

REPORT OF THE AUDIT COMMITTEE TO THE BOARD OF DIRECTORS

For the Year Ended 31 December 2024

The Board-approved Audit Committee (“the Committee”) Charter defines the duties and responsibilities of the Committee. In accordance with the Charter, the Committee assists the Board of Directors in fulfilling its oversight responsibilities to the shareholders with respect to the:

- › Integrity of the Company’s financial statements and the financial reporting process;
- › Appointment, remuneration, qualification, independence and performance of the external auditors and the integrity of the audit process as a whole;
- › Effectiveness of the system of internal control;
- › Performance and leadership of the internal audit function; and
- › Company’s compliance with applicable legal and regulatory requirements.

In compliance with the Audit Committee Charter, we confirm that:

- › All the Audit Committee members are non-executive directors with the necessary qualifications, skills, and knowledge to perform their duties. Majority of the members including the Chairman of the Committee are independent directors;
- › We had four (4) regular meetings, three (3) special meetings, and two (2) executive sessions with the external auditors, the internal auditors, and management;

- › We recommended for approval of the Board and endorsement to the shareholders the reappointment of SGV & Co. as the Company’s 2024 external auditors and the related audit fee;
- › We reviewed and approved the quarterly unaudited and the annual audited parent and consolidated financial statements of ACEN Corporation (ACEN) and Subsidiaries, including the Management’s Discussion and Analysis of Financial Condition and Results of Operations and the significant impact of new accounting standards, with management, internal auditors and SGV & Co. These activities were performed in the following context:
 - Management has the primary responsibility for the financial statements and the financial reporting process; and
 - SGV & Co. is responsible for expressing an opinion on the conformity of ACEN’s audited parent and consolidated financial statements with the Philippine Financial Reporting Standards.
- › We approved the overall scope and the respective audit plans of the Company’s internal auditors and SGV & Co. We reviewed the adequacy of resources, the competencies of staff and the effectiveness of the auditors to execute the audit plans ensuring that resources are reasonably allocated to the areas of highest risks. We also discussed the results of their audits, their assessment of the Company’s internal controls, and the overall quality of the financial reporting process including their management letter of comments; We reviewed the reports and updates of the internal and

- external auditors ensuring that management is taking appropriate corrective actions in a timely manner, including addressing internal control and compliance issues. Based on the assurance provided by the internal audit department as well as SGV & Co. as a result of their audit activities, the Committee assessed that the Company’s system of internal controls, risk management, compliance, and governance processes are adequate;
- › We approved the 2024 pre-concurrence process and the list of non-audit services which the external auditors may be engaged to ensure independence risk is manageable;
- › We reviewed and approved all audit, audit-related and non-audit services provided by SGV & Co. to ACEN and the related fees. We also assessed the compatibility of the non-audit services with the auditors’ independence to ensure that such services

- will not impair their independence,
- › We reviewed and approved the changes in the Audit Committee and Internal Audit Charters to ensure that these are updated and aligned with regulatory requirements and the Global Internal Audit Standards effective January 9, 2025;
- › We evaluated the performance of the Chief Audit Executive and the effectiveness of the internal audit function, including compliance with the International Standards for the Professional Practice of Internal Auditing; and
- › We conducted an annual assessment of our performance, in accordance with Securities and Exchange Commission guidelines, and confirmed that the Committee had satisfactorily performed its responsibilities based on the requirements of its Charter.

Based on the reviews and discussions undertaken, and subject to the limitations on our roles and responsibilities referred to above, the Audit Committee recommends to the Board of Directors that the audited financial statements be included in the Annual Report for the year ended December 31, 2024 for filing with the Securities and Exchange Commission and the Philippine Stock Exchange. We are also recommending the reappointment of SGV & Co. as ACEN Corporation’s external auditors and the related audit fee for 2024 based on their performance and qualifications.

06 March 2025

Signed by


GARRY LESTER
Chairperson


MELINDA OCAMPO
Member


NICOLE GOH PHAIK KHIM
Member