



ENN Natural Gas Co., Ltd.

(Stock Code: 600803)

The management regulations for the hiring of accounting firms.

Chapter I General Provisions

Article 1 To standardize the actions related to the selection (including reappointment and change, hereinafter the same) of accounting firms by ENN Natural Gas Co., Ltd. (hereinafter referred to as the “Company”), to enhance the quality of financial information, and to effectively safeguard the interests of shareholders, in accordance with the relevant laws, regulations, and normative documents such as the “Company Law of the People’s Republic of China”, “Securities Law of the People’s Republic of China”, “Accounting Law of the People’s Republic of China”, and “Management Measures for the Selection and Appointment of Accounting Firms by State-owned Enterprises and Listed Companies”, as well as the provisions of the “ENN Natural Gas Articles of Association” (hereinafter referred to as “Articles of Association”), these measures are formulated in conjunction with the actual situation of the Company.

Article 2 The Company, in selecting an accounting firm to perform the audit of the annual report (hereinafter referred to as the “Accounting Firm”), which will express an audit opinion and issue an audit report on the financial accounting report, shall adhere to the selection procedures outlined in these regulations. For the engagement of accounting firms for other special audit services, these regulations may be followed as a reference.

Article 3 The engagement or dismissal of an accounting firm by the Company shall be deliberated and approved by the Board’s Audit Committee (hereinafter referred to as the “Audit Committee”), thereafter submitted to the Board of Directors for deliberation, and ultimately decided upon by the shareholders’ meeting. The Company shall not engage an accounting firm to commence audit activities prior to

the approval by the Board of Directors and the shareholders' meeting.

Chapter II Requirements for the Practice Quality of Accounting Firms

Article 4 The accounting firm hired by the Company should meet the following criteria:

1. Possess the practicing qualifications required for carrying out securities and futures related businesses as stipulated by the national industry competent department and the China Securities Regulatory Commission;
2. Have a fixed workplace, sound organizational structure, and well-established internal management and control systems;
3. Proficiency with national laws, regulations, rules, and policies related to financial accounting;
4. Certified Public Accountants capable of completing audit tasks and ensuring audit quality;
5. Diligent execution of laws, regulations, rules, and policy provisions related to financial auditing, with a commendable social reputation and practice quality record;
6. Other conditions stipulated by relevant laws, regulations, and normative documents.

Chapter III Procedure for Hiring an Accounting Firm

Article 5 The Audit Committee shall submit a proposal to the Company's Board of Directors for the appointment of an accounting firm.

Article 6 The Audit Committee is responsible for hiring an accounting firm and supervising its audit work. The Audit Committee should effectively perform the following duties:

1. Formulate policies, processes, and related internal control systems for hiring accounting firms in accordance with the authorization granted by the Board of Directors;
2. Propose the initiation of the process for hiring the accounting firm;

3. Review the hiring documents, determine the evaluation elements and specific scoring criteria, and supervise the hiring process;
4. Propose suggestions for the accounting firm to be hired and the audit fees, and submit them to the decision-making body for decision;
5. Supervise and evaluate the audit work of the accounting firm;
6. Regularly (at least annually) submit to the Board of Directors an evaluation report on the performance of the hired accounting firm and a report on the performance of the Audit Committee's supervisory duties;
7. Responsible for other matters related to the hiring of accounting firms authorized by laws and regulations, the "Articles of Association", and the Board of Directors.

Article 7 The Company shall employ methods such as competitive negotiation, open bidding, invitation to bid, single hiring, and other hiring method that enable a comprehensive assessment of the accounting firm's capabilities, to hire an accounting firm.

Article 8 The general procedure for hiring an accounting firm is as follows:

1. The Audit Committee proposes the qualification conditions, requirements, and evaluation elements for the hiring of accounting firms, and notifies the relevant departments of the Company to carry out preliminary preparations, investigations, and data collation;
2. The accounting firms participating in the hiring shall submit relevant materials such as application documents to the working group of the Audit Committee for preliminary review and collation within the specified time, and submit them to the Audit Committee after forming a written report;
3. The Audit Committee conducts a qualification review of the accounting firms that have applied and evaluates the application documents they submitted. After passing the review, the proposal related to the intended accounting firm will be submitted to the Board of Directors for review;
4. The Board of Directors reviews the proposal for the hiring of accounting firms approved by the Audit Committee. After the Board of Directors approves it, it

will be submitted to the shareholders' meeting for approval and fulfill the obligation of timely disclosure of relevant information in accordance with the "Articles of Association" and related system procedures. The Board of Directors shall not appoint an accounting firm before the shareholders' meeting approves it;

5. The shareholders' meeting reviews the proposal for the hiring of accounting firms submitted by the Board of Directors in accordance with the "Articles of Association" and other relevant regulations. If the shareholders' meeting approves the proposal to hire an accounting firm, the Company and the accounting firm will sign an audit business agreement, appoint the accounting firm to carry out audit business, with a term of one year, which can be renewed.

Article 9 The Audit Committee can investigate the professional quality and integrity of the proposed accounting firm by reviewing relevant practice quality materials of the accounting firm, checking public information, or inquiring from securities regulatory, finance, audit departments, and certified public accountant associations. If necessary, the proposed accounting firm can be asked to make an on-site statement.

Article 10 The evaluation elements for the hiring of accounting firms should at least include audit fee quotations, qualification conditions of the accounting firm, practice records, quality management level, work plan, manpower and other resource allocation, information security management, and risk-bearing capacity level.

When evaluating the quality management level of an accounting firm, the focus should be on evaluating the quality management system and its implementation, including policies and procedures for project consultation, resolution of disagreements, project quality review, project quality inspection, identification and rectification of quality management defects, etc.

Article 11 The Audit Committee should separately evaluate and score each valid application document, summarize the scores of each evaluation element, and record and preserve the evaluation opinions. Among them, the weight of the score for the quality management level should not be less than 40%, and the weight of the score for the audit fee quotation should not exceed 15%.

Article 12 When evaluating the audit fee quotation of an accounting firm, the average audit fee quotation of all accounting firms that meet the requirements of the

hiring document should be used as the hiring benchmark price, and the audit fee quotation score should be calculated according to the following formula:

Audit fee quotation score = $(1 - (\text{hiring benchmark price} - \text{audit fee quotation}) / \text{hiring benchmark price}) \times \text{weight score of audit fee quotation element}$.

Article 13 During the appointment period, the Company and the accounting firm can reasonably adjust the audit fees based on factors such as changes in the consumer price index, changes in the average social wage level, and changes in business scale and complexity.

If the audit fee drops by more than 20% (including 20%) compared to the previous year, the Company should explain the amount of the audit fee for the current period, the pricing principles, changes, and reasons for the changes in the information disclosure documents as required.

Article 14 If the audit project partner and the signing certified public accountant have actually undertaken the Company's audit business for a total of 5 years, they can not participate in the Company's audit business for the next consecutive 5 years. The term of audit services provided to the Company by the audit project partner and the signing certified public accountant due to job changes in different accounting firms should be calculated together.

Chapter IV Procedure for Changing Accounting Firms

Article 15 If the Company changes its accounting firm, the hiring work should be completed before the end of the fourth quarter of the audited year.

Article 16 When the Company changes its accounting firm, after the Board of Directors approves the proposal to change the accounting firm, it will issue a notice of the shareholders' meeting and at the same time notify the former accounting firm in writing. When the Company's shareholders' meeting votes on the proposal to change the accounting firm, the accounting firm is allowed to state its opinion.

If the accounting firm proposes to resign, it should explain to the shareholders' meeting whether there are any improper situations in the company.

Article 17 When the Audit Committee reviews the proposal to change the accounting firm, it should understand the relevant situation and reasons from the

former accounting firm. At the same time, it should seriously investigate the practice quality of the proposed accounting firm, make a reasonable evaluation of its professional competence, integrity, independence, etc., and express its review opinion based on the judgment of the sufficiency of the reasons for the change.

Article 18 If the Company intends to change its accounting firm, the Company should disclose the situation of the former accounting firm and the audit opinion of the previous year, the reasons for changing the accounting firm, and the communication between the Company and the former and new accounting firms, etc.

Article 19 Except for situations where there are major defects in the practice quality of the accounting firm, the arrangement of auditors and time cannot ensure that the Company discloses the annual report on time, and the accounting firm requests to terminate the audit business of the Company, the Company can not change the accounting firm that performs the annual report audit business during the annual report audit period.

Article 20 If the accounting firm actively requests to terminate the audit business of the Company, the Audit Committee should understand the reasons in detail from the relevant accounting firm and make a written report to the Board of Directors. The Company fulfills the change procedure in accordance with the above provisions.

Chapter V Supervision and Penalties

Article 21 The Company should disclose information such as the service years and audit fees of the accounting firm, audit project partners, and signing certified public accountants in the annual financial final accounts report or annual report.

The Company should disclose the performance evaluation report of the accounting firm and the report on the performance of the supervisory duties of the Audit Committee on the accounting firm as required every year.

Article 22 The Audit Committee should be highly cautious and attentive to the following situations:

1. Changing the accounting firm after the balance sheet date and before the issuance of the annual report, changing the accounting firm for two consecutive years, or changing the accounting firm multiple times in the same year;

2. The proposed accounting firm has been administratively punished multiple times due to practice quality in the past 3 years, or multiple audit projects are currently under investigation;
3. The proposed appointment of the original audit team transferred to other accounting firms;
4. During the appointment period, the audit fee has changed significantly compared to the previous year, or the transaction price of the hiring is significantly lower than the benchmark price;
5. The accounting firm did not substantively rotate the audit project partners and signing certified public accountants as required.

Article 23 If the Audit Committee finds that the hiring of an accounting firm violates this method and related regulations and causes serious consequences, it should report to the Board of Directors in time and handle it according to the following regulations:

1. Criticize the relevant responsible persons according to the severity of the circumstances;
2. If the accounting firm is dismissed by a resolution of the shareholders' meeting, the economic losses caused by the breach of contract shall be borne by the direct responsible person of the Company and other directly responsible personnel;
3. If the circumstances are serious, economic penalties or disciplinary actions will be given to the relevant responsible personnel.

Article 24 If the accounting firm undertaking the audit business has the following situations and the circumstances are serious, the Company will no longer hire it to undertake audit work upon the resolution of the shareholders' meeting:

1. Subcontracting or transferring the audit projects it undertakes to other institutions;
2. The audit report does not meet the requirements of the audit work and there are obvious audit quality problems;
3. Other situations that prove that the accounting firm is not competent for audit work or violates the provisions of this system.

Article 25 The Company should properly file and keep the hiring, application, review documents, and related decision-making materials, and can not forge, alter, hide, or destroy them. The retention period of the documents and materials is at least 10 years from the end of the hiring.

Chapter VI Appendix

Article 26 For matters not covered by this system, the relevant provisions of national laws, regulations, normative documents, and the “Articles of Association” shall be followed. If the provisions of this system are inconsistent with the relevant laws, regulations, normative documents, and the “Articles of Association”, the provisions of the relevant laws, regulations, normative documents, and the “Articles of Association” shall prevail.

Article 27 The interpretation of this system is the responsibility of the company’s Board of Directors.

Article 27 This method takes effect and is implemented from the date of review and approval by the Company’s Board of Directors, and the same applies when it is modified.

ENN Natural Gas Co., Ltd.

Board of Directors

December 8, 2023