



AGTech Holdings Limited

亞博科技控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8279)

Terms of Reference for Audit Committee

Purpose

1. The purpose of the Audit Committee is to assist the board (the “Board”) of directors (“Directors”) of AGTech Holdings Limited (the “Company”) in considering how it will apply the financial reporting, risk management and internal control principles and for maintaining an appropriate relationship with the external auditors of the Company (the “Auditors”).

Composition

2. The Audit Committee shall be appointed by the Board from time to time and it shall consist of non-executive Directors only and a minimum of three members, at least one of whom is an independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required in rule 5.05(2) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”). The Board shall appoint one member of the Audit Committee who is an independent non-executive Director as the Chairman of such committee.

Meetings

3. The Audit Committee shall meet at least twice annually, or more frequently if circumstances require.
4. The Chairman (or in his or her absence, a member designated by the Chairman) shall preside at all meetings of the Audit Committee. The Chairman shall be responsible for leading the Audit Committee, including scheduling meetings, preparing agendas and making regular reports or recommendations to the Board.

* *For identification purposes only*

5. The meetings and proceedings of the Audit Committee are governed by the provisions of the Bye-Laws of the Company (as amended from time to time) for regulating the meetings and proceedings of the Board, so far as the same are applicable.

Access

6. The Audit Committee shall have full access to management and may invite members of the management or others to attend its meetings.

Reporting Procedures

7. The Audit Committee shall evaluate and assess the effectiveness of the internal control procedures of the Company and the adequacy of this Audit Committee Terms of Reference on an annual basis and recommend any proposed changes to the Board.
8. Draft and final versions of minutes of meetings of the Audit Committee and the record of individual attendance at such meetings shall be prepared by the secretary of the Company which shall be sent to all members of the Audit Committee for their comment and records within a reasonable time after the meetings. Minutes shall be open for inspection at any reasonable time on reasonable notice by any Director.

Authority

9. The Audit Committee is authorised by the Board to obtain independent professional advice and assistance from external legal, accounting or other advisors at the expense of the Company if necessary.
10. Where the Board disagrees with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditor, the Audit Committee shall arrange for the Corporate Governance Report in the annual report to include an explanation of the Audit Committee's view and recommendation and the reasons why the Board has taken a different view.
11. The Audit Committee shall be provided with sufficient resources to perform its duties.

Responsibilities and Duties

12. The Audit Committee shall perform the following duties:

Relationship with the Auditors

- (a) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the Auditors, and to approve the remuneration and terms of engagement of the Auditors, and any questions of their resignation or dismissal;
- (b) to review and monitor the independence and objectivity of the Auditors and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the Auditors the nature and scope of the audit and reporting obligations before the audit commences;
- (c) to develop and implement policy on engaging the Auditors to supply non-audit services. For this purpose, the “Auditors” 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 should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

Review of the Company’s financial information

- (d) to monitor the integrity of the financial statements, annual report and accounts, half-year report and quarterly reports of the Company, and to review significant financial reporting judgements contained in them. In reviewing these reports and accounts before submission to the Board, the Audit Committee should 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 GEM Listing Rules and legal requirements in relation to financial reporting;

- (e) Regarding (d) above:
 - (i) 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 Auditors; and
 - (ii) the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts and should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting, internal audit and financial reporting functions, the compliance officer or the Auditors;

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

- (f) to review the financial controls, and unless expressly addressed by a separate Board risk management and internal control committee, or by the Board itself, to review the risk management and internal control systems of the Company;
- (g) to discuss the risk management and internal control systems with the management to ensure that the management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions;
- (h) to 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;
- (i) where an internal audit function exists, to ensure co-ordination between the internal auditors and the 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;
- (j) to review the financial and accounting policies and practices of the Company and its subsidiaries;
- (k) to review the management letter of the Auditors, any material queries raised by the Auditors to management about accounting records, financial accounts or systems of control and the management's response;
- (l) to ensure that the Board will provide a timely response to the issues raised in the management letter of the Auditors;

- (m) to report to the Board on the matters in the code provisions in the Corporate Governance Code set out in Appendix 15 to the GEM Listing Rules;
- (n) to consider other topics, as defined by the Board;
- (o) to 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 Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and
- (p) to act as the key representative body for overseeing the Company's relations with the Auditors.

Adopted on 16 December 2003 and revised on 23 March 2012, 29 December 2015 and 29 December 2022.

(The English version shall always prevail in case of any inconsistency between the English version and its Chinese translation.)