



NSING TECHNOLOGIES INC.

Terms of Reference for Audit Committee

(Applicable after the issuance and listing of H Shares)

March 2026

CHAPTER I GENERAL PROVISIONS

Article 1 NSING TECHNOLOGIES INC. (hereinafter referred to as the “Company”) has established the Audit Committee of the Board of Directors (hereinafter referred to as the “Audit Committee”) and formulated these terms of reference in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Code of Corporate Governance for Listed Companies, the Administrative Measures for Independent Directors of Listed Companies, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, No. 2 Self-Regulatory Guidelines of Shenzhen Stock Exchange for Listed Companies – the Guidelines of the Shenzhen Stock Exchange for the Standardized Operation of Companies Listed on the ChiNext Board, 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 other relevant laws, regulations and regulatory documents, the securities regulatory rules of the places where the Shares of the Company are listed, and the Articles of Association of NSING TECHNOLOGIES INC. (hereinafter referred to as the “Articles of Association”), so as to strengthen the decision-making function of the Board of the Company, ensure the effective supervision of the management by the Board and improve the corporate governance structure.

Article 2 The Audit Committee is a special working body established by the Board and is accountable to the Board, and performs its duties in accordance with the Articles of Association and the authorization of the Board. It is responsible for reviewing the Company's financial information and its disclosure, as well as supervising and evaluating internal and external auditing work, risk management and internal control, and performing relevant functions of corporate governance.

Article 3 The Audit Committee shall perform its duties in accordance with the scope of its responsibilities as stipulated in the Articles of Association and these terms of reference, and shall work independently without interference from other departments of the Company.

CHAPTER II COMPOSITION

Article 4 The Audit Committee shall consist of at least three non-executive Directors, Among them, there shall be more than half of independent Directors, and at least one independent Director shall be an accounting professional with professional qualifications that meet the requirements of the securities regulatory rules of the place where the Shares of the Company are listed.

A former partner of an external auditor which is responsible for auditing the accounts of the Company shall not serve as a member of the Audit Committee for a period of two years from the following dates (whichever is later):

- (1) the date on which he/she ceases to be a partner of such external auditor; or
- (2) the date on which he/she ceases to be entitled to the financial benefits in such external auditor.

The members of the Audit Committee shall be nominated by the chairman of the Board, more than half of the independent Directors or more than one third of all Directors and shall be elected and appointed by the Board. The Audit Committee shall have one chairman (convener) who shall be the accounting professional among the Independent Directors.

Article 5 The chairman (convener) of the Audit Committee is responsible for convening and presiding over the meetings of the Audit Committee. When the chairman of the Audit Committee is unable or fails to perform his/her duties, another committee member shall be appointed to act on his/her behalf. In the event that the chairman neither performs his or her duties nor designates another member to perform his or her duties in his or her place, any one of the members may report the situation to the Board of the Company, which shall designate a member to perform the duties of the chairman of the Audit Committee. The secretary of the Audit Committee shall be the Company's joint secretary. The Audit Committee may from time to time appoint any other person with appropriate qualifications and experience as the secretary of the Audit Committee.

Article 6 The term of office for members of the Audit Committee shall be determined by the Board at the time of appointment and shall not exceed the term of office of the member of the Audit Committee. Members may be re-elected upon the expiration of their term. Before the expiration of their term, members may not be dismissed without cause unless there are circumstances that would disqualify them from holding office under the Company Law, the Articles of Association, the Hong Kong Listing Rules, these terms of reference, or applicable laws. If any member of the Audit Committee resigns or ceases to serve as a Director of the Company for other reasons, they automatically lose their membership on the Audit Committee, and the Board shall promptly replenish the number of members in accordance with these terms of reference.

Article 7 If the proportion of independent Directors in the Audit Committee fails to comply with the provisions of the Administrative Measures for Independent Directors of Listed Companies, the Articles of Association or the securities regulatory rules of the places where the Shares of the Company are listed due to the resignation or removal of an independent Director, or if there is a lack of accounting professionals among the independent Directors, the Company shall complete the by-election within sixty days from the date on which the aforesaid fact occurs.

Article 8 If the number of members of the Audit Committee falls below two-third of the prescribed number, the Board of the Company shall elect new members as soon as possible. Until the number of members reaches two-third of the prescribed number, the Audit Committee shall suspend the exercise of its powers as stipulated in these terms of reference.

CHAPTER III DUTIES AND AUTHORITIES

Article 9 The Audit Committee shall exercise the functions and powers of the supervisory committee stipulated in the Company Law in accordance with the Articles of Association.

The main duties and authorities of the Audit Committee are as follows:

- (1) to examine the Company's financial affairs;
- (2) to supervise the performance of duties by the Directors and senior management of the Company, and put forward proposals for the removal of Directors and senior management who violate laws, administrative regulations, the Articles of Association or resolutions of the general meeting;
- (3) to request Directors and senior management to make corrections when their acts harm the interests of the Company;

- (4) to propose the convening of an extraordinary general meeting, and convene and preside over the general meeting when the Board fails to perform its duties of convening and presiding over the general meeting as stipulated by the law;
- (5) to submit proposals to the general meeting;
- (6) to initiate legal actions against Directors and senior management in accordance with the provisions of Article 189 of the Company Law;
- (7) to supervise and evaluate the external audit work, and propose the appointment, replacement and removal of external auditors;
- (8) to supervise and evaluate the internal audit work, and be responsible for coordinating internal audit and external audit;
- (9) to review the Company's financial information and its disclosure; and to supervise and evaluate the Company's risk management and internal control systems;
- (10) to be responsible for supervising and improving the principles, structure and systems of the Company's corporate governance;
- (11) to perform relevant corporate governance duties under the Hong Kong Listing Rules and Appendix C1 thereof, including:
 - (1) to formulate and review the corporate governance policy and practices of the Company and make recommendations to the Board;
 - (2) to review and monitor the training and continuous professional development of the Directors and senior management of the Company;
 - (3) to review and monitor the Company's policies and practices for compliance with legal and supervisory requirements;
 - (4) to formulate, review and monitor the Company's code of conduct and compliance manual (if any) for the Directors and staff of the Company;
 - (5) to review the Company's compliance with the CG Code as set out in Appendix C1 of the Hong Kong Listing Rules, and to disclose this in the Company's the Corporate Governance Report; and
 - (6) to review the implementation and effectiveness of the mechanism in place to ensure independent views and opinions are available to the Board;
- (12) The Audit Committee should review and monitor whether the external auditors maintain independence and objectivity in accordance with applicable standards and whether their audit procedures were effective. It shall discuss with the external auditors the nature, scope and relevant reporting responsibilities of the audit before the audit commences; and
- (13) other matters as stipulated by laws and regulations, the securities regulatory rules of the place where the Shares of the Company are listed, the Articles of Association and authorized by the Board.

Article 10 The Audit Committee is accountable to the Board. The following matters shall be submitted to the Board for consideration upon the approval of more than half of all the members of the Audit Committee:

- (1) disclosure of financial information and internal control evaluation reports in financial accounting reports and periodic reports;
- (2) appointment or dismissal of the accounting firm that undertakes the Company's audit business, and also responsible for approving the remuneration and terms of engagement of the accounting firms and handling any matters relating to the resignation of the external accounting firm or dismissal of the external auditors. Where the Board disagrees with the Audit Committee's opinions regarding the selection, appointment, reappointment, resignation, or removal of external accounting firms, the Company shall disclose the Audit Committee's recommendations and the reasons for the Board's dissenting opinion in its the Corporate Governance Report;
- (3) appointment or dismissal of the Company's chief financial officer;
- (4) changes in accounting policies or accounting estimates, or corrections of significant accounting errors, for reasons other than changes in accounting standards; and
- (5) other matters stipulated by laws, administrative regulations, the regulations of the China Securities Regulatory Commission, the securities regulatory rules of the place where the Shares of the Company are listed and the Articles of Association.

The Audit Committee shall review the Company's financial accounting reports (annual reports and accounts, interior reports and quarterly reports, if any), and provide opinions on their authenticity, accuracy and completeness; focus on major accounting and audit issues of the Company's financial accounting reports, including major accounting error adjustments, any changes in accounting policies and accounting practices, matters involving important judgments, and significant adjustments, going concern assumptions and any qualified opinions, compliance with applicable accounting standards, compliance with the Hong Kong Listing Rules and relevant legal and regulatory requirements on financial reporting; supervise the rectification of issues related to accounting reports from the finance department and the internal audit department. If the Company's Directors or senior management discover that the financial accounting reports published by the Company contain false records, misleading statements or material omissions and report this to the Board, or if the sponsor institution, independent financial adviser or external auditor points out to the Board that the Company's financial accounting reports contain false records, misleading statements or material omissions, the Audit Committee shall urge the relevant responsible departments of the Company to formulate rectification measures and a rectification timeline, conduct follow-up reviews, supervise the implementation of the rectification measures, and promptly disclose the rectification progress.

Article 11 The Audit Committee shall convene meetings to discuss relevant reports and information, and shall submit relevant written resolutions to the Board for discussion:

- (1) evaluation of the work of external auditor, and the appointment and replacement of external auditor;
- (2) whether the internal audit system of the Company has been effectively implemented and whether the financial reports of the Company are true in all aspects;
- (3) whether information such as financial reports disclosed publicly by the Company are objective and true, and whether the major connected transactions of the Company are in compliance with the requirements of the relevant laws and regulations;
- (4) evaluation of work of the Company's internal finance department and the audit department, including their persons-in-charge; the relevant resolutions on the appointment or dismissal of the officer in charge of finance of the Company;
- (5) relevant resolutions on changes in accounting policies, accounting estimates or correction of significant accounting errors due to reasons other than changes in accounting standards; and
- (6) other relevant matters.

Article 12 In guiding and overseeing the work of the internal audit department, the Audit Committee shall perform the following primary responsibilities:

- (1) to guide and oversee the establishment and implementation of the internal audit system;
- (2) to review the Company's annual internal audit work plan;
- (3) to monitor the implementation of the Company's internal audit plan;
- (4) to guide the effective operation of the internal audit department. The internal audit department of the Company shall report its work to the Audit Committee. All audit reports submitted by the internal audit department to the management, along with rectification plans and progress for audit issues, shall be concurrently submitted to the Audit Committee;
- (5) to report to the Board on the progress, quality, and significant issues identified in internal audit work; and
- (6) to coordinate the relationship between the internal audit department and external audit entities such as accounting firms and state audit agencies.

Article 13 The Audit Committee shall review the Company's financial controls, review the Company's risk management and internal control systems, and the Audit Committee shall discuss the risk management and internal control systems with the management to ensure that the management has performed its duties to establish effective systems. Such discussion should include the adequacy of the company's resources for the accounting and financial reporting functions, the adequacy of staff qualifications and experience, and the adequacy of staff training courses and related budgets. The Audit Committee shall, on its own initiative or as delegated by the Board, consider significant findings relating to risk management and internal control matters and the responses of the Management to such findings, and report to the Board.

Article 14 The audit department of the Company shall report to the Audit Committee at least once every quarter, including but not limited to the implementation of the internal audit plan and the problems identified in the internal audit work. The audit department of the Company shall submit an internal audit report to the Audit Committee at least once a year. If the audit department of the Company finds that there are significant deficiencies or significant risks in the internal control during the review, it shall report to the Audit Committee in a timely manner.

Article 15 The Audit Committee shall urge the external auditor to be honest and trustworthy, diligent and responsible, strictly abide by business rules and industry self-regulatory norms, strictly implement internal control systems, verify and validate the Company's financial accounting reports, fulfill special duty of care, and prudently express professional opinions.

Article 16 The Audit Committee shall review and supervise the relevant arrangements established by the Company to ensure that the employees of the Company can raise concerns about possible improprieties in financial reporting, risk management, internal control or other aspects under the condition of confidentiality. The Audit Committee should ensure that appropriate arrangements are in place in respect of the above matters to enable an impartial and independent investigation into the matter and to take appropriate follow-up action.

Article 17 The Board of the Company shall fully respect the recommendations from the Audit Committee on the engagement or replacement of candidates for the external auditor, and shall not shelve the recommendations from the Audit Committee without sufficient grounds or reliable evidences. The Audit Committee shall make recommendations to the Board on the engagement or replacement of the external auditor, review the audit fees and engagement contracts of the external auditor, and shall not be improperly influenced by the major shareholders, actual controllers, directors and senior management of the listed company.

Article 18 Adequate resources should be provided to perform the duties and relevant departments of the Company shall cooperate with the Audit Committee in performing its duties. If necessary, the Audit Committee may engage intermediaries to provide professional opinions at the Company's expense. The relevant arrangements for independent professional advice to be sought can be made through the joint company secretaries.

Article 19 The chairman of the Audit Committee or, in his absence, another member of the Audit Committee, who must be an independent director, shall attend annual general meetings of the Company and respond to enquiries from shareholders on the activities of the Audit Committee and their responsibilities.

CHAPTER IV CONVENING AND NOTICES OF MEETINGS

Article 20 Audit Committee meetings shall be divided into regular meetings and extraordinary meetings. The Audit Committee shall hold at least one regular meeting each quarter. An extraordinary meeting of the Audit Committee may be convened upon the proposal of the chairman (convener) of the Audit Committee or two or more members thereof. Audit Committee meetings shall be convened and presided over by the chairman (convener). If the convener is unable to attend or perform his/her duties, the convener may authorize another independent Director of the Audit Committee to act on his/her behalf. The Company's external auditors may request for such meetings as and when they deem necessary.

Article 21 Notice of regular meetings of the Audit Committee shall be issued 14 days (excluding the date of the meeting) prior to the meeting, while notice of extraordinary meetings shall be issued three days (excluding the date of the meeting) prior to the meeting, unless an exemption from such notice is unanimously approved by all members of the Committee. Despite the notice period, the attendance of the members of the Audit Committee at a meeting will be considered as an exemption from the required notice period. An extraordinary meeting may be convened upon the proposal of two or more members, or when the chairman (convener) deems it necessary, and the above-mentioned time limit for notification may be waived in special or emergency situations. The notice of the meeting shall at least include the following: date, time, place and form of the meeting; topics to be discussed at the meeting and its contents; contact person of the meeting and their contact information; the date of notice of the meeting.

Article 22 A meeting of the Audit Committee may be notified by facsimile, email, telephone, delivery in person or by mail. The meeting can be in the form of physical meeting, way of communication or on-site meeting combining with way of communication. Way of communication includes teleconference, video conference and written resolution conference. Members of the Audit Committee may attend the meeting via teleconference or any similar communication device, through which all persons attending the meeting can hear each other.

Article 23 If necessary, the Audit Committee may convene other personnel related to the resolutions of the meeting to attend the meeting, provide detailed information or express their opinions. At the invitation of the Audit Committee, the following persons may attend the meeting: (i) the chief financial officer (or the equivalent); (ii) the chief financial officer (or the equivalent); (iii) other persons responsible for accounting and/or internal audit staff; and (iv) other board members, but non-audit committee members have no right to vote on the resolutions. Members of the Audit Committee shall hold at least two meetings each year with the auditor of the Company without the attendance of any executive Director of the Company (other than at the invitation of the Audit Committee).

CHAPTER V RULES OF PROCEDURE AND VOTING

Article 24 The meeting of the Audit Committee shall not be held unless two-thirds of members are present. Each member shall have one vote and the resolutions of the meeting must only be adopted by the affirmative votes of a majority of the members, including members who did not attend the meeting. If no effective resolution can be formed due to the withdrawal of members of the Audit Committee, the relevant matters shall be directly reviewed by the Board. Only members of the Audit Committee are entitled to vote at the meetings of the Audit Committee.

Article 25 Members of the Audit Committee may attend the meetings in person or appoint other members to attend the meetings and vote on their behalf. Members of the Audit Committee who appoint other members to attend the meeting and exercise the voting rights on their behalf shall submit a power of attorney to the chairman of the meeting. Those 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 meeting.

Article 26 Members present at the meetings shall consider the proposals and give full expression of their personal opinions with a conscientious and responsible attitude; members shall be responsible for their own votes. Other persons present at the meeting of the Audit Committee do not have voting rights on the proposals.

Article 27 Voting at the meeting of the Audit Committee shall be by show of hands or by poll. The resolutions passed at the meeting of the Audit Committee and the voting results shall be reported to the Board of the Company in writing. A resolution passed by and signed by all members of the Audit Committee has the same effect as resolutions passed at a meeting of the Committee.

Article 28 The Board of the Company shall disclose the work of the Audit Committee in the past year in its annual work report, including meetings held and resolutions passed.

Article 29 The Audit Committee shall maintain the 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 have the right to request their explanatory remarks of their speech at the meeting to be recorded in the minutes. Minutes of the meetings of the Audit Committee shall be kept by the secretary to the Board as corporate archives for a period of ten years for the review of all Directors.

Article 30 The members of the Audit Committee shall be obliged to maintain the confidentiality of relevant information they have learnt about the Company until such information is made public.

CHAPTER VI SUPPLEMENTARY PROVISIONS

Article 31 Matters not covered in these terms of reference shall be dealt with in accordance with the laws, regulations, regulatory documents, the securities regulatory rules of the places where the shares of the Company are listed and the Articles of Association of the Company in force at the time; in case of any conflict between these terms of reference and laws, regulations, regulatory documents, Hong Kong Listing Rules, the securities regulatory rules of the places where the shares of the Company are listed or the Articles of Association of the Company in force at the time, the laws, regulations, regulatory documents, Hong Kong Listing Rules, the securities regulatory rules of the places where the shares of the Company are listed and the Articles of Association of the Company in force at the time shall prevail.

Article 32 For the purpose of these terms of reference, the terms “more than”, “within”, “below” include the given figure and the terms “over”, “less than”, “falls below” do not include the given figure. For the purpose of these terms of reference, the term “accounting firm” shall have the same meaning as the term “auditor” as described in the Hong Kong Listing Rules, and the term “independent Director” shall have the same meaning as the term “independent non-executive director” as described in the Hong Kong Listing Rules.

Article 33 These terms of reference shall be interpreted by the Board of the Company, and shall become effective and be implemented from the date on which H shares issued by the Company are listed on the Hong Kong Stock Exchange upon the consideration and approval by the Board. These rules of procedure shall be publicly disclosed on The Stock Exchange of Hong Kong Limited and on the official website of the Company.

NSING TECHNOLOGIES INC.
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