ENN Natural Gas Co., Ltd.

Measures for the Administration of the Selection of Accounting Firms

ENN Natural Gas Co., Ltd.

Board of Directors

May 16, 2025

Chapter I General Provisions

Article 1 These Measures are formulated to regulate the selection (including renewal and change, the same below) of accounting firms by ENN Natural Gas Co., Ltd. (hereinafter referred to as the "Company"), improve the quality of financial information, and effectively safeguard the interests of shareholders, in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Accounting Law of the People's Republic of China, the Administrative Measures for the Selection of Accounting Firms by State-Owned Enterprises and Listed Companies, and other relevant laws, regulations and normative documents, as well as the relevant provisions of the Articles of Association of ENN Natural Gas Co., Ltd. (hereinafter referred to as the "Articles of Association"), in light of the actual circumstances of the Company.

Article 2 An accounting firm selected by the Company to conduct the audit of the annual report (hereinafter referred to as the "accounting firm") shall follow the selection procedures under these Measures when expressing audit opinions on and issuing audit reports for financial accounting reports. The selection of an accounting firm for other special audit services may be conducted with reference to these Measures.

Article 3 The Company's engagement or dismissal of an accounting firm shall, after being reviewed and approved by the Audit Committee of the Board of Directors (hereinafter referred to as the "Audit Committee"), be submitted to the Board of Directors for deliberation and decided by the Shareholders' Meeting. The Company shall not engage an accounting firm to conduct audit services before the engagement has been reviewed and approved by the Board of Directors and the Shareholders' Meeting.

Chapter II Practice Quality Requirements for Accounting Firms

Article 4 An accounting firm selected by the Company shall meet the following conditions:

(1) It possesses the qualifications required by the competent national industry authorities and the CSRC to conduct securities and futures-related business;

(2) It has a fixed place of business, a sound organizational structure, and effective internal management and control systems;

(3) It is familiar with the laws, regulations, rules and policies relating to financial accounting;

(4) It has certified public accountants capable of completing audit tasks and ensuring audit quality;

(5) It conscientiously implements the laws, regulations, rules and policies relating to financial audits, and has a good social reputation and record of practice quality;

(6) Other conditions prescribed by relevant laws, regulations and normative documents.

Chapter III Procedures for Selecting an Accounting Firm

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

Article 6 The Audit Committee shall be responsible for selecting an accounting firm and supervising the conduct of its audit work. The Audit Committee shall effectively perform the following duties:

(1) Formulating, in accordance with the authorization of the Board of Directors, policies, procedures and relevant internal control systems for selecting an accounting firm;

(2) Proposing to commence the work relating to the selection of an accounting firm;

(3) Reviewing the selection documents, determining the evaluation factors and specific scoring criteria, and supervising the selection process;

(4) Proposing the accounting firm to be selected and the audit fees, and submitting them to the decision-making body for determination;

(5) Supervising and evaluating the audit work of the accounting firm;

(6) Regularly, at least annually, submitting to the Board of Directors an evaluation report on the performance of the engaged accounting firm and a report on the performance of the Audit Committee’s supervisory duties;

(7) Handling other matters relating to the selection of an accounting firm as provided by laws and regulations, the Articles of Association or authorized by the Board of Directors.

Article 7 The Company shall select an accounting firm by competitive negotiation, public tender, invited tender, sole-source selection or other selection methods that enable the Company to fully understand the accounting firm’s capabilities.

Article 8 The general procedures for selecting an accounting firm are as follows:

(1) The Audit Committee shall propose the qualifications, requirements and evaluation factors for selecting an accounting firm, and notify the relevant departments of the Company to conduct preliminary preparations, investigations, document compilation and other work;

(2) Accounting firms participating in the selection shall, within the prescribed period, submit application documents and other relevant materials to the working group of the Audit Committee for preliminary review and compilation, after which a written report shall be prepared and submitted to the Audit Committee;

(3) The Audit Committee shall review the qualifications of the applying accounting firms and evaluate the application documents submitted by them. After the review is passed, the relevant proposal on the accounting firm proposed to be engaged shall be submitted to the Board of Directors for deliberation;

(4) The Board of Directors shall deliberate on the proposal for selecting an accounting firm approved by the Audit Committee. After the Board of Directors approves the proposal, it shall, in accordance with the procedures prescribed in the Articles of Association and relevant systems, submit the proposal to the Shareholders’ Meeting for approval and fulfill the relevant information disclosure obligations in a timely manner. The Board of Directors shall not appoint an accounting firm before the Shareholders’ Meeting approves the proposal;

(5) The Shareholders’ Meeting shall deliberate on the proposal for selecting an accounting firm submitted by the Board of Directors in accordance with the Articles of Association and other relevant provisions. After the Shareholders’ Meeting approves the proposal, the Company and the accounting firm shall enter into an engagement letter for audit services, and the accounting firm shall be engaged to conduct the audit services for a one-year term, which may be renewed.

Article 9 The Audit Committee may investigate the practice quality and integrity of an accounting firm proposed to be selected by reviewing relevant practice quality materials, consulting publicly available information, or making inquiries with securities regulatory, finance and audit authorities and institutes of certified public accountants. Where necessary, it may require the accounting firm proposed to be engaged to make an on-site presentation.

Article 10 The evaluation factors for selecting an accounting firm shall include at least the quoted audit fees, the accounting firm's qualifications, practice record, quality management level, work plan, staffing and other resource allocation, information security management, and level of risk-bearing capacity.

When evaluating the quality management level of an accounting firm, the Company shall focus on evaluating the policies and procedures for the quality management system and its implementation, including project consultation, resolution of differences of opinion, engagement quality reviews, engagement quality inspections, and identification and rectification of quality management deficiencies.

Article 11 The Audit Committee shall evaluate and score each valid application document separately, consolidate the scores for each evaluation factor, and record and retain the evaluation opinions. The weighting of the quality management level shall not be less than 40%, and the weighting of the quoted audit fees shall not exceed 15%.

Article 12 When evaluating the quoted audit fees of accounting firms, the Audit Committee shall use the average of the quoted audit fees of all accounting firms that meet the requirements of the selection documents as the benchmark price for selection, and calculate the score for the quoted audit fees according to the following formula:

Score for quoted audit fees = (1 - |benchmark price for selection - quoted audit fees| / benchmark price for selection) × weighting score for the quoted audit fee factor.

Article 13 During the engagement term, the Company and the accounting firm may 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 fees decrease by 20% or more from the previous year, the Company shall, as required, state in its information disclosure documents the amount of audit fees for the current period, the pricing principles, the changes and the reasons for the changes.

Article 14 Where an audit engagement partner or signing certified public accountant has actually undertaken the Company's audit services for an aggregate period of five years, he or she shall not participate in the Company's audit services for the following five consecutive years. Where an audit engagement partner or signing certified public accountant provides audit services for the Company at different accounting firms due to a change of employment, the periods of service shall be calculated on a consolidated basis.

Chapter IV Procedures for Changing an Accounting Firm

Article 15 Where the Company changes its accounting firm, it shall complete the selection process 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, the Company shall issue the notice of the Shareholders' Meeting and notify the former accounting firm in writing at the same time. When the Company's Shareholders' Meeting votes on the proposal to change the accounting firm, the accounting firm shall be permitted to state its opinions.

Where an accounting firm resigns, it shall explain to the Shareholders' Meeting whether the Company has engaged in any improper conduct.

Article 17 When reviewing a proposal to change the accounting firm, the Audit Committee shall ascertain the relevant circumstances and reasons from the former accounting firm. At the same time, it shall carefully investigate the practice quality of the accounting firm proposed to be engaged, make a reasonable evaluation of its professional competence, integrity and independence, and, on the basis of determining the sufficiency of the reasons for the change, issue its review opinion.

Article 18 Where the Company proposes to change its accounting firm, the Company shall disclose information on the former accounting firm and its audit opinion for the previous year, the reasons for changing the accounting firm, and the communication between the Company and the former and proposed accounting firms, among other matters.

Article 19 Except in circumstances such as a material defect in the practice quality of the accounting firm, the inability of the audit personnel and schedule to ensure that the Company can disclose its annual report on schedule, or the accounting firm's request to terminate its audit services for the Company, the Company shall not change the accounting firm conducting the annual report audit during the annual report audit period.

Article 20 Where an accounting firm takes the initiative to request termination of its audit services for the Company, the Audit Committee shall obtain detailed information on the reasons from the relevant accounting firm and submit a written report to the Board of Directors. The Company shall complete the change procedures in accordance with the aforesaid provisions.

Chapter V Supervision and Penalties

Article 21 The Company shall disclose, in its annual financial accounts report or annual report, information such as the years of service of the accounting firm, the audit engagement partner and the signing certified public accountant, and the audit fees.

The Company shall disclose each year, as required, an evaluation report on the performance of the accounting firm and a report on the performance by the Audit Committee of its supervisory duties over the accounting firm.

Article 22 The Audit Committee shall exercise a high degree of prudence and attention in the following circumstances:

(1) The accounting firm is changed after the balance sheet date and before the issuance of the annual report, the accounting firm is changed for two consecutive years, or the accounting firm is changed multiple times in the same year;

(2) The accounting firm proposed to be engaged has been subject to multiple administrative penalties for practice quality in the past three years, or multiple audit projects of the accounting firm are under investigation;

(3) The original audit team proposed to be engaged has transferred to another accounting firm;

(4) During the engagement term, the audit fees undergo a substantial change from the previous year, or the transaction price of the selection is significantly lower than the benchmark price;

(5) The accounting firm has failed to rotate the audit engagement partner or signing certified public accountant substantively as required.

Article 23 Where the Audit Committee discovers that the selection of an accounting firm violates these Measures and relevant provisions and causes serious consequences, it shall promptly report the matter to the Board of Directors and handle it in accordance with the following provisions:

(1) Issuing a notice of criticism to the relevant responsible persons according to the severity of the circumstances;

(2) Dismissing the accounting firm by resolution of the Shareholders' Meeting, with the direct person in charge of the Company and other persons directly responsible bearing the economic losses caused by the breach of contract;

(3) Imposing corresponding economic penalties or disciplinary sanctions on the relevant responsible persons where the circumstances are serious.

Article 24 Where an accounting firm undertaking audit services has any of the following circumstances and the circumstances are serious, the Company shall, by resolution of the Shareholders' Meeting, no longer engage it to undertake audit work:

(1) Subcontracting or transferring the audit project undertaken by it to another institution;

(2) The audit report fails to meet the requirements for audit work and contains obvious audit quality problems;

(3) Other circumstances demonstrating that the accounting firm is unable to competently perform audit work or has violated the provisions of these Measures.

Article 25 The Company shall properly archive and retain selection documents, application documents, evaluation documents and relevant decision-making materials, and shall not forge, alter, conceal or destroy them. The retention period for the documents and materials shall be at least 10 years from the date on which the selection process ends.

Chapter VI Supplementary Provisions

Article 26 Matters not covered in these Measures shall be handled in accordance with the relevant national laws, regulations, normative documents and the Articles of Association. Where these Measures are inconsistent with the relevant provisions of laws, regulations, normative documents or the Articles of Association, the relevant provisions of laws, regulations, normative documents or the Articles of Association shall prevail.

Article 27 The Board of Directors of the Company shall be responsible for interpreting these Measures.

Article 28 These Measures shall become effective and be implemented upon approval by the Board of Directors of the Company, and the same shall apply to amendments.

ENN Natural Gas Co., Ltd.

Board of Directors

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