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ENN Natural Gas Co., Ltd.

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 600803)

Xinneng (Hong Kong) Energy Investment Limited

新能(香港)能源投资有限公司

(Incorporated in Hong Kong with limited liability)



ENN Energy Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2688)

US\$550,000,000 4.625% green senior notes due 2027

(Debt Stock Code: 05235)

US\$750,000,000 2.625% green senior notes due 2030

(Debt Stock Code: 40383)

- (1) PRE-CONDITIONAL PROPOSAL TO PRIVATISE ENN ENERGY HOLDINGS LIMITED BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES ACT;**
(2) PROPOSED WITHDRAWAL OF LISTING; AND
(3) RESUMPTION OF TRADING

Financial Adviser to ENN-NG and the Offeror



INTRODUCTION

ENN-NG, ENN and the Offeror jointly announce that, on March 18, 2025, the Offeror, a wholly-owned subsidiary of ENN-NG, requested the ENN Board to, subject to the satisfaction of the Pre-Conditions, put forward the Proposal to the Scheme Shareholders for the proposed privatization of ENN by way of a scheme of arrangement under Section 86 of the Companies Act.

For further details regarding the procedures for approval of the Proposal by ENN Shareholders, please refer to the sections headed “9. INDEPENDENT BOARD COMMITTEE”, “10. INDEPENDENT FINANCIAL ADVISER”, and “13. SCHEME SHARES, COURT MEETING AND EGM”. The Independent Board Committee has been established by the ENN Board to make a recommendation to: (a) the ENN Disinterested Shareholders as to whether the terms of the Proposal and the Scheme are fair and reasonable, and whether to vote in favor of the Scheme at the Court Meeting and of the resolutions in connection with the implementation of the Proposal at the EGM; and (b) the ENN Share Option Holders as to whether the terms of the ENN Share Option Offer are fair and reasonable and whether to accept the ENN Share Option Offer.

THE PROPOSAL

Subject to the satisfaction of the Pre-Conditions, the Offeror proposes to make the Proposal. Upon the fulfillment of the Conditions and the Scheme becoming effective, all Scheme Shares will be cancelled and the Scheme Shareholders whose names appear on the register of members of ENN on the Scheme Record Date will be entitled to receive from ENN-NG (in respect of the ENN-NG H Shares) and from the Offeror (in respect of the Cash Consideration):

**For every Scheme Share cancelled 2.9427 ENN-NG H Shares and the
Cash Consideration of HK\$24.50**

The Listing, the issuance of the ENN-NG H Shares and the payment of the Cash Consideration to the Scheme Shareholders will only take place if all of the Pre-Conditions have been fulfilled and the Conditions have been fulfilled or waived (if applicable) on or before the Scheme Long Stop Date.

The Cancellation Consideration represents a premium of approximately 47.60% over the closing price of HK\$54.20 per ENN Share as quoted on the Hong Kong Stock Exchange on the Last Undisturbed Day, a premium of approximately 34.57% over the closing price of HK\$59.45 per ENN Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day and a premium of approximately 51.18% over the average closing price of approximately HK\$52.92 per ENN Share for the 30 trading days up to and including the Last Undisturbed Day.

The Cancellation Consideration will not be increased and the Offeror does not reserve the right to do so.

It is proposed that, under the Scheme, the number of the ENN-NG H Shares to be obtained by the Scheme Shareholders will be in whole numbers and fractions of an ENN-NG H Share will not be issued to any Scheme Shareholder. Fractional entitlements of Scheme Shareholders to ENN-NG H Shares will be aggregated (and, if necessary, rounded down to the nearest whole number of a ENN-NG H Share) and sold on the open market with the proceeds (net of expenses and taxes) to be paid to and retained for the benefit of ENN-NG.

Conditions to the Proposal and the Scheme

The making of the Proposal is conditional upon the satisfaction of the Pre-Conditions as described in the section headed “2.6. Pre-Conditions to the making of the Proposal and the ENN Share Option Offer”. The implementation of the Proposal is, and the Scheme will become effective and binding on ENN and all ENN Shareholders, subject to the fulfilment or waiver (as applicable) of the Conditions as described in the section headed “2.7. Conditions of the Proposal and the Scheme” on or before the Scheme Long Stop Date, failing which the Proposal and the Scheme will lapse.

ENN SHARE OPTION OFFER

As at the Announcement Date, (a) there are 618,235 ENN Share Options with an exercise price of HK\$40.34 and 4,980,791 ENN Share Options with an exercise price of HK\$76.36 granted and outstanding under the ENN 2012 Share Option Scheme; and (b) no ENN Share Option has been granted under the ENN 2022 Share Option Scheme.

Subject to the satisfaction of the Pre-Conditions, the Offeror will make appropriate offers to the ENN Share Option Holders in accordance with Rule 13 of the Takeovers Code to cancel all the ENN Share Options in exchange for the ENN Share Option Offer Price in cash only.

The consideration for the cancellation of each ENN Share Option represents the “see-through” price, which is the excess of the Cancellation Consideration Theoretical Value (being the aggregate of (a) the Cash Consideration and (b) the ENN-NG H Share Consideration Theoretical Value, calculated on the basis of the ENN-NG H Share Theoretical Value estimated by the Valuation Adviser as at the Valuation Reference Date and the Share Exchange Ratio) over the exercise price of each ENN Share Option.

The making of the ENN Share Option Offer is subject to the satisfaction of the Pre-Conditions. Even if the ENN Share Option Offer is made, it will be conditional on the Scheme becoming effective. The ENN Share Option Offer will lapse if any of the Conditions has not been satisfied or waived, as applicable, on or before the Scheme Long Stop Date.

ENN SHARE AWARD SCHEME

ENN adopted the ENN Share Award Scheme on November 30, 2018 to supplement the share option schemes of ENN. As at the Announcement Date: (a) there are 431,000 ENN Share Awards under the ENN Share Award Scheme, all of which the vesting conditions have been met with the ENN Share Award Price of HK\$76.36; and (b) there are 19,984,600 ENN Shares held by the ENN Share Award Trustee pursuant to the ENN Share Award Scheme, all of which shares are unutilized under the ENN Share Award Scheme. All ENN Shares held by the ENN Share Award Trustee as at the Scheme Record Date shall form part of the Scheme Shares and be cancelled upon the Scheme becoming effective.

As at the Announcement Date, all ENN Share Awards granted under the ENN Share Award Scheme: (a) entitle holders to only receive the corresponding ENN Share Award Notional Gains from the ENN Share Award Trustee in relation to the ENN Share Awards granted to such holders upon the vesting of such relevant ENN Share Awards in accordance with the rules of the ENN Share Award Scheme; (b) are exercisable by way of notice to be given by such holders to become vested until a date no later than March 27, 2029; and (c) are not convertible into ENN Shares. For the avoidance of doubt, ENN Share Award Holders do not own any ENN Share nor enjoy voting rights of ENN Shares by virtue of holding any ENN Share Award.

The ENN Board expects that, the ENN Share Award Holders may continue to exercise their respective rights under the ENN Share Award Scheme to request the vesting of the ENN Share Awards granted to them and receive the corresponding ENN Share Award Notional Gains in relation to such ENN Share Awards from the ENN Share Award Trustee in accordance with the rules of the ENN Share Award Scheme and proposes to terminate the ENN Share Award Scheme subject to and upon the Scheme becoming effective. In the event that any ENN Share Award Holder does not exercise their rights under the ENN Share Award Scheme to request the vesting of their ENN Share Awards on or before the Scheme becoming effective, it is intended that such ENN Share Awards will be deemed to have vested on the effective date of the Scheme, such that no ENN Share Awards will be outstanding as at the date on which the ENN Share Award Scheme is terminated, and holders of the ENN Share Awards so vested will receive the corresponding ENN Share Award Notional Gains from the ENN Share Award Trustee in accordance with the rules of the ENN Share Award Scheme notwithstanding the proposal to terminate the ENN Share Award Scheme upon the Scheme becoming effective.

CONFIRMATION OF FINANCIAL RESOURCES

Assuming that (i) all ENN Share Options with exercise price of HK\$76.36 are exercised and the corresponding ENN Shares are issued to such ENN Share Option Holder(s) prior to the Scheme Record Date, (ii) the ENN Share Option Offer is accepted by all holders of the ENN Share Options with exercise price of HK\$40.34 and (iii) there will be no other change in the number of ENN Shares in issue prior to the Scheme Record Date, the total maximum cash consideration payable under the Proposal and the ENN Share Option Offer is HK\$18,361.23 million.

The Offeror intends to finance the payment of the Cash Consideration under the Scheme and ENN Share Option Offer Price by its internal cash resources and external debt facilities. As at the Announcement Date, the Offeror has entered into an external loan facility for the purpose of financing the Cash Consideration, the ENN Share Option Offer Price and the costs payable by the Offeror in connection with the Proposal.

CICC, as financial adviser to ENN-NG and the Offeror with respect to the Proposal and the ENN Share Option Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of cash consideration payable by the Offeror under the Proposal and the ENN Share Option Offer.

DESPATCH OF SCHEME DOCUMENT

Subject to the satisfaction of the Pre-Conditions, the Scheme Document containing, among others, further details of the Proposal, the Scheme and the ENN Share Option Offer, recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the ENN Share Option Offer, and the letter of advice from the Independent Financial Adviser to the Independent Board Committee, a notice of the Court Meeting and a notice of the EGM, and an advanced draft or a copy of the Listing Document, will be despatched to the ENN Shareholders and the ENN Share Option Holders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Act, the Grand Court and other Applicable Laws.

WITHDRAWAL OF LISTING OF ENN SHARES

If the Scheme becomes effective

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. ENN will apply to the Hong Kong Stock Exchange for the withdrawal of the listing of the ENN Shares on the Hong Kong Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules immediately following the Scheme becoming effective.

If the Scheme is not approved or if the Proposal lapses

The Scheme will lapse if any of the Conditions has not been satisfied or waived, as applicable, on or before the Scheme Long Stop Date. If the Scheme is not approved or if the Proposal otherwise lapses, the listing of the ENN Shares on the Hong Kong Stock Exchange will not be withdrawn and the ENN Share Option Offer will lapse.

If the Scheme is not approved or the Proposal otherwise lapses, neither the Offeror nor the Offeror Concert Parties under the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, (a) announce an offer or possible offer for ENN, or (b) acquire any voting rights of ENN if the Offeror or the Offeror Concert Parties would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.

RESUMPTION OF TRADING

At the request of ENN, trading in the ENN Shares and the ENN Notes on the Hong Kong Stock Exchange was halted with effect from 9:00 a.m. on Wednesday, March 19, 2025.

An application has been made by ENN to the Hong Kong Stock Exchange for the resumption of trading in the ENN Shares and the ENN Notes on the Hong Kong Stock Exchange with effect from 9:00 a.m. on Thursday, March 27, 2025.

WARNING: Shareholders of ENN-NG and ENN, ENN Share Option Holders, ENN Share Award Holders and potential investors of ENN-NG and ENN should be aware that the making of the Proposal and ENN Share Option Offer is subject to the satisfaction of the Pre-Conditions. Even if the Proposal is made, the implementation of the Proposal (including the effectiveness of the Scheme) is subject to the satisfaction or waiver (as applicable) of the Conditions, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Even if the ENN Share Option Offer is made, it will be conditional on the Scheme becoming effective.

The ENN Board expects that, the ENN Share Award Holders may continue to exercise their respective rights under the ENN Share Award Scheme to request the vesting of the ENN Share Awards granted to them and receive the corresponding ENN Share Award Notional Gains in relation to such ENN Share Awards from the ENN Share Award Trustee in accordance with the rules of the ENN Share Award Scheme and proposes to terminate the ENN Share Award Scheme subject to and upon the Scheme becoming effective. In the event that any ENN Share Award Holder does not exercise their rights under the ENN Share Award Scheme to request the vesting of their ENN Share Awards on or before the Scheme becoming effective, it is intended that such ENN Share Awards will be deemed to have vested on the effective date of the Scheme, such that no ENN Share Awards will be outstanding as at the date on which the ENN Share Award Scheme is terminated, and holders of the ENN Share Awards so vested will receive the corresponding ENN Share Award Notional Gains from the ENN Share Award Trustee in accordance with the rules of the ENN Share Award Scheme notwithstanding the proposal to terminate the ENN Share Award Scheme upon the Scheme becoming effective.

Shareholders of ENN-NG and ENN, ENN Share Option Holders, ENN Share Award Holders and potential investors of ENN-NG and ENN should therefore exercise caution when dealing in the securities of ENN-NG and ENN. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

This announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal, the ENN Share Option Offer or otherwise, nor shall there be any sale, issuance or transfer of securities of ENN-NG, ENN or the Offeror in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any approval, rejection or other response to the Proposal and any acceptance of the ENN Share Option Offer should be made only on the basis of information in the Scheme Document or any other document by which the Proposal and the ENN Share Option Offer are made.

The availability of the Proposal and the ENN Share Option Offer to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not so resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas ENN Shareholders and overseas ENN Share Option Holders will be set out in the Scheme Document.

1. INTRODUCTION

ENN-NG, ENN and the Offeror jointly announce that, on March 18, 2025, the Offeror, a wholly-owned subsidiary of ENN-NG, requested the ENN Board to, subject to the satisfaction of the Pre-Conditions, put forward the Proposal to the Scheme Shareholders for the proposed privatization of ENN by way of a scheme of arrangement under Section 86 of the Companies Act.

ENN-NG is a joint stock company incorporated in the PRC with limited liability, whose ENN-NG A Shares are traded and listed on the Shanghai Stock Exchange (stock code: 600803).

Subject to the satisfaction of the Pre-Conditions, the Offeror will make the Proposal to privatize ENN by its payment of Cash Consideration and the issuance by ENN-NG of ENN-NG H Shares as consideration for the cancellation of the Scheme Shares. In addition, ENN-NG will make an application to the Hong Kong Stock Exchange for the listing of the ENN-NG H Shares by way of a listing by introduction.

Upon the fulfillment (or waiver, as applicable) of the Conditions and following completion of the Proposal:

- (a). the listing of ENN Shares on the Hong Kong Stock Exchange will be withdrawn;
- (b). the ENN-NG H Shares will be listed on the Hong Kong Stock Exchange;
- (c). Scheme Shareholders will receive the Cash Consideration;
- (d). Scheme Shareholders (except for Non-Qualifying Overseas Shareholders) will become holders of ENN-NG H Shares; and
- (e). the privatized ENN will become an indirectly wholly-owned subsidiary of ENN-NG.

2. TERMS OF THE PROPOSAL

2.1. The Cancellation Consideration

Subject to the satisfaction of the Pre-Conditions, the Offeror proposes to make the Proposal. Upon the fulfillment of the Conditions and the Scheme becoming effective, all Scheme Shares will be cancelled and the Scheme Shareholders whose names appear on the register of members of ENN on the Scheme Record Date will be entitled to receive from ENN-NG (in respect of the ENN-NG H Shares) and from the Offeror (in respect of the Cash Consideration):

For every Scheme Share cancelled 2.9427 ENN-NG H Shares and the Cash Consideration of HK\$24.50

The Listing, the issuance of the ENN-NG H Shares and the payment of the Cash Consideration to the Scheme Shareholders will only take place if all of the Pre-Conditions have been fulfilled and the Conditions have been fulfilled or waived (if applicable) on or before the Scheme Long Stop Date.

As at the Announcement Date, ENN has 1,131,224,275 ENN Shares in issue, 5,599,026 ENN Share Options and 431,000 ENN Share Awards.

It is proposed that, under the Scheme, the number of the ENN-NG H Shares to be obtained by the Scheme Shareholders will be in whole numbers and fractions of an ENN-NG H Share will not be issued to any Scheme Shareholder. Fractional entitlements of Scheme Shareholders to ENN-NG H Shares will be aggregated (and, if necessary, rounded down to the nearest whole number of a ENN-NG H Share) and sold on the open market with the proceeds (net of expenses and taxes) to be paid to and retained for the benefit of ENN-NG.

The Cancellation Consideration will not be increased and the Offeror does not reserve the right to do so.

On March 26, 2025, the ENN Board recommended that, subject to approval by the ENN Shareholders at the forthcoming annual general meeting of ENN, ENN shall declare and distribute the ENN 2024 Final Dividend to the ENN Shareholders whose names appear on the register of members of ENN on June 2, 2025. The ENN 2024 Final Dividend (if approved) is expected be paid on or before July 25, 2025. Save as disclosed above, as at the Announcement Date, ENN has not announced or declared any dividend, distribution or other return of capital which remains unpaid. As at the Announcement Date, except for (i) the 2024 Final Dividend; and (ii) the 2025 Interim Dividend which ENN may or may not declare, ENN has no intention to announce, make, declare or pay any dividend, distribution or other return of capital before the Scheme Long Stop Date or the date of the lapse, withdrawal or termination of the Proposal (whichever is earlier). For the avoidance of doubt, the Cancellation Consideration does not include the ENN 2024 Final Dividend or any other dividend that may be declared by ENN prior to the Scheme Effective Date with a record date falling prior to the Scheme Effective Date, and the Cancellation Consideration will not be affected or reduced by the Scheme Shareholders' entitlement to such dividend (if any).

2.2. Events following the Scheme becoming effective

On the basis of the number of Scheme Shares in issue as at the Announcement Date, if the Conditions are fulfilled and upon the Scheme becoming effective:

- (a). all of the Scheme Shares will, on the Scheme Effective Date, be cancelled and extinguished, and simultaneously with such cancellation and extinguishment, the share capital of ENN will be maintained by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of ENN Shares as is equal to the number of Scheme Shares cancelled pursuant to the Scheme;
- (b). 2.9427 new ENN-NG H Shares will be issued by ENN-NG to the Scheme Shareholders (except for Non-Qualifying Overseas Shareholders) for every Scheme Share cancelled;
- (c). the Cash Consideration of HK\$24.50 for every Scheme Share cancelled will be paid by the Offeror to the Scheme Shareholders;
- (d). the reserve created in the ENN's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new ENN Shares so issued, credited as fully paid, to the Offeror; and
- (e). the listing of the ENN Shares on the Hong Kong Stock Exchange will be withdrawn pursuant to Rule 6.15(2) of the Listing Rules.

2.3. Basis for determining the Cancellation Consideration

The Share Exchange Ratio for the ENN-NG H Share Consideration (being 2.9427 new ENN-NG H Shares for every Scheme Share cancelled) and the Cash Consideration of HK\$24.50 for every Scheme Share cancelled were determined on commercial basis after taking into account, among other things:

- (a). the theoretical value of the ENN-NG H Shares and the Cash Consideration for each Scheme Share under the Proposal, which is attractive for the Scheme Shareholders;
- (b). the historical business and financial performance of ENN-NG and ENN;
- (c). the prevailing and historical market price levels of ENN-NG and ENN and the historical and current trading multiples of certain of their respective comparable companies;
- (d). the business potential of the ENN-NG Group after the Proposal takes effect and the potential benefits of the Listing and the Proposal for the ENN-NG A Shareholders and ENN Shareholders;
- (e). the fact that ENN-NG H Shares are being offered as consideration under the Scheme, and that following completion of the Listing and the Proposal, the privatized ENN will become an indirect wholly-owned subsidiary of ENN-NG. Thus, Scheme Shareholders will be able to continue to participate in the performance of ENN indirectly; and

- (f). the fact that the Cash Consideration could provide a certain level of liquidity to the Scheme Shareholders, while the ENN-NG Group could retain sufficient resources to support its future operations and expansion after the completion of the Proposal.

2.4. Valuation and Comparisons of value

Somerley Capital Limited, the Valuation Adviser, has estimated that the value of each ENN-NG H Share as at March 18, 2025 (“**Valuation Reference Date**”) is in the range of RMB14.95 to RMB19.86 (equivalent to approximately HK\$16.19 to HK\$21.52 respectively based on the Valuation Reference Exchange Rate and the median is HK\$18.86). On the basis of the median of such valuation range and that Scheme Shareholders will receive (i) 2.9427 ENN-NG H Shares and (ii) the Cash Consideration for every Scheme Share cancelled, the theoretical total value of the ENN-NG H Shares and the Cash Consideration for each Scheme Share under the Proposal will be approximately HK\$80.00. Accordingly, with 1,131,224,275 ENN Shares in issue as at the Announcement Date, the entire issued share capital of ENN would be theoretically valued under the Proposal at approximately HK\$90.50 billion.

The foregoing paragraph is subject to and should be read in conjunction with the bases, limitations and assumptions set out in the Valuation Report in Annex 1 of this announcement. The estimate of value in the Valuation Report and the qualification and experience of the Valuation Adviser have been reported on by CICC. **In particular, Scheme Shareholders, investors and potential investors should note that the value of ENN-NG H Shares estimated by the Valuation Adviser does not represent the trading price of ENN-NG H Shares immediately following completion of the Listing or at any time. The trading price of ENN-NG H Shares may fluctuate subject to prevailing market conditions and may materially differ from the value estimated by the Valuation Adviser. Moreover, as the Independent Board Committee will make a recommendation only after taking into account of the advice from the Independent Financial Adviser to be included in the Scheme Document, it is not expressing any view as to the contents of the Valuation Report. Accordingly, Scheme Shareholders, investors and potential investors should not rely on the Valuation Adviser’s estimated value of ENN-NG H Shares as the basis for the trading price of the ENN-NG H Shares upon the Listing.**

On the basis of (i) the Share Exchange Ratio of 2.9427 ENN-NG H Shares for every Scheme Share cancelled and the mid-point of the valuation range estimated by the Valuation Adviser as at the Valuation Reference Date of HK\$18.86 per ENN-NG H Share, together with (ii) the Cash Consideration for every Scheme Share cancelled, the theoretical total value of the Cancellation Consideration under the Proposal is equivalent to approximately HK\$80.00 for each Scheme Share and represents:

- (a). a premium of approximately 47.60% over the closing price of HK\$54.20 per ENN Share as quoted on the Hong Kong Stock Exchange on the Last Undisturbed Day;
- (b). a premium of approximately 51.18% over the average closing price of approximately HK\$52.92 per ENN Share based on the daily closing prices as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Undisturbed Day;

- (c). a premium of approximately 49.20% over the average closing price of approximately HK\$53.62 per ENN Share based on the daily closing prices as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Undisturbed Day;
- (d). a premium of approximately 49.12% over the average closing price of approximately HK\$53.65 per ENN Share based on the daily closing prices as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Undisturbed Day;
- (e). a premium of approximately 47.58% over the average closing price of approximately HK\$54.21 per ENN Share based on the daily closing prices as quoted on the Hong Kong Stock Exchange for the 120 trading days up to and including the Last Undisturbed Day;
- (f). a premium of approximately 34.57% over the closing price of HK\$59.45 per ENN Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day;
- (g). a premium of approximately 49.99% over the average closing price of approximately HK\$53.34 per ENN Share based on the daily closing prices as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- (h). a premium of approximately 48.91% over the average closing price of approximately HK\$53.73 per ENN Share based on the daily closing prices as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- (i). a premium of approximately 48.81% over the average closing price of approximately HK\$53.76 per ENN Share based on the daily closing prices as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- (j). a premium of approximately 47.10% over the average closing price of approximately HK\$54.39 per ENN Share based on the daily closing prices as quoted on the Hong Kong Stock Exchange for the 120 trading days up to and including the Last Trading Day; and
- (k). a premium of approximately 85.81% over the audited consolidated net asset value of approximately HK\$43.05 per ENN Share as at December 31, 2024, calculated based on the audited consolidated net asset value of the ENN Group attributable to the ENN Shareholders of approximately RMB45,101 million (equivalent to approximately HK\$48,705 million based on the Reference Exchange Rate) as at December 31, 2024 divided by the total number of 1,131,224,275 ENN Shares in issue as at the Announcement Date.

2.5. Highest and lowest prices

During the six-month period immediately up to and including the Last Trading Day, the highest closing price of the ENN Shares as quoted on the Hong Kong Stock Exchange was HK\$63.00 on October 7, 2024 and the lowest closing price of the ENN Shares as quoted on the Hong Kong Stock Exchange was HK\$49.10 on September 19, 2024.

During the six-month period immediately up to and including the Last Undisturbed Day, the highest closing price of the ENN Shares as quoted on the Hong Kong Stock Exchange was HK\$63.00 on October 7, 2024 and the lowest closing price of the ENN Shares as quoted on the Hong Kong Stock Exchange was HK\$45.80 on September 16, 2024.

2.6. Pre-Conditions to the making of the Proposal and the ENN Share Option Offer

The making of the Proposal and the ENN Share Option Offer is conditional upon:

- (a) all applicable filings, registration or Approvals which are required in connection with the Proposal by the Applicable Laws in the PRC (such as filings or registration with, or Approvals from, the NDRC, the MoC and (if applicable) the SAMR and the SAFE), having been made or obtained and remaining in full force and effect;
- (b) the approval-in-principle from the Listing Committee of the Hong Kong Stock Exchange for the Listing having been obtained, and such approval not having been subsequently revoked;
- (c) the Approvals or filing from or with the CSRC and such other Relevant Authorities which are necessary for the Listing having been obtained or completed (as the case may be); and
- (d) at least two-thirds of the voting rights of the ENN-NG Independent Shareholders present at the ENN-NG General Meeting having approved and voted in favour of the requisite resolution(s).

None of the Pre-Conditions can be waived by the Offeror. Further announcement(s) will be made as soon as practicable after the Pre-Conditions have been satisfied.

WARNING: As the making of the Proposal, the Scheme and ENN Share Option Offer is subject to the satisfaction of the Pre-Conditions, the making of the Proposal, the Scheme and ENN Share Option Offer is a possibility only and may or may not occur. Shareholders of ENN-NG and ENN, ENN Share Option Holders, ENN Share Award Holders and potential investors of ENN-NG and ENN should therefore exercise caution when dealing in the securities of ENN-NG and ENN. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

2.7. Conditions of the Proposal and the Scheme

The implementation of the Proposal is, and the Scheme will become effective and binding on ENN and all ENN Shareholders, subject to the fulfilment or waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) by ENN Disinterested Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by ENN Disinterested Shareholders that are voted either in person or by proxy at the Court Meeting, provided that the number of votes cast (by way of poll) by the ENN Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to the Scheme Shares held by all ENN Disinterested Shareholders;
- (c) the passing of (i) a special resolution by a majority of not less than three-fourths of the votes cast by the ENN Shareholders present and voting in person or by proxy at the EGM to approve and give effect to any reduction of the share capital of ENN as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) an ordinary resolution by a simple majority of the votes cast by the ENN Shareholders present and voting in person or by proxy at the EGM to approve the simultaneous maintenance of the share capital of ENN at the amount prior to the cancellation of the Scheme Shares by the issuance at par to the Offeror, credited as fully paid, such number of new ENN Shares as is equal to the number of Scheme Shares cancelled, and applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par the new ENN Shares so issued, credited as fully paid, for issuance to the Offeror;
- (d) the Grand Court's sanction of the Scheme (with or without modifications) and, to the extent necessary, its confirmation of any reduction of the share capital of ENN, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (e) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Companies Act in relation to any reduction of the issued share capital of ENN;
- (f) all necessary Approvals in connection with the Proposal and the implementation of the Proposal having been obtained from, given by or made with (as the case may be) the Relevant Authorities, in Cayman Islands, Hong Kong and any other relevant jurisdictions;
- (g) all necessary Approvals in connection with the Proposal and the implementation of the Proposal remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authority which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant Applicable Laws in connection with the Proposal or the implementation of the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;

- (h) all necessary consents which may be required for the implementation of the Proposal and the Scheme under any existing contractual obligations of members of ENN Group having been obtained or waived by the relevant party(ies), where any failure to obtain such consent or waiver would have a material adverse effect on the business of the ENN Group;
- (i) no government, governmental, semi-governmental, administrative, regulatory or judicial body, department (including any relevant securities exchange), commission, authority, tribunal, agency or entity in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Proposal or the implementation of the Proposal void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the implementation of the Proposal), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of ENN-NG and the Offeror to proceed with the Proposal or the implementation of the Proposal;
- (j) since the Announcement Date, there having been no material adverse change in the business, assets, prospects, profits, losses, results of operations, financial position or condition of the ENN Group (to an extent which is material in the context of the ENN Group taken as a whole or in the context of the Proposal); and
- (k) save in connection with the implementation of the Proposal, the listing of the ENN Shares on the Hong Kong Stock Exchange not having been withdrawn, and no indication having been received from the SFC and/or the Hong Kong Stock Exchange, to the effect that the listing of the ENN Shares on the Hong Kong Stock Exchange is or is likely to be withdrawn.

The Offeror reserves the right to waive Conditions (f), (g), (h), (i), (j) and (k) either in whole or in part, either generally or in respect of any particular matter. Conditions (a) to (e) cannot be waived in any event. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. ENN has no right to waive any of the Conditions.

All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Scheme Long Stop Date, failing which the Proposal and the Scheme will lapse.

In respect of Conditions (f) and (g), as at the Announcement Date, other than those set out in the Pre-Conditions and Conditions (a) to (e) (inclusive), the Offeror and ENN are not aware of any necessary Approvals required for the Proposal and the implementation of the Proposal. As at the Announcement Date, the Offeror and ENN are not aware of any circumstances which may result in Conditions (h), (i), (j) and (k) not being satisfied. As at the Announcement Date, none of the Conditions have been satisfied or (if applicable) waived.

WARNING: Shareholders of ENN-NG and ENN, ENN Share Option Holders, ENN Share Award Holders and potential investors of ENN-NG and ENN should be aware that the making of the Proposal and ENN Share Option Offer is subject to the satisfaction of the Pre-Conditions. Even if the Proposal is made, the implementation of the Proposal (including the effectiveness of the Scheme) is subject to the satisfaction or waiver (as applicable) of the Conditions, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Even if the ENN Share Option Offer is made, it will be conditional on the Scheme becoming effective. Shareholders of ENN-NG and ENN, ENN Share Option Holders, ENN Share Award Holders and potential investors of ENN-NG and ENN should therefore exercise caution when dealing in the securities of ENN-NG and ENN. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

3. ENN SHARE OPTION OFFER

ENN adopted the ENN 2012 Share Option Scheme on June 26, 2012 and the ENN 2022 Share Option Scheme on May 18, 2022. As at the Announcement Date, (a) there are 618,235 ENN Share Options with an exercise price of HK\$40.34 and 4,980,791 ENN Share Options with an exercise price of HK\$76.36 granted and outstanding under the ENN 2012 Share Option Scheme; and (b) no ENN Share Option has been granted under the ENN 2022 Share Option Scheme.

As at the Announcement Date, all of the ENN Share Options with an exercise price of HK\$40.34 are exercisable until December 8, 2025 and all of the ENN Share Options with an exercise price of HK\$76.36 are exercisable until March 27, 2029, and each such share option gives the ENN Share Option Holders the right to subscribe for one new ENN Share.

The ENN 2012 Share Option Scheme was terminated on May 18, 2022 and thus no further share options will be granted under the ENN 2012 Share Option Scheme. As at the Announcement Date, no share option has been granted under the ENN 2022 Share Option Scheme.

Subject to the satisfaction of the Pre-Conditions, the Offeror will make appropriate offers to the ENN Share Option Holders in accordance with Rule 13 of the Takeovers Code, conditional upon the Scheme becoming effective, to cancel all ENN Share Options in exchange for the ENN Share Option Offer Price in cash only.

The table below sets out the exercise price and the corresponding consideration for the cancellation of each ENN Share Option as at the Announcement Date:

Date of grant	Exercise period of ENN Share Options	Exercise Price (HK\$)	ENN Share Offer Price (HK\$)	Number of ENN Share Options that are not yet exercisable on the Announcement Date	Number of ENN Share Options that are exercisable on the Announcement Date
December 9, 2015	April 1, 2017 to December 8, 2025	40.34	39.66	–	68,250
	April 1, 2018 to December 8, 2025	40.34	39.66	–	91,824
	April 1, 2019 to December 8, 2025	40.34	39.66	–	139,650
	April 1, 2020 to December 8, 2025	40.34	39.66	–	318,511
<i>Sub-total</i>				–	<i>618,235</i>
March 28, 2019	April 1, 2020 to March 27, 2029	76.36	3.64	–	209,300
	April 1, 2021 to March 27, 2029	76.36	3.64	–	1,174,075
	April 1, 2022 to March 27, 2029	76.36	3.64	–	1,593,824
	April 1, 2023 to March 27, 2029	76.36	3.64	–	2,003,592
<i>Subtotal</i>				–	<i>4,980,791</i>
Total				–	5,599,026

The consideration for the cancellation of each ENN Share Option represents the “see-through” price, which is the excess of the Cancellation Consideration Theoretical Value (being the aggregate of (a) the Cash Consideration and (b) the ENN-NG H Share Consideration Theoretical Value, calculated on the basis of the ENN-NG H Share Theoretical Value estimated by the Valuation Adviser as at the Valuation Reference Date and the Share Exchange Ratio) over the exercise price of each ENN Share Option.

If any ENN Share Option is exercised in accordance with the terms of the ENN 2012 Share Option Scheme before the Meeting Record Date and the corresponding ENN Shares are issued to such ENN Share Option Holder(s) before the Meeting Record Date, any such ENN Shares shall form part of the Scheme Shares and may be voted at the Court Meeting and the EGM.

If any ENN Share Option is exercised in accordance with the terms of the ENN 2012 Share Option Scheme after the Meeting Record Date and on or before the date that is the earlier of the end of two calendar months after the date of a letter to the ENN Share Option Holders (which is expected to be despatched on the same date as the despatch of the Scheme Document) and the date on which the Scheme is sanctioned by the Grand Court, and the corresponding ENN Shares are issued to such ENN Share Option Holder(s) prior to the Scheme Record Date, any such ENN Shares shall form part of the Scheme Shares.

In the event that (a) any ENN Share Option has not been so exercised and (b) the ENN Share Option Holders do not accept the ENN Share Option Offer in respect of such ENN Share Option, such ENN Share Option shall lapse upon the Scheme becoming effective according to the terms of the ENN 2012 Share Option Scheme.

The making of the ENN Share Option Offer is subject to the satisfaction of the Pre-Conditions. Even if the ENN Share Option Offer is made, it will be conditional on the Scheme becoming effective. If any of the Conditions is not satisfied or waived (where applicable) on or before the Scheme Long Stop Date and the Proposal and the Scheme lapse, the ENN Share Option Offer will also lapse.

Further information on the ENN Share Option Offer will be set out in a letter to the ENN Share Option Holders, which is expected to be despatched at the same time as the despatch of the Scheme Document.

4. ENN SHARE AWARD SCHEME

ENN adopted the ENN Share Award Scheme on November 30, 2018 to supplement the share option schemes of ENN. As at the Announcement Date: (a) there are 431,000 ENN Share Awards under the ENN Share Award Scheme, all of which the vesting conditions have been met with the ENN Share Award Price of HK\$76.36; and (b) there are 19,984,600 ENN Shares held by the ENN Share Award Trustee pursuant to the ENN Share Award Scheme, all of which shares are unutilized under the ENN Share Award Scheme. All ENN Shares held by the ENN Share Award Trustee as at the Scheme Record Date shall form part of the Scheme Shares and be cancelled upon the Scheme becoming effective.

As at the Announcement Date, all ENN Share Awards granted under the ENN Share Award Scheme: (a) entitle holders to only receive the corresponding ENN Share Award Notional Gains from the ENN Share Award Trustee in relation to the ENN Share Awards granted to such holders upon the vesting of such relevant ENN Share Awards in accordance with the rules of the ENN Share Award Scheme; (b) are exercisable by way of notice to be given by such holders to become vested until a date no later than March 27, 2029; and (c) are not convertible into ENN Shares. For the avoidance of doubt, ENN Share Award Holders do not own any ENN Share nor enjoy voting rights of ENN Shares by virtue of holding any ENN Share Award.

The ENN Board expects that, the ENN Share Award Holders may continue to exercise their respective rights under the ENN Share Award Scheme to request the vesting of the ENN Share Awards granted to them and receive the corresponding ENN Share Award Notional Gains in relation to such ENN Share Awards from the ENN Share Award Trustee in accordance with the rules of the ENN Share Award Scheme and proposes to terminate the ENN Share Award Scheme subject to and upon the Scheme becoming effective. In the event that any ENN Share Award Holder does not exercise their rights under the ENN Share Award Scheme to request the vesting of their ENN Share Awards on or before the Scheme becoming effective, it is intended that such ENN Share Awards will be deemed to have vested on the effective date of the Scheme, such that no ENN Share Awards will be outstanding as at the date on which the ENN Share Award Scheme is terminated, and holders of the ENN Share Awards so vested will receive the corresponding ENN Share Award Notional Gains from the ENN Share Award Trustee in accordance with the rules of the ENN Share Award Scheme notwithstanding the proposal to terminate the ENN Share Award Scheme upon the Scheme becoming effective.

It is expected that, during the offer period, the ENN Share Award Trustee will not acquire further ENN Shares to satisfy the ENN Share Awards, and any ENN Share Award that may be further granted after the Announcement Date (a) will entitle the holder to only receive the corresponding ENN Share Award Notional Gains in relation to such ENN Share Award granted to such holder, upon the vesting of such relevant ENN Share Award in accordance with the rules of the ENN Share Award Scheme, and (b) will not be convertible into ENN Shares.

Pursuant to the rules of the ENN Share Award Scheme, the ENN Share Award Trustee shall not exercise the voting rights in respect of ENN Shares held by it under the ENN Share Award Scheme. Therefore, the ENN Shares held by the ENN Share Award Trustee will not be voted on at the Court Meeting and the EGM.

5. VALUE OF THE PROPOSAL AND THE ENN SHARE OPTION OFFER

As at the Announcement Date, ENN has 1,131,224,275 ENN Shares in issue and 5,599,026 ENN Share Options. The 743,456,241 Scheme Shares represents approximately 65.72% of the total number of ENN Shares in issue as at the Announcement Date.

On the basis of the Cancellation Consideration Theoretical Value of HK\$80.00:

- (a). assuming that there will be no change in the number of ENN Shares in issue prior to the Scheme Record Date, the Proposal values all of the Scheme Shares at approximately HK\$59,476.00 million and the entire issued share capital of ENN at approximately HK\$90,497.18 million.

On the basis of such number of Scheme Shares and the Cancellation Consideration and assuming the ENN Share Option Offer is accepted in full, upon the fulfillment of the Pre-Conditions and fulfillment or (as applicable) waiver of the Conditions and the Scheme becoming effective, (i) an aggregate of 2,187,768,680 ENN-NG H Shares (representing approximately 70.64% of the entire issued share capital of ENN-NG as at the Announcement Date or approximately 41.40% of the entire issued share capital of ENN-NG as enlarged by the issuance of such ENN-NG H Shares) will be issued by ENN-NG, (ii) cash consideration in the total amount of HK\$18,214.68 million will be payable by the Offeror to the Scheme Shareholders under the Proposal and (iii) cash consideration in the total amount of HK\$42.65 million will be payable by the Offeror to the ENN Share Option Holders under the ENN Share Option Offer;

- (b). assuming that (i) all the ENN Share Options are exercised and the corresponding ENN Shares are issued to such ENN Share Option Holder(s) prior to the Scheme Record Date and (ii) there will be no other change in the number of ENN Shares in issue prior to the Scheme Record Date, there will be an aggregate of 749,055,267 Scheme Shares in issue, and the Proposal values all of the Scheme Shares at approximately HK\$59,923.91 million and the entire issued share capital of ENN at approximately HK\$90,945.09 million.

On the basis of such number of Scheme Shares and the Cancellation Consideration, upon the fulfillment of the Pre-Conditions and fulfillment or (as applicable) waiver of the Conditions and the Scheme becoming effective, (i) an aggregate of 2,204,244,934 ENN-NG H Shares (representing approximately 71.17% of the entire issued share capital of ENN-NG as at the Announcement Date or approximately 41.58% of the entire issued share capital of ENN-NG as enlarged by the issuance of such ENN-NG H Shares) will be issued by ENN-NG, (ii) cash consideration in the total amount of HK\$18,351.85 million will be payable by the Offeror to the Scheme Shareholders under the Proposal and (iii) no cash consideration will be payable by the Offeror to the ENN Share Option Holders under the ENN Share Option Offer; or

- (c). assuming that (i) all ENN Share Options with exercise price of HK\$76.36 are exercised and the corresponding ENN Shares are issued to such ENN Share Option Holder(s) prior to the Scheme Record Date, (ii) the ENN Share Option Offer is accepted by all holders of the ENN Share Options with exercise price of HK\$40.34 and (iii) there will be no other change in the number of ENN Shares in issue prior to the Scheme Record Date, there will be an aggregate of 748,437,032 Scheme Shares in issue, and the Proposal values all of the Scheme Shares at approximately HK\$59,874.46 million and the entire issued share capital of ENN at approximately HK\$90,895.63 million.

On the basis of such number of Scheme Shares and the Cancellation Consideration, upon the fulfillment of the Pre-Conditions and fulfillment or (as applicable) waiver of the Conditions and the Scheme becoming effective, (i) an aggregate of 2,202,425,654 ENN-NG H Shares (representing approximately 71.11% of the entire issued share capital of ENN-NG as at the Announcement Date or approximately 41.56% of the entire issued share capital of ENN-NG as enlarged by the issuance of such ENN-NG H Shares) will be issued by ENN-NG, (ii) cash consideration in the total amount of HK\$18,336.71 million will be payable by the Offeror to the Scheme Shareholders under the Proposal and (iii) cash consideration in the total amount of HK\$24.52 million will be payable by the Offeror to the ENN Share Option Holders under the ENN Share Option Offer.

All of the ENN-NG H Shares to be issued to settle the Proposal will be free from all liens, charges and encumbrances and together with all rights attaching to them, including the right to receive all dividends and other distributions, if any, declared, made or paid by reference to a record time at or after the date and time of their issue.

5.1. Confirmation of Financial Resources

Assuming that (i) all ENN Share Options with exercise price of HK\$76.36 are exercised and the corresponding ENN Shares are issued to such ENN Share Option Holder(s) prior to the Scheme Record Date, (ii) the ENN Share Option Offer is accepted by all holders of the ENN Share Options with exercise price of HK\$40.34 and (iii) there will be no other change in the number of ENN Shares in issue prior to the Scheme Record Date, the total maximum cash consideration payable under the Proposal and the ENN Share Option Offer is HK\$18,361.23 million.

The Offeror intends to finance the payment of the Cash Consideration under the Scheme and ENN Share Option Offer Price by its internal cash resources and external debt facilities. As at the Announcement Date, the Offeror has entered into an external loan facility with Bank of China (Hong Kong) Limited for the purpose of financing the Cash Consideration, the ENN Share Option Offer Price and the costs payable by the Offeror in connection with the Proposal.

CICC, as financial adviser to ENN-NG and the Offeror with respect to the Proposal and the ENN Share Option Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of cash consideration payable by the Offeror under the Proposal and the ENN Share Option Offer.

6. REASONS FOR AND BENEFITS OF THE PROPOSAL AND THE LISTING

6.1. Background of and Reasons for the Proposal and the Listing

ENN-NG strives to further its development as an integrated and intelligent ecological natural gas operator through its integration with ENN by way of the Proposal, with the goal of unlocking business growth potential and strengthening its leading position in the industry through the Listing, and believes that this could be achieved on the following basis:

6.1.1. Opportunities and Challenges in the Natural Gas Industry Prompting Further Integration of the Industry Chain

The natural gas industry has broad development prospects and is currently at an important juncture with ample growth opportunities. Driven by the accelerated global low-carbon transition and the PRC's determination to implement its dual carbon strategies, both the domestic and international natural gas markets are witnessing robust development trends. According to the International Energy Agency, global natural gas demand reached an unprecedented high of approximately 4,200 billion cubic meters in 2024 and is expected to reach 4,500 billion cubic meters by 2030. Asia is the primary driver behind the growth in global natural gas demand, accounting for over 50% of the increased demand. Developments in the domestic natural gas market are even more noteworthy, given that natural gas is a crucial alternative energy resource for the PRC to achieve its targets of "peaking carbon emissions by 2030" and "achieving carbon neutrality by 2060". The Chinese government has set clear objectives for the share of natural gas in the national primary energy consumption, aiming to achieve 15% by 2030. According to statistics from the National Development and Reform Commission of the PRC, driven by the dual-carbon strategy, the apparent natural gas consumption in the PRC in 2024 reached 426.1 billion cubic meters, representing a year-on-year increase of 8%, and is projected to reach 550 to 600 billion cubic meters by 2030, demonstrating a strong momentum of development in the domestic natural gas market.

Meanwhile, the fast-growing natural gas industry is accompanied by a series of complex challenges. From an international standpoint, prices of LNG continue to fluctuate due to complex global macro-environment factors, leading to significant uncertainties. From a domestic standpoint, as the upstream gas prices become increasingly market-driven, the share of regulated gas sources gradually decreases while the share of market-priced gas sources steadily increases, resulting in an increasingly correlated relationship between domestic gas prices and international spot prices. In light of the changing downstream consumption structure, the growth in traditional demand for city gas has slowed as urbanization levels out. Power generation (pursuant to the need for peak-shaving gas demands) has become the main contributor to the increased domestic demand for natural gas, accounting for around 30% of the incremental growth. In addition, amid such complex environment, customer demands with respect to natural gas providers have become increasingly diversified and differentiated, requiring natural gas providers to demonstrate higher and more comprehensive capabilities to address (among others) the increasingly urgent demand for gas consumption at low cost, more stable gas supply, greater flexibility in energy demand, and greater flexibility in decision-making. Traditional city gas companies will face certain challenges in their business if they fail to secure upstream resources or adapt to the structural changes to the downstream demands.

The thriving natural gas industry has not only brought opportunities but also posed certain challenges. Natural gas operators urgently required to further the integration of its upstream and downstream resources to better respond to changes in the industry.

6.1.2. Strengthening Complementary Advantages to Meet the Diversified Customer Demands Arising under New Market Conditions

ENN-NG primarily focuses on the acquisition of and trade in upstream natural gas resources as well as operation of infrastructural facilities. It has built a high-quality pool of domestic and international natural gas resource pool, supported by its Zhoushan LNG terminal as a key leverage point. In 2024, ENN-NG strengthened its long-term and systematic strategic cooperation with three major oil conglomerates, amongst which, pursuant to the long-term contract with China National Petroleum Corporation, ENN-NG has imported from China National Petroleum Corporation LNG of approximately 3.2 billion cubic meters in 2024, representing a year-on-year increase of approximately 1.5 billion cubic meters. In addition, ENN-NG has dynamically optimized the flow of international LNG resources. As of now, it has signed long-term agreements for close to 10 million tonnes of LNG, with 2.06 million tonnes already delivered in 2024. The Zhoushan LNG terminal currently has an operational processing capacity of 7.5 million tonnes per year, which is expected to reach 10 million tonnes per year after the completion of its third phase construction in 2025. In 2024, the unloading volume of the Zhoushan LNG terminal was 2.41 million tonnes, representing a year-on-year increase of 53%. ENN primarily focuses on domestic natural gas distribution services, with city gas projects spreading across 20 provinces in the PRC, serving over 270,000 industrial and commercial customers and more than 31 million residential users. Upon the integration between ENN-NG and ENN, ENN-NG can fully leverage its strong pool of natural gas resources and the storage and transportation capacities of its LNG terminals to provide effective support to ENN in responding to changes in downstream customer demands. Meanwhile, most of the projects undertaken by ENN are located in economically developed areas such as Zhejiang, Jiangsu, Shandong, Guangdong, Fujian, and Anhui, which are advantageous markets for distribution of imported LNG. Through swapping of LNG resources, ENN can also reach markets across the PRC. The integration between ENN-NG and ENN is expected to provide a solid foundation for business expansion while ensuring that ENN can meet its customer demands. In addition, ENN-NG can utilize its upstream gas sources to address the customer demands of ENN, further expanding its resource pool and improving the efficiency of its LNG terminals, thereby creating a business model that capitalizes on the coordinated development of the “dual circulation” of both domestic and international markets.

Through the implementation of the Proposal, the strengths of ENN-NG and ENN will be further integrated and complemented, which is conducive to strengthening the competitive edge to navigate the evolving market conditions and achieve efficient resource allocation and seamless integration of business operations, thereby better addressing changes in the natural gas industry and meeting the diversified needs of customers.

6.1.3. Leveraging the Natural Gas Comprehensive Advantage to Effectively Hedge Risks and Seize Opportunities

ENN-NG has built a comprehensive advantage in the natural gas sector, including its customer base, domestic and international LNG resource pools, infrastructure leverage points, and its international risk control system. With respect to customer base, with its city gas franchise rights, ENN-NG can expand its clientele both internationally and domestically. With respect to domestic and international LNG resource pools, the long-term natural gas resources held by ENN-NG can serve as a “ballast” for ENN’s natural gas businesses, facilitating stabilization of gas supply, hedge against market fluctuations in gas prices, and enhancing the stability of its business operations. In terms of infrastructure leverage points, ENN-NG can leverage the strategic role of the Zhoushan LNG terminal to connect both international and domestic markets. In terms of the international risk control system, ENN-NG can strengthen its hedging capabilities and risk control capabilities, utilize both domestic and international markets to achieve diversified revenue streams, hedge against risks and maintain overall balance and stability in its businesses.

Through this transaction, ENN-NG can better hedge against risks and seize opportunities. For example, where LNG prices are high, ENN-NG may focus on the European market’s demands and prioritize international sales through long-term contracts. Additionally, ENN-NG can optimize its resource pool and shipment allocation to meet the domestic demands, taking into account the costs of and revenue generated from shipment import. In periods of declining LNG prices, ENN-NG may proactively engage in market development with a view to support the import of LNG, attracting medium-term to long-term customers through innovative approaches such as “shipment crowdfunding + options trading”, “flexible + dynamic portfolio supply of multiple resources”, “resource custodianship + hedging” and “peak-shaving + stable services”, thereby reducing the impact of market price fluctuations and enhancing its ability to withstand risks.

6.1.4. Optimizing Corporate Governance and Enhancing Capital Management Efficiency to Respond Flexibly to Synergy Demands

Currently, ENN-NG and ENN operate as independent listed entities. This resulted in the need for ENN-NG and ENN to maintain independent and separate management functions, capital pool and liquidity reserves. In addition, given the independent listing statuses of ENN-NG and ENN, transactions between ENN-NG and ENN are currently subject to applicable requirements in respect of connected transactions under the Listing Rules, which may include but are not limited to independent ENN Shareholders’ approval.

Through this transaction, the Enlarged ENN-NG Group will be able to further optimize governance efficiency, enhance capital management effectiveness, respond flexibly to synergy demands, and enhance integrated efficiency, as detailed below:

- ***Flexibility to Optimize Governance Efficiency:*** upon completion of the Proposal, the Enlarged ENN-NG Group will enjoy further flexibility in optimizing its organization structure and streamlining decision-making process, which will in turn improve operational efficiency and enhance responsiveness to rapid market changes.
- ***Enhancing Capital Management Efficiency:*** the Enlarged ENN-NG Group will be able to implement unified capital management and planning and fully leverage the advantages of its capital pool. This will facilitate the release of liquidity, reduce capital occupancy, thereby achieving effective control of financial expenses.
- ***Responding Flexibly to Synergy Demands:*** transactions between ENN-NG and ENN will no longer be subject to requirements related to Hong Kong-listed companies' connected transactions. As such, the Enlarged ENN-NG Group will be conducive to seamless cross-entity cooperation, in turn driving synergies. In addition, the Enlarged ENN-NG Group will also benefit from reduced compliance overhead associated with ongoing connected transactions.

6.2. Benefits for the Scheme Shareholders

The ENN-NG Board believes that upon the completion of the Proposal, the Enlarged ENN-NG Group will offer highly attractive investment opportunities to the Scheme Shareholders. The ENN-NG Board believes that following the Proposal, the Scheme Shareholders will not only be able to continue investing in ENN (as part of the Enlarged ENN-NG Group), which possesses a range of competitive advantages and fully enjoys the global energy transformation benefits, but also share in the potential synergy effects and business growth potential that may result from further integration between ENN-NG and ENN.

In addition to the potential for long-term capital growth, the Cancellation Consideration represents a premium of approximately 47.60% over the closing price of HK\$54.20 per ENN Share as quoted on the Hong Kong Stock Exchange on the Last Undisturbed Day, a premium of approximately 34.57% over the closing price of HK\$59.45 per ENN Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day and a premium of approximately 51.18% over the average closing price of approximately HK\$52.92 per ENN Share for the 30 trading days up to and including the Last Undisturbed Day. The cash payment made under the Proposal also provides an immediately realizable cash value, enabling the Scheme Shareholders to achieve a certain level of capital return from their investment. The Cash Consideration ratio under the Proposal is approximately 31%, with a total Cash Consideration payable to Scheme Shareholders of 18,214.68 million (assuming the ENN Share Option Offer is accepted in full), which exceeds the total cash dividends distributed by ENN over the past 10 years.

As the issuance of ENN-NG H Shares and the cash payment under the Proposal do not require large-scale external equity fundraising, the Proposal will be less susceptible to fluctuations in the capital markets. Therefore, the ENN-NG Board believes that the overall offer structure is in the best interests of the Scheme Shareholders.

The ENN-NG Board believes that the long-term potential benefits for the Scheme Shareholders include the following aspects:

6.2.1. Synergy in the Natural Gas Industry Chain Driving Business Growth

Following completion of the Proposal, ENN will benefit from further synergies with ENN-NG's upstream natural gas resources and its midstream storage and transportation capabilities, expand both international and domestic natural gas resource pools, and ensure a stable supply of low-cost, high-quality gas, which will help ENN to satisfy the diversified customer demands and enhance customer stickiness. Furthermore, upon the completion of the Proposal, the two parties will accelerate the development and operation of a natural gas professional capability recognition platform, consolidate resources across the natural gas ecosystem, and leverage the intelligent technology to achieve dynamic and optimal matching between supply and demand, helping clients and ecosystem partners expand operations in a cost-effective manner. Additionally, utilizing their comprehensive natural gas capabilities and IoT data, the two companies will deploy intelligent technology to create a large-scale industry model, maximize business value, enhance market competitiveness, and reinforce their leadership in the industry.

6.2.2. Significant Improvement in Operational Efficiency and Risk Resistance Capability

Once the Proposal is completed, in addition to the aforementioned benefits that the Enlarged ENN-NG Group will gain (including enhanced flexibility in optimizing its organizational structure and streamlined decision-making processes), the post-integration balance sheet of the Enlarged ENN-NG Group will be strengthened, further improving its resilience to risk, lowering financing costs and improving its operational efficiency.

6.2.3. Strengthening Capital Market Appeal

First, following the integration, the Enlarged ENN-NG Group will enjoy further flexibility in optimizing its organizational structure, streamlining fund allocation and simplifying decision-making processes, and transactions between ENN-NG and ENN will no longer be subject to the connected transaction approvals and restrictions for Hong Kong-listed companies. This will contribute towards the maximization of the synergies across the upstream and downstream industry chain, boost investor confidence, and enhance shareholder returns.

Second, according to the unaudited pro forma financial information of ENN-NG Group as at December 31, 2024, and the related notes thereto as set out in Annex 2 of this announcement, and which has been prepared in accordance with Rule 4.29 of the Listing Rules on the bases and assumptions set out therein, the pro forma basic earnings per ENN-NG H Share attributable to ordinary equity holders of the Enlarged ENN-NG Group for the year ended December 31, 2024 is RMB1.56. On the basis of such pro forma earnings per ENN-NG H Share and the Share Exchange Ratio of 2.9427 ENN-NG H Shares for every Scheme Share to be cancelled under the Scheme, the pro forma basic earnings per ENN-NG H Share which will be received after the completion of the Proposal for cancellation of each Scheme Share is approximately RMB4.59, which represents the product of (i) such pro forma earnings per ENN-NG H Share and (ii) the Share Exchange Ratio. Such pro forma earnings represents an increase of approximately 23.68% as compared to the audited basic earnings per ENN Share for the year ended December 31, 2024 (as adjusted based on the Share Component Ratio) of RMB3.71, which represents the product of (i) the audited basic earnings per ENN Share for the year ended December 31, 2024 of RMB5.35 and (ii) the Share Component Ratio. For the avoidance of doubt, such pro forma earnings have not taken into account the Cash Consideration payable by the Offeror to the Scheme Shareholders under the Scheme. It is expected that the Enlarged ENN-NG Group will have the ability to allocate funds centrally and maintain an overall dividend payout ratio of 50%, thus delivering higher returns to investors.

In this connection, the ENN-NG Board has considered and approved the conditional proposal of the shareholder return plan of ENN-NG (2025-2028). The shareholder return plan of ENN-NG (2025-2028) is set with a view to achieving sustainable development and stable shareholder return for ENN-NG. The key considerations of ENN-NG in determining such shareholder return plan include factors such as the revenue and operational expenses of ENN-NG, cash flow and capital expenditure outlook, operational needs and investment and long-term planning.

The material terms of the shareholder return plan (2025-2028) of ENN-NG being proposed include: (a) ENN-NG should maintain a continuous and stable dividend pay-out policy; and (b) subject to satisfaction of specified conditions for dividend distribution as set out in the shareholder return plan (2025-2028), the cash dividend plan of ENN-NG for the next four years (2025-2028) is as follows:

- (i) the profits to be distributed each year by way of cash shall be not less than 10% of the distributable profits of ENN-NG for the relevant year, and the cumulative profits distributed by ENN-NG in the three years immediately preceding the relevant year shall not be less than 30% of the annual average distributable profits realized in such period
- (ii) the profits to be distributed in 2025 by way of cash shall represent a per share increase of not less than RMB\$0.15 (before tax) as compared to the profits distributed in the immediately preceding year by way of cash, and ENN-NG has declared dividend for the financial year of 2024 of RMB0.81 per ENN-NG A Share;
- (iii) the profits to be distributed each year by way of cash shall not be less than (with respect to 2025) 30% or (with respect to 2026, 2027 and 2028) 50% of the core profits of ENN-NG attributable to its shareholders; and

- (iv) ENN-NG may distribute its profits by way of a combination of cash and securities in accordance with the terms of the shareholder return plan (2025-2028).

ENN-NG has proposed its shareholder return plan (2025-2028) to ENN-NG A Shareholders for their consideration and approval. Subject to the relevant ENN-NG A Shareholders' approval being obtained at the ENN-NG General Meeting and the Proposal and the Listing being completed, dividend distributions of ENN-NG for the financial years of 2025 to 2028 shall be implemented in accordance with such shareholder return plan (2025-2028). The actual amount of dividends payable (if any) each year will be recommended by the ENN-NG Board and depend on the financial performance and cash requirements of ENN-NG. For the avoidance of doubt, upon the Listing, holders of the ENN-NG H Shares will not be entitled to the special dividend declared by ENN-NG based on the gain on disposal arising from the disposal by ENN-NG of the entire issued share capital of its subsidiary Xinneng Mining Company Limited (新能礦業有限公司), and the declaration of such special dividend has been approved by the ENN-NG A Shareholders on December 26, 2023.

Third, upon completion of the Listing, the Enlarged ENN-NG Group is expected to attract additional investment, including but not limited to current ENN-NG A Shareholders and ENN Shareholders. This will further strengthen the Enlarged ENN-NG Group's market influence and capital operation capabilities, establishing a solid foundation for long-term growth.

Following the Proposal and the Listing, the Enlarged ENN-NG Group is expected to benefit from a larger market capitalization, enhanced financial performance, reduced concerns regarding significant connected transactions between ENN-NG and ENN, and a more diversified investor base, from which ENN Shareholders will also benefit.

6.3. Conclusion

The ENN-NG Board believes that the Proposal, through comprehensive industry chain integration, global expansion, and governance optimization, will create both immediate cash value and long-term investment growth potential for shareholders, and the Enlarged ENN-NG Group will be well-positioned within the intelligent energy ecosystem as a leading company in the global energy transition.

7. INFORMATION ON ENN

7.1. General Information of ENN

ENN, a subsidiary of ENN-NG, is principally engaged in investment holding. The ENN 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.

7.2. Financial Information of the ENN Group

Based on the published audited consolidated financial statements of ENN, the table below sets out the financial information of ENN Group for the three financial years ended December 31, 2024:

	Financial year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i> <i>(restated)*</i>
Revenue	109,853	113,858	110,051
Profit for the year	6,876	7,732	6,666

	As at		
	December 31, 2024	December 31, 2023	December 31, 2022
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i> <i>(restated)*</i>
Total Assets	103,220	103,131	102,358
Total Liabilities	52,144	54,869	56,796
Net Assets	51,076	48,262	45,562

* *The financial information for the financial year ended or as at December 31, 2022 (as the case may be) were restated as a result of the application of the Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction, the details of which have been set out in the annual report of ENN for the financial year ended December 31, 2023.*

7.3. Shareholding structure of ENN

As at the Announcement Date, the authorized share capital of ENN is HK\$300,000,000 divided into 3,000,000,000 ENN Shares, and there are 1,131,224,275 ENN Shares in issue. As at the Announcement Date, save for the 1,131,224,275 ENN Shares in issue, the 5,599,026 ENN Share Options (which entitle the holders to subscribe for 5,599,026 new ENN Shares) and the 431,000 ENN Share Awards (which are not convertible into Shares), ENN has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

The table below sets out the shareholding structure of ENN as at the Announcement Date and as at the Announcement Date and assuming all ENN Share Options had been exercised on or before the Announcement Date:

ENN Shareholders	As at the Announcement Date		As at the Announcement Date and assuming all the ENN Share Options had been exercised on or before the Announcement Date	
	<i>Number of ENN Shares</i>	<i>Approximate % of total issued ENN Shares⁽¹⁾</i>	<i>Number of ENN Shares</i>	<i>Approximate % of total issued ENN Shares⁽¹⁾</i>
Offeror⁽²⁾ (not subject to the Scheme)	387,768,034	34.28%	387,768,034	34.11%
Offeror Concert Parties (subject to the Scheme)				
ZHANG Yuying ⁽³⁾	10,000	0.00%	90,925	0.01%
WANG Dongzhi ⁽⁴⁾	25,800	0.00%	132,500	0.01%
JIANG Chenghong ⁽⁵⁾	–	–	124,500	0.01%
YU Jianchao ⁽⁶⁾	152,000	0.01%	152,000	0.01%
ZHANG Jin ⁽⁷⁾	–	–	115,000	0.01%
YANG Yu ⁽⁸⁾	–	–	85,000	0.01%
JIN Yongsheng ⁽⁹⁾	6,000	0.00%	6,000	0.00%
HAN Jishen ⁽¹⁰⁾	–	–	180,075	0.02%
SU Li ⁽¹¹⁾	6,000	0.00%	114,900	0.01%
LIU Jianfeng ⁽¹²⁾	40,600	0.00%	100,600	0.01%
Aggregate number of ENN Shares of the Offeror and the Offeror Concert Parties⁽¹⁸⁾	388,008,434	34.30%	388,869,534	34.21%
ENN Disinterested Shareholders				
ENN Share Award Trustee ⁽¹³⁾	19,984,600	1.77%	19,984,600	1.76%
GONG Luojian ⁽¹⁴⁾	–	–	130,000	0.01%
MA Zhixiang ⁽¹⁵⁾	–	–	60,000	0.01%
YUEN Po Kwong ⁽¹⁶⁾	–	–	60,000	0.01%
LAW Yee Kwan, Quinn ⁽¹⁷⁾	–	–	44,000	0.00%
Other ENN Disinterested Shareholders	723,231,241	63.93%	727,675,167	64.01%
Aggregate number of ENN Shares held by ENN Disinterested Shareholders	743,215,841	65.70%	747,953,767	65.79%
Total number of ENN Shares in issue	1,131,224,275	100.00%	1,136,823,301	100.00%
Total number of Scheme Shares	743,456,241	65.72%	749,055,267	65.89%

Notes:

1. All percentages in the above table are approximations and rounded to the nearest 2 decimal places. The aggregate percentages may not add up due to such rounding.
2. The Offeror is a direct wholly-owned subsidiary of ENN-NG, and as at the Announcement Date, approximately 72.44% shares of ENN-NG are beneficially owned by Mr. WANG Yusuo together with Ms. ZHAO Baoju (spouse of Mr. WANG Yusuo) in aggregate.
3. As at the Announcement Date, Mr. ZHANG Yuying holds 10,000 ENN Shares, 80,925 ENN Share Options and 80,000 ENN Share Awards. Mr. ZHANG Yuying is a director of ENN-NG and ENN. He is therefore presumed to be acting in concert with the Offeror in relation to ENN under class 2 definition of “acting in concert” under the Takeovers Code and is an Offeror Concert Party.
4. As at the Announcement Date, Mr. WANG Dongzhi holds 25,800 ENN Shares and 106,700 ENN Share Options. Mr. WANG Dongzhi is a director of ENN and he previously served as the chief financial officer of ENN-NG. He is therefore considered as an Offeror Concert Party.
5. As at the Announcement Date, Mr. JIANG Chenghong holds 124,500 ENN Share Options. Mr. JIANG Chenghong is a director of ENN-NG and the Offeror. He is therefore presumed to be acting in concert with the Offeror in relation to ENN under class 2 definition of “acting in concert” under the Takeovers Code and is an Offeror Concert Party.
6. As at the Announcement Date, Mr. YU Jianchao holds 152,000 ENN Shares. Mr. YU Jianchao is a director of ENN-NG and the Offeror. He is therefore presumed to be acting in concert with the Offeror in relation to ENN under class 2 definition of “acting in concert” under the Takeovers Code and is an Offeror Concert Party.
7. As at the Announcement Date, Ms. ZHANG Jin holds 115,000 ENN Share Options. Ms. ZHANG Jin is a director of ENN-NG and ENN. She is therefore presumed to be acting in concert with the Offeror in relation to ENN under class 2 definition of “acting in concert” under the Takeovers Code and is an Offeror Concert Party.
8. As at the Announcement Date, Mr. YANG Yu holds 85,000 ENN Share Options. Mr. YANG Yu is a director of an associated company of ENN-NG. He is therefore considered as an Offeror Concert Party.
9. As at the Announcement Date, Mr. JIN Yongsheng holds 6,000 ENN Shares. Mr. JIN is a director of an associated company of ENN-NG. He is therefore considered as an Offeror Concert Party.
10. As at the Announcement Date, Mr. HAN Jishen holds 180,075 ENN Share Options. Mr. HAN Jishen is a director of ENN-NG. He is therefore presumed to be acting in concert with the Offeror in relation to ENN under class 2 definition of “acting in concert” under the Takeovers Code and is an Offeror Concert Party.
11. As at the Announcement Date, Ms. SU Li holds 6,000 ENN Shares and 108,900 ENN Share Options. Ms. SU Li is a director of ENN and the executive vice president of ENN-NG. She is therefore considered as an Offeror Concert Party.
12. As at the Announcement Date, Mr. LIU Jianfeng holds 40,600 ENN Shares, 60,000 ENN Share Options and 120,000 ENN Share Awards. He is considered as an Offeror Concert Party.
13. Pursuant to the rules of the ENN Share Award Scheme, the ENN Share Award Trustee shall not exercise the voting rights in respect of ENN Shares held by it under the ENN Share Award Scheme. Therefore, the ENN Shares held by the ENN Share Award Trustee will not be voted at the Court Meeting and the EGM.
14. As at the Announcement Date, Mr. GONG Luojian holds 130,000 ENN Share Options. Mr. GONG Luojian is the president and a director of ENN.

15. As at the Announcement Date, Mr. MA Zhixiang holds 60,000 ENN Share Options. Mr. MA Zhixiang is a director of ENN.
16. As at the Announcement Date, Mr. YUEN Po Kwong holds 60,000 ENN Share Options. Mr. YUEN Po Kwong is a director of ENN.
17. As at the Announcement Date, Mr. LAW Yee Kwan, Quinn holds 44,000 ENN Share Options. Mr. LAW Yee Kwan, Quinn is a director of ENN.
18. CICC is the financial adviser to ENN-NG and the Offeror with respect to the Proposal and the ENN Share Option Offer. Accordingly, CICC and relevant members of the CICC group which hold ENN Shares on an own account or discretionary managed basis are presumed to be acting in concert with the Offeror in relation to ENN in respect of shareholdings of the CICC group in ENN in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of the ENN Shares held by members of the CICC group which are exempt principal traders or exempt fund managers, in each case recognized by the Executive as such for the purposes of the Takeovers Code). Exempt principal traders and exempt fund managers which are connected for the sole reason that they control, are controlled by or are under the same control as CICC are not presumed to be acting in concert with the Offeror. However: (a) ENN Shares held by members of the CICC group acting in the capacity of exempt principal traders will not be voted at the Court Meeting or the EGM unless otherwise confirmed by the Executive; and (b) ENN Shares held by such exempt principal traders may, subject to consent of the Executive, be allowed to be voted at the Court Meeting and the EGM if: (i) such member of the CICC group holds the relevant ENN Shares as a simple custodian for and on behalf of non-discretionary clients; (ii) there are contractual arrangements in place between such member of the CICC group and such non-discretionary client that strictly prohibit such member of the CICC group from exercising any voting discretion over such ENN Shares; (iii) all voting instructions shall originate from such non-discretionary client only (if no instructions are given, then no votes shall be cast for such ENN Shares held by such member of the CICC group); and (iv) such non-discretionary client is entitled to vote at the Court Meeting and the EGM. Details of holdings, borrowings or lendings of, and dealings in, the ENN Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of ENN held by or entered into by members of the CICC group (except in respect of ENN Shares held by exempt principal traders or exempt fund managers or ENN Shares held on behalf of non-discretionary investment clients of the CICC group), if any, will be obtained as soon as possible after the Announcement Date in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be made by ENN-NG, the Offeror and ENN if the holdings, borrowings, lendings, or dealings of the members of the CICC group are significant and in any event, such information will be disclosed in the Scheme Document. The statements in this announcement as to the holdings, borrowings or lendings of, or dealings in, the ENN Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of ENN by the Offeror Concert Parties are subject to the holdings, borrowings, lendings, or dealings (if any) of members of the CICC group. Any dealings in the relevant securities of ENN by the CICC group (excluding dealings by the CICC group members who are exempt principal traders or exempt fund managers or dealings by the CICC group members for the account of non-discretionary investment clients of the CICC group) during the six months prior to the Announcement Date and the commencement of the offer period to the latest practicable date prior to the despatch of the Scheme Document will be disclosed in the Scheme Document and pursuant to Rule 22 of the Takeovers Code.

8. INFORMATION ON ENN-NG AND THE OFFEROR

8.1. General Information of ENN-NG and the Offeror

The Offeror is a company with limited liability incorporated under the laws of Hong Kong. It is 100% directly owned by ENN-NG and principally engaged in investment holding.

ENN-NG, a controlling shareholder of ENN, is a limited company established under the laws of the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600803). The business segments of the ENN-NG Group include obtaining upstream natural gas resources, LNG terminals, natural gas downstream distribution, energy engineering, and energy chemical business. As at the Announcement Date, Mr. WANG Yusuo and Ms. ZHAO Baoju are the ultimate controlling shareholders of ENN-NG, holding approximately 72.44% of the ENN-NG A Shares in aggregate, of which approximately 72.38% of the ENN-NG A Shares are held through entities controlled by Mr. WANG Yusuo and/or Ms. ZHAO Baoju. As at the Announcement Date, Mr. WANG Yusuo, the founder of the ENN-NG Group, serves as the chairman and an executive director of ENN and a director of the Offeror. Ms. ZHAO Baoju is the spouse of Mr. WANG Yusuo.

8.2. Financial Information of the ENN-NG Group

Based on the published audited consolidated financial statements of ENN-NG, the table below sets out the financial information of ENN-NG Group for the three financial years ended December 31, 2024 prepared based on the PRC Generally Accepted Accounting Standards:

	Financial year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	135,836	143,754	154,044
Profit for the year	9,944	12,530	11,074
	As at		
	December 31, 2024	December 31, 2023	December 31, 2022
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Total Assets	132,488	134,574	136,197
Total Liabilities	71,944	76,037	84,635
Net Assets	60,544	58,537	51,562

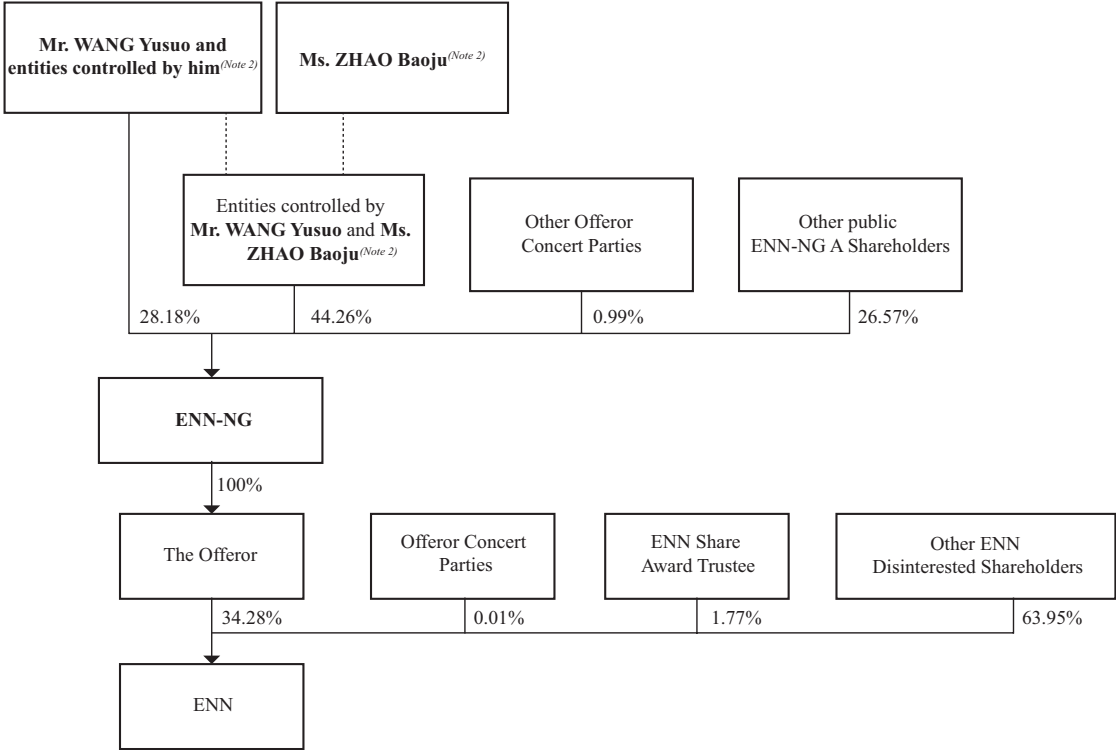
8.3. Shareholding structure of ENN-NG and the Offeror

As at the Announcement Date,

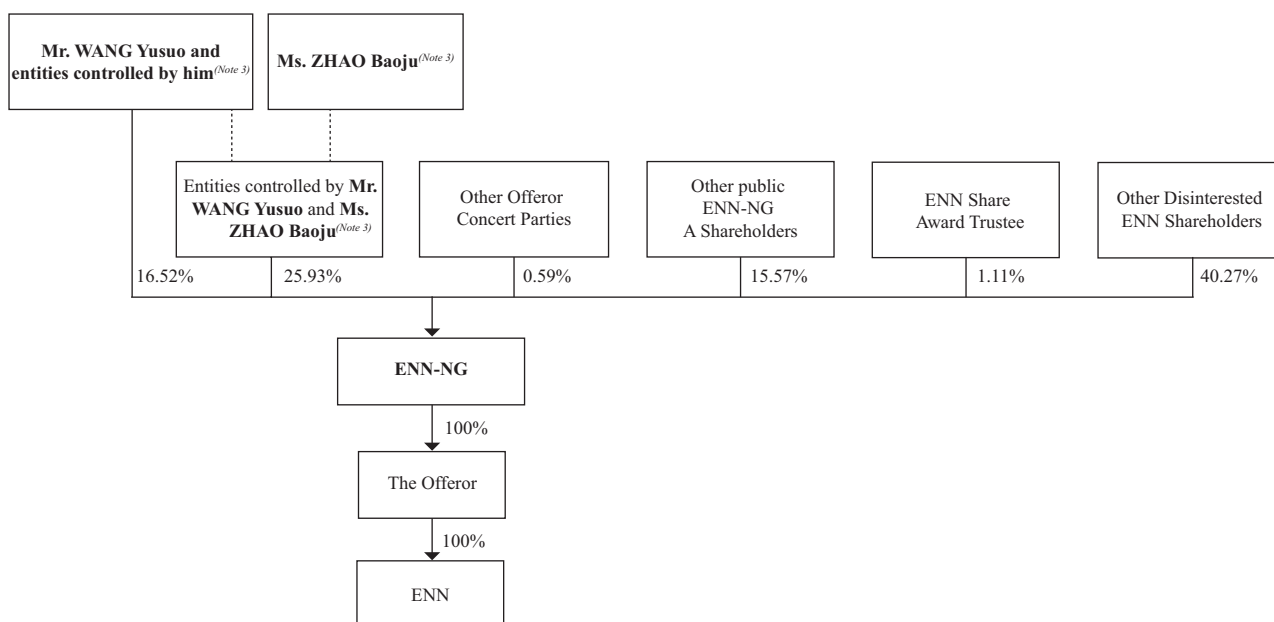
- (a) ENN-NG has 3,097,087,607 ENN-NG A Shares in issue;
- (b) the Offeror has (i) 10,000 ordinary shares of HK\$1.0 each, (ii) 1,600,000,000 ordinary shares of RMB\$1.0 each, and (iii) 532,367,984 ordinary shares of US\$1.0 each in issue; and
- (c) save as disclosed above, ENN-NG and the Offeror have no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

A simplified shareholding structure of ENN-NG and the Offeror as at the Announcement Date and immediately upon the completion of the Proposal are represented in the charts below respectively.

A. As at the Announcement Date



B. Immediately upon completion of the Proposal (assuming that there has been no other change to the issued share capital of ENN and ENN-NG and holdings of ENN-NG Shares since the Announcement Date):



Notes:

1. All percentages in the above table are approximations and rounded to the nearest 2 decimal places. The aggregate percentages may not add up due to such rounding.
2. As at the Announcement Date, approximately 0.06% of the ENN-NG A Shares are held by Mr. WANG Yusuo directly, approximately 28.12% of the ENN-NG A Shares are held by entities controlled by Mr. WANG Yusuo and approximately 44.26% of the ENN-NG A Shares are held through entities controlled by Mr. WANG Yusuo and Ms. ZHAO Baoju.
3. It is expected that, immediately upon completion of the Proposal (assuming that there has been no other change to the issued share capital of ENN-NG since the Announcement Date), approximately 0.04% of the ENN-NG Shares will be held by Mr. WANG Yusuo directly, approximately 16.48% of the ENN-NG Shares will be held through entities controlled by Mr. WANG Yusuo and approximately 25.93% of the ENN-NG Shares will be held by entities controlled by Mr. WANG Yusuo and Ms. ZHAO Baoju (the spouse of Mr. WANG Yusuo).
4. Not all intermediate holding entities are shown in the simplified shareholding structure for simplicity purposes.

9. INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, which comprises all independent non-executive directors of ENN, namely Mr. MA Zhixiang, Mr. YUEN Po Kwong, Mr. LAW Yee Kwan, Quinn and Ms. WONG Lai, Sarah, has been established by the ENN Board to make a recommendation to: (a) the ENN Disinterested Shareholders as to whether the terms of the Proposal and the Scheme are fair and reasonable, and whether to vote in favor of the Scheme at the Court Meeting and of the resolutions in connection with the implementation of the Proposal at the EGM; and (b) the ENN Share Option Holders as to whether the terms of the ENN Share Option Offer are fair and reasonable and whether to accept the ENN Share Option Offer.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee is required to comprise all non-executive directors of ENN who have no direct or indirect interest in the Proposal and the ENN Share Option Offer, other than as a ENN Shareholder or a ENN Share Option Holder. Mr. WANG Zizheng is the non-executive director of ENN and is also a director of ENN-NG. He is therefore an Offeror Concert Party and has been excluded from the Independent Board Committee.

Members of the Independent Board Committee will give their views on (a) whether the terms of the Proposal, the Scheme and the ENN Share Option Offer are fair and reasonable, (b) whether to vote in favor of the Scheme at the Court Meeting and of the resolutions in connection with the implementation of the Proposal at the EGM; and (c) acceptance of the ENN Share Option Offer by the ENN Share Option Holders after considering the advice of the Independent Financial Adviser to the Independent Board Committee.

10. INDEPENDENT FINANCIAL ADVISER

An Independent Financial Adviser will be appointed (with the approval of the Independent Board Committee) to advise the Independent Board Committee on the Proposal, the Scheme and the ENN Share Option Offer pursuant to Rule 2.1 of the Takeovers Code. A further announcement will be made as soon as possible after the Independent Financial Adviser has been appointed.

11. WITHDRAWAL OF LISTING OF ENN SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. ENN will apply to the Hong Kong Stock Exchange for the withdrawal of the listing of the ENN Shares on the Hong Kong Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules immediately following the Scheme becoming effective.

Upon the fulfilment of the Conditions and the Scheme becoming effective, the Scheme Shareholders will be notified by way of an announcement of the exact date of the last day for dealing in the ENN Shares and on which the Scheme and the withdrawal of the listing of the ENN Shares on the Hong Kong Stock Exchange will become effective. A detailed timetable of the implementation of the Proposal and the ENN Share Option Offer will be included in the Scheme Document, which will also contain, inter alia, further details of the Scheme and the ENN Share Option Offer.

12. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

The Scheme will lapse if any of the Conditions has not been satisfied or waived, as applicable, on or before the Scheme Long Stop Date. If the Scheme is not approved or if the Proposal otherwise lapses, the listing of the ENN Shares on the Hong Kong Stock Exchange will not be withdrawn and as the ENN Share Option Offer is conditional upon the Scheme becoming effective, the ENN Share Option Offer will lapse.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that, neither the Offeror nor the Offeror Concert Parties under the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, (a) announce an offer or possible offer for ENN, or (b) acquire any voting rights of ENN if the Offeror or the Offeror Concert Parties would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.

13. SCHEME SHARES, COURT MEETING AND EGM

As at the Announcement Date, the Offeror holds 387,768,034 ENN Shares (representing approximately 34.28% of the total number of ENN Shares in issue). The ENN Shares held by the Offeror will not constitute Scheme Shares, will not be cancelled upon the Scheme becoming effective and will not be voted on in respect of the resolution to approve the Scheme at the Court Meeting.

As at the Announcement Date, the Offeror Concert Parties hold an aggregate of 240,400 ENN Shares, representing approximately 0.02% of the total number of ENN Shares in issue. Such ENN Shares held by the Offeror Concert Parties will constitute Scheme Shares and will be cancelled upon the Scheme becoming effective. Pursuant to Rule 2.10 of the Takeovers Code, the votes of the Offeror Concert Parties will not be counted as votes of the ENN Disinterested Shareholders in determining whether the requirements under Condition (b) under the section headed “2.7. Conditions of the Proposal and the Scheme” are satisfied.

As at the Announcement Date, the ENN Share Award Trustee holds 19,984,600 ENN Shares pursuant to the ENN Share Award Scheme, all of which shares are unutilized under the ENN Share Award Scheme. Pursuant to the rules of the ENN Share Award Scheme, the ENN Share Award Trustee shall not exercise the voting rights in respect of ENN Shares held by it under the ENN Share Award Scheme. Therefore, the ENN Shares held by the ENN Share Award Trustee will not be voted at the Court Meeting and the EGM. For further details, please refer to the section headed “4. ENN SHARE AWARD SCHEME” above.

The Offeror will undertake to the Grand Court that, if the Conditions are satisfied and the Scheme becomes effective, it will be bound by the Scheme, so as to ensure that it will comply with and be subject to the terms and conditions of the Scheme.

All ENN Shareholders will be entitled to attend the EGM and vote on the resolutions with respect to the implementation of the Scheme (including to: (i) approve and give effect to any reduction of the share capital of ENN as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) simultaneously maintain the share capital of ENN at the amount prior to the cancellation of the Scheme Shares by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of ENN Shares as is equal to the number of Scheme Shares cancelled and extinguished and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new ENN Shares).

The Offeror and the Offeror Concert Parties have indicated that if the Scheme is approved at the Court Meeting, those ENN Shares held by them (if any) will be voted in favour of the resolutions to be proposed at the EGM to implement the Scheme, including any reduction of capital and the simultaneous maintenance of the share capital of ENN by the issue of new ENN Shares to the Offeror as described above.

14. OVERSEAS ENN SHAREHOLDERS AND OVERSEAS ENN SHARE OPTION HOLDERS

The making and implementation of the Proposal and the ENN Share Option Offer to Scheme Shareholders and ENN Share Option Holders respectively who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders and the ENN Share Option Holders are located. Scheme Shareholders and ENN Share Option Holders should inform themselves about and observe any applicable legal, tax or regulatory requirements.

It is the responsibility of any overseas Scheme Shareholders and overseas ENN Share Option Holders wishing to take any action in relation to the Proposal and/or the ENN Share Option Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

The Scheme will provide that if the law of any relevant jurisdiction precludes an offer of the ENN-NG H Shares, or precludes it except after compliance by ENN-NG or the Offeror with conditions with which ENN-NG or the Offeror is unable to comply or that ENN-NG or the Offeror regards as unduly onerous, no ENN-NG H Shares will be issued to the relevant overseas Scheme Shareholders (the “**Non-Qualifying Overseas Shareholders**”) or other alternative arrangement will be made in relation to the ENN-NG H Shares to which those overseas Scheme Shareholders would otherwise be entitled. Such arrangements may include, subject to the Executive’s consent and compliance with applicable requirements, an arrangement for the ENN-NG H Shares which would otherwise have been allotted to the relevant Non-Qualifying Overseas Shareholders under the Scheme to be allotted to a person selected by the ENN-NG Board, who will sell such ENN-NG H Shares on the market, with the net proceeds of such sale to be paid to the relevant Non-Qualifying Overseas Shareholders pro rata to their shareholdings in ENN. If, based on the enquiries made before the issue of the Scheme Document, overseas shareholders in any particular jurisdictions are regarded as Non-Qualifying Overseas Shareholders, relevant details will be included in the Scheme Document.

Any approval or acceptance by the Scheme Shareholders and the ENN Share Option Holders will be deemed to constitute a representation and warranty from such persons to the Offeror, ENN-NG and ENN and their respective advisers that those laws and regulatory requirements have been complied with. If any Scheme Shareholder or ENN Share Option Holder is in doubt as to their position, they should consult their professional advisers.

In the event that the despatch of the Scheme Document to overseas Scheme Shareholders and overseas ENN Share Option Holders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror, the ENN-NG Board or the ENN Board regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror, ENN-NG or ENN or their respective shareholders), the Scheme Document may not be despatched to such overseas Scheme Shareholders and overseas ENN Share Option Holders. For that purpose, ENN will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders and overseas ENN Share Option Holders. For the avoidance of doubt, the Executive may or may not grant such waiver under Note 3 to Rule 8 of the Takeovers Code upon receiving ENN’s application for such waiver.

15. TAXATION ADVICE

Scheme Shareholders and ENN Share Option Holders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal, the Scheme or the ENN Share Option Offer. It is emphasized that none of the Offeror, ENN-NG, other Offeror Concert Parties, ENN and CICC or any of their respective directors, officers or associates or any other person involved in the Proposal, the Scheme or the ENN Share Option Offer accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any persons as a result of the Proposal, the Scheme or the ENN Share Option Offer.

16. INVESTOR PRESENTATION

Annex 3 sets out a copy of the investor presentation relating to the Proposal and the Listing, which forms part of this announcement.

17. APPOINTMENT OF VALUATION ADVISER AND THE VALUATION REPORT

The Offeror has appointed Somerley Capital Limited, the Valuation Adviser, to advise on the value of the ENN-NG H Shares. The Valuation Report containing the Valuation Adviser's estimate of the value of the ENN-NG H Shares is set out in Annex 1 of this announcement.

The Valuation Report has been reported on by CICC in accordance with the requirements under Rule 11.1(b) of the Takeovers Code and the report from CICC has been lodged with the Executive. A copy of the report from CICC is also set out in Annex 1 of this announcement respectively.

18. COSTS OF THE SCHEME

If the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal, the Scheme or the ENN Share Option Offer, and the Scheme is not approved, all expenses incurred by ENN in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

19. GENERAL

The Offeror has appointed CICC as its financial adviser with respect to the Proposal and the ENN Share Option Offer.

The Scheme Shareholders and ENN Share Option Holders are reminded to carefully read the Scheme Document, the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the letter from the Independent Board Committee to the ENN Disinterested Shareholders contained therein before making a decision.

As at the Announcement Date:

- (a) save as disclosed in the section headed "7.3 Shareholding Structure of ENN" above, neither the Offeror nor the Offeror Concert Parties own, control or have direction over any ENN Shares;

- (b) save as disclosed in the section headed “7.3 Shareholding Structure of ENN” above, there are no securities, warrants or options convertible into ENN Shares held, controlled or directed by the Offeror or the Offeror Concert Parties;
- (c) neither the Offeror nor the Offeror Concert Parties have entered into any outstanding derivative in respect of the securities in ENN;
- (d) neither the Offeror nor the Offeror Concert Parties have borrowed or lent any ENN Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of ENN;
- (e) no irrevocable commitment to vote for or against the Proposal, or to accept or not accept the ENN Share Option Offer, has been received by the Offeror or the Offeror Concert Parties;
- (f) other than the Cancellation Consideration and the ENN Share Option Offer Price, the Offeror or the Offeror Concert Parties have not paid and will not pay any other consideration, compensation or benefit in whatever form to the Scheme Shareholders or the ENN Share Option Holders or persons acting in concert with them in connection with the Proposal, the Scheme or the ENN Share Option Offer;
- (g) save for the Proposal, the ENN Share Option Offer, the Listing and the ENN Share Award Scheme, there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the ENN Shares or the shares of the Offeror between the Offeror or any of the Offeror Concert Parties on the one hand, and any other person on the other hand which might be material to the Proposal;
- (h) there are no agreements or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a Pre-Condition or a Condition;
- (i) there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between (i) any ENN Shareholder; and (ii) either (a) the Offeror or the Offeror Concert Parties; or (b) ENN or ENN’s subsidiaries or associated companies; and
- (j) there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror or any of the Offeror Concert Parties on the one hand, and the Scheme Shareholders and persons acting in concert with any of them on the other hand.

20. DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, among others: (a) further details of the Proposal, the Scheme and the ENN Share Option Offer; (b) the expected timetable in relation to the Proposal, the Scheme and the ENN Share Option Offer; (c) an explanatory memorandum as required under the Companies Act and the rules of the Grand Court; (d) information regarding ENN-NG and ENN; (e) recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the ENN Share Option Offer, and the letter of advice from the Independent Financial Adviser to the Independent Board Committee; (f) a notice of the Court Meeting and a notice of the EGM, together with forms of proxy in relation thereto; (g) the relevant form of acceptance with respect to the ENN Share Option Offer; and (h) an advanced draft or a copy of the Listing Document, will, subject to the satisfaction of the Pre-Conditions, be despatched to the ENN Shareholders and the ENN Share Option Holders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Act, the Grand Court and other Applicable Laws.

The Scheme Document will contain important information and the Scheme Shareholders and the ENN Share Option Holders are urged to carefully read the Scheme Document containing such disclosures before casting any vote at (or providing any proxy in respect of) the Court Meeting or the EGM or accepting the ENN Share Option Offer.

21. RESUMPTION OF TRADING

At the request of ENN, trading in the ENN Shares and the ENN Notes on the Hong Kong Stock Exchange was halted with effect from 9:00 a.m. on Wednesday, March 19, 2025.

An application has been made by ENN to the Hong Kong Stock Exchange for the resumption of trading in the ENN Shares and the ENN Notes on the Hong Kong Stock Exchange with effect from 9:00 a.m. on Thursday, March 27, 2025.

22. DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined in the Takeovers Code) of the Offeror, ENN-NG and ENN (including any person who owns or controls 5% or more of any class of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of ENN or ENN-NG) are hereby reminded to disclose their dealings in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of ENN or ENN-NG under Rule 22 of the Takeovers Code during the offer period.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

Save as disclosed below, neither the Offeror nor the Offeror Concert Parties had any dealings for value in ENN Shares during the period commencing six months prior to the Announcement Date (and up to the Announcement Date):

Name	Date of transaction (dd/mm/yyyy)	Purchase/Sale	Number of ENN Shares involved	Transaction price per ENN Share (HK\$)
JIN Yongsheng	30/09/2024	Purchase	1,000	59.65
JIN Yongsheng	03/10/2024	Purchase	5,000	60.00
Offeror	08/10/2024	Purchase	50,000	56.33 ^(Note 2)
Offeror	08/10/2024	Purchase	100,000	56.33 ^(Note 2)
WANG Dongzhi	08/10/2024	Purchase	5,000	55.80
WANG Dongzhi	08/10/2024	Purchase	6,000	56.80
Offeror	09/10/2024	Purchase	200,000	54.17 ^(Note 2)
YU Jianchao	10/10/2024	Sale	2,800	56.65
YU Jianchao	10/10/2024	Sale	4,200	56.60
YU Jianchao	10/10/2024	Sale	2,300	56.45
YU Jianchao	10/10/2024	Sale	5,100	56.50
YU Jianchao	10/10/2024	Sale	1,600	56.40
YU Jianchao	10/10/2024	Sale	4,000	56.55
Offeror	16/10/2024	Purchase	500,000	53.78 ^(Note 2)
Offeror	17/10/2024	Purchase	500,000	54.79 ^(Note 2)
Offeror	18/10/2024	Purchase	564,500	54.45 ^(Note 2)
Offeror	21/10/2024	Purchase	500,000	55.65 ^(Note 2)
Offeror	21/10/2024	Purchase	239,500	55.00 ^(Note 2)
YU Jianchao	29/10/2024	Purchase	70,000	57.45
YU Jianchao	29/10/2024	Purchase	40,000	57.50
Offeror	15/11/2024	Purchase	669,800	52.35
YIN Xuexin ^(Note 1)	26/02/2025	Sale	600	53.80
YIN Xuexin ^(Note 1)	05/03/2025	Sale	700	53.35
YIN Xuexin ^(Note 1)	06/03/2025	Sale	1,000	53.15

Notes:

1. Mr. YIN Xuexin is the spouse of a sibling of Mr. WANG Yusuo, the majority shareholder of ENN-NG and a director of the Offeror. He is therefore considered as an Offeror Concert Party.
2. The transaction prices are approximations and rounded to the nearest 2 decimal places.

23. OTHER INFORMATION WITH RESPECT TO THE PROPOSAL AND THE ENN SHARE OPTION OFFER

The attention of ENN Shareholders, ENN Share Option Holders, ENN Share Award Holders and potential investors of ENN is also drawn to the announcements published by ENN-NG on the website of the Shanghai Stock Exchange (www.sse.com.cn) (“**ENN-NG A Share Announcements**”), including the MAA Proposal, on the Announcement Date with respect to the Proposal and the ENN Share Option Offer, the list of which is set out in Annex 4 of this announcement. An English translation and the Chinese version of the relevant parts of the ENN-NG A Share Announcements containing material information with Takeovers Code implications are set out in a separate announcement published by ENN-NG and the Offeror on the website of the Hong Kong Stock Exchange (www.hkexnews.com.hk) on the Announcement Date.

Reference is also made to the annual results announcement of ENN for the year ended December 31, 2024 dated March 26, 2025, disclosing the audited consolidated results of ENN for the year ended December 31, 2024 prepared in accordance with the Hong Kong Financial Reporting Standards (“**ENN 2024 Results**”). The key financial information of ENN for each of the financial years of 2023 and 2024 and the pro forma financial information of the Enlarged ENN-NG Group for the financial year of 2024, as disclosed in the MAA Proposal, are prepared for the disclosure in the MAA Report, which is required in compliance with “*Guidelines on the Content and Format for Disclosure of Information by Companies Engaging In Public Offering No. 26 – Material Asset Restructuring of Listed Companies*” (公開發行證券的公司信息披露內容與格式準則第26號——上市公司重大資產重組) promulgated by the CSRC. The foregoing financial information as contained in the MAA Proposal are unaudited and prepared based on the PRC Generally Accepted Accounting Standards. As such, the foregoing financial information differs from the ENN 2024 Results, and ENN Shareholders and potential investors are advised to exercise caution in referring to such financial information which are prepared by ENN-NG for its shareholders and investors and based on requirements that are different from those applicable in Hong Kong.

Also, the unaudited pro forma financial information of the Enlarged ENN-NG Group in Annex 2 of this announcement (the compilation of which is based on Hong Kong Financial Reporting Standards and has been reported on by HLB Hodgson Impey Cheng Limited) and the unaudited pro forma financial information of the Enlarged ENN-NG Group in the MAA Proposal (which is prepared based on the PRC Generally Accepted Accounting Standards) are for illustrative purposes only, and because of their hypothetical nature, they may not give a true picture of the financial position of the Enlarged ENN Group had the Proposal been completed as at December 31, 2024, January 1, 2024 or any future date. The unaudited pro forma financial information should be read in conjunction with other financial information disclosed in this announcement.

In addition, pursuant to the applicable requirements under the MAR Measures, ENN-NG is required to issue the MAA Report, containing (among other things) a valuation with respect to each ENN Share in issue (other than those already held by the Offeror) and all ENN Share Options, the audited financial information of ENN based on the PRC Generally Accepted Accounting Standards, and the reviewed pro forma financial information of the Enlarged ENN-NG Group based on the PRC Generally Accepted Accounting Standards, which are under preparation as at the Announcement Date and will be disclosed by ENN-NG and the Offeror in further announcement(s) and/or the Scheme Document as appropriate. The MAA Report will be issued before the issue of the Scheme Document.

24. PRE-CAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

This announcement includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror, ENN-NG and/or ENN (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this announcement include statements about the expected effects of the Proposal, the Scheme, the Listing and/or the ENN Share Option Offer on ENN and/or ENN-NG, the expected timing and scope of the Proposal, the Scheme, the Listing and/or the ENN Share Option Offer, and all other statements in this announcement other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “envisages” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the pre-conditions and conditions to the Proposal, as well as additional factors, such as general, social, economic and political conditions in the countries in which the ENN-NG Group and/or ENN Group operate or other countries which have an impact on the ENN-NG Group and/or ENN Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the ENN-NG Group and/or ENN Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the ENN-NG Group and/or ENN Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the ENN-NG Group and/or ENN Group operate and regional or general changes in asset valuations. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, ENN-NG, ENN or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as at the Announcement Date. ENN Shareholders will be informed of any material changes to the information contained in this announcement as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

25. WARNINGS

Shareholders of ENN-NG and ENN, ENN Share Option Holders, ENN Share Award Holders and potential investors of ENN-NG and ENN should be aware that the Proposal and the ENN Share Option Offer are subject to the Pre-Conditions being satisfied and the Conditions being satisfied or waived (where applicable). Accordingly, the Proposal and the ENN Share Option Offer may or may not be made or implemented and the Scheme may or may not be effective. Shareholders of ENN-NG and ENN, ENN Share Option Holders, ENN Share Award Holders and potential investors of ENN-NG and ENN are advised to exercise caution when dealing in the securities of ENN-NG and ENN. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

The Proposal relates to the shares of Chinese or Cayman Islands companies and is proposed to be made by a scheme of arrangement provided for under the laws of the Cayman Islands. The Proposal is subject to the disclosure requirements and practices applicable in Hong Kong, PRC and the Cayman Islands, which differ from the disclosure and other requirements of the U.S. securities laws and the securities laws of the member states of the European Economic Area (“**Relevant States**” and each a “**Relevant State**”). Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in PRC or Hong Kong that may not be comparable to accounting principles generally accepted in the United States and the Relevant States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the US Securities and Exchange Act of 1934, as amended, and the tender offer rules of the Relevant States. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in Hong Kong and the Cayman Islands to schemes of arrangement which differ from the disclosure requirements of the US tender offer rules and the Relevant States’ tender offer rules.

The receipt of the Cancellation Consideration pursuant to the Proposal, the receipt of or the ENN Share Option Offer Price pursuant to the ENN Share Option Offer or the receipt of the ENN Share Award Notional Gains by a Relevant State holder or a US holder may be a taxable transaction under tax laws applicable in a Relevant State, or for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each Scheme Shareholder is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal, the ENN Share Option Offer and the vesting of the ENN Share Awards applicable to him/her/it.

It may be difficult for US holders of Scheme Shares or holders of Scheme Shares in the Relevant States to enforce their rights and claims arising out of the US federal securities laws and the Relevant States’ securities laws, since ENN-NG, ENN and the Offeror are located in a country other than the United States and the Relevant States, and some or all of their officers and directors may be residents of a country other than the United States and the Relevant States. US holders of Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Holders of Scheme Shares in the Relevant States may not be able to sue a non-Relevant State company or its officers or directors in a non-Relevant State court for violations of the Relevant States’ securities laws. Further, it may be difficult to compel a non-US and non-Relevant State company and its affiliates to subject themselves to a US court’s or a Relevant State’s court’s judgement.

This announcement is not an offer of securities for sale nor a solicitation of an offer to buy securities in the United States. The ENN-NG H Shares, which will be issued in connection with the Proposal, if made, have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or under the securities law of any state, district or other jurisdiction of the United States, or any other jurisdiction, and no regulatory approval or clearance in respect of the ENN-NG H Shares has been, or will be, applied for in any jurisdiction other than Hong Kong, PRC or the Cayman Islands. The ENN-NG H Shares may not be offered or sold in the United States absent registration under the U.S. Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. It is expected that the ENN-NG H Shares will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a) (10) thereof. None of ENN-NG, ENN or the Offeror intends to make any public offering of securities in the United States. Under applicable U.S. securities laws, ENN Shareholders (whether or not U.S. Persons (as defined in Regulation S under the U.S. Securities Act)) who are or will be “affiliates” of ENN-NG or ENN prior to, or of ENN-NG after, the Scheme Effective Date will be subject to certain transfer restrictions relating to the ENN-NG H Shares received in connection with the Scheme.

26. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“2025 Interim Dividend”	any interim dividend that may or may not be declared by ENN for the six months ending June 30, 2025;
“acting in concert”	has the meaning ascribed to it under the Takeovers Code;
“Announcement Date”	March 26, 2025, being the date of this announcement;
“Applicable Laws”	with respect to any person, any laws, rules, regulations, guidelines, directives, treaties, judgments, decrees, orders or notices of any Relevant Authority that is applicable to such person;
“Approvals”	authorizations, registrations, licenses, filings, rulings, consents, permissions, waivers, exemptions and approvals by and reports with any Relevant Authority or any third party;
“associated company”	has the meaning ascribed to it under the Takeovers Code;
“associate(s)”	has the meaning ascribed to it under the Takeovers Code;
“Business Day(s)”	a day on which the Hong Kong Stock Exchange is open for the transaction of business;
“Cancellation Consideration”	the cancellation price for each Scheme Share, being the aggregate of ENN-NG H Share Consideration and Cash Consideration;

“Cancellation Consideration Theoretical Value”	the aggregate of the ENN-NG H Share Consideration Theoretical Value estimated by the Valuation Adviser as at the Valuation Reference Date and the Cash Consideration, being HK\$80.00;
“Cash Consideration”	the cancellation price of HK\$24.50 in cash for each Scheme Share to be paid by the Offeror under the Proposal to the Scheme Shareholders whose names appear on the register of members of ENN on the Scheme Record Date;
“CICC”	China International Capital Corporation Hong Kong Securities Limited, the financial adviser to ENN-NG and the Offeror with respect to the Proposal and the ENN Share Option Offer. CICC is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO;
“Companies Act”	the Companies Act (2025 Revision) of the Cayman Islands, as consolidated and revised from time to time;
“Conditions”	the conditions to the implementation of the Proposal as set out in the section headed “2.7 Conditions of the Proposal and the Scheme” of this announcement;
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment or postponement thereof;
“CSRC”	the China Securities Regulatory Commission;
“EGM”	the extraordinary general meeting of ENN to be convened for the purposes of considering, and if thought fit, approving, among other things, all necessary resolutions for the implementation of the Proposal (including any reduction of the issued share capital of ENN as a result of the cancellation of the Scheme Shares and the implementation of the Scheme), or any adjournment or postponement thereof;
“ENN”	ENN Energy Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are currently listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2688);
“ENN 2012 Share Option Scheme”	the share option scheme adopted by ENN on June 26, 2012 and terminated on May 18, 2022;

“ENN 2022 Share Option Scheme”	the share option scheme adopted by ENN on May 18, 2022 (as amended from time to time);
“ENN 2024 Final Dividend”	the proposed final dividend of ENN for the year ended December 31, 2024 of HK\$2.35 per ENN Share;
“ENN 2024 Results”	has the meaning ascribed to it in the section headed “23. OTHER INFORMATION WITH RESPECT TO THE PROPOSAL AND THE ENN SHARE OPTION OFFER”;
“ENN Board”	the board of directors of ENN;
“ENN Disinterested Shareholders”	ENN Shareholders other than the Offeror and the Offeror Concert Parties and for the avoidance of doubt, the ENN Share Award Trustee shall be considered as a ENN Disinterested Shareholder;
“ENN Group”	ENN and its subsidiaries;
“ENN Notes”	(a) US\$550,000,000 4.625% green senior notes due 2027 of ENN (debt stock code: 05235) and (b) US\$750,000,000 2.625% green senior notes due 2030 of ENN (debt stock code: 40383);
“ENN Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of ENN;
“ENN Share Award(s)”	share award(s) granted by ENN Board which remain outstanding under the ENN Share Award Scheme;
“ENN Share Award Holder(s)”	holder(s) of the ENN Share Award(s);
“ENN Share Award Notional Gains”	any positive amount resulting from the fair value of each ENN Share Award as determined by the ENN Share Award Trustee on a particular date as specified by the ENN Board less the ENN Share Award Price;
“ENN Share Award Price”	the price of a ENN Share Award granted by the ENN Board to a selected employee as specified in the notice of grant of ENN Share Award(s);
“ENN Share Award Scheme”	the share award scheme adopted by ENN on November 30, 2018;
“ENN Share Award Trust”	the trust constituted by the trust deed dated March 12, 2019, entered into between ENN and the ENN Share Award Trustee with respect to the ENN Share Award Scheme, as amended from time to time, including pursuant to a deed of variation dated May 31, 2024 entered into between ENN and the ENN Share Award Trustee;

“ENN Share Award Trustee”	BOCI Trustee (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and the trustee appointed to hold the funds and properties (including ENN Shares) under the ENN Share Award Trust for the benefit of employees of ENN Group pursuant to the ENN Share Award Scheme;
“ENN Share Option(s)”	share option(s) granted by ENN which remain outstanding under the ENN 2012 Share Option Scheme and the ENN 2022 Share Option Scheme;
“ENN Share Option Holder(s)”	holder(s) of the ENN Share Option(s);
“ENN Share Option Offer”	the pre-conditional offer to be made by or on behalf of the Offeror to the ENN Share Option Holders, details of which are set out in the section headed “3. ENN SHARE OPTION OFFER” of this announcement;
“ENN Share Option Offer Price”	in relation to any ENN Share Option, the price at which the ENN Share Option Offer will be made, being the amount by which the Cancellation Consideration Theoretical Value exceeds the exercise price of such ENN Share Option;
“ENN Shareholders”	registered holder(s) of ENN Shares;
“ENN-NG”	ENN Natural Gas Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the shares of which are currently listed on the Shanghai Stock Exchange (stock code: 600803);
“ENN-NG A Share(s)”	shares in the ordinary share capital of ENN-NG, with a RMB denominated par value of RMB1.00 each, which are traded in RMB and listed on the Shanghai Stock Exchange;
“ENN-NG A Shareholders”	holders of ENN-NG A Shares;
“ENN-NG A Share Announcements”	has the meaning ascribed to it in the section headed “23. OTHER INFORMATION WITH RESPECT TO THE PROPOSAL AND THE ENN SHARE OPTION OFFER”;
“ENN-NG Board”	the board of directors of ENN-NG;
“ENN-NG Group”	ENN-NG and its subsidiaries (including ENN);
“ENN-NG General Meeting”	the general meeting of ENN-NG to be held to consider and, if thought fit, approve, amongst other things, the Proposal and the transactions contemplated thereunder;

“ENN-NG H Share(s)”	ordinary shares to be issued by ENN-NG, with a RMB denominated par value of RMB1.00 each, which are to be traded in HK\$ and listed on the Main Board of the Hong Kong Stock Exchange pursuant to the Listing;
“ENN-NG H Share Consideration”	2.9427 new ENN-NG H Shares to be issued by ENN-NG for every Scheme Share cancelled under the Scheme;
“ENN-NG H Share Consideration Theoretical Value”	the theoretical value of the total ENN-NG H Share Consideration, being the product of the ENN-NG H Share Theoretical Value and the Share Exchange Ratio;
“ENN-NG H Share Theoretical Value”	the theoretical value of each ENN-NG H Share of HK\$18.86, being the mid-point of the valuation range of an ENN-NG H Share as estimated by the Valuation Adviser as at the Valuation Reference Date;
“ENN-NG Independent Shareholders”	the ENN-NG A Shareholders other than Mr. ZHANG Yuying, Ms. ZHANG Jin, Mr. JIANG Chenghong, Mr. WANG Dongzhi, Mr. YU Jianchao, Mr. Han Jishen and Mr. LIU Jianfeng;
“ENN-NG Shares”	collectively, the ENN-NG A Shares and the ENN-NG H Shares;
“Enlarged ENN-NG Group”	ENN-NG Group together with the privatized ENN;
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof;
“Grand Court”	the Grand Court of the Cayman Islands;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Independent Board Committee”	the independent board committee of ENN established by the ENN Board to make a recommendation to the ENN Disinterested Shareholders in respect of the Proposal and the Scheme and to the ENN Share Option Holders in respect of the ENN Share Option Offer;
“Independent Financial Adviser”	the independent financial adviser in respect of the Proposal, the Scheme and the ENN Share Option Offer to be appointed by the ENN Board with the approval of the Independent Board Committee;

“Last Trading Day”	March 18, 2025, being the last trading day prior to the issue of this announcement;
“Last Undisturbed Day”	March 14, 2025, being the last trading day prior to when there were irregular trading volumes and price movements in the ENN Shares;
“Listing”	the proposed listing (by way of introduction) of, and permission to deal in, the ENN-NG H Shares on the Main Board of the Hong Kong Stock Exchange;
“Listing Document”	the listing document to be published by ENN-NG in connection with the Listing;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“LNG”	liquefied natural gas;
“MAA Proposal”	has the meaning ascribed to it in Annex 4 of this announcement;
“MAA Report”	the material asset acquisition and connected transaction report to be issued by ENN-NG in connection with the Proposal on the Shanghai Stock Exchange in compliance with the MAR Measures and other PRC rules and regulations relating to the material asset restructuring of ENN-NG;
“MAR Measures”	the Administrative Measures for the Material Asset Restructuring for Listed Companies;
“Meeting Record Date”	the appropriate record date to be announced for determining the entitlement of the ENN Shareholders to attend and vote at the Court Meeting and at the EGM;
“MoC”	the Ministry of Commerce of the PRC (or its local authority, as applicable);
“NDRC”	the National Development and Reform Commission of the PRC (or its local authority, as applicable);
“Non-Qualifying Overseas Shareholders”	has the meaning ascribed to it in the section headed “14. OVERSEAS ENN SHAREHOLDERS AND OVERSEAS ENN SHARE OPTION HOLDERS”;
“offer period”	the offer period (within the meaning ascribed to it in the Takeovers Code) in respect of the Proposal, which commenced on March 26, 2025, being the Announcement Date;
“Offeror”	Xinneng (Hong Kong) Energy Investment Limited 新能(香港)能源投資有限公司, a company incorporated with limited liability under the laws of Hong Kong;

“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with the Offeror or ENN-NG with respect to ENN under the Takeovers Code, including the directors of each of ENN-NG and the Offeror, Mr. WANG Dongzhi, Mr. YANG Yu, Ms. SU Li, Mr. LIU Jianfeng, Mr. YIN Xuexin, Mr. JIN Yongsheng and CICC (except for the relevant members of CICC group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code) but, for the avoidance of doubt, excluding the ENN Share Award Trustee;
“PRC”	the People’s Republic of China, which for the purposes of this announcement does not include Hong Kong, the Macau Special Administrative Region and Taiwan;
“Pre-Condition(s)”	the pre-conditions to the making of the Proposal and the ENN Share Option Offer as set out in the section headed “2.6 Pre-Conditions to the making of the Proposal and the ENN Share Option Offer” of this announcement;
“Proposal”	the pre-conditional proposal for the privatization of ENN by the Offeror by way of the Scheme, and the withdrawal of the listing of the ENN Shares on the Hong Kong Stock Exchange, on the terms and subject to the conditions set out in this announcement and to be set out in the Scheme Document;
“Reference Exchange Rate”	RMB1.00: HK\$1.0799, which is based on the central parity rate between RMB and HK\$ as at December 31, 2024 as announced by SAFE;
“Relevant Authority(ies)”	any relevant government, governmental, semi-governmental, administrative, regulatory or judicial body, department (including any relevant securities exchange), commission, authority, tribunal, agency or entity;
“Relevant State(s)”	has the meaning ascribed to it in the section headed “25. WARNINGS”;
“RMB”	Renminbi, the lawful currency of the PRC;
“SAFE”	the State Administration of Foreign Exchange of the PRC (or its local authority, as applicable);
“SAMR”	the State Administration for Market Regulation of the PRC (or its local authority, as applicable);
“Scheme”	a scheme of arrangement under Section 86 of the Companies Act involving the cancellation of all the Scheme Shares and the simultaneous maintenance of the issued share capital of ENN at the amount immediately prior to the cancellation of the Scheme Shares, with or subject to any modification, addition or condition approved or imposed by the Grand Court or agreed between ENN and the Offeror;

“Scheme Document”	the composite scheme document of ENN, ENN-NG and the Offeror to be issued to all ENN Shareholders and ENN Share Option Holders containing, <i>inter alia</i> , further details of the Proposal and the ENN Share Option Offer together with the additional information specified in the section of this announcement headed “20. DESPATCH OF SCHEME DOCUMENT”;
“Scheme Effective Date”	the date on which the Scheme becomes effective in accordance with its terms and conditions and the Companies Act;
“Scheme Long Stop Date”	means March 13, 2026 or such other date as ENN, ENN-NG and the Offeror may agree or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive;
“Scheme Record Date”	the appropriate record date to be announced for determining entitlements of the Scheme Shareholders to receive the Cancellation Consideration under the Scheme;
“Scheme Share(s)”	all of the ENN Share(s) in issue and such further ENN Shares as may be issued prior to the Scheme Record Date, other than those held by the Offeror;
“Scheme Shareholder(s)”	registered holder(s) of Scheme Shares;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share Component Ratio”	69.37%, being the ENN-NG H Share Consideration Theoretical Value divided by the Cancellation Consideration Theoretical Value;
“Share Exchange Ratio”	the exchange ratio of 2.9427 new ENN-NG H Shares for every Scheme Share cancelled under the Scheme;
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong;
“United States”, “US” or “U.S.”	the United States of America;
“U.S. Securities Act”	has the meaning ascribed to it in the section headed “25. WARNINGS”;
“US\$”	U.S. dollars, the lawful currency of the United States;
“Valuation Adviser”	Somerley Capital Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the adviser appointed by the Offeror to value the ENN-NG H Shares;

“Valuation Reference Date”	has the meaning ascribed to it in the section headed “2.4. Valuation and Comparisons of Value”;
“Valuation Reference Exchange Rate”	HK\$1.00: RMB0.92323, which is based on the central parity rate between RMB and HK\$ as at the Valuation Reference Date as announced by SAFE;
“Valuation Report”	the valuation report prepared by the Valuation Adviser on the value of the ENN-NG H Shares as at March 18, 2025, the text of which is set out in Annex 2 of this announcement; and
“%”	per cent.

By order of the board of directors of
ENN Natural Gas Co., Ltd.

JIANG Chenghong
Director

By order of the board of directors of
Xinneng (Hong Kong) Energy Investment Limited
JIANG Chenghong
Director

By order of the board of directors of
ENN Energy Holdings Limited
GONG Luojian
Director

Hong Kong, March 26, 2025

As at the Announcement Date, the directors of the Offeror are Mr. Wang Yusuo, Mr. Yu Jianchao and Mr. Jiang Chenghong.

As at the Announcement Date, the ENN-NG Board comprises Mr. Wang Yusuo, Mr. Yu Jianchao, Mr. Han Jishen, Mr. Jiang Chenghong, Mr. Zhang Yuying, Ms. Zhang Jin and Mr. Wang Zizheng as directors, and Mr. Tang Jiasong, Mr. Zhang Yu, Mr. Chu Yuansheng and Ms. Wang Chunmei as independent directors.

The directors of the Offeror and the directors of ENN-NG jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to ENN Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of ENN in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the Announcement Date, the ENN Board comprises Mr. WANG Yusuo (Chairman), Mr. ZHANG Yuying (Chief Executive Officer), Mr. GONG Luojian (President), Mr. WANG Dongzhi (Chief Financial Officer), Ms. ZHANG Jin and Ms. SU Li as executive directors; Mr. WANG Zizheng as non-executive director; and Mr. MA Zhixiang, Mr. YUEN Po Kwong, Mr. LAW Yee Kwan, Quinn and Ms. WONG Lai, Sarah as independent non-executive directors.

The directors of ENN jointly and severally accept full responsibility for accuracy of the information contained in this announcement relating to ENN Group and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement by the ENN Directors in their capacity as such have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

ANNEX 1

VALUATION REPORT

1. Letter from CICC on the Valuation Report

The following is the text of the letter from CICC to the board of directors of the Offeror prepared for the purpose of incorporation into this announcement.



China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

The Board of Directors

Xinneng (Hong Kong) Energy Investment Limited
Rooms 3101-04
Tower 1
Lippo Centre
89 Queensway
Hong Kong

March 26, 2025

Dear Sirs,

PRE-CONDITIONAL PROPOSAL FOR THE PRIVATISATION OF ENN ENERGY HOLDINGS LIMITED BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES ACT

We refer to the announcement of even date jointly issued by the Offeror, ENN-NG and ENN in connection with the Proposal and the ENN Share Option Offer (the “**Rule 3.5 Announcement**”). Unless otherwise defined, capitalised terms used herein have the same meaning as defined in the Rule 3.5 Announcement.

Pursuant to the requirements of the Takeovers Code, the Offeror has engaged Somerley Capital Limited (新百利融資有限公司) (the “**Valuation Adviser**”) to provide an estimate of value of the ENN-NG H Shares, contained in the Valuation Report dated March 26, 2025 prepared by the Valuation Adviser as set out in Annex 1 to the Rule 3.5 Announcement (the “**Estimate of Value**”). The Valuation Adviser is licensed for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO.

We, in our capacity as financial adviser to ENN-NG and the Offeror with respect to the Proposal and the ENN Share Option Offer, are required to report on the Estimate of Value and the qualifications and experience of the Valuation Adviser pursuant to the requirements of Rule 11.1(b) of the Takeovers Code.

OUR REVIEW

For the purpose of providing this letter, we have conducted the following due diligence:

- (a) conducted reasonable checks to assess the relevant qualifications, experience and expertise of the Valuation Adviser, including reviewing the supporting documents on the qualifications of the Valuation Adviser and discussing with the Valuation Adviser its qualifications, experience and expertise.
- (b) reviewed the Estimate of Value, for which you, ENN-NG and the Valuation Adviser are solely responsible; and
- (c) discussed, in our capacity as, and from the perspective of, the financial adviser to ENN-NG and the Offeror, with the Valuation Adviser the Estimate of Value and the bases and assumptions underlying the Estimate of Value.

Based on the information provided by the Valuation Adviser, we are satisfied that the Valuation Adviser is suitably qualified and experienced to prepare the Estimate of Value.

We have not independently verified the computations leading to the determination of the Estimate of Value. The valuation of non-publicly traded securities is inherently imprecise and subject to the underlying assumptions, which are in turn subject to uncertainties and affected by market conditions. In addition, our view is necessarily based on prevailing economic, market and other conditions which generally affect the value of companies and securities as in effect and the financial conditions of ENN-NG available to us as of the date of this letter. It should be understood that subsequent developments may affect our view expressed herein and that subject to Rule 9.1 of the Takeovers Code, we do not have any obligation to update, revise or reaffirm this view.

GENERAL

This letter has been provided to the directors of the Offeror only and solely for the purposes of Rule 11.1(b) of the Takeovers Code and shall not be used or relied upon for any other purpose whatsoever. It is not addressed to and may not be relied upon by any third party for any purpose whatsoever and we expressly disclaim any duty or liability to any third party with respect to the contents of this letter.

We are not the independent appraiser of the Estimate of Value, which was determined by the Valuation Adviser. We are acting as the financial adviser to ENN-NG and the Offeror in connection with the Proposal and the ENN Share Option Offer. We will not be responsible to any person other than ENN-NG and the Offeror for providing advice in connection with the Proposal and the ENN Share Option Offer, nor will we owe any responsibility to any person other than ENN-NG and the Offeror.

In providing this letter, we express no opinion or recommendation to any person as to how such person should act on any matters relating to the Proposal and the ENN Share Option Offer or as to the fairness of the financial terms of the Proposal and the ENN Share Option Offer. Scheme Shareholders are recommended to seek their own independent financial advice.

Yours faithfully,

For and on behalf of

**CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES
LIMITED**

Name: David Ching
Title: Executive Director

2. Letter from the Valuation Adviser

The following is the text of the letter from Somerley Capital Limited to the board of directors of ENN-NG prepared for the purpose of incorporation into this announcement.



SOMERLEY CAPITAL LIMITED

20th Floor
China Building
29 Queen's Road Central
Hong Kong

The Board of Directors
ENN Natural Gas Co., Ltd.
No. 383 Heping East Road,
Shijiazhuang City,
Hebei Province,
The People's Republic of China

26 March 2025

Dear Sir or Madam,

PROPOSAL TO PRIVATISE ENN ENERGY HOLDINGS LIMITED BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES ACT

ESTIMATE OF VALUE OF ENN NATURAL GAS CO., LTD. H SHARES

I. INTRODUCTION

We refer to (i) our appointment as the valuation adviser to ENN-NG in respect of providing an estimate of value (the “**Estimate-Of-Value**”) of the ENN-NG H Shares which will be issued in relation to the proposed privatisation of ENN (the “**Proposal**”); and (ii) the announcement (the “**Announcement**”) of even date jointly issued by ENN-NG and ENN regarding the Proposal. Capitalised terms used in this letter shall have the same meanings as those defined in the Announcement unless otherwise defined herein.

As at the date of this letter, the Offeror, a wholly-owned subsidiary of ENN-NG, holds approximately 34.28% of the total number of ENN Shares in issue. The Offeror proposes to make the Proposal to privatise ENN by way of a scheme of arrangement under section 86 of the Companies Act. Subject to the satisfaction of the Pre-Conditions, the Offeror will make the Proposal to privatize ENN by its payment of Cash Consideration and the issuance by ENN-NG of ENN-NG H Share Consideration as consideration for the cancellation of the Scheme Shares. In addition, ENN-NG will make an application to the Hong Kong Stock Exchange for the listing of the ENN-NG H Shares by way of a listing by introduction. Upon the fulfillment (or waiver, as applicable) of the Conditions and following completion of the Proposal, the listing of ENN Shares on the Hong Kong Stock Exchange will be withdrawn, and the ENN-NG H Shares will be listed on the Hong Kong Stock Exchange.

We, Somerley Capital Limited, have been appointed as the valuation adviser to ENN-NG to advise the Estimate-Of-Value of the ENN-NG H Shares pursuant to paragraph 30 of Schedule I of the Takeovers Code.

II. PURPOSE OF THE ESTIMATE-OF-VALUE

The Estimate-Of-Value has been provided to the board of directors of ENN-NG solely for the purpose of paragraph 30 of Schedule I of the Takeovers Code and shall not be used or relied upon for any other purpose whatsoever. For the avoidance of doubt, our advice will be strictly to ENN-NG and will not extend to, or be interpreted as advice to, and may not be relied upon by, any of the shareholders of ENN-NG and/or ENN or any other third party for any purposes whatsoever. For the avoidance of doubt, all duties and liabilities (including without limitation those arising from negligence) to third parties are specifically disclaimed.

We would like to draw your attention that the Estimate-Of-Value (being the value of shares of ENN-NG to be issued, listed and traded on the Hong Kong Stock Exchange in the future after completion of the Proposal and the Listing) is subject to, among other things, uncertainties and fluctuations of the capital market which are difficult to predict and beyond our control. We give no assurance on, and the Estimate-Of-Value does not constitute an opinion as to nor does it represent (i) the price at which ENN-NG H Shares may trade at any point, present or in the future; and (ii) the value that a holder of ENN-NG H Shares may realise on any sale at present or in the future, where such a value may be higher or lower than the Estimate-Of-Value contained in this letter.

For the avoidance of doubt, nothing contained hereon shall be constructed as legal, regulatory, tax and accounting advice.

III. BASIS OF THE ESTIMATE-OF-VALUE

The Estimate-Of-Value represents an estimate of the market value of the ENN-NG H Shares (which will be issued in relation to the proposed privatisation of ENN and will be listed on the Hong Kong Stock Exchange) as at 18 March 2025 (the “**Valuation Reference Date**”), being the date for the purpose of ascertaining certain information contained in this letter. In addition, the Estimate-Of-Value is determined on the basis that ENN-NG Group currently holds approximately 34.28% interest in ENN, that is before the completion of the Proposal and the Listing. The Estimate-Of-Value assumes a willing buyer and seller, neither being under any compulsion to buy or sell, dealing on an arm’s length basis, each having knowledge of all relevant facts. The Estimate-Of-Value is also prepared on the basis of a value as to investors acquiring a minority interest as a portfolio investment, and does not include any premium for control.

In formulating the Estimate-Of-Value, we have reviewed, among other things, the following materials (the “**Materials**”):

- (i) the Announcement;
- (ii) the annual report, including but not limited to the audited consolidated financial statements included therein, of ENN-NG for the year ended 31 December 2023 (the “**2023 ENN-NG Annual Report**”);

- (iii) the annual report, including but not limited to the audited consolidated financial statements included therein, of ENN-NG for the year ended 31 December 2024 (the “**2024 ENN-NG Annual Report**”);
- (iv) the annual report, including but not limited to the audited consolidated financial statements included therein, of ENN for the year ended 31 December 2023 (the “**2023 ENN Annual Report**”);
- (v) the annual results announcement of ENN for the year ended 31 December 2024 (the “**2024 ENN Annual Results Announcement**”);
- (vi) other publicly available information related to ENN-NG and ENN;
- (vii) certain publicly available information related to the industries in which ENN-NG and/or ENN are engaged in; and
- (viii) certain data regarding the prices and trading multiples of the shares of ENN-NG, ENN and other listed companies.

In determining the Estimate-Of-Value, we have not taken into account any financial projections for ENN-NG and/or ENN for fiscal year 2025 and beyond.

We have relied on the information reviewed by us, and have assumed, without independent verification, that the information, facts, opinions and representations reviewed by us are true, accurate and complete and not misleading in all materials respects. This letter and the Estimate-Of-Value are necessarily based upon information available to us, information of stock market and other conditions and circumstances existing and disclosed to us as of the date of this letter. We assume no obligation to update or otherwise revise this letter and/or the Estimate-Of-Value based upon circumstances or events occurring after the date of this letter.

2.1. Financial highlights

	FY2024	FY2023	FY2022
	(audited)	(audited)	(audited)
	(RMB'million)	(RMB'million)	(RMB'million)
Total revenue	135,910	143,842	154,169
Operating profit	12,505	15,792	14,705
Profit for the year from continuing operation	9,944	8,273	9,739
Profit for the year from a discontinued operation	Nil	4,257	1,335
Net profit	9,944	12,530	11,074
Net profit attributable to shareholders of ENN-NG	4,493	7,091	5,844

As at 31 December

	2024	2023	2022
	(audited)	(audited)	(audited)
	(RMB'million)	(RMB'million)	(RMB'million)
Total assets	132,488	134,574	136,197
Total liabilities	71,944	76,037	84,635
Net asset value (“NAV”)	60,544	58,537	51,562
NAV attributable to shareholders of ENN-NG	23,467	23,655	17,578

2.2. Segment information

	FY2024	FY2023	FY2022
	(audited)	(audited)	(audited)
	(RMB'million)	(RMB'million)	(RMB'million)
Retail of natural gas	67,242	69,452	70,051
Wholesale of natural gas	23,649	29,173	33,834
Direct gas sales by platform	12,884	10,649	16,314
Construction and installation	5,936	8,517	8,441
Sales and services of integrated energy	15,564	15,192	12,052
Smart home business	4,778	3,960	3,534
Energy production	4,329	5,095	8,551
Infrastructure operation	563	206	227
Total operating income	134,946	142,245	153,002

Note: subject to rounding differences

3. Information of ENN

3.1. Business of ENN

ENN is a subsidiary of ENN-NG and was owned as to 34.28% by ENN-NG as at the Valuation Reference Date. ENN 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.

3.2. Financial information of ENN

	FY2024	FY2023	FY2022
	(audited)	(audited)	(audited)
	(RMB'million)	(RMB'million)	(RMB'million)
Revenue	109,853	113,858	110,051
Gross profit	13,405	14,338	15,756
Net profit	6,876	7,732	6,666
Net profit attributable to shareholders of ENN	5,987	6,816	5,867

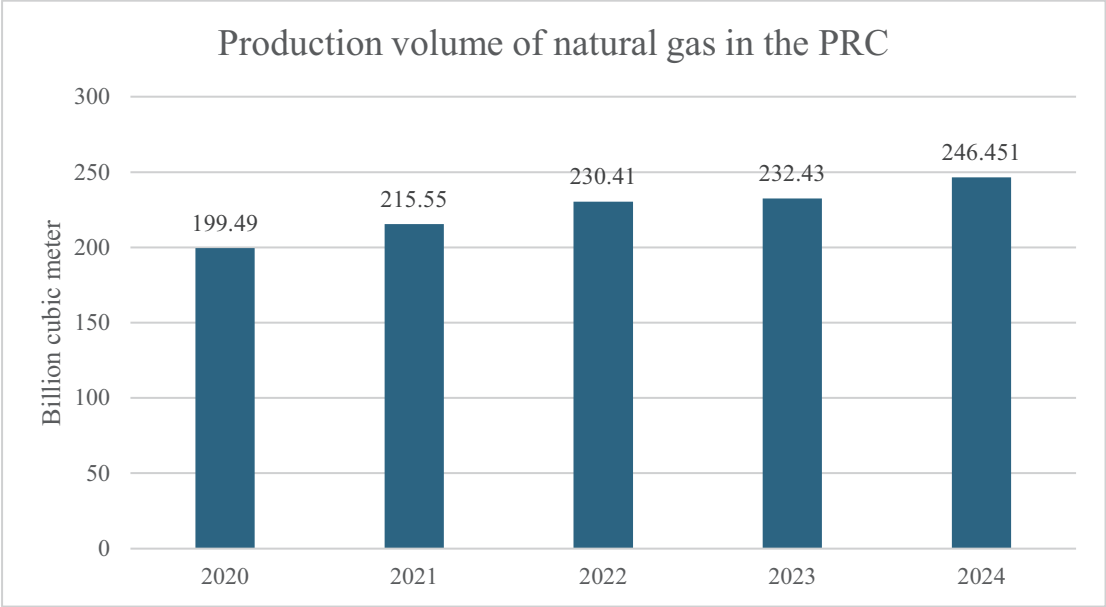
	As at 31 December		
	2024	2023	2022
	(audited)	(audited)	(audited)
	(RMB'million)	(RMB'million)	(RMB'million)
Total assets	103,220	103,131	102,358
Total liabilities	52,144	54,869	56,796
NAV	51,076	48,262	45,562
NAV attributable to shareholders of ENN	45,101	42,660	39,040

Note: The above information is in accordance with Hong Kong Financial Reporting Standards

4. Industry overview of the natural gas distribution market

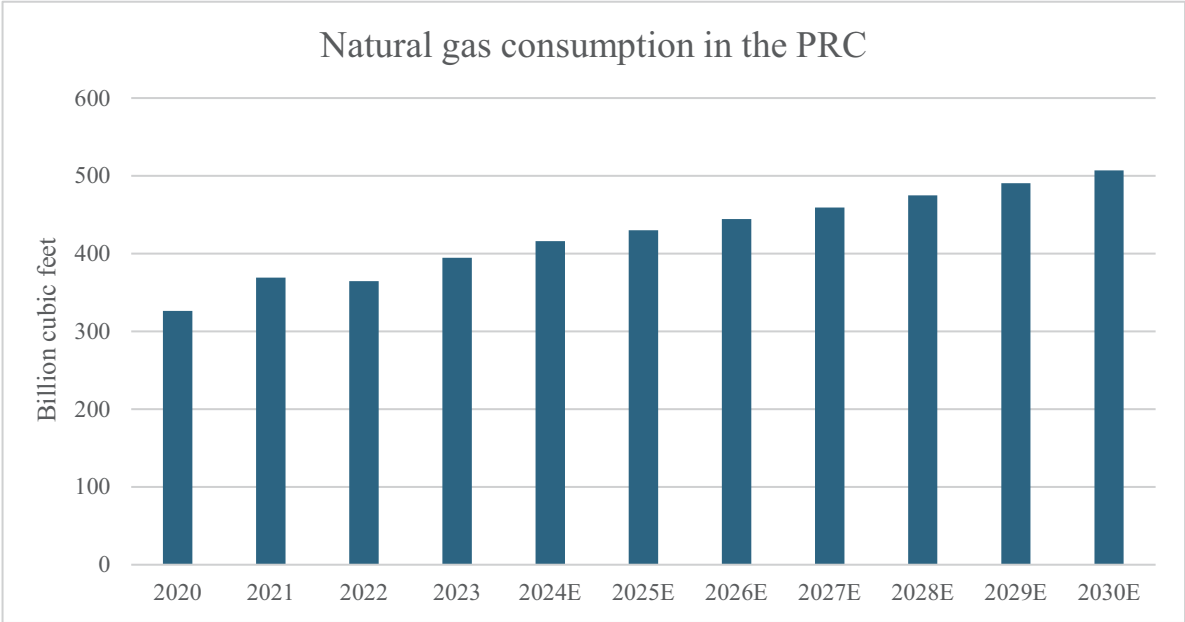
The Chinese government's initiatives to reduce reliance on coal and achieve carbon neutrality have significantly accelerated the demand for natural gas. In April 2021, President Xi Jinping emphasised the need to "strictly control coal-fired power generation projects" in the PRC. This direction has had a notable impact on energy policy, with the Chinese government substantially reducing the issuance of new permits for coal-fired power plants. In the first half of 2024, permits granted for coal-fired power plants projects in the PRC had decreased by approximately 83% compared to the corresponding period in 2023. This shift underscores the government's commitment to exploring alternative power generation methods to meet the rising energy consumption demands, particularly in industrial sectors, where natural gas is increasingly viewed as a cleaner substitute for coal.

According to statistics published by the Bureau of Statistics of the PRC, the production volume of natural gas in the PRC was approximately 199.5 billion cubic meter in 2017. The production volume of natural gas in the PRC had surged to approximately 246.4 billion cubic meter in 2024, reflecting a compound annual growth rate (“CAGR”) of approximately 5.4%.



Source: Bureau of Statistics of the PRC

According to the PRC Natural Gas Independent Market Report* (中國天然氣獨立市場報告) issued by Frost and Sullivan in June 2024, the natural gas consumption in the PRC was expected to increase from approximately 326.2 billion cubic feet in 2020 to approximately 416.2 billion cubic feet in 2024, and the natural gas consumption in the PRC was expected to grow at a CAGR of approximately 3.3% from 2024 to 2030, potentially reaching approximately 507 billion cubic feet by 2030. This growth trajectory highlights the increasing role of natural gas in the PRC’s energy mix as the country seeks to transition towards more sustainable energy sources.



Source: Frost and Sullivan

In addition to demand growth, the Chinese government has focused on enhancing the accessibility of natural gas. According to the 14th Five-Year Plan on Modern Energy System Planning* (“十四五”現代能源體系規劃) published by the National Development and Reform Commission and the National Energy Administration in 2022, it is one of the PRC government’s targets to enhance the energy development in the PRC. In particular, the total length of the natural gas pipeline network was expected to increase from approximately 175,000 kilometers from the end of the 13th five-year period (2016-2020) to approximately 210,000 kilometers by 2025. Such infrastructure improvements are crucial for facilitating the transportation and distribution of natural gas across the country, thereby supporting the growing demand and integrating it into various sectors of the economy.

In summary, the natural gas industry in the PRC is poised for substantial growth driven by government policies aimed at reducing coal dependency and promoting cleaner energy sources. As infrastructure continues to expand and accessibility improves, natural gas is likely to play an important role in the PRC’s energy landscape, contributing to its long-term goals of sustainability and carbon neutrality.

V. METHODOLOGY

In determining the Estimate-Of-Value, we are of the view that the market approach is the most appropriate valuation method having considered that:

- (i) ENN-NG has been listed on the Shanghai Stock Exchange since 1994;
- (ii) ENN is a key part of ENN-NG Group and it has been listed on the Hong Kong Stock Exchange since 2001 (i.e. ENN was first listed on the Growth Enterprise Market of the Hong Kong Stock Exchange in 2001, and was transferred to the Main Board of Hong Kong Stock Exchange by introduction in 2002);
- (iii) Sufficient financial and operational information of ENN and ENN-NG would be available for the purpose of valuation under market approach; and
- (iv) ENN-NG Group is principally engaged in natural gas industry, and we are able to identify sufficient comparable companies for the purpose of valuation under market approach.

When applying the market approach to determine the Estimate-Of-Value, we have assessed the Estimate-Of-Value based on three methodologies, including: (a) valuation based on comparison with comparable companies (the “**Comparable Companies Method**”); (b) a sum of the parts valuation by comparing different parts to their respective market comparable data (the “**SOTP Method**”); and (c) valuation based on comparison with ENN-NG A Shares performance (the “**A Shares Comparison Method**”). Details of each of these methods, including the rationale and details of valuation, are set out in the section headed “VII. ESTIMATE-OF-VALUE” of this letter below.

VI. ASSUMPTIONS

In formulating the Estimate-Of-Value, we have made a number of assumptions, and the key assumptions are listed below:

1. ENN-NG Group (including ENN) will continue to operate as a going concern based on the actual circumstances as of the Valuation Reference Date;
2. There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of ENN-NG Group;
3. The scope and methods of operation of ENN-NG Group will remain the same as those existing, based on the existing management approaches and standards; and
4. There are no hidden or unexpected conditions associated with ENN-NG Group that might adversely affect the reported values, and there will be no force majeure and unforeseen circumstances that will have a significant adverse impact on ENN-NG Group.

VII. ESTIMATE-OF-VALUE

1. Comparable Companies Method

1.1. *Rationale*

As set out in the section headed “IV. BACKGROUND OF ENN-NG AND ENN” of this letter above, ENN-NG Group is principally engaged in natural gas businesses, with over 70% of revenue being generated from retail and wholesale of natural gas and direct gas sales by platform during FY20223 and FY2024. In view of this, we consider that, as one of the methodologies, it is appropriate to determine the Estimate-Of-Value based on the trading multiples of other peer companies engaging in similar businesses of ENN-NG Group.

1.2. *Details of valuation*

Under the Comparable Companies Method, we have identified a list of companies comparable to ENN-NG (the “**Comparable Companies**”) which (a) are companies with a single primary listing on any stock exchange in Hong Kong and the PRC as at the Valuation Reference Date; (b) are principally engaged in natural gas sales and distribution business in the PRC and generated net profits for the latest full financial year based on information available prior to the Valuation Reference Date; and (c) had a market capitalisation of RMB5 billion or above as at the Valuation Reference Date. For the purpose of this letter, we do not include ENN-NG and ENN as part of the Comparable Companies. The Comparable Companies identified represent an exhaustive list of the Comparable Companies based on the aforesaid selection criteria.

In determining the Estimate-Of-Value under the Comparable Companies Method, we consider that it is appropriate to perform our estimation with reference to the price to earnings (“P/E”) multiples of the Comparable Companies on the basis that (i) ENN-NG Group had been profit making and information on profits of ENN-NG Group was publicly available; and (ii) P/E multiple is one of the generally accepted multiples in valuation of a company, which reflects the prices that investors are willing to trade in the shares of a company after considering its profitability (being one of the most important factors in assessing the financial performance of a company). In determining the Estimate-Of-Value, we consider that it is more meaningful to consider the market data over a period of time instead of one particular trading day, so as to avoid the results being distorted by short-term fluctuations in market conditions and particular events/news/incidents in a short period of time. On the other hand, a too long period may make the result not representative of the value of ENN-NG H Shares as at the Valuation Reference Date. Balancing the above, we consider that a period of the past 30 trading days prior to and including the Valuation Reference Date (the “**Latest 30-Trading-Days Period**”) to be appropriate for the purpose of determining the Estimate-Of-Value.

Details of the P/E multiples of the Comparable Companies are set out in the table below:

Company	Ticker	P/E multiple <i>(Note 2)</i> <i>(times)</i>
Foran Energy Group Co., Ltd.	002911.SZ	16.57
Towngas Smart Energy Co., Ltd.	1083.HK	6.64
China Resources Gas Group Ltd.	1193.HK	11.79
Kunlun Energy Co., Ltd.	135.HK	10.75
Hong Kong & China Gas	3.HK	20.94
China Gas Holdings Limited	384.HK	11.75
Beijing Enterprises Holdings Limited	392.HK	8.05
Chongqing Gas Group Corp Ltd.	600917.SH	21.15
Shenzhen Gas Corp Ltd.	601139.SH	13.53
Chengdu Gas Group Co., Ltd.	603053.SH	16.18
Henan Lantian Gas Co., Ltd.	605368.SH	13.28
	Median	13.28
	Average	13.69

Notes:

1. *Excluding outliers*
2. *Calculated based on the average of the P/E multiples of the respective Comparable Companies during the respective Latest 30-Trading-Days Period as sourced from Bloomberg as at the Valuation Reference Date. For the avoidance of doubt, we do not take into account the changes (if any) of the P/E multiples of the Comparable Companies after the Valuation Reference Date, including but not limited to changes arising from publication of financial information after the Valuation Reference Date and up to the date of this letter*
3. *Subject to rounding differences*

Details of the estimation of the Estimate-Of-Value under the Comparable Companies Method are set out below:

	(1) Based on median of P/E multiples	(2) Based on average of P/E multiples
	(RMB'million)	(RMB'million)
Net profit attributable to owners of ENN-NG (<i>Note 1</i>)	4,493.2	
P/E multiples of the Comparable Companies	13.28	13.69
Estimate-Of-Value	59,651	61,523

Notes:

1. Sourced from the published 2024 ENN-NG Annual Report
2. Subject to rounding differences

2. SOTP Method

2.1. Rationale

As set out in the section headed “IV. BACKGROUND OF ENN-NG AND ENN” of this letter above, ENN contributes to a significant part of ENN-NG’s business and financial performance. At the same time, ENN is currently a separate listed company on the Hong Kong Stock Exchange, and its valuation can be reflected by the trading prices of the ENN Shares on the Hong Kong Stock Exchange. In view of this, we are of the view that it is also appropriate to adopt the SOTP Method as one of the methodologies to determine the Estimate-Of-Value.

2.2. Details of valuation

When applying the SOTP Method, we consider it appropriate to split ENN-NG into two parts, namely (a) ENN-NG’s share of ENN’s value; and (b) value of non-ENN part of ENN-NG, on the basis that:

- (i) ENN Group is principally engaged in 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. Although there are different components of business segments of ENN Group, ENN is a separate listed company on the Hong Kong Stock Exchange, and investors have assessed the value of ENN as a whole; and
- (ii) excluding ENN Group, ENN-NG Group is engaged in natural gas and related businesses, majority of which is the natural gas trading platforms business. In terms of revenue, the natural gas trading platforms business also contributed to a majority of ENN-NG Group’s revenue (excluding that generated from ENN Group).

When determining the value of ENN-NG's interest in ENN, we consider appropriate to make reference to the market capitalisation of ENN on the Hong Kong Stock Exchange. As such, we have determined the value of ENN-NG's interest in ENN based on the average market capitalisation of ENN during the Latest 30-Trading-Days Period. Regarding the value of non-ENN part, we have derived it based on the P/E multiples of the Comparable Companies. Further details of the determination of the Estimate-Of-Value under the SOTP Method are set out below:

		<u>Value</u>	
		(RMB'million)	
Market capitalisation of ENN over the Latest 30-Trading-Days Period (<i>Note 1</i>)	a	56,347.5	
Shareholding of ENN-NG in ENN (<i>Note 2</i>)	b	34.28%	
ENN-NG's share of ENN's value	c=a*b	19,315.9	
Profit from non-ENN part of ENN-NG (<i>Note 3</i>)	d	2,440.7	
P/E multiples of the Comparable Companies	e	13.28	13.69
		(<i>Note 4</i>)	(<i>Note 5</i>)
Value of non-ENN part of ENN-NG	f=d*e	32,401.9	33,419.0
Estimate-Of-Value	g=c+f	51,718	52,735

Notes:

- 1. Data sourced from Bloomberg and calculated as the average of the market capitalisation of ENN over the Latest 30-Trading-Days Period converted into RMB*
- 2. Being the shareholding of ENN-NG in ENN as at the Valuation Reference Date*
- 3. Calculated by deducting ENN-NG's share of net profits attributable to owners of ENN for FY2024 from the net profits attributable to owners of ENN-NG for FY2024*
- 4. Being the median of the P/E multiples of the Comparable Companies over the Latest 30-Trading-Days Period*
- 5. Being the average of the P/E multiples of the Comparable Companies over the Latest 30-Trading-Days Period*
- 6. Subject to rounding differences*

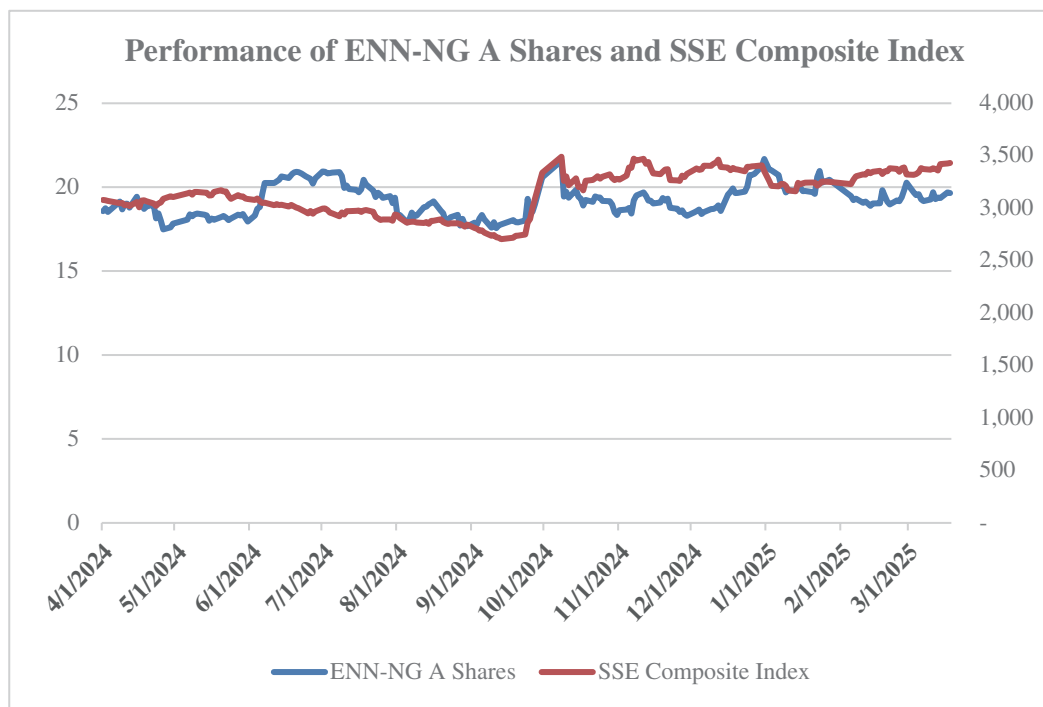
3. A Shares Comparison Method

3.1. Rationale

ENN-NG A Shares have been listed on the Shanghai Stock Exchange. We have reviewed the historical trading price performance and trading liquidity of ENN-NG A Shares as follows:

3.1.1. Price performance of ENN-NG A Shares

Set out below is a chart showing the closing price of the ENN-NG A Shares and the performance of the Shanghai Stock Exchange Composite Index (the “**SSE Composite Index**”) for the past approximately one year from 1 April 2024 to the Valuation Reference Date (both dates inclusive) (the “**Review Period**”):



Source: Bloomberg

We note from the chart above that the closing price of ENN-NG A Shares fluctuated during the Review Period, and such fluctuation was generally in line with the fluctuations in the SSE Composite Index.

3.1.2. Trading liquidity of ENN-NG A Shares

Set out below is a summary of the trading volume of ENN-NG A Shares during the Review Period:

	Monthly trading volume of ENN-NG A Shares <i>(Note 1)</i>	Percentage of monthly trading volume over total issued ENN-NG A Shares <i>(Note 2)</i>
	<u>(million)</u>	
<i>2024</i>		
April	217.44	7.02%
May	134.71	4.35%
June	200.09	6.46%
July	144.79	4.67%
August	126.77	4.09%
September	180.95	5.84%
October	240.22	7.75%
November	208.55	6.73%
December	245.30	7.92%
<i>2025</i>		
January	175.12	5.65%
February	213.48	6.89%
March (up to the Valuation Reference Date)	93.48	3.02%
	<i>Average (Note 3)</i>	6.12%

Notes:

- Sourced from Bloomberg*
- Calculated by dividing the monthly trading volume of ENN-NG A Shares with number of issued ENN-NG A Shares as at the end of the respective month (as at the Valuation Reference Date for March 2025)*
- Excluding March 2025 which does not represent a full month*
- Subject to rounding differences*

As illustrated in the table above, monthly trading volumes of ENN-NG A Shares represent approximately 4.09% to 7.92% of the total issued ENN-NG A Shares at the end of the respective months (excluding March 2025 (up to the Valuation Reference Date) which does not represent the situation for a full month), with an average of approximately 6.12%. We note that about 72% of the total issued ENN-NG A Shares were held by Mr. WANG Yusuo and Ms. ZHAO Baoju, the controlling shareholders of ENN-NG, during the Review Period, which were not actively traded. In view of the above, we are of the view that trading of ENN-NG A Shares were not inactive during the Review Period.

Based on the above, it is noted that the performance of ENN-NG A Shares had fluctuated during the Review Period, and had been affected by, among other things, changes in market conditions and performance of ENN-NG. We also noted that, although the trading liquidity of ENN-NG A Shares were not consistent during the Review Period, the trading of ENN-NG A Shares were not inactive during the Review Period. We are of the view that the price of ENN-NG A Shares is one of the indicators of the value of ENN-NG.

Further, it is noted that the subject of the Estimate-Of-Value is the ENN-NG H Shares which will be listed and traded on the Hong Kong Stock Exchange. The differences between the Shanghai stock market and the Hong Kong stock market, including but not limited to differences in investors' base, investors' investment appetite, market conditions and expectations, and composition and availability of other stocks, may result in a difference between the price of ENN-NG A Shares and ENN-NG H Shares. In this regard, we have also considered the valuation differences between the two stock markets in our valuation.

3.2. Details of valuation

When assessing the valuation differences between the Shanghai Stock Exchange and the Hong Kong Stock Exchange, we consider it meaningful and appropriate to look into companies which are listed on both Hong Kong and PRC stock markets (the "**AH Listed Companies**") and have been recently listed on the Hong Kong Stock Exchange given that the prices of the A shares and H shares of these AH Listed Companies would better reflect the valuation differences between the two stock markets in recent conditions, in particular, the differences in investment and valuation attitudes of investors having recent involvement in AH Listed Companies. In this regard, we have identified a list of companies which (a) were originally listed on the stock markets in the PRC; and (b) completed their respective initial listing on the Hong Kong Stock Exchange during the period from 1 January 2023 up to the Valuation Reference Date (the "**Recently Listed H Companies**"). The Recently Listed H Companies identified represent an exhaustive list of such companies based on the aforesaid selection criteria.

In determining the differences between A share and H share stock markets, we consider that it is more meaningful to compare the prices of the A shares and H shares over a period of time instead of one particular trading day, so as to avoid the results being distorted by short-term fluctuations in market conditions and particular events/news/incidents in a short period of time. Accordingly, we have reviewed the premium/discount between the share prices of A shares and H shares (the "**A/H Premium/Discount**") of the Recently Listed H Companies during the Latest 30-Trading-Days Period. Details of our findings are set out in the table below:

Company	Ticker	Date of initial listing on the Hong Kong Stock Exchange	A/H Premium/ (Discount) (Note 1)
Beijing SinoHytec Co., Ltd. (Note 2)	2402.HK 688339.SH	12-01-2023	(16.04)%
Midea Group Co., Ltd.	300.HK 000333.SZ	17-09-2024	(4.21)%
Jiangsu Lopal Tech. Co., Ltd.	2465.HK 603906.SH	30-10-2024	(54.50)%
S.F. Holding Co., Ltd.	6936.HK 002352.SZ	27-11-2024	(16.41)%
		Median	(16.22)%
		Average	(22.79)%

Notes:

1. Calculated based on data sourced from Bloomberg, and calculated as the average of premium/discount of the closing prices of the respective H shares over the closing prices of the respective A shares, both for the Latest 30-Trading-Days Period
2. Trading in A shares of Beijing SinoHytec Co., Ltd. was suspended from 27 February 2025 to 12 March 2025, and the respective A/H Premium/Discount was calculated based on information excluding the period of such shares suspension
3. Chifeng Jilong Gold Mining Co., Ltd. (6693.HK, 600988.SH) was listed on the Hong Kong Stock Exchange on 10 March 2025. Given the short period of listing prior to the Valuation Reference Date, we have excluded it from our calculation
4. Subject to rounding differences

We consider that the average market capitalisation of ENN-NG on the Shanghai Stock Exchange, which reflects the valuation of ENN-NG, over the Latest 30-Trading-Days Period to be appropriate for the purpose of determining the Estimate-Of-Value. The market capitalisation amounts of ENN-NG over the Latest 30-Trading-Days Period are summarised in the table below:

	Lower end (RMB'million)	Average (RMB'million)	Upper end (RMB'million)
Market capitalisation of ENN-NG over the Latest 30-Trading-Days Period (Note 1)	58,473.0	59,973.0	62,778.0

Notes:

1. Sourced from Bloomberg
2. Subject to rounding differences

When determining the Estimate-Of-Value under the A Shares Comparison Method, we have applied the A/H Premium/Discount to the average of the market capitalisation of ENN-NG during the Latest 30-Trading-Days Period, details of which are set out below:

	<u>Value</u> (RMB'million)
Market capitalisation of ENN-NG over the Latest 30-Trading-Days Period – Average	59,973.0
(1) A/H Premium/Discount – Median Estimate-Of-Value (Note 1)	(16.22)% 50,243
(2) A/H Premium/Discount – Average Estimate-Of-Value (Note 2)	(22.79)% 46,305

Notes:

1. *Calculated by applying the median of the A/H Premium/Discount to the market capitalisation of ENN-NG, both over the Latest 30-Trading-Days Period*
2. *Calculated by applying the average of the A/H Premium/Discount to the market capitalisation of ENN-NG, both over the Latest 30-Trading-Days Period*
3. *Subject to rounding differences*

3.3. Dividend distribution by ENN-NG

For FY2024, ENN-NG declared a dividend of RMB1.03 per ENN-NG A Share, including a final dividend of RMB0.81 and a special dividend of RMB0.22 in accordance with ENN-NG's special distribution plan for the years from 2023 to 2025. We note that the above dividend distribution represents an implied dividend yield of approximately 5.3% over the average closing price of ENN-NG A Shares during the Latest 30-Trading-Days Period. However, we consider that the dividend distribution, including a final dividend with reference to ENN-NG Group's profits and a special dividend as set out in an established special distribution plan, is a regular yearly distribution and is made in the ordinary course of business of ENN-NG. Therefore, we consider that such dividend distribution will not impact on the Estimate-Of-Value.

4. Conclusion and the Estimate-Of-Value

4.1. Summary of results

Our findings on the Estimate-Of-Value under different methods are summarised as follows:

	Valuation results	
	Lower end (RMB'million)	Upper end (RMB'million)
Comparable Companies Method	59,651	61,523
SOTP Method	51,718	52,735
A Shares Comparison Method	46,305	50,243

4.2. Conclusion on the Estimate-Of-Value

Given that all three methods are considered appropriate in determining the Estimate-Of-Value, we conclude that the Estimate-Of-Value as at the Valuation Reference Date is between a range from **RMB46,305 million** to **RMB61,523 million**, with a mid-point of **RMB53,914 million**, which is equivalent to a range from approximately **RMB14.95** (equivalent to approximately **HK\$16.19**) per ENN-NG H Share to approximately **RMB19.86** (equivalent to approximately **HK\$21.52**) per ENN-NG H Share, with a mid-point of approximately **RMB17.41** (equivalent to approximately **HK\$18.86**) per ENN-NG H Share.

4.3. Sensitivity analysis

As we explained in this letter above, the Estimate-Of-Value is subject to uncertainties and fluctuations of the capital market which are difficult to predict and beyond our control. When determining the Estimate-Of-Value based on the three methods stated above, we also noted a number of parameters which would fluctuate due to changes in the capital market and affect the results of estimation of the Estimate-Of-Value, including but not limited to, fluctuations in share price of ENN-NG A Shares and ENN Shares. In this regard and as an illustration, we have set out below a sensitivity analysis on the Estimate-Of-Value for your information:

	Sensitivity Analysis (Note 1)		
	Worst case (RMB'million)	Mid-point (RMB'million)	Best case (RMB'million)
Comparable Companies Method	54,528	60,587	66,646
SOTP Method	47,004	52,227	57,449
A Shares Comparison Method	43,447	48,274	53,101

Notes:

1. Sensitivity analysis by applying a 10% difference to the mid-point of the valuation results of each method as set out in section "4.2 Conclusion on the Estimate-Of-Value" above
2. Subject to rounding differences

You are reminded that the above sensitivity analysis is for illustrative purposes only, and does not affect our conclusion on the Estimate-Of-Value in section “4.2 Conclusion on the Estimate-Of-Value” above.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Clifford Cheng
Director

Mr. Clifford Cheng is a licensed person registered with the Securities and Futures Commission and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. He has over ten years of experience in the corporate finance industry.

For the purpose of this letter, an exchange rate of HK\$1 = RMB0.92323 was adopted, which was based on the central parity rate between HK\$ and RMB as at the Valuation Reference Date as quoted on The People’s Bank of China.

* *For identification purpose only*

ANNEX 2

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENN-NG GROUP

The unaudited pro forma financial information of ENN-NG Group as at December 31, 2024, and the related notes thereto, which have been prepared in accordance with Rule 4.29 of the Listing Rules on the bases and assumptions set out therein, have been set out below for information purposes. Such unaudited pro forma financial information differs from the unaudited pro forma financial information of the Enlarged ENN-NG Group for the financial year of 2024 disclosed in the MAA Proposal (which was prepared based on the PRC Generally Accepted Accounting Standards). Therefore, it should be read in conjunction with the sections headed “6.2. Benefits for the Scheme Shareholders”, “8.2. Financial Information of the ENN-NG Group” and “23. OTHER INFORMATION WITH RESPECT TO THE PROPOSAL AND THE ENN SHARE OPTION OFFER” in this announcement.

The following is the text of a report, prepared for inclusion in this announcement, received from the independent reporting accountants, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.



31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

To the Board of Directors
of ENN Natural Gas Co., Ltd.

INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Enn Natural Gas Co., Ltd. (“**ENN-NG**”) and its subsidiaries (collectively referred to as the “**ENN-NG Group**”) by the directors of the ENN-NG for illustrative purpose only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the ENN-NG Group as at 31 December 2024, the unaudited pro forma financial information of the Enlarged ENN-NG Group (as defined in the announcement jointly issued by Xinneng (Hong Kong) Energy Investment Limited (the “**Offeror**”), ENN-NG and ENN Energy Holdings Limited (“**ENN**”) dated 26 March 2025 with respect to, among other things, the Privatisation Proposal (as defined below) (the “**Announcement**”)) for the year ended 31 December 2024, and the related notes as set out in pages 76 to 88 of ANNEX 2 to the Announcement. The applicable criteria on the basis of which the directors of the ENN-NG Group have compiled the unaudited pro forma financial information are described on pages 76 to 88 in ANNEX 2 to the Announcement.

The unaudited pro forma financial information has been compiled by the directors of the ENN-NG Group to illustrate the impact of the completion of the proposed pre-conditional privatisation of ENN by the Offeror by way of a scheme of arrangement under section 86 of the Companies Act (2025 Revision) of the Cayman Islands (the “**Privatisation Proposal**”) and the cancellation of all outstanding share options of ENN as a result of full acceptance of the pre-conditional offer to be made by or on behalf of the Offeror to holders of share options granted by ENN which remain outstanding under the share option schemes of ENN (the “**Share Option Cancellation**”) on the

Enlarged ENN-NG Group's financial position as at 31 December 2024 and the Enlarged ENN-NG Group's financial performance for the year ended 31 December 2024 as if the Privatisation Proposal and the Share Option Cancellation had taken place at 31 December 2024 and 1 January 2024, respectively. As part of this process, information about the ENN-NG Group's audited consolidated financial position and financial performance has been extracted by the directors of ENN-NG from ENN-NG Group's financial statements for the year ended 31 December 2024, on which an audit report has been issued.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of ENN-NG are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the ENN-NG have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in the Announcement is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the ENN-NG Group as if the event or transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2024 or 1 January 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors of ENN-NG in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the ENN-NG Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the ENN-NG Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Shek Lui

Practising Certificate Number: P05895

Hong Kong, 26 March 2025

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE ENN-NG GROUP ATTRIBUTABLE TO OWNERS OF THE ENN-NG

The unaudited pro forma adjusted consolidated net tangible asset of the Enlarged ENN-NG Group attributable to owners of ENN-NG is prepared by the directors of the ENN-NG in accordance with Rule 4.29 of the Listing Rules for illustrative purposes only, and is set out below to illustrate the effect of the Privatisation Proposal and the Share Option Cancellation on the consolidated net tangible assets of the Enlarged ENN-NG Group attributable to owners of the Enlarged ENN-NG as at 31 December 2024 if the Privatisation Proposal and the Share Option Cancellation had taken place on 31 December 2024.

The unaudited pro forma adjusted consolidated net tangible asset of the ENN-NG Group attributable to owners of the ENN-NG is prepared for illustrative purpose only, and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the ENN-NG Group attributable to owners of the ENN-NG as at 31 December 2024 or at any future dates following the Privatisation Proposal and the Share Option Cancellation.

In order to prepare the unaudited pro forma financial information, the ENN-NG Group assumes that (i) all ENN Share Options are not exercised and the ENN Share Option Offer is accepted in full by all holders of the ENN Share Options, and (ii) there will be no other change in the number of ENN Shares in issue prior to the Scheme Record Date.

The unaudited pro forma adjusted consolidated net tangible asset of the ENN-NG Group attributable to owners of ENN-NG is prepared based on the audited consolidated net tangible assets of the ENN-NG Group attributable to owners of ENN-NG as at 31 December 2024 and adjusted as described below.

Audited consolidated net tangible assets of the ENN- NG Group attributable to owners of ENN-NG as at 31 December 2024 RMB' million (Note 1)	Effect of the Privatisation Proposal RMB' million (Note 2)	Effect of the Share Option Cancellation RMB' million (Note 3)	Finance costs related to the borrowings RMB' million (Note 4)	Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of ENN-NG RMB' million
<u>17,401</u>	<u>12,161</u>	<u>(37)</u>	<u>(472)</u>	<u>29,053</u>

Notes:

- (1) The audited consolidated net tangible assets of the ENN-NG Group attributable to owners of ENN-NG as at 31 December 2024 has been extracted by the directors of ENN-NG from ENN-NG Group's financial statements for the year ended 31 December 2024, on which an audit report has been issued, and is based on the audited consolidated net assets of the ENN-NG Group as at 31 December 2024 of RMB60,543 million adjusted for intangible assets including goodwill and other intangible assets as at 31 December 2024 of RMB6,066 million and non-controlling interests of RMB37,076 million.
- (2) The adjustment represents the decrease in non-controlling interest in ENN-NG Group assuming on the basis of such number of Scheme Shares and the Cancellation Consideration and assuming the ENN Share Option Offer is accepted in full, upon the fulfillment of the Pre-Conditions and fulfillment or waiver of the Conditions and the Scheme becoming effective. Upon the completion of the Privatisation Proposal and the Share Option Cancellation, there will be a corresponding increase in equity attributable to the owner of the Company.
- (3) The adjustment represents the amount of cash outflow and the fair value gain related to the cancellation of the share-based payment of ENN upon completion of the Privatisation Proposal and the Share Option Cancellation.
- (4) The adjustment represents the finance costs of the borrowings related to the Privatisation Proposal and the Share Option Cancellation.
- (5) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the ENN-NG Group attributable to owners of ENN-NG as at 31 December 2024 to reflect any trading results or other transactions of the ENN-NG Group entered into subsequent to 31 December 2024.

B. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED ENN-NG GROUP

The following is an illustrative and unaudited pro forma consolidated statements of financial position and pro forma consolidated statements of profit or loss and other comprehensive income of the Enlarged ENN-NG Group which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Privatisation Proposal and the Share Option Cancellation as if they had taken place at 31 December 2024 for the pro forma consolidated statements of financial position and as if they had taken place on 1 January 2024 for the pro forma consolidated statements of profit or loss and comprehensive income. It has been prepared on the basis of the notes set out below and in accordance with the accounting policies adopted by the ENN-NG Group.

The unaudited pro forma financial information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position and financial results of the Enlarged ENN-NG Group had the Privatisation Proposal and the Share Option Cancellation been completed as at 31 December 2024 or 1 January 2024 or any future date.

(a) **Unaudited pro forma consolidated statements of financial position of the Enlarged ENN-NG Group**

	ENN-NG Group as at 31 December 2024	Notes	Pro Forma adjustments	The Enlarged ENN-NG Group as at 31 December 2024
	<i>RMB' Million</i>		<i>RMB' Million</i>	<i>RMB' Million</i>
	Note 1			
Non-current Assets				
Property, plant and equipment	70,768			70,768
Right-of-use assets	3,198			3,198
Investment properties	246			246
Goodwill	545			545
Intangible assets	5,521			5,521
Interests in associates	4,808			4,808
Interests in joint ventures	2,986			2,986
Other receivables	93			93
Derivative financial instruments	168			168
Financial assets at fair value through profit or loss (“FVTPL”)	4,434			4,434
Equity instruments at fair value through other comprehensive income (“FVTOCI”)	253			253
Deferred tax assets	2,628			2,628
Prepayment and deposits paid for acquisition of property, plant and equipment, land use rights and right of operation	116			116
Restricted bank deposits	713			713
	96,477			96,477
	96,477			96,477

	ENN-NG Group as at 31 December 2024	Notes	Pro Forma adjustments	The Enlarged ENN-NG Group as at 31 December 2024
	<i>RMB' Million</i>		<i>RMB' Million</i>	<i>RMB' Million</i>
	Note 1			
Current Assets				
Inventories	2,325			2,325
Trade and other receivables	15,327			15,327
Contract assets	2,109			2,109
Derivative financial instruments	272			272
Restricted bank deposits	713			713
Cash and cash equivalents	15,263			15,263
	<u>36,009</u>			<u>36,009</u>
Current Liabilities				
Trade and other payables	15,686	4	(4)	15,682
Contract liabilities	14,494			14,494
Deferred income	79			79
Taxation payables	1,625			1,625
Lease liabilities	181			181
Derivative financial instruments	940			940
Bank and other loans	10,448	2,3	16,927	27,375
	<u>43,453</u>			<u>60,376</u>
Net Current Liabilities	<u>(7,444)</u>			<u>(24,367)</u>
Total Assets less Current Liabilities	<u>89,033</u>			<u>72,110</u>

	The ENN-NG Group as at 31 December 2024 <i>RMB' Million</i> Note 1	Notes	Pro Forma adjustments <i>RMB' Million</i>	The Enlarged ENN-NG Group as at 31 December 2024 <i>RMB' Million</i>
Capital and Reserves				
Share capital	3,097	2	2,188	5,285
Reserves	<u>20,370</u>	2,3,4	9,464	<u>29,834</u>
Equity attributable to owners of the Company	23,467			35,119
Non-controlling interests	<u>37,076</u>	2	(28,575)	<u>8,501</u>
Total Equity	<u><u>60,543</u></u>			<u><u>43,620</u></u>
Non-current Liabilities				
Other payables	814			814
Contract liabilities	2,650			2,650
Deferred income	1,057			1,057
Lease liabilities	401			401
Derivative financial instruments	108			108
Bank and other loans	7,595			7,595
Senior notes	12,794			12,794
Deferred tax liabilities	<u>3,071</u>			<u>3,071</u>
	<u>28,490</u>			<u>28,490</u>
	<u><u>89,033</u></u>			<u><u>72,110</u></u>

(b) **Unaudited pro forma consolidated statements of profit or loss and other comprehensive income of the Enlarged ENN-NG Group**

	The ENN-NG Group for the year ended 31 December 2024	Notes	Pro Forma adjustments	The Enlarged ENN-NG Group for the year ended 31 December 2024
	<i>RMB' Million</i>		<i>RMB' Million</i>	<i>RMB' Million</i>
	Note 1			
Revenue	134,946			134,946
Cost of sales	<u>(116,588)</u>			<u>(116,588)</u>
Gross profit	18,358			18,358
Other income	1,304			1,304
Other gains and losses	72	3	3	75
Distribution and selling expenses	(1,512)			(1,512)
Administrative expenses	(5,024)			(5,024)
Share of results of associates	249			249
Share of results of joint ventures	328			328
Finance costs	<u>(1,139)</u>	4	(472)	<u>(1,611)</u>
Profit before taxation	12,636			12,167
Income tax expenses	<u>(2,692)</u>			<u>(2,692)</u>
Profit for the year	<u><u>9,944</u></u>			<u><u>9,475</u></u>

	The ENN-NG Group for the year ended 31 December 2024	Notes	Pro Forma adjustments	The Enlarged ENN-NG Group for the year ended 31 December 2024
	<i>RMB' Million</i>		<i>RMB' Million</i>	<i>RMB' Million</i>
	Note 1			
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss:</i>				
Fair value change of equity instruments at FVTOCI	3			3
Fair value change of a property transferred from property, plant and equipment to investment properties	1			1
Income tax relating to items that will not be reclassified to profit or loss	(1)			(1)
	<u>3</u>			<u>3</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translating foreign operations	127			127
Fair value gain of derivative financial instruments under hedge accounting	(1,459)			(1,459)
Income tax relating to items that may be reclassified subsequently to profit and loss	168			168
	<u>(1,164)</u>			<u>(1,164)</u>
Other comprehensive income for the year	<u>(1,161)</u>			<u>(1,161)</u>
Total comprehensive income for the year	<u><u>8,783</u></u>			<u><u>8,314</u></u>

	The ENN-NG Group for the year ended 31 December 2024	Notes	Pro Forma adjustments	The Enlarged ENN-NG Group for the year ended 31 December 2024
	<i>RMB' Million</i>		<i>RMB' Million</i>	<i>RMB' Million</i>
	Note 1			
Profit for the year attributable to:				
Owners of the ENN-NG	4,493	2,3,4	3,644	8,137
Non-controlling interests	5,451	2	(4,113)	1,338
	<u>9,944</u>			<u>9,475</u>
Total comprehensive income attributable to:				
Owners of the ENN-NG	3,244	2,3,4	3,732	6,976
Non-controlling interests	5,539	2	(4,201)	1,338
	<u>8,783</u>			<u>8,314</u>
Earnings per share				
Basic (RMB) Note 5	<u>1.46</u>			<u>1.56</u>
Diluted (RMB) (Note 5)	<u>1.46</u>			<u>1.56</u>

(c) Notes to unaudited pro forma financial information of the Enlarged ENN-NG Group

Notes:

1. These amounts are extracted from the audited consolidated statement of financial position of the ENN-NG Group as at 31 December 2024 and the audited consolidated statements of profit or loss and other comprehensive income of the ENN-NG Group for the year ended from 1 January 2024 to 31 December 2024 complied in accordance with Hong Kong Financial Reporting Standards.
2. The adjustment represents ENN-NG's issuance of its H shares to the shareholders of ENN other than the Offeror pursuant to the completion the Privatisation Proposal as at 31 December 2024, and a corresponding decrease in non-controlling interests' share of net assets as at 31 December 2024 and profit for the year ended 31 December 2024 attributable to ENN.
3. The adjustment represents the amount of cash outflow and the fair value gain related to the cancellation of the share-based payment of ENN upon completion of the Privatization Proposal and the Share Option Cancellation.
4. The adjustment represents the finance costs of the borrowings related to the Privatisation Proposal and the Share Option Cancellation.
5. The basic and diluted earnings per share attributable to ordinary equity holders of the Enlarged ENN-NG Group is based on the total number of the Enlarged ENN-NG Group's issued equity shares and the shares to be issued upon completion of the Privatisation Proposal on the Enlarged ENN-NG Group's consolidated financial position as at 31 December 2024 and the profit attributable to owners of ENN-NG of the Enlarged ENN-NG Group's consolidated financial performance for the year ended 31 December 2024. The unaudited pro-forma Enlarged ENN-NG Group basic and dilutive EPS will be approximately RMB1.56 per share and RMB1.56 respectively.
6. No adjustment has been made to reflect any trading results or other transactions of the ENN-NG Group which were entered into subsequent to 31 December 2024.

ANNEX 3

INVESTOR PRESENTATION IN RELATION TO THE PROPOSAL AND THE LISTING



**ENN-NG's Proposal for the Privatization of ENN
involving H-share Issuance and Listing by
Introduction
——Investor Presentation Materials**



Disclaimer

Reference is made to the joint announcement issued by ENN Natural Gas Co., Ltd. (“ENN-NG”), Xinneng (Hong Kong) Energy Investment Limited 新能(香港)能源投资有限公司 (the “Offeror”) and ENN Holdings Limited (“ENN”) dated March 26, 2025 pursuant to Rule 3.5 of The Code on Takeovers and Mergers of Hong Kong (the “Takeovers Code”) in relation to, among others, the pre-conditional proposal for the privatization of ENN by the Offeror by way of a scheme of arrangement under Section 86 of the Companies Act (2025 Revision) of the Cayman Islands (as consolidated and revised from time to time) (the “Joint Announcement”). Unless otherwise specified, capitalized terms used herein shall have the same meanings ascribed to them in the Joint Announcement.

This presentation (the “Presentation”) contains a brief summary of the Proposal and the ENN Share Option Offer, further details of which are set out in the Joint Announcement. Shareholders of ENN-NG and ENN, ENN Share Option Holders, ENN Share Award Holders and potential investors of ENN-NG and ENN are advised to read the Joint Announcement (including the annexes thereto) in its entirety for further information relating to the Proposal and the ENN Share Option Offer. The Joint Announcement is available on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk, and the website of ENN.

None of ENN-NG, the Offeror and ENN makes any implicit or explicit representation or warranty with respect to the fairness, accuracy, completeness or correctness on the information and opinions in this Presentation. Therefore, no reliance should be placed on the fairness, accuracy, completeness or correctness of such information. The information in this Presentation does not constitute a complete or full analysis of the businesses, financials, or other aspects of ENN-NG, the Offeror or ENN. Therefore, no reliance should be placed upon the information contained herein by you for the purpose of analyzing, or forming the basis of any decision relating to, the businesses, financials, or other aspects of ENN-NG, the Offeror or ENN. The information included in this Presentation was prepared based on economic, regulatory, market and other conditions, all of which are subject to substantial changes without prior notification. ENN-NG, the Offeror, ENN and CICC and/or their respective directors, senior management, employees, affiliates, related institutions, advisors or representatives undertake no obligation to update, amend, or confirm subsequent developments after the occurrence of the substantial changes. No responsibility or liability (due to negligence or otherwise) is accepted by ENN-NG, the Offeror, ENN and CICC and/or any of their respective directors, senior management, employees, affiliates, related institutions, advisors or representatives for any loss arising from or with respect to any information in this Presentation.

The content of this Presentation has not been independently verified. Certain factual statements and forecasts in this Presentation are derived from external sources and have not been verified by ENN-NG, ENN, the Offeror, any member of the ENN-NG Group, any member of the ENN Group or any of their respective directors, officers, employees, agents, affiliates, advisors or representatives.

This Presentation is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of ENN-NG, ENN or the Offeror, nor is it a solicitation of any vote or approval in any jurisdiction. This Presentation is not for release, publication or distribution, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the applicable laws or regulations of such jurisdiction. This Presentation contains no information or material which may result in it being deemed (1) to be a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the “C(WUMP)O”), or an advertisement or extract from or abridged version of a prospectus within the meaning of the C(WUMP)O or an advertisement, invitation or document containing an advertisement, invitation or document falling within the meaning of section 103 of the SFO or (2) to have effected an offer to the public in Hong Kong without compliance with the laws of Hong Kong or being able to invoke any exemption available under the laws of Hong Kong, and is subject to material change.

Shareholders of ENN-NG and ENN, ENN Share Option Holders, ENN Share Award Holders and potential investors of ENN-NG and ENN should be aware that the making of the Proposal and ENN Share Option Offer is subject to the satisfaction of the Pre-Conditions. Even if the Proposal is made, the implementation of the Proposal (including the effectiveness of the Scheme) is subject to the satisfaction or waiver (as applicable) of the Conditions, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Even if the ENN Share Option Offer is made, it will be conditional on the Scheme becoming effective. Shareholders of ENN-NG and ENN, ENN Share Option Holders, ENN Share Award Holders and potential investors of ENN-NG and ENN should therefore exercise caution when dealing in the securities of ENN-NG and ENN. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

The Proposal relates to the shares of Chinese or Cayman Islands companies and is proposed to be made by a scheme of arrangement provided for under the laws of the Cayman Islands. The Proposal is subject to the disclosure requirements and practices applicable in Hong Kong, the PRC and the Cayman Islands, which differ from the disclosure and other requirements of the U.S. securities laws and the securities laws of the member states of the European Economic Area (“Relevant States” and each a “Relevant State”). Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in PRC or Hong Kong that may not be comparable to accounting principles generally accepted in the United States and the Relevant States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the U.S. Securities and Exchange Act of 1934, as amended, and the tender offer rules of the Relevant States. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in Hong Kong and the Cayman Islands to schemes of arrangement which differ from the disclosure requirements of the U.S. tender offer rules and the Relevant States’ tender offer rules.

Disclaimer(cont'd)

The receipt of the Cancellation Consideration pursuant to the Proposal, the receipt of or the ENN Share Option Offer Price pursuant to the ENN Share Option Offer or the receipt of the ENN Share Award Notional Gains by a Relevant State holder or a U.S. holder may be a taxable transaction under tax laws applicable in a Relevant State, or for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other tax laws. Each Scheme Shareholder, ENN Share Option Holder and ENN Share Award Holder is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal, the ENN Share Option Offer and the vesting of the ENN Share Awards applicable to him/her/it.

It may be difficult for U.S. holders of Scheme Shares or holders of Scheme Shares in the Relevant States to enforce their rights and claims arising out of the U.S. federal securities laws and the Relevant States' securities laws, since ENN-NG, ENN and the Offeror are located in a country other than the United States and the Relevant States, and some or all of their officers and directors may be residents of a country other than the United States and the Relevant States. U.S. holders of Scheme Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Holders of Scheme Shares in the Relevant States may not be able to sue a non-Relevant State company or its officers or directors in a non-Relevant State court for violations of the Relevant States' securities laws. Further, it may be difficult to compel a non-U.S. and non-Relevant State company and its affiliates to subject themselves to a U.S. court's or a Relevant State's court's judgement.

This Presentation is not an offer of securities for sale nor a solicitation of an offer to buy securities in the United States. Securities may not be offered or sold in the U.S. absent registration or an exemption from registration. Public offerings of securities in the U.S. may be made only by means of a prospectus that is included in a registration statement filed under the U.S. Securities Act. The ENN-NG H Shares, which will be issued in connection with the Proposal, if made, have not been, and will not be, registered under the U.S. Securities Act or under the securities law of any state, district or other jurisdiction of the United States, or any other jurisdiction, and no regulatory approval or clearance in respect of the ENN-NG H Shares has been, or will be, applied for in any jurisdiction other than Hong Kong, PRC or the Cayman Islands. The ENN-NG H Shares may not be offered or sold in the United States absent registration under the U.S. Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. It is expected that the ENN-NG H Shares will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a) (10) thereof. None of ENN-NG, ENN or the Offeror intends to make any public offering of securities in the United States. Under applicable U.S. securities laws, ENN Shareholders (whether or not U.S. Persons (as defined in Regulation S under the U.S. Securities Act)) who are or will be "affiliates" of ENN-NG or ENN prior to, or of ENN-NG after, the Scheme Effective Date will be subject to certain transfer restrictions relating to the ENN-NG H Shares received in connection with the Scheme.

This Presentation includes certain "forward-looking statements". These statements are based on the current expectations of the management of the Offeror, ENN-NG and/or ENN (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this Presentation include statements about the expected effects of the Proposal, the Scheme, the Listing and/or the ENN Share Option Offer on ENN and/or ENN-NG, the expected timing and scope of the Proposal, the Scheme, the Listing and/or the ENN Share Option Offer, and all other statements in this Presentation other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as "intends", "expects", "anticipates", "targets", "estimates", "envisages" and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the Pre-Conditions, the satisfaction or waiver of the Conditions, as well as additional factors, such as general, social, economic and political conditions in the countries in which the ENN-NG Group and/or ENN Group operate or other countries which have an impact on the ENN-NG Group and/or ENN Group's business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the ENN-NG Group and/or ENN Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the ENN-NG Group and/or ENN Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the ENN-NG Group and/or ENN Group operate and regional or general changes in asset valuations. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, ENN-NG, ENN or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. Each of the forward-looking statements included herein is made only as at the date of such statement. Subject to the requirements of the applicable laws, rules and regulations, including the Takeovers Code, ENN-NG, the Offeror, ENN and CICC and/or their respective directors, senior management, employees, affiliates, related institutions, advisors or representatives undertake no obligation to update, amend or revise any forward-looking statements contained in this Presentation nor accept any responsibility with respect to the achievement of future results or future growth.

The unaudited pro forma financial information of the Enlarged ENN-NG Group contained in this Presentation is extracted from Annex 2 of the Joint Announcement (the compilation of which is based on Hong Kong Financial Reporting Standards and has been reported on by HLB Hodgson Impey Cheng Limited) and is for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged ENN Group had the Proposal been completed as at December 31, 2024, January 1, 2024 or any future date. The unaudited pro forma financial information should be read in conjunction with other financial information disclosed in the Joint Announcement.



Basic Information of the Transaction

5



Analysis of the Significance of the Transaction

9



Analysis of Shareholder Economic Benefits

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Appendix: Introduction to ENN-NG

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Basic Information of the Transaction

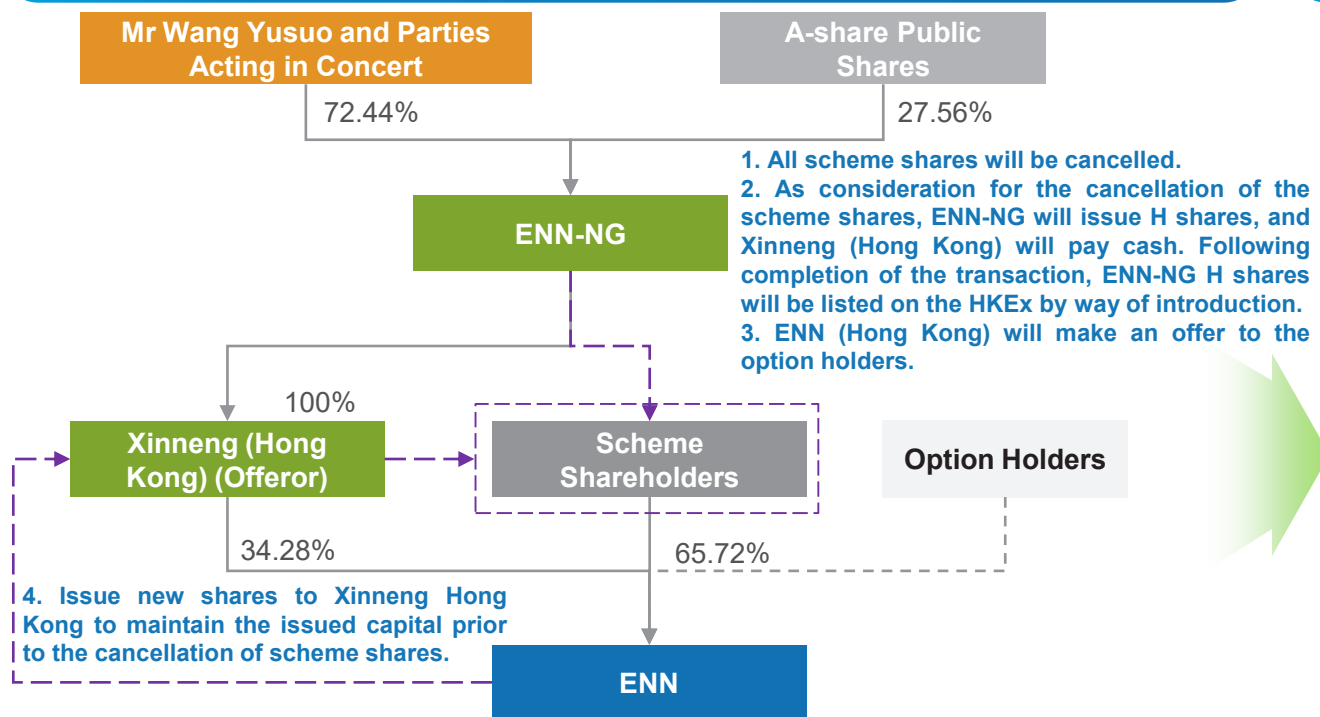


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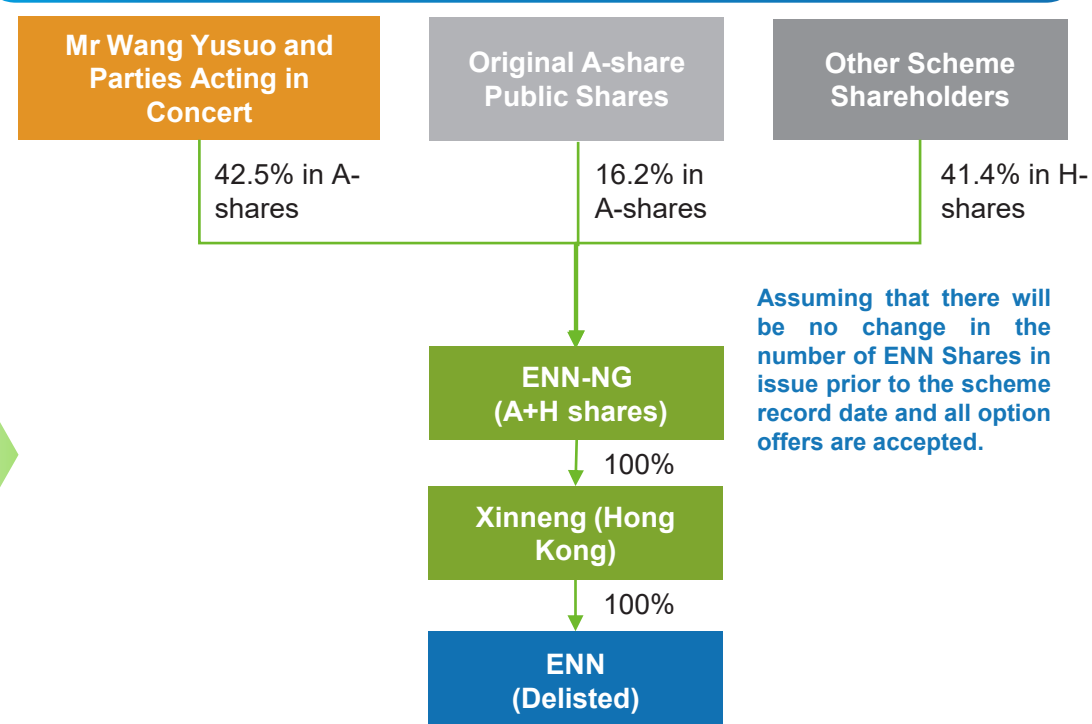
1.1 Overview of the Transaction Plan

- The offeror, Xinneng (Hong Kong), intends to make the proposal to privatize ENN by its payment of Cash Consideration and the issuance by ENN-NG of ENN-NG H Shares as consideration for the cancellation of the Scheme Shares. The Scheme Shareholders are all ENN shareholders except the offeror
- Following the completion of the transaction, the ENN-NG H Shares will be listed on the Hong Kong Stock Exchange, and the privatized ENN will become an indirectly wholly-owned subsidiary of ENN-NG
- This transaction constitutes ENN-NG major asset restructuring of A-shares, privatization of ENN by way of a scheme of arrangement, and a proposed listing of the ENN-NG H Shares by way of a listing by introduction

Structure before the transaction



Structure following completion of the transaction



Note 1: Before the transaction, Mr Wang Yusuo and Parties Acting in Concert include ENN International, ENN Holdings, ENN Technology, Langfang Heyuan, and Hebei Weiyuan.

Note 2: The above shareholding structure of ENN is as of 26 March 2025; as of 26 March 2025, ENN has 5,599,026 options granted but not yet exercised.



1.2 Key Points of the Transaction Plan — Pricing Methodology

Offeror

- Xinneng (Hong Kong) Energy Investment Limited

Offeree

- ENN, Stock Code: 2688.HK

Transaction Method

- Privatization of ENN by way of a scheme of arrangement under Section 86 of the Companies Act
- Privatization transaction under the Codes on Takeovers and Mergers and Share Buy-backs of the SFC in Hong Kong

Payment Method

- Upon the scheme becoming effective, scheme shareholders can receive the following consideration for each scheme share:
 - Newly issued H shares of ENN-NG (600803.SH), with each scheme share receiving 2.9427 shares of newly issued H shares of ENN-NG and
 - A cash payment from offeror to the scheme shareholders, amounting to HKD24.50 per scheme share, with the portion of cash consideration to be funded by offeror through external loan facility and its internal resources
- Share option offer: share option offer holders will receive “see-through” price in cash

Dividend payout plan

- The cash consideration for this transaction (at HKD24.50 per share) exceeds the total dividends distributed by ENN over the past 10 years
- Based on the dividend payout plan of ENN-NG for 2023-2025, the estimated dividend per share for 2025 is RMB 0.96, according to the shareholder dividend payout plan which is disclosed by ENN-NG simultaneously and depends on the implementation of this transaction, the planned dividend payout ratio for each year during 2026-2028 is no less than 50% of core profits attributable to the shareholders of ENN-NG for the relevant year, maintaining a stable dividend payout
- The cancellation consideration for this transaction will not be reduced due to the 2024 year-end dividends already declared by ENN or any other dividends that may be declared before completion of the proposal

Transaction Consideration and Implied Premium

- Theoretical Value of Cancellation Consideration per scheme share (80.00HKD)= 2.9427 exchange ratio \times valuation advisor Somerley's median value of each ENN-NG H share valuation¹ range HKD18.86 /share + cash payment of HKD24.50 /share for each ENN scheme share, with the corresponding premium rates as follows:

Theoretical Privatization Total Consideration Premium Rate				
Based on daily closing prices as quoted on the HKEx	Last Day	30 trading days up to and including the Last Day	60 trading days up to and including the Last Day	90 trading days up to and including the Last Day
Premium Rate based on LUD ²	47.60%	51.18%	49.20%	49.12%
Premium Rate based on LTD ³	34.57%	49.99%	48.91%	48.81%

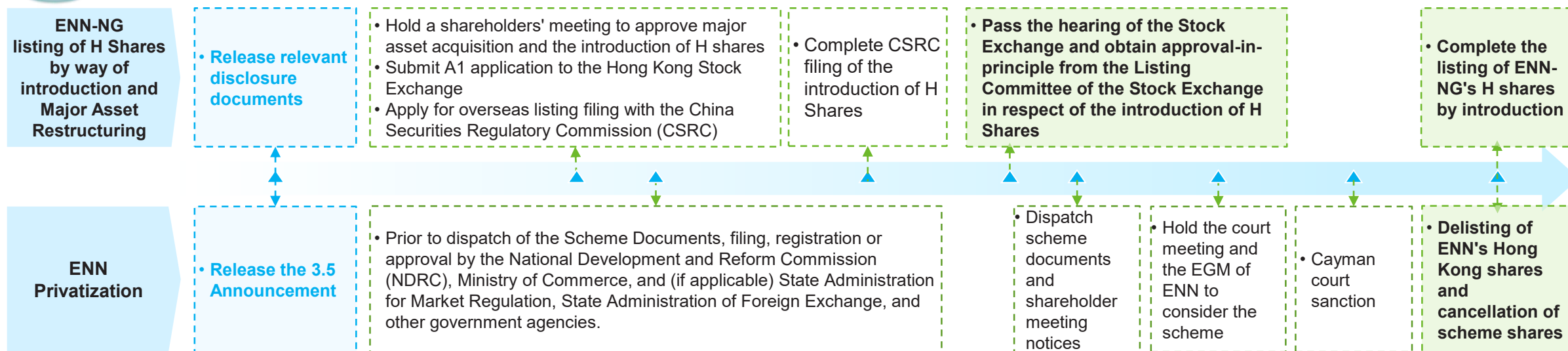
Note 1: 18 March 2025 is the valuation date as set out in the valuation report of Somerley, the H-share valuation advisor, same as below

Note 2: Premium rate for scheme shares based on last undisturbed day, without unusual trading volume and price volatility, which is 14th March, 2025

Note 3: Premium rate for scheme shares based on last trading day, which is 18th March, 2025

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1.3 Key Milestones and Approval Procedures of the Transaction



➤ ENN-NG Voting Threshold (to approve the listing by introduction and major asset restructuring)

- ✓ **General Shareholders' Meeting:** the approval by at least 2/3 of the voting rights held by independent shareholders present

➤ ENN Voting Threshold (to approve the privatization)

- ✓ **Court Meeting:** Approval of the Scheme (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting; the approval of the Scheme (by way of poll) by ENN Disinterested Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by ENN Disinterested Shareholders that are voted either in person or by proxy at the Court Meeting, provided that the number of votes cast (by way of poll) by the ENN Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to the Scheme Shares held by all ENN Disinterested Shareholders
- ✓ **ENN Shareholders' Meeting:** Approval by not less than 3/4 of the votes cast by the ENN Shareholders present and voting in person or by proxy at the EGM to reduce issued capital, and approval by a simple majority of the votes cast by the ENN Shareholders present and voting in person or by proxy at the EGM to approve the simultaneous maintenance of the share capital of ENN at the amount prior to the cancellation of the Scheme Shares by the issuance at par to the Offeror

Note: The timing of achieving the conditional precedents depends on the progress of actual regulatory approvals.


2

Analysis of the Significance of the Transaction



2

Analysis of the Significance of the Transaction

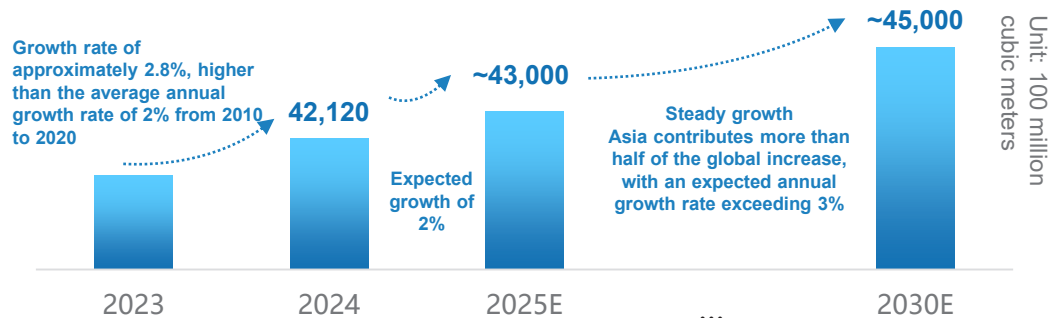
- 
- 1 The natural gas industry faces both opportunities and challenges, making further integration of the industry chain imperative
 - 2 Strengthening Complementary Advantages to Meet the Diversified Customer Demands Arising under New Market Conditions
 - 3 Leveraging the Natural Gas Comprehensive Advantage to Effectively Hedge Risks and Seize Opportunities
 - 4 Optimizing Corporate Governance and Enhancing Capital Management Efficiency to Flexibly Respond to Synergy Needs

2

2.1 The natural gas industry faces both opportunities and challenges, making further integration of the industry chain imperative

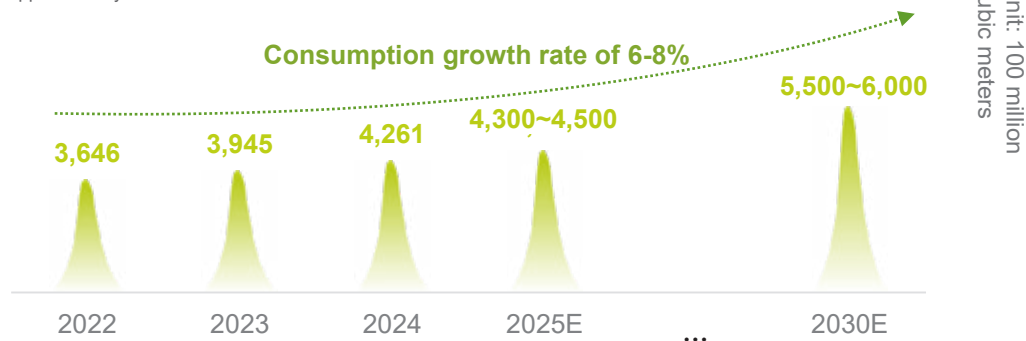
The global transition to low-carbon energy is steadily advancing, and the natural gas market continues to develop positively.

- According to the IEA report, global natural gas consumption is set to reach a new high in 2024, primarily driven by Asia.
- It is expected that by 2030, global natural gas consumption will reach 4.5 trillion cubic meters.



Record high in consumption amidst China's rapidly growing natural gas market

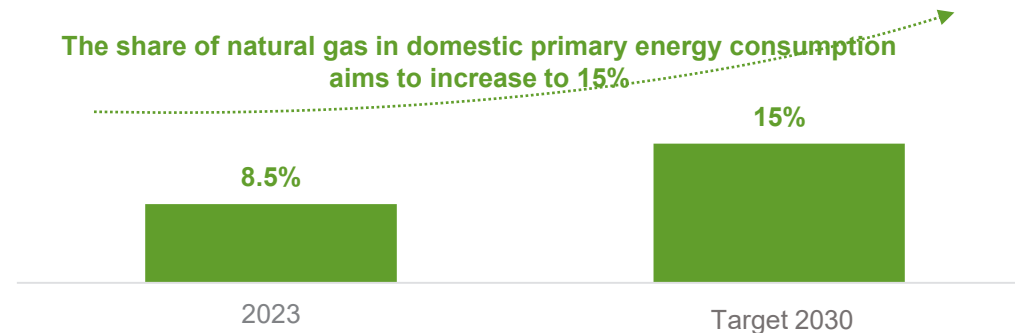
- In 2024, the national apparent consumption of natural gas is projected to be 426.1 billion cubic meters, a year-on-year increase of approximately 8%.
- It is expected that there will be 550 to 600 billion cubic meters by 2030 at a compound annual growth rate of approximately 6%.



China has asserted its positioning and development strategy for natural gas based on its carbon peaking goals

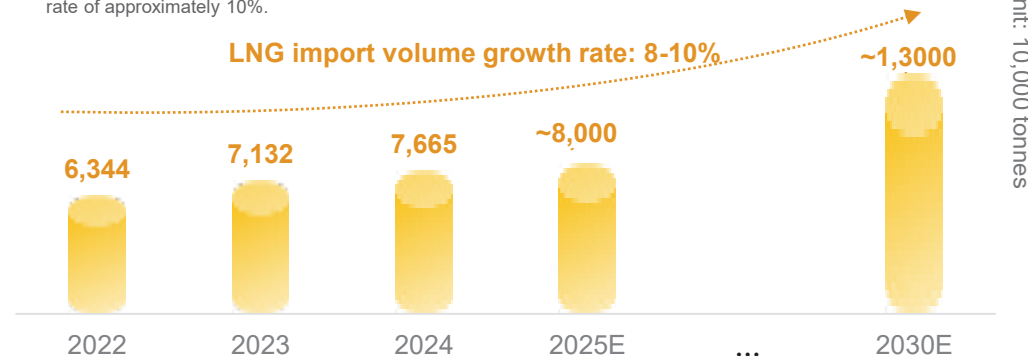
- Natural gas is a crucial alternative energy source for China to achieve its "2030 Carbon Peak" and "2060 Carbon Neutrality" goals, with the country setting clear targets for its share in primary energy consumption.

The share of natural gas in domestic primary energy consumption aims to increase to 15%



China's LNG imports are expected to maintain rapid growth

- In 2024, mainland China's LNG imports totalled 76.65 million tonnes, representing an increase of approximately 8% year-on-year.
- It is estimated that LNG imports will reach approximately 130 million tonnes by 2030 at a compound annual growth rate of approximately 10%.



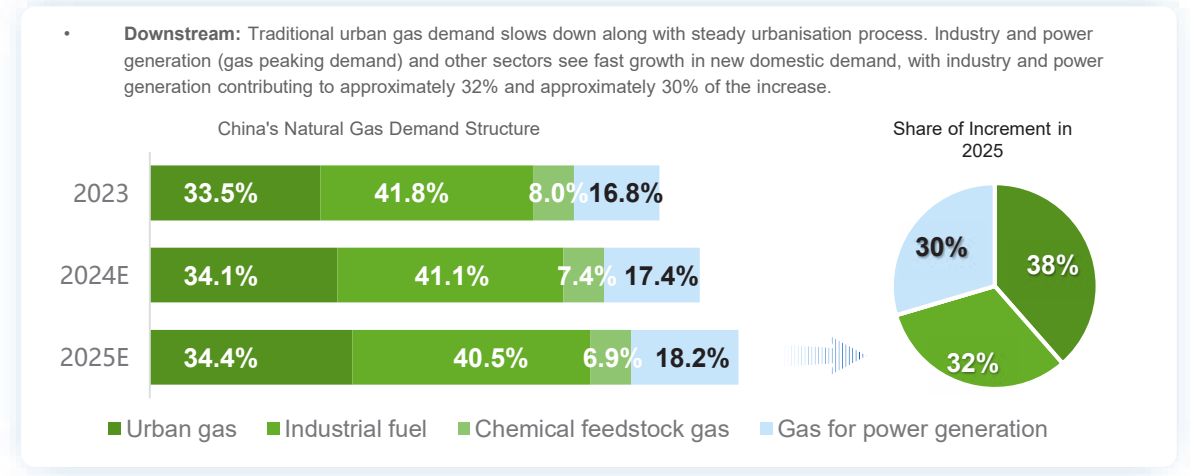
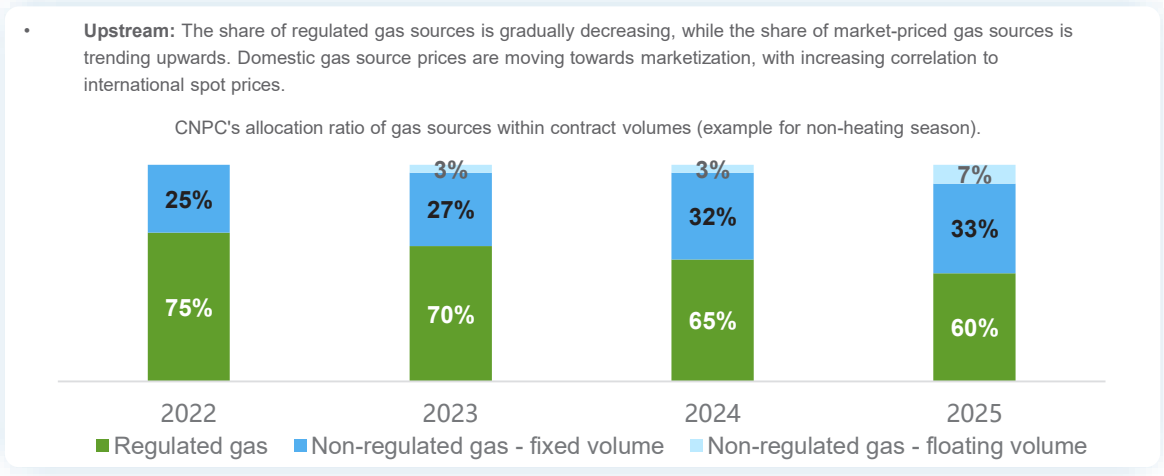
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2.1 The natural gas industry faces both opportunities and challenges, making further integration of the industry chain imperative (Continued)

International: International LNG prices continue to fluctuate, with significant uncertainty



Domestic: Upstream gas prices tend to be marketised and downstream consumption structure changes, leading to increased demand for integrated upstream and midstream integration





2.1 The natural gas industry faces both opportunities and challenges, making further integration of the industry chain imperative (Continued)

Customers: In the face of a complex environment, customer demands are becoming increasingly diverse and differentiated, requiring higher service capabilities.

1

More urgent need for low-cost gas

- Reduced price tolerance
- Increased sensitivity to energy costs

2

More stable gas supply

- There is a demand for more stable gas supply, with gas supply transitioning from a single annual contract to a 3-5 year stable gas supply contract.

3

More flexible energy consumption demands

- In terms of pricing, customers require more flexible gas pricing mechanisms, such as fixed prices or pegged to commodity prices and other mechanisms. In spatial terms, the demand for remote delivery is prominent.
- With greater flexibility in gas volume and supply timing, natural gas supply adapts to changes in customer demand.

4

Greater autonomy in choice

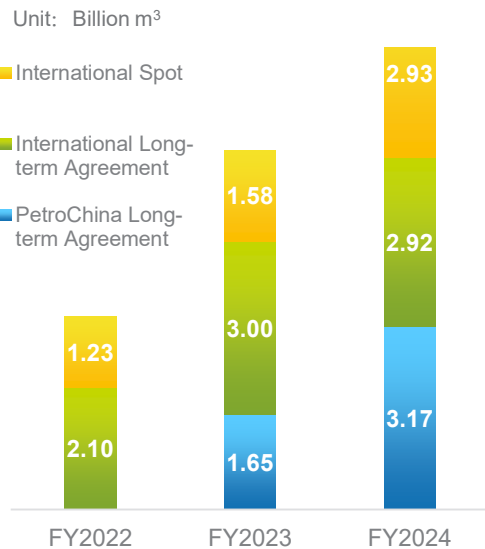
- Market-oriented policies are continuously advancing, with more diverse resource providers and strengthened international and domestic linkages
- Customers have stronger bargaining power, directly sourcing overseas, accelerating direct purchases by major clients, and expanding the scope of proxy transmission and procurement

Natural gas operators face both opportunities and challenges, making further integration of the industry chain imperative

2

2.2 Strengthening Complementary Advantages to Meet the Diversified Customer Demands Arising under New Market Conditions

Gradually increasing autonomous resources



ENN-NG: Resources and LNG Receiving Terminals

- **Strengthening long-term cooperation with three major oil conglomerates:** Pursuant to the long-term contract with China National Petroleum Corporation, ENN-NG has imported from China National Petroleum Corporation LNG of approximately 3.2 billion cubic meters in 2024, representing a year-on-year increase of approximately 1.5 billion cubic meters.
- **Optimising the flow of international LNG resources:** As of now, long-term agreements for close to 10 million tonnes of LNG have been signed, with 2.06 million tonnes already delivered in 2024.
- **Zhoushan LNG Terminal:** The current operational processing capacity stands at 7.5 million tonnes per year. Upon completion of Phase III in 2025, the capacity is expected to reach 10 million tonnes per year. In 2024, the unloading volume of the Zhoushan LNG terminal was 2.41 million tonnes, representing a year-on-year increase of 53%.

ENN: Extensive Customer Resource Base

- ENN's city gas projects are well represented across 20 provinces nationwide, with over 270,000 industrial and commercial customers and more than 31 million residential users. Most of these projects are located in economically developed regions such as Zhejiang, Jiangsu, Shandong, Guangdong, Fujian, and Anhui, which are advantageous markets for distribution of imported LNG. Through swapping of LNG resources, ENN can also reach markets across the PRC.



Both parties leverage their respective strengths to achieve complementary advantages through integration, effectively realizing the "1+1>2" effect to better meet the diverse needs of customers in the new market environment.

- Meet **low-cost gas usage** needs
- Meet **flexible peak-shaving gas demand** needs
- Meet **stable gas supply** needs.
- Meet **multi-facility flexible usage** needs
- Meet **flexible on-demand gas usage** needs
- Meet **price risk control** needs
- Meet **cross-regional low-cost delivery** needs
- ...
- **Based on ENN-NG's natural gas resource pool and LNG receiving terminals, ENN can continue to deepen its city gas business, expand its scale, and continuously develop its integrated energy and smart home businesses.**

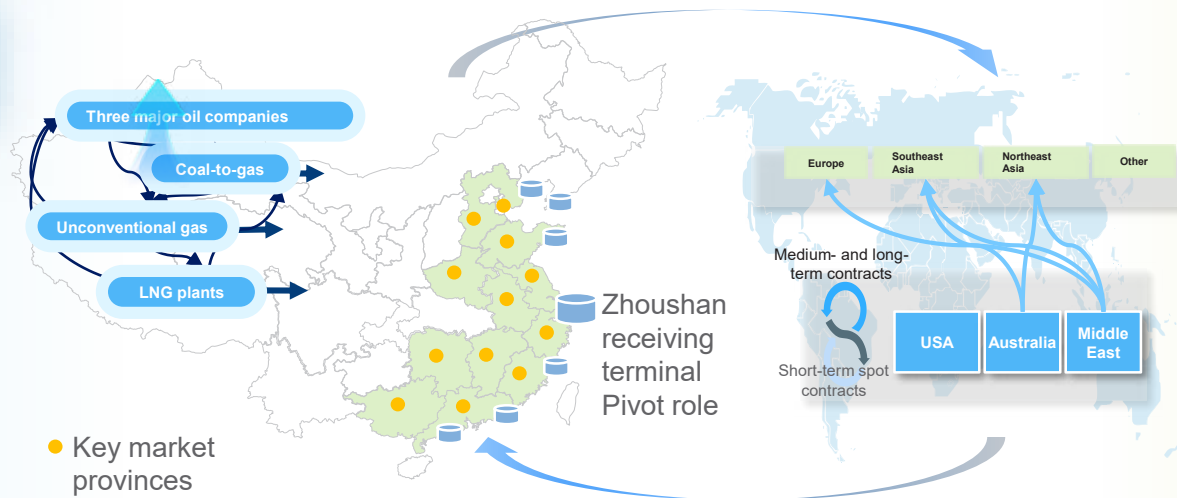
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2.3 Leveraging the Natural Gas Comprehensive Advantage to Effectively Hedge Risks and Seize Opportunities

- **Solid Customer Base:** the international and domestic customer base can be expanded based on city gas franchise rights, creating a complementary client relationship between ENN-NG and ENN Energy.
- **Diversified Domestic and International Resources:** after the integration, the long-term natural gas resources held by ENN-NG can serve as a “ballast” for ENN's natural gas business operations, stabilizing gas sources and enhancing the stability of its business operations.
- **Strong Infrastructure leverage points:** the Zhoushan LNG Receiving Terminal is leveraged as a strategic hub, achieving flexible interactive dynamics between international and domestic resource markets.
- **Advanced International Risk Control System:** By leveraging both domestic and international markets, the hedging capabilities and risk control systems to mitigate risks can be further strengthened, ensuring overall business stability and balance.

Conduct dynamic, high-frequency market assessments and manage resource value through physical and paper hedging strategies

After further integration, ENN-NG can focus on European market demand when resource prices are high, ensuring the international sale of long-term resources. By comprehensively considering the profitability of cargo imports, the group can optimize its resource pool cargo swaps and match domestic demand reasonably.



During periods of declining resource prices, resources can be sold through ENN.

During periods of declining resource prices, the group proactively engage in market development with a view to support the import of LNG, attracting medium-term to long-term customers through innovative approaches such as “shipment crowdfunding + options trading”, “flexible + dynamic portfolio supply of multiple resources”, “resource custodianship + hedging” and “peak-shaving + stable services” and enhance the profitability of natural gas retail and distribution businesses.

Solid customer base

Diversified domestic and international resources

Strong infrastructure leverage points

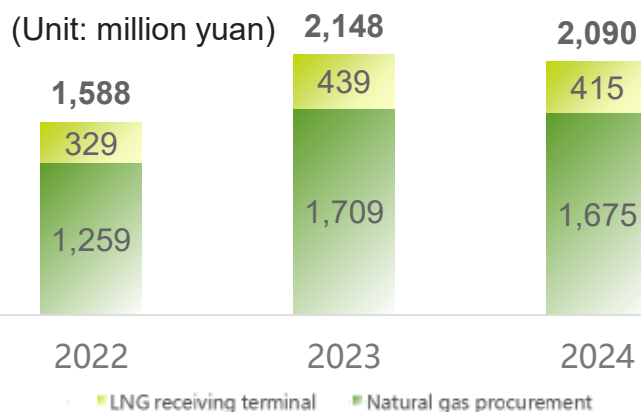
Advanced international risk control system

2.4 Optimizing Corporate Governance and Enhancing Capital Management Efficiency to Flexibly Respond to Synergy Needs

Challenges Faced

- Currently, ENN-NG and ENN operate as independent listed entities, resulting in maintaining independent and separate management functions, capital pool and liquidity reserves.

The scale of natural gas procurement and LNG receiving terminal transactions between ENN and ENN-NG²



Significance of This Transaction



Flexibility to Optimize Governance Efficiency

- Upon completion of the Proposal, the Enlarged ENN-NG Group will enjoy further flexibility in optimizing its organization structure and streamlining decision-making process.
- This helps improve operational efficiency and enhance responsiveness to rapid market changes.



Enhance Capital Management Efficiency

- Integration allows for unified capital management and planning, fully leveraging the advantages of pooled funds.
- This facilitates the release of liquid capital, reduces capital occupation, and achieves higher financial returns.



Responding Flexibly to Synergy Demands

- Transactions between ENN-NG and ENN will no longer be subject to requirements related to Hong Kong-listed companies' connected transactions.
- As such, the Enlarged ENN-NG Group will be conducive to seamless cross-entity cooperation, in turn driving synergies.
- In addition, the Enlarged ENN-NG Group will also benefit from reduced compliance overhead associated with ongoing connected transactions.



Analysis of Shareholder Economic Benefits



3

3.1 Economic Benefits of This Privatization — Overview

Scheme Shareholder Benefits of ENN

1

New Issuance of H Shares by ENN-NG

- Each share of ENN stock held by scheme shareholders will be exchanged for 2.9427 shares of ENN-NG H shares.

2

Cash Payment

- Each share of ENN stock held by scheme shareholders will receive a cash payment of HKD24.50.

Reasonable Transaction Valuation

- The theoretical total value per scheme shareholder share in this transaction is HKD 80.00. The premium rate for scheme shares based on last undisturbed/trading day is shown in the table below.

Based on daily closing prices as quoted on the HKEx	Last Day	30 trading days up to and including the Last Day	60 trading days up to and including the Last Day	90 trading days up to and including the Last Day
Premium Rate based on LUD ¹	47.60%	51.18%	49.20%	49.12%
Premium Rate based on LTD ²	34.57%	49.99%	48.91%	48.81%

- ENN's implied valuation is RMB83.55 billion, with an implied valuation multiple of 12.02x (2024 core profits P/E).

Payment in both cash and shares provides simultaneous assurance for both short-term and long-term returns

- Cash Consideration:** Each scheme share is entitled to a cash consideration of HKD24.50, representing approximately 45% of the closing price on the closing date. The cash consideration exceeds the sum of ENN's cash dividends distributed over the past 10 years, offering Hong Kong shareholders a substantial one-time return.
- Share Consideration:** Each scheme share is entitled to 2.9427 ENN-NG H shares in exchange, sharing the long-term development benefits of the merged entity.

The EPS increase for ENN shareholders following completion of this transaction:

- Following the completion of the transaction, it is expected to result in an increase of approximately 24% in ENN's 2024 basic EPS for its scheme shareholders based on unaudited pro forma financial information of the ENN-NG.

Steady expected dividend returns:

- Based on ENN-NG's 2023-2025 dividend payout plan, the estimated 2025 dividend per share is RMB 0.96 for ENN-NG's H share.
- According to the shareholder dividend payout plan which is disclosed by ENN-NG simultaneously and based on the implementation of this transaction, the planned dividend payout ratio from 2026-2028 thereof is no less than 50% of core profits, maintaining a stable dividend payout.

Note 1: Premium rate for scheme shares based on last undisturbed day, without unusual trading volume and price volatility, which is 14th March, 2025

Note 2: Premium rate for scheme shares based on last trading day, which is 18th March, 2025

Note 3: The method for calculating the EPS increase for ENN shareholders is as follows: $Enlarged\ ENN - NG\ EPS \times exchange\ ratio \div (share\ exchange\ consideration / total\ consideration \times ENN\ EPS) - 1$

3

3.2 Economic Benefits of This Privatization — Achieving Considerable Overall Gains

- The overall implied premium rate of this transaction (calculated by the combination of stock price and cash consideration) exceeds the comparable range from the historical premium rates of stock exchange privatization transactions in the HKEx.
- Among successful comparable HKEx stock exchange privatization transactions in recent years, the theoretical offer price represent a premium of 26.61%, 29.18%, 31.41% and 34.10% over the average closing prices one trading day, 30 trading days, 60 trading days, and 90 trading days before the last trading day (inclusive), respectively.

Date	Stock Code	Stock name	Industry	Transaction Method	Premium Rate Compared to LTD	Premium Rate Compared to Average Closing Price 30 trading days up to and including the LTD	Premium Rate Compared to Average Closing Price 60 trading days up to and including the LTD	Premium Rate Compared to Average Closing Price 90 trading days up to and including the LTD
2024/10/9	6837.HK	Haitong Securities	Finance	Merger by absorption	32.06%	38.27%	35.30%	31.29%
2020/7/31	1169.HK	Haier Electronics	Consumption	Scheme of Arrangement	44.21%	42.65%	46.63%	51.38%
2020/2/27	0020.HK	Wheelock and Company	Real Estate	Scheme of Arrangement	52.17%	45.20%	43.87%	45.90%
2017/9/8	1893.HK	SINOMA	Materials	Merger by absorption	19.19%	31.18%	44.86%	52.96%
2015/1/9	0013.HK	Hutchison Whampoa	Infrastructure	Scheme of Arrangement	-1.30%	-6.05%	-8.89%	-10.51%
2014/12/31	6199.HK	CNR	Transportation	Merger by absorption	13.30%	23.85%	26.67%	33.58%
Average					26.61%	29.18%	31.41%	34.10%
Median					25.62%	34.73%	39.58%	39.74%
ENN					47.60%	51.18%	49.20%	49.12%

Data Source: iFind

Note 1: Comparable stock exchange privatization transactions exclude those deal value are less than 1bn USD and with pure cash option.

Note 2: The valuation benchmark date is the last trading day of the relevant 3.5 Announcement. The premium rate is based on the theoretical offer price relative to the average closing price (without rights adjustment) increase. Any discrepancies with the announcement made to the market shall be due to tail differences and minor differences in the aforementioned calculation formula.

Note 3: The stock consideration for Wheelock and Company was a special dividend distributed in kind, paid after the court meeting ruling.

Note 4: ENN premium rate based on last undisturbed day (2025/3/14).

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3.3 Economic Benefits of This Privatization — Payment in both cash and shares provides simultaneous assurance for both short-term and long-term returns:

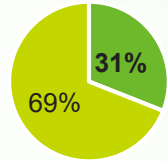
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Cash consideration

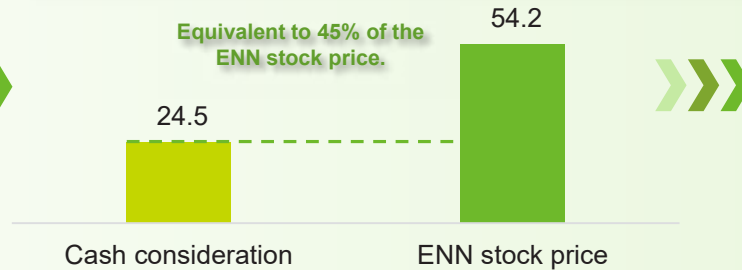
- Each share of ENN stock held by scheme shareholders will receive a cash payment of HKD24.50.
- HKD24.5 cash per share exceeds the total dividends paid from 2015 to 2024.

Cash consideration represents 31% of the cancellation consideration theoretical value, providing a flexible and balanced combination of considerations

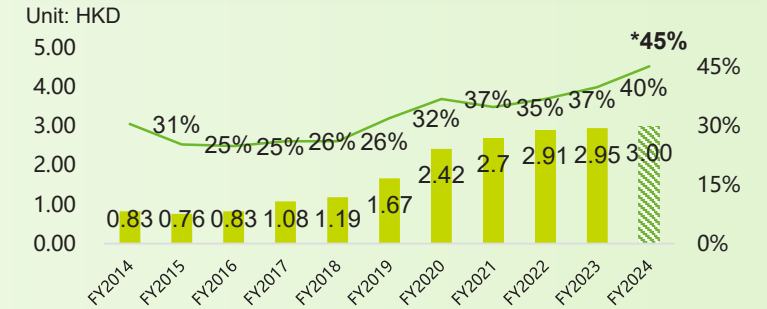


■ Cash consideration ■ Share consideration

The cash consideration represents 45% of the closing price as of the last undisturbed day, offering substantial immediate returns



HKD24.5 cash per share exceeds the total dividends paid by ENN over the past 10 years



2

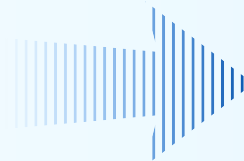
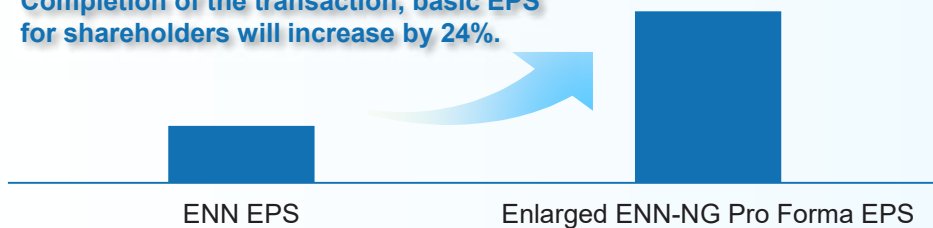


Share consideration

- Each share of ENN stock held by scheme shareholders will be exchanged for 2.9427 shares of ENN-NG H shares.

Following the completion of the transaction, 2024 basic EPS for scheme shareholders will increase by 24%.

Completion of the transaction, basic EPS for shareholders will increase by 24%.



Dividend payout plan






- RMB 0.96 per share dividend in 2025.
- The planned dividend payout ratio for 2026-2028 will be no less than 50% of core profits, maintaining a stable dividend payout.

Note 1: Based on the ENN stock price as of the date of the 3.5 Announcement.
 Note 2: The historical dividend rate is based on ENN's core profit calculation.

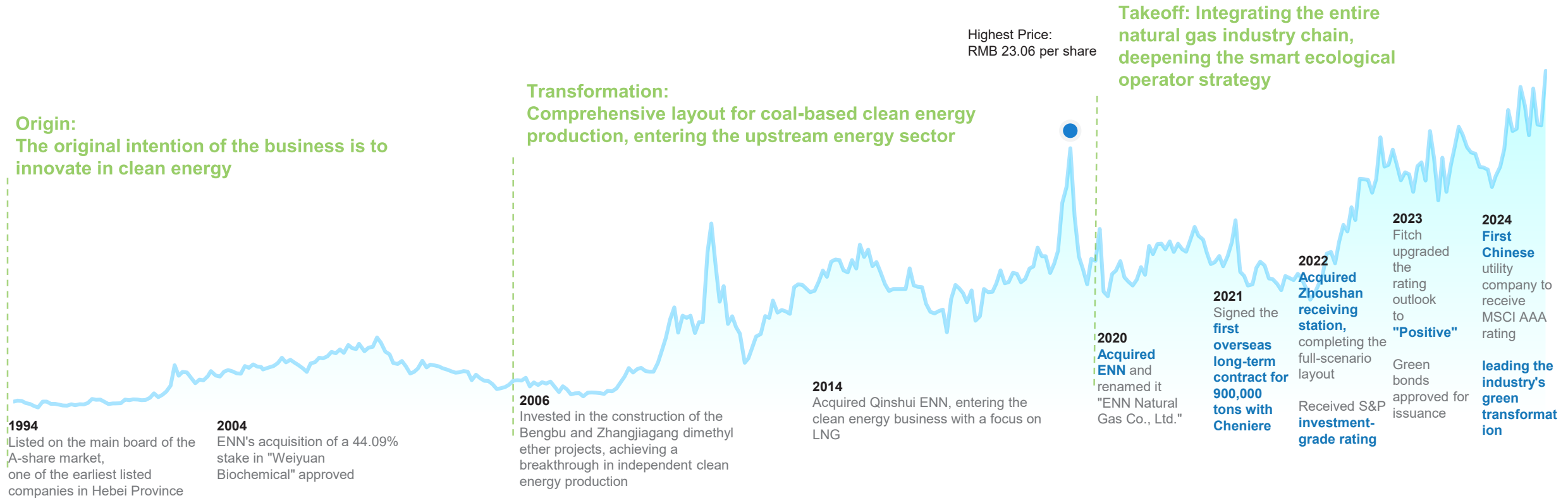
Appendix: Introduction to ENN-NG

Company Overview

- ENN-NG (stock code: 600803.SH) was listed in 1994 and is determined to be an operator of natural gas professional capability recognition platform by leveraging the all-scenario strategic pivots. The company aims to promote the industrial capability and efficiency by aggregating demand, resources and facilities ecology, matching intelligently, leveraging the best practices, building intelligent products and LMs.
- Our principal business includes direct gas sales by platform, retail and wholesale of natural gas, infrastructure operation, integrated energy, engineering construction and installation.
- The Company operates 261 city-gas projects nationwide, serving 270,000 C/I customers and over 31 mil residential customers, respectively.

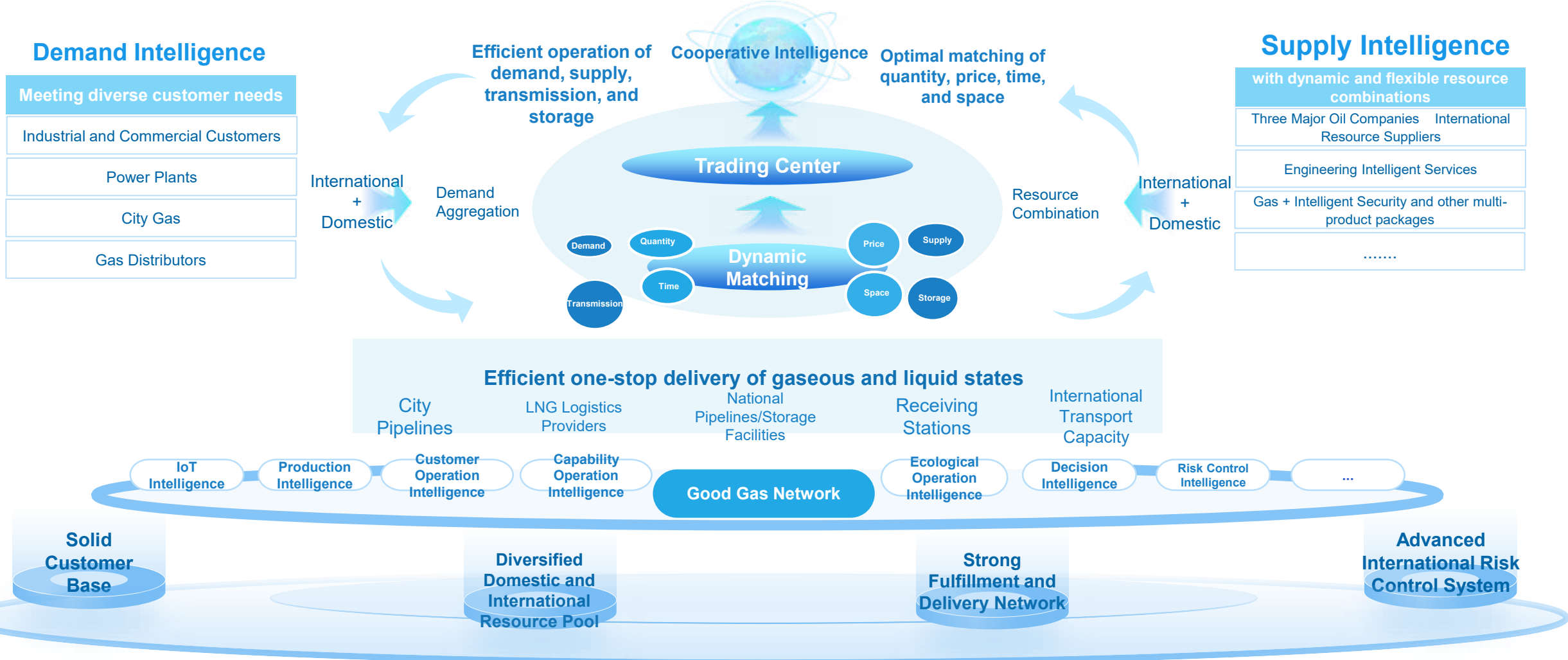
Direct Gas Sales by Platform	Retail & Wholesale of natural gas	Integrated Energy & Value added	Infrastructure Operation	Engineering Construction and Installation
				
<ul style="list-style-type: none"> ● The Company mainly purchases natural gas from overseas, supplemented by domestic LNG plants and unconventional resources, and sells gas to city gas companies, energy groups and large industrials, distributors, as well as international utilities, oil & gas companies and energy traders 	<ul style="list-style-type: none"> ● Retail: Our primary focus is purchasing natural gas from the three major oil companies and distributing it to residential clients, C/I customers, and CNG/LNG vehicle refueling stations via our pipeline network ● Wholesale: Complementing our retail gas sales, we procure gas from domestic upstream producers and sell it in bulk to customers outside our pipeline network's reach within our operating region 	<ul style="list-style-type: none"> ● Based on customer needs, the Company selects the best integrated energy solution for customers based on local conditions and provided integrated energy solutions including cooling, heating, steam and electricity ● Based on gas business, extending scenarios to enhance intelligence and expand products and services around household customer needs 	<ul style="list-style-type: none"> ● Operation of Zhoushan LNG Terminal, gas and liquid transmission and distribution pipelines, gas storage and other infrastructure 	<ul style="list-style-type: none"> ● Provide integrated engineering services for natural gas infrastructure, municipal engineering, new energy and digital intelligence, including engineering design, equipment manufacturing and integration, engineering construction ● Provide gas installation services for residential and C/I customers
600803.SH	2688.HK	2688.HK	600803.SH	Construction: 600803.SH Installation: 2688.HK

Committed to Innovating Clean Energy, Realizing the Dream of Industrial Digital Intelligence



Supported by four major pivot capabilities, we aim to build a smart ecological operator for the natural gas industry.

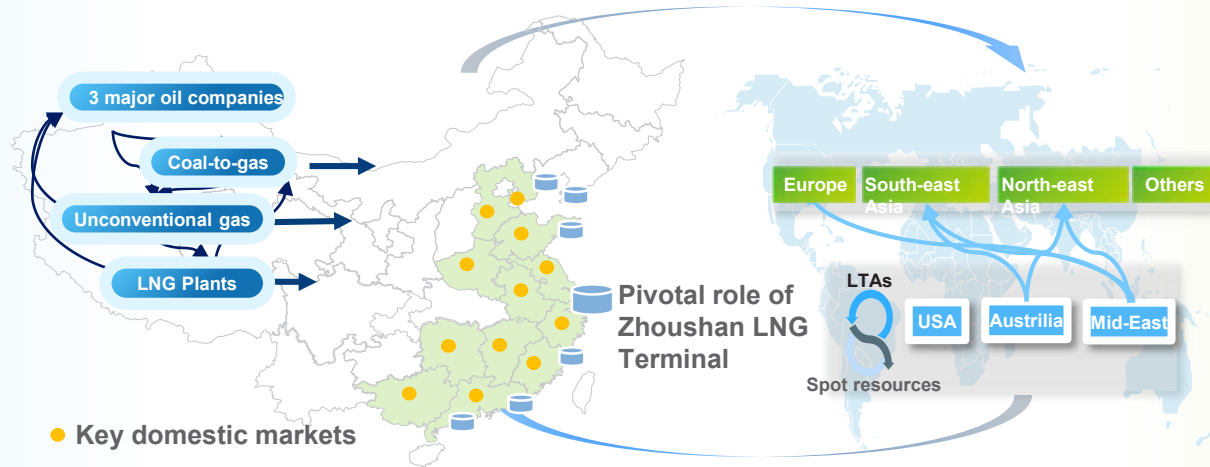
- Customer low-cost demand drives the strategic planning of the four major pivots, consolidating intelligent capabilities, promoting business innovation, forming new capabilities, and achieving a pivot-capability-business upward spiral.



In a complex and volatile environment, maintain overall business balance and stability through international-domestic resource combinations and international-domestic market combinations.

Overseas market

The company prioritized the European and Asian markets to expand international sales while gas prices got higher. Simultaneously, the company evaluated the profitability of LTA resources comprehensively and rationally match them with domestic demand.



Domestic market

The company pre-developed the market and secures medium-to-long-term customers through diversified innovative approaches to support international resource imports while international gas prices got lower.

Demands

- Total sales volume **39,219 mcm**
- DGSp sales volume **5,568 mcm**
- Volume for medium- and long-term demand **2,300 mcm**

Resources

- LTA from CNPC **3,166 mcm**
- Imported LTA resources **16 shipments**
- Overseas sales of LTA resources **10 shipments**
- Imported spot LNG **18 shipments**

Zhoushan LNG Terminal

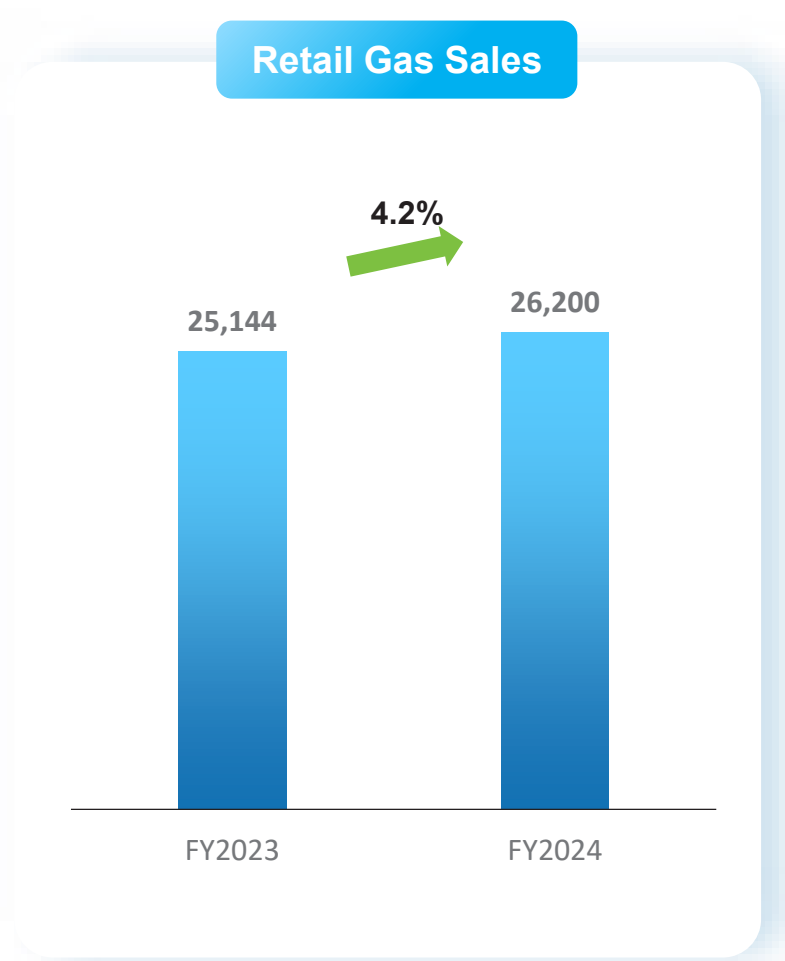
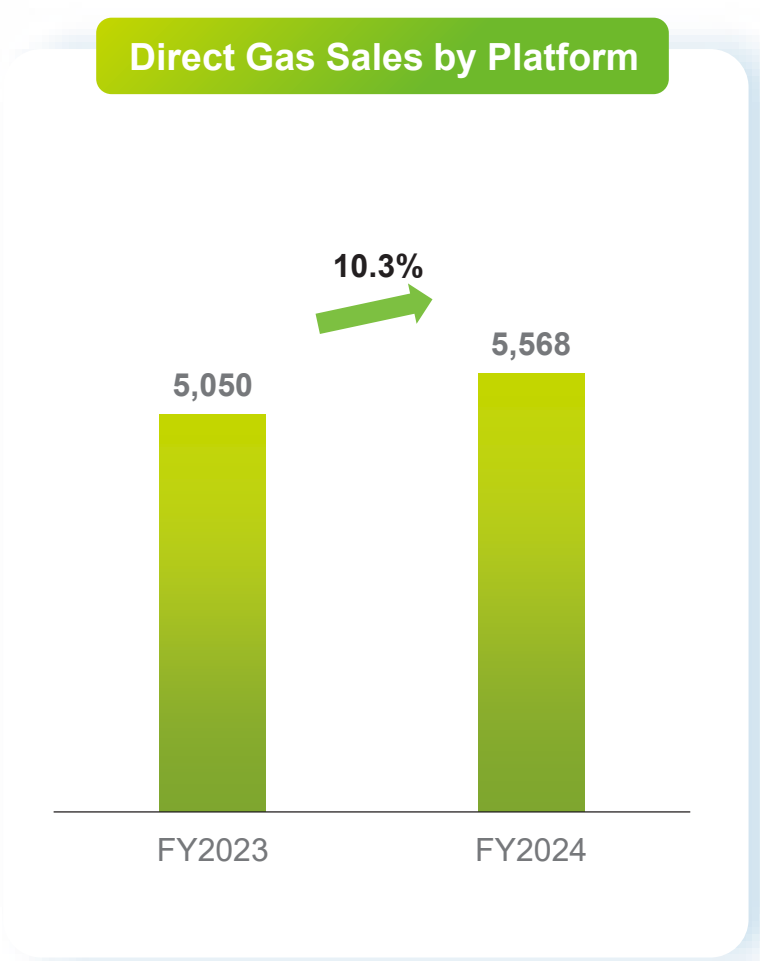
- Unloaded **37 shipments** in total
- Unloaded long-term contract of **13 shipments**
- Unloaded spot LNG of **11 shipments**
- Unloaded resources from other parties including CNPC, Zhejiang Energy Group and SK Group of **13 shipments**

Trading & Risk management

- Revenues from swap options by aggregating scattered demands reached **\$16mn**
- Expanded the cap swap model to achieve procurement cost reduction for **\$9mn**
- Total GMV of Tianjin International Oil & Gas Exchange reached **RMB 7.8bn**

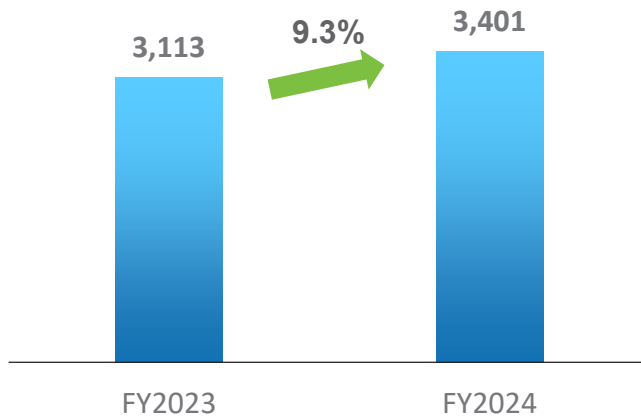
Continued expansion of the natural gas business scale

Unit: mil m³

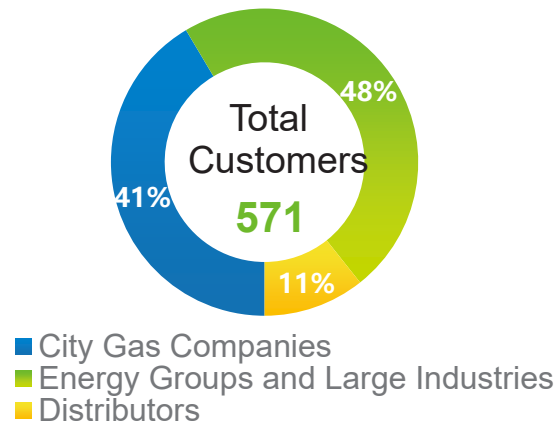


Link Domestic and International Markets, Expand Platform Trading Gas International Sales

Domestic Sales Vol (mil m³)



Customer Structure



*Customer breakdown was calculated by sales volume

Leveraging full-scenario advantages to secure long-term demand

Overview

Modes

- Annual sales
- Procurement Agent
- Hedging
- Peak-shaving
- Long-term cooperations

- The world's largest single-unit refining and chemical integration project, with a designed production capacity of 40 mil tons per year and a comprehensive energy consumption of 37 mil tons of standard coal
- Massive demand for natural gas in aspects such as **power generation, hydrogen production, and fuel gas**
- Signed the contract with a term of **8 years**
- Sales volume in 2024 exceeded **300 mil m³**, with an increase of **291%** yoy

Overview

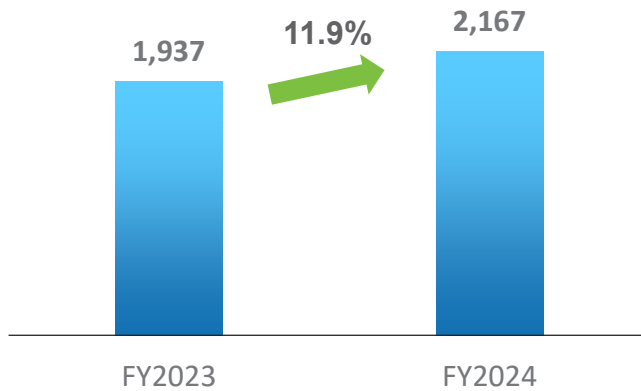
Modes

- FY2021: LNG sales
- FY2022: PNG annual contract
- FY2023: PNG LTA
- FY2024: Gas sales, Peak-shaving supply, Agency procurement, Cargo pooling and Windows scheduling

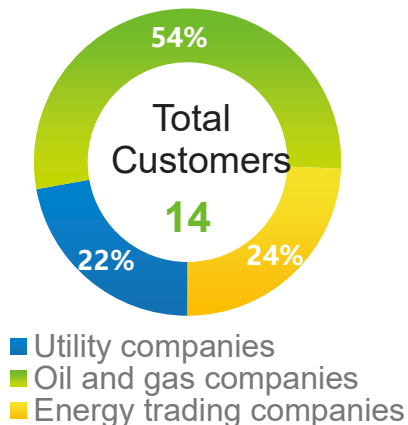
- Reached strategic cooperation with a city-gas group with 200+ projects through cooperation with one of its affiliated urban gas enterprises
- Signed a **4 year** contract and the gas sales volume in 2024 exceeded **90 mil m³**

Link Domestic and International Markets, Expand Platform Trading Gas International Sales

Overseas Sales Vol (mil m³)



Customer Structure



*Customer breakdown was calculated by sales volume

Continuously built global networks to optimize the resources

Characteristics

A large scale European utility company

- Owning its self-operated LNG terminal with flexible scheduling windows
- Owning a downstream power plant with large and stable gas demand
- Insufficient existing LTA resources while newly negotiated long-term contracts remains uncertainty

Modes

- Relying on FOB LTA and spot LNG resources, ENN successfully sold over **10 shipments** of LNG to Europe within recent years

Characteristics

An oil & gas company from Southeast Asia

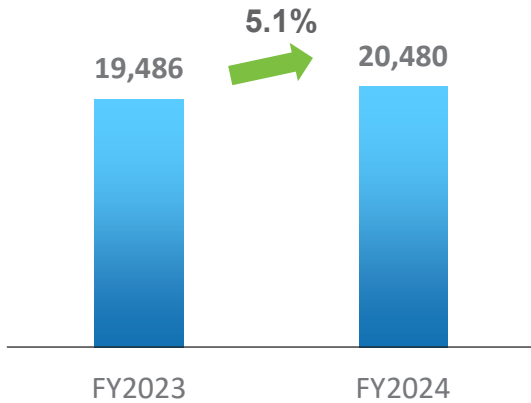
- Increasing gas demand driven by industry transfer and economic growth
- Actively seeking stable gas supply while facing challenges from insufficient domestic gas supply

Modes

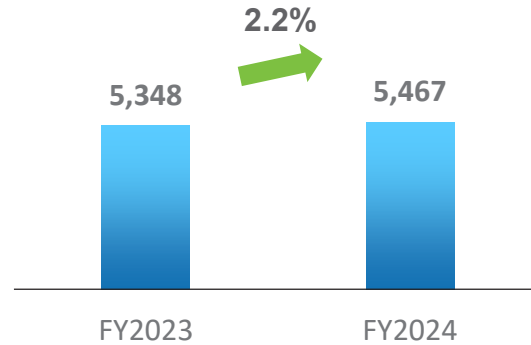
- Established a cooperation through **long-term and medium/short-term contracts**
- Cooperated and swapped **2 shipments** of LNG on mutual benefits within the year

Steady growth in retail gas

C/I Vol (mil m³)



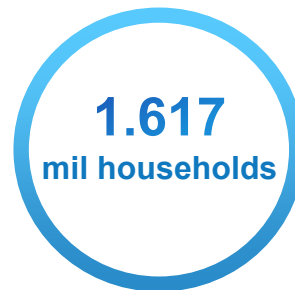
Residential Vol (mil m³)



Newly Designed daily capacity for C/I



New Residential Households



Expanded gas sales to realize incremental income

Driven by demand, achieving profitability through sales volume

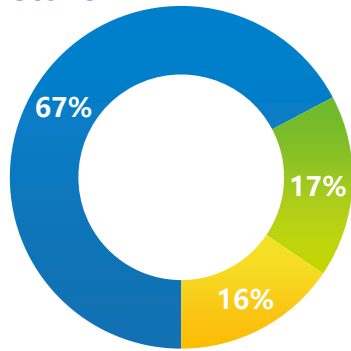
- Industrial customers: Explored incremental opportunities by **optimizing energy utilization processes**, implemented **flexible volume-price strategies** to maximize economies of scale, and enabled **intelligence-driven** value creation by leveraging industry expertise
- Commercial customers: Promoted the "**LPG-to-Pipeline Conversion**" through government-enterprise collaboration, adopted **flexible pricing models** and optimized delivery processes to tap into existing customer potential to contribute long-tail value contributions

Complied with the trend of reform to promote the residential pass-through

- **101** projects completed residential pricing pass-through and the proportion achieved **63%** to optimize profitability of residential customers

Based on customer demand, opportunistically expand relatively low-cost resource scale to support dynamic resource combinations

Diversified resources structure



■ Domestic PNG ■ Domestic LNG ■ International LNG

Domestic PNG includes:

- Three major oil companies
- LTA with CNPC
- Unconventional resources
- PNG from other third parties

Optimized resources structure to expand domestic and overseas markets

Optimized and expanded medium- and long-term resources

- Consolidated the long-term and systematic strategic cooperation with the three major oil companies
- Smooth execution of the LTA with CNPC with **3,166 mil m³**, representing an increase of **1,519 mil m³**

Dynamically optimized the destination of international resources

- Executed **12 shipments** of LNG under the LTA with Cheniere, among which **2 shipments** were imported to support the development of medium and long-term customers
- Imported **18 shipments** of overseas spot LNG resources by combining physical and derivatives trading strategies

Expanded ecosystem partnerships to secure strategic resources

- Broadened unconventional gas resources such as Yanchang and Xintian, with a **peak daily gas sales volume exceeding 5 mil m³**
- Expanded collaborations with resource suppliers such as **Sinochem, Shenzhen Energy, and Guanghui Energy**

Strategically layout and optimize infrastructure capabilities

Zhoushan LNG Terminal

Rely on Zhoushan LNG Terminal to strengthen integrated delivery capabilities and secure critical transmission routs



Processing Capacity

7.5 mil tons currently and **over 10 mil tons** after the completion of phase III

2024 Unloading Volume

37 shipments (+ **13** shipments) with **2.41 mil tons** (+**53.4%** yoy)

Customers

843.5 thousand tons from external customers, accounting for **35.0%**, including **CNPC**, **SINOPEC**, **SK** etc.

Storage facilities

Injected and extracted resources flexibly by self-owned and multi-level reserve capabilities from the third parties to realize resources balanced



Self-owned storage capacity

0.5 bil m³ currently and **over 1 bil m³** after the completion of phase III

Storage facilities from PipeChina

Secured a **10-year** storage capacity of **60 mil m³/year** at the Wen 23 Gas Storage facility and obtained about **10 mil m³** through the Pipeline Access Capacity Product

Other storage facilities

Collaborated with three major oil companies and secured a total capacity of **5 mil m³** through partnerships with CNPC and SINOPEC

Delivery networks

Built a flexible nationwide distribution network to achieve bi-directional adjustment and interconnection of resources from south to north and vice versa



Window slots from PipeChina

Utilized **11** window slots from PipeChina in 2024, becoming the largest user among the 2rd-tier peers

Pipeline transportation network

Ranking the **5th** largest client in PipeChina with **AAA** rating
27 uploading and **500+** downloading points

Transportation capacity

4 self-owned LNG vessels with **6** vessels on construction

Deployed **1,200+** tanker trucks with daily dispatch volume exceeding **800+** vehicles

Proactively Embraced Social Responsibility and Continuously Improved ESG Performance

Brand-new ESG Philosophy: WISE

- Extract and elevate the WISE philosophy from company genes and customer insights
- Use the "WISE" philosophy to guide each business segment in forming its own ESG development direction and practical measures



Environment

Carbon emission reduction (yoy)



Empowering Society and Clients to Achieve Emission Reduction



Society

Occupational injury case (mil hrs)



Charity donations

RMB31.27 mil

RMB 301 million in total since 2020

Governance

Corruption cases, Complaints, Environmental illegal case



Compliance Management Systems Certification

ISO37301

Anti-bribery Management Systems Certification

ISO37001

ESG Rating Performance



Awards and Honors



- 《Caijing》 magazine: The Evergreen Award and the Sustainable Development Green Award
- 《Securities Market Weekly》: ESG Golden Dawn Leadership Award of 2024
- Huxiu Website: Responsibility Governance Award of 2024
- Observer Information: Best ESG Practice Award
- **MSCI Emerging Market Leader Index**
- Hang Seng A-Share Sustainability Corporate Index
- Ranked among the top 30 companies in terms of A-share ESG performance
- Ranked top among all the companies in the Wind All A Index

Go all out, gather wisdom and move forward together

**Write a new chapter in the intelligent ecological
development of the natural gas industry**

ANNEX 4

LIST OF ENN-NG A SHARE ANNOUNCEMENTS

As disclosed in the section headed “23. OTHER INFORMATION WITH RESPECT TO THE PROPOSAL AND THE ENN SHARE OPTION OFFER” of this announcement, set out below is a list of the ENN-NG A Share Announcements published by ENN-NG on the website of the Shanghai Stock Exchange on the Announcement Date:

1. the announcement on the resolutions of the 26th meeting of the 10th board of directors of ENN-NG (新奧股份第十屆董事會第二十六次會議決議公告);
2. the announcement on the resolutions of the 19th meeting of the 10th board of supervisors of ENN-NG (新奧股份第十屆監事會第十九次會議決議公告);
3. the explanation by the ENN-NG Board on the completeness and legality of the statutory procedures and the effectiveness of the relevant legal documents submitted in respect of the Proposal and the ENN Share Option Offer (新奧股份董事會關於本次交易履行法定程序的完備性、合規性及提交的法律文件的有效性的說明);
4. the explanation by the ENN-NG Board on the absence of the circumstances prohibiting relevant entities involved in the Proposal and ENN Share Option Offer from participating in any material asset restructuring of any listed company set out in Article 12 of “Guidelines for the Regulation of Listed Companies No. 7 — Supervision of Irregular Trading in Shares relating to the Material Asset Restructuring of Listed Companies” (新奧股份董事會關於本次交易相關主體不存在不得參與任何上市公司重大資產重組情形的說明);
5. the explanation by the ENN-NG Board on the satisfaction of requirements under the “Guidelines for the Regulation of Listed Companies No. 9 — Regulatory Requirements for Listed Companies to Plan and Implement Material Asset Reorganizations” in respect of the Proposal and ENN Share Option Offer (新奧股份董事會關於本次交易符合《上市公司監管指引第 9 號 — 上市公司籌劃和實施重大資產重組的監管要求》第四條規定的說明);
6. the explanation by the ENN-NG Board on the Proposal and ENN Share Option Offer not constituting a new listing under Article 13 of the MAR Measures (新奧股份董事會關於本次交易不構成《上市公司重大資產重組管理辦法》第十三條規定的重組上市情形的說明);

7. the explanation by the ENN-NG Board on the confidentiality measures and system adopted in relation to the Proposal and ENN Share Option Offer (新奧股份董事會關於本次交易採取的保密措施及保密制度的說明);
8. the explanation by ENN-NG Board on acquisitions and disposals by ENN-NG within the 12-month period prior to the Proposal and ENN Share Option Offer (新奧股份董事會關於本次交易前 12 個月內購買、出售資產情況的說明);
9. the explanation by ENN-NG Board on the price fluctuation of shares of ENN-NG prior to the first public announcement of the Proposal and ENN Share Option Offer (新奧股份董事會關於本次交易首次披露前股票價格波動情況的說明);
10. the announcement on the general risk reminder in relation to disclosure of the proposal for the material asset restructuring and resumption of trading of shares of ENN-NG (新奧股份關於披露重大資產重組預案的一般風險提示暨股票復牌公告);
11. the shareholder return plan for ENN-NG (2025-2028) (新奧股份未來四年(2025-2028年)股東分紅回報規劃);
12. the proposal for the material asset acquisition and connected transaction of ENN-NG (the “MAA Proposal”) (新奧天然氣股份有限公司重大資產購買暨關聯交易預案);
13. the abstract of the MAA Proposal (新奧天然氣股份有限公司重大資產購買暨關聯交易預案(摘要));
14. the independent financial adviser verification opinion by CICC on the MAA Proposal (中國國際金融股份有限公司關於新奧天然氣股份有限公司重大資產購買暨關聯交易預案之獨立財務顧問核查意見);
15. the verification opinion by CICC on acquisitions and disposals by ENN-NG within the 12-month period prior to the Proposal and ENN Share Option Offer (中國國際金融股份有限公司關於新奧天然氣股份有限公司最近12個月內購買、出售資產情況之核查意見);
16. the letter of undertaking from CICC with respect to its appointment as the independent financial adviser in connection with the material asset acquisition and connected transaction of ENN-NG (中國國際金融股份有限公司關於擔任新奧天然氣股份有限公司重大資產購買暨關聯交易獨立財務顧問的承諾函);
17. the verification opinion by CICC on the price fluctuation of shares of ENN-NG prior to the first public announcement of the Proposal and ENN Share Option Offer (中國國際金融股份有限公司關於本次交易首次披露前股票價格波動情況的核查意見); and
18. the verification opinion by CICC on the Proposal and ENN Share Option Offer not constituting a new listing under Article 13 of the MAR Measures (中國國際金融股份有限公司關於本次交易不構成《上市公司重大資產重組管理辦法》第十三條規定的重組上市情形的核查意見).