Tianjin Tianbao Energy Co., Ltd.*
天津天保能源股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1671)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

(Adopted by the Board on March 28, 2018 and revised upon consideration at the 30th meeting of the third session of the Board of the Company with effect from September 22, 2025)

CHAPTER 1 GENERAL PROVISIONS

Clause 1 To enhance the decision-making of the board of directors (the "**Board**") of Tianjin Tianbao Energy Co., Ltd.* (hereinafter referred to as the "**Company**") and the internal control system of the Company, ensure the Board's effective supervision over the management and continually enhance the Company's corporate governance, in accordance with laws, regulations and regulatory documents including the Company Law of the People's Republic of China (hereinafter referred to as the "**Company Law**"), the Articles of Association of Tianjin Tianbao Energy Co., Ltd. (hereinafter referred to as the "**Articles**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Listing Rules**"), A Guide for Effective Audit Committee by the Hong Kong Institute of Certified Public Accountants and other applicable laws, rules and relevant regulations of the Hong Kong Special Administration Region of the People's Republic of China, the Company has established the audit committee of the Board (the "**Audit Committee**") and formulated the Terms of Reference of the Audit Committee of Tianjin Tianbao Energy Co., Ltd. (hereinafter referred to as the "**Terms of Reference**") taking into account the actual situations of the Company.

Clause 2 The Audit Committee is a specific working body established by the Board. Its It exercises the powers of the board of supervisors as stipulated by the Company Law and is responsible for communicating between the Company and external audit firms, supervising and reviewing external audit, monitoring internal audit, assessing and enhancing the internal control system and risk management system of the Company, and assessing risks in respect of, among others, significant investments of the Company which are in progress.

CHAPTER 2 COMPOSITION OF AUDIT COMMITTEE

Clause 3 The Audit Committee shall comprise three members whom are directors who do not serve as senior management personnel of the Company. All members of the Audit Committee shall be non-executive directors and the majority of the members of the Audit Committee shall be independent non-executive directors.

The Audit Committee shall comprise at least one independent non-executive director of the Company who has appropriate professional qualifications or accounting or related financial management expertise as required under the Listing Rules.

A former partner of the external audit firm currently responsible for auditing the Company's accounts shall be prohibited from serving as a member of the Audit Committee before two years have lapsed since the date on which he ceases to be a partner of the audit firm or to have any financial interest in the external audit firm, whichever is later.

Clause 4 Members of the Audit Committee shall be nominated by the Chairman of the Board or the nomination committee of the Board, and shall be elected by more than half of the total number of directors of the Board. After the proposal of electing members of the Audit Committee has been approved, the new members shall take offices immediately after the meeting of the Board.

Clause 5 The Audit Committee shall have a chairman, who shall be an independent non-executive director of the Company. The chairman of the Audit Committee shall be appointed by the Board and shall oversee the operation of the Audit Committee. Where the chairman of the Audit Committee is unable to or fails to discharge his/her duty, an independent non-executive director elected by at least half of the members of the Audit Committee shall act in his/her duties.

Clause 6 The term of office of the Audit Committee shall be in line with the Board members. The members of the Audit Committee may serve consecutive terms if re-elected upon the expiry of the current term of office. During his/her term of office, if any committee member ceases to be a director or any committee member as an independent non-executive Director loses his/her independence as required under the Articles and the Listing Rules, he/she will automatically be disqualified and cease to be a member of the Audit Committee. A member of the Audit Committee may resign prior to the expiry of his/her term of office by submitting a written resignation report to the Board, which shall include the reason(s) for such resignation and if necessary, the matters that should be brought to the attention of the Board. If a member of the Audit Committee is disqualified to act or his/her resignation has been accepted, the Board shall fill in the vacancy by appointing a successor member in accordance with relevant laws, regulations and regulatory documents and Clauses 3 to 5 above.

CHAPTER 3 DUTIES AND AUTHORITIES

Clause 7 The Audit Committee shall have the following duties and responsibilities:

(1) to review annually the performance of the external audit firm, submit a summary of the audit work conducted by the external audit firm during the year to the Board, and make proposals to the Board in respect of the appointment, re-appointment or dismissal of the external audit firm as well as the remuneration for auditing service, terms of engagement etc., and deal with matters related to the resignation or dismissal of the external audit firm;

(2) to act as the Company's representative in liaising with the external audit bodies, communicate between the Company's internal audit department and external audit firm, including evaluation and examination of the independence and objectivity of the independent auditors and the effectiveness of the auditing procedures in accordance with applicable standards, and, before the commencement of any audit work, discuss with the external audit firm about the nature, scope, method of audit and the reporting obligations, and discuss with it to fix the timing of auditing the financial report of the year, as well as oversee the external audit firm's timely submission of audit report within the predetermined timelines and so forth;

(3) to, on an as-needed basis, formulate and implement policy on the provision of non-audit services by the external audit firm. The Audit Committee shall identify any matters in respect of which it considers that actions or improvements are needed, report them to the Board and make recommendations on possible steps to be taken;

For the purpose of this provision, "external audit firm" includes any entity that is under common control, ownership or management with the external audit firm engaged by the Company or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the external audit firm, domestically or internationally;

(4) to monitor completeness, accuracy and fairness of the quarterly (if any), interim and annual financial statements of the Company to be submitted to the Board and review significant financial reporting opinions contained in them. Prior to submitting the relevant statements and reports to the Board, the Audit Committee shall focus particularly on the followings: any changes in accounting policies and estimates during the reporting period; any issue involving significant judgment; such significant adjustments, if any, to be made as shall be requested by the independent auditor upon completion of audit; the assumptions and any qualifications of the Company's continued operation; whether the accounting treatments are in compliance with accounting standards and provisions relating to financial reporting under the Company Law, the Listing Rules and other applicable laws and regulations;

Regarding the above items that shall draw particular focus in the reviewing process, members of the Audit Committee shall communicate with the Board, senior management members and internal and external auditors in a timely manner. Members of the Audit Committee shall meet with the independent auditor at least twice a year. They shall consider material or irregular matters reflected or required to be reflected in such reports and accounts, and shall give due consideration to matters raised by the Company's accounting and finance department, compliance department or auditor;

(5) to discuss the questions raised by the independent auditor upon its completion of reviewing the interim accounts and of auditing the annual accounts of the Company;

(6) to examine the financial policies, financial control, internal audit system, risk management system and internal control system of the Company and provide opinions and recommendations for improvements, and also:

1. to examine the Company's financial control, accounting policies and practices;

2. to monitor the process of compiling the regular financial reports (quarterly reports (if any), interim financial reports and annual financial reports), and examine the relevant information including the regular financial reports and financial results announcements;

3. to discuss with the management and assess the effectiveness of the risk management system and internal control system to ensure that management has performed its duty to have effective system. Discussions shall include the adequacy of resources, staff qualifications and experience, training program and budget of the Company's accounting and financial reporting function;

4. on its own initiative or as delegated by the Board, to consider major investigation findings on risk management and internal control matters and the measures adopted by the management in response to these findings;

5. to ensure co-ordination between the audit department of the Company and the external audit firm, and to ensure that the internal audit department is adequately resourced and has appropriate authorities and standing within the Company, and to review and monitor its effectiveness;

6. to review the independent auditor's letter of examination or proposals to management, any material queries raised by the independent auditor about accounting records, financial accounts or systems of control, and management's response;

7. to ensure the Board's timely provision of response to the issues raised in the independent auditor's letter of examination or proposals to management;

8. to supervise the work of the related internal audit department of the Company, and provide opinions and recommendations on the appraisal and change of the person(s) in charge of the related internal audit department;

9. to monitor against any possible improprieties in financial reporting, internal control or other matters; and

10. to report matters related to the above to the Board and consider such other matters as arranged by the Board;

(7) to establish relevant procedures and ensure the impartial and independent investigation and resolution of the following matters:

1. to receive and handle complaints about the Company's accounting, internal control or auditing and ensure their confidentiality;

2. to receive and handle the complaints or anonymous whistleblowing by employees concerning the irregularities in the Company's accounting, auditing, internal control or any possible improprieties in other aspects, and ensure its confidentiality;

3. to receive and handle the complaints or anonymous whistleblowing by customers and suppliers concerning the irregularities in the Company's accounting, auditing, internal control or any possible improprieties in other aspects, and ensure its confidentiality.

(8) to complete other tasks assigned by the Board; and

(9) to discharge other duties imposed by regulatory bodies including the Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong;

The senior management members and relevant departments of the Company shall be cooperative and supportive to the Audit Committee and shall take the initiatives in providing relevant information. The finance department shall regularly and faithfully provide financial and accounting information including financial reports and capital operation reports to the Audit Committee. It shall report, on a timely manner, significant business operating activities, cooperate with the Audit Committee in its work, and listen to the recommendations provided and requests made by the Audit Committee.

Clause 8 The Audit Committee is accountable to the Board. Its proposals shall be submitted to the Board regularly for the Board's consideration and decision.

CHAPTER 4 WORKING PROCEDURES

Clause 9 The audit department, which is in charge of related internal audit of the Company, is under the direct supervision of the Audit Committee and is the day-to-day working body of the Audit Committee.

Clause 10 The related audit department is in charge of the preliminary preparation for the decision-making of the Audit Committee. It shall provide the following written materials of the Company:

(1) relevant financial reports of the Company;

(2) work reports of the internal and external auditors, respectively;

(3) external audit contracts and related work reports;

(4) disclosure of information to the public by the Company;

(5) audit report on significant connected transactions;

(6) financial and statutory data related to significant investments; and

(7) other relevant data.

The Audit Committee performs the primary duties under Clause 7 based on the data provided by its day-to-day working body.

Clause 11 Working procedures of the Audit Committee are as follows:

(1) During its meetings, the Audit Committee discusses the work plans for internal audit, listens to the work report made by the Company's finance and audit department(s), comment on the reports submitted by the related internal audit department, review the Company's quarterly reports (if any), interim reports and annual financial reports. The Audit Committee may reach its decisions on the basis of the expert opinions expressed by professional firms, and shall submit matters to the Board for its consideration and decision.

(2) The Audit Committee shall comply with the following working rules and procedures in the preparation of annual financial reports and disclosures of the Company:

    1. to discuss with the independent auditor which is responsible for auditing the financial report of that year (hereinafter referred to as the "**Annual Audit CPA**"), in a timely manner after the end of that financial year, to determine the timing for conducting audit in respect of that financial year;

2. to procure the submission by the Annual Audit CPA of its audit report within the predetermined time frame;

3. to review the financial statements prepared by the Company before the Annual Audit CPA commences its work;

4. to review the financial statements of the Company after the Annual Audit CPA has issued its preliminary audit opinion;

5. to convene meetings of the Audit Committee to review the financial report, make proposals concerning the re-appointment or replacement of the Annual Audit CPA for the forthcoming year, and conclude the performance of the Annual Audit CPA firm for the current year and to compile a report thereon.

The above matters shall be adopted as resolutions and then be submitted to the Board for review.

CHAPTER 5 RULES OF PROCEDURES

Clause 12 The Audit Committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal controls. The following matters shall be submitted to the Board for review after being approved by a majority of all members of the Audit Committee.

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

(2) Employment or removal of accounting firm that provides audit services to the listed company;

(3) Employment or removal of the chief financial officer of the listed company;

(4) Changes in accounting policies, accounting estimates, or corrections of significant accounting errors due to reasons other than changes in accounting standards;

(5) Other matters stipulated by laws, administrative regulations, the CSRC regulations, and the Articles of Association.

Clause 13 Meetings of the Audit Committee include regular meetings and extraordinary meetings.

The regular meeting of the Audit Committee shall be held at least two regular meetings in a year and held prior to the regular board meeting to be held before the annual shareholders' meeting of the Company to discuss the opinions and suggestions to be submitted to the Board.

The chairman of the Audit Committee may convene extraordinary meetings of the Audit Committee on his/her own initiatives or at the request of the independent accountant or internal auditor. An extraordinary meeting of the Audit Committee may also be convened by the proposal of at least half of the number of members of the Audit Committee or the recommendation of the Chairman of the Board.

Clause 14 A meeting of the Audit Committee shall be convened by the chairman of the Audit Committee and a notice of the meeting shall be issued. The notice of the meeting and the meeting materials shall be communicated to all members three days before the meeting. In case of unanimous consent of all members, the foregoing requirement of notification period may be waived.

Clause 15 A meeting of the Audit Committee shall be presided over by the chairman of the Audit Committee, in whose absence another independent non-executive director under the authorization of the chairman of the Audit Committee may preside over the meeting in his/her stead. The notice of the convening of the extraordinary board meeting need not be subject to the above provision.

Clause 16 The quorum for meetings of the Audit Committee shall be at least two thirds of the total members of the Audit Committee. If a member is unable to attend a meeting, he/she may by a written power of attorney appoint another member to attend and vote at the meeting on his/her behalf. The power of attorney shall set out the name of the proxy, the subject and scope of authorization and the period of the validity of the power of attorney, and shall be signed or officially sealed by the principal. The latest time for submitting the power of attorney to the chairman of the meeting shall be prior to voting at the meeting.

Resolutions at a meeting shall be passed by the affirmative votes of more than half of the members of the Audit Committee. The respective resolution or opinion shall be signed by members who attend such meeting of the Audit Committee. Each member of the Audit Committee shall have one vote. A member of the Audit Committee may vote "for", "against" or "abstain" from voting on a given matter. Where the respective votes for and against a resolution are equal in number, the chairman of the Audit Committee shall have a casting vote.

Clause 17 Meetings of the Audit Committee may be held by means of on-site meeting, by telephone, by video conference, by circulation and by fax or by other appropriate means.

Clause 18 The person in charge of the related audit department may attend a meeting of the Audit Committee as an observer. Where necessary, a director and senior management may be invited to attend a meeting of the Audit Committee as an observer.

Clause 19 The budget of expenses of the Audit Committee is included as part of the budget of the Company. In performing its duties, the Audit Committee may, where necessary, engage professionals including lawyers, certified public accountants, and certified auditors etc. to provide professional opinions on its decision-making. Reasonable expenses incurred therefrom shall be borne by the Company.

Clause 20 The convening procedures and voting method of the meetings of the Audit Committee and the resolutions passed shall be in compliance with relevant laws and regulations, the Articles and the provisions of the Terms of Reference.

Clause 21 The Audit Committee shall keep detailed and complete minutes of its meetings. Members present at a meeting shall sign the minutes of that meeting. The meeting minutes shall be kept by the secretary to the Board. Draft and final versions of minutes of meetings of the Audit Committee shall be circulated to all members of the Audit Committee for their comment and record within a reasonable time after the meeting. Upon signing by members of the Audit Committee who were present at the meeting, the minutes shall be submitted to all members of the Board for circulation.

If the Board does not agree with the opinion of the Audit Committee on matters relating to the selection, appointment, resignation or dismissal of the external auditors, the Company shall include in the Corporate Governance Report a statement by the Audit Committee on its recommendations and the reasons for the Board's dissenting opinions.

Clause 22 Members attending meetings of the Audit Committee and those attending as observers shall keep confidential all matters discussed at the meeting and shall not disclose any relevant information without authorization unless the relevant laws, regulations and/or regulatory authorities require the member to do so.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Clause 23 For the purposes of the Terms of Reference, the term "not less than" is an inclusive term and the term "more than half" is an exclusive term.

Clause 24 The Terms of Reference have been approved by the Board upon consideration and shall become effective from the date on which the overseas listed foreign shares issued by the Company are listed and traded on The Stock Exchange of Hong Kong Limited. The Board shall have the power to amend and interpret the Terms of Reference.

Clause 25 Any matters not covered herein shall be implemented in accordance with the relevant laws and regulations, relevant regulatory provisions of the place(s) where the shares of the Company are listed and the Articles. Where the Terms of Reference conflict with any relevant laws and regulations, relevant regulatory provisions of the place(s) where the shares of the Company are listed including the Listing Rules, or the Articles, such relevant laws and regulations, relevant regulatory provisions of the place(s) where the shares of the Company are listed including the Listing Rules, and the Articles shall prevail, in which case the Terms of Reference shall be amended forthwith and submitted to the Board for consideration and approval.

Note: In the event of any discrepancies between the English and Chinese versions of this Terms of Reference, the Chinese version shall prevail.

* *For identification purpose only*