



ENN Natural Gas Co., Ltd.

(Stock Code: 600803)

Related Party Transaction Management System

Chapter I General Provisions

Article 1 In order to fully protect the legitimate rights and interests of ENN Natural Gas Co., Ltd. (hereinafter referred to as the “Company”) and all shareholders, ensure the fairness of the Company’s related party transactions, ensure that the Company’s related party transactions do not harm the interests of the Company and all shareholders, and make the Company’s related party transactions comply with the principles of fairness, justice, and openness, this system is formulated in accordance with the “Company Law of the People’s Republic of China”, “Securities Law of the People’s Republic of China”, “Corporate Governance Standards for Listed Companies”, “Listing Rules of Shanghai Stock Exchange”, “Regulatory Guidelines for Listed Companies No.8 - Regulatory Requirements for Fund Transactions and External Guarantees of Listed Companies”, “Shanghai Stock Exchange Self Regulatory Guidelines for Listed Companies No.5 - Trading and Related Party Transactions” and other relevant laws, regulations and normative documents, and 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.

Chapter II Related Parties, Related Relationships, and Related Transactions

Article 2 The Company’s related parties include related legal persons (or other organizations) and related natural persons.

1. A legal person (or other organization) in any of the following circumstances is a related legal person (or other organization) of the Company:
 - (1) Legal persons (or other organizations) that directly or indirectly control the Company;

- (2) Legal persons (or other organizations) other than the Company, holding subsidiaries and other controlled entities that are directly or indirectly controlled by the legal persons (or other organizations) mentioned in item 1 above;
 - (3) Legal persons (or other organizations) other than the Company, holding subsidiaries and other controlled entities that are directly or indirectly controlled by related natural persons, or where they serve as directors (excluding independent directors of both parties) and senior management;
 - (4) Legal persons (or other organizations) and their concerted actors holding more than 5% of the Company's shares;
2. A natural person in any of the following circumstances is a related natural person of the Company:
- (1) Natural persons who directly or indirectly hold more than 5% of the Company's shares;
 - (2) Directors, supervisors, and senior management of the Company;
 - (3) Directors, supervisors, and senior management of legal persons (or other organizations) that directly or indirectly control the Company;
 - (4) Close family members of the persons mentioned in items 1 and 2 of this paragraph, including spouses, children over 18 years old and their spouses, parents and parents of spouses, brothers and sisters and their spouses, brothers and sisters of spouses, and parents of children's spouses.

The China Securities Regulatory Commission (hereinafter referred to as the "CSRC"), the Shanghai Stock Exchange, or the Company, based on the principle of substance over form, identifies other legal persons (or other organizations) or natural persons that have a special relationship with the Company and may or have already caused the Company to tilt its interests towards them as related parties of the Company.

Article 3 Legal persons (or other organizations) and natural persons who are in one of the situations described in Article 2 within the past 12 months or within 12 months after the relevant agreement or arrangement takes effect, are related parties of the Company.

Article 4 Related party transactions of the Company's holding subsidiaries are

regarded as the Company's behavior and comply with the provisions of the China Securities Regulatory Commission, the Shanghai Stock Exchange, and this system.

Article 5 Related relationships mainly refer to the ways or means that have the ability to directly or indirectly control or exert significant influence on the Company in financial and business decision-making, mainly including the equity relationship, personnel relationship, management relationship, and commercial interest relationship between the related parties and the Company.

Article 6 The related relationship should be substantively judged from the specific ways, means, and degrees of the related parties' control or influence over the Company.

Article 7 The Company's related party transactions refer to matters that may lead to the transfer of resources or obligations between the Company, its holding subsidiaries and other controlled entities and related parties, including but not limited to the following matters:

1. Purchase or sale of assets;
2. Foreign investment (including entrusted financial management, investment in subsidiaries, etc.);
3. Provision of financial assistance (including interest-bearing or interest-free loans, entrusted loans, etc.);
4. Provision of guarantees (including guarantees for holding subsidiaries, etc.);
5. Leasing in or leasing out assets;
6. Entrusting or being entrusted with the management of assets and business;
7. Donation or receipt of assets;
8. Debt restructuring;
9. Signing of license use agreements;
10. Transfer or acceptance of research and development projects;
11. Waiver of rights (including waiver of pre-emptive purchase rights, pre-emptive subscription rights, etc.)
12. Purchase of raw materials, fuel, power;

13. Sale of products, goods;
14. Provision or acceptance of labor services;
15. Entrusted or entrusted sales;
16. Deposit and loan business;
17. Joint investment with related parties;
18. Other matters that may lead to the transfer of resources or obligations through agreement as determined by the Shanghai Stock Exchange based on the principle of substance over form.

Article 8 The Company's related party transactions should follow the following basic principles:

1. Comply with the principles of honesty, credit, openness, fairness, and justice;
2. If a related party has the voting rights of the Company's shareholders' meeting, it should abstain from exercising voting rights on related party transaction matters, and it should not act as a proxy for other shareholders to exercise voting rights;
3. Directors who have any interest with the related party should abstain from voting on related party transaction matters at the Board of Directors meeting, and they should not act as a proxy for other directors to exercise voting rights;
4. The Company's Board of Directors should judge whether the related party transaction is beneficial to the Company based on objective standards, and if necessary, hire a professional appraiser or independent financial advisor to express opinions.

Chapter III Decision-making Procedure for Related Party Transactions

Article 9 The draft of related party transactions that need to be reviewed by the Company's Board of Directors or shareholders' meeting should provide detailed explanations on the specific matters of the related party transaction, the basis for pricing, and the extent of the impact on the Company and shareholders' interests.

Article 10 Decision-making power of related party transactions

1. Except for the provisions of Article 12 of this system, if the transaction amount

(including the debt and expenses undertaken) between the Company and the related natural person is more than 300,000 yuan, but has not yet reached the standard of Item NO.3 of this article, the related party transaction shall be implemented after being reviewed and approved by the Company's Board of Directors and fulfill the obligation of information disclosure in a timely manner.

The Company shall not provide loans directly or indirectly to directors, supervisors, and senior management through subsidiaries.

2. Except for the provisions of Article 12 of this system, if the Company intends to have a transaction amount (including the debt and expenses undertaken) with the related legal person (or other organization) of more than 3 million yuan and accounting for more than 0.5% of the absolute value of the Company's latest audited net assets, but has not yet reached the standard of Item NO.3 of this article, the related party transaction shall be implemented after being reviewed and approved by the Company's Board of Directors and fulfill the obligation of information disclosure in a timely manner.

The total amount of related party transactions accounting for less than 0.5% of the absolute value of the latest audited net assets should be reported to the finance department and the investor relations department.

3. Except for the provisions of Article 12 of this system, if the Company intends to have a transaction amount (including the debt and expenses undertaken) with the related party of more than 30 million yuan, and accounting for more than 5% of the absolute value of the Company's latest audited net assets, in addition to timely disclosure, it should also provide a securities service institution with the qualification to execute securities and futures related businesses, to issue an audit or evaluation report on the transaction target, and submit the transaction to the shareholders' meeting for review.

For the transaction targets involved in related party transactions related to daily operations, auditing or evaluation is not required.

Article 11 The related party transactions of the Company should be calculated according to the principle of cumulative calculation within a continuous 12 months, and the provisions of Article 10 should be applied separately:

1. Transactions with the same related party;

2. Transactions related to the same transaction category with different related parties.

The above-mentioned same related party includes other related parties that are controlled by the same subject with the related party, or have a mutual equity control relationship.

Those who have fulfilled their obligations according to the cumulative calculation principle are no longer included in the relevant cumulative calculation range.

Article 12 If the Company provides a guarantee for a related party, regardless of the amount, it should be disclosed in a timely manner after being reviewed and approved by the Board of Directors. In addition to being reviewed and approved by more than half of all non-related directors, it should also be reviewed and agreed by more than two-thirds of the non-related directors attending the Board of Directors meeting and make a resolution, and submit it to the shareholders' meeting for review. When the Company provides a guarantee for the controlling shareholder, the actual controller and its related parties, the controlling shareholder, the actual controller and its related parties should provide a counter-guarantee.

If the Company becomes a related party to the party being guaranteed due to a transaction or related party transaction, it should fulfill the corresponding review procedures and information disclosure obligations for the existing related guarantees while implementing the transaction or related party transaction.

If the Board of Directors or the shareholders' meeting does not review and approve the related guarantee matters stipulated in the preceding item, the parties to the transaction should take effective measures such as early termination of the guarantee.

If the Company provides a guarantee for a shareholder holding less than 5% of the shares, it shall be executed in accordance with the preceding item, and the relevant shareholders shall abstain from voting at the shareholders' meeting.

Article 13 If the Company and the related party jointly contribute to establish a Company, the Company's contribution amount is used as the transaction amount, and the provisions of Article 10 are applicable. When the Company's contribution amount reaches the standard stipulated in Item NO.3 of Article 10, if all contributors contribute in cash and determine the equity ratio of each party in the established Company according to the contribution ratio, the provision of submitting to the

shareholders' meeting for review can be exempted.

Article 14 The Company shall sign a written agreement for any related party transactions with its related party. The signing of the agreement should follow the principles of equality, voluntariness, equivalence, and compensation. The content of the agreement should be clear and specific. The Company should disclose the establishment, changes, termination, and performance of the agreement in accordance with relevant regulations.

When the Company's related party sign an agreement involving related party transactions with the Company, necessary avoidance measures should be taken:

1. An individual can only represent one party in signing the agreement;
2. Related party cannot interfere with the Company's decision-making in any form;
3. When the Company's Board of Directors votes on related party transactions, the related directors can participate in the review and discussion and put forward their opinions, but they should abstain from voting.

Article 15 When the Company intends to engage in related party transactions that should be disclosed with its related party, it should be reviewed at a Independent Directors Special Meeting and submitted to the Board of Directors for review after more than half of all independent directors agree. Before making a judgment, independent directors can hire an independent financial advisor to issue a report as the basis for their judgment.

The Company's audit committee should review the aforementioned related party transactions, form a written opinion, and submit it to the Board of Directors for review. The audit committee can hire an independent financial advisor to issue a report as the basis for its judgment.

Article 16 When the Board of Directors reviews related party transactions, related directors should abstain from voting and should not act as proxies for other directors to exercise voting rights. The Board of Directors meeting can be held with the attendance of more than half of the non-related directors, and the resolutions made at the Board of Directors meeting must be passed by more than half of the non-related directors. If the number of non-related directors attending the Board of Directors meeting is less than three, the transaction should be submitted to the shareholders'

meeting for review.

The related directors referred to in the preceding paragraph refer to directors who meet one of the following conditions:

1. They are the transaction counterparties;
2. They have direct or indirect control over the transaction counterparties;
3. They hold positions in the transaction counterparties, or in legal persons or other organizations that can directly or indirectly control the transaction counterparties, or in legal persons or other organizations directly or indirectly controlled by the transaction counterparties;
4. They are close family members of the transaction counterparties or their direct or indirect controllers (the specific scope of close family members refers to the provisions of the fourth paragraph of Item NO.2 of Article 2 of this system, the same below);
5. They are close family members of the directors, supervisors, or senior managers of the transaction counterparties or their direct or indirect controllers;
6. Directors whose independent business judgment may be affected as determined by the China Securities Regulatory Commission, the Shanghai Stock Exchange, or the Company based on the principle of substance over form.

Article 17 When the Company's shareholders' meeting reviews related party transactions, related shareholders should abstain from voting and should not act as proxies for other shareholders to exercise voting rights.

The related shareholders referred to in the preceding paragraph include shareholders who are one of the following or who meet one of the following conditions:

1. They are the transaction counterparties;
2. They have direct or indirect control over the transaction counterparties;
3. They are directly or indirectly controlled by the transaction counterparties;
4. They are directly or indirectly controlled by the same legal person, other organization, or individual as the transaction counterparties;
5. They hold positions in the transaction counterparties, or in legal persons or other

organizations that can directly or indirectly control the transaction counterparties, or in legal persons or other organizations directly or indirectly controlled by the transaction counterparties;

6. They are close family members of the transaction counterparties or their direct or indirect controllers;
7. Shareholders whose voting rights are restricted and affected due to unfulfilled equity transfer agreements or other agreements with the transaction counterparties or their related party;
8. Shareholders who may cause the Company's interests to tilt towards them as determined by the China Securities Regulatory Commission or the Shanghai Stock Exchange.

Article 18 The Company should take effective measures to prevent related party from interfering with the Company's operations and damaging the Company's interests through means such as monopolizing procurement and sales channels. Related party transaction activities should follow commercial principles, and the price of related party transactions should not deviate from the price or charging standard of independent third parties in the market in principle. The Company should fully disclose the pricing basis of related party transactions.

Article 19 The Company should take effective measures to prevent shareholders and other related parties from occupying or transferring the Company's funds, assets, and other resources in various forms.

Chapter IV Determination and Management of Related Party Transaction Prices

Article 20 The related party transaction price refers to the transaction price of goods or services involved in related party transactions between the Company and its related party.

Article 21 Management of related party transaction prices

1. The transaction parties should calculate the transaction price based on the price and actual transaction quantity agreed in the related party transaction agreement, settle monthly, liquidate annually, or pay according to the payment method and payment time agreed in the related party transaction agreement.

2. If the Company's independent directors and the board of supervisors disagree with the changes in the related party transaction prices, they can hire an independent financial advisor to issue an opinion on the fairness of the changes in the related party transaction prices.

Chapter V Disclosure of Information on Related Party Transactions

Article 22 The Company should disclose relevant content of related party transactions according to the type of related party transactions and in accordance with the relevant regulations of the Shanghai Stock Exchange, including the transaction counterparties, transaction subject matter, explanation of the relationship between the transaction parties and the basic situation of the related parties, the main content of the transaction agreement, transaction pricing and basis, approval documents from relevant departments (if any), and opinions of intermediary agencies (if applicable).

Article 23 If the Company conducts entrusted financial management with its related party, and it is difficult to fulfill the review procedures and disclosure obligations for each investment transaction due to the frequency and timeliness requirements of the transaction, it can make reasonable estimates of the investment scope, investment amount, and term, and use the amount as the calculation standard, applying the provisions of Article 10 of these system. The use period of the related amount should not exceed 12 months, and the transaction amount at any point within the period (including the relevant amount of reinvestment of the aforementioned investment income) should not exceed the investment amount. Those that have already fulfilled the relevant approval procedures and disclosure obligations in accordance with the Article 10 of these system are no longer included in the relevant cumulative calculation range.

Article 24 When the Company conducts daily related party transactions with its related party as listed in Items NO.12 to NO.16 of Article 7, it should disclose and perform the corresponding review procedures in accordance with the following provisions:

1. For daily related party transaction agreements that have been reviewed and approved by the shareholders' meeting or the Board of Directors and are being executed, if the main terms have not undergone significant changes during the execution, the Company should disclose the actual performance of each

agreement in the annual report and semi annual report as required, and explain whether it complies with the agreement's provisions. If the main terms of the agreement undergo significant changes during execution or the agreement needs to be renewed upon expiration, the Company should submit the newly revised or renewed daily related party transaction agreement to the Board of Directors or the shareholders' meeting for review according to the total transaction amount involved in the agreement as stipulated in Article 10. If the agreement does not have a specific total transaction amount, it should be submitted to the shareholders' meeting for review.

2. For the first occurrence of daily related party transactions, the Company should perform review procedures and disclose in a timely manner according to the total transaction amount involved in the agreement. If the agreement does not have a specific total transaction amount, it should be submitted to the shareholders' meeting for review. If the main terms of the agreement undergo significant changes during execution or the agreement needs to be renewed upon expiration, it should be handled in accordance with the aforementioned provisions of this Item.
3. The Company can reasonably estimate the annual amount of daily related party transactions by category, perform review procedures, and disclose. If the actual execution exceeds the estimated amount, the Company should re-perform the review procedures and disclose according to the exceeded amount.
4. The Company's annual report and semi-annual report should categorize and summarize the actual performance of daily related party transactions.
5. If the term of the daily related party transaction agreement signed by the Company and its related party exceeds 3 years, the Company should re-perform the relevant review procedures and disclosure obligations every 3 years in accordance with the provisions of this Article.

Article 25 The content of the daily related party transaction agreement should at least include the pricing principles and basis, transaction price, transaction total range or method for determining the transaction total, payment time and method, and other main terms.

Article 26 The following transactions between the Company and its related party

can be exempted from review and disclosure as related party transactions:

1. Transactions where the Company unilaterally benefits and does not pay a price or assume any obligations, including receiving cash assets as a donation, obtaining debt relief, accepting guarantees and financial aid for free, etc.;
2. Related parties provide funds to the Company, and the interest rate level is not higher than the loan market quoted interest rate, and the Company does not need to provide a guarantee;
3. One party subscribes to the other party's publicly issued stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives in cash;
4. One party underwrites the other party's publicly issued stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives as a member of the underwriting group;
5. One party receives dividends, bonuses or remuneration according to the resolution of the other party's shareholders' meeting;
6. One party participates in the other party's public bidding, auction, etc., but excludes bidding, auctions, etc. that are difficult to form a fair price;
7. The Company provides products and services to related natural persons specified in paragraph 2 to 4 of Item NO.2 of Article 2 of this system under the same transaction conditions as non-related parties;
8. The pricing of related party transactions is stipulated by the state;
9. Other transactions determined by the Shanghai Stock Exchange.

Chapter VI Financial Transactions with Controlling Shareholders, Actual Controllers, and Other Related Parties

Article 27 Controlling shareholders, actual controllers, and other related parties shall not directly or indirectly occupy the Company's funds and resources in any way, nor shall they require the Company to advance payments for wages, benefits, insurance, advertising, and other costs, or bear costs and other expenses.

Article 28 The Company can not provide funds, assets, and resources directly or indirectly to controlling shareholders, actual controllers, and other related parties in

the following ways:

1. Lending the Company's funds (including entrusted loans) to controlling shareholders, actual controllers, and other related parties for a fee or free of charge, except for providing funds to other shareholders of the Company in which the Company holds shares in the same proportion. The aforementioned "shareholding company" does not include companies controlled by controlling shareholders and actual controllers;
2. Entrusting controlling shareholders, actual controllers, and other related parties to carry out investment activities;
3. Issuing commercial acceptance bills without a real transaction background for controlling shareholders, actual controllers, and other related parties, and providing funds in the form of purchase payments, asset transfer payments, advance payments, etc., without goods and service consideration or obviously contrary to commercial logic;
4. Repaying debts on behalf of controlling shareholders, actual controllers, and other related parties;
5. Other methods determined by the China Securities Regulatory Commission.

Article 29 The Company should hire the accounting firm responsible for the Company's annual audit business to issue a special explanation on the issues of the controlling shareholders and other related parties occupying the Company's funds and violating the guarantee after the end of each accounting year. The Company should make an announcement on the special explanation. If the independent directors disagree with the special audit results, they have the right to propose the Company's Board of Directors to hire another audit institution for review, and the cost will be borne by the Company.

Chapter VII Legal Liability

Article 30 When the Company experiences situations where controlling shareholders and other related parties encroach on the Company's assets and harm the interests of the Company and shareholders, the Company's Board of Directors should take effective measures to require controlling shareholders and other related parties to stop the infringement and bear compensation responsibility for the losses caused by

the damage. When the controlling shareholders and other related parties refuse to correct, the Company should file a lawsuit against the controlling shareholders and other related parties as defendants to protect the legal rights and interests of the Company and shareholders after filing a record with the local securities regulatory department.

Article 31 When the Board of Directors neglects to exercise the above duties, more than half of the independent directors, the board of supervisors, or shareholders who individually or jointly hold more than 10% of the total voting shares of the Company have the right to propose to convene an extraordinary shareholders' meeting to make resolutions on related matters according to the procedures stipulated in the "articles of association" after filing a record with the local securities regulatory department. When the extraordinary shareholders' meeting reviews the related matters, the Company's controlling shareholders or other related parties who are proposed to be sued should legally abstain from voting, and the total number of voting shares they hold should not be included in the total number of valid voting shares of the shareholders' meeting.

Article 32 If the Company's directors, supervisors, president, and other senior management personnel violate the provisions of these system and assist controlling shareholders and other related parties in encroaching on the Company's property and damaging the Company's interests, the Company will impose punishments such as warnings, fines, demotions, and dismissals on the directly responsible persons according to the severity of the circumstances. If a crime is constituted, it will be submitted to the judicial authorities for handling.

Article 33 When a shareholder of the Company brings a civil compensation lawsuit according to law due to economic losses caused by the behavior of controlling shareholders, Company directors, supervisors, the president, or other senior management personnel that harms the interests of the Company and other shareholders, the Company has an obligation to provide support such as providing relevant materials under the premise of complying with laws, regulations, and the "articles of association".

Chapter VIII Appendix

Article 34 The secretary of the Board of Directors is responsible for preserving documents related to related party transaction decision records, resolutions, etc.

Article 35 Matters not covered by this system shall be implemented in accordance with relevant national laws, regulations, and the “Articles of Association”. If this system conflicts with laws and regulations promulgated by the contrary in the future, or the “Articles of Association” amended through legal procedures, it shall be implemented in accordance with relevant national laws, regulations, and the “Articles of Association”, and revised in a timely manner.

Article 36 The interpretation of this system is the responsibility of the Company’s Board of Directors.

Article 37 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