ENN Natural Gas Co., Ltd.

Management System for Raised Funds

ENN Natural Gas Co., Ltd.

Board of Directors

May 16, 2025

Chapter I General Provisions

Article 1 To regulate the management and use of raised funds by ENN Natural Gas Co., Ltd. (hereinafter referred to as the "Company") and protect the lawful rights and interests of investors, this System is formulated in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for the Issuance of Securities by Listed Companies, the Regulatory Guidelines for Listed Companies No. 2 — Regulatory Requirements for the Management and Use of Raised Funds by Listed Companies, the Listing Rules of the Shanghai Stock Exchange, the Self-Regulatory Guidelines for Listed Companies No. 1 — Standardized Operation and other relevant provisions, in light of the actual circumstances of the Company.

Article 2 For purposes of this System, raised funds refer to funds raised from investors for a specific purpose by the Company through the issuance of shares and derivative instruments thereof.

Over-raised funds referred to in this System mean the portion by which the net amount of actual raised funds exceeds the planned amount of raised funds.

Article 3 The Board of Directors of the Company shall establish an internal control system for the deposit, use and management of raised funds, and expressly prescribe matters including the deposit, use, change, supervision and accountability of raised funds, the application for use of raised funds, the authority for approval at different levels, decision-making procedures, risk control measures and information disclosure procedures for the use of raised funds.

Where a raised funds investment project is implemented through a subsidiary of the Company or another enterprise controlled by the Company, the Company shall ensure that such subsidiary or controlled enterprise complies with the provisions of this System.

Article 4 Raised funds shall be used for the purposes stated in the prospectus or other offering documents for the public issuance. Where the Company changes the purposes of funds stated in the prospectus or other offering documents for the public issuance, a resolution of the Shareholders' Meeting must be adopted.

Article 5 After the raised funds are received, the Company shall promptly complete the capital verification procedures, and an accounting firm qualified to engage in securities-related business shall issue a capital verification report.

Article 6 The Board of Directors of the Company shall be responsible for the management and use of raised funds. The Chief Executive Officer of the Company, as entrusted by the Board of Directors, shall be responsible for the overall management of raised funds, and the President of the Company shall be responsible for the specific organization and implementation of raised funds investment projects. The Company shall use raised funds responsibly and prudently, and properly balance the timing of investment, investment funds, investment progress and project benefits based on the principle of input-output efficiency.

The Board of Directors of the Company shall, in accordance with the requirements of the Company Law, the Securities Law, the Listing Rules of the Shanghai Stock Exchange, the Self-Regulatory Guidelines for Listed Companies No. 1 — Standardized Operation and other relevant laws, regulations and provisions, disclose the use of raised funds in a timely manner.

Chapter II Deposit of Raised Funds

Article 7 The deposit of the Company's raised funds shall follow the principle of depositing the funds in a special account to facilitate supervision.

The Company's raised funds shall be centrally managed in a special account for raised funds (hereinafter referred to as the "Special Account") established with the approval of the Board of Directors or authorized management. Except for the Special Account for raised funds, the Company shall not deposit raised funds in any other bank account. The Special Account shall not hold non-raised funds or be used for any other purpose.

Article 8 The Finance Department of the Company shall be responsible for opening the Special Account for raised funds. The establishment of the Special Account shall be filed in accordance with the provisions and requirements of the securities regulatory authorities. After the raised funds are received, the Company shall promptly and fully deposit them in the Special Account.

Article 9 The Finance Department of the Company shall establish a special ledger for raised funds and record in detail the expenditures of raised funds projects and the investment in raised funds projects.

The internal audit department shall inspect the deposit and use of raised funds at least once every six months and promptly report the inspection results to the Audit Committee.

Where the Audit Committee considers that the Company's management of raised funds involves a violation, a material risk, or that the internal audit department has failed to submit a report on the inspection results in accordance with the preceding paragraph, it shall promptly report to the Board of Directors. The Board of Directors shall, after receiving the report, promptly report to and make an announcement with the Shanghai Stock Exchange.

Article 10 Within one month after the raised funds are credited, the Company shall enter into a tripartite regulatory agreement for the deposit of raised funds in the Special Account with the sponsor or independent financial adviser and the commercial bank where the raised funds are deposited (hereinafter referred to as the "Commercial Bank"), and make an announcement in a timely manner. The agreement shall at least include the following:

The Company shall deposit the raised funds centrally in the Special Account;

The account number of the Special Account, the raised funds projects related to the Special Account, and the amount deposited;

The Commercial Bank shall provide the Company with a bank statement for the Special Account each month and send a copy to the sponsor or independent financial adviser;

4. Where the amount withdrawn by the Company from the Special Account on one occasion or cumulatively within 12 months exceeds RMB 50 million and reaches 20% of the net amount of the total raised funds after deducting issuance expenses (hereinafter referred to as the "net raised funds"), the Company shall promptly notify the sponsor;
5. The sponsor or independent financial adviser may at any time visit the Commercial Bank to inquire about the materials relating to the Special Account;

6. The supervisory duties of the sponsor or independent financial adviser, the notification and cooperation duties of the Commercial Bank, and the supervisory methods of the sponsor or independent financial adviser and the Commercial Bank with respect to the Company's use of raised funds;
7. The liability for breach of contract of the Company, the Commercial Bank and the sponsor;
8. Where the Commercial Bank has failed to provide a statement to the sponsor or independent financial adviser in a timely manner three times, or has failed to cooperate with the sponsor or independent financial adviser in inquiring into or investigating the materials relating to the Special Account, the Company may terminate the agreement and cancel the Special Account for raised funds.

Where the aforesaid agreement is terminated early before its expiration due to a change of sponsor or Commercial Bank or other reasons, the Company shall enter into a new agreement with the relevant parties within two weeks from the date of termination of the agreement and make an announcement in a timely manner.

Chapter III Use of Raised Funds

Article 11 The Company shall use raised funds in accordance with the plan for the use of raised funds undertaken in the offering application documents. Where a circumstance seriously affects the normal implementation of the raised funds investment plan, the Company shall promptly report to and make an announcement with the Shanghai Stock Exchange.

Article 12 When using raised funds, the Company shall strictly perform the application and approval procedures. An application for use of raised funds referred to herein means a report submitted by the department or entity using the funds, containing the purpose and amount of the application, the time for withdrawal or allocation of the funds, and other information. The approval procedures for use of raised funds referred to herein mean the procedures under which, within the scope of the raised funds use plan or the Company's budget, the Finance Department reviews the use of raised funds by the department using the funds, the person in charge of finance and the President approve the use, and the Accounting Department implements it.

Article 13 The directors and senior management of the Company shall diligently perform their duties, urge the Company to use raised funds in a standardized manner, consciously safeguard the safety of the Company's assets, and shall not participate in, assist with or condone any unauthorized or disguised change in the purposes of raised funds by the Company.

Article 14 Where a raised funds investment project (hereinafter referred to as a "Raised Funds Project") falls under any of the following circumstances, the Company shall re-demonstrate the feasibility and estimated returns of the Raised Funds Project and decide whether to continue implementing it:

1. The market environment involved in the Raised Funds Project has undergone a material change;
2. The Raised Funds Project has been suspended for more than one year;
3. The completion deadline of the latest raised funds investment plan has been exceeded and the amount invested in raised funds has not reached 50% of the relevant planned amount;
4. The Raised Funds Project has other abnormal circumstances.

Article 15 In principle, the Company's raised funds shall be used for its principal business. The Company shall not use raised funds for any of the following:

1. The Raised Funds Project involves holding trading financial assets and available-for-sale financial assets, lending to others, entrusted wealth management or other financial investments, or directly or indirectly investing in a company whose principal business is the trading of marketable securities;
2. Changing the purposes of raised funds in disguised form through pledges, entrusted loans or other means;
3. Directly or indirectly providing raised funds to controlling shareholders, actual controllers or other related parties for use, or facilitating related parties' obtaining improper benefits through Raised Funds Projects;
4. Other acts in violation of the provisions on the management of raised funds.

Article 16 Where the Company has used self-raised funds to make a preliminary investment in a Raised Funds Project, it may replace the self-raised funds with raised funds within six months after the raised funds are credited, and an accounting firm shall issue an assurance report.

Article 17 Temporarily idle raised funds may be subject to cash management. The term of the products invested in shall not be longer than the period authorized for use by the internal resolution and shall not exceed 12 months. After the funds upon maturity of the aforesaid investment products have been returned to the Special Account on schedule and an announcement has been made, the Company may again conduct cash management within the authorized term and amount.

The investment products shall be principal-protected products with high security and good liquidity, such as structured deposits and large-denomination certificates of deposit, and shall not affect the normal implementation of the raised funds investment plan. The investment products shall not be pledged. The dedicated settlement account for the products (if applicable) shall not hold non-raised funds or be used for any other purpose. The Company shall promptly make an announcement upon opening or cancelling a dedicated settlement account for the products.

Article 18 Where idle raised funds are used to invest in products, the Company shall, after deliberation by the Board of Directors, promptly announce the following:

1. Basic information on the raised funds, including the time of raising, the amount of raised funds, the net raised funds and the investment plan;
2. Use of raised funds;
3. The amount and term of investment products using idle raised funds, whether there is any disguised change in the purposes of raised funds, and measures to ensure that the normal implementation of Raised Funds Projects is not affected;
4. The profit distribution method, investment scope and security of the investment products;
5. The opinion issued by the sponsor or independent financial adviser.

Where a material risk arises, such as deterioration of the financial condition of the issuer of an investment product or a risk of loss on an invested product, the Company shall promptly disclose a risk alert announcement to the public and explain the risk control measures taken by the Company to ensure the safety of the funds.

Article 19 The Company's temporary use of idle raised funds to supplement working capital shall meet the following conditions:

1. It shall not change the purposes of raised funds in disguised form or affect the normal implementation of the raised funds investment plan;
2. It shall be limited to production and operations related to the principal business, and shall not be used, directly or indirectly, for the allotment or subscription of new shares, or for trading in shares and derivative instruments thereof, convertible corporate bonds or other instruments;
3. A single period for supplementing working capital shall not exceed 12 months;
4. Previously raised funds used to temporarily supplement working capital that have become due have been returned (if applicable).

Before the due date for supplementing working capital, the Company shall return the relevant funds to the Special Account and make an announcement in a timely manner after all the funds have been returned.

Article 20 Over-raised funds may be used to permanently supplement working capital or repay bank loans, but the accumulative amount used in any 12-month period shall not exceed 30% of the total amount of over-raised funds. The Company shall undertake that, within 12 months after supplementing working capital, it will not make high-risk investments or provide financial assistance to any entity other than a controlled subsidiary. Within 12 months after the Company uses over-raised funds to permanently supplement working capital, it shall not make joint investments with professional investment institutions. The preceding provision shall not apply where the Company makes a joint investment with a professional investment institution in an investment fund related to the principal business, or in an investment fund for industrial investment in poverty-stricken areas or a public welfare poverty-alleviation fund operated on a market-oriented basis.

Article 21 The use of over-raised funds to permanently supplement working capital or repay bank loans shall be deliberated and approved by the Board of Directors and the Shareholders' Meeting of the Company, and an online voting method shall be provided for shareholders. The Audit Committee and the sponsor shall issue explicit consent opinions. The Company shall, after deliberation by the Board of Directors, promptly announce the following:

1. Basic information on the raised funds, including the time of raising, the amount of raised funds, the net raised funds, the amount of over-raised funds and the investment plan;
2. Use of raised funds;
3. The necessity and detailed plan for using over-raised funds to permanently supplement working capital or repay bank loans;
4. The undertaking not to make high-risk investments or provide financial assistance to others within 12 months after supplementing working capital;
5. The impact on the Company of using over-raised funds to permanently supplement working capital or repay bank loans;
6. Opinions issued by the Audit Committee, sponsor or independent financial adviser.

Where the Company uses over-raised funds for projects under construction or new projects (including the acquisition of assets), the investment shall be in the principal business, and the relevant provisions of this System on changes in the use of raised funds shall apply by analogy. The Company shall conduct a scientific and prudent feasibility analysis of the investment project and perform its information disclosure obligations in a timely manner.

Article 22 After an individual Raised Funds Project is completed, where the Company uses the surplus raised funds from the project (including interest income) for another Raised Funds Project, the use shall be subject to deliberation and approval by the Board of Directors and may be made only after the Audit Committee and the sponsor have issued explicit consent opinions. The Company shall make an announcement in a timely manner after deliberation by the Board of Directors.

Where the surplus raised funds (including interest income) are less than RMB 1 million or less than 5% of the amount of raised funds committed to be invested in the project, the preceding procedures may be exempted, and the use shall be disclosed in the annual report.

Where the surplus raised funds from an individual Raised Funds Project (including interest income) are used for a non-Raised Funds Project (including supplementing working capital), the relevant procedures and disclosure obligations for changing a Raised Funds Project shall be performed by reference.

Article 23 After all Raised Funds Projects are completed, the Company's use of surplus raised funds (including interest income) shall be deliberated and approved by the Board of Directors, and the Audit Committee and the sponsor shall issue explicit consent opinions. The Company shall make an announcement in a timely manner after deliberation by the Board of Directors. Where the surplus raised funds (including interest income) account for 10% or more of the net raised funds, they shall also be deliberated and approved by the Shareholders' Meeting.

Where the surplus raised funds (including interest income) are less than RMB 5 million or less than 5% of the net raised funds, the preceding procedures may be exempted, and the use shall be disclosed in the most recent periodic report.

Chapter IV Changes in the Use of Raised Funds

Article 24 The following circumstances shall be deemed a change in the use of raised funds, and the Company shall make an announcement in a timely manner after approval by the Board of Directors and perform the Shareholders' Meeting deliberation procedures:

(1) Cancelling or terminating the original raised funds project and implementing a new project;

(2) Changing the implementing entity of a raised funds investment project;

(3) Changing the implementation method of a raised funds investment project;

(4) Other circumstances determined by the Shanghai Stock Exchange to constitute a change in the use of raised funds.

A change of the implementing entity of a raised funds investment project between the Company and its wholly-owned subsidiaries, or a change only to the implementation location of a Raised Funds Project, shall not be deemed a change in the use of raised funds and may be exempted from the Shareholders' Meeting procedure, but shall still be approved by the Board of Directors. The Company shall promptly announce the reasons for changing the implementing entity or location and the sponsor's opinion.

Article 25 A changed Raised Funds Project shall be invested in the principal business. The Company shall conduct a scientific and prudent feasibility analysis of the new Raised Funds Project, confirm that the investment project has good market prospects and profitability, effectively prevent investment risks, and improve the efficiency of the use of raised funds.

Article 26 Where the Company proposes to change a Raised Funds Project, it shall promptly announce the following contents after submitting the matter to the Board of Directors for deliberation:

1. Basic information on the original Raised Funds Project and the specific reasons for the change;
2. Basic information, feasibility analysis and risk alert regarding the new Raised Funds Project;
3. The investment plan for the new Raised Funds Project;
4. An explanation of the approvals already obtained or still to be obtained from relevant authorities for the new Raised Funds Project (if applicable);
5. The opinions of the Audit Committee, sponsor or independent financial adviser on the change to the Raised Funds Project;
6. An explanation that the change to the Raised Funds Project still needs to be submitted to the Shareholders' Meeting for deliberation;
7. Other contents required by the Shanghai Stock Exchange.

Where the new Raised Funds Project involves a related-party transaction, purchase of assets or external investment, disclosure shall also be made by reference to the provisions of relevant rules.

Article 27 Where the Company changes a Raised Funds Project to acquire assets (including interests) from a controlling shareholder or actual controller, it shall ensure that horizontal competition can be effectively avoided and related-party transactions reduced after the acquisition.

Article 28 Where the Company proposes to transfer or replace a Raised Funds Project externally, except where the Raised Funds Project has been completely transferred or replaced externally in a material asset restructuring of the Company, it shall promptly announce the following contents after submitting the matter to the Board of Directors for deliberation:

1. The specific reasons for the external transfer or replacement of the Raised Funds Project;
2. The amount of raised funds already used to invest in the project;
3. The degree of completion of the project and the benefits realized;
4. Basic information, feasibility analysis and risk alert regarding the replacement project (if applicable);
5. The basis for pricing the transfer or replacement and the relevant gains;
6. The opinions of the Audit Committee, sponsor or independent financial adviser on the transfer or replacement of the Raised Funds Project;
7. An explanation that the transfer or replacement of the Raised Funds Project still needs to be submitted to the Shareholders' Meeting for deliberation.

Chapter V Management and Supervision of the Use of Raised Funds

Article 29 The Company shall disclose the actual use of raised funds in a true, accurate and complete manner. Where a circumstance seriously affects the normal implementation of the raised funds investment plan, an announcement shall be made in a timely manner.

Article 30 The Finance Department of the Company shall conduct the daily management of the use of raised funds. The internal audit department of the Company shall inspect the deposit and use of raised funds at least once every six months and promptly report the inspection results to the Audit Committee.

Where the Audit Committee of the Company considers that the Company's management of raised funds involves a violation or material risk, or that the internal audit department has failed to submit a report on the inspection results in accordance with the preceding paragraph, it shall promptly report to the Board of Directors. The Board of Directors shall, after receiving the report, promptly report to and make an announcement with the Shanghai Stock Exchange.

The Board of Directors of the Company shall comprehensively inspect the progress of Raised Funds Projects every half-year and issue a Special Report on the Deposit and Actual Use of Raised Funds by the Company (hereinafter referred to as the "Special Report on Raised Funds").

Where the actual investment progress of a Raised Funds Project differs from the investment plan, the Company shall explain the specific reasons in the Special Report on Raised Funds. Where idle raised funds are used to invest in products during the current period, the Company shall disclose in the Special Report on Raised Funds the returns during the reporting period and information such as the investment share, contracting party, product name and term at the end of the period.

The Special Report on Raised Funds shall be deliberated and approved by the Board of Directors and announced promptly after being submitted to the Board of Directors for deliberation.

During the annual audit, the Company shall engage an accounting firm to issue an assurance report on the deposit and use of raised funds, and disclose it on the website of the Shanghai Stock Exchange when disclosing the annual report.

Article 31 Independent directors and the Audit Committee of the Board of Directors shall continuously monitor the actual management and use of raised funds. With the consent of more than one-half of the independent directors, the independent directors may engage an accounting firm to issue an assurance report on the deposit and use of raised funds. The Company shall actively cooperate and bear the necessary expenses.

The Board of Directors shall promptly make an announcement after receiving the assurance report specified above. If the assurance report considers that there are violations in the Company's management and use of raised funds, the Board of Directors shall also announce the violations existing in the deposit and use of raised funds, the consequences that have occurred or may occur, and the measures that have been or are proposed to be taken.

Article 32 The sponsor or independent financial adviser shall conduct an on-site investigation of the Company's deposit and use of raised funds at least once every half-year. After the end of each accounting year, the sponsor or independent financial adviser shall issue a special verification report on the Company's annual deposit and use of raised funds, submit it to the Shanghai Stock Exchange when the Company discloses its annual report, and disclose it on the website of the Shanghai Stock Exchange. The verification report shall include the following:

1. The deposit and use of raised funds and the balance of the Special Account;
2. The progress of raised funds projects, including the difference from the progress of the raised funds investment plan;

3. The use of raised funds to replace self-raised funds already invested in Raised Funds Projects (if applicable);
4. The circumstances and effect of using idle raised funds to supplement working capital (if applicable);
5. The use of over-raised funds (if applicable);
6. Changes in the use of raised funds (if applicable);
7. A conclusive opinion on whether the Company's deposit and use of raised funds comply with the relevant requirements;
8. Other contents required by the Shanghai Stock Exchange.

After the end of each accounting year, the Board of Directors of the Company shall disclose in the Special Report on Raised Funds the conclusive opinions of the special verification report of the sponsor or independent financial adviser and the assurance report of the accounting firm.

Where the sponsor or independent financial adviser discovers that the listed company or Commercial Bank has failed to perform the tripartite regulatory agreement for the deposit of raised funds in the Special Account as agreed, or discovers during an on-site inspection of the Company that the Company's management of raised funds involves a material violation or material risk, it shall urge the Company to rectify the matter promptly and report to the Shanghai Stock Exchange.

Chapter VI Supplementary Provisions

Article 33 Where a Raised Funds Project is implemented through a subsidiary of the Company or another enterprise controlled by the Company, this System shall apply. Where this System conflicts with relevant national provisions, the national provisions shall prevail. Matters not covered in this System shall be handled in accordance with the relevant national laws, regulations and the Articles of Association.

Article 34 For purposes of this System, "above" includes the stated number, and "less than" excludes the stated number.

Article 35 The Board of Directors of the Company shall be responsible for formulating, amending and interpreting this System.

ENN Natural Gas Co., Ltd.

Board of Directors

May 16, 2025