SINOPEC KANTONS HOLDINGS LIMITED
（中石化冠德控股有限公司）*

(incorporated in Bermuda with limited liability)

(Stock Code: 934)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE
AMENDED AND ADOPTED BY THE BOARD OF DIRECTORS ON 16 MARCH 2026

The board (the "**Board**") of directors (the "**Directors**") of Sinopec Kantons Holdings Limited (the "**Company**") established a committee of the Board known as the Audit Committee (the "**Audit Committee**"), details of its constitution and particular duties are set out below:

1. Membership

1.1 The Audit Committee shall be appointed by the Board and should comprise a minimum of three members.

1.2 Members of the Audit Committee shall be appointed from amongst the non-executive Directors. The majority of members of the Audit Committee should be independent non-executive Directors, at least one of whom is an independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise.

1.3 The Board shall appoint the chairman of the Audit Committee. The chairman of the Audit Committee must be an independent non-executive Director.

1.4 A former partner of the Company's existing auditing firm shall not act as a member of the Audit 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.

1.5 The term of each appointment to the members of the Audit Committee shall be determined by the Board upon appointment.

2. Secretary

2.1 The Company Secretary of the Company shall be the secretary of the Audit Committee.

2.2 The Audit Committee may from time to time appoint another secretary with appropriate qualification and experience.

3. Meetings

3.1 Meetings shall be held not less than twice a year. The external auditors may make the request to the chairman of the Audit Committee to convene a meeting of the Audit Committee.

3.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be sent to each member of the Audit Committee, and to any other person required to attend in relation to all regular meetings of the Audit Committee, at least 14 days before the date of the meeting; and in relation to any adjourned meeting held within 14 days, no prior notice is required.

3.3 The quorum of Audit Committee meetings shall be two members, one of them should be an independent non-executive Director.

3.4 Members of the Audit Committee may attend meetings either in person, by telephone or through other electronic means of communication (which are available to all attended parties).

3.5 Resolutions of the Audit Committee shall be passed with a majority of votes.

3.6 Resolutions signed by all members of the Audit Committee will be treated valid as if it is passed in the meeting held by the Audit Committee.

3.7 Minutes of the Audit Committee meetings shall be kept by the secretary of the Audit Committee and shall be available for inspection by any member of the Audit Committee and/or any Director of the Company at any reasonable time on reasonable notice. Draft and final versions of minutes of Audit Committee meetings shall be sent to all Audit Committee members for their comment and records, in both cases within a reasonable time after the meeting. Once they are agreed, the secretary of the Audit Committee shall circulate the minutes and reports of the Audit Committee to all members of the Board.

4. Attendance of Meetings

4.1 The Audit Committee shall attend meetings at least twice a year with the external auditors, and at least once a year without executive Directors present (except those invited by the Audit Committee).

4.2 Upon invitation by the Audit Committee, the following persons may attend all or any of the meetings: (a) the head of internal audit or (if absent) the representative of internal audit; (b) the chief financial officer; and (c) other Board members.

4.3 Only members of the Audit Committee shall have the voting powers.

5. Annual General Meetings

The chairman of the Audit Committee shall endeavour to attend the annual general meetings of the Company and be prepared to respond to any shareholder questions on the Audit Committee's activities in the annual general meetings. If the chairman of the Audit Committee is unable to attend, a member of the Audit Committee (who must be an independent non-executive Director) shall attend the annual general meeting of the Company. Such person shall be prepared to respond to any shareholder questions on the Audit Committee's activities in the annual general meeting.

6. Duties and Responsibilities

The duty of the Audit Committee is to serve as a focal point for communication between other Directors, the external auditors, and the management as to their duties relating to financial and other reporting, internal controls and the audits; and to assist the Board in fulfilling its responsibilities by providing an independent review of financial reporting, be satisfying themselves as to the effectiveness of the Company's internal controls and as to the efficiency of the audits.

The duties and responsibilities of the Audit Committee shall be:

6.1 the relationship with the external auditors of the Company:

6.1.1 to make 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 resignation or dismissal of that auditor;

6.1.2 to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

6.1.3 to develop and implement policy on the engagement of an external auditor to provide non-audit services; and

6.1.4 to report to the Board and to identify and make recommendations on any matters in respect of which it considers that action or improvement is needed and to make recommendations as to the steps to be taken;

6.2 reviewing the financial information of the Company:

6.2.1 to review and monitor the integrity of the financial statements of the Company and the Company's annual report and accounts and half-year report and, if applicable and prepared for publication, quarterly reports, and to review significant financial reporting judgements contained therein and, in reviewing these financial statements and reports before submission to the Board, focusing particularly on:

(a) any changes in accounting policies and practices;

(b) major judgemental areas;

(c) significant adjustments resulting from the audit;

(d) going concern assumptions and any qualifications;

(e) compliance with accounting standards; and

(f) compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and legal requirements in relation to financial reporting;

6.2.2 in regard to the above duties:

(a) the Audit Committee members shall liaise with the Board, senior management and the qualified accountant of the Company; and

(b) the Audit Committee shall consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, and give due consideration to any matters that have been raised by the Company's qualified accountant, external auditor or internal control officer;

6.3 monitoring the financial reporting system, risk management and internal control systems of the Company:

6.3.1 to review the Company's financial controls, the Company's risk management and internal control systems;

6.3.2 to identify the risk of the Company and its subsidiaries (the "**Group**") and decide on risk levels and risk appetite;

6.3.3 to approve major decisions affecting the Group's risk profile or exposure and give such guidelines as it considers appropriate;

6.3.4 to consider the effectiveness of decision making processes in crisis and emergency situations;

6.3.5 to discuss with management the systems of risk management and internal control and ensure that management has performed its duty to have effective internal control systems;

6.3.6 to consider any findings from major investigations on risk management and internal control matters and management's response to such findings;

6.3.7 to ensure co-ordination between the internal and external auditors regarding internal audit, 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;

6.3.8 to assist the Board in ensuring that the review of the effectiveness of the Company and its subsidiaries' risk management and internal control systems, which shall be conducted at least annually, is adequately resourced. The scope of the review should cover all material controls, including financial, operational and compliance controls, and should, in particular, consider:

(a) the changes, since the last annual review, in the nature and extent of significant risks (including ESG risks), and the Company's ability to respond to changes in its business and the external environment;

(b) the scope and quality of management's ongoing monitoring of risks (including ESG risks) and of the internal control systems, and where applicable, the work of its internal audit function and other assurance providers;

(c) the extent and frequency of communication of monitoring results to the board (or board committee(s)) for the purposes of assessing the adequacy and the effectiveness of the Company's risk management and internal control systems;

(d) significant control failings or weaknesses identified during the review of the risk management and internal control systems, and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition, and any remedial measures taken to address such control failings or weaknesses;

(e) the effectiveness of the Company's processes for financial reporting and Listing Rule compliance; and

(f) the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, and financial reporting functions, as well as those relating to the Company's ESG performance and reporting.

6.3.9 to review the Group's financial and accounting policies and practices;

6.3.10 to review the external auditor's management letter, any material queries raised by the auditor to management in respect of accounting records, financial accounts or systems of control and management's response; and

6.3.11 to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

6.4 to act as the key representative body for overseeing the Company's relationship with the external auditor;

6.5 to review arrangements by which employees of the Company may, in confidence, raise concerns about possible improprieties in financial reporting, internal control or other matters, and to ensure that proper arrangements are in place for fair and independent investigation of such matters and for appropriate action;

6.6 to establish a whistleblowing policy and system for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company;

6.7 to report to the Board on the matters set out herein; and

6.8 to consider other matters, as required by the Board, to be performed by the Audit Committee.

7. Reporting Responsibilities

After each meeting, the Audit Committee shall report formally to the Board on all matters within its duties and responsibilities.

8. Authority

8.1 The Audit Committee is authorized by the Board to investigate any financial information and records of the Company.

8.2 The Audit Committee is authorized by the Board (when necessary) to seek any financial information it requires from any employee of the Group, to require any of them to prepare and provide financial information and answer questions raised by the Audit Committee.

8.3 The Audit Committee is authorized by the Board (when necessary) to obtain legal or other independent professional advice in connection with its duties at the Company's expense.

8.4 The Audit Committee shall have access to sufficient resources in order to discharge its duties.

* *For identification purpose*