

AMS Public Transport Holdings Limited (the “Company”)

Terms of Reference of the Audit Committee (“AC”)

1. Role of the AC

1.1 The role of the AC is to review the completeness, accuracy and fairness of the Company’s reports and financial statements and provides assurance to the Board of the Company (“**Board**”) that they comply with the adopted accounting standards and the rules of Stock Exchange of Hong Kong Limited (“**Exchange**”) and legal requirements. The AC also annually reviews the adequacy and effectiveness of the risk management and internal control systems. It reviews the work done by the internal and external auditors, the relevant fees and terms, the results of audits performed by the external auditors and the appropriate actions required on significant control weaknesses. It also considers the adequacy of resources, the qualifications and experience of staff in respect of the accounting, internal audit and financial reporting function, and their training programmes and budget of the Company and its subsidiaries (collectively the “**Group**”).

2. Membership

2.1 The AC is a committee of the Board and comprises at least three Non-Executive Directors of the Company. Majority of the AC members must be Independent Non-executive Directors (“**INEDs**”) of the Company.

2.2 At least one member of the AC is an INED with appropriate professional qualifications or accounting or related financial management expertise

2.3 A former partner of the Company’s existing auditing firm should be prohibited from acting as a member of the AC for a period of two years commencing on from the date of the person ceasing:

- (a) to be a partner of the firm; or
 - (b) to have any financial interest in the firm,
- whichever is the later.

2.4 The appointment to a member of the AC is made by the Chairman of the Board (“**Chairman**”).

3. Meeting

3.1 The AC shall meet at least twice a year and when requested by the Chairman or any member of the AC. The AC must meet the external auditors at least twice a year. The external auditors may also request additional meetings;

3.2 The AC may invite or require other persons to attend meetings where appropriate to assist in the effective discharge of its duties. The Group financial controller, together with some representatives of the external auditors, will normally be in attendance at meetings, or for selected agenda items as considered appropriate by the chairman of the AC;

AMS Public Transport Holdings Limited (the “Company”) Terms of Reference of the Audit Committee (“AC”)

- 3.3 The chairman of the AC will be available to any member of senior management, to discuss any matters of concern, in relation to financial reporting matters, internal control concerns or compliance with the Group’s legal and regulatory obligations, in the widest sense, should this be considered necessary by those individuals;
- 3.4 The chairman of the AC will also be available in person at the annual general meetings to answer shareholders’ questions about the activities of the AC;
- 3.5 A quorum for the AC is any two AC members;
- 3.6 Although normally decisions are reached on a consensus, in the event of a disagreement, decisions on any matter are made by the majority, with the chairman of the meeting having a second, casting vote in the event of a tie. An AC member who remains opposed to a proposal after a vote can ask for his or her dissent to be noted in the minutes;
- 3.7 Where a disagreement between the AC and the Board cannot be resolved, the AC has the right to report the issue to the shareholders as part of the report on activities in the Annual Report;
- 3.8 Where the Board disagrees with the AC’s view on the selection, appointment, resignation or dismissal of the external auditors, the Company should include in the Corporate Governance Report a statement from the AC explaining its recommendation and also the reason(s) why the Board has taken a different view; and
- 3.9 Unless specified by these terms of reference, meetings and proceedings of the AC shall be governed by the Company's Articles of Association regulating the meetings and proceedings of the Directors.

4. Authority

- 4.1 The AC is authorised by the Board to undertake any activity within its terms of reference. It acts in respect of Group businesses and is authorised to obtain outside legal or the independent professional advice, at the Company’s expenses, and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The AC is entitled to sufficient resources from the Company to undertake its duties.
- 4.2 The AC will have whatever access it required to the Company’s personnel, information and documents and it has the ability to direct any special investigations deemed necessary.

AMS Public Transport Holdings Limited (the “Company”) Terms of Reference of the Audit Committee (“AC”)

5. Responsibilities of the AC

5.1 Relationship with the Group’s auditors

- a) to 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;
- b) to review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The AC should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- c) to develop and implement policy for, and to grant approval of, the engagement of the 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 AC should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

5.2 Review of the financial information

- d) to monitor integrity of the Group’s financial statements of and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them. In reviewing these reports before submission to the Board, the AC should focus particularly on: -
 1. any changes in accounting policies and practices;
 2. major judgmental areas;
 3. significant adjustments resulting from audit;
 4. the going concern assumptions and any qualifications;
 5. compliance with accounting standards; and
 6. compliance with the Rules Governing the Listing of Securities on Exchange (the “**Listing Rules**”) and other legal requirements in relation to financial reporting;
- e) Regarding (iv) above:-
 1. members of the AC should liaise with the Board and senior management and the AC must meet, at least twice a year, with the Group’s auditors; and
 2. the AC should consider any significant or unusual items that are, or may need to be, reflected in such the report and accounts, it should give due consideration to any matters that have been raised by the Group’s staff responsible for the accounting and financial reporting function, compliance officer or auditors;

AMS Public Transport Holdings Limited (the “Company”) Terms of Reference of the Audit Committee (“AC”)

5.3 Oversight of the financial reporting system, risk management and internal control systems

- f) to review the Group’s financial controls, risk management and internal control systems;
- g) to discuss the risk management and internal control systems 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 the Group’s accounting and financial reporting function;
- h) 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;
- i) 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 Group, and to review and monitor its effectiveness;
- j) to review the Group’s financial and accounting policies and practices;
- k) to review the external auditor’s management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management’s response;
- l) to ensure that the Board will provide a timely response to the issues raised in the external auditor’s management letter;
- m) to report to the board on the matters set out in these terms of reference; and
- n) to consider other topics, as defined by the Board.

5.4 Other duties on risk management and internal controls delegated by the Board

- o) to ensure that the review of the effectiveness of Group’s risk management and internal control systems, which shall be conducted at least annually, is adequately resourced and report to shareholders that it have has done so in its Corporate Governance Report. The scope of the review should cover all material controls, including financial, operational and compliance controls, and should, in particular, consider:
 - i. the changes, since the last annual review, 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 where applicable, the work of its internal

AMS Public Transport Holdings Limited (the “Company”) Terms of Reference of the Audit Committee (“AC”)

audit function and other assurance providers;

- iii. the extent and frequency of communication of monitoring results to the Board (or Board committee(s)) for the purpose of assessing the adequacy and the effectiveness of the Group’s risk management and interim control systems;
- iv. significant control failings or weaknesses that have been 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 Group’s financial performance or condition, and any remedial measures taken to address such control failings or weaknesses;
- v. the effectiveness of the Group’s processes for financial reporting and Exchange Listing Rule 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.

5.5 Others

- p) to review arrangements employees of the Group may use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The AC should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
- q) to act as the key representative body for overseeing the Group’s relations with the external auditor;
- r) should ensure the establishment of a whistleblowing policy and system for employees and those who deal with the Group (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the AC about possible improprieties in any matter related to the Group;
- s) should ensure the establishment of policy(ies) and system(s) that promote and support anti-corruption laws and regulations; and
- t) to review any transaction between the Company (including its subsidiaries) and the directors, or any interest associated with the directors, and to ensure the structure and the terms of the transactions comply with the law and are appropriately disclosed.

March 2026