Transswarp Technology (Shanghai) Co., Ltd.

Terms of Reference of the Remuneration and Appraisal Committee

CHAPTER 1 GENERAL PROVISIONS

Article 1 To further establish and improve the appraisal and remuneration management policies for directors and senior management members of Transwarp Technology (Shanghai) Co., Ltd. (hereinafter referred to as the "Company"), and enhance the Company's corporate governance structure, the Company hereby establishes a Remuneration and Appraisal Committee of the Board of Directors (the Board) 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 (hereinafter referred to as the "Hong Kong Listing Rules") and its Appendix C1 Corporate Governance Code, the Articles of Association of Transwarp Technology (Shanghai) Co., Ltd. (hereinafter referred to as the "Articles of Association") and other relevant laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and other regulatory documents.

Article 2 The Remuneration and Appraisal Committee is a specialized working body established by the Board in accordance with the Articles of Association. It is primarily responsible for formulating the assessment standards for the Company's directors and senior management members and conducting such assessments, and for formulating and reviewing remuneration policies and plans for the Company's directors and senior management, including remuneration decision-making mechanisms, decision-making processes, payment arrangements, and suspension and clawback arrangements. It shall make recommendations to the Board on the following matters:

(I) The remuneration of directors and senior management members;

(II) Formulation or amendment of share incentive plans and employee stock ownership plans, and the granting of rights to incentive recipients and the satisfaction of conditions for the exercise of rights;

(III) Arrangements for directors and senior management members to hold equity interests in subsidiaries proposed to be spun off;

(IV) Other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If the Board does not adopt or fully adopt the recommendations of the Remuneration and Appraisal Committee, the Board resolution shall record the views of the Remuneration and Appraisal Committee and the specific reasons for not adopting the recommendations, and such information shall be disclosed accordingly.

Article 3 For the purposes of these Terms of Reference, "directors" refer to directors who receive remuneration from the Company, and "senior management members" refer to the general manager, deputy general managers, chief financial officer, secretary of the Board, and other senior management members appointed by the Board. Directors who do not receive remuneration from the Company are not within the scope of assessment under these Terms of Reference.

CHAPTER 2 COMPOSITION

Article 4 The Remuneration and Appraisal Committee shall consist of three directors, of whom independent directors shall constitute a majority and shall serve as the convener.

Article 5 Members of the Remuneration and Appraisal 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.

Article 6 The Remuneration and Appraisal Committee shall have one chairperson, who shall be a committee member serving as an independent director and shall be elected by more than one-half 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 term of office of the members of the Remuneration and Appraisal 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, or any member who is required to have the status of an independent director no longer possesses the independence as prescribed by the Articles of Association, such member shall automatically lose his/her membership on the Committee, and the Board shall fill the vacancy in accordance with Articles 4 through 6 above.

Article 8 The Remuneration and Appraisal Committee may, based on actual circumstances, establish a working group to be specifically responsible for providing the Company's operational data and relevant information of the personnel being assessed, preparing for meetings of the Remuneration and Appraisal Committee, and executing relevant resolutions of the Remuneration and Appraisal Committee. Members of the working group are not required to be members of the Remuneration and Appraisal Committee.

CHAPTER 3 DUTIES AND AUTHORITY

Article 9 The primary duties and authority of the Remuneration and Appraisal Committee are as follows:

(I) Making recommendations to the Board on the overall remuneration policy and structure for directors and senior management members, and on establishing formal and transparent procedures for formulating remuneration policies;

(II) Researching and formulating remuneration plans or schemes and incentive plans for directors and senior management members, and reviewing the eligibility of participants in incentive plans, grant conditions, and exercise conditions;

(III) Making recommendations to the Board on the remuneration packages of individual executive directors and senior management members, including non-monetary benefits, pension rights, and compensation amounts (including compensation for loss or termination of office or appointment);

(IV) Reviewing and approving the management's remuneration proposals in light of the corporate policies and objectives set by the Board;

(V) Making recommendations to the Board on the remuneration of non-executive directors;

(VI) Considering remuneration paid by comparable companies, the time commitment and responsibilities required of directors and senior management members, and the employment conditions of other positions within the Group;

(VII) Reviewing and approving compensation payable to executive directors and senior management members in connection with their loss or termination of office or appointment, to ensure that such compensation is determined in accordance with the relevant contractual terms; or, if not so determinable, that such compensation is fair and reasonable and does not impose an excessive burden on the Company;

(VIII) Reviewing and approving compensation arrangements relating to the dismissal or removal of directors for misconduct, to ensure that such arrangements are consistent with the relevant contractual terms; or, if not so consistent, that such compensation is reasonable and appropriate;

(IX) Ensuring that no director or any of their associates (as defined under the Hong Kong Listing Rules) participates in determining their own remuneration;

(X) Being responsible for supervising the implementation of the Company's remuneration system, reviewing the performance of the Company's non-independent directors and senior management members in fulfilling their duties and conducting annual performance appraisals thereof, and deliberating on major remuneration and benefit policies of the Company;

(XI) Deliberating and/or approving matters relating to share schemes as described in Chapter 17 of the Hong Kong Listing Rules.

(XII) Handling 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, these Terms of Reference, or as otherwise delegated by the Board.

Article 10 The Remuneration and Appraisal Committee is accountable to the Board. Proposals of the Remuneration and Appraisal Committee shall be submitted to the Board for consideration and decision.

The Remuneration and Appraisal Committee shall provide all research and discussion details, materials and information to the Board in the form of reports, recommendations and summaries, for the Board's study and decision-making.

Article 11 The Remuneration and Appraisal Committee's proposed remuneration plans for the Company's directors shall be submitted to the Board for deliberation and shall not be implemented until approved by the shareholders' meeting. The remuneration distribution plans for the Company's senior management members shall be submitted to the Board for approval before implementation. The Board has the right to veto any remuneration plans or schemes that are detrimental to the interests of shareholders.

Article 12 The Remuneration and Appraisal Committee shall express its opinion on whether the draft equity incentive plan is conducive to the sustainable development of the Company and whether there exists any circumstance that would materially damage the interests of the Company and all shareholders.

If the Remuneration and Appraisal Committee deems it necessary, it may recommend that the Company engage an independent financial advisor to provide professional opinions on the feasibility of the equity incentive plan, whether it is conducive to the sustainable development of the Company, whether it damages the interests of the Company, and its impact on shareholders' interests. If the Company does not engage an independent financial advisor in accordance with such recommendation, it shall provide a special explanation regarding this matter.

Article 13 The Remuneration and Appraisal Committee of the Board shall review the equity incentive list and fully consider opinions gathered during the public announcement period. The Company shall, five days prior to the shareholders' meeting's deliberation of the equity incentive plan, disclose a statement from the Remuneration and Appraisal Committee of the Board regarding its review of the incentive list and the public announcement process.

Article 14 The Remuneration and Appraisal Committee shall verify the list of incentive recipients on the grant date of restricted shares and the grant date of options, and shall express its opinion thereon.

Article 15 Prior to the Company granting rights to incentive recipients, the Board shall deliberate on whether the conditions for granting rights to incentive recipients as set forth in the equity incentive plan have been satisfied, and the Remuneration and Appraisal Committee shall express a clear opinion.

Where there is any discrepancy between the rights granted by the Company to incentive recipients and the arrangements under the equity incentive plan, the Remuneration and Appraisal Committee of the Board, the law firm, and the independent financial advisor (if any) shall simultaneously express clear opinions.

Prior to the exercise of rights by incentive recipients, the Board shall deliberate on whether the conditions for the exercise of rights by incentive recipients as set forth in the equity incentive plan have been satisfied, and the Remuneration and Appraisal Committee of the Board shall express a clear opinion.

If the Company amends the equity incentive scheme prior to its approval by the shareholders' meeting, the Remuneration and Appraisal Committee of the Board shall express an independent opinion on whether the amended scheme is conducive to the sustainable development of the listed company and whether there exists any circumstance that would materially damage the interests of the listed company and all shareholders.

CHAPTER 4 WORKING PROCEDURES

Article 16 The working group established under the Remuneration and Appraisal Committee shall be responsible for performing the preliminary preparatory work for the Remuneration and Appraisal Committee's decision-making and providing the following relevant information of the Company:

(I) The status of completion of the Company's key financial indicators and operational targets;

(II) The scope of work and primary responsibilities of the Company's senior management members;

(III) The status of completion of indicators involved in the performance evaluation system for directors and senior management members;

(IV) The operational performance results of directors and senior management members with respect to their business innovation capabilities;

(V) The relevant calculation basis for formulating the Company's remuneration distribution plan and distribution methods based on the Company's performance.

Article 17 The performance evaluation procedures of the Remuneration and Appraisal Committee for directors and senior management members are as follows:

(I) The Company's directors and senior management members shall present work reports and conduct self-assessments to the Remuneration and Appraisal Committee of the Board;

(II) The Remuneration and Appraisal Committee shall conduct performance evaluations of directors and senior management members in accordance with the performance evaluation standards and procedures;

(III) Based on the results of the position performance evaluations and the remuneration distribution policies, the Remuneration and Appraisal Committee shall propose the remuneration amounts and incentive methods for directors and senior management members, which shall be submitted to the Board for approval upon adoption by vote.

CHAPTER 5 RULES OF PROCEDURES

Article 18 The meetings of the Remuneration and Appraisal Committee shall be classified into regular meetings and interim meetings. The Remuneration and Appraisal Committee shall convene at least one regular meeting annually, and issue a notice to all committee members five days before the convening of the meeting. An interim meeting of the Committee may be convened at the request of the chairperson, or upon the proposal of any non-chairperson member. 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.

Article 19 The meetings of the Remuneration and Appraisal Committee shall be convened and presided over by the chairperson. If the chairperson is unable to attend, he/she may authorize another member (an independent director) to convene and preside over the meeting.

Article 20 The notice of a meeting of the Remuneration and Appraisal 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 the following:

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

(II) The purpose and agenda of the meeting;

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

(IV) The date on which the notice is sent.

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

Article 21 Meetings of the Remuneration and Appraisal Committee shall be attended by the committee members in person. If a member is unable to attend a meeting for any reason, he/she may appoint in writing another member who shall be an independent director to attend the meeting on his/her behalf. The power of attorney shall specify the name of the proxy, the matters delegated, and the scope and term of authorization, and shall be signed or sealed by the appointing member. Any member attending the meeting on behalf of another member shall exercise the rights within the scope of authorization. If a member fails to attend a meeting of the Remuneration and Appraisal Committee in person or by proxy, the said member shall be deemed as having waived his/her right to vote at the meeting.

Article 22 A meeting of the Remuneration and Appraisal Committee shall be held only if more than two-thirds of the members (including members who have appointed another member in writing to attend the meeting on their behalf) are present. Each member shall have one vote. A resolution of the meeting must be passed by a majority of all members.

Article 23 Voting at meetings of the Remuneration and Appraisal Committee shall be conducted by a show of hands or by ballot.

Article 24 Meetings of the Remuneration and Appraisal 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 25 When a meeting of the Remuneration and Appraisal 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 26 Members of the working group may attend meetings of the Remuneration and Appraisal Committee as non-voting observers. When necessary, the Company's directors and senior management members may also be invited to attend such meetings as non-voting observers. If necessary, the Remuneration and Appraisal Committee may engage intermediaries to provide professional opinions for its decision-making, with the expenses incurred to be borne by the Company.

Article 27 When a meeting of the Remuneration and Appraisal Committee discusses any matter relating to a member of the Committee, the member concerned shall recuse themselves. In such cases, the meeting of the Remuneration and Appraisal Committee may be held if a majority of the unrelated members are present, and any resolution passed shall require the affirmative vote of a majority of the unrelated members. If the number of unrelated members present at the meeting is less than one-half of the total number of unrelated members on the Remuneration and Appraisal Committee, the matter shall be submitted to the Board for consideration.

Article 28 The convening procedures, voting methods, and remuneration policies and distribution plans passed at meetings of the Remuneration and Appraisal Committee must comply with the provisions of relevant laws, administrative regulations, other regulatory documents, the Articles of Association, and these Terms of Reference.

Article 29 Minutes shall be kept for all meetings of the Remuneration and Appraisal Committee, and the members attending the meeting shall sign the minutes. The minutes shall be maintained by the secretary of the Board of the Company.

Article 30 Proposals passed by, and the voting results of, a meeting of the Remuneration and Appraisal Committee shall be reported in writing to the Board of the Company.

Article 31 All attending members and any individuals present as non-voting participants shall be bound by a duty of confidentiality regarding the matters discussed at the meeting, and shall not disclose any related information without authorization.

CHAPTER 6 RECUSAL POLICY

Article 32 Where a member of the Remuneration and Appraisal Committee, or any of his/her immediate family members, or any other enterprise controlled by the member or his/her immediate family members, has a direct or indirect interest in the matter under discussion at a meeting, such member shall promptly disclose to the Remuneration and Appraisal Committee the nature and extent of such interest.

In the circumstances described in the preceding paragraph, the interested member shall, at the Remuneration and Appraisal Committee meeting, provide a detailed explanation of the relevant circumstances and expressly declare their voluntary recusal from voting. However, if the other members of the Remuneration and Appraisal Committee, after discussion, unanimously agree that such interest will not have a material impact on the matter to be voted upon, the interested member may participate in the voting.

If the Board of the Company considers that the participation of the interested member in the voting as referred to in the preceding paragraph is inappropriate, it may revoke the voting results of the relevant proposal and require the disinterested members to re-vote on the relevant proposal.

Article 33 The Remuneration and Appraisal Committee shall deliberate and make resolutions on a proposal without counting the interested member towards the quorum. If, after the recusal of the interested member, the Remuneration and Appraisal Committee falls short of the minimum quorum required for a meeting, the Committee shall, by means of a resolution of all members (including the interested member), decide on procedural matters such as submitting the proposal to the Board of the Company for deliberation, and the Board shall then deliberate on such proposal.

Article 34 The meeting minutes and resolutions of the Remuneration and Appraisal Committee shall state that the interested member was not counted towards the quorum and did not participate in the voting.

CHAPTER 7 SUPPLEMENTARY PROVISIONS

Article 35 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 36 Matters not covered by these Terms of Reference shall be handled in accordance with relevant national laws, administrative regulations, other 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 national laws, administrative regulations, other regulatory documents promulgated thereafter, or the Articles of Association as amended through legal procedures, the relevant national laws, administrative regulations, other 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 37 The terms "more than" and "less than" as used in these Terms of Reference shall include the given number; while the terms "below" and "above" shall exclude the given number.

Article 38 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 39 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. Upon the entry into force of these Terms of Reference, the original Terms of Reference of the Remuneration and Appraisal Committee of Transwarp Technology (Shanghai) Co., Ltd. shall automatically become null and void.

Transwarp Technology (Shanghai) Co., Ltd.