

China Railway Group Limited
Rules of Procedures for the Audit and
Risk Management Committee of the Board of Directors
(Amended in August 2025)

Chapter 1 General Provisions

Article 1 In order to fully unleash to the supervisory role of the Audit and Risk Management Committee (the “**Committee**”) over China Railway Group Limited (the “**Company**”) in terms of financial information, risk management, internal control, compliance management, and internal and external audit, etc., these Rules of Procedure are formulated in accordance with the Company Law of the People’s Republic of China, the Guidelines for Corporate Governance of Listed Companies, the Rules Governing the Listing of Securities on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Articles of Association of China Railway Group Limited (the “**Articles**”) and other relevant provisions.

Article 2 The Committee is a special work organisation under the board of directors to exercise the functions of reviewing the financial information of the Company and its disclosure, supervising and evaluating internal and external audit work, internal control, risk management and the powers of the supervisory committee stipulated in the Company Law of the People’s Republic of China, provide recommendations and advice to the board of directors for its decision making on relevant matters and shall be accountable and report to the board of directors.

Article 3 These Rules of Procedures apply to the Committee and the personnel and departments referred to in these Rules of Procedures.

Chapter 2 Composition of the Committee

Article 4 The Company shall establish the Committee, the composition of which shall meet the following conditions:

- (1) it shall consist of three or more directors who are not senior management of the Company, of whom independent non-executive directors shall account for more than half;
- (2) the Committee shall have a chairperson who shall be an independent non-executive director and an accounting professional;
- (3) employee directors who do not serve as senior management of the Company and have expertise in financial accounting, finance, risk management, auditing, legal and other areas may become members of the Committee.

The selection of the Committee chairperson, the composition and changes to the members of the Committee shall be proposed by the chairperson of the board of directors after consultation with relevant directors, and shall take effect after review and approval by the board of directors.

Article 5 The term of office of the Committee shall be in conformity with that of the board of directors of the same session. The term of office of the Committee members shall be in conformity with that of their directorship. At the expiration of the term of office, they could be re-elected and re-appointed. During the term of office, if any Committee member no longer acts as a director of the Company, he or she shall cease to hold such Committee membership automatically.

If the resignation of a Committee member results in the number of members of the Committee being below the statutory minimum number, or there is a lack of accounting professional, the original Committee member shall continue to perform his or her duties before the new Committee member takes office.

A Committee member may submit resignation to the board of directors prior to the expiration of his/her term of office. Such resignation shall specify the reasons for the resignation and any matters which would require the attention of the board of directors.

When the number of Committee members falls below the required number of the Committee members under these Rules of Procedures, the board of directors shall appoint additional members to the Committee in accordance with these Rules of Procedures to fill the vacancies.

Chapter 3 Duties and Functions of the Committee

Article 6 The audit and risk management committee shall fulfill the following specific duties:

- (1) Reviewing and inspecting the work related to financial auditing
 1. Reviewing the Company's financial accounting reports and providing opinions on the authenticity, accuracy and completeness of the financial accounting reports.
 2. Reviewing the Company's accounting policies and accounting estimate change program, and providing opinions to the board of directors.
 3. Reviewing the audit results provided by the external auditors to the management, any material queries raised by the external auditors regarding accounting records, financial accounts or monitoring systems, and the response made by the management.
 4. Committee members shall liaise with the board of directors and senior management, and meet with the Company's external auditors at least twice a year.
 5. The Committee shall pay attention to any significant or unusual matters reflected or required to be reflected in the financial reports and accounts, and shall appropriate attention to any matters raised by the Company's accounting and financial reporting staff, compliance inspectors or auditors.

- (2) Appointing, removing, supervising and evaluating related work of external auditors
1. Making recommendations to the board of directors on the appointment, reappointment and removal of external auditors.
 2. Evaluating the independence and professionalism of external auditors, especially the impact of the provision of non-audit services by external auditors on their independence; reviewing and supervising the external auditors' independence and objectivity, and the effectiveness of audit process; submitting to the board of directors an evaluation report on the performance of the external auditors engaged and a report on the committee's performance of supervisory duties, and making recommendations on an annual basis; formulating and implementing policies on the engagement of external auditors to provide non-audit services.
 3. Discussing and communicating with external auditors on the audit scope, audit plan and audit methods, and major audit issues before the audit work begins.
 4. Reviewing the annual management proposal issued by external auditors and urging the management to implement corrective actions based on the audit results.
- (3) Guiding, supervising and evaluating the work related to internal audit
1. Guiding and supervising the construction and implementation of internal audit system, reviewing the Company's annual internal audit plan and key audit tasks, and supervising their implementation after approval by the board of directors.
 2. Reviewing the internal audit work report at the end of each year, supervising and evaluating the effectiveness of internal auditors, and reporting to the board of directors on the progress and quality of internal audit, as well as major issues identified.
 3. Studying major audit conclusions and rectification work, supervising the rectification of issues identified in internal audit, state-owned assets supervision and special supervision and inspection, and promoting the application of results.
 4. Making recommendations to the board of directors on the appointment or dismissal of the Company's chief accountant and head of the internal audit department.
 5. Supervising the internal audit department to organise relevant business departments to conduct inspections on the following matters at least once every six months, issue inspection reports and submit them to the Committee. If the inspections reveal any violations of laws and regulations, irregular operations, etc., the Company shall promptly report to the Shanghai Stock Exchange:

- (i) The implementation of major events such as the Company's use of raised funds, provision of guarantees, related-party transactions, securities investment and derivatives trading, provision of financial assistance, purchase or sale of assets, and overseas investment;
 - (ii) The Company's large-scale financial transactions and financial transactions with directors, senior management, controlling shareholders, actual controllers and their related parties.
- (4) Guiding, supervising and evaluating the work related to risk management, internal control and compliance management
 - 1. Inspecting the implementation of relevant laws, administrative regulations and rules and policies by the Company, providing guidance on the construction of corporate risk management system, internal control system, compliance management system, and illegal operation and investment accountability system, and ensuring that the management has established an effective system.
 - 2. Evaluating the effectiveness of the Company's financial monitoring and risk management, internal control, compliance management, and accountability systems for irregular operations and investments on an annual basis, and studying important review results on risk management and internal control matters and management's response to the review results.
 - 3. Reviewing the internal control self-assessment report and the internal control audit report issued by external auditors, and communicating with external auditors on the issues identified during internal control audits and their enhancement methods.
 - 4. Guiding the establishment of the Company's accountability system for irregular business operations and investments, and evaluate the effectiveness of the Company's accountability system for irregular business operations and investments.
- (5) Taking over other major powers of the supervisory committee
 - 1. Proposing an extraordinary board meeting.
 - 2. Proposing the convening of an extraordinary general meeting of shareholders and convene and preside over the shareholders' meeting if the board of directors fails to fulfill its legal responsibilities to convene and preside over the shareholders' meeting.
 - 3. Submitting proposals to shareholders' meetings.

4. Accepting shareholders' requests to file lawsuits against directors and senior management other than Committee members who violate laws, administrative regulations or the Articles when performing their duties and cause losses to the Company.
- (6) Other related work
1. Being responsible for control and daily management of related party transactions of the Company, confirming the list of related parties, and in the event that the Company intends to enter into material related party transactions with related parties, reviewing the related party transaction matters, forming written opinions and submitting them to the board of directors for consideration.
 2. Coordinating communication between the internal audit department and external auditors, and cooperating with external audit work, serving as the main representative and being responsible for monitoring the relationship between the Company and external auditors.
 3. Checking the implementation of board resolutions and the exercise of board authorizations.
 4. Organizing post-evaluation of investment projects in accordance with the Company's regulations and providing opinions to the board of directors.
 5. Supervising the duties and behaviors of directors and senior management, requesting them to correct their actions when such behaviour is detrimental to the interests of the Company; proposing accountability or dismissal for directors and senior management who violate laws, administrative regulations, state-owned asset supervision systems, the Articles and resolutions of the general meeting of shareholders.
 6. Preparing and disclosing the Committee's annual performance, including the performance of its duties and the exercise of its powers, as well as the convening of its meetings.
- (7) Fulfilling other relevant duties under the Corporate Governance Code of the Hong Kong Stock Exchange.
- (8) Other matters authorized by the board of directors of the Company and other matters involved in relevant laws and administrative regulations.

Article 7 The following matters shall be submitted to the board of directors for review after approval by more than half of all members of the Committee:

- (1) Disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (2) Hiring or dismissing the accounting firm that undertakes the Company's audit business;

- (3) Appointing or dismissing the Company's financial director;
- (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 in laws and regulations, relevant provisions of the stock exchange where the Company is listed, and the Articles.

Article 8 Duties and Functions of the Chairman of the Committee:

- (1) To convene and preside over meetings of the Committee;
- (2) To supervise and inspect the work of the Committee;
- (3) To sign relevant documents of the Committee;
- (4) To report the work of the Committee to the board of directors;
- (5) Other duties required by the board of directors to be performed by the chairman of the Committee.

Article 9 The Committee can carry out its work in a variety of ways, including listening to work reports from management members, attending relevant Company meetings, reviewing financial and accounting information and information related to business management activities, interviewing management members and employees, making special inquiries on major issues, and organizing special supervision and inspection. It can independently engage intermediary institutions such as accounting firms to provide professional support for its performance of duties, and the expenses shall be borne by the Company.

Chapter 4 Meetings of the Committee

Article 10 The Committee shall convene a meeting at least once a quarter. In any of the following circumstances, within 7 days of the occurrence of the relevant fact, the chairman of the Committee shall issue a notice to convene a meeting:

- (1) in circumstances as deemed necessary by the board of directors;
- (2) in circumstances as deemed necessary by the chairman of the Committee;
- (3) when proposed by two or more members of the Committee.

Article 11 The audit department shall be responsible for delivering the notice of meeting in writing to each Committee member and relevant person invited to attend the meeting 3 days prior to the date of the meeting. The notice of meeting shall contain information on the method, time, venue, duration and agenda of the meeting, time of issuance of the notice and other relevant information.

Article 12 Upon receipt of the notice, each Committee member shall provide confirmation and any relevant feedback via a proper means (including but not limited to confirmation of attendance or absence and any other arrangement) in a timely manner.

Article 13 The members of the Committee shall attend the meeting in person. If a member is unable to attend the meeting in person, such member shall, by signing and submitting a letter of proxy, authorise another member of the Committee to attend and express opinion at the meeting on his/her behalf. Such letter of proxy shall expressly state the scope and term of the authorisation. No member shall accept any such authorisation from two or more other members concurrently, and independent non-executive directors should authorize other independent non-executive directors on the Committee to attend on their behalf.

The member attending meeting on behalf of another member shall exercise the rights within the scope of authorisation. If a member does not attend a meeting in person or authorise another member to attend such meeting on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting, he/she shall be deemed to have waived his/her rights.

A member who is unable to attend a meeting in person may also exercise his/her rights by submitting in writing his/her opinion with respect to any matter on the meeting agenda, provided that such written opinion shall be submitted to the audit department no later than the meeting.

Article 14 Under any of the following circumstances, a member shall be deemed incapable of performing the duties of the Committee, and the board of directors may change the members of the Committee in accordance with these Rules of Procedures.

- (1) does not attend a meeting in person or authorise another member to attend such meeting on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting on two consecutive occasions; or
- (2) fails to attend in person 3/4 of all meetings of the Committee held during any year.

Article 15 A meeting of the Committee shall be held only when it is attended by more than two-thirds of the Committee members. A meeting shall be presided over by the chairman of the Committee. If the chairman of the Committee is unable or refuses to perform his or her duties, an independent non-executive director nominated by a majority of the Committee members shall chair the meeting.

Article 16 The agenda items shall be discussed during the meeting of the Committee. The members of the Committee shall explicitly, independently and fully express their opinion based on their judgement. In the case of any different opinion, such different opinion shall be stated in the meeting minutes to be presented to the board of directors. The opinions adopted by the Committee at its meetings must be submitted in writing to the board of directors. Where members of the Committee submit their opinions to the board of directors on matters within the purview of the Committee, and the board of directors does not adopt them, the Company shall disclose the matter and fully explain the reasons.

Article 17 In principle, meetings of the Committee should be held in person. If necessary, they can be held via video, telephone or other means, provided that all participants can fully communicate and express their opinions.

Article 18 Where necessary, the Committee may invite directors, senior management personnel and relevant experts of the Company, external experts, scholars, intermediary agencies and other relevant personnel to attend the meeting without voting rights. Such personnel invited to attend the meeting shall give explanation and statement as required by any Committee member.

Article 19 The resolutions of the Committee must be adopted by a majority of all members. Voting at meetings is conducted on a one-person-one-vote basis, in a roll call and in writing. If a member of the Committee is interested in any matter being considered by the Committee, such member shall refrain from the consideration of such matter. If no effective review opinion can be formed due to abstention, the relevant matters should be submitted to the board of directors for review.

Article 20 All personnel attending the meeting shall have the obligation to keep all matters discussed at the meeting confidential and shall not disclose any information relating thereto without authorisation.

Article 21 Meeting record shall be prepared for the meetings of the Committee. The meeting record shall be prepared by the audit department, which shall include the following information:

- (1) Serial number, method, date, venue, and name of the chairman, of the meeting;
- (2) The attendance of members personally or by proxy;
- (3) Name and title of each attendee;
- (4) Matters to be considered at the meeting;
- (5) Main points made by the Committee members or other relevant attendees;
- (6) Name of the person keeping the record.

The Committee members and the secretary to the board of directors present at the meeting shall sign the record of the meeting of the Committee. The meeting record shall be delivered to all members of the Committee within a reasonable time after the meeting so that they can express their opinion on the content of the minutes.

Article 22 After the meeting of the Committee, the audit department of the Company shall prepare a meeting minutes based on the status of the consideration and discussions at the meeting.

The Company's audit department is responsible for taking the lead in implementing the relevant requirements raised in the meeting minutes.

The meeting minutes shall be submitted to the board of directors of the Company and the members of the Committee, secretary to the board of directors, the office of the board of directors and the audit, financial and legal departments of the Company and other relevant departments and personnel.

Article 23 Meeting record, meeting minutes, letters of proxy, written opinion of the members of the Committee and other meeting materials derived from the meetings of the Committee shall be kept on file by the Company secretary in accordance with the filing management procedures of the Company.

Chapter 5 Work Organisation of the Committee

Article 24 The secretary to the board of directors of the Company shall be responsible for organising and coordinating the work between the Committee and other relevant departments and shall attend the meetings of the Committee without voting rights.

Article 25 The Company's audit department shall take the lead, and the office of the board of directors and relevant departments of the Company shall cooperate with each other to jointly carry out the relevant work of the Committee:

- (1) The audit, financial and legal departments of the Company shall be responsible for preparing and providing relevant materials required for the consideration of the matters on the agenda and for liaising with relevant departments (including the relevant experts of the Company or external experts, scholars and intermediary agencies appointed during the course of the consideration by the Committee of relevant matters).
- (2) The relevant functional departments of the Company shall be responsible for providing services for the work of the Committee and to provide support and collaboration for the work of the office of the board of directors and the audit, financial and legal departments.

Chapter 6 Supplementary Provisions

Article 26 Unless otherwise stated, the terms used in these Rules of Procedures shall have the same meanings ascribed to them in the Articles.

Article 27 For any matter not covered in these Rules of Procedures, or in the event of any conflict with any provisions of the laws, regulations, listing rules of the place where the Company is listed, the Articles or the Rules of Procedures of the Board promulgated or amended after these Rules of Procedures become effective, the provisions of such laws, regulations, listing rules of the place where the Company is listed, Articles or Rules of Procedures of the Board, such provisions shall prevail in resolving such conflict.

Article 28 The board of directors of the Company shall have the right to interpret these Rules of Procedures.

Article 29 These Rules of Procedures and their amendments shall become effective from the date on which the same shall be approved by the general resolution of the board of directors of the Company.