



# **ENN Natural Gas Co., Ltd.**

**(Stock Code: 600803)**

## **Securities Investment Management System**

### **Chapter I General Provisions**

**Article 1** To regulate the securities investment behavior of ENN Natural Gas Co., Ltd. (hereinafter referred to as the “Company”), establish a comprehensive and orderly securities investment decision-making management mechanism, strengthen risk control, ensure the safety of the Company’s funds and property, protect the legitimate rights and interests of the Company and shareholders, according to the “Company Law of the People’s Republic of China”, “Securities Law of the People’s Republic of China”, “Listing Rules of Shanghai Stock Exchange”, “Shanghai Stock Exchange Self discipline Supervision Guidelines for Listed Companies No.1 - Standardized Operation”, “Shanghai Stock Exchange Self Regulatory Guidelines for Listed Companies No.5 - Trading and Related Party Transactions” and other laws, regulations and normative documents, as well as the relevant provisions of the “ENN Natural Gas Articles of Association” (hereinafter referred to as “Articles of Association”), combined with the actual situation of the Company, this system is specially formulated.

**Article 2** The term “securities investment” in this system refers to the Company’s behavior of investing in securities in the domestic and foreign securities markets under the premise of controlling investment risks, with the principle of improving the efficiency of fund use and maximizing returns, under the circumstances permitted by relevant rules. This includes but is not limited to participating in new share distribution or subscription, securities repurchase, stock and depository receipt investment, bond investment, and other securities investment behaviors recognized by the Shanghai Stock Exchange. Securities investment behaviors that serve as the main business of the Company or its holding subsidiaries do not apply to this system.

**Article 3** Principles of securities investment:

1. The Company's securities investment should comply with relevant regulations such as national laws, regulations, and normative documents;
2. The Company's securities investment should follow the principles of legality, prudence, safety, and effectiveness, establish and improve internal control systems, control investment risks, and pay attention to investment benefits;
3. The Company's securities investment must be adapted to the asset structure, be of appropriate scale, and must not affect the normal operation of the main business.

**Article 4** The source of funds for the Company's securities investment is the Company's own funds. The Company should strictly control the scale of funds for securities investment and must not use raised funds for securities investment.

**Article 5** The Company should set up securities accounts and capital accounts in its own name for securities investment, and must not use other people's accounts or provide funds to others for securities investment.

**Article 6** This system applies to the Company and its holding subsidiaries. If the Company's holding subsidiaries intend to make securities investments, they must strictly follow the Company's authorization process and the decision-making authority of this system to perform approval and disclosure procedures, and they can not make securities investments without approval.

## **Chapter II Securities Investment Approval**

**Article 7** When the Company makes securities investments, it should strictly follow the approval procedures in accordance with the provisions of relevant investment authorities.

**Article 8** The decision-making authority for the Company's securities investment is as follows:

1. If the total amount of securities investment accounts for more than 10% of the Company's most recent audited net assets and the absolute amount exceeds 10 million RMB, it should be reviewed and approved by the Board of Directors and fulfill the obligation of information disclosure in a timely manner.
2. If the total amount of securities investment accounts for more than 50% of the Company's most recent audited net assets and the absolute amount exceeds 50

million RMB, it should be submitted to the shareholders' meeting for review after being reviewed and approved by the Board of Directors.

3. For securities investments that do not reach the review authority of the Company's Board of Directors and shareholders' meeting, the management has the decision-making power.
4. If the Company makes securities investments and it is difficult to fulfill the review procedures and disclosure obligations for each investment transaction due to the frequency and timeliness requirements, it can reasonably predict the scope, amount, and term of securities investment within the next 12 months, and apply the relevant provisions of the review procedure and information disclosure obligation with the securities investment amount as the standard. The use period of the related amount should not exceed 12 months, and the amount of securities investment at any point during the period (including the relevant amount of reinvestment of the income from the aforementioned investment) should not exceed the reviewed securities investment amount.
5. If the above approval authority is inconsistent with the current laws, administrative regulations, and relevant regulations of the securities exchange, the relevant regulations shall prevail.

**Article 9** If the Company conducts securities investment with related parties, it should also use the securities investment amount as the calculation standard and apply the relevant provisions of related transactions.

**Article 10** When the Board of Directors reviews securities investment matters, it should pay full attention to whether the investment risk is controllable and whether the risk control measures are effective, whether the investment scale affects the normal operation of the Company, whether the source of funds is its own funds, and whether there are situation of investment in violation of regulations, etc.

### **Chapter III Management and Information Disclosure of Securities Investment**

**Article 11** The Company's Board of Directors authorizes the management to be responsible for the formulation, specific implementation, and management of the investment plan for securities investment trading business, and is responsible for signing related agreements and documents. The Company's finance department is

responsible for the specifics of securities investment, and activities involving the use of securities investment funds should establish and maintain complete accounting records, ensuring accounting and financial management of fund utilization.

**Article 12** The Company's relevant departments and their personnel should be aware of the relevant laws and regulations on securities investment transactions before conducting securities investment transactions, and can not conduct illegal transactions. Personnel involved in formulating and implementing securities investment trading plans must have solid professional knowledge and relevant experience in securities investment trading.

**Article 13** The Audit Committee of the Company's Board of Directors has the right to investigate and track the Company's securities investment situation at any time, so as to strengthen the pre-project and follow-up management of the Company's securities investment projects and control risks.

**Article 14** Independent directors have the right to inspect the use of the Company's securities investment funds, and have the right to hire independent external auditing institutions to conduct special audits on the securities investment funds.

**Article 15** The Board of Supervisors has the right to supervise the use of the Company's securities investment funds.

**Article 16** The Board of Directors should continuously track the progress and risk status of securities investments. In case of abnormal situations such as significant losses, immediate measures should be taken and the obligation of information disclosure should be fulfilled as required.

**Article 17** Anyone who violates relevant laws and regulations, this system, and other regulations of the Company, and does not operate according to the Company's established investment plan, causing losses to the Company, should bear corresponding responsibilities according to the specific situation.

**Article 18** The Company's securities investment activities should strictly comply with the regulations on information management and information disclosure by the China Securities Regulatory Commission, the Shanghai Stock Exchange, and the Company.

**Article 19** The secretary of the Board of Directors is responsible for the external

disclosure of the Company's securities investment information. Other directors, supervisors, senior managers, and related insiders who are aware of undisclosed information have a duty of confidentiality and can not disclose it to the outside in any form without authorization.

#### **Chapter IV Appendix**

**Article 20** Matters not covered by this system shall be implemented in accordance with relevant national laws, regulations, normative documents, and relevant provisions of the "Articles of Association". If this system is inconsistent with relevant laws, regulations, normative documents, and provisions of the "Articles of Association", the provisions of relevant laws, regulations, normative documents, and the "Company Charter" shall prevail.

**Article 21** The revision and interpretation of this system shall be the responsibility of the Company's Board of Directors.

**Article 22** This system takes effect from the date of approval by the Company's Board of Directors, and the same applies to revisions.

ENN Natural Gas Co., Ltd.

Board of Directors

December 8, 2023