors of the Company which shall have the right to interpret the same.