

Adama Ltd
Performance Evaluation for the Auditor of the Company
and the Supervisory Responsibilities by the Audit Committee
for the Year of 2025

The Company has engaged KPMG Huazhen Certified Public Accountants LLP (hereinafter referred to as “KPMG Huazhen” or the “Auditor”) as the auditor for the Company's 2025 financial statements and internal control. In accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Measures for the Administration of the Engagement of Accounting Firms by State-owned Enterprises and Listed Companies (Cai Kuai [2023] No. 4), the Self-regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange No. 1 – Standardized Operation, and the Articles of Association of the Company, the Board of Directors and the Audit Committee have evaluated the performance of KPMG Huazhen in the course of the audit of the Company’s 2025 annual report.

Upon evaluation, the Board of Directors is of the view that KPMG Huazhen is compliant and effective in terms of qualifications, and that its internal quality control system can ensure that it maintains independence, exercises due diligence, and issues reports appropriate to the specific circumstances so as to express its opinions fairly in the course of performing its duties. The Audit Committee of the Board of Directors, adhering to the principle of due diligence, has faithfully performed its duties and conscientiously fulfilled its supervisory responsibilities. The specific details are as follows.

I. Basic information of the 2025 annual auditor

1. Qualifications

KPMG Huazhen was established on 18 August 1992 in Beijing. On 5 July 2012, it was approved by the Ministry of Finance and other authorities to convert its business property into a limited liability partnership. The business license was obtained on 10 July 2012 and the partnership business officially started on 1 August 2012.

The headquarter office of KPMG Huazhen is located in Beijing, with registered address at 8th floor, East Building 2, Oriental Plaza, No.1 East Chang'an Avenue, Dongcheng District, Beijing.

The chief partner of KPMG Huazhen is Mr. Zou Jun, who is of Chinese nationality and holds the qualification of a Chinese Certified Public Accountant.

As of the end of 2025, KPMG Huazhen had 247 partners, and 1,412 CPAs among whom more than 330 CPAs have signed audit report for securities services business.

The total revenue from audit business of KPMG Huazhen in 2024 exceeded RMB 4.1 billion, of which revenue from the audit business exceeded RMB 4 billion (including revenue from domestic statutory securities service exceeding RMB 900 million, revenue from other securities services of approximately RMB 1 billion, with the total revenue from securities service exceeding RMB 1.9 billion).

KPMG Huazhen provided 2024 annual audit services to 127 listed companies, with a total audit service fee of RMB 682 million. The main industries of the listed companies that KPMG Huazhen served are manufacturing, finance, transportation, warehousing, storage and postal, telecommunication, software and information technology, real estate, electricity, heat, gas and water production and supply, mining, wholesale and retail, agriculture, forestry, animal husbandry, fisheries, accommodation and catering, scientific research and technology services, health and social work,

water conservancy, environmental and public facility management, cultural, sports and entertainment as well as leasing and business services industries. Among the listed companies KPMG Huazhen served for the 2024 annual audit, there are 59 listed companies in the same industry as the Company.

2. Engagement Record

(1) Basic Information

Engagement partner Ms. Wang Jia obtained her Chinese certified public accountant qualification in 2008. She has been practicing with KPMG Huazhen since 2004 and has been engaged in audits of listed companies since 2004. She has been providing audit services to the Company since 2025. Ms. Wang has not signed or reviewed any audit reports of listed companies in the past three years.

Signing certified public accountant Ms. Wang Shan obtained her Chinese certified public accountant qualification in 2018. She has been practicing with KPMG Huazhen since 2008 and has been engaged in audits of listed companies since 2008. She has been providing audit services to the Company since 2025. Ms. Wang has signed or reviewed two audit reports of listed companies in the past three years.

Engagement quality control reviewer Ms. Chen Yuhong obtained her Chinese certified public accountant qualification in 1994. She has been practicing with KPMG Huazhen since 1992 and has been engaged in audits of listed companies since 1994. She has been providing audit services to the Company since 2025. Ms. Chen has signed or reviewed four audit reports of listed companies in the past three years.

(2) Integrity Record

As presented to the Company by the Auditor, none of the above-mentioned engagement partner, signing certified public accountant, or engagement quality control reviewer of KPMG Huazhen has been subject to any criminal penalties, administrative penalties, administrative regulatory measures, self-regulatory measures, or disciplinary sanctions in connection with their professional practice in the past three years.

(3) Independence

KPMG Huazhen and abovementioned engagement partner, signing certified public accountants, and engagement quality control reviewer have maintained their independence in accordance with the requirements of the Code of Professional Ethics and the independence standards.

3. Quality Control System

KPMG Huazhen, in accordance with the relevant provisions of the “Quality Management Standard for Accounting Firms No. 5101 – Engagement Quality Control Management”, has designed, implemented and operated a quality control system for audit engagements of financial statements, review engagements of financial statements, other assurance engagements and other related engagements, with the aim of providing reasonable assurance that:

- 1) The accounting firm and its personnel fulfill their responsibilities and perform engagements in accordance with laws, regulations and professional standards; and
- 2) The accounting firm and engagement partners issue engagement reports that are appropriate in the circumstances.

KPMG Huazhen has established corresponding policies and procedures for each component required under the relevant quality control management standards, covering the eight elements including risk assessment process, governance and leadership, relevant ethical requirements, acceptance and

continuance of client relationships and engagements, engagement performance, resources, information and communication, and monitoring and remediation. Among these, the specific policies and procedures relating to engagement consultation, resolution of differences of opinion, engagement quality control review, engagement quality inspection, and the identification and rectifications of quality deficiencies are as follows:

(1) Engagement Consultation

KPMG Huazhen has established policies and procedures for consultation and documentation of significant matters and complex issues. During the 2025 annual audit, the engagement team made timely consultations with the departments of engagement quality control and professional practice on the Company's significant matters and complex issues, and resolved the Company's key and difficult technical issues within the required timeframe.

(2) Resolution of Differences of Opinion

KPMG Huazhen has established a mechanism for handling and resolving differences of opinion. When differences of opinion arise under various circumstances, KPMG Huazhen requires the engagement team to consult with partners at higher levels in accordance with the firm's prescribed procedures in order to seek a solution, until a consistent and appropriate solution is reached. A report may only be issued after the differences of opinion have been properly resolved. During the 2025 annual audit, no differences of opinion arose regarding this engagement.

(3) Engagement Quality Control Review

KPMG Huazhen has formulated relevant policies and procedures to carry out engagement quality control reviews for engagements that are required by standards to undergo such reviews.

KPMG Huazhen has also established qualification requirements for the appointment of engagement quality control reviewers. Where such qualification requirements are met, KPMG Huazhen assigns appropriate engagement quality control reviewers to the relevant engagements, taking into account factors such as the industry experience and time schedule required for the specific engagement.

The engagement quality control review must be completed before the date of the audit report. Although the engagement partner bears ultimate responsibility for the audit report and audit matters, the engagement partner may issue the audit report only after all significant issues raised by the engagement quality control reviewer have been satisfactorily resolved.

(4) Engagement Quality Inspection

KPMG Huazhen has established a dedicated team that conducts project-level monitoring and supervision activities on a risk-oriented basis, in order to identify quality issues and risks, perform root cause analysis, and achieve continuous optimisation and improvement. Project-level monitoring and supervision activities mainly include ongoing monitoring and coaching during the course of engagements, as well as engagement quality inspections of completed projects. KPMG Huazhen carries out engagement quality inspections annually to assess how engagements have been performed and to identify opportunities to improve engagement quality. Engagement quality inspections are performed on audit engagements selected on a risk-oriented basis. Experienced and independent inspection partners are appointed to oversee the inspection process, and consistent criteria are applied to determine engagement ratings and to evaluate the audit work performed, while the same criteria are used to measure future improvement results. The firm communicates the inspection results internally and, where appropriate, takes corresponding improvement measures.

(5) Identification and Rectifications of Quality Deficiencies

KPMG Huazhen has established internal monitoring and remediation procedures in accordance with the requirements of the quality control management standards and has formulated the relevant policies and procedures.

Based on KPMG Huazhen's annual evaluation of its quality control management system as of 30 September 2025, the firm's quality control management system can provide reasonable assurance that the objectives of the system are being achieved.

(6) Work Plan

KPMG Huazhen formulates targeted audit work plans based on the Company's service needs and actual circumstances. During the audit process, KPMG Huazhen maintained full communication and reporting with the management and those charged with governance regarding matters such as the audit scope, timetable, audit plan, key audit areas, as well as the evaluation at the completion stage and the audit opinions. It was also able to deliver results on schedule in accordance with the audit plan, fully meeting the timetable requirements for the disclosure of the Company's annual report.

(7) Human Resources and Other Resources

During its engagement as the Company's auditor for 2025, KPMG Huazhen provided a dedicated audit team whose core members all have many years of experience in auditing listed companies and hold professional qualifications such as PRC Certified Public Accountant.

KPMG Huazhen also provided an experienced team of specialists. Depending on project needs, the engagement team involved experts such as information systems audit experts, tax specialists, valuation experts and actuarial experts in this engagement.

(8) Information Safety Management

KPMG Huazhen has established policies and control measures relating to information security, confidentiality, personal information and data privacy, including privacy impact assessments, data security and privacy training, a management mechanism for service providers, procedures for handling data subject enquiries, end-to-end data security management, data classification and grading management, and emergency response, among others. This series of policies complies with the requirements of professional standards and applicable laws and regulations. During the provision of audit services, KPMG Huazhen implements these control measures in accordance with legal, regulatory and policy requirements, and fulfills its obligations in protecting the security of audit information.

KPMG Huazhen's audit data are stored within Mainland China in accordance with the requirements of PRC laws and regulations. Unless permitted by the relevant PRC government authorities, such audit data will not be provided to any overseas institution, organization or individual.

4. Investor protection

The aggregate limit of indemnity under the professional liability insurance purchased by KPMG Huazhen, together with the accumulated professional risk reserve provision, exceeds RMB 200 million, which is in compliance with relevant regulations. In the past three years, with respect to civil lawsuits related to its professional practice, KPMG Huazhen has borne civil liability in bond-related civil litigation cases that were concluded during this period. In the final instance judgments, KPMG Huazhen was held liable for compensation at a ratio of 2%–3% (approximately RMB 4.6 million), and the payment has been fully settled.

II. Performance of the 2025 annual auditor

On 2 July 2025, the Company entered into an audit engagement letter for the 2025 annual audit (hereinafter referred to as the “Audit Engagement Letter”) with KPMG Huazhen. In accordance with the Audit Engagement Letter, and following the China Standards on Auditing and other professional standards, as well as the requirements of the State-owned Assets Supervision and Administration Commission (SASAC) for the Company’s accounting work, KPMG Huazhen audited the Company’s 2025 annual financial statements and the effectiveness of internal control over financial reporting as at 31 December 2025, and issued audit reports. At the same time, KPMG Huazhen performed relevant procedures and issued special reports in respect of the occupation of funds by the controlling shareholder and other related parties, the deposits, loans and other financial transactions arising from related-party transactions with the finance company, and the deduction of operating revenue. During the course of the audit and other relevant work, KPMG Huazhen maintained the necessary communications with those charged with governance and the management of the Company.

KPMG Huazhen assigned a dedicated audit team, whose core members all have many years of experience in auditing listed companies and hold the professional qualification of PRC Certified Public Accountant. In addition, KPMG Huazhen drew on the work of the firm’s internal specialists during the audit, including experts in taxation, information systems audit, valuation and actuarial science, and the firm’s accounting and auditing experts were involved throughout the process to provide support for the audit work.

During the 2025 annual audit, KPMG Huazhen fully cooperated with the Company’s annual report work and fully met the timetable requirements for information disclosure by the Company. KPMG Huazhen formulated detailed audit plans and timelines for the pre-audit and final audit stages, and communicated effectively with the Audit Committee regarding the audit plan and the status of completion of the audit, fully listening to and taking into account the views of the Audit Committee and completing all work on schedule. In addition, KPMG Huazhen developed detailed communication and cooperation plans and arrangements with component auditors and implemented them effectively. When significant accounting, auditing or other matters were encountered during the year’s audit, KPMG Huazhen made timely consultations with the relevant responsible persons within the firm, appropriately addressed and resolved the Company’s key and difficult issues, and reached consensus on all significant accounting and auditing matters of the Company, with no unresolved differences of opinion.

III. Supervisory Responsibilities by the Audit Committee in 2025

The Audit Committee's supervisory responsibilities over the Auditor are as follows:

1. The Audit Committee has conducted a rigorous review and assessment of KPMG Huazhen’s professional qualifications, technical capabilities, integrity, independence and quality of practice, and is of the view that KPMG Huazhen is qualified and professionally competent to provide audit services to the Company and can meet the requirements of the Company’s audit work. On 12 March 2025, at the first meeting of the Audit Committee of the tenth session of the Board of Directors, the proposal on the “Change of Accounting Firm and Appointment of the Auditor for the 2025 Financial Statements and Internal Control” (the “Proposal”) was approved, agreeing to appoint KPMG Huazhen as the auditor for the Company’s 2025 financial statements and internal control, and further agreeing to submit the Proposal to the Board of Directors for approval.

The specific details regarding the change of accounting firm in 2025 are as follows:

(1) Details of the former auditor and the audit opinion for the previous year

Deloitte Touche Tohmatsu Certified Public Accountants LLP (“Deloitte Huayong”), the Company’s former accounting firm, had provided annual audit services to the Company for

eight consecutive years and issued a standard unqualified audit opinion on the Company's 2024 financial statements and on the effectiveness of internal control over the 2024 financial reporting. The Company did not terminate the engagement of the former auditor after having engaged it to carry out only part of the audit work.

(2) Reason of change of auditor

In accordance with the relevant provisions of the "Measures for the Administration of the Engagement of Accounting Firms by State-owned Enterprises and Listed Companies (Cai Kuai [2023] No. 4)", and given that Deloitte Huayong has provided audit services to the Company for eight consecutive years, the Company has, after taking into full consideration of its actual circumstances and future audit service needs, decided to appoint KPMG Huazhen as the auditor of the Company for 2025.

(3) Communication between the former auditor and the successor auditor

The Company has communicated with both the former and the successor auditor regarding the change of auditor. Both parties have no objection to this change and have carried out the necessary communications in accordance with the relevant requirements of China Standard on Auditing No. 1153 – Communications between Predecessor and Successor Auditors and other applicable provisions.

2. On 19 September 2025, the members of the Audit Committee received a briefing from KPMG Huazhen on matters including the audit scope, audit risks, group audit, the use of specialist and independence in respect of the Company's 2025 annual audit, and held preliminary communications on the Committee's areas of concern and the 2025 annual audit.
3. On 18 March 2026, the Audit Committee convened its first meeting of 2026, at which it heard KPMG Huazhen's report on the 2025 annual audit, its findings and conclusions, and considered and approved, among others, the proposals on the full text and summary of the 2025 annual report, the 2025 financial statements, the 2025 internal control self-assessment report, and the 2025 assessment report on the performance of duties by the accounting firm and on the performance of supervisory responsibilities by the Audit Committee, and agreed to submit the foregoing proposals to the Board of Directors of the Company for approval.

IV. Overall Evaluation

The Audit Committee of the Board of Directors has strictly complied with the relevant provisions of the China Securities Regulatory Commission, the Shenzhen Stock Exchange and the Articles of Association of the Company, and has given full play to its role as a specialized committee. It has reviewed the relevant qualifications and practice capabilities of the accounting firm, held full discussions and communications with the accounting firm during the annual audit, and urged the accounting firm to issue the audit report in a timely, accurate, objective and impartial manner, thereby effectively fulfilling the Audit Committee's supervisory responsibilities over the accounting firm.

The Audit Committee of the Board of Directors is of the view that, in the course of the Company's annual audit, KPMG Huazhen adhered to an impartial and objective attitude in conducting an independent audit, demonstrated good professional ethics and competence, completed the relevant audit work for the Company's 2025 annual report on schedule, carried out its audit work in a regulated and orderly manner, and issued an audit report that was objective, complete, clear and timely.

March 26, 2026