



華潤電力控股有限公司

China Resources Power Holdings Company Limited

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 836)

The Working Rules (the “Rules”) of the Audit and Risk Committee of CRP (2024 Edition)

CHAPTER 1 GENERAL PROVISIONS

Article 1 To regulate the deliberation and decision-making standards and procedures of the Audit and Risk Committee (the “Committee”) of China Resources Power Holdings Company Limited (hereinafter referred to as “CRP” or the “Company”, the Rules are formulated in accordance with the Articles of Association of the Company and taking into account the actual situation of the Company.

Article 2 The Audit and Risk Committee is a specific working organization under the Board of Directors (the “Board”), which is accountable to the Board. It assists the Board in providing independent review and monitoring of the financial reporting system, as well as monitors and supervises the effectiveness of the internal control systems of CRP and its subsidiaries and the adequacy of internal and external audits. The Committee shall ensure that there is free, open and frank communication between the Board, the external auditors, the internal auditors and the management of the Company.

Article 3 The Rules are applicable to the Committee and relevant personnel referred to herein.

CHAPTER 2 COMPOSITION OF THE COMMITTEE

Article 4 The Committee shall be comprised solely of non-executive Directors, the majority of whom shall be independent non-executive Directors. The Committee shall have at least three members, at least one of whom shall possess the professional qualifications as required under Rule 3.10(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The members of the Committee shall be nominated by the chairman of the Board after soliciting opinions from the relevant Directors, which will be further considered and decided by the Board.

Article 5 The Committee shall have a chairman and must be chaired by an independent non-executive Director. The chairman is responsible for presiding over the work of the Committee, convening and presiding over the meetings of the Committee, and reporting the work of the Committee to the Board.

Article 6 The members of the Committee shall have the same term of office as that of their directorship, and may serve consecutive terms if re-elected upon expiry of their terms. If any member ceases to serve as a Director of the Company during the term, his/her membership position of the Committee shall be automatically dismissed.

Article 7 A member of the Committee may tender their resignation during his/her term of office. The resigning member shall submit a written resignation report to the Board, providing a necessary explanation regarding the reason(s) for the resignation and the matter(s) requiring the attention of the Board of the Company.

Article 8 In the event of the occurrence of circumstances set out in Article 6 or Article 7 of the Rules, the Board shall fill the vacancy of members in accordance with the provisions of Article 4 and Article 5.

CHAPTER 3 TERMS OF REFERENCE

Article 9 The Committee shall supervise relevant management initiatives and provide recommendations to the Board in respect of the matters set out below.

- (1) To ensure that the Company establishes appropriate and sufficient internal control systems, including risk identification and response systems;
- (2) To ensure that the Company implements sound accounting and auditing principles, and abides by and implements sound risk management system, internal control system and ethical code;
- (3) To ensure that the scope of coverage for internal and external audits is adequate and necessary scope;
- (4) To verify the qualifications and independence of the external auditors;
- (5) To ensure that the Company complies with the Listing Rules;
- (6) To review the composition of the members and the terms of reference on an annual basis;
- (7) To execute and handle matters as authorized by the Board when necessary.

Article 10 The Committee is authorized by the Board to investigate any matters within its terms of reference and to obtain information as required from the Directors, senior management, employees, agents or consultants, all of whom shall cooperate as required by the Committee.

The Committee has unrestricted access to the executive Directors, senior management, other management members and employees, the external auditors and the internal auditors. The external and internal auditors have the authority to seek the opinions of the Committee without prior notice to the management, and the Committee also has the authority to seek the opinions of the external and internal auditors without prior notice to the management. If necessary, the Committee may invite external parties with relevant experience and expertise to attend the meetings of the Committee.

The Committee may obtain external professional opinions including legal and accounting advice and opinions or recommendations from other independent professionals at the Company's expense when necessary.

CHAPTER 4 SCOPE OF WORK

Article 11 External Auditors

- (1) To be primarily responsible for making recommendations to the Board on the appointment, renewal and removal of the external auditors, approving the remuneration and engagement terms of the external auditors, and handling any issues relating to the resignation or dismissal of the auditors;
- (2) To meet with the external auditors at least twice a year in the absence of management to hear and discuss any accounting, finance, financial reporting or internal control matters which the auditors may raise. The Committee shall report and make recommendations to the Board on actions or improvements to be taken;
- (3) To review and monitor the effectiveness of the audit procedures according to the applicable standards. The Committee shall discuss with the auditors the nature and scope of the audit, and related reporting responsibilities before commencement of any audit work;
- (4) To formulate and implement policies on the provision of non-audit services by external auditors, and to review the implementation of the policies on an annual basis; for the purpose of this provision, "external auditor(s)" includes any entity that is under the common control, ownership or management with the firm responsible for the audit, or any organization which a third party with reasonable knowledge of all the relevant information would reasonably consider to be part of the domestic or international operations of the firm responsible for the audit. The Committee shall report and make recommendations to the Board on any matters requiring action to be taken or improvement to be made;
- (5) To review the audit findings of the external auditors, to discuss with the external auditors any issues arising from the interim review and the audit of annual financial report, including any changes in accounting procedures, accounting standards or internal control systems identified during the audit, and to review any disagreements or disputes with the management (if any) and make recommendations to the Board;
- (6) To review the letters issued by the external auditors to the management, the recommendations made by the auditors to the management in respect of the accounting records, financial reporting or control systems, and the responses from the management; and
- (7) To ensure that the Board responds or handles the letters issued by the external auditors to the management in a timely manner.

Article 12 Independence of the External Auditors

- (1) To pre-approve the scope and related fees of audit or non-audit services provided by the external auditors;
- (2) To review on an annual basis all audit and non-audit services provided by the external auditors during the year to ensure that such services do not include any impermissible business and would not impair the independence of the external auditors;
- (3) To obtain a confirmation letter from the external auditors on their independence on an annual basis.

Article 13 Financial and Non-Financial Reporting

- (1) To monitor the completeness, fairness and accuracy of the financial statements, annual reports and accounts and interim reports of the Company. Before submitting such statements and reports to the Board, the Committee shall the following matters with special attention:
 - any changes in accounting policies and practices;
 - matters involving significant judgement;
 - material audit adjustments;
 - going concern assumptions and any qualifications;
 - compliance with accounting standards;
 - compliance with the Listing Rules and relevant laws and regulations in relation to financial reporting;
- (2) The Committee shall consider any significant or usual matters reflected or need to be reflected in the financial reports and accounts and give due consideration to any concerns raised by the accounting and financial personnel of the Company or the auditors;
- (3) To review the financial and accounting policies and practices of the Company and its subsidiaries;
- (4) To review the assurance on sustainability data in the sustainability report.

Article 14 Risk Management and Internal Control

- (1) To review the financial control, risk management and internal control systems of the Company;

- (2) To discuss with the management the risk management and internal control systems to ensure that the management has performed its duty to establish effective systems. The discussion shall include the adequacy of resources, staff qualifications and experience, trainings received by staff and related budgets in the accounting and financial reporting function of the Company;
- (3) To undertake, on its own initiative or as delegated by the Board, research into the significant findings in respect of risk management and internal control matters and the responses to the findings by the management;
- (4) To review the statements in respect of risk management and internal control systems of the Company in the annual report before submitting them to the Board for approval.

Article 15 Internal Audit

- (1) To approve the annual internal audit plan, including any adjustments to the plan during the year;
- (2) To ensure that there are adequate resources and an appropriate status for the internal audit function in the Company, to be briefed the report of the internal audit work at least twice a year and the issues raised by the internal auditors, the matters to be noted or notified by the Committee and the audit findings, and to review and monitor the effectiveness of the internal audit;
- (3) To ensure that the internal auditors and the external auditors communicate on a regular basis and ensure their co-ordination and cooperation.

Article 16 Reporting

- (1) To monitor the effectiveness of the whistle-blowing policy and related systems of the Company;
- (2) To ensure that employees and external parties may raise concerns about possible improprieties in financial reporting, internal control or other aspects, and to supervise the management to fairly investigate and follow up on reported matters; and
- (3) To ensure that the Company launches a fair and independent investigation into serious misconduct, and to urge the management to come up with an appropriate follow-up plan.

Article 17 General Matters

- (1) To report regularly to the Board on matters within the terms of reference of the Committee; and
- (2) To perform other tasks assigned by the Board.

CHAPTER 5 MEETINGS OF THE COMMITTEE

Article 18 The quorum of meeting of the Committee comprises at least two members. A meeting of the Committee shall be chaired by the chairman of the Committee and, in the absence of the chairman of the Committee, the members of the Committee may elect a member to be the chairman of the meeting to preside at the meeting. The Committee shall meet at least twice a year.

Article 19 The agenda for meetings of the Committee shall be proposed in the following manner:

- (1) Proposed by the Board or the chairman of the Board;
- (2) Proposed by the chairman of the Committee;
- (3) Proposed by more than half of the members of the Committee;
- (4) Matters raised and proposed at the last meeting of the Committee.

Article 20 Notices of Meetings

- (1) After the chairman of the Committee has determined the meeting agenda to be discussed, the office of the Board shall coordinate the preparation for the meeting agenda and proposals, and formulate relevant documents and other materials required for the meeting;
- (2) The office of the Board shall be responsible for delivering the written notice of meeting to all members of the Committee and relevant personnel invited to attend the meeting five working days before the meeting. The notice of the meeting shall include the manner, time, place, duration, agenda and relevant materials of the meeting.

Article 21 The Committee shall hold regular or non-regular meetings as required by its work. Meetings are generally held in the form of physical meetings. Under special circumstances, they may be conducted via video conferencing or teleconferencing. In cases of urgent matters where members of the Committee have access to sufficient information, the issues may also be reviewed through the form of separate deliberations on written materials.

Article 22 Members of the Committee shall attend such meetings in person. If unable to attend due to unavoidable reasons, they may entrust other members of the Committee to express their opinions on their behalf.

Members who are unable to attend a meeting in person may express their opinions in written form. Written opinions shall be submitted to the office of the Board before the meeting.

Article 23 A member of the Committee who fails to attend two consecutive meetings of the Committee, entrust other members of the Committee to express their opinion and submit written opinions before the meeting, or fails to attend three-fourths of the total number of meetings of the Committee in person within one year shall be deemed to be unable to perform his/her duties as a member of the Committee, and the Board may adjust the membership of the Committee under the Rules.

The Committee shall convene meetings and arrange relevant leaders, heads of functional departments, senior management personnel and experts of subordinate enterprises to explain relevant resolutions, accept enquiries or provide consulting opinions as needed for the work.

Article 24 Meeting Procedures

The chairman shall announce the agenda of the meeting at the beginning to ensure that the participating members fully express their opinions and manage the meeting proceedings to enhance the discussion efficiency. Members participating in the meeting shall thoroughly study the proposal materials before the meeting. The statements made at the meeting shall be clear, specific and pertinent. Members of the Committee shall express their opinions clearly, independently and fully based on their own judgment. The Committee shall fully discuss each matter under consideration and form its deliberation opinions to be reported to the Board. If the Committee fails to reach a consensus, each differing opinion should be explained individually.

Article 25 The Committee shall report to the Board on a regular basis. At the next meeting of the Board following the meeting of the Committee, the chairman of the Committee shall report the deliberation results and recommendations of the Committee to the Board. Minutes of the meetings of the Committee shall be circulated to the Directors for review.

Article 26 Where any member of the Committee has interests in the matters to be discussed, such member shall declare his/her interests and absent himself/herself from discussion.

Article 27 Members present at the meeting and persons attending the meeting are obliged to keep the matters discussed at the meeting in strict confidentiality and shall not disclose relevant information without authorization.

CHAPTER 6 DOCUMENTS OF MEETINGS

Article 28 The documents of meetings of the Committee shall include meeting notices, meeting summaries, meeting minutes, written opinions and specific opinions. The documents of the meetings shall be numbered according to the year and the time of the meeting.

Article 29 Minutes of Meetings

Minutes of meetings shall be prepared for the meetings of the Committee, and the minutes of meetings shall include the following matters:

- (1) The method, time and place of the meeting and the name of the chairman of the meeting;

- (2) The names of the members present at the meeting;
- (3) The names and positions of the attendees;
- (4) Topics and agenda of the meeting;
- (5) The main points of the speeches of the participants;
- (6) Other matters to be recorded;
- (7) The name of the person making the record.

The office of the Board may prepare summaries of the meetings based on minutes of the meetings. Minutes of the meetings shall include the time, place, chairman, topics, agenda, attendees and outcomes of the meetings. It shall be confirmed by all Directors present and signed by the chairman of the meeting.

Article 30 Meeting notices, meeting materials, audio recordings, written opinions and signed minutes of the meetings of the Committee are the archives of the Company. The archives shall be kept by the office of the Board, and are regularly archived and transferred in a timely manner in accordance with the relevant regulations of the Company.

CHAPTER 7 WORK SUPPORT AND SERVICES

Article 31 The office of the Board shall be responsible for the organization and preparation of the meetings of the Committee, proposal organization, meeting notices, logistic support and other related meeting affairs.

CHAPTER 8 SUPPLEMENTARY PROVISIONS

Article 32 Matters not covered by the Rules shall be implemented in accordance with the relevant provisions of relevant national laws and regulations, the Listing Rules, the Companies Ordinance, the Articles of Association of the Company, the terms of reference of the Committee and the rules of procedure for the meetings of the Board.

Article 33 In the Rules, the terms “above”, “exceed” and “over” in the Rules shall include the specified number itself while the terms “below”, “within”, “lower than” and “less than” shall not include the specified number itself.

Article 34 The Rules shall replace the Terms of Reference of the Audit and Risk Committee of CRP and come into effect after being considered and approved by the Board, and the Board shall be responsible for the interpretation and revision of the Rules.