

Tianju Dihe (Suzhou) Technology Co., Ltd.

Terms of Reference for the Audit Committee of the Board

Chapter 1 General Provisions

Article 1 In order to strengthen the decision-making function of the board of directors (the "Board") of Tianju Dihe (Suzhou) Technology Co., Ltd. (the "Company"), achieve pre-audit and professional audit, and continuously improve the corporate governance structure of the Company, in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Articles of Association of Tianju Dihe (Suzhou) Technology Co., Ltd. (the "Articles of Association") and other relevant laws and regulations, the Company has established the Audit Committee of the Board and formulated the following terms of reference in light of the actual conditions of the Company.

Article 2 The Audit Committee of the Board is a special committee established by the Board in accordance with the resolutions of the shareholders' general meeting, which is mainly responsible for the communication, supervision and inspection of the Company's internal and external audits, supervision of internal audits, evaluation and improvement of the Company's internal control system, financial reporting, risk management and risk assessment of the Company's major investment projects. The Audit Committee of the Board shall report to the Board on its work.

Chapter 2 Composition

Article 3 The Audit Committee shall consist of at least three directors. Among them, all members shall be non-executive directors, with more than one-half (1/2) of the independent directors and at least one (1) independent non-executive directors possessing appropriate professional qualifications or accounting or related financial management expertise.

Article 4 The members of the Audit Committee shall be nominated by the chairman of the Board, more than one-half (1/2) of the independent non-executive directors or more than one-third (1/3) of all the directors, and shall be elected by more than half of all the directors, and shall be appointed and dismissed by the Board.

Article 5 The Audit Committee shall have one (1) chairman, who shall be an independent non-executive Director and possess appropriate professional qualifications or accounting or financial management related professional experience. The chairman shall be appointed by the Board as the convener and shall be responsible for presiding over the meetings of the committee.

Article 6 The term of service of the members of the Audit Committee is the same as that of directors, and committee members are eligible for re-election upon expiry of their term of service. Before the expiration of the term of office, if a member ceases to be a director of the Company or a member who should be an independent non-executive Director or a non-executive Director ceases to meet the conditions stipulated in the relevant laws and regulations, the Listing Rules or the Articles of Association, such member shall automatically lose his/her qualification as a committee member, and the Board will replenish the number of members in accordance with the above regulations. Before the Board has made up the number of members in a timely manner in accordance with these Articles, the original members shall still perform relevant functions and powers in accordance with such Articles.

Article 7 Members of the Audit Committee must meet the following criteria:

- (1) not falling into the categories where a person shall not serve as a director, supervisor or senior management in accordance with the laws of the place of listing, the Listing Rules, the Company Law or the Articles of Association;
- (2) having not been publicly denounced or declared as an unsuitable candidate by a stock exchange including those in the place of listing within the last three (3) years;
- (3) having not been subject to administrative penalty by China Securities Regulatory Commission due to gross violation of laws and regulations within the last three (3) years;
- (4) having high standards of ethical behaviour and relevant professional knowledge or working background in enterprise management, finance, law, etc. and financial knowledge recognized by the Board of the Company;
- (5) a former partner of an audit firm currently in charge of auditing the accounts of the Company may not act as a member of the Audit Committee within two years commencing from the following dates (whichever is later): (1) the date of the former partner ceasing to be a partner of the accounting firm; or (2) the date of the former partner ceasing to have any financial interest in the accounting firm;
- (6) compliance with relevant laws of the place of listing, and other laws, regulations, the Listing Rules, or other conditions stipulated in the Articles of Association.

Article 8 The one who does not conform to the qualifications prescribed in the preceding article shall not be elected as a member of the Audit Committee. A member of the Audit Committee who does not conform to the qualifications prescribed in the preceding article during his/her term shall resign or be replaced by the Board of the Company.

Chapter 3 Duties

Article 9 The Audit Committee shall make available its terms of reference explaining its role and the powers delegated to it by the Board on the websites of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and the Company. The main duties of the Audit Committee shall include the following:

- (1) Relationship with the Company's auditor
 1. to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any issues related to its resignation or dismissal;
 2. to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; and to discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

3. to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, external auditor includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee shall report and make recommendations to the Board on any matters requiring action or improvement.

(2) Review of the Company's financial information

1. to monitor the integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. Before submitting relevant statements and reports to the Board, the Committee should review, in particular, the following matters: (1) any changes in accounting policies and practices; (2) major judgmental areas; (3) significant adjustments resulting from audit; (4) the going concern assumptions and any qualifications; (5) compliance with accounting standards; and (6) compliance with the Listing Rules and legal requirements in relation to financial reporting;
2. for the purposes of the above: (1) members of the Audit Committee should liaise with the Board and senior management and the Audit Committee must meet, at least twice a year, with the Company's external auditors; and (2) the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer and auditors.

(3) Oversight of the Company's financial reporting system, risk management and internal control systems

1. to review the Company's financial controls, and unless expressly addressed by a separate risk committee of the Board, or by the Board itself, to review the Company's risk management and internal control systems;
2. to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. The discussion should include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting functions;
3. to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to such findings;
4. to review the Company's internal audit function to ensure co-ordination between the internal and external auditors, and 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 auditor to management about accounting records, financial accounts or systems of risk management and control and management's response;
 7. to ensure that the Board timely responds to matters raised in the external auditor's management letter;
 8. to report to the Board on the matters in the code provision under Appendix C1 of the Listing Rules;
 9. to consider other topics, as defined by the Board.
- (4) The terms of reference of the Audit Committee shall also include:
1. to review arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, risk management, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
 2. to establish a whistle-blowing policy and system (or by any designated committee with a majority of independent non-executive directors) so that employees and others who have dealings with the Company (such as customers and suppliers) may confidentially raise their concerns with the Audit Committee (or any designated committee comprising a majority of independent non-executive directors) about any matters that may be inappropriate regarding the Company;
 3. to act as the principal representative between the Company and the external auditors and oversee the relationship between them.
- (5) The Audit Committee should perform the following corporate governance functions:
1. to formulate and review the Company's corporate governance policies and practices and make recommendations to the Board;
 2. to review and monitor the training and continuous professional development of directors and senior management;
 3. to review and monitor the Company's policies and practices in respect of compliance with legal and regulatory requirements;
 4. to develop, review and monitor the code of conduct and compliance manual for employees and directors, if any;
 5. to review the Company's compliance with the Corporate Governance Code in Appendix C1 to the Listing Rules and disclosure in the Corporate Governance Report.
- (6) Matters required by applicable laws, administrative regulations, the Listing Rules, the Articles of Association and other matters authorized by the Board.

Article 10 Where the Board disagrees with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditors, the Company should include in the Corporate Governance Report a statement from the Audit Committee explaining its recommendation and also the reason(s) why the Board has taken a different view.

Article 11 The proposal of the Audit Committee shall be submitted to the Board for consideration and decision. The Audit Committee shall cooperate with the Board of Supervisors in supervising the audit activities.

Charter 4 Authority

Article 12 The Board shall authorise the Audit Committee to inspect all accounts, reports and records of the Company.

Article 13 In order to fulfil its duties, the Audit Committee is eligible to request the management of the Company to provide any figures related to the financial status of the Company, its subsidiaries and associates.

Article 14 If necessary, the Audit Committee may engage an intermediary to provide professional advice on its decision-making at the Company's expense.

Article 15 The Audit Committee shall be provided with sufficient resources to perform its duties.

Charter 5 Proceedings

Article 16 The Audit Committee Task Force shall be responsible for the preliminary preparations for the Audit Committee's decision-making and shall provide the Company with the following written information on relevant aspects:

- (1) company-related financial reports;
- (2) reports from internal and external auditors;
- (3) external audit contracts and related work reports;
- (4) information disclosure of the Company;
- (5) audit Report on the Company's Connected Transactions;
- (6) financial information and legal information relating to significant investment projects;
- (7) Report on the Company's internal control system and its implementation;
- (8) other relevant matters.

Article 17 The Audit committee meeting shall review the report provided by the Audit Committee Task Force and submit the relevant written resolution materials to the Board for discussion:

- (1) work evaluation of external audit institutions, engagement and replacement of external audit institutions;
- (2) whether the internal audit system and internal control system of the Company have been effectively implemented and whether the financial reports of the Company are comprehensive and true;
- (3) whether the financial reports and other information disclosed by the Company are objective and true, and whether the Company's material connected transactions comply with relevant laws and regulations;
- (4) work appraisal of the Company's financial department and audit department (including the person in charge);
- (5) other relevant matters.

Charter 6 Annual General Meeting

Article 18 The chairman of the Audit Committee or (if absent) the other member of the Audit Committee (who must be an independent non-executive director) should attend the annual general meetings of the Company, and handle the shareholders' enquiry on the activities and responsibilities related to the Audit Committee at such meetings.

Article 19 If the chairman of the committee is unable to attend the Company's annual general meeting, he/she must arrange for another member of the committee to attend the meeting. Such person shall be prepared to answer questions from shareholders regarding the work of the committee at the annual general meeting.

Charter 7 Rules of Procedures

Article 20 Meetings of the Audit Committee shall include regular meetings and extraordinary meetings. Regular meetings shall be convened before the Board audits the annual report and all members shall be notified fourteen (14) days prior to the meeting (unless all members of the Audit Committee unanimously approve an exemption from such notice). Extraordinary meetings are convened at the request of the Board or at the proposal of members of the Audit Committee. All members shall be notified three (3) days prior to the meeting. The meeting shall be chaired by the Chairman. Where the chairman is unable to perform his/her duties or fails to perform his/her duties, he/she shall appoint another member to act on his/her behalf; when the chairman neither performs his/her duties nor appoints another member to perform his/her duties, more than half of the members may elect one (1) member to act on his/her behalf. The chairman of the committee shall be responsible and report the relevant situation to the Board of the Company in a timely manner.

Article 21 A notice of the meeting shall include at least the following information:

- (1) the time, venue and manner of the meeting;
- (2) the duration of the meeting;
- (3) topics to be discussed at the meeting;
- (4) the contact person and contact details;
- (5) the date of the meeting notice.

Article 22 The meeting agenda and all relevant meeting documents shall be sent to all members of the committee and, where appropriate, other attendees at the latest three (3) days prior to the meeting (or such other time limit as agreed by the members). Before the meeting, members should fully read the meeting materials.

Article 23 The meeting of the Audit Committee shall be held only with the attendance of more than two-thirds (2/3) of its members. Each member shall have one vote. Resolutions made at the meeting must be passed by more than half of all the members.

Article 24 Votes shall be taken by a show of hands or on a poll at the meetings of the Audit Committee, which it can be convened by way of voting correspondence if necessary.

Article 25 A resolution in writing passed and signed by all Members of the Audit Committee shall as valid as if it had been passed at a meeting duly convened by the Audit Committee.

Article 26 Meetings of the Audit Committee shall be convened by way of on-site meeting, video conference or teleconference in principle. Should an on-site meeting, video conference or teleconference be unable to be held in case of emergency, force majeure or other special reasons, such meeting can be held by means of written communication.

Article 27 Members of the audit working unit may attend the meetings of the Audit Committee. Directors, supervisors and other senior management officers of the Company may also be invited to attend meetings of the Audit Committee if necessary.

Article 28 The procedures for convening of an Audit Committee meeting, its voting methods and proposals passed at such meeting must comply with the provisions of the relevant laws, administrative regulations, the Listing Rules, the Articles of Association and these terms of reference.

Article 29 Minutes of meetings of the Audit Committee shall record the matters considered and decisions reached by the Audit Committee, including any concerns raised by the Directors or members or any dissenting views expressed, and shall include, as a minimum, the followings: the date, time, venue, chairman and attenders of meeting; meeting agenda; the key points of the members' speeches; other matters need to be indicated and recorded in the meeting minutes.

Article 30 The minutes of meetings shall be signed by each attending member and kept by the secretary to the Board of the Company in according to the file management system of the Company.

Article 31 The draft of the minutes of the Audit Committee shall be sent to all committee members on the day of the meeting for their comments. The proposals approved and the voting results of meeting of the Audit Committee meeting shall be submitted in writing by the committee members or the secretary to the Board of the Company no later than the day after the meeting resolutions takes effect. This is for the Board to review and make decisions.

Article 32 Members present at meetings of the Committee, and those present as observers, shall owe a duty of confidentiality as regards matters discussed during such meetings. No unauthorised disclosure of such information shall be allowed, save as is otherwise stipulated under relevant laws, regulations and/or rules of regulatory bodies.

Article 33 Meetings of the Audit Committee shall be attended by members in person. If a member is unable to attend a meeting of the Audit Committee, he/she may appoint another member in writing to attend on his/her behalf. Where a member does not attend a meeting of the Audit Committee nor appoint a representative to attend, he/she shall be deemed to have abstained from voting at that meeting.

Article 34 If any member of the Audit Committee fails to attend in person nor appoint other directors as his/her representative to attend meetings of the Audit Committee for two (2) consecutive times, such director shall be deemed to have failed to perform his/her duties, and the members of the Audit Committee shall propose the Board of Directors to replace such member.

Charter 8 Recusal System

Article 35 When a member of the Audit Committee or his/her direct relative, or any company controlled by a member of the Committee or his/her direct relative has direct or indirect interests in the matters to be discussed at meetings of the Audit Committee, such member shall disclose the nature and degree of such interests to the Audit Committee as soon as possible.

Article 36 In the event of the circumstances described in the preceding article, the interested member shall give a detailed account of the relevant situation at the meeting of the Audit Committee and shall expressly abstain himself/herself from voting. However, if other members of the Audit Committee unanimously agree, after consideration, that such interests would have no material influence on matters to be voted on, the interested member may vote.

Article 37 Where the Board of Directors of the Company considers it is improper for the interested member in the preceding paragraph to vote, it may revoke the voting results of the relevant resolution and request a new vote on the relevant resolution by non-interested members.

Article 38 The Audit Committee considers and resolves on proposals at the meeting without counting the interested members in the quorum. If the minimum quorum of the Audit Committee is not present after the recusal of interested members, all members (including the interested members) shall resolve upon the procedural matters regarding whether to submit the resolution to the Board of Directors of the Company for approval, and the Board of Directors of the Company shall consider such resolution accordingly.

Article 39 Minutes of meetings of the Audit Committee and resolutions passed at the meetings shall clearly state that the interested members are not counted in a quorum and do not vote on such resolutions.

Charter 9 Supplementary Provisions

Article 40 The requirements of the Company Law, the Articles of Association and the listing Rules on the obligations of directors are applicable to members of the Audit Committee.

Article 41 Any matters not covered herein shall be implemented in accordance with the relevant requirements under the regulatory documents, the relevant laws and regulations of the PRC and the place(s) where the shares of the Company are listed, the Articles of Association and the Listing Rules. In the event that these terms of reference are in contravention with the relevant laws and regulations subsequently promulgated by the PRC and the place(s) where the shares of the Company are listed, the Listing Rules, the Articles of Associations as amended under lawful procedures, it shall be implemented in according to the requirements under the relevant laws and regulations subsequently promulgated by the PRC and the place(s) where the shares of the Company are listed, and amendments to these terms of reference shall be made accordingly and submitted to the Board of the Company for approval (except for the requirements that are stricter under these terms of reference).

Article 42 Unless otherwise defined, the expression of “more than” and “fewer than” referred to in these terms of reference shall include the figure mentioned; the expression of “more than one-half” shall not include the figure mentioned.

Article 43 The provisions of these terms of reference that come into effect upon the listing of the Company shall be effective and implemented on the date when the H Shares are listed and traded on the Hong Kong Stock Exchange during the Company’s initial public offering.

Article 44 These terms of reference shall take effect from the date of approval by the Board and the same applies to any amendments made.

Article 45 These terms of reference shall be construed and interpreted by the Board of the Company. The Board may, in accordance with the requirements under the laws and regulations of the place(s) where the shares of the Company are listed, including the relevant laws and regulations, rules and other regulatory documents, and based on the actual situation of the Company, amend these terms of reference and submit them for approval at a general meeting. The amendments to these terms of reference shall take effect from the date of approval by the general meeting.

Article 46 Unless otherwise provided or unless there is a different meaning based on the context, terms used herein shall have the same meaning as those in the Articles of Association.