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新奥能源控股有限公司 ENN Energy Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2688)

Unaudited Operating Data for the Nine Months Ended 30 September 2021

Highlights:	For The Nine Months Ended 30 September		
	2021	2020	Increase
Retail gas sales volume (<i>million m³</i>)	18,030	15,032	19.9%
Wholesale of gas volume (<i>million m³</i>)	5,802	5,738	1.1%
Number of newly-developed residential customers (<i>thousand household</i>)	1,880	1,610	16.8%
Installed design daily capacity for newly-developed C/I customers (<i>thousand m³</i>)	16,600	11,370	46.0%
Sales volume of integrated energy (<i>million kWh</i>)	14,062	8,725	61.2%

Note: The Group's operating data disclosed in this announcement included the data of its subsidiaries, joint ventures and associates.

The Board of Directors (the “**Board**”) of ENN Energy Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) hereby announces certain unaudited operating data of the Group and its joint ventures and associates for the nine months ended 30 September 2021 (the “**Period**”), and the comparative figures for the corresponding period in 2020.

Natural Gas Sales Business

During the Period, the Group's retail gas sales volume recorded an increase of 19.9% to 18,030 million cubic meters. The power curtailment policy was implemented in various provinces in September, thus, slowing industrial gas consumption. However, as central government instructed to ensure stable power supply in the coming winter, proactive measures are being taken by relevant government departments and grid operators to encourage more power output and ensure supply. It is expected that the impact due to power curbs on industrial production shall be gradually mitigated. The volume growth of the Group's commercial and industrial ("C/I") customers during the Period remained strong, which recorded an increase of 23.3% to 14,356 million cubic meters, representing 80% of the retail gas sales volume. Natural gas sales from residential customers increased by 13.9% to 3,076 million cubic meters, while gas sales from vehicle refuelling stations declined by 12.6% to 598 million cubic meters due to competition from electric vehicles and reduced cost-competitiveness of LNG refuelling as of 30 September 2021. During the Period, wholesale of gas business recorded a slight volume growth of 1.1% to 5,802 million cubic meters. Total natural gas sales volume including wholesale and retail gas sales was 23,832 million cubic meters, up 14.7% over the same period last year.

Global LNG supply remained tight in the third quarter of 2021, and spot price surged to multi-year highs. The Group's LNG import in the first nine months this year was mainly based on its long-term contracts, while procuring spot LNG cargoes prudently. Besides purchasing piped gas from the 3 oil majors, the Group also proactively procured unconventional gas sources and locked-in resources from onshore LNG processing plants in advance, so as to ensure adequate and stable supply.

During the Period, the Group's construction and installation progress for new C/I and residential customers remained resilient. Installed designed daily capacity for newly-developed C/I customers was 16.60 million cubic meters, representing a significant increase of 46.0% compared with the corresponding period last year. The share of new C/I site, coal-to-gas conversion and other fuels conversion were 64%, 27% and 9% respectively. The Group completed constructions and installations for 1.88 million newly-developed residential customers, representing an increase of 16.8% over the same period last year. Amongst the newly-developed residential customers, the share of new buildings, existing buildings and rural residential households were 72%, 9% and 19% respectively. The Group is on track to achieve its annual guidance on new customers development.

Integrated Energy Business

As of 30 September 2021, 139 integrated energy projects have been put into operation, the cumulative sales volume of integrated energy increased by 61.2% to 14,062 million kWh. There are 40 integrated energy projects under construction, including the operating projects, total energy sales potential exceeds 35 billion kWh upon full operation.

In September 2021, National Development and Reform Commission ("NDRC") of People's Republic of China published the "Proposal of Modifying the Mechanism of Double Control on Energy Consumption Intensity and Volume", reiterating central government's determination to enhance energy efficiency and reduce emissions in the 14th Five Year period. Each region was allocated its respective target to reduce energy consumption intensity and volume, and local

governments will be evaluated by NDRC on a regular basis. The Group's integrated energy business is perfectly in line with government's objectives, as it integrates natural gas and renewable energy sources according to local conditions and optimise energy efficiency through tailor-made solutions, to provide customers with diversified energy such as steam, cooling, heating and electricity. The new policy is favourable to the development of integrated energy business.

Sustainable Development

The Group completed its first disclosure to CDP (formerly known as "Carbon Disclosure Project") in July 2021, demonstrating its commitment to address climate issues, and to take proactive actions to mitigate and adapt to climate change. The Group will further increase transparency and improve the quality of information disclosure in accordance with the recommendations of Task Force on Climate-related Financial Disclosures (TCFD).

In October 2021, the Group launched its first Decarbonisation Action 2030 ([Click to download](#)), detailing measures to be taken to decarbonise its operations and business portfolio in this decade, which also took into account the industry trends, technology development, regulatory environment and key views of its internal and external stakeholders. According to the action plan, by 2030, the Group strives to reduce greenhouse gas ("GHG") emissions intensity from energy generating facilities of integrated energy projects by 48% against its 2019 baseline, via increasing the use of renewable energy, enhancing efficiency and deploying CCUS technology. The Group also targets to reduce GHG emissions intensity of its city gas business by 20% against its 2019 baseline, mainly through more stringent methane emissions management, decarbonisation of its energy transportation fleet as well as office buildings. Digitalisation will also play a vital role to enhance the Group's operation efficiency and facilitate energy conservation. The Group committed to achieving net-zero emissions by 2050.

In the latest Environment, Social and Governance ("ESG") rating review by MSCI on 22 October 2021, the Group's ESG rating has been upgraded from BBB to A, recognising its outstanding performance in ESG best practices. Less biodiversity-related risks, more efforts made on carbon emission control, strong business ethics policies and practices relative to peers, led to the upgrade according to MSCI's ESG ratings report. The Group will continue its efforts in promoting ESG best practices both internally and along the industry value chain, to steer positive changes in the industry towards a low-carbon and sustainable future.

By order of the Board
ENN ENERGY HOLDINGS LIMITED
WANG Yusuo
Chairman

Hong Kong, 28 October 2021

As at the date of this announcement, the Board comprises of the following directors: four executive directors, namely Mr. Wang Yusuo (Chairman), Mr. Zheng Hongtao (Vice Chairman), Mr. Zhang Yuying (President) and Mr. Wang Dongzhi; two non-executive directors, namely Mr. Wang Zizheng and Mr. Jin Yongsheng; and four independent non-executive directors, namely Mr. Ma Zhixiang, Mr. Yuen Po Kwong, Mr. Law Yee Kwan, Quinn and Ms. Yien Yu Yu, Catherine.