



MOMENTUM FINANCIAL
HOLDINGS LIMITED
正乾金融控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 1152)
(the “Company”)

TERMS OF REFERENCE OF AUDIT COMMITTEE

1. The Audit Committee (the “**Committee**”) of Momentum Financial Holdings Limited (the “**Company**”) shall comprise non-executive directors of the Company only and a minimum of three members, a majority of whom shall be independent non-executive directors. Members of the Committee shall be appointed by the board of directors of the Company (the “**Board**”). At least one member of the Committee must be an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise.
2. The chairman of the Committee, who must be an independent non-executive director of the Company, shall be appointed by the Board.
3. The Committee shall meet at least twice every year. Additional meetings may be convened by the chairman of the Committee as and when necessary.
4. The quorum of a meeting shall be two members of the Committee.
5. The Committee may seek professional advice if considered necessary.
6. Proceedings of meetings of the Committee shall be governed by the provisions of Bye-law 118 of the Bye-laws of the Company.
7. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the Board.

Duties, powers and functions

8. The Committee is to:

Relationship with auditors

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

- (b) review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and:
 - (i) to consider all relationships between the Company and the audit firm (including non-audit services); and
 - (ii) 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;
- (c) discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- (d) develop and implement policy on engaging an external auditors to supply non-audit services. For this purpose, "external 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 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

- (e) monitor the integrity of the Company's financial statements, annual reports and accounts, half-year reports and quarterly reports and to review significant financial reporting judgments contained in the reports.
- (f) review these reports before submission to the Board, with particular focus 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 the audit;
 - (iv) the going concern assumption and any qualifications;
 - (v) compliance with accounting standards; and

- (vi) compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), other applicable rules and legal requirements in relation to financial reporting;
- (g) Regarding (e) and (f) above:
 - (i) members of the Committee should liaise with the Board and senior management and the Committee must meet, at least twice a year, with the external auditor of the Company 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 the report and accounts, 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 the external auditor of the Company.

Oversight of the Company’s financial reporting system and internal control procedures

- (h) review the financial controls of the Company and its subsidiaries (the “**Group**”), and unless expressly addressed by a separate board risk committee, or by the board itself, to review the group’s risk management and internal control systems, including those managing cyber risks, with particular regard to their effectiveness;
- (i) discuss the risk management and internal control systems with management to ensure that management has performed its duty to have 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 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) 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, ensure coordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Group, 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) review the Group's financial and accounting policies and practices;
- (m) review the external auditor's management letter, any material queries raised by the external auditors to management about accounting records, financial accounts, risk management and internal control systems and management's response;
- (n) ensure that the Board will provide a timely response to the issues raised in the external auditors' management letter;
- (o) report to the Board on the matters in the Code on Corporate Governance Practices set out in Appendix C1 to the Listing Rules;

- (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) consider other topics, as defined by the Board;
- (r) do any such things to enable the Committee to perform its powers and functions conferred on it by the Board;
- (s) conform to any requirements, direction and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation;
- (t) review the whistleblowing policy and arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters, including policies and practices on anti-bribery and anti-corruption. The Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and
- (u) act as the key representative body for overseeing the Company's relation with the external auditor.

Recommended Best Practices

- (v) the audit committee should 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, with the audit committee about possible improprieties in any matter related to the Company.

Authority

9. The Committee is granted the authority to investigate any activity within its terms of reference and all employees are directed to cooperate with any request made by the Committee. The Committee is authorized by the Board to obtain outside legal or other independent professional advice and to invite the attendance of outsiders with relevant experience and expertise if it considers this necessary.

10. The Committee shall report to the Board any suspected frauds and irregularities, failures of internal control or suspected infringements of laws, rules and regulations which come to its attention and are of sufficient importance to warrant the attention of the Board. Where the Board disagrees with the Committee's view on the selection, appointment, resignation or dismissal of the external auditors, the Committee will arrange for the Corporate Governance Report in the Annual Report to include an explanation of the Committee's view and the reasons why the Board has taken a different view.
11. The Committee is to be provided with sufficient resources to perform its duties.

Responsibility

12. Committee is to serve as a focal point for communication between other directors, the external auditors and the internal auditors as regards their duties relating to financial and other reporting, internal controls, external and internal audits and such other matters as the Board determines from time to time.
13. The Committee is to assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting, by satisfying themselves as to the effectiveness of the internal controls of the Group, and as to the adequacy of the external and internal audits.

(Amended and adopted by the Board with effect from 8 August 2025)