Prime Intelligence Solutions Group Limited
懶豬科技集團有限公司

(incorporated in the Cayman Islands with limited liability)
(the "**Company**")

TERMS OF REFERENCE
OF
THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
(the "Committee")

Adopted pursuant to a resolution
passed by the board ("Board")
of directors ("Directors") of the Company
on 18 January 2018 and
revised pursuant to the resolutions passed by the Board
on 30 December 2022 and 14 August 2025

1. MEMBERSHIP

1.1 Members of the Committee ("**Members**", each a **"Member**") shall be appointed by the Board from amongst the non-executive Directors only and shall consist of not less than three (3) Members, at least one of whom is an independent non- executive Director with appropriate qualifications of accounting or related financial management expertise as required in Rule 5.28 of the Rules (the "**GEM Listing Rules**") Governing the Listing of Securities on the Growth Enterprise Market on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

1.2 The majority of the Members shall be independent non-executive Directors.

1.3 The chairman (the "**Chairman**") of the Committee shall be appointed by the Board or elected among the Members and shall be an independent non-executive Director.

1.4 A former partner of the Company's existing auditing firm should be prohibited from acting as a Member for a period of one year from the date of his or her ceasing:

(a) to be a partner of the firm; or

(b) to have any financial interest in the firm,

whichever is later.

1.5 The term of membership will be one year from the date of appointment subject to renewal and shall be governed by the provisions of the articles of association (the "**Articles**") of the Company.

1.6 The appointment of the Members and secretary of the Committee (the "**Secretary**") may be revoked, or additional Members may be appointed by separate resolutions passed by the Board and by the Committee. An appointment of the Member shall be automatically revoked if such Member ceases to be a Director.

1.7 The company secretary or his or her nominee shall act as the Secretary.

2. PROCEEDINGS OF THE COMMITTEE

2.1 Notice

(a) Unless otherwise agreed by all the Members, a meeting (the "**Meeting**") of the Committee shall be called by at least fourteen (14) days' notice.

(b) A Member may, and at the request of a Member, the Secretary shall, at any time summon a Meeting. Notice shall be given to each Member at least fourteen (14) days before the date of the meeting orally in person or in writing or by telephone or telex or telegram or facsimile transmission or electronic mail at the telephone number or facsimile number or address or email address from time to time notified to the Secretary by such Member or by such other means as the Members may from time to time determine. Any notice given orally shall be confirmed in writing as soon as practicable and before the Meeting.

(c) Notice of Meeting shall state the purpose, time and place of the Meeting. An agenda together with other documents which may be required to be considered by the Members for the purposes of the Meeting should generally be delivered to the Members with the Notice of Meeting and in any event not less than three (3) days before the intended date of the Meeting (or such other period as all the Members may agree).

2.2 Quorum

The quorum of the Meeting shall be constituted by two (2) Members, one of which should be an independent non-executive Director.

2.3 Attendance of Meetings by non-members

The finance director, the head of internal audit of the Company (or any officer(s) assuming the relevant functions but having a different designation) and a representative of the external auditor of the Company shall normally attend the Meetings. The executive Directors shall also have the right of attendance. However, at least once a year the Committee shall meet with the external auditors of the Company in the absence of the executive Directors.

2.4 Frequency of Meetings

(a) Meetings shall be held at least once every six months to consider the budget, revised budget and half-year report prepared by the Board.

(b) Additional Meetings shall be held as the work of the Committee demands or as convened by any Members at his or her discretion.

(c) The external auditor may request the Chairman to convene a Meeting if they consider necessary.

(d) Proceedings of Meetings shall be governed by the Articles.

2.5 Voting

Resolutions of the Committee at any Meeting shall be passed by a majority of votes of the Members present.

2.6 Others

Meetings could be held in person, by telephone or by video conference. Members may participate in a Meeting by means of a conference telephone or similar communication equipment by means of which all persons participating in the Meeting are capable of hearing each other.

3. WRITTEN RESOLUTIONS

A resolution in writing signed by all Members shall be as valid and effectual as if it had been passed at a Meeting and may consist of several documents in like form each signed by one or more of the Members. Such resolution may be signed and circulated by fax or other electric communications. This provision is without prejudice to any requirement under the GEM Listing Rules for a Board or Committee meeting to be held.

4. ALTERNATE MEMBERS

No alternate Members can be appointed.

5. AUTHORITY

The Committee is authorised to evaluate and supervise the financial reporting process and internal control and risk management systems of the Company and its subsidiaries (the "**Group**"). In exercising such authorities, the Committee is authorised by the Board:

(a) to seek any information it requires from any employee and any of the professional advisers (including auditors) of the Group to require any of them to prepare and submit reports and to attend Meetings and to supply information and answer questions raised by the Committee;

(b) to monitor whether the Group's management has, in the performance of its duties, infringed any policies set by the Board or any applicable law, regulation and code (including the GEM Listing Rules and other rules and regulations from time to time prescribed by the Stock Exchange and/or laid down by the Board or a committee thereof);

(c) to investigate all suspected fraudulent acts involving the Group and its employees and request management to make investigation and submit reports;

(d) to review the Group's internal control procedures and system and financial reporting process;

(e) to review the performance of the Group's employees in the accounting and internal audit department;

(f) to make recommendations to the Board for the improvement of the Group's internal control procedures and system and financial reporting process;

(g) to request the Board to take all necessary action, including convening a shareholders' meeting for purposes of revoking the appointment of any Director and to dismiss any employees if the Committee deems there is evidence showing that the relevant Director and/or employee has failed to perform his or her duties properly;

(h) to request the Board to take all necessary actions, including convening an extraordinary general meeting, to replace and dismiss the auditors of the Group;

(i) to obtain, at the Company's expenses, outside legal or other independent professional advice on or assistance to any matters within these terms of reference as it considers necessary and to secure the attendance of outsiders with relevant experience and expertise at its meetings, if it considers this necessary;

(j) to commission reports or surveys as are necessary to assist in the performance of its duties at the cost of the Company;

(k) to obtain sufficient resources from the Company to perform its duties;

(l) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary; and

(m) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 6 below can be properly discharged.

6. DUTIES

The duties of the Committee shall include, without limitation:

Relationship with the Company's auditor

(a) to consider and be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

(b) 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 consider all relationships between the Company and the audit firm (including non-audit services); and to obtain from the audit firm, on an annual basis, information about policies and processes for maintaining independence and monitoring compliance with relevant requirements, including provision of non-audit services and requirements for rotation of audit partners and staff. The Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences. In connection, the Committee shall:

(i) consider all relationships between the Company and the external auditor (including non-audit services);

(ii) obtain from the external auditor annually information about policies and processes for maintaining independence and monitoring compliance with relevant requirements, including those for rotation of audit partners and staff; and

(iii) meet with the external auditor, at least annually, in the absence of the management, to discuss matters relating to its audit fee, any issues arising from the audit and any other matters the external auditor may wish to raise;

(c) 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. When assessing the external auditor's independence or objectivity in relation to non-audit service, the Committee shall consider:

(i) whether the skills and experience of the audit firm make it a suitable supplier of the non-audit services;

(ii) whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit because the external auditor provides non-audit services;

(iii) the nature of the non-audit services, the related fee levels and fee levels individually and in total relative to the audit firm; and

(iv) criteria for compensation of the individuals performing the audit.

The Committee should report to the Board, identifying and making recommendation on any matters where action or improvement is needed;

(d) to approve the policies on hiring employees or former employees of the external auditors and monitoring the application of these policies and consider whether there has been or appears to be any impairment of the auditor's judgment or independence for the audit;

Review of the Company's financial information

(e) to monitor integrity of the Company's financial statements and annual reports and accounts, half-year reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. It is the responsibility of the Committee to determine the scope and extent of the review. The Committee may refer to relevant statements of auditing standards and audited guidelines in relation to review of these reports for guidance. In reviewing these reports before submission to the Board, the Committee should focus particularly on:

(i) financial reporting and accounting policies and practices and any changes in these 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 GEM Listing Rules, other applicable rules and legal requirements in relation to financial reporting;

(f) in regard to (e) above:

(i) Members should liaise with the Board and the Company's senior management and the Committee must meet, at least twice a year, with the Company's auditor without executive Board members present (except those invited by the Committee); and

(ii) the Committee should consider any significant or unusual items that are, or may need to be, reflected in report and accounts, and 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 or auditors;

(g) to provide full details of any disagreement by the Committee with the accounting treatment adopted by the Company;

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

(h) to review the Company's financial controls, and unless expressly addressed by a separate board risk committee, or by the Board itself, to review the Company's risk management and internal control systems, including those managing cyber risks, with particular regard to their effectiveness;

(i) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to put in place appropriate and effective risk management and internal control systems for the purposes of dealing with identified risks (including cyber risks), safeguarding assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of financial reports and achieving compliance with applicable laws and regulations;

This discussion should include:

(i) the changes in the nature and extent of significant risks (including ESG risks), and the Group's ability to respond to changes in its business and the external environment;

(ii) the scope and quality of management's ongoing monitoring of risks (including ESG risks) and of the internal control systems, and the work of its internal audit function and other assurance providers, if any;

(iii) the extent and frequency of communication of monitoring results to the Board for the purposes of assessing the adequacy and the effectiveness of the risk management and internal control systems of the Group;

(iv) significant control failings or weaknesses identified during the review of the risk management and internal control systems, and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the financial performance or condition of the Company, and any remedial measures taken to address such control failings or weaknesses;

(v) the effectiveness of the Group's processes for financial reporting and GEM Listing Rules compliance; and

(vi) the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions, as well as those relating to the Group's ESG performance and reporting;

(j) 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 these findings;

(k) 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 and meet the Head of Internal Audit at least annually to ensure that there are no unresolved issues or concerns;

(l) to review the Group's financial and accounting policies and practices;

(m) to review the external auditor's management letter, any material queries raised by the auditor to management about the accounting records, financial accounts, risk management and internal control systems and management's response;

(n) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

(o) to report to the Board on the matters in these terms of reference and those set out in the code provisions as stated in Appendix C1 of the GEM Listing Rules from time to time;

(p) to ensure that the effectiveness of the risk management and internal control systems of the Group is reviewed at least annually (the scope of which review should cover all material controls, including financial, operational and compliance controls), and that management provide a confirmation on the effectiveness of these systems;

(q) to review arrangements by which employees of the Group can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters, and the Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

(r) to act as the key representative body for overseeing the Group's relationship with the external auditor;

(s) to establish a whistleblowing policy and system for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, including anti-bribery and anti-corruption, in confidence, with the Committee about possible improprieties in any matter related to the Company;

(t) to review the half-year report prepared by the Group's corporate guarantee committee on its work and information relating to the provision of corporate guarantees; and

(u) to consider other topics, as defined by the Board.

7. VETO RIGHTS OF THE COMMITTEE

The Committee has the following veto rights. The Group cannot implement any of the following matters which have been vetoed by the Committee:

(a) to approve any connected transaction within the meaning of the GEM Listing Rules which requires an independent shareholders' vote (unless the approval of such connected transaction is made conditional on the obtaining of the approval of the independent non-executive Directors and the independent shareholders); and

(b) to employ or dismiss the Group's financial controller or the internal audit manager or persons holding similar positions.

8. REPORTING PROCEDURES

8.1 The Committee should report to the Board on a regular basis. In particular, the Committee shall report to the Board on any suspected frauds and irregularities, failures of internal control or suspected infringements of or non- compliance with laws, rules and regulations, which come to its attention and are of sufficient importance to warrant the attention of the Board.

8.2 Full minutes of the Meetings should be kept by the Secretary. Draft and final versions of minutes of Meetings shall be circulated to all Members for their comment and records within a reasonable period of time after each Meeting. The Secretary shall circulate draft and final versions of the minutes of Meetings and all written resolutions of the Committee to all members of the Board, keeping the Board informed of the Committee's activities, decisions and recommendations on regular basis. The Secretary shall keep record of all Meetings held during each financial year of the Company and records of individual attendance of members of the Committee, on a named basis, at meeting held during that financial year.

8.3 Reports to the Board and minutes of the Committee should be approved by the Committee before submitting to the Board.

9. ANNUAL GENERAL MEETING OF THE COMPANY

The Chairman or another Member shall attend the Company's annual general meetings and be prepared to respond to questions raised by shareholders on the Committee's activities and responsibilities.

10. CONTINUING APPLICATIONS OF THE ARTICLES AND "A GUIDE FOR EFFECTIVE AUDIT COMMITTEES"

10.1 The Articles regulating the meetings and proceedings of the Directors so far as the same are applicable and not inconsistent with the provisions herein shall apply, *mutatis mutandis*, to regulate the Meetings and proceedings of the Committee.

10.2 The provisions of "A Guide for Effective Audit Committees" published by the Hong Kong Society of Accountants (as it was then known) in February 2002 shall, to the extent not inconsistent with the provisions of these terms of reference, be deemed to be incorporated into these terms of reference, *mutatis mutandis*.

11. AVAILABILITY AND UPDATE OF THE TERMS OF REFERENCE

11.1 These terms of reference, shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements (e.g. the GEM Listing Rules) in Hong Kong. These terms of reference shall be made available to the public by including them on the Stock Exchange's website and the Company's website.

11.2 The Board may, subject to compliance with the Articles and the GEM Listing Rules (including the Corporate Governance Code set out in Appendix C1 to the GEM Listing Rules or, if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act or resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.

The Chinese version is for reference only, and the English version shall prevail in case of any inconsistency between the English version and the Chinese translation thereof.