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# 新奧能源控股有限公司 ENN Energy Holdings Limited

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

## CONTINUING CONNECTED TRANSACTION IN RELATION TO THE NEW MASTER RISK PREVENTION SERVICES AGREEMENT

*Independent Financial Adviser*

**ALTUS CAPITAL LIMITED**  
浩德融資有限公司

### THE NEW MASTER AGREEMENT

On 25 October 2024, the Board announces that the Company (as service provider) and ENN Insurance Brokerage entered into the New Master Risk Prevention Services Agreement, details of which is set out in the section headed “**New Master Risk Prevention Services Agreement**”.

### INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Adhering to the good corporate governance practice in the past, the terms of the New Master Risk Prevention Services Agreement have been reviewed by the Independent Board Committee of the Board (comprising all the independent non-executive Directors), which provided recommendations to the Board. The Board has also engaged, on a voluntary basis, Altus Capital Limited as the independent financial adviser of the Company, which advised the Independent Board Committee on the Transactions at its meeting held on 23 October 2024.

### LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Wang and Ms. Zhao Baoju (the spouse of Mr. Wang), the controlling shareholder of the Company, jointly beneficially own exceeding 30% of ENN Insurance Brokerage through their controlled companies. Hence, ENN Insurance Brokerage and its fellow subsidiaries are regarded as connected persons of the Company, and therefore, the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the proposed annual caps of the continuing connected transactions for the New Master Risk Prevention Services Agreement are more than 0.1% but all of them are less than 5%, the Transactions are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**I. NEW MASTER RISK PREVENTION SERVICES AGREEMENT**

**Background of the Transactions**

The Group's value added business is built on its gas business, leveraging years of accumulated professional services capabilities and platform intelligence to gain deeper insights into customer needs, ensuring that various home scenarios demands are met in a timely manner. At the same time, the Group actively fosters ecological partnerships, collaborating with diverse ecological partners to enhance high quality home services, and thereby driving rapid growth in its value added business. ENN Insurance Brokerage Group is one of the many ecological partners of the Group, and it has consistently entrusted the Group to deliver risk prevention services to its designated customers from time to time, including but not limited to, safety inspections (testing) of gas equipment (appliances) and indoor gas pipelines, water usage safety inspections (of pipelines, equipment, etc.), electricity usage safety inspections (of wiring, equipment, etc.), heating usage safety inspections (of pipelines, equipment, etc.). The Group also provided usage recommendations for customers with safety vulnerabilities, answered customer queries related to the usage and safety of gas, water, electricity and heating, provided home gas, water, electricity and heating safety education, and promoted common accident self-rescue or rescue methods. Prior to entering into the New Master Risk Prevention Service Agreement, all transactions related to risk prevention services between the members of the Group and ENN Insurance Brokerage Group were governed by individual service agreements and were conducted on normal commercial terms or better. Since the historical transaction amounts were qualified as de minimis transactions, those transactions were exempt from the independent shareholders' approval, annual review and announcement requirements under Chapter 14A of the Listing Rules.

As at 30 June 2024, the Group has over 30 million residential households, and such amount is continuing to grow. The Group aims to deepen cooperation with existing ecological partners like ENN Insurance Brokerage Group, maximising each other's strengths to achieve effective supply and demand matching, thereby promoting sustainable development of its value added business. As the Group expects a significant increase in the number of risk prevention services provided to ENN Insurance Brokerage Group, therefore, the Company entered into the New Master Risk Prevention Service Agreement with ENN Insurance Brokerage on 25 October 2024. The New Master Risk Prevention Service Agreement entered into by the Company with ENN Insurance Brokerage Group is not exclusive. The Group has the right to enter into similar agreements with other ecological partners for similar services. The principal terms of the New Master Risk Prevention Service Agreement are set out below:

- Date** : 25 October 2024
- Parties** : (i) ENN Insurance Brokerage (as service recipient); and

(ii) the Company (as service provider).

**Term** : From 25 October 2024 to 31 December 2026 (both dates inclusive)

**Subject matter** : During the term of the agreement, the Group will provide risk prevention services to designated customers when requested by members of the ENN Insurance Brokerage Group. These services include, but are not limited to, safety inspections (testing) of gas equipment (appliances) and indoor gas pipelines, water usage safety inspections (of pipelines, equipment, etc.), electricity usage safety inspections (of wiring, equipment, etc.), heating usage safety inspections (of pipelines, equipment, etc.). The Group also provided usage recommendations for customers with safety vulnerabilities, answered customer queries related to the usage and safety of gas, water, electricity, and heating, delivered home gas, water, electricity, and heating safety education, and promoted common accident self-rescue or rescue methods.

### **Pricing mechanism and other terms**

The service fees under the New Master Risk Prevention Service Agreement are determined on normal commercial terms and through arm's length negotiation between both contracting parties. The fees are primarily calculated based on the quantity of various services commissioned by ENN Insurance Brokerage Group and the service unit prices pre-determined by the contracting parties. The service unit prices are determined based on the following factors: (1) service types (taking into account regional economic level, service mix, and service difficulty); (2) prevailing market prices for similar services (i.e., fee standards for similar risk prevention services provided by other service providers); (3) historical transaction fees for similar services between the Group and ENN Insurance Brokerage Group; and (4) (if applicable) service fees charged or quoted by other service providers to ENN Insurance Brokerage Group for similar services. Any change in unit price agreed by the contracting parties must be confirmed in writing by the Company and ENN Insurance Brokerage. If there are any supporting services, provided there is no conflict with the terms of the New Master Risk Prevention Service Agreement, the terms and conditions in the written confirmation formally signed by the Company and ENN Insurance Brokerage shall prevail. The terms and service fees for the risk prevention services transactions provided by the Group to ENN Insurance Brokerage Group shall be no less favorable to the Group than the terms and service fees for the Group's provision of similar services transactions to independent third parties (if applicable). ENN Insurance Brokerage Group also promised that the terms and service fees for the risk prevention services transactions it enters into with the Group will be no less favorable to the Group than the terms and service fees for similar services transactions provided to it by independent third parties.

For services provided under the New Master Risk Prevention Services Agreement, the Group will also enter into a service level agreement with the ENN Insurance Brokerage Group to specify the contents such as service standards, responsibilities and obligations of both contracting parties. After the completion of the relevant services, the service fees will be settled on a quarterly basis by ENN Insurance Brokerage Group.

## Reasons for and benefits of the New Master Risk Prevention Services Agreement

1. With our corporate goal of being recognised as a trusted brand in safety, the Group has continuously upgraded its capabilities in digital intelligence to address safety risks in energy supplies. At the same time, the Group also arranged qualified technicians to conduct regular safety inspections. Therefore, it would not require additional huge costs for the Group to provide door-to-door risk prevention services to ENN Insurance Brokerage Group, but it can bring a more stable and continuous source of income to the Group; and
2. in recent years, the public's awareness of home safety has been increasing. As a result, the customers of the Group have increasingly demanded risk prevention and protection related products and services. If the Group can deepen its business cooperation with ENN Insurance Brokerage Group, it will not only be mutually beneficial to both parties, but also enhance the Group's customer loyalty and satisfaction with value added services, thereby contributing to the development of the value added business.

## Historical transaction amounts

For the two years ended 31 December 2023 and nine months ended 30 September 2024, the amounts payable by the ENN Insurance Brokerage Group to the Group for the aforementioned risk prevention services were approximately RMB61.35 million, RMB47.19 million and RMB29.72 million, respectively.

## Proposed annual caps and the basis for determining the annual caps

The proposed annual caps and the basis for determining the annual caps for the period from 25 October 2024 to 31 December 2024 and the two years ending on 31 December 2025 and 2026 are set out as follows:

	<b>For the period from 25 October 2024 to 31 December 2024</b>	<b>For the year ending 31 December 2025</b>	<b>For the year ending 31 December 2026</b>
RMB million	120	220	240
(approximately in HK\$ million)	132	242	263

The proposed annual caps of the New Master Risk Prevention Services Agreement are determined after considering the following factors:

1. the fee levels for past transactions related to risk prevention services between the Group and ENN Insurance Brokerage Group, taking into account expected inflation;
2. current market price of comparable risk prevention services; and
3. after the communication with ENN Insurance Brokerage Group, the information obtained regarding their estimated demand for the Group's risk prevention services (including different customer types and service frequency).

## **Opinions of the Board**

The Board (including the Independent Board Committee, after considering the recommendations from the independent financial adviser) is of the view that the Transactions under the New Master Risk Prevention Services Agreement will be conducted in the ordinary and usual course of business of the Group based on normal commercial terms or better, and that the relevant terms and the proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **II. INFORMATION ON THE PARTIES**

The Company is an investment holding company. The Group is one of the largest clean energy distributors in the PRC and is principally engaged in the investment in, and the construction, operation and management of gas pipeline infrastructure, the sales and distribution of piped gas, LNG and other multi-energy products in the PRC. It provides customers with digital services related to low-carbon overall solutions and develops diversified value added businesses based on customer needs.

ENN Insurance Brokerage is a limited liability company established under the laws of the PRC, and its fellow subsidiaries are mainly engaged in insurance brokerage and reinsurance brokerage related services, providing customers with disaster prevention, loss prevention or risk assessment, and risk management consulting services. ENN Insurance Brokerage and its fellow subsidiaries are more than 99% beneficially owned by Mr. Wang and Ms. Zhao Baoju (the spouse of Mr. Wang), the controlling shareholders of the Company. ENN Insurance Brokerage Group currently has more than 20,000 contracted insurance brokers. It has established 28 branches across the PRC.

## **III. LISTING RULES IMPLICATIONS**

As at the date of this announcement, Mr. Wang and Ms. Zhao Baoju (the spouse of Mr. Wang), the controlling shareholder of the Company, jointly beneficially own exceeding 30% of ENN Insurance Brokerage through their controlled companies. Hence, ENN Insurance Brokerage and its fellow subsidiaries are regarded as connected persons of the Company, and therefore, the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the proposed annual caps of the continuing connected transactions for the New Master Risk Prevention Services Agreement are more than 0.1% but all of them are less than 5%, the Transactions are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Given that (i) Mr. Wang, executive Director of the Company, is a controlling shareholder of the Company; (ii) Mr. Wang Zizheng (a non-executive Director of the Company) is the son of Mr. Wang; (iii) Mr. Jiang Chenghong (an executive Director of the Company) is a director of ENN Insurance Brokerage, they are deemed to have significant interests in the Transactions and have abstained from voting on relevant board resolutions. Save as disclosed above, no other Director has a material interest in the Transactions.

#### **IV. GENERAL INFORMATION**

The Company has established the Independent Board Committee, comprising all the independent non-executive Directors, for reviewing all connected transactions of the Company (including the Transactions) which are subject to the announcement requirements of the Listing Rules from time to time and providing recommendations to the Board. Adhering to good corporate governance practices in the past, the terms and the proposed annual caps of the New Master Risk Prevention Services Agreement have been reviewed by the Independent Board Committee. The Board has also engaged, on a voluntary basis, Altus Capital Limited as the independent financial adviser of the Company. After reviewing the documents and information provided by the management (including but not limited to individual service agreements and vouchers for past transactions, the New Master Risk Prevention Services Agreement, service level agreement, etc.), Altus Capital Limited advised the Independent Board Committee on the Transactions at its meeting held on 23 October 2024.

#### **V. CORPORATE GOVERNANCE MEASURES AND INTERNAL CONTROL PROCEDURES**

In order to protect the interests of the Company and the Shareholders as a whole, the Company has been conducting work for the reporting and disclosure of connected transactions and continuing connected transactions as required by the Listing Rules. In order to further ensure that the continuing connected transactions entered into between the Group and connected persons are conducted on normal commercial terms or better as disclosed and based on the aforesaid pricing mechanisms, the Company continues to adopt the following corporate governance measures and internal control procedures:

1. All specific contracts to be signed under all master agreements must be pre-approved by the Company's operational department, finance department, legal department and other relevant management personnel according to the internal system to ensure that the continuing connected transactions contemplated are carried out in strict compliance with the terms and conditions contained in the relevant master agreements. If amendments to the terms and conditions contained in such master agreements are required due to change of actual conditions, the relevant approval procedures have to be re-complied with (including but not limited to obtaining approvals from the Board and compliance with the relevant requirements under the Listing Rules);
2. The finance department of the Company is responsible for the continuous monitoring and review of the pricing terms, payment arrangements and actual transaction amounts of the continuing connected transactions to be entered and ensures that the relevant transactions are carried out on pricing terms that are no less favourable to the Group than those offered to, or quoted by, independent customers (if any), in accordance with the terms of the relevant master agreements and will not exceed the respective annual caps;
3. The internal control department and the risk management department of the Company will review the continuing connected transactions under each master agreement regularly, to (i) consider whether the pricing policies and the payment method, early warning system on balances of annual caps are implemented effectively; (ii) consider whether the executed contracts are entered into on normal commercial terms or better, and whether the terms are fair and reasonable; and (iii) make recommendations to the management from time to time

to ensure that the internal control procedures in respect of the continuing connected transactions remain complete and effective;

4. The independent auditor of the Company will conduct an annual review and opine on the implementation and whether the continuing connected transaction amounts are within the annual caps in accordance with the requirements of the Listing Rules every year; and
5. The Board and the audit committee of the Company will review the continuing connected transactions implementation report every year. The independent non-executive Directors will express their views on the continuing connected transactions during the reporting period in the annual report, including but not limited to whether the continuing connected transactions are fair and reasonable, whether they are conducted on normal commercial terms or better and whether they are in the interests of the Company and the Shareholders as a whole.

**The Board (including independent non-executive Directors) considers that the above corporate governance measures and internal control procedures adopted by the Company concerning the pricing mechanism of the Transactions as mentioned in the section headed “Pricing mechanism and other terms” of this announcement and all continuing connected transactions are appropriate and sufficient, and that the procedures and measures give sufficient assurance to the Shareholders that the Transactions are conducted on normal commercial terms and do not harm the interests of the Company and its minority shareholders and the continuing connected transactions will be appropriately monitored by the Company.**

## **VI. DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors;
“Company”	ENN Energy Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2688.HK);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“ENN Insurance Brokerage”	ENN Insurance Brokerage Company Limited, a limited liability company incorporated in the PRC;

“ENN Insurance Brokerage Group”	ENN Insurance Brokerage and its fellow subsidiaries;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the Independent Board Committee comprising all the independent non-executive Directors;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Wang”	Mr. Wang Yusuo, the chairman, an executive Director and a controlling shareholder of the Company as at the date of this announcement;
“New Master Risk Prevention Services Agreement”	a new master risk prevention services agreement dated 25 October 2024 entered into between the Company and ENN Insurance Brokerage for a term commencing from 25 October 2024 and expiring on 31 December 2026;
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules, other than the profits ratio and equity capital ratio;
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	the registered holder(s) of the share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transactions”	the transactions contemplated under the New Master Risk Prevention Service Agreement;
“%”	percentage.

*Note: For information purposes only, the translation of RMB to HK\$ in this announcement is based at the rate of RMB1.00 to HK\$1.0977.*

By order of the Board  
**ENN Energy Holdings Limited**  
**WANG Yusuo**  
*Chairman*



Hong Kong, 25 October 2024

*As at the date of this announcement, the Board comprises six executive directors, namely Mr. WANG Yusuo (Chairman), Mr. ZHANG Yuying (Chief Executive Officer), Mr. LIU Jianfeng (President), Mr. WANG Dongzhi (Chief Financial Officer), Ms. ZHANG Jin and Mr. JIANG Chenghong; one non-executive director, Mr. WANG Zizheng; and four independent non-executive directors, namely Mr. MA Zhixiang, Mr. YUEN Po Kwong, Mr. LAW Yee Kwan, Quinn and Ms. WONG Lai, Sarah.*