

**PAN ASIA ENVIRONMENTAL PROTECTION
GROUP LIMITED**

泛亚环保集团有限公司

董事会审核委员会职权范围

**Terms of reference of
the audit committee of the Board of Directors**

Pan Asia Environmental Protection Group Limited
泛亚环保集团有限公司
(“Company” and “本公司”)

Terms of reference of the Audit Committee (“Committee”)
of the Board of Directors (“Board”) of the Company
董事会(“董事会”)审核委员会(“委员会”)
职权范围及程序

(中文本为翻译稿，仅供参考用)

1. Constitution

组成

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

本委员会是按本公司董事会于 2007 年 12 月 1 日会议通过成立的。

2. Membership

成员

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, at least one of whom is an independent non-executive director with 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.

委员会由董事会从其非执行董事中委任组成，委员会人数最少三名，其中至少一名须按照香港联合交易所有限公司证券上市规则(“**上市规则**”)第 3.10(2)条具备适当专业资格或会计或相关财务管理知识。委员会成立时的初始委员是：梁树新先生、王国珍教授及赖永利先生。

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

委员会主席由董事会委任及必须是独立非执行董事。

2.3 The company secretary of the Company shall be the secretary of the Committee.

本公司的公司秘书为委员会的秘书。

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.

经董事会及委员会分别通过决议，方可委任额外或罢免委员会成员。

3. Proceedings of the Committee

会议程序

3.1 Notice:

会议通知:

(a) Unless otherwise agreed by all the Committee members, a meeting shall be called by at least seven days' notice.

除非委员会全体成员同意，委员会的会议通知期，不应少于七天。

(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.

任何委员会成员或委员会秘书（应董事的请求时）可于任何时候召集董事会议。召开会议通告必须亲身以口头或以书面形式、或以电话、电子邮件、传真或其他委员会成员不时议定的方式发出予各委员会成员（以该成员最后通知秘书的电话号码、传真号码、地址或电子邮箱地址为准）。

(c) Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.

口头会议通知应尽快（及在会议召开前）以书面方式确实。

(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.

会议通告必须说明开会目的、开会时间、地点、议程及随附有关文件予各成员参阅。

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

法定人数为两位成员。

3.3 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 once a year the Committee shall meet with the external auditors without executive Board members present.

主管财务的董事，公司内部核数的主管（或任何主管承担类似工作，但被指定为不同职称）及一位外聘核数师的代表通常应出席会议。其他董事会的成员亦有权出席会议。无论如何，委员会应至少每年一次在没有董事会的执行成员出席的情况下，会见外聘核数师。

- 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.
- 每三个月最少开会一次，讨论董事会提呈的预算、修订预算及季度报告草稿。如外聘核数师认为需要，可要求委员会主席召开会议。
- 4. Written resolutions**
- 4.1** Written resolutions may be passed by all Committee members in writing.
- 书面决议**
委员会成员可以以书面赞成方式通过任何决议，惟必须所有委员会成员签字。
- 5. Alternate Committee members**
- 5.1 A Committee member may not appoint any alternate.
- 委任代表**
委员会成员不能委任代表。
- 6. Authority of the Audit 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;
- 审核委员会的权力**
委员会可以行使以下权力：
要求本公司及其任何附属公司(“本集团”)的任何雇员及专业顾问(含核数师)提交报告、出席委员会会议提供所需资料及解答问题；
- (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);
- 监控本集团管理人员在履行职务时有否违反董事会订下的政策或适用的法律、守则(包括上市规则及董事会或其委员会订立的规则)；
- (c) to investigate all suspected fraudulent acts involving the Group and request the management to make investigation and submit reports;
- 调查所有涉及集团的怀疑欺诈事件及要求管理层就此等事件作出调查及提呈报告；
- (d) to review the Group’s internal control procedures and system;
- 评审本集团内部监管措施及系统；
- (e) to review the performance of the Group’s employees in the accounting and internal audit department;
- 评审本集团的会计及内部核数部门雇员的表现；

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| (f) to make recommendations to the Board for the improvement of the Group's internal control procedures and system; | 建议董事会考虑改善本集团内部监控措施或系统; |
| (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; | 在有证据显示或怀疑有关人员失职时,要求董事会召开股东大会罢免本集团董事及其他雇员的职务; |
| (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; | 要求董事会采取任何必要行为,包括召开特别股东大会,更替及罢免本集团的核数师; |
| (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 | 如委员会觉得有需要,可向有相关经验及专业才能的独立第三方寻求独立法律及其他专业意见;及 |
| (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. | 为使委员会能合理地执行其于第七章项下的责任,其认为有需要及有益的权力。 |

7. Duties

审核委员会的责任

7.1 The duties of the Committee shall be:

审核委员会负责履行以下责任:

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| (a) to consider, and to make recommendation to the Board on, the appointment, reappointment and removal of the external auditor, and to approve the audit fee and other terms of engagement of the external auditor, and any questions of resignation or dismissal of the external auditor; | 就本公司外聘核数师的委任、重新委任作出考虑及向董事会提供建议,批准外聘核数师的核数费用及聘用条款、辞职及罢免的问题; |
| (b) to review and monitor the external auditor's independence and objectively and the effectiveness of the audit process in accordance with applicable standard; | 按适用的标准检讨及监察外聘核数师是否独立客观及核数程序是否有效; |
| (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; | 在本公司外聘核数师开始核数工作以前,与其讨论工作性质、范围及有关申报责任;如多于一家外聘核数师公司参与核数工作时,确实它们的互相配合; |

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| <p>(d) to develop and implement policy on the engagement of an external auditor to supply non-audit services. For this purpose, external auditor 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;</p> | <p>就外聘核数师提供非核数服务制定政策，并予以执行。就此规定而言，外聘核数师包括与负责核数的公司处于同一控制权、所有权或管理权之下的任何机构，或一个合理知悉所有有关资料的第三方，在合理情况下会断定该机构属于该负责核数的公司的本土或国际业务的一部份的任何机构。委员会应就其认为必须采取的行动或改善的事项向董事会报告，并建议有哪些可采取的步骤；</p> |
| <p>(e) to monitor integrity of financial statements of an issuer and the issuer's annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them;</p> | <p>监察本公司的财务报表及本公司年度报告及账目、半年度报告及(若拟刊发)季度报告的完整性，并审阅报表及报告所载有关财务申报的重大意见；</p> |
| <p>(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:</p> | <p>审阅本公司的年报及帐目、半年报告及(若拟刊发)季度报告的草稿，尤其针对下列事项：</p> |
| <p>(i) any changes in accounting policies and practices;</p> | <p>任何会计政策及处理方法的改变；</p> |
| <p>(ii) major judgmental areas;</p> | <p>涉及重大判断性的决定；</p> |
| <p>(iii) significant adjustments resulting from the audit;</p> | <p>因核数出现的重大调整；</p> |
| <p>(iv) the going concern assumption and any qualifications;</p> | <p>集团持续经营的假设及任何保留意见；</p> |
| <p>(v) compliance with accounting standards;</p> | <p>是否遵守会计准则；</p> |
| <p>(vi) compliance with the Stock Exchange and other legal requirements in relation to financial reporting;</p> | <p>是否遵守联交所及适用法律的要求；</p> |
| <p>(vii) the fairness and reasonableness of any connected transaction and the impact of such transaction on the profitability of the Group;</p> | <p>关连交易安排属否公平合理及对集团盈利的影响；</p> |

- (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 cashflow 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 once 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);
- (i) to discuss with the management the system of internal control and ensure that management has discharged its duty to have an effective internal control system and to review the Company's statement on internal control systems (where one is included in the annual report) prior to endorsement by the Board;
- (j) to consider any findings of major investigations of internal control matters as delegated by the Board or on its own initiative and management's response;
- 财务报表的展示方式或披露资料，是否达到增加本集团透明度，及足够地令投资者可以公平地理解本集团及本公司的财政状况；
- 考虑该等报告及帐目中所反映的任何重大或不寻常项目；及
- 集团现金流量的状况；
- 并就此向本公司董事会提供建议及意见；
- 就上述(f)项而言：
- 委员会成员须与发行人的董事会、高层管理人员及获委聘为本公司合格会计师的人士联络。委员会须至少每年与本公司的核数师开会一次；及
- 委员会应考虑于该等报告及账目中所反映或需反映的任何重大或不寻常事项，并须适当考虑任何由本公司的合格会计师、监察主任或核数师提出的事项；
- 与核数师讨论中期有限度评审及年度审核所遇上的问题、或核数师认为应当讨论的其它事项(本集团管理层可能按情况而须避席此等讨论)；
- 与管理层讨论内部监控系统，确保管理层已履行职责建立有效的内部监控系统及(如果年度报告有此披露)在董事会确认前，审阅本集团内部监控系统的声明；
- 主动或应董事会的委派，就有关内部监控事宜的重要调查结果及管理层的回应进行研究；

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| (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 monitor, the effectiveness of the internal audit function; | (如果本集团设有内部核数功能)评审集团内部核数程序、确保内部核数师与外聘核数师工作得到协调、也须确保集团内部核数部门有足够资源运作；并且有商当的地位；以及检讨及监察内部核数功能是否有效； |
| (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; | 于本公司董事、总经理、财务总监或内部核数部门主管离职时，接见有关人员并了解其离职原因； |
| (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; | 就期内的的工作草拟报告及概要报告；前者交董事会审阅，后者刊于本集团的中期及年度报告； |
| (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; | 考虑董事会要求增加、更替及罢免审核委员会成员、秘书、核数师、财务(含内部核数部门)工作人员、公司认可会计师的建议； |
| (o) to consider the major findings of internal investigations and management's response; and | 考虑内部调查报告及管理层回应； |
| (p) to review the external auditor's management letter, any material queries raised by the auditor to management in respect of the accounting records, financial accounts or systems of control and management's response; | 检查外聘核数师给予管理层的《审核情况说明函件》、核数师就会计纪录、财务账目或监控系统向管理层提出的任何重大疑问及管理层作出的回应； |
| (q) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter; | 确保本公司董事会及时回应于外聘核数师给予管理层的《审核情况说明函件》中提出的事宜；及 |
| (r) to report to the Board on the matters set out in the code provisions contained in the Code on Corporate Governance Practices set out in (and as amended from time to time) Appendix 14 to the Listing Rules; and | 就于上市规则附录十四内列明(及不时修定)的《企业管治常规守则》内载有的守则条文所载的事宜向本公司董事会汇报；及 |
| (s) to consider other matters, as defined or assigned by the Board from time to time. | 考虑及执行董事会委派的其他事项。 |

8. Veto rights of the Committee

委员会的否决权

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

(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.

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. Continuing application of the articles of association of the Company

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.

11. Powers of the Board

委员会就下列事项有否决权。本集团不能执行委员会否决的以下事情：

批准任何属上市规则所界定及须经过独立股东批准才可进行的关连交易(如果批准此等交易是有条件性的,而条件是本公司独立非董事及独立股东批准有关交易,则不在此限。即:董事会有权以前述的条件,批准关连交易);及

聘用或罢免本集团的财务总监或内部核数部门主管。

会议纪要

委员会的完整会议纪要及书面决议应由委员会秘书保存。

委员会秘书应于委员会会议结束后或书面决议签署前的合理时段内,把委员会会议纪要或书面决议(视乎情况而定)的初稿及最后定稿发送委员会全体成员(初稿供成员表达意见,最后定稿作其纪录之用)。

委员会秘书应就年内委员会所有会议纪要存档,以及具名纪录每名成员于委员会会议的出席率。

本公司组织章程的持续适用

就前文未有作出规范,但本公司章程细则作出了规范的董事会会议程序的规定,适用委员会的会议程序。

董事会权力

11.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), 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.

本职权范围所有规则及委员会通过的决议，可以由董事会在不违反公司章程及联交所上市规则的前提下(包括联交所上市规则之附录十四《企业管治常规守则》或公司自行制定的企业管治常规守则(如被采用)，随时修订、补充及废除，惟有关修订、补充及废除，并不影响任何在有关行动作出前，委员会已经通过的决议或已采取的行动的有效性。

December 2007
2007年12月

[Adoption and amendment records: First adopted by the Board at its meeting held on 1 December 2007.]