

China Boqi Environmental (Holding) Co., Ltd.
中國博奇環保(控股)有限公司
(The Company)
(「本公司」)

Term of reference of the Audit Committee (the Committee)
of the Board (the Board) of Director (the Director) of the Company
(Amended at the 10th meeting of the 3rd session of the Board and effective from 1 January 2019)
本公司董事(「董事」)會(「董事會」)審核委員會(「委員會」)
職權範圍
(於二零一九年一月一日生效並於第三屆董事會第十次會議修訂)

(中文本為翻譯稿，僅供參考用)

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| 1. Composition | 組成 |
| 1.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on 20 December 2018. | 本委員會乃根據董事會於2018年12月20日舉行的會議通過的決議案成立。 |
| 2. Membership | 成員 |
| 2.1 Members of the Committee shall be appointed by the Board from amongst the non-executive Directors (including independent non-executive Directors) and shall consist of not less than three members, a majority of whom should be independent. At least one of the members shall be an independent non-executive Director with appropriate accounting or financial management expertise. | 委員會由董事會從其非執行董事(包括獨立非執行董事)中委任組成，委員會人數最少三名，大部分需為獨立的。其中至少一名委員會成員須為按照香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第3.10(2)條及3.21條具備適當專業資格或會計或相關財務管理知識的獨立非執行董事。 |

- 2.2 A former partner of the Company's existing auditing firm shall be prohibited from acting as a member of the Committee for a period of at least two (2) years 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 later.
- 2.3 The Chairman of the Committee shall be appointed by the Board or elected among the members of the Committee and shall be an independent non-executive Director.
- 2.4 The company secretary of the Company shall be the secretary of the Committee. In the absence of the secretary of the Committee, Committee members present at the meeting may elect among themselves or appoint another person as the secretary for that meeting.
- 2.5 The appointment of the members of the Committee may be revoked, replaced or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee. An appointment of Committee member shall be automatically revoked if such member ceases to be a member of the Board.
- 3. Procedural Standing Order**
- 3.1 The Standing Orders which apply to these terms of reference of the Committee are set out in the Annex hereto.
- 現時負責審計本公司賬目的核數公司的前任合夥人在以下日期(以日期較後者為準)起計至少二(2)年內,不得擔任委員會的成員:
- (a) 他終止成為該公司合夥人的日期;或
- (b) 他不再享有該公司任何財務利益的日期。
- 委員會主席由董事會委任或經委員會成員選舉及必須是獨立非執行董事。
- 本公司的公司秘書為委員會的秘書。如委員會秘書缺席,出席委員會會議的成員,可互選或委任其他人擔任該會議的秘書。
- 經董事會及委員會分別通過決議,方可委任額外、更替或罷免委員會成員。如該委員會成員不再是董事會的成員,該委員會成員的任命將自動撤銷。
- 議事程序規則
- 適用於委員會職權範圍之議事程序規則列於此份職權範圍的附件。

4. Alternate Committee member

4.1 A Committee member may not appoint any alternate.

5. Authority of the Committee

5.1 The Committee may exercise the following powers:

(a) to seek any information it requires from any employee of the Company and its subsidiaries (hereinafter collectively referred to as “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 conduct any investigation or inquiry into the affairs of the Company or any of its subsidiaries or any of its directors, officers or employees, or any of its professional advisers, or to make recommendations or report to the Committee or the Board on the results of such investigation or inquiry; or

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| (e) to review the performance of the Group's employees in the accounting and internal audit department; | (e) 評審本集團的會計及內部核數部門僱員的表現； |
| (f) to make recommendations to the Board for the improvement of the Group's risk management and internal control procedures and systems; | (f) 向董事會提出建議改善本集團風險管理及內部監控措施及系統； |
| (g) to request the Board to take all necessary actions, including convening an extraordinary general meeting, to replace and dismiss the auditors of the Group; | (g) 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； |
| (h) to obtain, at the expenses of the Company, outside legal or other independent professional advice for the purpose of performing its duties or giving assistance to any matters within these terms of reference as it considers necessary and to secure the attendance of outsiders with relevant experience and expertise at its meetings; | (h) 如委員會覺得有需要，可為履行其職責或就協助涉及本職權範圍的事宜，對外尋求法律或其他獨立專業意見，並由本公司支付有關費用，以及確保具相關經驗及專業才能的外界人士出席委員會會議； |
| (i) to commission reports or surveys as are necessary to assist in the performance of its duties at the cost of the Company; | (i) 如委員會覺得有需要，可委託製作報告或進行調查以協助履行其職務，並由本公司支付有關費用； |
| (j) to have access to sufficient resources in order to perform its duties; | (j) 可取得足夠資源以履行其職務； |
| (k) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary; and | (k) 對本職權範圍及履行其職權的有效性作每年一次的檢討並向董事會提出其認為需要的修訂建議；及 |

- (l) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 6 below can be properly discharged.

5.2 The Company should provide the Committee with sufficient resources to perform its duties.

6. **Duties of the Committee**

6.1 The duties of the Committee shall be:

Relationship with the Company'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 other 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

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| (vi) compliance with the Listing Rules and legal requirements in relation to financial reporting; | (vi) 是否遵守有關財務申報的上市規則及法律規定； |
| (vii) the fairness and reasonableness of any connected transaction and the impact of such transaction on the profitability of the Group and whether such connected transactions, if any, have been carried out in accordance with the terms of the agreement governing such transactions; | (vii) 關連交易安排是否屬公平合理及對本集團盈利的影響，如有，是否按照該等關連交易的條款而執行； |
| (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; | (viii) 是否所有相關項目已充分地披露於本集團的財務報表，及有關披露是否公平地展示本集團的財政狀況； |
| (ix) any significant or unusual items that are, or may need to be, reflected in such reports and accounts; and | (ix) 在該等報告及賬目中所反映或需反映的任何重大或不尋常項目；及 |
| (x) the cashflow position of the Group; | (x) 本集團現金流量的狀況； |

and to provide advice and comments thereon to the Board;

並就此向董事會提供建議及意見；

(g) in regard to (f) above:

(g) 就上述(f)項而言：

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| (i) members of the Committee should liaise with the Board and senior management of the Group and the Committee must meet, at least twice a year, with the Company's auditors; and | (i) 委員會成員應與董事會及本集團的高級管理人員進行商議。委員會須至少每年與本公司的核數師開會兩次；及 |
| (ii) the Committee should consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts, it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors; | (ii) 委員會應考慮於該等報告及賬目中反映或需反映的任何重大或不尋常事項，並應下適當考慮任何由本公司屬下會計及財務匯報職員、監察主任或核數師提出的事項； |

(h) to discuss problems and reservations with the auditors arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary);

(h) 與核數師討論中期評審及年度審核所遇上的問題及作出的保留、及核數師認為應當討論的其他事項(管理層可能按情況而須避席此等討論);

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

監管本公司財務申報制度、風險管理及內部監控系統

(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 internal control and risk management systems;

(i) 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

(j) 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 control and reporting function;

(k) to consider major investigation findings on risk management and internal control matters and management's response to these findings;

(l) 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 Company, and to review and monitor its effectiveness;

(m) to review the Group's financial and accounting policies and practices;

(n) to

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| <p>(u) 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. The Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and</p> | <p>(u) 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。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；及</p> |
| <p>(v) to act as the key representative body for overseeing the Company's relations with the external auditor.</p> | <p>(v) 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。</p> |

7. Veto rights of the Committee

委員會的否決權

7.1 The Committee has the following veto rights notwithstanding approval by the Board. The Group cannot implement any of the following matters which has been vetoed by the Committee:

儘管已獲董事會批准，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：

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| <p>(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</p> | <p>(a) 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)；及</p> |
| <p>(b) to employ or dismiss the Group's financial controller or the internal audit manager.</p> | <p>(b) 聘用或罷免本集團的財務總監或內部核數部門主管。</p> |

8. Annual general meeting

8.1 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 answer questions at the annual general meeting on the Committee's activities and their responsibilities.

8.2 The Company's management should ensure the external auditor attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.

9. Continuing application of the article of association of the Company

9.1 The articles of association of the Company regulating the meetings and proceedings of the

10. Power of the Board

10.1 The Board may, subject to compliance with the articles of association of

**Procedural Standing Order
applicable to the Committee**

A. Procedural Standing Order

委員會議事程序規則

A.1 These Standing Orders are the rules which apply to the terms of reference of the Committee and, in particular, the meetings of the Committee and/or resolutions to be passed by it.

此份議事程序規則為適用於委員會職權範圍之程序規則，特別是有關委員會的會議及或通過的決議。

B. Proceeding of the Committee

會議程序

B.1 Notice:

會議通知：

(a) Unless otherwise agreed by all the Committee members, a meeting shall be called by at least seven days' prior notice. Such notice shall be sent to each member of the Committee, and to any other person invited to attend. Irrespective of the length of notice being given, attendance of a Committee member at a meeting constitutes a waiver of such notice unless the Committee member attending the meeting attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting has not been properly convened.

(a) 除非委員會全體成員同意，召開委員會的會議通知期，不應少於七天的預先通知。該通知應發給每名委員會會員及其他獲邀出席的人士。不論通知期長短，委員會

(Note: Pursuant to paragraph A.1.3 of Appendix 14 to the Listing Rules) regular meetings should be called by at least 14 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 purpose, time and place of the meeting. 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 should generally be delivered to all Committee members seven days (and in any event not less than three days) before the intended date of the Committee meeting (or such other period as all the Committee members may agree).
- (b) 任何委員會成員可以於任何時候或委員會秘書(應任何委員會成員的請求時必須)召集委員會會議。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(以該成員不時通知秘書的電話號碼、傳真號碼、地址或電子郵箱地址為準)。
- (c) 口頭方式作出的會議通知,應盡快(及在會議召開前)以書面方式確實。
- (d) 會議通告必須說明開會目的、時間和地點。議程及隨附需委員就該會議目的而審閱的有關文件一般在預期召開委員會會議前七天(無論如何不少於三天)或經所有委員同意的其他時段)送達各成員參閱。

B.2 *Quorum*: The quorum of the Committee meeting shall be two members of the Committee.

B.3 *Attendance*: The Company's staff having accounting and financial

C. Written resolution

- C.1 A resolution in writing signed by all the Committee members shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in m4 efach12.5(signed)12.5(by)12.5(aonc.071teor)561()]TJT*.035 Tc0 Tw(-moreo

D.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.

委員會秘書應將就本公司每財政年度年內委員會所有會議的會議紀錄存檔，以及具名紀錄每名成員於委員會會議的出席率。

E. Reporting responsibilities

匯報責任

E.1 The Committee shall report to the Board after each meeting.

委員會應於每次委員會會議後向董事會作出匯報。

Adopted on 26 March 2018

於2018年3月26日採納