



PC PARTNER GROUP LIMITED

栢能集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1263)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. CONSTITUTION

- 1.1. The Audit Committee (“AC”) was established by the Board of Directors (“**Board**”) of PC Partner Group Limited (the “**Company**”).
- 1.2. The AC provides a basis for achieving and maintaining appropriate balance and independence in the relationship between the Company’s management and the Company’s internal and external auditors in carrying out their work.

2. OBJECTIVES

The main objective of the AC shall be to assist the Board in discharging its statutory and other responsibilities relating to:

- (i) the quality of the audit of the Company’s internal audit function and of its external auditors;
- (ii) the integrity of the financial information presented by management to the shareholders of the Company (the “**Shareholders**”), regulators and the general public; and
- (iii) the adequacy of the Company’s financial, compliance, administrative and operating controls, as well as internal accounting controls.

3. ROLES AND FUNCTIONS

The duties and functions of the AC shall include the following:

- 3.1. To assist the Board in discharging its statutory responsibilities on financing and accounting matters;
- 3.2. To review the financial reporting issues and judgments to ensure the integrity of the financial statements and any formal announcements relating to financial performance;

- 3.3. To review the scope and results of external audits and its cost effectiveness, and the independence and objectivity of the external auditors;
- 3.4. To review the external auditor's audit plan and audit report, and the external auditor's evaluation of the system of internal accounting controls as well as reviewing the Group's implementation of any recommendations to address any control weaknesses highlighted by the external auditor;
- 3.5. To review the key financial risk areas which are identified from financial reporting issues and judgments, the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by the Board;
- 3.6. To review the basis for and approving any material deviation from the use of funds raised from any secondary fund-raising post-listing or disclosed to the Singapore Exchange Securities Trading Limited ("SGX-ST") and ensuring that the use of such funds are not for the benefit of any individual or entity or government which is (i) listed/designated on any sanction list(s); and/or (ii) owned or controlled by any individual or entity or government listed in (i) ("**Sanctioned Subjects**") and where appropriate, appointing internal/external auditors to conduct agreed-upon procedures on the matter to form the basis of the AC's review;
- 3.7. To review the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by the Board;
- 3.8. To review and report to the Board at least annually (i) the adequacy and effectiveness of our risk management and internal controls systems, including financial, operational, compliance controls, information technology controls and internal controls related to cash flows to safeguard the interest of the Group and Shareholders, in particular with respect to sanctions risks and (ii) the implementation of risk treatment plans in relation to the foregoing;
- 3.9. To review the statements to be included in the annual report concerning the adequacy and effectiveness of our risk management and internal controls systems, including financial, operational, compliance controls, information technology controls and internal controls related to cash flows, in particular with respect to sanctions risks, and providing a statement on whether the AC concurs with the Board's confirmations to be included in the annual report;
- 3.10. To review the statements to be included in the annual report of any material change in the Group's risk of being subject to sanctions or a confirmation that there is no change to the status quo;

- 3.11. To review any interested person transactions (including transactions under any general mandate approved by Shareholders pursuant to Chapter 9 of the listing manual of the SGX-ST, as amended, modified, or supplemented from time to time (“**Listing Manual**”)) and monitoring the procedures established to regulate interested person transactions, including ensuring compliance with the Company’s internal control system and the relevant provisions of the Listing Manual, as well as all conflicts of interests to ensure that proper measures to mitigate such conflicts of interests have been put in place;
- 3.12. To ensure that the internal audit function is adequately resourced and has appropriate standing within the Company;
- 3.13. To ensure co-ordination between the internal and external auditors and to review and monitor the effectiveness of the internal audit function;
- 3.14. To review the scope and results of the internal audit procedures, and at least annually, the adequacy and effectiveness of the Company’s internal audit function;
- 3.15. To approve the hiring, removal, evaluation, and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced (if any);
- 3.16. To appraise and report to the Board on the audits undertaken by the external auditors and internal auditors and the adequacy of disclosure of information;
- 3.17. To make recommendations to the Board on the proposals to Shareholders on the appointment, reappointment, and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;
- 3.18. To review the external auditors management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management’s response;
- 3.19. To ensure that the Board will provide a timely response to the issues raised in the external auditors’ management letter;
- 3.20. To develop and implement policy on engaging an external auditors to supply non-audit services;
- 3.21. To monitor the Group’s risk of becoming subject to sanctions, and ensuring timely and accurate disclosures to the SGX-ST and the relevant authorities should any enquiries be made regarding our Group’s dealings with Sanctioned Subject;

- 3.22. To assess whether there is a need to obtain independent legal advice and/or appoint a compliance adviser, with respect to the applicable sanctions risks to our Group, and continuous monitoring of the written undertakings provided to the SGX-ST as set out in the section titled “*Major Suppliers*” in the introductory document issued in connection with the Company’s secondary listing on the SGX-ST by way of introduction (“**Introductory Document**”);
- 3.23. To undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- 3.24. To review the assurance from the Executive Chairman and Chief Executive Officer, and the Chief Financial Officer on the financial records and financial statements;
- 3.25. To review the policy and arrangements by which the staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, and to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;
- 3.26. To monitor and review the processes and procedures in relation to the appointment and removal of the legal representatives of the Company’s PRC subsidiaries to ensure its effectiveness and robustness; and
- 3.27. To undertake generally such other functions and duties as may be required by law, the Listing Manual, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as the case may be) and/or any other applicable laws and regulations, and by amendments made thereto from time to time.

4. COMPOSITION

- 4.1. The Board shall annually confirm the membership of the AC which shall comprise not fewer than three (3) members, of whom:
 - (i) all shall be non-executive directors of the Company and the majority of whom, shall be independent;
 - (ii) the majority shall not be a spouse, parent, brother, sister, son or step-son or adopted son or daughter or step-daughter or adopted daughter of an executive director of the Company or of any related corporation; and
 - (iii) the majority shall not be any person having a relationship which, in the opinion of the Board, would interfere in the exercise of his independent judgment in carrying out the functions of the AC.

- 4.2. The Chairman of the AC shall be elected by its members and shall be an independent director. The members may determine the period for which the Chairman is to hold office.
- 4.3. A former partner or director of the Company's existing auditing firm or auditing corporation should not act as a member of the AC (i) within a period of two (2) years commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation and in any case (ii) for as long as he has any financial interest in the auditing firm or auditing corporation.
- 4.4. Collectively, the AC shall have the appropriate qualifications to discharge the responsibilities of the AC. At least two (2) members, including the Chairman of the ARMC, shall have recent and relevant accounting or related financial management expertise or experience, as the Board interprets such qualification in its business judgment.
- 4.5. Where, by virtue of any vacancy in the membership of the AC for any reason, the number of members of the AC is reduced to less than three (3) or there ceases to be a majority of independent directors, the Board shall within three (3) months thereafter, appoint such number of new members to the AC as may be required to make up the minimum number of three (3) directors (all of whom shall be non-executive directors) or majority of independent directors of the AC or to comply with applicable regulatory requirements, as the case may be.
- 4.6. A member who wishes to retire or resign from the AC shall notify the Board in writing, giving at least one (1) month's notice.
- 4.7. The office of a member shall become vacant upon the member's resignation, retirement, removal, death or disqualification as a director of the Company.

5. ADMINISTRATION

5.1. Meetings

- (i) The meetings of the AC may be conducted by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting provided that the minutes of the meeting are prepared in accordance with paragraph (vi).

- (ii) Meetings of the AC shall be held at least two (2) times a year. Special meetings may be called, when necessary, by any member of the ARMC, the internal auditors or the external auditors. Members of the AC should liaise with the Board and senior management and the AC must meet, at least twice a year, with the issuer's auditors.
- (iii) The AC shall meet with the internal auditors and external auditors without the presence of the Company's management at least once annually. Special meetings may be called, when necessary, by any member of the AC, the internal auditors or the external auditors.
- (iv) The AC shall have full discretion with regard to the calling of the meetings and the proceedings thereat and may invite any director or the Company's management to their meetings.
- (v) The Chairman of the AC shall preside at all meetings. If at any meeting the Chairman is not present within 15 minutes after the time appointed for holding the meeting, the members present may choose one of the other independent members to be the Chairman of the meeting.
- (vi) The Company Secretary, failing whom his/her representative, shall be the Secretary for all meetings. The minutes shall be confirmed by the Chairman of the meeting and circulated to all members of the AC. The minutes are to be signed by the Chairman of the meeting or by the Chairman of the next succeeding meeting.

5.2. Notice

- (i) Notice of each meeting of the AC, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the AC not fewer than three (3) working days prior to the date of the meeting. The members of the AC may, however, consent to shorter notice whereupon the requisite period shall be waived.

5.3. Quorum

The quorum for an AC meeting shall be two (2) members.

5.4. Voting

Each member present shall have one (1) vote. All resolutions passed at the meeting shall be by majority votes and in the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote. No member of AC shall participate in any deliberation or decision if he is directly or indirectly interested in the matter to be resolved by the AC.

5.5. Written resolutions

A resolution in writing signed or approved by all the members of the AC shall be as valid and effectual as if it had been passed at a meeting of the AC duly convened and held. Any such resolution may consist of several documents each signed by one or more members. The expressions “in writing” and signed include approvals by electronic signature.

5.6. Reporting

The Chairman of the AC shall report on the proceedings of the AC to the Board by way of submission of minutes of the AC meetings or by such other mode as the Chairman shall in his discretion deems fit.

6. ASSISTANCE

The AC shall have explicit authority to investigate any matter within its terms of reference, with full access to and co-operation by the Company’s management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

7. REMUNERATION

Having regard to the functions performed by members of the AC in addition to their functions as directors and pursuant to the specific power conferred upon the Board by the Constitution of the Company, members of the AC may be paid such special remuneration in respect of their appointment as shall be fixed by the Board.

8. GENERAL

8.1. The AC, in carrying out its tasks under its terms of reference, may with the approval of the Board obtain such external independent professional advice as it considers necessary.

8.2. These terms of reference may from time to time be amended as required, subject to the approval of the Board.

Adopted by the AC on 12 November 2024

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