

Internal Audit Management Rules of ADAMA Ltd.

Contents

Chapter I General Provisions
Chapter II Organization and Personnel
Chapter III Duties and Authorization
Chapter IV Work Procedures
Chapter V Penalties
Chapter VI Supplementary Provisions

Chapter I General Provisions

Article 1 To strengthen the internal audit of ADAMA Ltd. (hereinafter referred to as the ‘Company’), establish and improve the mechanism, enhance the effectiveness, fully leverage the supervisory and service functions in the business management, promote the implementation of the Company’s strategic planning and operation workplans, ensure the effective operation of rules and the mechanism, and continuously upgrade the efficiency and effectiveness of corporate operations, these rules are hereby formulated in accordance with *the Audit Law of the People’s Republic of China* and other relevant laws, administrative regulations, departmental rules, *the Listing Rules of the Shenzhen Stock Exchange* (hereinafter referred to as the ‘Listing Rules’), *the Shenzhen Stock Exchange Listing Rules No. 1 – Standardized Operation of Companies Listed on the Main Board*, and in conjunction with *the Articles of Association of ADAMA Ltd.* (hereinafter referred to as the ‘Articles of Association’).

Article 2 The internal audit referred to in these Rules encompasses two core functions, namely supervision and service. Guided by the Company’s strategic development, transformation and innovation goals, the internal audit should be conducted through independent and objective verification, evaluation, and recommendations to promote the effective implementation of major decisions and deployments made by the Party and the State as well as the Company’s strategic

development plans. It also fosters compliant operations and enhances management effectiveness, thereby providing robust oversight guarantees and service support for the achievement of the Company's strategic targets and its high-quality development.

Article 3 These Rules apply to the company and its subsidiaries within the scope of the consolidated financial statements (hereinafter referred to as "the Company's various departments and subsidiaries"). When applying these Rules, overseas subsidiaries shall strictly comply with the laws and regulations of the respective countries or regions.

Chapter II Organization and Personnel

Article 4 The Company establishes an internal audit department, which shall be subject to the leadership and supervision of its Party Committee and accountable to the Board of Directors.

The internal audit department shall report to the Audit Committee of the Board and be subject to its supervision and guidance. In case that any significant issue or lead concerning the Company is uncovered, the department shall immediately report directly to the Audit Committee. The Audit Committee shall participate in the assessment of the head of the internal audit department.

Article 5 The company shall appoint sufficient audit personnel as required to ensure the smooth conduct of audit work. Internal auditors shall possess the fundamental qualities required for the audit role, including relevant proficiencies, strong organizational and coordination skills, research and investigation capabilities, comprehensive analytical skills, professional judgement, and written communication proficiency. They shall be familiar with the Company's business operations and internal controls and shall continuously maintain and enhance their professional competence through continuous learning. They shall demonstrate sound professional ethics, adhere to principles, maintain objectivity and impartiality, uphold integrity and self-discipline, perform their duties diligently, and strictly observe confidentiality.

Article 6 Auditors shall perform their duties in accordance with the law and shall be protected by law. No institution or individual may refuse or obstruct auditors in the performance of their duties. No retaliation against auditors is permitted.

Article 7 To ensure the objectivity and impartiality of audits, any conflict of interest between any auditor and the audited entity or the subject matter of the audit, if there is any, shall be proactively disclosed to the internal audit department prior to the commencement of the audit project. Participation in the project may only continue

after such disclosure has been reviewed and approved.

Auditors shall not participate in activities that may compromise their independent performance of duties, nor shall they interfere with or intervene in the regular production, operational, or management activities of the audited entity.

Chapter III Duties and Authorizations

Article 8 The internal audit department shall conduct its work in accordance with the annual work plan and meet any unplanned requirements, including but not limited to supervisory inspections such as economic responsibility audits, strategic and operational execution audits, internal control audits, and specialized audit projects. It shall issue audit reports, urge audited units to carry out audit recommendations, and follow up on the completion of rectification measures for identified issues.

Article 9 The internal audit department shall specifically perform the following functions:

(1) Formulate the annual audit work plan in accordance with the Company's development strategy and management requirements.

(2) Fulfill internal audit duties in accordance with regulatory requirements such as the Shenzhen Stock Exchange's *'Self-Regulatory Guidance No. 1 for Listed Companies – Standardized Operations for Companies Listed on the Main Board'*; coordinate audit resources and organize audit projects based on the approved annual audit plan, including but not limited to economic responsibility audits, strategic execution and operational audits, internal control audits, and specialized audits; issue audit reports, oversee the implementation of audit recommendations by audited entities and monitor the completion of rectification for identified issues.

(3) Organize and implement internal control evaluations and track the rectification of identified deficiencies.

(4) Oversee the establishment of the Company's non-compliance accountability system and conduct related accountability work.

(5) Coordinate and facilitate audit cooperation with SASAC, the National Audit Office and the shareholding entity.

(6) Oversee the development of the Company's audit management mechanism, institutional frameworks, and team building.

(7) Handle other audit matters as required by the Company's Party Committee,

Audit Committee, the management team and the shareholding entity.

(8) Actively cooperate and provide necessary support and collaboration when the Audit Committee communicates with external audit entities such as accounting firms and national audit authorities.

Article 10 In the course of performing its duties, the internal audit department shall possess the following rights:

(1) To obtain relevant materials within the responsibility scope of each functional department as the basis for formulating audit plans and conducting preliminary research for audit projects.

(2) To attend relevant company meetings and convene meetings concerning audit matters.

(3) To obtain query permissions for all company business systems to inspect various digital data and materials in real time.

(4) Request audited entities to provide materials concerning development plans, strategic decisions, major measures, internal controls, risk management, financial management, etc., including digital data and relevant documentation. It shall have the right to examine the security, reliability, and cost-effectiveness of the audited entity's information systems. Audited entities shall not refuse, delay, or misrepresent information.

The responsible person of the audited entity shall be accountable for the timeliness, authenticity, and completeness of the materials provided by their entity.

In case that the audit body requires verification of relevant circumstances from the audited entity after conducting a comprehensive analysis of obtained electronic data and other materials, the audited entity shall cooperate accordingly.

(5) Investigate relevant issues pertaining to audit matters with concerned entities and individuals and obtain supporting evidence. Such entities and individuals shall support and assist to truthfully reflect circumstances and furnish relevant supporting materials.

(6) Promptly report, halt, and propose recommendations for ongoing activities that constitute serious violation of national laws and regulations, company policies, or harm the Company's interests.

(7) During audits, the audited entity shall not transfer, conceal, alter, or destroy financial and accounting records, nor business or management documents related to financial receipts and expenditures. It shall not transfer, conceal, or intentionally damage assets held that were acquired in violation of national regulations.

The auditor shall have the authority to halt any violation of this provision by the audited entity and, upon approval, to temporarily seal such materials.

(8) To propose corrective measures and handling of illegal or non-compliant conduct, as well as recommendations for management improvements and enhanced performance.

(9) Issue public reprimands or recommend accountability measures against audited entities and personnel responsible for illegal activities or causing losses and wastage.

(10) Propose commendations to the Company's Party Committee, Board of Directors (or the principle and major leader) for audited entities and individuals demonstrating strict compliance with financial regulations, significant economic benefits and outstanding contributions.

(11) Exercise other rights prescribed by laws, regulations, and rules.

Chapter IV Work Procedures

Article 11 The internal audit department shall implement audit procedures in accordance with the professional standards, including but not limited to the following aspects:

(1) Formulate an annual audit plan and conduct internal audit work based on the approved version. Resource allocation for the audit plan shall be clarified and confirmed prior to the beginning of the year with clear arrangements for audit personnel assigned to each project.

(2) Prior to the implementation of an audit project, conduct thorough pre-audit investigations to comprehensively understand the basic information of the audited entity and relevant laws and regulations, formulate an audit plan, and submit it for approval.

(3) Deliver audit notifications to the relevant audited entities in advance. In exceptional circumstances, with approval from the Company's Party Committee, Board of Directors (or the major responsible leader), the notification may be delivered upon commencement of the audit.

(4) Pursuant to the audit plan, appropriate procedures shall be duly executed to carry out the audit, gather evidence, secure documentation, prepare working papers and fulfill all requisite sign-off steps. a.

(5) Prepare the audit report based on the working papers and form a draft for consultation; seek feedback from the audited entity where necessary. Upon completion of the above process, submit the audit report for approval and issuance by the Company's major responsible person.

(6) Issue *the Audit Rectification Notice* in accordance with management directives and monitor the audited entity's implementation of corrective measures. The rectification work shall be executed in compliance with the requirements outlined in *the Audit Rectification Procedures of Sinochem Holdings*.

(7) Feedback audit findings to relevant business management departments which shall serve as the crucial basis for performance evaluation, rewards, penalties and standardized management to enhance the use of audit outcomes.

Article 12 Audit documents shall be promptly filed, assigned to designated personnel to ensure proper management and regular handover.

Article 13 Unless otherwise stipulated by laws and regulations, the internal audit department shall conduct inspections at least once every six months on the following matters, issue inspection reports, and submit them to the Audit Committee:

(1) Implementation of major events including the use of raised funds, provision of guarantees, related party transactions, securities investments and derivatives trading, provision of financial assistance, purchase or disposal of assets, and external investments.

(2) Significant fund flows within the Company and fund flows involving board directors, senior management, controlling shareholders, actual controllers and their related parties.

Article 14 The internal audit department shall report to the Audit Committee at least quarterly, covering matters including but not limited to the implementation of the internal audit plan and issues identified during internal audit. An annual internal audit report shall be submitted to the Audit Committee at the close of each financial year.

Chapter V Penalties

Article 15 Where an audited entity violates these Rules by refusing or delaying the provision of materials relevant to the audit matters, or by providing materials that are untrue or incomplete, or by refusing or obstructing the inspection, investigation, or verification of relevant circumstances, the Company shall order rectification and may issue a public reprimand or warning. Where rectification is refused, responsibility shall be pursued in accordance with the Company's management policies.

Article 16 Where an audited entity violates these Rules by transferring, concealing, falsifying, or destroying financial, accounting, or other materials pertaining to financial receipts and expenditures. or by transferring, concealing, or intentionally damaging assets held in violation of national or company regulations,

the internal audit department may, in accordance with the Company's management policies, propose disciplinary actions against directly responsible supervisors and other directly liable personnel to the audited entity, or refer the matter to the disciplinary inspection department and relevant competent authorities for handling. Where such acts constitute a criminal offence, criminal liability shall be pursued in accordance with the law.

Article 17 Where the audited entity's financial receipts and expenditures violate laws, administrative regulations, or company provisions, the internal audit department may, in accordance with the Company's management policies, propose disciplinary actions against the directly responsible supervisors and other directly liable personnel to the audited entity, or refer the matter to the disciplinary inspection department and relevant competent authorities for handling. Where such acts constitute a criminal offence, criminal liability shall be pursued in accordance with the law.

Article 18 Any retaliation or malicious framing of audit personnel shall be subject to disciplinary action in accordance with the Company's management policies. Where such acts constitute a criminal offence, criminal liability shall be pursued in accordance with the law.

Article 19 Where audit personnel abuse their authority, engage in malpractice for personal gain, neglect their duties, or disclose state secrets, work secrets, commercial secrets, or personal privacy that have come to their knowledge, they shall be subject to disciplinary action in accordance with the Company's management policies. Where such acts constitute a criminal offence, criminal liability shall be pursued in accordance with the law.

Chapter VI Supplementary Provisions

Article 20 The internal audit department shall be responsible for interpreting these Rules.

Article 21 These Rules shall come into effect on the date of the approval by the Board of Directors.