



HONGHUA GROUP LIMITED

宏華集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 196)

審核委員會職權及責任範圍守則

Terms of Reference of the Audit Committee

1. 總則 General Rules

1.1 本公司根據《香港聯合交易所有限公司證券上市規則》（“《上市規則》”）、《上市規則》附錄C1《企業管治守則》及財務匯報局編製的《審計委員會有效運作指引》等有關規定，成立審核委員會（“委員會”）。委員會之權力、責任及具體職責概述如下。

The Audit Committee (the "**Committee**") has been established by the Company in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), Corporate Government Code of Appendix C1 of the Listing Rules and the Guidelines for Effective Audit Committees published by Financial Reporting Council and other relevant provisions. The authority, responsibility and specific responsibilities of the Committee are summarized as below.

1.2 成立委員會之目標為協助本公司董事會（“董事會”）獨立地審閱公司財務匯報程序、內部監控及風險管理制度的有效性、監督審計賬目程序，並履行董事會分配的其他職務及職責，及維持與公司核數師適當的關係作出正規及具透明度的安排。

The Committee is formed to assist the Board of Directors of the Company (the "**Board**") to independently review the effectiveness of the Company's financial reporting procedures, internal control and risk management systems, oversee the audit process, and perform other duties and responsibilities assigned by the Board, and maintain an appropriate relationship with the Company's auditor in a formal and transparent arrangements.

2. 成員 Membership

2.1 委員會的成員由董事會委任，委員會由最少三名委員組成，其成員須全部是非執行董事，當中應包括一位擁有《上市規則》所要求必須具備適當的專業資格，或具備適當的會計或相關的財務管理專長的獨立非執行董事。委員會的大部分委員必須為獨立非執行董事。

Members of the Committee shall be appointed by the Board. The Committee shall consist of at least three members and all of them shall be non-executive directors, one of whom must have the appropriate professional qualifications or accounting or related financial

management expertise as required under the Listing Rules. The majority of the members of the Committee must be independent non-executive directors.

2.2 主席須由董事會任命，及必須由獨立非執行董事擔任。

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

2.3 委員會的任期與董事任期一致，任期屆滿，可連選連任。就任期間如有委員不再擔任公司董事，將自動失去委員資格，並由董事會根據上述第2.1及第2.2條規定補足委員人數。補充委員的任職期限截至該屆董事會任期結束。

The term of office of the Committee shall be consistent with that of the directors. At the expiration of their term, the members may be eligible for re-election. When a member does not serve as the Company's director any more before its term expires, he/she shall be automatically disqualified for the member of the Committee; and the Committee shall make up the number of members with new candidates determined in accordance with the provisions in the clauses 2.1 and 2.2. The substitute member(s) shall hold office until the expiration of his/her term of office at the Board.

2.4 現時負責審計公司帳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）起計兩年內，不得擔任委員會的成員：

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 two year commencing on the following dates of his or her ceasing:

- (a) 該名人士終止成為該公司合夥人的日期；或
to be a partner of the firm; or
- (b) 該名人士不再享有該公司財務利益的日期。
to have any financial interest in the firm, whichever is later.

2.5 委員會委員可以在任期屆滿前向董事會提交書面辭職報告，但辭職報告中必須對任何與其辭職有關或其認為有必要引起董事會和公司股東注意的情況進行說明。

A member of the Committee may tender his/her resignation report in writing to the Board before expiry of his/her term, in which he/she shall make explanation on any matter in respect of his/her resignation or other things, in his/her opinion, that need to be brought to the attention of the Board and shareholders of the Company.

2.6 委員會辦公室設在董事會辦公室，董事會辦公室負責日常工作聯絡和會議組織等工作。財務部、法務風控部及審計部負責委員會有關業務工作。

The office of the Committee is set in the office of the Board, which is responsible for such works as daily liaison and organization of meetings, etc. The Finance Department, the Legal Risk Control Department and the Audit Department are in charge of operation works relating to the Committee.

2.7 委員會的秘書由董事會秘書或由委員會不時指定的人士擔任。

The secretary of the Committee shall be the Board secretary or other individuals appointed by the Committee from time to time.

3. 職責 Responsibilities

3.1 與公司核數師的關係 Relationships with the Company's auditors

3.1.1 委員會應擔任公司與其外聘核數師的主要代表，負責監察二者關係，主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪酬及聘用條款，及處理任何有關該核數師辭職或辭退該核數師的問題；

to act as the key representative for overseeing the Company's relationship with the external auditors and to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any questions of its resignation or dismissal;

3.1.2 按適用的標準檢討及監察外聘核數師是否獨立客觀及審核程序是否有效；委員會應於審核工作開始前先與核數師討論審核性質及範疇及有關匯報責任；

to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Committee should discuss the nature and scope of the audit and reporting obligations with the auditor before the audit commences;

3.1.3 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審核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分的任何機構。委員會應就任何須採取行動或改善的事項向董事會報告並提出建議。

to develop and implement policy on engaging an external auditor to provide non-audit services. For this purpose, "external auditor" includes any institution that is under common control, ownership or management with the audit firm or any institution 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 Committee should report to the Board and make recommendations on any matters where action or improvement is needed;

3.2 審閱公司的財務資料 Review of the Company's Financial Information

3.2.1 監察公司的財務報表以及年度報告及帳目、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。委員會在向董事會提交有關報表及報告前，應特別針對下列事項加以審閱：

to monitor integrity of the Company's financial statements, 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 statements and reports before submission to the Board, the Committee should particularly focus on:

3.2.1.1 會計政策及實務的任何更改；

any changes in accounting policies and practices;

3.2.1.2 涉及重要判斷的地方；

major judgmental areas;

3.2.1.3 因核數而出現的重大調整；

significant adjustments resulting from audit;

3.2.1.4 企業持續經營的假設及任何保留意見；
the going concern assumptions of enterprises and any qualifications;

3.2.1.5 是否遵守會計準則；及
compliance with accounting standards; and

3.2.1.6 是否遵守有關財務申報的《上市規則》及法律規定。
compliance with the Listing Rules and legal requirements in relation to financial reporting.

3.2.2 就上述第3.2.1項而言：

Regarding clause 3.2.1 above:

3.2.2.1 委員會成員應與董事會及高級管理人員聯絡。委員會須至少每年與公司的核數師開會兩次；及

members of the Committee should liaise with the Board and senior management. The Committee must meet, at least twice a year, with the Company's auditors; and

3.2.2.2 委員會應考慮於該等報告及帳目中所反映或需反映的任何重大或不尋常事項，並應適當考慮任何由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。

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, the compliance officer or auditors.

3.3 監管公司財務匯報制度、法治、合規建設及風險管理及內部監控系統

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

3.3.1 檢討公司的財務監控，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）檢討發行人的風險管理及內部監控系統；

to review the Company's financial controls, and unless expressly addressed by a separate risk committee of the Board, or by the Board itself, to review the Company's risk management and internal control systems;

3.3.2 檢討公司法治、合規建設系統，聽取公司法治、合規建設工作計劃及進展情況，就公司法治、合規建設重要問題進行研究並向董事會提出建議；

to review the company's legal and compliance construction system, listen to the Company's legal and compliance construction work plan and progress, conduct the research on important issues of the Company's legal and compliance construction, and make recommendations to the Board;

3.3.3 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；

to discuss the risk management and internal control systems with the management to ensure that the management has performed its duty to establish effective systems. The discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

3.3.4 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；

to conduct studies on major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and the management's response to these findings;

3.3.5 如公司設有內部審核功能，須確保內部和外聘核數師的工作得到協調；也須確保內部審核功能在公司內部有足夠資源運作，並且有適當的地位；以及檢討及監察其成效；

where the Company has an internal audit function, 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;

3.3.6 檢討公司的財務及會計政策及實務；

to review the Company's financial and accounting policies and practices;

3.3.7 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、財務帳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；

to review the Statement of Audit Letter from the external auditor to the management, any material queries raised by the auditor to the management about accounting records, financial accounts or systems of control and the management's response;

3.3.8 確保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；

to ensure that the Board will provide a timely response to the issues raised in the Statement of Audit Letter from the external auditor to the management;

3.3.9 就本守則條文的事宜向董事會匯報；及

to report to the Board on the matters in these terms of reference; and

3.3.10 研究其他由董事會界定的課題。

to consider other topics, as defined by the Board.

3.4 檢討公司設定的以下安排 Review of the Following Arrangement

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，讓公司對此等事宜作出公平獨立的調查及採取適當行動。

employees of the Company may confidentially 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.

3.5 檢討企業管治常規 Review of Corporate Governance Practices

3.5.1 制定及檢討公司的企業管治政策及常規，並向董事會提出建議；

to develop and review corporate governance policies and practices of the Company and make recommendations to the Board;

3.5.2 檢討及監察董事及高級管理人員的培訓及持續專業發展;
to review and monitor the training and continuous professional development of directors and senior management;

3.5.3 檢討及監察公司在遵守法律及監管規定方面的政策及常規；
to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;

3.5.4 制定、檢討及監察董事及僱員的操守準則及合規手冊（如有）；及
to develop, review and monitor the code of conduct and compliance manual for directors and employees (if any); and

3.5.5 檢討公司遵守《企業管治守則》的情況及在《企業管治報告》內的披露。
to review the Company's compliance with the Corporate Government Code and disclosure in the Corporate Governance Report.

3.6 董事會授權的其他事宜。
Other matters authorized by the Board.

3.7 委員會對董事會負責。委員會依據相關法律法規、規範性文件及公司章程規定，結合實際，形成提案後提交董事會考慮或通過。
The Committee shall be accountable to the Board. It shall prepare proposals based on the reality and submit the same to the Board for consideration or approval according to the requirements of relevant laws, regulations and normative documents as well as the Company's articles of association.

4. 會議程序 **Proceedings of Meetings**

4.1 公司的合資格會計師及外聘核數師的代表有權參加委員會會議。委員會需每年最少一次與公司的董事、高級管理層及公司外聘核數師舉行會議。不過，委員會應至少每年兩次與外聘核數師的代表在沒有董事會執行董事參與的情況下舉行會議。
Qualified accountants of the Company and representatives from external auditors shall be entitled to attend the Committee meeting. The Committee should meet at least once a year with the Company's directors, senior management and external auditors. However, the Committee shall meet with representatives of the external auditors at least twice a year without the presence of executive directors.

4.2 委員會每年應最少召開兩次會議。如外聘核數師認為有需要，可要求舉行會議。
The Committee shall convene meetings at least twice a year. The external auditors may request a meeting if they consider necessary.

4.3 委員會會議由委員會主席召集，若委員會主席因特殊原因不能召集，應由委員會主席指定的其他委員召集。

Meetings of the Committee shall be convened by the Chairman of the Committee. If the Chairman of the Committee is unable to do so for special reasons, the meeting shall be convened by another member designated by the Chairman of the Committee.

4.4 委員會需於召開會議前至少5天發出通知給全體委員及列席人員，除非全體成員一致通過豁免該通知。不論所作出之通知期的長短，成員出席會議將被視為該成員豁免所需之通知期。會議議案及相關資料須於會議召開前3天或委員會協議的合理期限內發送給全體委員及列席人員。

Prior notice of at least 5 days should be given to all members and attendees for any Committee meeting, unless such notification is waived by all members of the Committee. Notwithstanding the notification period, the attendance of the member of the Committee at the meetings would be deemed to be treated as the waiver of the required notification requirement. Resolutions and relevant materials shall be sent to all members and attendees within 3 days prior to the meeting or within a reasonable time limit as agreed by the Committee.

在緊急情況時，在確認通知到達全體委員的前提下，可以召開臨時會議，不受前述會議通知時間的限制。

In case of emergency, an extraordinary meeting may be convened not subject to the aforesaid time limit for sending notice provided that all members have confirmed their receipt of such notice.

4.5 委員會會議應由二分之一以上委員出席方可舉行。每名委員均有一票，委員會在任何會議上的決議均應以出席成員的多數票獲通過，如果票數相同，則委員會主席擁有最終決定的一票。

The Committee's meeting can only be convened with the attendance of at least half of the members. Each member has one vote, and resolutions of the Committee at any meetings shall be passed by a majority of votes of the members present. In the case of an equal number of votes, the Chairman of the Committee shall have one vote for the final decision.

4.6 由委員會全體成員簽署之書面決議案亦被視為有效，猶如其已於委員會正式召開及舉行之會議上獲通過一樣。

A written resolution signed by all members shall also be deemed valid as if it had been passed at a meeting of the Committee duly convened and held.

4.7 委員會會議由委員會主席主持。若委員會主席因故不能主持會議時，可委託其中一名委員或由半數以上參會委員共同推舉一名委員主持會議。

The Committee meeting shall be chaired by the Chairman of the Committee. If the Chairman of the Committee is unable to chair the meeting, he/she may delegate such to a member or to a member elected by more than half of the members present at the meetings.

4.8 委員會會議必要時可邀請公司其他董事及高級管理人員列席會議。

Other directors and senior management of the Company may be invited as attendees at the Committee meetings when necessary.

4.9 委員會成員應在每次召開會議前就擬審議事宜申報利益。如會議擬審議事項與某位審核委員會成員或其任何連絡人（定義見《上市規則》）有利害關係時，該成員應予回避，且無表決權。

Members of the Committee shall declare their interests in matters to be considered before each meeting. If any matters to be considered at meetings would cause conflicts of interests with any member of the Audit Committee or any of his/her associates (as defined in the Listing Rules), the member shall abstain from the meeting and shall not have voting rights.

4.10 委員會獲董事會授權，可在本守則的範圍以內調查任何活動。委員會可向公司及其附屬公司的任何雇員或所有雇員尋求委員會要求的資料，及要求上述人士參加委員會會議並提供資料和回答委員會提出的問題。向外諮詢法律意見或其它獨立的專業意見，並在認為必要時邀請具有相關經驗和專業技能的外部人士參與。董事會秘書獲董事會授權可替委員會會員索取在執行其職務時所需的任何資料。

The Committee is authorised by the Board to investigate any activities within the scope of these terms of reference. The Committee may request any information it requires from any or all employees of the Company or its subsidiaries, and may require such persons to attend the Committee meetings to provide information and answer questions raised by the Committee. The Committee may seek external legal advices or other independent professional advice and to invite external individuals with relevant experience and professional skills as it considers necessary. The secretary of the Board is authorised by the Board to obtain any data for members of the Committee for the performance of their duties.

4.11 委員會應獲供給充足資源以履行其職責。

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

5. 匯報程序 Reporting Procedures

委員會應向董事會匯報。在委員會會議之後的下一個董事會會議上，委員會主席應向董事會匯報其結果及建議，除非對其如此行事的能力存在法律或監管限制。

The Committee shall report to the Board. At the next meeting of the Board following a meeting of the Committee, the Chairman of the Committee shall report the findings and recommendations to the Board, unless there are any legal or regulatory restrictions on its ability to do so.

6. 會議記錄 Minutes of Meetings

委員會的會議記錄應對會議上所考慮事項及大致的決定做足夠詳細的記錄，其中應該包括委員提出的任何疑慮或表達的反對有意見。會議記錄應由委員會秘書保存，委員會秘書應於會議結束後合理時段內先後將會議記錄的初稿及最終定稿發送全體委員，初稿供委員審閱及表達意見，最後定稿則作其記錄之用。

Minutes of the Committee meetings shall record in sufficient detail the matters considered and the general decisions taken at the meetings, including any concerns raised or objections expressed by members. Minutes shall be kept by the secretary of the Committee, who shall circulate the draft and final versions of minutes of the Committee meetings to all members of the Committee within a reasonable period after the meeting. The draft is for members to review and provide comments, and the final version is for record purpose.

7. 職責權限之公佈 Publication of the Responsibilities and Authorities

委員會須提供其職權範圍，並將其上載至香港聯合交易所有限公司及本公司網站，從而解釋委員會的角色職責及董事會所授予其之權力。

The Committee shall make available these terms of reference, explaining its roles and responsibilities and the authority delegated to it by the Board by publishing them on the websites of The Stock Exchange of Hong Kong Limited and the Company.

8. 董事會權力 Powers of the Board

8.1 本守則解釋權歸屬董事會。

The right to interpret these terms of reference shall reside with the Board.

8.2 本守則自董事會審議通過後實施。

These terms of reference shall enter into force upon review and approval by the Board.