Transswarp Technology (Shanghai) Co., Ltd.

Terms of Reference of the Audit Committee

Chapter 1 General Provisions

Article 1 To standardize the terms of reference of the Audit Committee of the Board of Directors (the Board) of Transwarp Technology (Shanghai) Co., Ltd.(hereinafter referred to as the "Company") and fully protect the legitimate rights and interests of the Company and its shareholders, these Terms of Reference are formulated pursuant to the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules") and its Appendix C1 Corporate Governance Code, and other relevant laws, regulations, rules and regulatory documents, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association of Transwarp Technology (Shanghai) Co., Ltd. (hereinafter referred to as the "Articles of Association") and in conjunction with the actual situation of the Company.

Article 2 The Audit Committee is a special committee established under the Board. It exercises the functions and powers of the Board of Supervisors as stipulated in the Company Law, is accountable to the Board, and reports its work to the Board.

Article 3 Members of the Audit Committee shall undertake to dedicate sufficient time and effort to discharge their duties on the Audit Committee, be diligent and responsible, supervise the external audit of the Company in a practical and efficient manner, guide, monitor and evaluate the internal audit of the Company, and procure the Company to establish effective internal controls and provide true, accurate and complete financial reports.

Article 4 The Company shall provide the Audit Committee with the necessary working conditions, and shall appoint specialized personnel or organization to undertake the day-to-day tasks of the Audit Committee, including work liaison, meeting organization, material preparation and archives management. When the Audit Committee performs its duties, the Company's management and relevant departments shall provide cooperation.

Chapter 2 Composition

Article 5 The Audit Committee shall consist of no fewer than three non-executive directors who do not hold senior management positions in the Company, of whom independent directors shall constitute a majority, and at least one of the independent directors shall possess appropriate professional qualifications or expertise in accounting or related financial management, and shall meet the qualification requirements for financial professionals on the audit committee as prescribed by the stock exchange where the Company's shares are listed.

Article 6 Members of the Audit Committee shall be nominated by the chairman of the Board, more than one-half of the independent directors, or more than one-third of all directors, and shall be elected by the Board. Members of the Audit Committee shall be appointed and removed by the Board.

The Audit Committee shall have one chairperson, who must be an independent director with accounting expertise and shall possess professional experience in accounting or financial management. The chairperson shall be elected by a majority of all committee members. The chairperson of the Committee shall serve as the convener and shall be responsible for presiding over the work of the Committee.

Article 7 The Board shall conduct periodic assessments of the independence and performance of members of the Audit Committee and may, when necessary, replace any member who is no longer suitable to continue the service.

Article 8 Members of the Audit Committee must meet the following conditions:

(I) They shall not be subject to any disqualifying circumstances that would preclude them from serving as a director or senior management member of the Company under the Company Law or the Articles of Association;

(II) They shall not have been publicly censured or declared as an unsuitable candidate by the stock exchange within the last three years;

(III) They shall not have been subject to administrative penalties by the CSRC for material violations of laws or regulations within the last three years;

(IV) They shall possess good moral character, have professional knowledge or work background in business management, finance, law or other related fields, and have financial knowledge recognized by the Board;

(V) They shall meet other conditions as prescribed by relevant laws and regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Members of the Audit Committee shall possess the professional knowledge and experience necessary to perform their duties on the Audit Committee, and shall supervise and evaluate the Company's internal and external audit work in a practical and efficient manner, and procure the Company to establish effective internal controls and provide true, accurate and complete financial reports.

Article 9 Any person who does not meet the qualification requirements set forth in the preceding article shall not be elected as a member of the Audit Committee. If, during the term of office, a member of the Audit Committee is found to have any of the disqualifying circumstances specified in the preceding article, such member shall voluntarily resign or shall be dismissed and replaced by the Board.

Article 10 The term of office of the members of the Audit Committee shall be consistent with that of the directors. Upon expiration of their term, members may serve consecutive terms if re-elected.

If, during their term, a member ceases to hold the position of director of the Company, their membership on the Committee shall automatically terminate. In order to ensure that the composition of the Audit Committee complies with the requirements of these Terms of Reference, the Board of Directors shall, in accordance with these Terms of Reference, promptly fill the vacancy in the number of Committee members. Prior to the Board of Directors promptly filling the vacancy in accordance with these Terms of Reference, the original member shall continue to perform the relevant powers and duties under these Terms of Reference.

The Audit Committee may, based on actual circumstances, consider establishing a working group to be responsible for routine work liaison, meeting organization, and other related matters. Members of the working group are not required to be members of the Audit Committee.

Article 11 The provisions of the Company Law and the Articles of Association of the Company regarding the duties of directors shall apply to the members of the Audit Committee.

Chapter 3 Duties and Authority

Article 12 The primary duties and authority of the Audit Committee are as follows:

(I) Supervising and evaluating the work of internal and external audit institutions and internal controls;

(II) Directing internal audit-related work;

(III) Reviewing the Company's financial reports and expressing opinions thereon;

(IV) Assessing the effectiveness of internal controls;

(V) Coordinating communications between management, the internal audit department, relevant departments, and external audit institutions;

(VI) Reviewing the Company's financial information and its disclosure;

(VII) Other matters authorized by the Board of Directors of the Company and other matters involved in relevant laws and regulations.

The following matters shall be submitted to the Board of Directors for deliberation after being approved by the affirmative vote of over half of all members of the Audit Committee:

(I) Disclosure of financial accounting reports and financial information in periodic reports, and internal control evaluation reports;

(II) Appointment or dismissal of accounting firms handling the Company's audit services;

(III) Appointment or dismissal of the Company's chief financial officer;

(IV) Changes in accounting policies, accounting estimates, or corrections of material accounting errors for reasons other than changes in accounting standards;

(V) Other matters as prescribed by laws, administrative regulations, the provisions of the CSRC, and the Articles of Association.

Article 13 The primary work responsibilities of the Audit Committee include:

(I) Supervising and evaluating the work of external audit institutions:

1. To propose to the Board of Directors the appointment, reappointment, and replacement of external audit institutions, provide recommendations to the Board of Directors regarding the remuneration and terms of engagement of external audit institutions, and handle any issues related to the resignation or dismissal of such audit institutions;

2. To review and monitor whether the external audit institutions are independent and objective and whether the audit procedures are effective in accordance with applicable standards; the Audit Committee shall discuss with the audit institutions the nature, scope, and related reporting responsibilities of the audit prior to the commencement of the audit work;

3. To formulate and implement policies regarding the engagement of external audit institutions for non-audit services. For the purposes of this provision, an "external audit institution" includes any institution under the same control, ownership or management as the company being audited, or any institution that a third party with reasonable knowledge of all relevant information would reasonably conclude forms part of the domestic or international operations of the company being audited. The Audit Committee shall report to the Board of Directors and make recommendations on actions or improvements it deems necessary.

(II) Reviewing the Company's financial information

To monitor the integrity of the Company's financial statements and the annual reports and accounts, interim reports and quarterly reports (if intended to be published), and to review significant financial reporting judgments contained therein. Before submitting such statements and reports to the Board, the Audit Committee shall, in particular, review the following:

1. Any changes in accounting policies and practices;

2. Areas involving significant judgment;

3. Significant adjustments resulting from the audit;

4. The going concern assumptions and any qualifications;

5. Compliance with accounting standards;

6. Compliance with the securities regulatory rules of the place where the Company's shares are listed and legal requirements relating to financial reporting.

For the purposes of this paragraph (II), members of the Audit Committee shall liaise with the Board and senior management of the Company. The Audit Committee shall meet with the Company's external auditor at least twice a year. The Audit Committee shall consider any significant or unusual matters reflected or required to be reflected in such reports and accounts and shall give due consideration to any matters raised by the Company's accounting and financial reporting staff, compliance department, or external auditor.

(III) Overseeing the Company's financial reporting system, risk management and internal control systems

1. To review the Company's financial controls, and review the Company's risk management and internal control systems and risk management system;

2. To discuss the risk management and internal control systems with management and ensure that management has discharged its duty to establish effective systems. Such discussions shall include the adequacy of resources, staff qualifications and experience, training programmes and budget relating to the Company's accounting and financial reporting functions;

3. To consider major investigation findings on risk management and internal control matters on its own initiative or as delegated by the Board, and management's responses to such findings;

4. To ensure coordination between the internal and external auditors; to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company; and to review and monitor its effectiveness;

5. To review the financial and accounting policies and practices of the Company and its subsidiaries;

6. To review the external auditor's management letter, any material queries raised by the external auditor to management regarding accounting records, financial accounts or systems of control, and management's responses thereto;

7. To ensure that the Board responds in a timely manner to matters raised in the external auditor's management letter;

8. To review arrangements established by the Company under which employees may, in confidence, raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee shall ensure that appropriate arrangements are in place for the fair and independent investigation of such matters and for appropriate follow-up action;

9. To act as the key representative body for overseeing the Company's relationship with the external auditor;

10. To report to the Board on the foregoing matters and other matters set out in Code Provision D.3.3 of Appendix C1 to the Hong Kong Listing Rules (as amended from time to time);

11. To consider other topics as defined by the Board.

(IV) Other matters as prescribed by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association of the Company, these Terms of Reference, or as otherwise delegated by the Board.

Article 14 Subject to being free from any improper influence by the Company's substantial shareholders, de facto controller, directors or senior management, the duties of the Audit Committee in supervising and evaluating the work of the external auditor shall include at least the following:

(I) Assessing the independence and professionalism of the external auditor, in particular the impact of non-audit services provided by the external auditor on its independence;

(II) Making recommendations to the Board regarding the appointment or replacement of the external auditor;

(III) Reviewing the audit fees and terms of engagement of the external auditor;

(IV) Discussing and communicating with the external auditor regarding the scope of the audit, audit plans, audit methods and significant issues identified during the audit;

(V) Supervising and evaluating whether the external auditor has performed its duties diligently and responsibly.

The Audit Committee shall urge the external auditor to act with honesty and integrity and to perform its duties diligently and responsibly, strictly comply with professional rules and industry self-regulatory standards, rigorously implement internal control procedures, verify and validate the Company's financial and accounting reports, exercise special due care obligations, and prudently express professional opinions.

The Audit Committee shall hold at least one separate meeting with the external auditor each year without the presence of management. The Secretary to the Board may attend such meeting.

The Audit Committee may consult the external auditor whenever necessary for the performance of its duties. The external auditor may also communicate with the Audit Committee during the course of auditing the Company whenever it considers such communication necessary.

Article 15 The duties of the Audit Committee in directing the internal audit function shall include at least the following:

(I) Reviewing the Company's annual internal audit work plan;

(II) Supervising the implementation of the Company's internal audit plan;

(III) Reviewing internal audit reports, evaluating the results of internal audit work, and supervising the rectification of significant issues identified;

(IV) Directing the effective operation of the internal audit department.

The Company's internal audit department shall report its work to the Audit Committee. All audit reports submitted by the internal audit department to management, as well as rectification plans and implementation status relating to audit findings, shall be submitted simultaneously to the Audit Committee. The Audit Committee shall be responsible for directing the internal audit department in carrying out periodic inspection work and may, where necessary, engage intermediary institutions to provide professional advice. The performance evaluation of the head of internal audit shall be subject to the participation and comments of the Audit Committee.

Where the Audit Committee identifies any misappropriation of the Company's funds by the controlling shareholder, the de facto controller or their associates, it shall urge the Board to make immediate disclosure and promptly take recovery measures. If the Company fails to make timely disclosure, or if the disclosure is inconsistent with the actual circumstances, the relevant personnel shall immediately report the matter to the Shanghai Stock Exchange.

During the annual report audit period, the Audit Committee shall maintain full communication with the annual auditor and urge the auditor to perform its duties diligently and responsibly, issue a special statement on whether there is any misappropriation of the Company's funds by the controlling shareholder, the de facto controller or their associates, and make truthful disclosure thereof.

The Audit Committee shall continuously monitor the Company's provision of guarantees, supervise and evaluate internal control matters relating to guarantees, and maintain communication with the accounting firm regarding such matters. Upon discovering any abnormal circumstances, it shall promptly request the Board to take appropriate measures.

Article 16 The duties of the Audit Committee in reviewing the Company's financial reports and expressing opinions thereon shall include at least the following:

(I) Reviewing the Company's financial reports and providing opinions on their truthfulness, completeness and accuracy;

(II) Focusing on significant accounting and auditing issues in the Company's financial reports, including material corrections of accounting errors, significant changes in accounting policies and estimates, matters involving important accounting judgments, matters giving rise to audit reports with non-standard unqualified opinions, and other related matters;

(III) Paying particular attention to any possibility of fraud, misconduct or material misstatement relating to financial reporting;

(IV) Supervising the rectification of issues identified in financial reporting.

The financial information contained in periodic reports shall be reviewed by the Audit Committee and submitted to the Board for consideration only after approval by over half of all members of the Audit Committee. Where an Audit Committee member is unable to guarantee the truthfulness, accuracy or completeness of the financial information contained in a periodic report, or has any objection thereto, such member shall vote against or abstain from voting when the Audit Committee reviews the periodic report.

Where the Audit Committee discovers that the financial and accounting reports disclosed by the Company contain any false records, misleading statements or material omissions, it shall urge the relevant responsible departments of the Company to formulate rectification measures and a timetable for rectification, conduct follow-up reviews, supervise the implementation of such rectification measures, and promptly disclose the completion of the rectification.

Article 17 The duties of the Audit Committee in evaluating the effectiveness of internal controls shall include at least the following:

(I) Evaluating the appropriateness of the design of the Company's internal control system;

(II) Reviewing the internal control self-assessment report;

(III) Reviewing the internal control audit report issued by the external auditor and communicating with the external auditor regarding identified issues and improvement measures;

(IV) Evaluating the results of internal control assessments and audits, and supervising the rectification of internal control deficiencies.

Where the Audit Committee considers that the Company's internal control system has any material deficiency or material risk, the Board shall promptly report the matter to the Shanghai Stock Exchange and make disclosure accordingly. The Audit Committee shall urge the relevant responsible departments to formulate rectification measures and a timetable for rectification, conduct follow-up reviews of the internal control system, supervise the implementation of rectification measures, and promptly disclose the completion of the rectification.

Article 18 The duties of the Audit Committee in coordinating communication among management, the internal audit department and relevant departments, and the external auditor shall include:

(I) Coordinating communication between management and the external auditor regarding significant audit matters;

(II) Coordinating communication between the internal audit department and the external auditor and facilitating cooperation with the external audit work.

Article 19 The primary duties and authority of the convener of the Audit Committee are as follows:

(I) Convening and presiding over meetings of the Audit Committee;

(II) Supervising and inspecting the implementation of resolutions adopted at Audit Committee meetings;

(III) Signing important documents of the Audit Committee;

(IV) Reporting work regularly to the Board;

(V) Other powers and duties delegated by the Board.

Article 20 The Audit Committee shall, in accordance with the law, inspect the Company's financial affairs, supervise the lawful and compliant performance of duties by directors and senior management, exercise other powers prescribed by the Articles of Association, and safeguard the lawful rights and interests of the Company and its shareholders.

Where the Audit Committee discovers that any director or senior management member has violated laws and regulations, the relevant provisions of the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, it shall report the matter to the Board or the shareholders' meeting and make timely disclosure, and may also report directly to the regulatory authorities.

In the course of performing its supervisory duties, the Audit Committee may propose the removal of any director or senior management member who has violated laws and regulations, the relevant provisions of the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or resolutions of the shareholders' meeting.

The Audit Committee shall supervise the performance by the Company's directors and senior management of their information disclosure obligations, monitor the Company's information disclosure practices, and, where any violation relating to information disclosure is identified, conduct investigations and make recommendations for handling such matters.

Article 21 Where the Audit Committee proposes to the Board the convening of an extraordinary shareholders' meeting, it shall submit such proposal to the Board in writing. The Board shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, provide written feedback within ten days of receipt of the proposal indicating whether it agrees or disagrees with convening the extraordinary shareholders' meeting.

Where the Board agrees to convene the extraordinary shareholders' meeting, it shall issue the notice convening the shareholders' meeting within five days after adopting the relevant Board resolution. Any amendments to the original proposal set out in the notice shall require the consent of the Audit Committee.

Where the Board disagrees with convening the extraordinary shareholders' meeting, or fails to provide feedback within 10 days after receiving the proposal, it shall be deemed unable or unwilling to perform its duty to convene the shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Article 22 Where shareholders individually or collectively holding more than 10% of the Company's shares (including but not limited to preference shares with restored voting rights) request the Board to convene an extraordinary shareholders' meeting, and the Board refuses to convene such meeting or fails to provide a response within 10 days after receiving the request, such shareholders may request the Audit Committee to convene the extraordinary shareholders' meeting by submitting a written request to the Audit Committee.

Where the Audit Committee agrees to convene the extraordinary shareholders' meeting, it shall issue a notice convening the shareholders' meeting within five days after receiving the request. Any amendments to the original request contained in the notice shall be subject to the consent of the relevant shareholders.

Where the Audit Committee fails to issue the notice of the shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene or preside over the shareholders' meeting. In such case, shareholders who have individually or collectively held more than 10% of the Company's shares (including but not limited to preference shares with restored voting rights) continuously for more than 90 days may convene and preside over the meeting on their own.

Article 23 Where the Audit Committee decides to convene a shareholders' meeting on its own initiative, it shall notify the Board in writing and file the relevant information with the Shanghai Stock Exchange.

The Audit Committee shall submit the relevant supporting documents to the Shanghai Stock Exchange when issuing the notice of the shareholders' meeting and the announcement of the resolutions adopted at the shareholders' meeting.

A shareholders' meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. Where the convener of the Audit Committee is unable or fails to perform his/her duties, an independent director member of the Audit Committee jointly elected by over half of the Audit Committee members shall perform such duties on his/her behalf.

For a shareholders' meeting convened by the Audit Committee, the Board and the Secretary to the Board shall provide assistance and cooperation. The Board shall provide the register of shareholders as at the shareholding record date.

All necessary expenses incurred in connection with a shareholders' meeting convened by the Audit Committee shall be borne by the Company.

Article 24 The Audit Committee shall have the right to submit proposals to the Company for consideration at shareholders' meetings.

Article 25 The Audit Committee may propose the convening of an extraordinary meeting of the Board. The chairman of the Board shall convene and preside over the Board meeting within 10 days after receiving such proposal.

Article 26 Where necessary for the performance of its duties, the Audit Committee shall have the authority to engage independent consultants, legal advisers and other advisers. The Company shall provide such financial resources and funding as the Audit Committee considers appropriate to pay the remuneration of accounting firms for providing financial audit services and related audit, review and verification services, as well as the remuneration of various advisers engaged by the Audit Committee.

Chapter 4 Rules of Procedures

Article 27 The meetings of the Audit Committee shall be classified into regular meetings and interim meetings, which shall be convened and presided over by the convener of the Audit Committee.

Article 28 Where the convener of the Audit Committee is unable or refuses to perform his/her duties, he/she shall designate an independent director member of the Audit Committee to perform such duties on his/her behalf.

Article 29 The Audit Committee shall convene at least one meeting each quarter, and all members shall be notified at least three days prior to the meeting.

Article 30 The Audit Committee may convene interim meetings as necessary. An interim meeting may be convened upon the proposal of two or more Audit Committee members or where the convener of the Audit Committee considers it necessary. All committee members shall be notified three days prior to the meeting. However, in urgent circumstances, an interim meeting may be convened at any time, provided that confirmation has been obtained that all individuals required to attend the meeting have received the meeting notice. The notice of a meeting of the Audit Committee may be given by means of facsimile, telephone, email, SMS, personal delivery, or written notice, provided that the meeting materials can be delivered to all members at the same time. The meeting notice shall include at least the following:

(I) The time, venue and method of the meeting;

(II) The duration of the meeting;

(III) The matters to be discussed at the meeting;

(IV) The contact person and contact details for the meeting;

(V) The date of the meeting notice.

Meeting materials for the Audit Committee shall be delivered to all committee members and other participants entitled to attend the meeting simultaneously with the meeting notice.

Article 31 A meeting of the Audit Committee shall be held only if more than two-thirds of the members are present. Each member shall have one vote. A resolution of the meeting must be passed by a majority of all members. Where any member of the Audit Committee has an interest in any matter to be discussed at the meeting, such member shall abstain therefrom. Where the Audit Committee is unable to form valid consideration opinions due to abstention of its members, the relevant matter shall be submitted directly to the Board for consideration.

Article 32 Members of the Audit Committee shall attend meetings in person and express clear opinions on the matters under consideration. Where a member is indeed unable to attend a meeting in person, he/she may submit a power of attorney signed by such member, authorizing another member to attend the meeting and express opinions on his/her behalf. The power of attorney shall specify the scope and duration of the authorization, and shall be submitted to the presider of the meeting no later than before the voting at the meeting. Each member may accept delegation from no more than one member. Where an independent director member is unable to attend a meeting in person for any reason, he/she shall authorize another independent director member to attend on his/her behalf.

The term "attend in person" as mentioned in the preceding paragraph includes attending in person on site or attending by way of communication.

Article 33 The power of attorney shall be signed by both the principal and the proxy and contain at least the following particulars:

(I) Name of the principal;

(II) Name of the proxy;

(III) Matters entrusted;

(IV) Instructions on the exercise of voting rights on the meeting agenda items (for, against, or abstain);

(V) Duration of the authorization;

(VI) Date of execution of the power of attorney.

Article 34 Where a member of the Audit Committee neither attends a meeting in person nor authorizes another member to attend on his/her behalf, such member shall be deemed absent from the relevant meeting. Where a member is absent from two consecutive meetings, such member shall be deemed unable to properly perform his/her duties, and the Board of the Company may remove him/her from the position of member.

Article 35 Voting at meetings of the Audit Committee shall be conducted by a show of hands or by ballot.

Article 36 Meetings of the Audit Committee may be held in the form of physical meetings or communication meetings. Communication meetings include telephone conferences, video conferences, and meetings by way of written proposals.

Article 37 When a meeting of the Audit Committee is held by way of written proposals, the written proposals shall be delivered to all members by facsimile, express courier, or personal delivery. After the members have voted on the proposals, the original copies shall be returned to the Company for archiving. If the number of members who have signed to consent to a proposal meets the quorum prescribed in these Terms of Reference, the proposal shall become a resolution of the Committee.

Article 38 When convening a meeting, the Audit Committee may, where necessary, invite representatives of the external auditor, internal audit personnel, financial personnel, legal counsel, and other relevant persons to attend the meeting as non-voting participants. If necessary, the Audit Committee may engage intermediaries to provide professional opinions for its decision-making, with the expenses to be borne by the Company.

Article 39 Minutes shall be kept for all meetings of the Audit Committee, and meeting summaries and resolutions shall be prepared after the meeting for submission to the Board (unless such submission is restricted by law or regulatory limitations). All members attending the meeting shall sign the meeting summaries and resolutions. Where any attending member disagrees with a meeting resolution, such disagreement shall be recorded in the meeting minutes or meeting summaries. The meeting minutes shall be kept by the secretary to the Board of the Company, and the retention period shall be no less than 10 years during the existence of the Company.

Article 40 The meeting minutes shall include at least the following:

(I) The date, place and manner of convening of the meeting, and name of the convener of the meeting;

(II) The names of the persons attending the meeting, with special notes where a person attends the meeting as authorized by another person;

(III) The agenda of the meeting;

(IV) The main points of the members' speeches;

(V) The voting method for each resolution or proposal and the voting results indicating the number of votes cast for, against, or abstained;

(VI) Other matters that shall be explained and recorded in the meeting minutes.

Article 41 The proposals passed at and voting results of a meeting of the Audit Committee shall be reported to the Board of the Company by a member of the Audit Committee or the secretary to the Board of the Company no later than the day following the date on which the meeting resolution takes effect (unless such reporting is restricted by laws or regulations).

Article 42 All attending members shall be bound by a duty of confidentiality regarding the matters discussed at the meeting, and shall not disclose any related information without authorization.

Article 43 The Audit Committee shall report to the Board the actions or improvements it deems necessary, and make recommendations on the steps that may be taken.

Chapter 5 Information Disclosure

Article 44 The Company shall disclose information on the members of the Audit Committee, including the composition of its members, their professional backgrounds and experience, and any changes in the members of the Audit Committee.

Article 45 The Company shall, at the time of the disclosure of its annual report, disclose the annual performance of duties by the Audit Committee on the website of the stock exchange where the Company's shares are listed, which shall mainly include the performance of its duties and the convening of meetings of the Audit Committee.

Article 46 Where any major issues identified by the Audit Committee in the course of performing its duties meet the information disclosure standards under the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange, the Company shall promptly disclose such matters and their rectification.

Article 47 If the Audit Committee submits deliberation opinions to the Board of the Company on matters within its scope of responsibilities and the Board does not adopt such opinions, the Company shall disclose such matters and fully explain the reasons therefor.

Article 48 The Company shall disclose the special opinions issued by the Audit Committee on major matters of the Company in accordance with laws, administrative regulations, departmental rules, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange, securities regulatory rules of the place where the Company's shares are listed, and relevant regulatory documents.

Chapter 6 Supplementary Provisions

Article 49 Unless otherwise specified, the term "more than" as used in these Terms of Reference shall include the given number; while the term "over" shall exclude the given number.

Article 50 Unless otherwise specifically provided, the terms used in these Terms of Reference shall have the same meanings as those in the Articles of Association. Unless otherwise expressly provided by relevant national laws, administrative regulations, and securities regulatory rules of the place where the Company's shares are listed, the term "independent director" as used in these Terms of Reference shall have the same meaning as "independent non-executive director" under the Hong Kong Listing Rules.

Article 51 These Terms of Reference shall be formulated and amended by the Board, and the Board shall be responsible for their interpretation. In the event of any discrepancy between the Chinese and English versions of these Terms of Reference, the Chinese version shall prevail.

Article 52 Matters not covered by these Terms of Reference shall be handled in accordance with relevant national laws, regulations, regulatory documents, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association. In the event of any inconsistency between these Terms of Reference and relevant laws, regulations, regulatory documents, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, the provisions of such relevant laws, regulations, regulatory documents, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association shall prevail. If these Terms of Reference conflict with any laws, regulations, regulatory documents promulgated thereafter, or the Articles of Association as amended through legal procedures, the relevant national laws, regulations, regulatory documents, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association shall prevail, and these Terms of Reference shall be promptly revised and submitted to the Board for approval.

Article 53 These Terms of Reference shall take effect and be implemented from the date on which the Company's H shares issued under its initial public offering are listed on The Stock Exchange of Hong Kong Limited, upon consideration and approval by the Board of the Company. Upon the entry into force of these Terms of Reference, the original Terms of Reference of the Audit Committee of Transwarp Technology (Shanghai) Co., Ltd. shall automatically become null and void.

Transwarp Technology (Shanghai) Co., Ltd.