



中國金屬資源利用有限公司
(the " ")

- 1.1 Members of the Audit and Corporate Governance Committee (the " ") shall be appointed by the board of directors (the " ") of the Company.
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- 1.2 The Committee must consist of a minimum of three members, all of whom must be non-executive directors.
- 1.3 The majority of the members of the Committee must be independent non-executive directors, at least one of whom must have appropriate professional qualifications or accounting or related financial management expertise as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the " ").
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- 1.4 A former partner of the Company's existing auditing firm should be prohibited from acting as a member of the Committee for a period of two 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.
- 2.1 The chairman of the Committee (the " ") shall be appointed by the Board and must be an independent non-executive director.
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- 2.2 The Chairman shall chair the meetings of the Committee.

2.3 In the absence of the Chairman, the remaining members present shall elect one of themselves to chair the meeting of the Committee.

3.1 The secretary of the Company shall be the secretary of the Committee (the "
").¹ The Committee Secretary or, in his/her absence, his/her delegate(s) or any person elected by the members present at the meeting of the Committee, shall attend the meeting of the Committee and take minutes. The Committee is also entitled to from time to time appoint or remove the Committee Secretary.
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Unless otherwise specified hereunder, the provisions contained in the Company's Articles of Association (as amended from time to time) for regulating proceedings of directors' meetings shall apply to the meetings of the Committee.

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4.1

4.1.1 The quorum for meetings of the Committee shall be any two members.

4.1.2 The Committee Secretary shall ascertain, at the beginning of the meeting, the existence of any conflict of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he/she must abstain from voting on any resolution of the Committee in which he/she and/or his/her associates have an interest.

4.1.3 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

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4.2.1 The Committee should meet at least twice per year to review and discuss the interim and annual financial statements of the Company. Additional meetings should be held as the work of the Committee demands. In addition, the Chairman may convene additional meetings at his discretion.

¹ The secretary of the Committee would normally be the company secretary, although it could also be any other person duly appointed by the Committee.

4.2.2 The Committee shall meet with the external auditor of the Company at least twice a year. The external auditor may request a meeting if they consider necessary.

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4.3.1 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.

4.3.2 Where appropriate or required, the chief financial officer, other directors, the head of internal audit (if any), relevant senior management, person(s) invited by a Committee member and representative(s) of the external auditor may attend meetings of the Committee.

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4.4.1 A meeting of the Committee may be convened by any of its members or by the Committee Secretary.

4.5.2 Draft and final versions of minutes of Committee meetings shall be sent to all Committee members for their comment and records within a reasonable time after the meeting.

4.5.3 Minutes of the Committee shall be kept by the Committee Secretary and shall be available for inspection by any member of the Committee or the Board at any reasonable time on reasonable notice.

4.6

4.6.1 Unless otherwise required by the Listing Rules, written resolution may be passed and adopted by all members of the Committee.

5.1 The responsibilities and authorities of the Committee shall include such responsibilities and authorities set out in the relevant code provisions of the Corporate Governance Code (the "Code") in relation to the responsibilities and authorities of the audit and corporate governance committee as contained in Appendix 14 of the Listing Rules (as amended from time to time).

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5.2 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.

5.3 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to invite the attendance of outsiders with relevant experience and expertise if it considers this necessary.

5.4 Without prejudice to any requirement under the CG Code, the duties of the Committee include the following:

5.4.1 Relationship with the Company's auditor

- (a) to act as the key representative body for overseeing the Company's relations with the external auditor, and 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 terms of engagement of the external auditor, and any questions of their resignation or dismissal;

- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

- (c) to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity 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, identifying and making recommendations on any matters where action or improvement is needed;

5.4.2 Review of the Company's financial information

- (a) 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 judgments contained in them. In reviewing these reports before submission to the Board, the Committee should focus particularly on:
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 - (i) any changes in accounting policies and practices;

 - (ii) major judgmental areas;

 - (iii) significant adjustments resulting from audit;

 - (iv) the going concern assumptions and any qualifications;

 - (v) compliance with accounting standards; and

 - (vi) compliance with the Listing Rules and legal requirements in relation to financial reporting;

- (b) regarding (a) above:
 - (a)
 - (i) members of the Committee should liaise with the Board and senior management and the Committee must meet, at least twice a year, with the Company's auditor; and
 - (ii) the Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, and must 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 auditor;

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

- (a) 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;
- (b) 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;
- (c) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (d) 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;
- (e) to review the Group's financial and accounting policies and practices;
- (f) to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of risk management and control and management's response;

- (g) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (h) to report to the Board on the matters set out herein;
- (i)

5.4.5 Others

- (a) to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board;
- (b) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Company's constitution or imposed by legislation.

5.5 The Committee shall be provided with sufficient resources to perform its duties and shall have access to independent professional advice, at the Company's expense, if necessary.

5.6 All members of the Committee shall have access to the advice and services of the company secretary, and separate and independent access to the Company's senior management for obtaining necessary information.

5.7 Where the Board disagrees with the Committee's view on the selection, appointment, resignation or dismissal of the external auditor, the Committee will arrange for the Corporate Governance Report in the Annual Report to include an explanation of the Committee's view and the reasons why the Board has taken a different view.

6.1 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). The Committee shall report to the Board any suspected frauds and irregularities, failures of internal control or suspected infringements of laws, rules and regulations which come to its attention and are of sufficient importance to warrant the attention of the Board.

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7.1 The Chairman or in his/her absence, another member of the Committee or failing this, his/her 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.

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ADOPTED BY BOARD RESOLUTION PASSED ON 4 September 2013

1st amendment on 29 December 2015

2nd amendment on 18 January 2019

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