

Beijing DeepZero Technology Co., Ltd.

Terms of Reference of the Audit Committee of the Board of Directors

Chapter 1 General Provisions

Article 1 To establish and standardize the audit system and procedures of Beijing DeepZero Technology Co., Ltd. (hereinafter referred to as the “**Company**”), enhance the decision-making function of the Board of Directors (the Board), ensure effective supervision by the Board over the management, and improve the corporate governance structure, the Audit Committee (hereinafter referred to as the “**Committee**”) of the Board of the Company is established 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**”), the Articles of Association of Beijing DeepZero Technology Co., Ltd. (hereinafter referred to as the “**Articles of Association**”), the Rules of Procedure of the Board of Directors and other relevant laws, regulations, regulatory documents and regulatory rules.

Article 2 The Committee is a specialized working body under the Board, and shall be primarily responsible for the communication, supervision and review of the Company’s internal and external audits, as well as the Company’s risk management and internal control. The Committee shall be accountable to and report its work to the Board.

Article 3 For the purpose of these Terms of Reference, directors refer to all directors of the Company, and senior management personnel refers to the general manager, deputy general managers, the chief financial officer, the secretary to the Board and other senior management personnel as specified in the Articles of Association.

Article 4 These Terms of Reference shall apply to the Committee and the relevant personnel and departments mentioned herein.

Chapter 2 Composition and Executive Body of the Committee

Article 5 The Committee shall consist of no less than three directors, and shall only be composed of non-executive directors, of whom a majority shall be independent non-executive directors. The members of the Committee shall possess professional knowledge in finance, law or other relevant fields, as well as commercial experience appropriate to their responsibilities. At least one member shall be an independent non-executive director with appropriate professional qualifications or appropriate accounting or related financial management expertise, and shall satisfy the qualification requirements for financial professionals of the Committee under the Hong Kong Listing Rules. A former partner of the Company's current external audit institution shall not serve as a member of the Committee within two years from the later of the date on which such person ceased to be a partner of the current external audit institution or the date on which such person no longer holds a financial interest in the current external audit institution.

Article 6 Members of the Committee shall be nominated by the chairman of the Board and appointed by the Board upon approval by more than half of all the directors.

Article 7 The Committee shall have a chairperson who shall be an independent non-executive director and shall be responsible for presiding over the work of the Committee. The chairperson shall be nominated by the chairman of the Board and appointed upon approval of the Board.

Article 8 The term of office of the Committee shall be the same as that of the corresponding session of the Board, and the term of office of members of the Committee shall be the same as that of the directors. Members may be re-elected for consecutive terms upon the expiration of their terms. Should a member of the Committee cease to be a director of the Company, or should a member who shall be an independent non-executive director no longer meet the independence requirements set forth in the Hong Kong Listing Rules during his/her term of office, his/her membership on the Committee shall terminate automatically.

Article 9 If a member of the Committee submits a resignation to the Board prior to the expiration of his/her term of office, the resignation report shall include a necessary explanation of the reasons for resignation and any matters requiring the attention of the Board. When the number of members of the Committee falls below the minimum required by these Terms of Reference, the departing member shall continue to fulfill his/her relevant duties until a successor appointed by the Board has assumed office.

Article 10 Upon proposal by the chairman of the Board and discussion and approval by the Board, adjustments may be made to the members of the Committee during their terms of office.

Article 11 A member of the Committee may hold membership of other special committees under the Board, provided that he/she is able to perform his/her duties.

Article 12 If the number or composition of members of the Committee fails to meet the requirements as provided herein, the Board shall arrange for making up the shortfall in accordance with the provisions in these Terms of Reference or the Articles of Association.

Article 13 The secretary to the Board, acting as the Committee's executive body, shall provide support and services to the Committee and undertake relevant work assigned by the Committee.

Chapter 3 Duties of the Committee

Article 14 The Committee shall, on behalf of the Board, conduct an independent evaluation and supervision over the compliance, legality and efficiency of the Company's business operations, with the main responsibilities as follows:

- (I) to advise the Board on the appointment, reappointment and removal of the external audit institution, approve the remuneration and engagement terms of the external audit institution, and handle any matters relating to the resignation or dismissal of the audit institution;
- (II) to review and monitor the independence and objectivity of the external audit institution and the effectiveness of audit procedures in accordance with applicable standards. The Committee shall discuss with the audit institution the nature, scope and method of the audit as well as relevant reporting responsibilities prior to the commencement of audit work.

To conduct the independence review of the external audit institution, the Committee shall perform the following duties: examine the relationship between the Company and the audit institution (including non-audit services); obtain documents from the audit institution on an annual basis to understand the policies and procedures adopted by the audit institution for maintaining its independence and overseeing the implementation of relevant rules, including the provisions on the change of the audit institution's partners and staff; meet with the external audit institution at least once a year without the presence of the management to discuss matters concerning audit fees, any issues arising from the audit work, and other matters raised by the audit institution;

- (III) to establish and implement the policies regarding the engagement of the external audit institution to provide non-audit services; for the purpose of this provision, an external audit institution includes any entity under the same control, ownership or management as the company responsible for audit, or any entity that a reasonable third party with full knowledge of all relevant information would reasonably determine to be part of the domestic or international business of the company responsible for audit. The Committee shall report to the Board on any matters requiring action or improvement as it deems necessary, and recommend the measures to be taken;

(IV) to monitor the truthfulness, completeness and accuracy of the Company's financial statements, annual reports and accounts, semi-annual reports and quarterly reports (if any); review significant opinions on financial reporting contained in the statements and reports, with particular attention to the possibility of fraud, malpractices and material misstatements relating to the financial statements and reports. When submitting relevant statements and reports to the Board, the Committee shall conduct a review with particular reference to the following matters:

1. any changes in accounting policies and practices;
2. matters involving significant judgment;
3. material adjustments arising from the audit;
4. the assumption of the Company's going concern and any qualified opinions;
5. compliance with accounting standards;
6. compliance with the Hong Kong Listing Rules and other legal provisions relating to financial reporting.

(V) for the purposes of item (IV):

1. members of the Committee shall liaise with the Board and the senior management personnel of the Company. The Committee shall meet with the Company's external audit institution at least twice a year;
2. the Committee shall consider any material or unusual matters reflected or required to be reflected in such reports and accounts, and shall duly take into account any matters raised by the Company's accounting and financial reporting staff, compliance officers or the audit institution;

(VI) to review the Company's financial control system, as well as its risk management and internal control systems;

(VII) to discuss with the management the effectiveness of the risk management and internal control systems, and ensure that the management has fulfilled its responsibilities in establishing effective systems. Such discussions shall cover whether the Company has adequate resources, staff qualifications and experience in accounting and financial reporting functions, as well as whether the training courses and relevant budgets for the staff are sufficient;

(VIII) to supervise the effective implementation and self-evaluation of internal control, coordinate internal control audits, and oversee the rectification of internal control deficiencies and other related matters;

- (IX) to examine key findings of significant investigations relating to risk management and internal control, as well as the management's responses to such investigation findings, either on its own initiative or upon the appointment of the Board;
- (X) to be responsible for communication between the internal audit department and the external audit institution, ensure coordination of the work of the internal and external audit institutions; ensure that the internal audit function is provided with sufficient resources to operate and has appropriate standing within the Company; and review and oversee the effectiveness of the internal audit function;
- (XI) to review the Company's financial and accounting policies and practices;
- (XII) to review the Management Letter issued by the external audit institution to the management, any material inquiries raised by the audit institution to the management regarding accounting records, financial accounts or control systems, and the management's responses thereto;
- (XIII) to ensure that the Board timely responds to the matters raised in the Management Letter issued by the external audit institution to the management;
- (XIV) to review the following arrangements established by the Company: the employees of the Company may raise concerns in confidence about possible improprieties in financial reporting, internal control or other matters. The Committee shall ensure that proper arrangements are in place so that the Company can conduct fair and independent investigation of such concerns and take appropriate actions;
- (XV) to act as the principal representative between the Company and the external audit institution, and oversee the relationship between them;
- (XVI) to be responsible for confirming the list of the Company's connected persons, conducting the overall review of connected transactions, and carrying out regular examination on the overall status of the Company's connected transactions. Specifically, it shall verify the decision-making and fulfillment of all connected transactions of the Company within 10 days after the end of each half a year, examine the overall status of the Company's connected transactions within 30 days after the end of each half a year, and report the review opinions formed to the Board and the Board of Supervisors of the Company.
- (XVII) to report to the Board on all matters set out in these Terms of Reference;
- (XVIII) to handle other matters authorized by the Board and other matters stipulated in relevant laws and regulations;
- (XIX) to revise other relevant requirements concerning the duties and authority of the Committee from time to time in accordance with the regulatory rules of the place where the Company's securities are listed, including the Hong Kong Listing Rules.

Article 15 Duties of the chairperson of the Committee shall include:

- (I) to convene and preside over meetings of the Committee;
- (II) to supervise and examine the work of the Committee and the implementation of resolutions of the Committee;
- (III) to sign relevant documents of the Committee;
- (IV) to report the work of the Committee to the Board;
- (V) The chairperson of the Audit Committee shall attend the annual general meeting (if the chairperson of the Audit Committee is unable to attend the meeting, another member of the Audit Committee shall attend the meeting, or if such member is unable to attend the meeting, a duly appointed representative of such member shall attend the meeting) and answer questions at the meeting regarding the work and responsibilities of the Audit Committee;
- (VI) other duties required or granted by laws, regulations, the Hong Kong Listing Rules and other relevant regulatory rules of the listing place, these Terms of Reference and the Board.

Article 16 The primary duties of the members shall include:

- (I) to attend meetings of the Committee punctually, express opinions on matters discussed at the meetings, and exercise voting rights;
- (II) to propose agenda items for discussion at the meetings of the Committee;
- (III) to attend relevant meetings of the Company as non-voting delegates or visitors, conduct surveys and research and collect relevant information such as reports, documents and materials for the purpose of discharging their duties;
- (IV) to fully understand the duties of the Committee and those of himself/herself as a member of the Committee and acquaint himself/herself with the operation, management, business activities and development of the Company in relation to his/her duties to ensure his/her capacity for discharging duties;
- (V) to ensure sufficient time and energy to fulfill their duties;
- (VI) other powers granted by laws, regulations, the Hong Kong Listing Rules and other relevant regulatory rules of the listing place, these Terms of Reference and the Board.

Chapter 4 Meetings of the Committee

Article 17 The meetings of the Committee shall include regular meetings and extraordinary meetings.

Article 18 The Audit Committee and the Company's external auditor shall hold at least two meetings each year without the attendance of any executive directors (except those invited by the Audit Committee). All members shall be given a written notice at least three days prior to the convening of any such meeting.

Article 19 The Committee shall convene extraordinary meetings as and when necessary. The chairperson of the Committee shall issue a notice to convene a meeting within three days from the occurrence of any of the following circumstances:

- (I) when deemed necessary by the Board;
- (II) when deemed necessary by the chairperson of the Committee;
- (III) when proposed by two or more members.

Article 20 The secretary to the Board shall be responsible for delivering the notice of meeting in writing to all members and any other persons invited to attend the meeting as non-voting delegates three days prior to the meeting (except in special circumstances where the requirement of a prior notice is exempted, provided that the meeting presider shall provide an explanation at the meeting). The notice of meeting shall contain information on the form, time, venue, duration and agenda of the meeting, time of issuance of the notice, name and contact information of the contact person of the meeting and other relevant data.

Relevant departments of the Company shall be responsible for preparing and providing the relevant materials required for the matters to be discussed at the meetings, and for contacting relevant parties, including experts from the Company or society, scholars and intermediary agencies engaged by the Committee in the course of its considerations.

Article 21 Upon receipt of the notice, members of the Committee shall promptly confirm and provide feedback on the relevant information (including but not limited to whether they will attend the meeting, their schedule arrangements, etc.) in an appropriate manner.

Article 22 All members of the Committee shall attend the meeting in person. In the event that a member is unable to attend a meeting in person for any reason, the said member may submit a power of attorney signed by him/her, 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 authorization. A member may only appoint one other member to exercise the right to vote on his/her behalf at any given time. Where a member authorizes two or more other members to exercise the voting right on his/her behalf, such authorization shall be invalid. Moreover, no member shall accept such authorization from two or more other members concurrently.

Any member attending the meeting on behalf of another member shall exercise the rights within the scope of authorization. If a member does not attend a meeting in person or authorize another member to exercise the rights on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting, he/she shall be deemed to have waived his/her rights.

A member who is unable to attend a meeting in person may also exercise his/her rights by submitting in writing his/her opinion with respect to any matter on the meeting agenda, provided that such written opinion shall be submitted to the secretary to the Board no later than the convening of the meeting.

Article 23 If a member of the Committee does not attend a meeting of the Committee in person or authorize another member to attend such meeting on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting on two consecutive occasions, or the attendance of any member at meetings of the Committee in person is less than three-quarters of the total number of meetings held within one year, such member shall be deemed incapable of performing the duties of the Committee, and the Board may adjust the composition of the Committee in accordance with these Terms of Reference.

Article 24 The quorum of a Committee meeting shall be the presence of two-thirds of the members. Meetings of the Committee shall be presided over by the chairperson. Where the chairperson is unable to attend the meeting, he/she may authorize another member to preside over the meeting. If the chairperson of the Committee fails to perform his/her duties and does not designate another member to perform such duties on his/her behalf, any member may report the relevant circumstances to the Board, which shall designate a member (who is an independent non-executive director) to perform the duties of the chairperson.

Chapter 5 Procedures of Meetings

Article 25 Each member of the Committee shall be entitled to one vote. A resolution of the meeting shall be passed by a simple majority of the votes of all members. In the event that the meeting fails to reach a valid resolution due to the abstention of any member, the relevant matter shall be considered directly by the Board.

The following matters shall be submitted to the Board for consideration after approval by a majority of all members of the Audit Committee:

- (I) disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (II) engagement or dismissal of the accounting firm responsible for the Company's audit business;
- (III) appointment or removal of the Company's chief financial officer;
- (IV) changes to accounting policies or accounting estimates, or correction of significant accounting errors, for reasons other than changes in accounting standards;
- (V) other matters stipulated by laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Article 26 Meetings of the Committee shall be held in the form of on-site meetings in general, and voting shall be conducted by a show of hands or by poll. Under special circumstances, on the premise that the members of the Committee are able to sufficiently express their opinions, meetings may be held by means of correspondence with the consent of the chairperson of the Committee. Where a meeting is conducted by means of correspondence, members of the Committee shall submit to the Board their written opinions with respect to the matters to be discussed within the period prescribed by the notice of meeting.

Article 27 All items on the agenda shall be studied and discussed during the meeting of the Committee, and the members of the Committee shall explicitly, independently and fully express their opinions based on their own judgment. Any different opinions shall be stated in the meeting summary to be presented to the Board.

Article 28 The Committee may invite directors, related senior management personnel, relevant experts from the Company or society, scholars, intermediary agencies and other relevant persons to sit in on a meeting. Such persons being invited shall provide explanations and clarifications as requested by the members of the Committee.

Article 29 Where necessary, the Committee may, upon approval by the Board, seek professional advice from external professional personnel or organizations. Any reasonable cost so incurred shall be borne by the Company.

Article 30 If a member of the Committee is interested in any matter being considered by the Committee, such member shall abstain from the discussion and voting of such matter.

Article 31 All persons attending the meetings shall keep all matters discussed at the meetings confidential and shall not disclose any such information without authorization.

Chapter 6 Minutes and Summary of the Committee Meetings

Article 32 Minutes shall be kept for all meetings of the Committee, which shall be prepared by the secretary to the Board and shall contain the following information:

- (I) meeting number, convening method, date, venue, and name of the presider;
- (II) attendance in person and by proxy as well as absences;
- (III) names and positions of non-voting participants;
- (IV) agenda items of the meeting;
- (V) key points of remarks made by the members and relevant non-voting participants;
- (VI) name of the minute-taker;
- (VII) abstention of any interested member (if applicable), which shall be specified in the meeting minutes or resolutions.

Members present at a meeting of the Committee shall sign the minutes. The meeting minutes shall be circulated to all members of the Committee within a reasonable time after the meeting for their comments.

Article 33 After a meeting of the Committee is convened, the secretary to the Board shall prepare a meeting summary recording the considerations and discussions of the meeting.

Article 34 The meeting summary shall be submitted to the Board and sent to the members of the Committee, the secretary to the Board and other relevant departments and persons.

Article 35 Meeting minutes, meeting summary, powers of attorney, written opinions of the members of the Committee and other materials of the meeting shall be kept by the secretary to the Board in accordance with the Company's relevant archive management system.

Chapter 7 Supplementary Provisions

Article 36 Unless otherwise specified, the terms used herein shall have the same meaning ascribed thereto under the Articles of Association.

Article 37 For any matters not covered herein, or in the event of any contradiction with laws, administrative regulations, regulatory documents, the Hong Kong Listing Rules and other relevant regulatory rules of the listing place promulgated after these Terms of Reference take effect or the Articles of Association as amended under lawful procedures, such relevant national laws, administrative regulations, regulatory documents, the Hong Kong Listing Rules and other relevant regulatory rules of the listing place and the Articles of Association shall apply. Amendments to these Terms of Reference shall be made forthwith and submitted to the Board for consideration and approval.

Article 38 These Terms of Reference have been considered and approved by the Board, and shall become effective from the date on which the Company's overseas listed foreign shares are listed and traded on The Stock Exchange of Hong Kong Limited.

Article 39 The rights of interpretation and amendment of these Terms of Reference shall be vested in the Board.

Article 40 In the event that both Chinese and English versions of these Terms of Reference exist, the Chinese version shall prevail in case of any discrepancy between the two versions.