Ligent Technologies, Inc.
納真科技公司

(Incorporated in the British Virgin Islands and registered by way of continuation in the Cayman Islands with limited liability)

(Stock code: 9856)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

(Adopted on August 11, 2025 by the Board)

1. Constitution

The Audit Committee (the "**Committee**") was established with its terms of reference approved and adopted pursuant to a resolution passed by the board of directors (the "**Board**") of Ligent Technologies, Inc. (the "**Company**" and together with its subsidiaries, the "**Group**") on August 11, 2025. The powers, responsibilities and specific duties of the Committee are summarized below.

2. Responsibility

2.1 The Committee is to serve as a focal point for communications between other directors of the Board and external auditors of the Company with regard to their duties relating to financial and other reporting, internal controls, external audits and such other matters as the Board determines from time to time.

2.2 The Committee is to assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting, internal controls of the Group, and adequacy of external audits and internal audit function.

3. Membership

3.1 The Committee shall consist of not less than three (3) directors appointed by the Board from time to time, all of whom shall be non-executive directors and a majority of whom shall be independent non-executive directors. At least one (1) of the independent non-executive directors from the Committee shall have appropriate professional qualifications or accounting or related financial management expertise as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

3.2 The Board shall appoint the chairperson of the Committee (the "**Chairperson**") who shall be an independent non-executive director.

3.3 A former partner of the Company's existing auditing firm shall be prohibited from acting as a member of the Committee for a period of two (2) years from the date of his/her ceasing:

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

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

whichever is later.

3.4 Appointments to the Committee shall be co-terminus with the directorship of the relevant members (whether by retirement, rotation or otherwise).

3.5 Members of the Committee may resign during their term of office. A member's resignation should be submitted to the Board in writing, with necessary explanations regarding the reasons for resignation and matters that require the Board's attention.

3.6 When the number of members of the Committee falls below the minimum number specified herein, the number of members of the Committee shall be replenished in accordance with the provisions herein.

4. Secretary

The company secretary of the Company or his/her nominee shall be the secretary of the Committee.

5. Frequency and proceedings of meetings

5.1 The Committee shall meet at least one (1) time every quarter or at such frequency as required under the Listing Rules or other regulatory requirements applicable to the Company from time to time. Additional meetings shall be held as the work of the Committee demands.

5.2 The Chairperson may convene additional meetings at his/her discretion. Additional meetings may be convened at the discretion of and upon the proposal submitted by two (2) or more members of the Committee.

5.3 Meetings of the Committee may be convened by any member of the Committee via the company secretary of the Company.

5.4 The quorum of a meeting shall be at least two-thirds of the members of the Committee, one (1) of which shall be an independent non-executive director of the Company.

5.5 Proceedings of meetings of the Committee shall be governed by the provisions of the articles of association of the Company (as amended from time to time, the "**Articles**").

5.6 The Committee shall, where necessary or appropriate, invite the chief financial officer (or equivalent person) and representatives of external auditors to attend the meetings.

5.7 The agenda and related documents of a regular meeting shall be delivered to all members of the Committee in a timely manner and at least three (3) days before the date of the meeting (or such other time as the members may agree), and the above arrangement shall be adopted for all other meetings to the extent practicable. Notice of Committee meetings shall be deemed to be duly given to a member if it is given to him/her personally, by word of mouth, in writing sent to his/her last known address or any other address given by him/her to the Company, or by electronic means by transmitting it to any email address supplied by such member to the Company for this purpose.

5.8 The meeting notice shall specify the date, time and venue of the meeting, and attach the agenda documents to be reviewed by the Audit Committee.

5.9 Meetings of the Committee convened in accordance with the standard procedures set out in these terms of reference and having a quorum present at the meeting is sufficient to exercise all or any of the mandate, powers and discretion granted to or exercisable by the Committee. Members of the Committee must attend the meetings in person or by electronic means of communication, including but not limited to, by telephone or video conference. Members may participate in a meeting using communication devices through which all persons attending the meeting are able to hear from and communicate to each other.

5.10 Only members of the Committee are entitled to vote at the meetings.

5.11 Resolutions of the Committee shall be passed by a majority of votes of the members of the Committee.

5.12 A resolution in writing signed by all members of the Committee shall be as valid and effective as if the same had been passed at a meeting of the Committee duly convened and held. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member to sign.

6. Annual general meetings

6.1 The Chairperson shall attend the Company's annual general meetings and be available to answer questions at such annual general meetings.

6.2 If the Chairperson is unable to attend an annual general meeting of the Company, he/she shall arrange for another member of the Committee, or failing this, his/her duly appointed delegate, to attend in his/her place. Such person shall be available to answer questions at such annual general meetings.

7. Authority

7.1 The Committee is authorized by the Board to act within its terms of reference. Each member of the Committee should have separate and independent access to the Company's senior management. It is authorized to seek any information it requires from any employee of the Company and all employees shall be directed to co-operate with any request made by the Committee. Management has an obligation to supply the Committee with adequate information, in a timely manner, to enable the Committee to make informed decisions. The information supplied must be complete and reliable.

7.2 The Committee is authorized by the Board to obtain external legal or other independent professional advice as it considers necessary at the Company's expense but subject to prior discussion with the Board on the relevant costs, and to secure the attendance of external parties with relevant experience and expertise if it considers necessary.

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

7.4 The Committee shall be provided with sufficient resources to perform its duties.

8. Duties

The duties of the Committee include the following:

Relationship with the Company's auditors

8.1 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 questions of its resignation or dismissal;

8.2 review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Committee shall discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

8.3 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 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 and its disclosure

8.4 monitor the integrity of the Company's financial statements, annual reports and accounts, interim reports and, if prepared for publication, quarterly reports, and review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Committee shall focus particularly on:

(a) any changes in accounting policies and practices;

(b) major judgmental areas;

(c) adequacy of disclosure, consistency within financial statements and with prior disclosures;

(d) significant adjustments resulting from the audit;

(e) the going concern assumptions and any qualifications;

(f) compliance with accounting standards; and

(g) compliance with the Listing Rules and legal requirements in relation to financial reporting;

8.5 regarding paragraph 8.4 above:

(a) members of the Committee shall liaise with the Board and senior management and the Committee must meet, at least twice a year, with the Company's auditors; and

(b) the Committee shall consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, and it shall 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;

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

8.6 review and investigate the Company's compliance, accounting policies, financial controls, financial reporting process and financial position, and unless otherwise expressly addressed by a separate risk committee of the Board, or by the Board itself, review and investigate the Company's risk management and internal control systems;

8.7 discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion shall include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;

8.8 consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and the management's response to these findings;

8.9 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;

8.10 review the financial and accounting policies and practices of the Company and its subsidiaries. Special meetings may be convened at the discretion of the Chairperson or at the request of senior management to review significant control or financial issues;

8.11 review the external auditor's management letter, any material queries raised by the auditor to the management about accounting records, financial accounts or systems of control and the management's response;

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

8.13 review management's reports on the effectiveness of systems for internal control and financial reporting;

8.14 act as the key representative body for overseeing the Company's relations with the external auditor;

8.15 make recommendations to the Board on the resolution of any disagreements between the management and the external auditor regarding financial reporting;

8.16 discuss problems and reservations arising from the interim review and final audits, and any matters the external auditor may wish to discuss (in the absence of management where necessary);

8.17 the Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements);

8.18 review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Committee shall ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

8.19 report to the Board on the above matters; and

8.20 consider other topics, as defined by the Board from time to time;

Corporate Governance Function

8.21 develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

8.22 review and monitor the training and continuous professional development of directors and senior management;

8.23 review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

8.24 develop, review and monitor the code of conduct and compliance manual, if any, applicable to employees and directors;

8.25 review the Company's compliance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules and disclosure in the Corporate Governance Report in the Annual Report

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

8.27 establish policy(ies) and system(s) that promote and support anti-corruption laws and regulations.

9. Reporting procedures

9.1 The Committee shall report to the Board on their decisions or recommendations on a regular basis, and the Chairperson shall report the findings and recommendations to the Board at the next meeting of the Board following each meeting of the Committee, unless there are legal or regulatory restrictions on its ability to do so.

9.2 The following matters shall be submitted to the Board for deliberation with the consent of a majority of all members of the Committee:

(a) the disclosure of financial information in periodic accounts and reports, as well as any reports on internal control;

(b) the appointment and dismissal of the accounting firm undertaking the role as external auditor of the Company;

(c) the appointment and dismissal of the financial controller of the Company;

(d) any changes in the accounting policies or estimates or any significant adjustments to be made (other than those resulting from changes in the accounting standards); and

(e) other matters as required by laws, administrative regulations, the Listing Rules and the Articles.

10. Minutes

10.1 Committee meeting documents include meeting notices, meeting agendas, meeting minutes and/or meeting resolutions. Meeting documents should be numbered by year and sequence.

10.2 Full minutes of Committee meetings should be kept by a duly appointed secretary of the meeting. Draft and final versions of minutes of the Committee meetings should be sent to all Committee members for their comment and records, within a reasonable time after the meeting. If members have any comments or objections to the Minutes of Committee meetings, they should communicate their written comments to the meeting secretary within 7 days of receiving the Minutes of Committee meetings.

10.3 Minutes of Committee meetings shall record in sufficient detail the matters considered by the Committee members and decisions reached, including any concerns raised by the Committee members and dissenting views expressed.

11. General

11.1 These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and regulatory requirements, including those under the Listing Rules.

11.2 Matters not covered in these terms of reference shall be implemented in accordance with relevant laws and regulations, the Listing Rules, other provisions of the Hong Kong securities regulatory authority and the relevant provisions of the Articles. If the relevant provisions of these terms of reference conflict with the relevant laws and regulations promulgated or amended in the future, the Listing Rules, other provisions of the Hong Kong securities regulatory authority and the Articles, the relevant laws and regulations, the Listing Rules, other provisions of the Hong Kong securities regulatory authority or the Articles shall prevail.

11.3 These terms of reference shall take effect on the date of approval by the Board. Any amendments to these terms of reference shall only take effect upon approval by the Board.

11.4 The Committee should make available these terms of reference to the public, explaining its role and the authority delegated to it by the Board, by including them on the Hong Kong Exchanges and Clearing Limited news website (www.hkexnews.hk) and the Company's website.

-- End --

(In case of any discrepancy between the English and Chinese versions of these Terms of Reference, the English version shall prevail.)