

Business Ethics Management Policy of China Power International Development Limited

1. Purpose of the Policy

China Power International Development Limited (hereinafter "the Company") strictly complies with the Hong Kong *Companies Ordinance*, the *Listing Rules* of the Hong Kong Stock Exchange, and relevant laws and regulations of its operational locations. The Company standardizes the behavior codes of all levels of entities, effectively prevents business ethics risks, and comprehensively enhances the Company's business ethics governance.

2. Scope of Application

This policy applies to all employees of China Power International Development Limited and its subsidiaries. We encourage and expect suppliers, contractors, and other stakeholders to follow this policy.

3. Management Principles

Integrity in Business: Any form of commercial bribery, improper benefits transfers, or false representation in the Company's external disclosures is strictly prohibited.

Compliance in Business: Strictly adhere to both domestic and international laws and regulations, including anti-corruption, anti-money laundering, and anti-unfair competition laws.

Transparent Governance: Establish a public and transparent decision-making mechanism and a multi-dimensional supervision system.

Protection of Rights: Effectively safeguard the legitimate rights and interests of employees, customers, investors, and the general public.

4. Management Content

(1). Concept Definitions

Business Ethics: Refers to the ethical principles and behavior norms that enterprises and employees should follow in business activities, including compliance with relevant laws and regulations, prohibiting improper benefits transfer and commercial bribery, promoting fair competition, honesty and integrity, and respecting customers and employees, among others.

Corruption: Refers to the act of using one's power or position for personal gain, including but not limited to embezzlement, bribery, and misappropriation of public funds.

Bribery: Refers to the act of giving or receiving benefits by employees during the performance of their duties to seek improper advantages. The benefits can include financial gains, gifts, securities, as well as non-financial benefits such as travel, entertainment, and job opportunities.

Bribery-like Behaviors: Primarily refers to the act of paying small amounts of money in business activities to induce the other party to provide normal services or expedite the service process.

Conflict of Interest: Refers to situations where an employee's or their associates' interests may conflict or diverge from the Company's interests. Common situations include: employees starting, investing in, or holding positions in companies that compete with the Company during their employment; employees having obligations, family relationships, or other special interests with any individual or organization that competes with or has business dealings with the Company; employees with family or other conflicting interests in positions where mutual checks and balances exist or with direct reporting relationships.

(2). Employee Behavior Management

a. Employee Code of Conduct

The Company has established the *Employee Code of Conduct* and requires all employees to adhere to the behavioral norms outlined. Employees are also required to sign the *Compliance Commitment Letter* annually. Specific requirements include:

Compliance with Laws and Regulations: Employees must strictly adhere to national laws, regulations, and the Company's internal policies, enhancing their legal awareness to ensure behavior is lawful and compliant. Violations will be dealt with seriously.

Integrity and Fairness: Employees should be honest and trustworthy in business activities, prohibiting fraud and false behavior. A fair attitude should be maintained when dealing with business partners, and violations of integrity principles will be subject to punishment.

Avoidance of Conflicts of Interest: Employees should avoid conflicts between personal interests and the Company's interests. Unauthorized part-time jobs, disclosure of confidential

information, or similar behaviors are strictly prohibited. Any potential conflicts of interest must be reported to the Company in writing.

Gifts and Hospitality: Employees are prohibited from requesting or accepting bribes. Symbolic gifts should be appropriately handled, and business entertainment should remain moderate to avoid extravagance or frequent occurrences.

Confidentiality: Employees must strictly follow confidentiality rules to protect the Company's confidential information. Upon leaving the Company, employees must return all confidential materials. Violations of confidentiality obligations will result in legal consequences.

Fair Competition and Business Ethics: Employees should adhere to business ethics in activities such as procurement and bidding, strictly follow tendering procedures, select suppliers based on fairness, and eliminate corruption and fraud.

b. Prohibited Behavior

It is strictly prohibited to solicit or offer business benefits in any form, including cash, gifts, improper entertainment, etc.

Other forms of bribery-like behaviors are also prohibited.

Commercial fraud, false advertising, and any unfair competition behaviors are strictly forbidden.

Strict precautions should be taken against monopolistic behaviors, such as monopolistic agreements or the abuse of market dominance.

c. Anti-Corruption Management

The Company adopts a "zero-tolerance" policy towards corruption and strictly prohibits any employee from engaging in corrupt activities. An anti-corruption training mechanism has been established, providing training for all employees (including part-time, contract employees, etc.) to clarify the relevant anti-corruption requirements.

In terms of supply chain management, the Company requires suppliers and contractors to sign the *Integrity Agreement for Business Contracts* at the admission stage, and regularly reviews their performance records. Cooperation with suppliers and contractors involved in bribery or other violations will be terminated.

d. Anti-Money Laundering Management

The Company shall only engage in business with commercial partners that have legitimate sources of funds and good credit standing. It will closely monitor the credit status of all business partners and strictly prohibit cooperation with partners without conducting due diligence on anti-bribery and anti-money laundering compliance. The Company actively participates in anti-money laundering activities, and all employees are strictly prohibited from participating in or assisting with money laundering schemes or facilitating suspected money laundering activities.

e. Conflict of Interest Management

Employees are required to proactively declare any potential conflicts of interest between themselves or their close relatives and the Company. The primary leaders, Human Resources Departments, and Internal Control Departments of the Company and its subsidiaries will conduct investigations into conflicts of interest and implement appropriate control measures.

5. Supervision and Auditing

The Board of the Company and its Audit Committee are responsible for overseeing issues related to business ethics and corruption. They require a regular audit, which includes business ethical standards, to be conducted every three years at all operational sites. The Supervision Department regularly conducts systematic inspections of integrity risks through the Company's integrity risk prevention and control system, with a focus on the implementation of anti-corruption policies. An *Integrity Risk Database* is established for systematic management and dynamic monitoring of integrity risks.

6. Consultation, Reporting, and Accountability

a. Multi-Channel Reporting Mechanism

The Company has established a diversified reporting system, including telephone, email, mail, and online platforms. Additionally, stakeholders who wish to inquire about business ethics issues can contact the Company through these channels.

Reporting Hotline: (852)2802-3911,(010)6260-1726

Email Address: zgdljubao@cpibj.com.cn

Official Website: <http://www.chinapower.hk>

Mailing Address:

Suite 6301, 63/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong

56 North West Fourth Ring Road, Haidian District, Beijing, China

b. Whistleblower Protection

To protect the legal rights of whistleblowers, the Company has established a confidential handling mechanism for whistleblower information. The identity of the whistleblower and the content of the report will be kept strictly confidential, and any form of retaliation is strictly prohibited. If retaliation is discovered, it will be dealt with seriously. Whistleblowers can also choose to report anonymously, depending on the situation. The Company has a structured investigation procedure to ensure fair and objective handling of reported issues.

c. Investigation and Handling Procedures for Reported Issues

Acceptance and Evaluation: The Company's Supervision Departments at all level will accept and initially assess the seriousness and urgency of the reported issues.

Investigation and Verification: The Supervision Department will organize a review of the reported issues and decide on appropriate investigative measures.

Accountability and Rectification: If it is confirmed that there has been a violation of the Company's business ethics or integrity standards, the Company will take strict action in accordance with laws and regulations. Depending on the severity of the situation, appropriate measures will be taken. In cases where there is a concentration of complaints or strong concerns, the Supervision Department will issue an internal report and remind the relevant departments to rectify the issues.

Awareness and Transparency: Based on the key business ethics management focus each year and the trends of reported issues, the Company will conduct comprehensive analysis of the reports and share the findings through internal communications, warning education, and other public announcements, enhancing the overall awareness of integrity within the Company.

7. Ongoing Education Mechanism

- a. Board members and senior management of the Company are required to participate in specialized compliance training annually.
- b. The Company conducts business ethics training for all employees (including part-time and contract employees).
- c. At least once a year, the Company will promote the Employee Code of Conduct to help employees understand the anti-bribery and anti-corruption policy and regulate their ethical behavior.

This policy takes effect from the date of its publication and will be subject to periodic updates based on the Company's operational realities.

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