

INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED

星謙發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 640)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE[#]

Adopted by resolution of the Board of Directors on 26 March 2010
and amended on 1 January 2016, 1 January 2019 and 29 September 2025

Ip Ka Lun

Director

[#]Note:

In case of any discrepancies or inconsistencies between the English and Chinese version, the English version shall prevail.

INFINITY DEVELOPMENT HOLDINGS COMPANY LIMITED

星謙發展控股有限公司
(the “Company”)

Terms of Reference of the Audit Committee

1. Constitution

- 1.1 The board of directors (“**Directors**”) of the Company (the “**Board**”) resolved to establish an audit committee (the “**Audit Committee**”) on 26 March 2010.

2. Membership

- 2.1 The Audit Committee shall comprise non-executive Directors only. Members of the Audit Committee shall be appointed by the Board and shall consist of not less than three members and at least one of whom is an independent non-executive Director with appropriate qualifications of accounting or related financial management expertise as required under Rule 3.21 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The majority of the Audit Committee members shall be independent non-executive Directors.
- 2.2 The Board shall have the right to appoint and remove members of the Audit Committee. The Board shall also have the right to appoint additional members to the Audit Committee.
- 2.3 A former partner of the Company’s existing auditing firm shall be prohibited from acting as a member of the Audit Committee for a period of two years 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.

3. Chairman

- 3.1 The Board shall appoint a chairman (the “**Chairman**”) for the Audit Committee who shall be an independent non-executive Director.
- 3.2 In the absence of the Chairman at any meeting of the Audit Committee, the remaining members of the Audit Committee present at any meeting convened in accordance with these terms of reference shall elect among the remaining members of the Audit Committee to act as the Chairman.

4. Secretary

- 4.1 The company secretary or his/her nominee shall act as the secretary of the Audit Committee.
- 4.2 In the absence of the secretary of the Audit Committee, the members of the Audit Committee present at the meeting shall elect another person to act as the secretary.

5. Notice

- 5.1 Unless otherwise agreed in writing by all members of the Audit Committee, a meeting of the Audit Committee shall be called by at least seven days' notice.
- 5.2 A member of the Audit Committee may and, on the request of a member of the Audit Committee, the secretary to the Audit Committee shall, at any time summon a meeting of the Audit Committee. Notice shall be given to each member of the Audit Committee orally in person or in writing or by telephone or by telex or telegram or facsimile transmission or electronic mail at the telephone or facsimile or address or electronic email address from time to time notified to the secretary by such member of the Audit Committee by such other means as the members may from time to time determine. Any notice given orally shall be confirmed in writing.
- 5.3 Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with the meeting papers and other documents which may be required to be considered by the members of the Audit Committee for the purposes of the meeting shall be sent in full to all members of the Audit Committee in a timely manner and at least seven days before the intended date of an Audit Committee meeting or such other period as agreed in writing by all members of the Audit Committee.

6. Quorum and Attendees

- 6.1 The quorum necessary for the transaction of business shall be two. No business shall be transacted at any meeting of the Audit Committee unless a quorum of members is present at the time when the meeting proceeds to business.
- 6.2 If only two members are present in any meeting of the Audit Committee, at least one member must be an independent non-executive Director.
- 6.3 The head of finance of the Company (or any officer(s) assuming the relevant functions but having a different designation), 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 auditors of the Company may normally be invited to attend meetings of the Audit Committee, however they shall not be counted in the quorum.
- 6.4 Other Directors who are not members of the Audit Committee shall have the right to attend any meetings of the Audit Committee, however they shall not be counted in the quorum.
- 6.5 A duly convened meeting of the Audit Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Audit Committee.

7. Frequency of Meetings

- 7.1 Meetings shall be held at least once every six months to consider the Company's budget, revised budget and interim and annual reports prepared by the management of the Company. The external auditors may request the Chairman to convene meetings, if they consider necessary.

8. Minutes of Meetings

- 8.1 Minutes of the Audit Committee should record in sufficient detail regarding the matters considered by the Audit Committee and decisions reached, including any concerns raised by any member of the Audit Committee or dissenting views expressed. Drafts and final versions of minutes of the Audit Committee meetings should be sent to all members of the Audit Committee for their comment and records respectively, in both cases within a reasonable time after the meeting is held.
- 8.2 Minutes of the Audit Committee meetings shall be kept by the secretary of the Audit Committee and shall be made available for inspection by any member of the Audit Committee and any Director at any reasonable time and on reasonable notice.

9. Written Resolutions

- 9.1 Resolutions may be passed by all members of the Audit Committee in writing.

10. Meeting with External Auditors

- 10.1 The Audit Committee shall meet with the external auditors of the Company in the absence of the executive Directors of the Company at least once a year.

11. Duties

- 11.1 The duties of the Audit Committee shall include the following:

Relationship with auditors

- (a) to maintain the relationships with the Company's internal and external auditors;
- (b) to review, with the auditors, the audit plans, scope of work, their evaluation of the Company's system of internal controls, audit reports, their management letters and the Company's management's response, and the results of audits compiled by the Company's internal and external auditors, and to review at regular intervals with the management the implementation by the Company (together with its subsidiaries from time to time, the "**Group**") and its subsidiaries of the internal control recommendations made by the Company's internal and external auditors;
- (c) to review periodically, the adequacy, effectiveness, scope of the internal and external audits;
- (d) to be primarily responsible for considering and making recommendations to the Board on the appointment, reappointment, resignation, dismissal and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any questions of its resignation or dismissal;

- (e) to review and monitor the auditors' independence and objectivity 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;
- (f) to develop and implement policy on engaging external auditors to supply non-audit services. For this purpose, "external auditors" include 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;
- (g) to review and discuss with the Company's internal auditors and external auditors, any issues and concerns arising from the internal audits and our external audits, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's financial performance or financial position and the Company's management's response;
- (h) review the co-operation given by the Company's management to the internal and external auditors, where applicable;

Review of the Company's financial information

- (i) to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and any formal announcements relating to our Group's financial performance and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Audit Committee should focus particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental/risk areas;
 - (iii) significant adjustments and non-adjusted differences resulting from audit or independent review, if any;
 - (iv) the going concern assumptions and any qualifications;
 - (v) compliance with accounting standards;
 - (vi) compliance with the Listing Rules, Section B of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Singapore Exchange**") dealing with the rules of Catalist, as from time to time amended, modified or supplemented (the "**Catalist Rules**") and other statutory and regulatory requirements in relation to financial reporting; and

- (vii) concerns and issues arising from the audits including any matters which the auditors may wish to discuss in the absence of our management, where necessary, before submission to the Board for approval;
- (j) Regarding Paragraph 11.1(i) above:
 - (i) members of the Audit Committee should liaise with the Board, senior management, the staff responsible for the accounting and financial reporting function of the Company (the “**Accounting Staff**”) and the Audit Committee must meet, at least twice a year, with the Company’s auditors; and
 - (ii) the Audit 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 matter that have been raised by the Accounting Staff, compliance officer or auditors of the Company;

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

- (k) to review the Company’s financial controls, and unless expressly addressed by a separate Board risk committee, or by the Board itself, to review and report to the Board, at least annually, the risk management and the adequacy and effectiveness of the internal control systems and procedures of the Group (including financial, operational, compliance) and risk management systems and have oversight of the internal control processes of our Group;
- (l) to discuss the risk management and internal control system with management to ensure that 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 Accounting Staff;
- (m) 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;
- (n) where an internal audit function exists, make recommendations to the Board on establishing an adequate, effective and independent internal audit function (which can be in-house or outsourced to a reputable accounting/auditing firm or corporation), to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and has appropriate standing within the Company and that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies, and to review and monitor its effectiveness;

- (o) to review the Company's financial and accounting policies and practices;
- (p) to review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules or the Listing Rules, including such amendments made thereto from time to time;
- (q) to review the external auditors' management letter, any material queries raised by the auditors to management about the accounting records, financial accounts or systems of control and management's response;
- (r) to ensure that the Board will provide a timely response to the issues raised in the external auditors' management letter;
- (s) to review the risk profile of our Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board;
- (t) to assess the Group's corporate governance functions;
- (u) in relation to entities in jurisdictions where it is required by law to appoint a legal representative to act as a representative of such entity, to review the processes and procedures in relation to the appointment and removal of the legal representatives of subsidiaries of the Company, from time to time, to ensure their effectiveness and robustness;
- (v) to review the adequacy of the guidelines and procedures for future potential interested person transactions;
- (w) to review future potential conflicts of interest and setting out a framework to resolve or mitigate any potential conflict of interest, and monitor compliance with such framework;
- (x) to review future potential transactions undertaken by the Group which falls within the scope of Chapter 10 (Significant Transactions) of the Catalist Rules;
- (y) to review the scope and level of future potential responsibility of related employees and to resolve or mitigate conflicts of interests that may arise;
- (z) to review the use of proceeds from the proposed listing and quotation of the Company's shares on the Catalist Board of the Singapore Exchange;
- (aa) to review the Company's key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via Singapore Exchange Network and the website of the Stock Exchange;

- (bb) review, publicly disclose, and clearly communicate to the Group's employees, the procedures by which employees of the Group may, in confidence, report to the chairman of the Audit Committee, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto;
- (cc) review the Group's whistle-blowing policy and procedures;

Others

- (dd) to report to the Board on the matters in the code provisions as stated in Appendix 14 of the Listing Rules; and
- (ee) to consider other topics, as defined by the Board, and 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 Audit Committee.

12. Reporting Procedures

- 12.1 The Audit Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Audit Committee, the Chairman shall report the findings and recommendations of the Audit Committee to the Board.
- 12.2 The Chairman, or in the absence of the Chairman, a member of the Audit Committee or failing this his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to shareholders' questions.

13. Authority

- 13.1 Management shall be obliged to supply to the Audit Committee with adequate information in a timely manner to enable it to make informed decisions. The information supplied must be complete and reliable.
- 13.2 The Audit Committee may exercise the following powers:
 - (a) to seek any information it requires from any employee of the Company and any professional advisers (including auditors), to require any of them to prepare and submit reports and to attend meetings of the Audit Committee and to supply information and answer questions raised by the Audit 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 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 commission and investigate all suspected fraudulent acts or irregularity, failure of internal controls or infringement of any law, rules or regulations which has or is likely to have a material impact on the Group and request management to make investigation and submit reports and to review findings of internal investigations;
- (d) to review the Group's risk management and internal control systems;
- (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 risk management and internal control systems;
- (g) to request the Board to convene a shareholders' meeting for purposes of revoking the appointment of any Director and to dismiss any employees if there is evidence showing that the relevant Director and/or employee has failed to discharge his duties properly;
- (h) to request the Board to take all necessary actions, including convening a special general meeting, to replace and dismiss the external auditors of the Group;
- (i) to obtain outside legal or other independent professional advice and to secure the attendance of independent third parties with relevant experience and expertise, if it considers this necessary;
- (j) to review and approve hedging policies and procedures; and
- (k) to implement policies and procedures for sustainability reporting.

14. Continuing applications of the articles of association of the Company and "A Guide for Effective Audit Committee"

- 14.1 The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and not inconsistent with the provisions of these terms of reference shall apply, mutatis mutandis, to regulate the meetings and proceedings of the Audit Committee.
- 14.2 The provisions of "A Guide for Effective Audit Committee" 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 this terms of reference, be deemed to be incorporated into these this terms of reference, mutatis mutandis.

15. Powers of the Board

- 15.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules, amend, supplement and revoke the provisions of this terms of reference and any resolution passed by the Audit Committee provided that no amendments to and revocation of the provision of this terms of reference and the resolutions passed by the Audit Committee shall invalidate any prior act and resolution of the Audit Committee which would have been valid if such provisions or resolutions had not been amended or revoked.