

華潤飲料（控股）有限公司  
**China Resources Beverage (Holdings) Company Limited**  
*(Registered by way of continuation in the Cayman Islands with limited liability)*  
**(Stock Code: 2460)**

**Terms of Reference of the Audit Committee of the Board of Directors**

(Adopted on October 8, 2024)

## **Chapter 1 General Provisions**

**Article 1** In order to ensure the scientific decision-making of the board of directors (hereinafter referred to as the “Board”) of China Resources Beverage (Holdings) Company Limited (hereinafter referred to as the “Company”), and to improve the work efficiency of the Board, the Board has established an audit committee (hereinafter referred to as the “Audit Committee” or the “Committee”) and formulated these terms of reference (hereinafter referred to as the “Terms of Reference”) in accordance with applicable laws and regulations, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”), the articles of association of the Company and other relevant requirements.

**Article 2** The Audit Committee is a specialized working body under the Board, which provides advice and recommendations for decision-making of the Board and reports to the Board.

## **Chapter 2 Composition of the Committee**

**Article 3** The Committee shall consist of not less than three directors and all members of the Committee shall be non-executive directors or independent non-executive directors, with independent non-executive directors constituting the majority of the Committee. At least one independent non-executive director among the members shall possess appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules, or have appropriate accounting or related financial management expertise. A former partner of an auditor who is currently responsible for auditing the accounts of the Company shall be prohibited from acting as a member of the Committee for a period of two years from the later of the following dates: (a) the date on which that person ceases to be a partner of that auditor; or (b) the date on which that person ceases to have a financial interest in that auditor. Members of the Committee shall be proposed by the chairman of the Board after consulting the relevant directors, and shall be elected by a majority of all directors.

**Article 4** The Committee shall have one chairman, who shall be an independent non-executive director and be responsible for presiding over the work of the Committee.

**Article 5** The term of office of the Committee shall be consistent with that of the Board, and may be re-appointed upon expiration of the term. If any member ceases to hold office as a director of the Company during the term, his/her position as a member of the Committee shall be automatically dismissed.

**Article 6** A member of the Committee may resign during his/her term of office. The resignation of a member shall be submitted to the Board in writing, together with a necessary explanation of the reasons for the resignation and the matters requiring the attention of the Board.

**Article 7** When the number of members of the Committee falls below the minimum number specified in these Terms of Reference, the vacancy shall be filled up in accordance with the relevant provisions of these Terms of Reference.

## Chapter 3 Duties of the Committee

**Article 8** The main duties of the Committee are as follows:

### *Relationship with the Company's Auditor*

- (1) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of external auditors, approving the remuneration and terms of engagement of external auditors, and dealing with any matters relating to the resignation or dismissal of external auditors, taking into account the quality and rigour of the audits, the quality of the audit services provided, the quality control procedures of the audit firm, the relationship between the external auditor and the Company, and the independence of the auditor. The appointment of external auditor by the Company is subject to approval by Shareholders in an annual general meeting;
- (2) to serve as the key representative body for monitoring the relationship between the Company and the external auditor; and to consider and monitor the independence and objectivity of the external auditor and the effectiveness of the audit procedures on an annual basis in accordance with applicable standards; the Audit Committee shall discuss with the auditor the nature and scope of the audit and relevant reporting obligations before the audit commences, and ensure coordination where more than one audit firm is engaged;
- (3) to formulate and implement policies on the provision of non-audit services by an external auditor. 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 third party having reasonable knowledge of all relevant information would reasonably conclude to be part of the audit firm's local or international operations. The Audit Committee shall report to the Board and make recommendations on any matters where action or improvement is needed. Where an external auditor provides non-audit services, the Committee shall conduct an annual review to consider the nature of the non-audit services, whether safeguards are in place to ensure that the objectivity and independence of the audit are not jeopardized, and the total fees paid to the external auditor and a breakdown of the fees paid for the audit services and non-audit services for the financial year;

### *Review of the Company's Financial Information*

- (4) to monitor the integrity of the Company's financial statements and annual reports and accounts, half-year reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained therein. Before submitting the statements and reports to the Board, the Committee shall review the same, focusing particularly on:
  - (i) any changes in accounting policies and practices;
  - (ii) matters where significant judgements are involved;
  - (iii) significant adjustments arising from the audit;

- (iv) 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;
- (5) regarding (4) above, the members of the Committee shall:
- (i) liaise with the Board and senior management and hold meetings with the auditors of the Company at least twice a year to discuss issues identified in interim and final audits and qualifications, as well as any other matters that the auditors may raise to discuss (in the absence of management where necessary); and
  - (ii) consider any significant or unusual matters that are, or may need to be, reflected in such reports and accounts, and shall give due consideration to any matters raised by the accounting and financial reporting staff, compliance officer(s) or auditors of the Company;

*Supervising the Company's financial reporting system, risk management and internal control systems*

- (6) to review the financial controls of the Company, and to review the risk management and internal control (including financial, operational and compliance control) systems of the Company;
- (7) to discuss the risk management and internal control systems with the management at least once a year to ensure that the management has performed its duties to have effective systems in place. The discussion shall include the adequacy of the resources, staff qualifications and experience, the training programs received by employees and related budgets of the Company's accounting and financial reporting function;
- (8) to conduct research on its own initiative or as delegated by the Board on the significant findings on matters relating to risk management and internal control as well as the management's response to such findings;
- (9) to ensure co-ordination between 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;
- (10) to consider the financial and accounting policies and standards of the Company;
- (11) to examine the relevant explanatory letters from the external auditor to the management regarding the audit, any significant queries raised by the auditor to the management regarding the accounting records, financial accounts or control systems, and the management's response thereto;
- (12) to ensure that the Board will provide a timely response to the issues raised in the Explanatory Letter on the Audit issued by the external auditor to the management;

- (13) in the event that an annual report contains statements on the Company's risk management and internal control systems and any material areas of concern disclosable, it shall be reviewed before being submitted to the Board for approval;
- (14) to monitor the management's implementation of any key new financial reporting standards, and to keep abreast of the latest development in tax laws and regulatory requirements relating to financial reporting;
- (15) to consider the arrangements (including but not limited to those set out in the Company's whistle-blowing policy) under which employees (including assignees), officers and directors of the Company and external third parties (including but not limited to customers and suppliers) with whom the Company transacts business may confidentially raise concerns about possible improprieties in financial reporting, internal control or other aspects. The Committee shall ensure that appropriate arrangements are in place for fair and independent investigation on these matters and for appropriate follow-ups;
- (16) to report to the Board on matters relating to these Terms of Reference; and
- (17) to study other subjects as defined by the Board.

#### **Chapter 4 Meetings of the Committee**

**Article 9** Meetings of the Committee shall be chaired by the chairman of the Committee, who may delegate the chairmanship to another member if he/she is unable to attend. In the event that the chairman of the Committee neither performs his/her duties nor designates another member to perform his/her duties, an independent non-executive director shall be nominated by the members present at the meeting to perform the duties of the chairman of the Committee.

#### **Article 10** Notice and materials of the meeting

- (1) After the chairman of the Committee determines the topics, the Board's office shall organize the preparation for the topics and proposals and formulate relevant documents required for the meeting.
- (2) The Board's office shall be responsible for delivering a notice of the meeting in writing to all members of the Committee and relevant personnel invited to attend the meeting five calendar days prior to the meeting (except for emergencies). The notice of the meeting shall include the manner, time, place, duration and topics of the meeting.
- (3) The Board's office shall be responsible for delivering the meeting materials in writing to all members of the Committee five calendar days prior to the meeting (except for emergencies).
- (4) The above time limits for delivering the notice and materials of the meeting may be waived with the unanimous consent of all members of the Committee. The presence of a member of the Committee at a meeting shall be deemed to be a waiver of the above time limits.
- (5) If the period of adjournment between two meetings is less than seven business days, it shall not be necessary to serve any notice of the adjourned meeting.

**Article 11** The Committee shall convene meetings regularly or irregularly according to the needs of its work. Meetings may be convened by way of on-site meeting, video conference, telephone conference or other means of network communication, and the exercise of voting rights by means of video conference, telephone conference or other means of network communication shall have the same effect as voting at an on-site meeting. When urgent matters are encountered and the members of the Committee are able to obtain sufficient information, the deliberations may also be conducted by circulation of written resolutions by all members.

**Article 12** The quorum for meetings of the Committee shall be two members. Resolutions of the Committee shall be valid only if passed by a majority of the votes of the members present at any meeting. Resolutions in writing signed by all members of the Committee shall have the same effect as those passed at any meeting of the Committee convened otherwise.

**Article 13** A member of the Committee shall attend meetings in person. If he/she is unable to attend for any reason, he/she may appoint another member of the Committee or a qualified person who meets the relevant requirements for serving on the Committee with reference to the Cayman Companies Law and the Hong Kong Listing Rules and the relevant rules thereunder as amended from time to time to express his/her opinions on his/her behalf, and the member who has appointed such person to attend and make decisions on his/her behalf shall confirm the qualifications of such person in the written notice of appointment.

A member of the Committee who is unable to attend a meeting in person may also express his/her opinions in writing. Written opinions shall be submitted to the Board's office prior to the convening of the meeting.

A member or a qualified person giving opinions on any other member's behalf shall exercise his/her authority within the scope of the authorization. A member of the Committee who fails to attend a meeting in person, fails to delegate another member of the Committee or a qualified person to express his/her opinions on his/her behalf, and fails to submit his/her opinions in writing prior to the meeting, shall be deemed to have waived the right to express his/her opinions at that meeting.

**Article 14** A member of the Committee who fails to attend two consecutive meetings of the Committee, fails to delegate another member of the Committee or a qualified person as stipulated in Article 13 of these Terms of Reference to express his/her opinions, and fails to provide written opinions prior to the meeting, shall be deemed to be incapable of fulfilling his/her duties as a member of the Committee. The Board may adjust the membership of the Committee in accordance with these Terms of Reference.

## Chapter 5 Procedure of Meetings

**Article 15** Each member of the Committee shall have one vote. A resolution made at a meeting shall be passed by more than half of the total number of valid votes cast by all members of the Committee. The voting intentions of the members of the Committee may be “for”, “against” or “abstain”. Participating members shall choose one of the foregoing intentions. A member who fails to make any option or makes two or more options shall be deemed as having abstained from voting, and such abstentions shall not be counted into the total number of valid votes cast. If the number of votes for “for” is the same as that for “against”, the chairman of the Committee (or any other member delegated in writing by him/her to attend and exercise the right to vote on his/her behalf, or any qualified person as stipulated in Article 13 of these Terms of Reference) shall be entitled to one additional vote. In the event that no valid resolution can be passed due to abstention by a member of the Committee, the relevant matters shall be considered by the Board directly. Regardless of the outcome of the consideration by the Committee, all resolutions shall be subject to consideration and determination by the Board, and the chairman of the Committee shall report the Committee’s considerations to the Board.

**Article 16** The Committee shall conduct research and discussion on the matters to be considered at the meeting, and the members of the Committee shall explicitly, independently and fully express their opinions based on their own judgment; any of their disagreements shall be explained to the Board.

**Article 17** The Committee may invite directors, relevant senior management, relevant experts of the Company, external experts, scholars, intermediary agencies and relevant persons to attend the meeting. Persons attending the meeting shall make explanations and descriptions as required by the members of Committee.

**Article 18** The procedures for convening meetings of the Committee, the manner of voting and resolutions passed at the meeting shall comply with the relevant laws, regulations, the Listing Rules, the articles of association of the Company and these Terms of Reference.

**Article 19** If a member of the Committee has an interest in any matters to be considered by the Committee, such member shall abstain from the discussion and voting of such matters.

**Article 20** Any member attending a meeting of the Committee and any person attending such meeting shall be under a duty of confidentiality with respect to the matters considered at the meeting and shall not disclose the relevant information to the public without authorization, unless (1) the relevant information has become public otherwise than as a result of a breach of the duty of confidentiality by the foregoing person; (2) the disclosure is required by applicable laws or regulations or a court order; or (3) the disclosure is made by a director other than an independent non-executive director to the party who nominated him/her as a director and to relevant persons who directly or indirectly control the entity of such party, provided that the recipient of the information shall comply with relevant laws and regulations on confidentiality and actively take appropriate confidentiality measures to ensure that such disclosure is used for normal purposes of the director’s performance of his/her duties and shall not jeopardize the legitimate rights and interests of China Resources Beverage.

## **Chapter 6 Meeting Documents and Work Support**

**Article 21** The documents of the Committee meetings include notices of meetings, meeting materials, minutes of meetings, power of attorney of delegators, written opinions and specific opinions. Meeting documents shall be numbered by year and session.

**Article 22** The Board's office shall be responsible for the preparation of minutes of meetings, which shall include the manner of convening the meeting, time, venue, chairman of the meeting, attendees, topics, agenda, key points of speeches and opinions of participants, results of the meeting, and other matters that shall be recorded. The minutes shall be signed by all members present and/or by the proxy attending the meeting in accordance with Article 13 of these Terms of Reference. A member who has any opinions or objections to the minutes shall convey his/her opinions in writing to the Board's office within seven days of receiving the minutes.

**Article 23** Notices of meetings of the Committee, meeting materials, power of attorney of delegators, written opinions, minutes signed and confirmed by the members present at the meeting and other relevant materials are all files belonging to the Company, which are kept by the Board's office, and are filed regularly and transferred in a timely manner in accordance with the relevant provisions on the management of the Company's files.

**Article 24** Relevant departments of the Company shall be responsible for providing work services for the Committee, providing assistance and coordination for the work of the Board's office, and shall prepare relevant drafts, provide relevant documents, information and other materials in accordance with the requirements of the Committee, and shall be responsible for the authenticity and accuracy of the materials provided.

## **Chapter 7 Supplementary Provisions**

**Article 25** Matters not covered in these Terms of Reference shall be implemented in accordance with applicable laws and regulations, the articles of association of the Company and the relevant provisions of the rules of procedure of the Board.

**Article 26** These Terms of Reference shall be effective upon consideration and approval by the Board, and shall be interpreted and amended by the Board.