

HUADIAN POWER INTERNATIONAL CORPORATION LIMITED

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE UNDER THE BOARD

(Approved by the 29th Meeting of the Tenth Session of the Board of Directors on 18 November 2025)

Chapter 1 General Provisions

Article 1 In order to improve the decision-making procedures of the board of directors (the “Board”) of Huadian Power International Corporation Limited (the “Company”), strengthen effective supervision of the management by the Board and improve the corporate governance structure, the Company hereby establishes the audit committee of the Board (the “Audit Committee”) in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Standards for Corporate Governance of Listed Companies, the Articles of Association of Huadian Power International Corporation Limited (the “Articles of Association”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange Listing Rules”) and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (collectively referred to as the “Listing Rules of the Listing Places”) and other relevant regulations.

Article 2 The Audit Committee shall exercise the functions and powers of the supervisory committee stipulated in the Company Law. The Audit Committee is mainly responsible for implementing the Board's principles on financial reporting and internal control and risk management, as well as the communication between

internal and external audits of the Company, supervision and review of them, and for ensuring that the Company establishes and maintains an appropriate and effective risk management and internal control system. It also conducts studies on other relevant professional matters of the Company and makes recommendations and proposals aiming to be the reference for the Board during the decision-making procedure. The terms of reference of the Audit Committee should be adjusted to the changes of the requirements in the supervision regulations of the place where the Company's shares are listed.

Chapter 2 Constitution

- Article 3** The Audit Committee shall comprise three to seven non-executive directors who do not serve as senior management members of the Company, the independent non-executive directors ("INEDs") shall constitute the majority, and at least one INED with accounting expertise shall serve as the convener (in compliance with relevant requirements of the Listing Rules of the Listing Places).
- Article 4** Members of the Audit Committee shall be nominated by the Chairman of the Board, not less than one half of the independent directors or one third of all directors and shall be appointed by the Board. The members of the Audit Committee shall have the professional knowledge, work experience and good professional conduct to perform the duties of the Audit Committee. In addition to guaranteeing sufficient time and energy to perform the work duties of the Committee, they shall act diligently and conscientiously, effectively supervise and evaluate the internal and external audit of the Company, and facilitate the Company's establishment of effective internal control and the provision of true, accurate and complete financial reports.
- Article 5** The Audit Committee shall have one chairman, who should be elected from independent directors of the committee, to take charge of the committee's work, and shall be an accounting professional.
- Article 6** Members of the Audit Committee shall have the same term of office as that of directors, and are eligible for re-election and reappointment upon expiry of their

term of office, provided that the continuous term of service for independent directors shall not exceed six years. If during the term, any member no longer serves as a director of the Company, he or she shall automatically lose the membership, and a replacement shall be appointed by the Board pursuant to Articles 3 to 5 above, provided that the term of office of the replacement member shall be the same as that of the replaced member.

If the resignation of a member of the Audit Committee results in the number of the members of the Audit Committee being lower than the statutory minimum number, or if there is a lack of an accounting professional to serve as the convener, the original director shall continue to perform the duties of director and committee member in accordance with applicable laws, administrative regulations, the Listing Rules of the Listing Places and the Articles of Association and these Rules before the newly elected director takes office.

If the proportion of independent directors in the Audit Committee falls below the requirements of laws, regulations, the Listing Rules of the Listing Places, the Articles of Association, or these Rules, or if there is a lack of an accounting professional among the independent directors due to the resignation of an independent director, the resignation report of such independent director shall take effect only after a new independent director fills the vacancy, and in such case the resigning independent director shall continue to perform his/her duties until the date on which a new independent director is appointed. The Company shall complete the election of a new independent director within sixty days from the date the independent director tenders his/her resignation.

Article 7 A former partner of the existing external audit institution responsible for auditing the Company's accounts shall not be a member of the Audit Committee within two years from (1) the date on which the person ceased to be a partner of the said company; or (2) the date on which the person ceased to have any financial interest in the said audit institution, whichever is later.

Chapter 3 Terms of Reference

Article 8 The Audit Committee's primary terms of reference should include:

(1) to supervise the appointment of the external audit institution, and perform the following duties:

i. to formulate policies, procedures, and related internal control systems for the selection and appointment of an external audit institution in accordance with the authorization of the Board;

ii. to propose the commencement of the selection and engagement of the external audit institution;

iii. to review the selection and appointment documents, determine the evaluation factors and specific scoring standards, and supervise the selection and appointment process;

iv. to review and decide the external audit institution to be appointed, make recommendations on the audit fees, and submit the proposal to the Board for resolution;

v. to be responsible for other matters related to the selection and dismissal of the external audit institution as stipulated by laws, regulations, the Articles of Association, the Listing Rules of the Listing Places and the authorisation of the Board;

The Audit Committee shall submit recommendations to the Board on the appointment or replacement of the external audit institution, and review the audit fees and terms of engagement of the external audit institution, which shall not be subject to undue influence from the major shareholders, de facto controller, or directors and senior management of the Company.

(2) to review, monitor and assess the external auditor's independence and objectivity as well as the effectiveness of the audit process, and to discuss with the auditor over the nature and scope of the audit and relevant reporting obligations before the audit commences; to urge the external audit institution to act in an honest, trustworthy, diligent and conscientious manner, who shall strictly abide

by business rules and industry self-discipline standards, strictly implement the internal control system, inspect and verify the financial and accounting reports of the Company, and perform the duty of special attention, before expressing professional opinions prudently. The Audit Committee shall regularly (at least annually) submit an evaluation report on the performance of the engaged external audit institution and a report on the Audit Committee's supervision of the external audit institution to the Board;

(3) to formulate and implement policies on engaging an external auditor to supply non-audit services, report to the Board making recommendations on any actions or matters for improvement as it deemed necessary, as well as the steps to be taken;

(4) to act as the key representative body for the communication between the Company and the external auditor, and overseeing their relationships;

(5) to examine, monitor and supervise integrity of the Company's financial statements and regular reports, then express opinions on them, and to review any significant financial reporting judgements contained in them, to consider any significant or unusual matters that are, or may need to be, reflected in such reports and accounts, and to give due consideration to any matters that have been raised by the Company's qualified accountants, auditors, and heads of the supervision institution, and to review the major judgements and decisions on financial reporting in such statements and reports.

Committee members should liaise with the Board of Directors and senior management regarding this work. The committee shall meet at least twice a year with the Company's auditors; the Committee shall consider any material or unusual matters that are or need to be reflected in such reports and accounts, and shall make due reference to any matter raised by the Company's subordinate accounting and financial reporting personnel, audit supervisor or the auditor; in implementing the provision in this subparagraph, members of the Audit Committee must liaise with the board of directors, senior management and qualified accountants.

In reviewing these reports and statements before submission to the Board, together with the Company's management and chief of the internal Audit Department, the Audit Committee should focus particularly on:

- i. the integrity, authenticity and accuracy of the Company's statements and reports, focusing on major accounting and auditing issues in the Company's financial and accounting reports, with particular attention to whether there is a possibility of fraud, malpractice and material misstatement related to the financial and accounting reports;
 - ii. any changes in accounting policies and practices;
 - iii. any area where major judgments are needed;
 - iv. significant adjustments resulting from audit;
 - v. the going concern assumptions and any qualifications;
 - vi. compliance with accounting standards;
 - vii. compliance with the requirements in relation to financial reporting specified in Article 1 of these Rules and other legal regulations;
- (6) to review the Company's financial controls, internal control and risk management systems; and to be involved in formulating, reviewing and monitoring the code of conduct and internal control manual applicable to directors and other employees;
- (7) to be responsible for the communication between internal and external auditors and to ensure coordination between their audit work; to ensure that the internal audit function is adequately resourced and has appropriate standing and authority within the Company; to review and monitor the effectiveness of the internal audit function;
- (8) to be involved in the appraisal of the head of internal audit; to guide and supervise the formulation and implementation of the internal audit system; to consider the Company's annual work plan on internal audit, supervise the implementation of the Company's internal audit plan, listen to the work report on

inspection and supervision of internal control, prepare and report to the Board for consideration the draft of self-evaluation report on internal control, review the annual work report of the internal auditor, give internal auditors instructions to work in an efficient way, and coordinate the relationship between internal audit department and external audit institutions, national audit agencies and other external audit units; to listen to the reports of accounting firms on the Company's annual audit, special audits and management proposals; to report to the Board on the progress and quality of internal audit and significant issues or leads identified; to ensure that the internal audit function has adequate resources to operate within the Company and has appropriate standing;

(9) to supervise and instruct the internal audit department to review the following matters at least once every six months and submit review reports to the Committee. If the review finds that the Company has violated laws or regulations or operated improperly, it shall report to the regulatory authorities in a timely manner:

- i. the Company's implementation of significant events in relation to the use of raised funds, provision of guarantees, related transactions, securities investment and derivative transactions, provision of financial assistance, purchase or disposal of assets and external investment;
- ii. large-value transactions of the Company and the transactions with directors, senior management members, controlling shareholders and de facto controller and their respective associates;

Where the Audit Committee finds clues of financial malpractice or abnormal operation, or takes note of material negative public opinions or major doubts raised by media concerning the Company, or receives explicit complaints and reports during its routine performance of duties, it may require the Company to conduct self-inspection, require the internal audit department to conduct an investigation, and may, if necessary, appoint a third-party intermediary to assist in the work, with the expenses borne by the Company.

(10) to review and monitor the effective operation of the Company's internal

control rules and risk management systems on an ongoing basis according to the internal audit report and relevant information submitted by the internal auditor department, listen to the report on development of the corporate internal control and risk management mechanism and system, issue written assessment opinions on the effectiveness of the Company's internal control and report it to the Board; to discuss the internal control and risk management system with the management and to ensure that the management has established an effective system, as well as to ensure the adequacy of resources, staff qualifications and experience, training programmes and relevant budget of the Company's accounting, internal audit and financial reporting function; to monitor effective implementation and self-evaluation of internal control, and coordinate internal control audits and other related matters;

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

(12) to ensure employees of the Company have appropriate channels, in confidence, to blow the whistle on or raise concerns about possible improprieties in financial reporting, internal control or other matters, and review relevant arrangements from time to time, so that the Company can conduct fair and independent investigation into such matters and take appropriate follow-up actions;

(13) to ensure the establishment of a whistle-blowing policy and system of the Company which enables employees and others who deal with the Company (such as customers and suppliers) can anonymously report or challenge any possible improprieties in any matters related to the Company in confidence;

(14) Where the Company has material internal control defects, or is identified as having issues such as financial fraud, misappropriation of capital, or illegal guarantees, the Audit Committee shall urge the Company to carry out effective follow-up rectification, internal accountability and related work, urge the Company to formulate rectification plans and measures and complete rectification within a time limit, and establish, improve, and strictly implement an internal

accountability system;

(15) to review the financial and accounting policies and practices of the Company and its subsidiaries;

(16) to evaluate the Company's existing or potential risks and make recommendations on improvement of the Company's risk management;

(17) to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or monitoring systems and management's responses;

(18) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements; to formulate, examine and supervise the code of conduct and the compliance manual which set out the work ethics and code of behaviours applicable to all directors, senior management members and employees of the Company and to amend such documents from time to time according to actual conditions, ensuring that the Company's operation and management practices are in compliance with laws and regulations and codes of ethics and conduct;

(19) to ensure that the Board provides a timely response to the issues raised in the external auditor's management letter;

(20) to formulate and examine the corporate governance policies and practices of the Company; to review the Company's compliance with the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Stock Exchange Listing Rules and the corporate governance report and make recommendations to the Board in respect thereof;

(21) to confirm the related/connected parties of the Company, and report to the Board, and inform relevant staff members of the Company of such related/connected parties in a timely manner;

(22) to conduct preliminary review of the related/connected transactions which should be approved by the Board, to submit to the Board for consideration, and to approve or accept the filings of connected/related transactions within the

authorization of the Board;

(23) other powers as conferred by or other matters assigned by the Board, and to consider other topics as defined by the Board. In addition, at the invitation of the Chairman of the Board, the chairman of the Audit Committee or in his/her absence, another member or a proxy authorized by the chairman of the Audit Committee, shall respond to shareholders' questions at the Company's annual general meeting;

(24) to report to the Board on the decisions or recommendations made by the committee, unless there are legal or regulatory restrictions on their ability to do so;

(25) to exercise the primary functions and powers of the supervisory committee stipulated in the Company Law:

- i. to examine the Company's financials;
- ii. to supervise the performance of duties by directors and senior management;
- iii. to require directors and senior management to rectify their actions when such actions harm the interests of the Company;
- iv. to propose convening an extraordinary meeting of the Board;
- v. to propose convening an extraordinary general meeting, and to convene and preside over the general meeting if the Board fails to perform its legal duties in convening and presiding over the general meeting;
- vi. to submit proposals at the general meeting;
- vii. to accept a shareholder's request to initiate litigation against directors (other than the members of the Audit Committee) or senior management who violate laws, administrative regulations or the Articles of Association when performing corporate duties, causing losses to the Company;

(26) other relevant requirements on the terms of reference for the Audit Committee (as amended from time to time) under the Listing Rules of the Listing Places where the Company's shares are listed;

(27) other matters as required by the Board of the Company;

(28) other powers stipulated by laws, regulations, securities regulatory provisions of the place where the Company's shares are listed, and the Articles of Association.

Article 9 The following matters shall be submitted to the Board for consideration after obtaining the consent of more than half of all members of the Audit Committee:

(1) disclosure of financial information in financial and accounting reports and periodic reports, and internal control evaluation reports;

(2) engagement or dismissal of the accounting firm undertaking the audit business of the listed company;

(3) appointment or dismissal of the chief financial officer of the listed company;

(4) making changes to accounting policies, accounting estimates, or correcting material accounting errors for reasons other than changes in accounting standards;

(5) other matters stipulated by laws, administrative regulations, securities regulatory provisions of the place where the Company's shares are listed, and the Articles of Association.

The review opinions adopted by the meetings of the Audit Committee shall be submitted to the Board of the Company in written form. If the Board does not adopt the review opinions proposed by the Audit Committee on matters within its scope of duties, the Company shall disclose the matter and fully explain the reasons.

Article 10 The Audit Committee shall inspect the finances of the Company in accordance with the law, supervise the legality and compliance of the performance of duties by directors and senior management, and may require directors and senior management to submit reports on the performance of their duties.

If the Audit Committee finds that a director or senior management has violated laws, regulations, securities regulatory provisions of the place where the

Company's shares are listed, or the Articles of Association, it shall inform the Board or report to the general meeting, and disclose the matter in a timely manner, and may also report directly to the regulatory body.

In the process of performing its supervisory duties, the Audit Committee may propose the removal of directors or senior management who violate laws, regulations, securities regulatory provisions of the place where the Company's shares are listed, the Articles of Association, or resolutions of the general meeting.

Article 11 The Audit Committee shall deliver a work report for the preceding year to the Board at the first regular Board meeting of the Company for the year. The Company shall disclose the annual performance of the Audit Committee simultaneously with the disclosure of the annual report, which shall primarily include the situation of its performance of duties and exercise of powers, and the convening of the Audit Committee meetings.

Chapter 4 Rules of Procedure

Article 12 The Audit Committee set up its working body at the Internal Audit Department, whose main responsibility is to make preliminary preparation and provide all materials for decision making by the Audit Committee, and be responsible for preparing the notices of the meetings of the Audit Committee.

Article 13 Meetings of the Audit Committee comprise regular and extraordinary meetings. Regular meetings shall be held at least once every quarter, whereas extraordinary meetings may be held when proposed by two or more members of the Audit Committee or deemed necessary by the chairman of the committee. An independent director member who, during the performance of duties, pays attention to a significant matter of the Company falling within the scope of duties of the Audit Committee, may promptly request the Audit Committee to discuss and consider the matter in accordance with the procedures. The chairman of the committee shall notify all the members and relevant persons invited to attend the meeting as observers in writing seven days prior to convening of such meeting, upon receipt of the notice of meeting of the Audit Committee delivered by the

Internal Audit Department; however with unanimous agreement of all the members, the aforesaid notice period may be waived. Meetings of the Audit Committee shall be convened and presided over by the chairman of the committee, or by an independent director member elected by more than half of the members of the Audit Committee if the chairman of the committee is unable or refuses to perform his/her duties.

Article 14 The holding of a meeting of the Audit Committee shall be subject to the attendance of not less than two-thirds of all the members of the committee. Each member has one vote with voting right; resolutions made by the meeting shall be subject to approval by over half of all the members of the committee.

If a member of the Audit Committee attends and votes at a meeting of the Audit Committee despite being required to cease performing duties but failing to do so, or being subject to dismissal but not yet dismissed, as stipulated by the regulatory rules of the place where the Company's shares are listed, his/her vote shall be invalid and shall not be counted towards the quorum.

A member of the Audit Committee shall recuse himself or herself from the meeting if there is a conflict of interest with the matter under discussion. If effective review opinions cannot be formed due to such recusal, the relevant matter shall be submitted to the Board for consideration.

Article 15 Meetings of the Audit Committee shall in principle be held in the form of in-person meetings. Where necessary, video, teleconference, or other means may be adopted, provided that all attending members are able to fully communicate and express their opinions.

Members of the Audit Committee shall attend the meetings of the Audit Committee in person and express clear opinions on the matters under consideration. A member who is unable to attend the meeting in person due to unavoidable circumstances shall review the meeting materials in advance, form a clear opinion, record this opinion in the proxy form, and authorize another member to attend on his/her behalf in writing. Each member of the Audit Committee may accept authorization from at most one other member, and the proxy form must

clearly specify the scope and term of the authorization. If an independent director member is unable to attend the meeting due to unavoidable circumstances, he/she shall authorize another independent director member of the Audit Committee to attend on his/her behalf. The proxy form shall be submitted no later than prior to the vote at the meeting.

Article 16 The Audit Committee may invite directors and senior management of the Company to attend its meetings as observers, when necessary.

The Audit Committee may require representatives of the external audit institution, internal audit staff, financial personnel, legal counsel, and other relevant personnel to attend the meetings of the Audit Committee as observers and provide necessary information, when deemed necessary.

Article 17 The Company shall provide necessary working conditions and sufficient resources to support the Audit Committee, and assign dedicated personnel or departments to undertake the routine work of the Audit Committee, such as work liaison, meeting organization, materials preparation, and archive management. The management and relevant departments of the Company shall cooperate with the Audit Committee on its duties. Directors and senior management shall truthfully provide relevant information and materials to the Audit Committee, without hindering the Audit Committee from exercising its powers, and shall ensure that the Audit Committee performs its duties without interference. If necessary, the Audit Committee may appoint intermediaries to provide professional advice for its decision-making, with the resulting reasonable expenses payable by the Company.

Article 18 The convening procedure and voting method of meetings of the Audit Committee and the resolutions passed thereat shall comply with the relevant laws, regulations, the Listing Rules of the Listing Places, the Articles of Association and these Rules.

Article 19 Meeting resolutions and minutes shall be prepared for the meetings of the Audit Committee in accordance with regulations. The meeting resolutions and minutes shall be true, accurate, and complete, and fully reflect the opinions expressed by

the attendees on the matters under consideration. Members of the Committee attending the meetings shall sign the meeting resolutions and minutes. The meeting minutes and resolutions, proxy forms, and other relevant meeting materials shall be kept by the secretary of the Board permanently.

Article 20 Resolutions passed by and voting results of the meeting of the Audit Committee shall be reported to the Board in written form.

Article 21 Members attending such meetings shall have an obligation to keep all matters discussed thereat confidential, and shall not disclose the relevant information without permission.

Chapter 5 Supplementary Provisions

Article 22 These Rules are formulated by the Board of the Company and shall take effect subject to the approval of the Board by way of ordinary resolution. The original Rules approved at the 29th meeting of the Ninth Session of the Board on 26 August 2022 will be abolished at the same time.

Article 23 Matters not covered in these Rules shall be dealt with in accordance with relevant state laws and regulations, departmental rules, regulatory documents, the Listing Rules of the Listing Places and the Articles of Association (as amended from time to time in the future). In the event that these Rules are in conflict with any state laws and regulations, departmental rules, regulatory documents, the Listing Rules of the Listing Places (as amended from time to time in the future) and the Articles of Association (as amended pursuant to legal procedures), such laws and regulations, departmental rules, regulatory documents, the Listing Rules of the Listing Places and the Articles of Association shall prevail, and corresponding amendments to these Rules shall be made forthwith and submitted to the Board for consideration and approval.

Article 24 The rights to amend and interpret these Rules shall belong to the Board of the Company.

Article 25 In accordance with the requirements of the Listing Rules of the Listing Places, these Rules shall be made available on the websites of the Company and of the

stock exchanges on which the Company's securities are listed.