

**PAN ASIA ENVIRONMENTAL PROTECTION
GROUP LIMITED**

泛亞環保集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock code: 556)

(股份代號：556)

**Terms of Reference of
the Audit Committee of the Board of Directors
董事會審核委員會職權範圍及程序**

(Adopted by the Board on 31 December 2015 and effective from 1 January 2016)
(董事會於2015年12月31日採納並於2016年1月1日生效)

Pan Asia Environmental Protection Group Limited
泛亞環保集團有限公司
(“Company”「本公司」)

Terms of Reference of the Audit Committee (“Committee”)
of the Board of Directors (“Board”) of the Company
董事會(「董事會」)審核委員會(「委員會」)
職權範圍及程序

(中文本為翻譯稿，僅供參考用)

1. Constitution

組成

- 1.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on 1 December 2007.

本委員會是按本公司董事會於2007年12月1日會議通過成立的。

2. Membership

成員

- 2.1 Members of the Committee shall be appointed by the Board from amongst the non-executive directors only of the Company and shall consist of not less than three members. The majority of the members of the Committee must be independent non-executive directors, and at least one of them must have appropriate professional qualifications or accounting or related financial management expertise as required in rule 3.10(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). At the establishment of the Committee, the initial members are: Mr. Leung Shu Sun Sunny, Professor Wang Guozhen and Mr. Lai Wing Lee.

委員會由董事會從其非執行董事中委任組成，委員會人數最少三名。委員會的大部份成員必須為獨立非執行董事，其中至少一名須按照香港聯合交易所有限公司證券上市規則(「**上市規則**」)第3.10(2)條具備適當專業資格或會計或相關財務管理知識。委員會成立時的初始委員是：梁樹新先生、王國珍教授及賴永利先生。

- 2.2 The Chairman of the Committee shall be appointed by the Board and must be an independent non-executive director.

委員會主席由董事會委任及必須是獨立非執行董事。

- 2.3 The company secretary of the Company shall be the secretary of the Committee. In the absence of the company secretary, his/her delegate(s) or any person elected by the members of the Committee present at the meeting, shall attend the meeting of the Committee and take minutes.

本公司的公司秘書為委員會的秘書。若公司秘書缺席，其委派代表或由委員會在會議上委任的人士，將可出席委員會會議及記錄會議紀錄。

2.4 The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.

3. Proceedings of the Committee

3.1 *Notice:*

- (a) Unless otherwise agreed by all the Committee members, a meeting shall be called by at least seven days' notice.
- (b) A Committee member may and, on the request of a Committee member, the secretary to the Committee shall, at any time summon a Committee meeting. Notice shall be given to each Committee member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile or address or email address from time to time notified to the secretary by such Committee member or in such other manner as the Committee members may from time to time determine.
- (c) Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.
- (d) Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting. Agenda and accompanying supporting papers shall be sent to all members of the Committee and to other attendees as appropriate at least 3 days before the date of the meeting (or such other period as the members may agree).

3.2 *Quorum:* The quorum of the Committee meeting shall be two members of the Committee.

經董事會及委員會分別通過決議，方可委任額外或罷免委員會成員。

會議程序

會議通知：

除非委員會全體成員同意，委員會的會議通知期，不應少於七天。

任何委員會成員或委員會秘書（應董事的請求時）可於任何時候召集董事會議。召開會議通告必須親身以口頭或以書面形式、或以電話、電子郵件、傳真或其他委員會成員不時議定的方式發出予各委員會成員（以該成員最後通知秘書的電話號碼、傳真號碼、地址或電子郵箱地址為準）。

口頭會議通知應盡快（及在會議召開前）以書面方式確實。

會議通告必須說明開會目的、開會時間、地點、議程及隨附有關文件予各成員參閱。會議議程及有關文件應最遲在會議舉行日期前三天（或由成員協定的其他時限）送交委員會全體成員及（如適合）其他出席會議人士。

法定人數：委員會會議法定人數為兩位成員。

3.3 **Frequency:** The Finance Director, the Head of Internal Audit (or any officer(s) assuming the relevant functions but having a different designation) and a representative of the external auditors shall normally attend meetings. Other Board members shall also have the right of attendance. However, at least twice a year the Committee shall meet with the external auditors without executive Board members present.

3.4 Meetings shall be held at least twice annually or more frequently if circumstances require and with unanimous written consent to consider the budget, revised budget and, if published for publication, quarterly report prepared by the Board. The external auditors may request the Chairman of the Committee to convene a meeting, if they consider that one is necessary.

3.5 **Attendance:** Members of the Committee may attend meetings of the Committee either in person or through other electronic means of communication or in such other manner as the members may agree. The Finance Director, other directors, company secretary (or his/her delegate(s)), Head of Internal Audit, relevant senior management and person(s) invited by a Committee member and representative(s) of the external auditors shall normally attend meetings of the Committee.

4. Written resolutions

4.1 Without prejudice to any requirement under the Listing Rules, written resolution may be passed and adopted by all members of the Committee.

5. Alternate Committee members

5.1 A Committee member may not appoint any alternate.

次數：主管財務的董事，公司內部核數的主管（或任何主管承擔類似工作，但被指定為不同職稱）及一位外聘核數師的代表通常應出席會議。其他董事會的成員亦有權出席會議。無論如何，委員會應至少每年兩次在沒有董事會的執行成員出席的情況下，會見外聘核數師。

每三個月最少開會一次，討論董事會提呈的預算、修訂預算及季度報告草稿。如外聘核數師認為需要，可要求委員會主席召開會議。

出席：委員會成員可親自出席會議，或透過其他電子溝通方式或由成員協定的其他方式參與會議。財務董事、其他董事、公司秘書（或其委派的代表）、內部審核部主管、相關高級管理人員及任何由一位委員會成員邀請的人士及外聘核數師的代表通常可出席委員會會議。

書面決議

在不影響《上市規則》的任何規定下，委員會可在全體成員同意下通過及採納書面決議案。

委任代表

委員會成員不能委任代表。

6. Authorities of the Committee

6.1 The Committee may exercise the following powers:

- (a) to seek any information it requires from any employee of the Company and its subsidiaries (together, the “**Group**”) and any professional advisers (including auditors), to require any of them to prepare and submit reports and to attend Committee meetings and to supply information and address the questions raised by the Committee;
- (b) to monitor whether the Group’s management has, in the performance of their 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 determined by the Board or a committee thereof);
- (c) to investigate all suspected fraudulent acts involving the Group and request the management to make investigation and submit reports;
- (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;

委員會的權力

委員會可以行使以下權力：

要求本公司及其任何附屬公司（「**本集團**」）的任何僱員及專業顧問（含核數師）提交報告、出席委員會會議提供所需資料及解答問題；

監控本集團管理人員在履行職務時有否違反董事會訂下的政策或適用的法律、守則（包括上市規則及董事會或其委員會訂立的規則）；

調查所有涉及集團的懷疑欺詐事件及要求管理層就此等事件作出調查及提呈報告；

評審本集團風險管理及內部監控系統；

評審本集團的會計及內部核數部門僱員的表現；

建議董事會考慮改善本集團風險管理及內部監控系統；

在有證據顯示或懷疑有關人員失職時，要求董事會召開股東大會罷免本集團董事及其他僱員的職務；

- (h) to request the Board to take all necessary actions, including convening a special general meeting, to replace and dismiss the auditors of the Group;
- (i) to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, if it considers this necessary; and
- (j) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 7 below can be properly discharged.

6.2 The Committee shall be provided with sufficient resources to perform its duties.

7. Duties of the Committee

7.1 The duties of the Committee shall be:

- (a) to act as the key representative body for overseeing the Company's relation with the external auditors, and to consider, and to make recommendation to the Board on, the appointment, reappointment and removal of the external auditors, and to approve the audit fee and other terms of engagement of the external auditors, and any questions of resignation or dismissal of the external auditors;
- (b) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- (c) to discuss with the external auditors before the audit commences, the nature and scope of the audit and reporting obligations and ensure co-ordination where more than one audit firm is involved;

要求董事會採取任何必要行為，包括召開特別股東大會，更替及罷免本集團的核數師；

如委員會覺得有需要，可向有相關經驗及專業才能的獨立第三方尋求獨立法律及其他專業意見；及

為使委員會能合理地執行其於第七章項下的責任，其認為有需要及有益的權力。

委員會應獲供給充足資源以履行其職責。

委員會的責任

委員會負責履行以下責任：

擔任本公司與外聘核數師之間的主要代表，負責監察二者之間的關係；及就本公司外聘核數師的委任、重新委任作出考慮及向董事會提供建議，批准外聘核數師的核數費用及聘用條款、辭職及罷免的問題；

按適用的標準檢討及監察外聘核數師是否獨立和客觀及核數程序是否有效；

在本公司外聘核數師開始核數工作以前，與其討論工作性質，範圍及有關申報責任；如多於一家外聘核數師公司參予核數工作時，確實它們的互相配合；

- (d) to develop and implement policy on the engagement of the external auditors to supply non-audit services. For this purpose, external auditors shall 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 having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally. The Committee should report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken;
- (e) 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 to review significant financial reporting judgements contained in them;
- (f) to review, in draft form, the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly report, focusing particularly on:
- (i) any changes in accounting 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;
 - (vi) compliance with the Stock Exchange and other legal requirements in relation to financial reporting;
- 就外聘核數師提供非核數服務制定政策，並予以執行。就此規定而言，外聘核數師包括與負責核數的公司處於同一控制權、所有權或管理權之下的任何機構，或一個合理知悉所有有關資料的第三方，在合理情況下會斷定該機構屬於該負責核數的公司的本土或國際業務的一部份的任何機構。委員會應就其認為必須採取的行動或改善的事項向董事會報告，並建議有哪些可採取的步驟；
- 監察本公司的財務報表及年度報告及賬目、半年度報告及（若擬刊發）季度報告的完整性，並審閱報表及報告所載有關財務申報的重大意見；
- 審閱本公司的年報及賬目、半年報告及（若擬刊發）季度報告的草稿，尤其針對下列事項：
- 任何會計政策及處理方法的改變；
 - 涉及重大判斷性的決定；
 - 因核數出現的重大調整；
 - 集團持繼續經營的假設及任何保留意見；
 - 是否遵守會計準則；
 - 是否遵守聯交所及適用法律的要求；

- (vii) the fairness and reasonableness of any connected transaction and the impact of such transaction on the profitability of the Group;
- (viii) whether all relevant items have been adequately disclosed in the Group's financial statements and whether the disclosures give a fair view of the Group's financial conditions;
- (ix) any significant or unusual items that are, or may need to be, reflected in such reports and accounts; and
- (x) the cash flow position of the Group;
- and to provide advice and comments thereon to the Board;
- (g) in regard to (f) above:
- (i) members of the Committee must liaise with the Board, senior management and the person appointed as the Company's qualified accountant and the Committee must meet, at least twice a year, with the Company's auditors; and
- (ii) the Committee should consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts and must give due consideration to any matters that have been raised by the Company's qualified accountant, compliance officer or auditors;
- (h) to discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary);
- 關連交易安排屬否公平合理及對集團盈利的影響；
- 財務報表的展示方式或披露資料，是否達到增加本集團透明度，及足夠地令投資者可以公平地理解本集團及本公司的財政狀況；
- 考慮該等報告及賬目中所反映的任何重大或不尋常項目；及
- 集團現金流量的狀況；
- 並就此向本公司董事會提供建議及意見；
- 就上述(f)項而言：
- 委員會成員須與發行人的董事會、高層管理人員及獲委聘為本公司合資格會計師的人士聯絡。委員會須至少每年與本公司的核數師開會兩次；及
- 委員會應考慮於該等報告及賬目中所反映或需反映的任何重大或不尋常事項，並須適當考慮任何由本公司的合資格會計師、監察主任或核數師提出的事項；
- 與核數師討論中期有限度評審及年度審核所遇上問題、或核數師認為應當討論的其它事項（本集團管理層可能按情況而須避席此等討論）；

- (i) to review the Company's financial controls, and unless expressly addressed by a separate board risk committee, or by the Board itself, to review the Company's risk management and internal control systems, and 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 Company's accounting and financial reporting function;
- (j) to consider any findings of major investigations 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) to review the internal audit programme, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company and to review and monitor the effectiveness of the internal audit function;
- (l) to conduct exit interviews with any director, manager, financial controller or internal credit control manager upon their resignation in order to ascertain the reasons for his departure;
- (m) to prepare work reports for presentation to the Board and to prepare summary of work reports for inclusion in the Group's interim and annual reports;
- (n) to consider the appointment of any person to be a Committee member, a company secretary, auditors and accounting staff either to fill a casual vacancy or as an additional Committee member, company secretary, auditors and accounting staff or dismissal of any of them;
- 檢討本公司的財務監控，以及（除非有另設的董事會轄下風險委員會又或董事會本身會明確處理）檢討本公司的風險管理及內部監控系統，及與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的系統。討論內容應包括本公司在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否充足；
- 主動或應董事會的委派，就有關風險管理及內部監控事宜的重要調查結果及管理層對調查結果的回應進行研究；
- （如果本集團設有內部核數功能）評審集團內部核數程序、確保內部核數師與外聘核數師工作得到協調、也須確保集團內部核數部門有足夠資源運作；並且有適當的地位；以及檢討及監察內部核數功能是否有效；
- 於本公司董事、總經理、財務總監或內部核數部門主管離職時，接見有關人員並了解其離職原因；
- 就期內的工作草擬報告及概要報告；前者交董事會審閱，後者刊於本集團的中期及年度報告；
- 考慮董事會要求增加、更替及罷免審核委員會成員、秘書、核數師、財務（含內部核數部門）工作人員、公司認可會計師的建議；

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| (o) to consider the major findings of internal investigations and management's response; | 考慮內部調查報告及管理層回應； |
| (p) to review the external auditors' management letter, any material queries raised by the auditors to management in respect of the accounting records, financial accounts or systems of control and management's response; | 檢查外聘核數師給予管理層的《審核情況說明函件》、核數師就會計紀錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層作出的回應； |
| (q) 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, and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; | 檢討本公司設定的以下安排：本公司僱員可暗中就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注。審核委員會應確保有適當安排，讓本公司對此等事宜作出公平獨立的調查及採取適當行動； |
| (r) to ensure that the Board will provide a timely response to the issues raised in the external auditors' management letter; | 確保本公司董事會及時回應於外聘核數師給予管理層的《審核情況說明函件》中提出的事宜； |
| (s) to report to the Board on the matters set out in the relevant code provisions contained in the Corporate Governance Code set out in (and as amended from time to time) Appendix 14 to the Listing Rules; and | 就於上市規則附錄十四內列明（及不時修定）的《企業管治守則》內載有的有關守則條文所載的事宜向本公司董事會匯報；及 |
| (t) to consider other matters as defined or assigned by the Board from time to time. | 考慮及執行董事會委派的其他事項。 |

8. Veto rights of the Committee

8.1 The Committee has the following veto rights. The Group cannot implement any of the following matters which has been vetoed by the Committee:

- (a) to approve any connected transaction within the meaning of the Listing Rules which requires an independent shareholders' vote (unless the approval of such connected transaction is made conditional on the obtaining of the approval of the independent non-executive directors and the independent shareholders); and

委員會的否決權

委員會就下列事項有否決權。本集團不能執行委員會否決的以下事情：

批准任何屬上市規則所界定及須經過獨立股東批准才可進行的關連交易（如果批准此等交易是有條件性的，而條件是本公司獨立非執行董事及獨立股東批准有關交易，則不在此限。即：董事會有權以前述的條件，批准關連交易）；及

- (b) to employ or dismiss the Group's financial controller or the internal audit manager.

9. Minutes and records

- 9.1 Full minutes of the meetings of the Committee and all written resolutions of the Committee should be kept by the secretary of the Committee and shall be available for inspection by any member of the Committee or the Board at any reasonable time on reasonable notice.
- 9.2 The secretary of the Committee shall circulate the draft and final versions of minutes of the meeting of the Committee or, as the case may be, written resolutions of the Committee to all members of the Committee for their comment and records respectively within a reasonable time after the meeting or the passing of the written resolutions.
- 9.3 The secretary of the Committee shall keep record of all meetings of the Committee held during each financial year of the Company and records of individual attendance of members of the Committee, on a named basis, at meetings held during that financial year.

10. Reporting responsibilities

- 10.1 The Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

11. Annual general meeting

- 11.1 The chairman of the Committee or in his absence, another member of the Committee or failing this, his duly appointed delegate, shall attend the Annual General Meeting of the Company and be prepared to respond to questions at the Annual General Meeting on the Committee's work and responsibilities.

聘用或罷免本集團的財務總監或內部核數部門主管。

會議紀錄

委員會的完整會議紀錄及書面決議應由委員會秘書保存，並應在任何委員會或董事會成員發出合理通知時，公開有關會議紀錄供其在任何合理的時段查閱。

委員會秘書應於委員會會議結束後或書面決議簽署前的合理時段內，把委員會會議紀錄或書面決議（視乎情況而定）的初稿及最後定稿發送委員會全體成員（初稿供成員表達意見，最後定稿作其紀錄之用）。

委員會秘書應就年內委員會所有會議紀錄存檔，以及具名紀錄每名成員於委員會會議的出席率。

匯報責任

委員會應向董事會匯報其決定或建議，除非受法律或監管限制所限而不能作此匯報（例如因監管規定而限制披露）。

股東週年大會

委員會主席應出席股東週年大會（若委員會主席未克出席，則委員會的另一名成員出席，或如該名成員未能出席，則其適當委任的代表出席），並於會上回答有關委員會的工作及責任的提問。

12. Continuing application of the articles of association of the Company

12.1 The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

13. Powers of the Board

13.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including the Corporate Governance Code set out in Appendix 14 to the Listing Rules or if adopted by the Company, the Company's own code of corporate governance), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.

本公司組織章程的持續適用

就前文未有作出規範，但本公司章程細則作出了規範的董事會會議程序的規定，適用委員會的會議程序。

董事會權力

本職權範圍所有規則及委員會通過的決議，可以由董事會在不違反公司章程及聯交所上市規則的前提下（包括聯交所上市規則之附錄十四《企業管治守則》或公司自行制定的企業管治守則（如被採用）），隨時修訂、補充及廢除，惟有關修訂、補充及廢除，並不影響任何在有關行動作出前，委員會已經通過的決議或已採取的行動的有效性。

Adopted on 31 December 2015 (Effective from 1 January 2016)
於2015年12月31日採納 (於2016年1月1日生效)