

# OneRobotics

OneRobotics (Shenzhen) Co., Ltd.  
臥安機器人(深圳)股份有限公司

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

## TERMS OF REFERENCE OF THE AUDIT COMMITTEE

### CHAPTER 1 GENERAL PROVISIONS

**Article 1** In order to strengthen the decision-making function of the board (the “**Board**”) of directors (the “**Director(s)**”) of OneRobotics (Shenzhen) Co., Ltd. (臥安機器人(深圳)股份有限公司) (the “**Company**”), to conduct audit in advance and professional audit so as to ensure effective supervision of the management by the Board and to improve the corporate governance structure, the Company has established the audit committee of the Board (the “**Audit Committee**”) and formulated these terms of reference 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 the Company (the “**Articles of Association**”) and other relevant provisions.

**Article 2** The Audit Committee is a specialized working body under the Board, which is mainly responsible for guiding the work of the internal audit department, communication, supervision and verification of internal and external audits of the Company.

**Article 3** The Audit Committee shall be responsible to the Board and report its work to the Board. The internal auditing department shall be responsible to the Audit Committee and report its work to the Audit Committee.

### CHAPTER 2 COMPOSITION

**Article 4** The Audit Committee shall comprise a minimum of three members, all of whom shall be non-executive Directors and at least one of whom shall be an independent non-executive Director who has the appropriate professional qualifications or accounting or related financial management expertise as required by the Listing Rules. The majority of the Audit Committee members must be independent non-executive Directors. The Audit Committee must be chaired by an independent non-executive Director.

**Article 5** The term of office of the Audit Committee shall be the same as that of the Board. Members of the Audit Committee shall be eligible for re-election and re-appointment upon expiry of his/her term of office. Any member who ceases to serve as a Director due to resignation or other reasons during the period shall be automatically disqualified as a member of the Audit Committee. The Board shall fill up the vacancy in a timely manner.

**Article 6** A former partner of the Company's existing accounting firm should be prohibited from acting as a member of the Audit Committee for a period of two years from the date of the person ceasing: (1) to be a partner of the accounting firm; or (2) to have any financial interest in the accounting firm, whichever is later.

### **CHAPTER 3 DUTIES AND AUTHORITIES**

**Article 7** The primary duties of the Audit Committee are as follows:

#### *Relationship with auditors*

- (I) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and the terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- (II) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- (III) to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, an "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 to the Board, identifying and making recommendations on any matters where action or improvement is needed;

#### *Review of the Company's financial information*

- (IV) to monitor the integrity of the Company's financial statements and annual reports and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them. In reviewing these statements and reports before submission to the Board, the Audit Committee shall focus particularly on: (i) any changes in accounting policies and practices; (ii) major judgmental areas; (iii) significant adjustments resulting from

audit; (iv) the going concern assumptions and any qualifications; (v) compliance with accounting standards; and (vi) compliance with the Listing Rules and legal requirements in relation to financial reporting;

- (V) regarding (IV) above: (i) members of the Audit Committee shall liaise with the Board and senior management, and the Audit Committee must meet, at least twice a year, with the Company's auditors; and (ii) the Audit Committee shall consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts, and shall give due consideration to any matters that have been raised by the Company's staff responsible for accounting and financial reporting function, compliance officer or auditors;

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

- (VI) 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;
- (VII) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;
- (VIII) to consider major investigation findings on risk management and internal control matters and management's response to these findings as delegated by the Board or on its own initiative;
- (IX) where an internal audit function exists, 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;
- (X) to review the financial and accounting policies and practices of the Group;
- (XI) to review the external auditors' management letter, any material queries raised by the auditors to management about accounting records, financial accounts or systems of control and management's response;
- (XII) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (XIII) to report to the Board on the matters in the code provisions of the corporate governance code under the Listing Rules;
- (XIV) to consider other topics, as defined by the Board;

- (XV) employees of the Company can, in confidence, raise concerns with the Audit Committee about possible improprieties in financial reporting, 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;
- (XVI) to establish a whistleblowing policy and system for employees of the Company and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Company;
- (XVII) to establish, review, approve and update (where appropriate) policies and systems that promote and support anti-corruption laws and regulations;
- (XVIII) to act as the key representative body for overseeing the Company's relations with the external auditor;
- (XIX) to review the continuing connected transactions of the Company and ensure compliance with the terms approved by the Board and shareholders of the Company; and
- (XX) other matters as authorized by the Board and other matters prescribed in relevant laws and regulations, and Listing Rules.

**Article 8** The Audit Committee shall report and make recommendations to the Board on measures or improvements it deems necessary.

**Article 9** The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosures, supervising and evaluating the internal and external audit work and internal control. The following matters shall be approved by more than half of all the members of the Audit Committee before being submitted to the Board for review:

- (I) the disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (II) the engagement or dismissal of the accounting firm that undertakes the Company's audit;
- (III) the appointment or dismissal of the person in charge of finance of the Company;
- (IV) changes in accounting policies or accounting estimates or corrections of significant accounting errors for reasons other than changes in accounting standards;

- (V) to review arrangements by which employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee shall ensure that proper arrangements are in place to allow the Company to carry out fair and independent investigations and take appropriate actions on such matters;
- (VI) to act as the key representative body for overseeing the Company's relations with the external auditors;
- (VII) other matters as required by laws and regulations, relevant provisions of the stock exchanges, the rules of the Articles of Association.

**Article 10** The duties of the Audit Committee for supervising and evaluating the work of internal audit include the following:

- (I) to review the annual internal audit work plan of the Company;
- (II) to supervise the implementation of the Company's internal audit plan;
- (III) to review the internal audit work reports, evaluate the results of the internal audit work, and procure the rectification of major problems;
- (IV) to direct the effective operation of the internal audit department.

**Article 11** The internal audit department of the Company shall report to the Audit Committee. All types of audit reports, rectification plans for audit issues and rectification status submitted by the internal audit department to the management shall be submitted to the Audit Committee at the same time.

**Article 12** The Audit Committee may formulate requirements on the content and format of the internal audit work report based on the characteristics of the Company's operational activities.

**Article 13** The duties of the Audit Committee on reviewing the financial reports of the Company and expressing opinions thereon include the following:

- (I) to review the financial reports of the Company, and express opinions on the truthfulness, completeness and accuracy of the financial reports;
- (II) to focus on significant accounting and auditing issues in the financial reports of the Company, including adjustments for significant accounting errors, significant changes in accounting policies and estimates, matters involving significant accounting judgements and matters leading to non-standard unqualified audit reports;
- (III) to pay particular attention to the possibility of fraud and corruption and material misstatement in relation to the financial reports;

(IV) to supervise the rectification of financial reporting problems.

**Article 14** The duties of the Audit Committee on coordinating the communication between the management, internal audit department and relevant departments and the external audit firm include:

- (I) to coordinate the management's communication with the external audit firm on significant audit issues;
- (II) to coordinate the communication between the internal audit department and external audit firm and the cooperation with external audit work.

#### **CHAPTER 4 RULES OF PROCEDURE**

**Article 15** Meetings of the Audit Committee shall be in the form of regular meetings and extraordinary meetings. Regular meetings shall be held at least four times a year, on a quarterly basis. The Audit Committee may convene extraordinary meetings as and when necessary. When two or more of the Audit Committee members propose or the convener of the Audit Committee thinks necessary, extraordinary meeting shall be convened.

**Article 16** The Audit Committee shall notify all members three days prior to the convening of a meeting. The notice may be delivered by fax, email, telephone, or by personal or mail delivery. If the meeting is urgently required to be convened as soon as possible, it may be exempted from the aforementioned limitation on the time of the meeting notice, and the meeting notice shall be delivered at any time by telephone or by other verbal means.

**Article 17** The meeting notice shall include at least the following contents:

- (I) the place and time of the meeting;
- (II) the meeting agenda, matters to be discussed and relevant detailed information;
- (III) the date on which the notice is delivered.

**Article 18** Meetings of the Audit Committee shall be convened and presided over by the convener. If the convener is unable or refuses to perform his/her duties, he/she shall designate an independent non-executive Director to perform the duties on his/her behalf. Where the convener neither performs his/her duties nor designates another member to perform his/her duties, any member may report the relevant situation to the Board, and the Board shall designate an independent non-executive Director to perform the duties of the convener.

**Article 19** Members of the Audit Committee shall attend the meetings of the Audit Committee in person and express clear opinions on the matters under consideration. If a member is genuinely unable to attend the meeting in person, he/she may delegate another member to attend the meeting and express opinions on his/her behalf by submitting a

proxy form signed by the member. The proxy form shall specify the scope and period of the authorization. Each member may only accept the authorization of one other member. If an independent non-executive Director is genuinely unable to attend the meeting in person, he/she shall delegate another independent non-executive Director to attend the meeting on his/her behalf. A member who fails to attend a meeting of the Audit Committee or delegate another member to attend the meeting shall be deemed to have waived his/her right to vote at such meeting. If a member of the Audit Committee fails to attend the meetings in person or to delegate another member to attend the meetings of the Audit Committee for two consecutive times, he/she shall be deemed unable to perform his/her duties and the other members of the Audit Committee shall propose to the Board to remove the member.

**Article 20** Meetings of the Audit Committee shall be held only when more than two members are present. Each member shall have one vote. Resolutions made at the meeting must be approved by more than half of all the members. In the event of a tie, the chairman of the Audit Committee shall have one additional vote. If the members of the Audit Committee are interested in matters discussed at the meeting, they shall be abstained from voting. If the members of the Audit Committee are unable to form an effective opinion due to such reason, the relevant matters shall be directly considered by the Board.

**Article 21** Where the Audit Committee deems necessary, it may invite representatives of external audit firm, supervisors, internal audit personnel, financial personnel, legal advisors and other relevant person(s) of the Company to attend the meeting and provide necessary information.

**Article 22** When the Audit Committee deems necessary, it may engage intermediaries to provide professional opinions for its decision-making at the expense of the Company.

**Article 23** Meetings of the Audit Committee shall be convened in the form of on-site meetings, with voting by show of hands or by poll. If it is inconvenient to vote on-site under special circumstances, the meeting may be convened by voting through correspondence.

**Article 24** The convening procedure, voting method of the meetings of the Audit Committee and the resolutions passed at the meetings must comply with the requirements of relevant laws, regulations, the Listing Rules, the Articles of Association and these terms of reference. Resolutions subject to the approval by the Board shall be submitted to the secretary to the Board after the meeting.



**Article 25** The members of the Audit Committee shall appoint a secretary of the Audit Committee (the “**Secretary**”) to take minutes. In the absence of the Secretary, his/her delegate(s) or any person elected by the members of the Audit Committee present at the meeting of the Audit Committee, shall attend the meeting of the Audit Committee and take minutes. Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the chairman or the Secretary of the meeting or succeeding meeting.

**Article 26** The Audit Committee shall keep meeting minutes, and members attending the meeting shall sign the meeting minutes. All documents of the meetings of the Audit Committee shall be kept by the secretary to the Board.

**Article 27** Minutes of meetings of the Audit Committee and the record of individual attendance at such meetings shall be prepared by the Secretary, the draft and final versions of which shall be sent to all members of the Audit Committee within a reasonable time after the conclusion of any meeting of the Audit Committee for their comment and records. The final versions are for their records. For the purposes of recording attendance only, the attendance of an alternate of members of the Audit Committee will not be counted as attendance by the relevant member of the Audit Committee himself or herself. The minutes of meetings of the Audit Committee shall record details of the matters considered and decisions reached, including any concerns raised or dissenting views expressed by Directors.

**Article 28** The resolutions and the voting results adopted at the meetings of the Audit Committee shall be reported to the Board in writing. For resolutions on which it is really difficult to form a unified opinion, various different opinions shall be submitted to the Board and an explanation shall be made.

**Article 29** Members present at the meeting are obliged to keep confidential the matters discussed at the meeting, and are not allowed to disclose relevant information without authorization.

## **CHAPTER 5 SUPPLEMENTARY PROVISIONS**

**Article 30** These terms of reference shall come into effect upon the date on which the overseas listed ordinary shares (H Shares) issued by the Company are listed and traded on the Hong Kong Stock Exchange after being considered and approved by the Board.

**Article 31** For matters not provided in these terms of reference or where these terms of reference are in conflict with the relevant laws, administrative regulations, normative documents, the Listing Rules and the Articles of Association, the relevant laws, administrative regulations, normative documents, the Listing Rules and the Articles of Association shall prevail.

**Article 32** All references to “more than” in these terms of reference shall be inclusive of the stated figure.



**Article 33** These terms of reference shall be interpreted by the Board.

**Article 34** The amendments of these terms of reference shall become effective on the day when they are considered and approved by the Board.