

XINAO GAS HOLDINGS LIMITED
新奧燃氣控股有限公司

(Incorporated in the Cayman Islands with limited liability)

TERMS OF REFERENCE FOR THE
AUDIT COMMITTEE

審核委員會
職權範圍書

(Adopted on 31 December 2004)
(於二零零四年十二月三十一日採納)

(Amended on 22 March 2007 2007)
(於二零零七年三月二十二日修訂)

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Formation成立

1. The board of directors (the “Board”) of Xinao Gas Holdings Limited (the “Company”) resolved to establish a committee of the Board to be known as the Audit Committee (the “Committee”).

新奧燃氣控股有限公司（「本公司」）董事會（「董事會」）決議成立董事會轄下委員會審核委員會（「審核委員會」）。

The meetings and proceedings are governed by the provisions contained in the articles of association of the Company for regulating meetings and proceedings of Directors. 委員會會議及程序須受本公司的組織章程細則所載的董事會會議程序規定所規管。

Composition and Quorum組成及法定人數

2. The Committee shall be appointed by the Board from amongst the non-executive directors of the Company only of which a majority of the non-executive directors so appointed shall be independent. The Committee shall consist of not less than three members. A quorum for meeting of the Committee shall be two members.

審核委員會應由董事會委任非執行董事組成，其中大部份須為獨立非執行董事。審核委員會最少由三名成員組成。審核委員會會議的法定人數為兩名成員。

3. The chairman of the Committee shall be appointed by the Board and should be an independent non-executive director.

審核委員會主席應為獨立非執行董事，由董事會委任。

Members	:	Wang Guangtian	(Independent Non-Executive Director) (Chairman)
		Yien Yu Yu, Catherine	(Independent Non-Executive Director)
		Kong Chung Kau	(Independent Non-Executive Director)
成員	:	王廣田	(獨立非執行董事) (主席)
		嚴玉瑜	(獨立非執行董事)
		江仲球	(獨立非執行董事)
Secretary	:	Cheng Chak Ngok	(Company Secretary)
秘書	:	鄭則鏗	(公司秘書)

Attendance at meetings of Committee 審核委員會的出席

4. The Financial Controller and a representative of the external auditors shall normally attend meetings of the Committee. 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.

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財務總監及外部核數師的代表通常應出席審核委員會的會議。其他董事會成員亦有權出席。然而，每年審核委員會應在沒有執行董事出席的情況下與外部核數師開會最少一次。

5. The company secretary shall be the secretary of the Committee. In the absence of the Company Secretary in any meeting of the Committee, a member of the Committee or a representative of the company secretary shall act as the secretary of the meeting of the Committee.
公司秘書應擔任審核委員會的秘書。如公司秘書未能出席審核委員會會議，審核委員會的一名成員或公司秘書的代表應擔任審核委員會會議的秘書。

Frequency of meetings 會議的次數

6. Meetings shall be held not less than twice a year. The external auditors or any members of the Committee may request a meeting with or without the presence of executive directors if they consider that one is necessary.
會議每年最少召開兩次。外部核數師或任何一名審核委員會成員在認為需要時，可召開會議（可要求執行董事出席或不出席）。

Authority 權力

7. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
審核委員會獲董事會授權調查職權範圍書內所列之事項。審核委員會獲授權向任何員工索取資料，而且所有員工應對審核委員會提出的要求合作。
8. The Committee is authorised by the Board, subject to prior discussion concerning the cost, 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.
審核委員會獲董事會授權，在有需要時，在事先商討價錢後，可向外部法律或其他獨立專業人士尋求意見，並請有相關經驗及專業知識的外部人士出席會議。

Duties 職責

9. The duties of the Committee shall be :
審核委員會的職務如下：
- (a) to be primarily responsible for making recommendation to the board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any

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questions of resignation or dismissal of that auditor;

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；

- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard. The audit committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
按適用的標準檢討及監察外聘核數是否獨立客觀及核數程序是否有效；審核委員會應於核數工作開始前先與核數師討論核數性質及範疇及有關申報責任；

- (c) 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 audit 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;

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分的任何機構。審核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；

- (d) to monitor integrity of financial statements of the Company and the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. In this regard, in reviewing the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports before submission to the board, the committee should focus particularly on:

監察本公司的財務報表及本公司年度報告及賬目、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。在這方面，委員會在向董事會提交有關本公司年度報告及賬目、半年度報告及(若擬刊發)季度報告前作出審閱有關報表及報告時，應特別針對下列事項：

- (i) any changes in accounting policies and practices;

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- 會計政策及實務的任何更改；
- (ii) major judgmental areas;
涉及重要判斷的地方；
 - (iii) significant adjustments resulting from audit;
因核數而出現的重大調整；
 - (iv) the going concern assumptions and qualifications;
企業持續經營的假設及任何保留意見；
 - (v) compliance with accounting standards; and
是否遵守會計準則；及
 - (vi) compliance with the Exchange Listing Rules and other legal requirements in relation to financial reporting;
是否遵守有關財務申報的《上市規則》及其他法律規定；
- (e) In regard to (d) above:-
就上述(d)項而言：—
- (i) members of the committee must liaise with the Company's board of directors, 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
委員會成員須與本公司的董事會、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一次；及
 - (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;
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；
- (f) to review the Company's financial controls, internal controls and risk management systems;
檢討本公司的財務監控、內部監控及風險管理制度；
- (g) to discuss with the management the system of internal control and ensure that management has discharged its duty to have an effective internal control

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- system;
與管理層討論內部監控系統，確保管理層已履行職責建立有效的內部監控系統；
- (h) 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;
主動或應董事會的委派，就有關內部監控事宜的重要調查結果及管理層的回應進行研究；
- (i) to discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of management where necessary);
與核數師討論在中期及全年帳目審核中出現的問題及存疑之處，以及核數師希望討論的其他事宜（如有需要，可在管理層避席的情況下進行）；
- (j) 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 controls and management's response;
審閱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；
- (k) to review the Company's statement on internal control systems (where one is included in the annual report) prior to endorsement by the board;
如年報載有關於公司內部監控制度的陳述，則應於提呈董事會審批前先行審閱；
- (l) where an internal audit function exists to review the internal audit programme;
如公司設有內部核數功能，則應審閱內部核數計劃；
- (m) to ensure that the board will provide a timely response to the issues raised in the external auditor's management letter;
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；
- (n) to report to the board on the matters set out in provision of terms of reference of the Committee;
就審核委員會其職權範圍條文所載的事宜向董事會匯報；
- (o) to review the group's financial and accounting policies and practices; and
檢討集團的財務及會計政策及實務；及
- (p) to consider other topics, as defined by the board;
研究其他由董事會界定的課題。