ENN Natural Gas Co., Ltd.

Internal Audit Management System

ENN Natural Gas Co., Ltd.

Board of Directors

May 16, 2025

Chapter I General Provisions

Article 1 To regulate the internal audit management of ENN Natural Gas Co., Ltd. (hereinafter referred to as “ENN Natural Gas” or the “Company”), establish and improve the internal audit system, improve the quality of internal audit work and protect the lawful rights and interests of investors, this System is formulated in accordance with the Audit Law of the People’s Republic of China, the Listing Rules of the Shanghai Stock Exchange and other laws and regulations, as well as the relevant provisions of the Articles of Association of ENN Natural Gas Co., Ltd., in light of the actual circumstances of ENN Natural Gas.

Article 2 This System shall apply to the headquarters of ENN Natural Gas and its self-driven organizations (including project teams). “Self-driven organizations” means wholly-owned subsidiaries and controlled subsidiaries established with capital contributions from ENN Natural Gas.

Article 3 For purposes of this System, “internal audit” means a supervisory and evaluative activity conducted by the internal audit institution or personnel of ENN Natural Gas on the effectiveness of internal control and risk management, the authenticity and completeness of financial information, and the efficiency and effectiveness of business activities. Internal audit work applies systematic and standardized methods and, through independent, objective and fair audit activities, evaluates the risk management, internal control and corporate governance processes, with the aim of improving the operating efficiency of ENN Natural Gas and helping it achieve its strategic and operating objectives.

Chapter II Internal Audit Institutions and Audit Personnel

Article 4 Internal Audit Institutions and Audit Personnel

(1) The Board of Directors of ENN Natural Gas has established an Audit Committee. The Risk Group shall be responsible to and report to the Audit Committee. The Risk Group shall conduct its work under the guidance of the Audit Committee and accept its supervision and business guidance. Where the internal audit institution discovers any relevant material problem or clue, it shall immediately report directly to the Audit Committee.

(2) ENN Natural Gas shall establish a Risk Group, which shall independently exercise the authority of audit supervision. A self-driven organization that has the conditions to establish dedicated internal audit personnel shall establish dedicated internal audit personnel to conduct internal audit work. The dedicated audit personnel shall be assigned by the Risk Group of ENN Natural Gas and shall accept the supervision and guidance of that Risk Group.

(3) Internal audit personnel shall possess the professional knowledge and business capabilities in accounting, auditing and other areas required for audit positions.

(4) The Risk Group or dedicated audit personnel shall maintain independence and shall not be placed under the leadership of the Finance Group or share office premises with the Finance Group.

Article 5 Working Rules for Audit Personnel

(1) Internal audit personnel shall be familiar with the Company’s business operations and internal control standards, possess high personal qualities and extensive audit or related professional knowledge and skills, and maintain and improve their audit standards and professional competence through continuous training and learning.

(2) Internal audit personnel shall keep confidential the trade secrets of the audited entity learned in the course of performing audit tasks and shall not disclose them without approval. The materials obtained shall not be used for purposes unrelated to audit work.

(3) Internal audit personnel shall maintain independence. Persons having a direct or indirect interest in the audited entity or audited matter shall abstain.

(4) ENN Natural Gas shall ensure that the Risk Group or dedicated audit personnel obtain relevant materials and information comprehensively, smoothly and in a timely manner, so that they can fully understand the policies of ENN Natural Gas and its self-driven organizations and timely obtain information relating to the strategy, operations, organization and human resources, leadership and control of ENN Natural Gas and its self-driven organizations.

Chapter III Duties and Work Contents of the Internal Audit Institution

Article 6 The internal audit department shall perform the following principal duties:

(1) Inspect and evaluate the completeness, reasonableness and effectiveness of implementation of the internal control systems of the Company's internal institutions, controlled subsidiaries and associates that have a material impact on the Company;

(2) Audit the legality, compliance, authenticity and completeness of the accounting materials and other relevant economic materials of the Company's internal institutions, controlled subsidiaries and associates that have a material impact on the Company, as well as the financial receipts and expenditures and relevant economic activities reflected therein, including but not limited to financial reports, performance forecasts, performance bulletins and voluntarily disclosed forward-looking financial information;

(3) Assist in establishing and improving anti-fraud mechanisms, determine key areas, critical links and principal contents for anti-fraud efforts, and pay attention to and inspect possible fraudulent conduct during internal audit;

(4) Report to the Audit Committee at least once every quarter, including but not limited to the implementation of the internal audit plan and problems discovered during internal audit work;

(5) Submit an internal audit work report to the Audit Committee after the end of each year;

(6) Urge the relevant responsible departments to formulate rectification measures and a rectification timetable for deficiencies in the Company's internal control and problems existing in implementation, conduct follow-up reviews of internal control, and supervise the implementation of rectification measures. Where any material deficiency or material risk exists in internal control, the matter shall be promptly reported to the Audit Committee;

(7) Handle other audit matters assigned by the Board of Directors.

Article 7 Internal audit shall generally cover all business links in the Company's operating activities relating to financial reporting and information disclosure matters, including but not limited to: internal audit shall generally cover all business links in the Company's operating activities relating to financial reporting and information disclosure matters, including but not limited to: sales and collection, procurement and payment, inventory management, fixed asset management, fund management, investment and financing management, human resources management, information system management and information disclosure management.

The internal audit institution may adjust the aforesaid business links according to the industry in which the Company operates and its production and operating characteristics.

Article 8 The internal audit department shall inspect the following matters at least once every six months, issue an inspection report and submit it to the Audit Committee:

(1) The implementation of major events of the Company, including the use of raised funds, provision of guarantees, related-party transactions, securities investments and derivatives transactions, provision of financial assistance, purchase or sale of assets, external investments and other matters;

(2) The Company's large-value fund transactions and fund transactions with directors, senior management, controlling shareholders, actual controllers and their related persons.

Article 9 Contents of Internal Audit

(1) The contents of internal audit work shall cover the entire process and all aspects of operating and management activities, including financial audits, economic responsibility audits, performance audits, construction project audits, internal control audits, contract audits, special audits and other audit activities.

(2) A financial audit means the supervision and inspection of the legality, authenticity and effectiveness of ENN Natural Gas's financial plans, implementation of financial budgets and financial receipts and expenditures, and the supervision and evaluation of financial management and property management.

(3) An economic responsibility audit means the verification of the authenticity of the audited entity's responsible person's performance of responsibilities during his or her term of office, the compliance and effectiveness of operating and management activities, and the evaluation of the individual's management conduct. Its contents include the authenticity and effectiveness of performance, operating compliance, and evaluation of the individual's performance of responsibilities and management capabilities.

(4) A performance audit means the verification and evaluation of the authenticity of the audited entity's performance results and the compliance and cultural factors of organizational conduct in achieving performance objectives. Its contents include performance environment audits and performance indicator audits.

(5) A construction project audit means a comprehensive audit of the authenticity, compliance, legality and effectiveness of all economic activities relating to a construction project from the commencement of investment approval to the completion of the preparation of final accounts, as well as an audit of important links and key contents in the course of the construction project.

(6) An internal control audit means an audit of the soundness of the design and the effectiveness of operation of the audited entity's internal control system. The focus of the review and evaluation of internal control shall be the procurement and sales links, external investments, purchase and sale of important assets, external guarantees, related-party transactions, use of raised funds and information disclosure matters of ENN Natural Gas and its self-driven organizations.

(7) A risk management audit means the evaluation and certification of the soundness, reasonableness and effectiveness of the audited entity's risk management system and risk management activities.

(8) A contract audit means audit supervision over the management and performance of, and problems and risks existing in, the material procurement contracts, product marketing contracts, contracting and leasing contracts, technology transfer contracts, investment contracts, installation and

construction contracts and other contracts of ENN Natural Gas and its self-driven organizations. The Risk Group may participate in the preliminary review of contracts deemed material under ENN Natural Gas's contract management provisions.

(9) A special audit means a special audit conducted, at the request of ENN Natural Gas, on specific economic matters of the audited entity, including but not limited to management audits, effectiveness audits and special investigation audits. Specifically:

1. Management audit: an audit of the efficiency, legality and effectiveness of the management activities of the audited entity.

2. Effectiveness audit: an audit of the effectiveness and reasonableness of the audited entity's economic activities on the basis of an audit of financial receipts and expenditures.

3. Special investigation audit: a special investigation or audit of widespread problems, problems required to be disclosed by regulatory authorities, and special complaint matters.

Chapter IV Authorities of the Internal Audit Institution

Article 10 Within the scope of internal audit jurisdiction, the internal audit institution shall have the following principal authorities:

(1) The right to attend operating and management decision-making meetings of the audited entity relating to the audited matters;

(2) The right to inspect the audited entity's accounting books, statements and vouchers, conduct on-site inspections of relevant assets, and consult relevant materials relating to the audited entity's production and operating activities, including documents, meeting records and computer software. The audited entity shall provide such materials truthfully;

(3) The right to investigate the departments and individuals of the audited entity relating to the audited matters and request relevant supporting materials;

(4) The right to make a temporary prohibition decision, propose rectification within a prescribed period and report promptly with respect to serious illegal or non-compliant conduct and serious acts of loss and waste in progress;

(5) The right to supervise and inspect the implementation of approved handling opinions and decisions;

(6) The right to propose handling opinions and report promptly on entities and responsible persons that fail to cooperate with internal audit work or refuse to implement audit decisions.

Chapter V Work Procedures of the Internal Audit Institution

Article 11 Internal Audit Work Procedures

(1) Formulate an annual internal audit work plan based on:

1. Management requirements of the Company's decision-making level;

2. The tenure and assessment plan for managerial personnel proposed by the Organization and Human Resources Department.

3. The requirements of operating and management activities for internal audit.

4. Relevant resolutions of the Board of Directors and the Audit Committee.

(2) Audit initiation: The Risk Group shall determine the audited matters and their timing according to ENN Natural Gas’s audit plan.

(3) Before implementing an audit, preliminarily determine the audit objectives and scope, establish an audit working group, formulate an audit work plan, and issue an audit notice to the audited entity. The audited entity shall prepare the materials required for the audit and provide necessary working conditions as required.

(4) The head of the audit working group shall be responsible for assigning work among audit team members, clarifying their respective responsibilities and allocating audit resources reasonably.

(5) Understand, analyze and evaluate the internal control system through compliance testing, conduct risk assessment, determine audit priorities, and adjust and supplement the audit plan.

(6) Obtain audit evidence through substantive testing and put forward audit conclusions and audit recommendations.

(7) Prepare audit working papers. Audit working papers shall record the audit process and material matters and contain brief and appropriate evaluations and audit conclusions. Audit personnel, the person in charge of the audited self-driven organization and the persons in charge of relevant departments shall sign the audit working papers.

(8) Prepare an audit report. The head of the audit working group or the lead auditor shall be responsible for preparing the audit report. The audit report shall be fully discussed with the leadership of the audited entity. Where the audited entity has different opinions on the audit conclusions, it shall prepare written opinions and submit them together with the audit report.

(9) The Risk Group shall promptly issue to the audited entity an audit report revised with reference to the feedback of the audited entity. The audited entity shall provide written feedback on its improvement plan for audit problems within 30 days.

(10) Follow-up audits shall be conducted for important audit projects to inspect the implementation of audit decisions and audit opinion letters.

(11) The Risk Group may, according to the importance of audit problems, include the progress of problem improvement in the enterprise’s monthly assessment to urge effective rectification of the problems.

(12) The Risk Group shall organize and archive audit materials for the audit business it handles in accordance with the relevant document management provisions of ENN Natural Gas.

Article 12 Audit Archives Management

(1) The Risk Group shall establish and improve an audit archives management system and improve audit operating standards, audit working paper standards, audit process standards, audit report methods and records of follow-up rectification supervision.

(2) The scope of audit archives management:

1. Audit notices and audit plans and programs;

2. Audit reports and their appendices;

3. Audit records, audit working papers and audit evidence;

4. Written documents reflecting the business activities of the audited entities and individuals;

5. Instructions, approvals and opinions of the listed company on audited matters or audit reports;

6. Audit handling decisions and reports on their implementation;

7. Materials relating to re-audits and follow-up audits;

8. Other materials that should be retained.

(3) Audit archives management shall be conducted in accordance with national provisions on audit archives management, with reference to the provisions of ENN Natural Gas on document management, confidentiality management and other matters.

Article 13 ENN Natural Gas and its self-driven organizations shall actively cooperate with internal audit personnel in performing their duties in accordance with the law and applicable rules. No organization or individual may obstruct internal audit work or retaliate against audit personnel.

Chapter VI Penalties

Article 14 Where an audited entity commits any of the following acts, its person in charge and the directly responsible person shall, depending on the severity of the circumstances, be subject to such sanctions as a notice of criticism, demotion, demotion in position, removal from office, retention under observation or discharge:

(1) Violating national laws and regulations or the rules and regulations of ENN Natural Gas and causing adverse consequences;

(2) Refusing to accept or implement an audit decision of a superior authority or ENN Natural Gas;

(3) Refusing to provide, concealing, altering or destroying accounting vouchers, accounting books, accounting statements, relevant documents and materials or other supporting materials;

(4) Obstructing internal audit personnel from exercising their authority, or resisting or obstructing audit supervision and inspection;

(5) Falsifying or concealing the truth;

(6) Attacking or retaliating against internal audit personnel.

Article 15 Where an audit working group or any of its members commits any of the following acts, ENN Natural Gas may, depending on the severity of the circumstances, impose on the working group such penalties as a notice of criticism or organizational adjustment, and on its members such penalties as removal from audit positions within a prescribed period, revocation of office or administrative sanctions:

(1) Violating national laws and regulations or this System, failing to effectively organize internal audit work, and causing adverse consequences to the Company;

(2) Failing to re-examine, correct or take remedial measures in respect of false audit reports or incorrect audit opinions provided or issued by social intermediary institutions or internal audit working groups, and allowing the situation to continue;

(3) Providing a false audit report or issuing an incorrect audit opinion;

(4) Colluding with the audited entity and committing fraud jointly;

(5) Using authority to seek personal gain;

(6) Disclosing state secrets or the trade secrets of the audited entity;

(7) Neglecting duties or being unable to competently perform audit work and causing losses to the State, the Company or the audited entity;

(8) Failing to conscientiously perform duties or exercising less than due professional care, resulting in the failure to report a material matter;

(9) Other violations of audit discipline and relevant provisions.

Article 16 Where an act violating Article 14 or Article 15 of this System constitutes a crime, it shall be transferred to the judicial authorities for handling.

Chapter VII Supplementary Provisions

Article 17 Matters not covered in this System shall be handled in accordance with the relevant laws and regulations, normative documents of the CSRC and the Articles of Association.

Article 18 This System shall become effective upon approval by the Board of Directors, and the same shall apply to amendments.

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Board of Directors

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