



ENN Energy's Total Natural Gas Sales Volume Up 15.6% to 26,963 million m³ in 2019

Sales of Integrated Energy Up 137.2% to 6,847 million kWh

Cash Flow Grew Steadily

The Board Recommended to Increase Dividend by 40.3% to HK\$1.67 Per Share

(Hong Kong, 16 March 2020)—ENN Energy Holdings Limited (stock code: 2688.HK), one of the largest clean energy distributors in China, announced its annual results for the year ended 31 December 2019 (“the Year”). As China actively adjusted its economic structure, paying more attention to high-quality development, the international political and economic development posed rising uncertainties. ENN Energy managed to seize opportunities arising from China’s determination to promote environmental protection and the acceleration of energy reform progress, leveraging on the huge value of customer network. During the year, total natural gas sales volume surged 15.6% to 26,963 million cubic meters, while sales of integrated energy including steam, cooling, heating and electricity significantly increased by 137.2% to 6,847 million kWh. Total revenue of the Group including joint ventures and associates significantly increased by 17.0% to RMB102,491 million, while revenue of the Group increased by 15.6% to RMB70,183 million. Profit attributable to shareholders of the Company increased by 101.2% to RMB5,670 million. Core profit driven by operating activities increased by 18.0% to RMB5,278 million. The strong growth of business and superior financial management led to a significant increase of 40.9% in operating cash flow to RMB11,690 million, and a positive free cash flow of RMB2,694 million. In recognition of shareholders’ support, the Board recommended a final dividend of HK\$1.67 per ordinary share (equivalent to approximately RMB1.50), representing a significant increase of 40.3% year-on-year.

The Company’s share price increased by 22.6% in 2019, which significantly outperformed Hang Seng Index’s 9.1% gain and Hang Seng China Enterprises Index’s 10.3% gain. ENN Energy was also included in a number of influential capital market rankings, such as Institutional Investors magazine, IR Magazine, the Top 100 Comprehensive Strength List of “Top 100 Listed Company in Hong Kong”, and International Annual Report Design Awards (IADA), demonstrating its execution ability, professional information disclosure, investor relations management and corporate governance are highly recognized by the capital market.

Mutual Growth from Internal Creation and External Expansion

With strong execution ability, the Group actively developed new natural gas customers, promoted coal-fired boilers replacement and conducted oil or electricity-to-gas conversion for commercial and industrial (“C/I”) customers. Retail natural gas sold to C/I customers, residential customers and gas refueling stations increased by 14.7% to 19,924 million cubic meters, and continued to outperform the national growth of 9.4%. In terms of non-gas energy sales, the Group seized opportunities arising from stricter air pollution prevention and control, relocation of industrial facilities to industrial parks,

adjustment of heating supply structure in industrial park, and the incremental power distribution reform. During the year, 36 integrated energy projects were put into operation, with another 22 under construction and 75 industrial parks projects newly signed. The Group believes that this business will develop rapidly when some of the quality projects are put into operation. Among the newly signed industrial park projects, 53 are located outside the Group's city-gas concessions, accounting for 71% of all.

The group also took the opportunities arising from industry consolidation, and acquired the exclusive operating rights of 30 city-gas projects during the year with an incremental population of 4,015,000 through strategic M&A and new operating rights acquisition, amongst which 15 projects are located in Shanghai, Shandong and Anhui, which further strengthened its geographical coverage in regions with better economic development and huge gas demand.

Unleash the Value of Large Customer Base

The Group's customer base has expanded rapidly along with the increasing penetration, presenting huge business potential. In 2019, the Group actively developed customer-centric value added business through providing residential and C/I customers with various energy solutions, tailor-made and standardized products, with a view to providing customers with tailored services for different scenarios and becoming their one-stop energy solutions provider. The Group also sent energy experts to evaluate the pain points faced by C/I customers and provided them with energy-saving technologies and retrofitting services, so as to maintain customers' market competitiveness by enhancing their energy consumption and production efficiency, enabling users who could not afford natural gas to gain access to the energy, thereby driving the continuous growth of customers' energy needs. During the year, the Group's inhouse brand Gratile's gas appliances and various household products achieved higher sales to 431,268 units, up 75.7% year-on-year, indicating an increasing brand awareness in the market. Driven by its innovative and diversified customer solutions, revenue of value added business increased by 38.8% year-on-year to RMB 1,988 million, while gross profit significantly grew by 125.5% to RMB 1,236 million. Currently, penetration rate of value added services among the Group's existing 20.92 million residential households and 149,000 C/I customers is only 6%, reflecting the rapid development of this business and its huge growth potential.

Giving Back to the Society with Improved ESG Governance

The outbreak of the new coronavirus has caused shortage of materials in the severely affected areas of Hubei Province. The Group actively raised epidemic prevention materials and delivered them to a number of hospitals in the epidemic area at the shortest time possible, and donated RMB10 million to support the local front-line medical staff to fight the epidemic. Since the outbreak, the Group has actively responded to the call of the government and taken the initiative to take social responsibility, the Group worked closely together with its business partners, abiding by the commitment of "ensuring energy supply and supporting livelihood". Over the course of epidemic prevention, ENN Energy has become a role model being a perseverant private enterprise. National media outlets including People's Daily, Xinhua News Agency, China Securities News and other industry media outlets, Hebei Daily, Hebei TV and other provincial media, as well as various news clients and other media reported the Company's actions in countering epidemic.

The Group believes that only by actively giving back to the society and contributing to the prosperity and stability of the society, can the Group be more conducive to its successful development. Therefore, the Group has integrated the three elements of environment, society and governance ("ESG") into its own development strategy and escalated it to the Board level for supervision. The Group not only set up an ESG Committee and an ESG working group, but also linked management compensation with relevant ESG indicators of the functions they are responsible for. As at the end of 2019, 6 member companies had respectively obtained the environmental and occupational health and safety management system (environmental certification: ISO14001, occupational health and safety certification: OHSAS18001 / ISO45001) certificates. Going forward, the Group will continue to encourage all member companies to actively establish an enterprise environment and occupational health and safety management system in accordance with ISO standards, and move towards fulfilling international standards, so as to ensure that the excellent occupational safety and health and environmental protection culture of ENN Energy can be inherited.

Think Ahead as Market Reform Deepens

2019 marked the year of China's continuous progress and further implementation of natural gas market reform. The establishment of National Oil & Gas Pipeline Network Group Co. made it possible for city-gas distributors to procure domestic and overseas natural gas sources independently and reduce the burden on end-users. Meanwhile, the central government continued to encourage the transformation of energy structure in order to improve quality and efficiency, and issued policies to support the use of natural gas as a clean energy, and promoted the integrated energy supply model. Besides, the national power market reform has entered into a substantial stage which also provided favorable environment for the rapid development of integrated energy business.

The Group will capitalize on opportunities arising from the regional development strategies of Beijing-Tianjin-Hebei, the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area, to explore quality projects with huge industrial gas and integrated energy demand through M&A; while in developing the integrated energy business, it will adhere to the strategy of progressive implementation and investment, and strengthen the core competitiveness of integrated energy business. It will also innovate project operation models, create core product solutions, and optimize data and IoT connections and analysis. The Group will leverage on the advantages of its existing large customer base, and actively explore, tap and respond to their potential needs, so as to accelerate the expansion of value added business and create value for the Group.

Mr. Wang Yusuo, Chairman of ENN Energy, stated, "China's overall economic growth in 2019 was 6.1%, and the per capita GDP exceeded US\$10,000 for the first time, reflecting an improvement in the quality of economic growth. We have numerous projects covering the Guangdong Province and Jiangsu Province located along the Eastern coast, where the annual GDP of these provinces has exceeded or approached the RMB10 trillion benchmark, becoming the first batch of provinces named 'RMB10 trillion GDP provinces' in China. We will leverage on the national strategy of facilitating the regional development around Beijing-Tianjin-Hebei, the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area, to quickly tap new growth opportunities for future development. Look forward to 2020, ENN Energy will continue to work hard and create greater value for our shareholders!"

(The End)

About ENN Energy Holdings Limited

ENN Energy is one of the largest clean energy distributors in China. The principal business of the Group is the investment in, and the construction, operation and management of gas pipeline infrastructure, vehicle and ship refuelling stations and integrated energy projects, the sales and distribution of piped gas, LNG and other multi-energy products. The Group also conducts energy trading business and provides other services in relation to energy supply in the PRC. As of 31 December 2019, the Group had 217 project cities in China in 22 provinces, municipalities and autonomous regions, namely Anhui, Beijing, Fujian, Guangdong, Guangxi, Hebei, Henan, Hunan, Inner Mongolia, Heilongjiang, Gansu, Jiangsu, Jiangxi, Liaoning, Sichuan, Shandong, Yunnan, Zhejiang, Shanxi, Shaanxi, Shanghai and Tianjin, covering a connectable urban population of 104 million. The Group also developed integrated energy projects in key regions spanning across 27 provinces and municipalities, with the accumulative number of projects in operation amounting to 98.

ENN Energy is a constituent of the Hang Seng Composite Large Cap Index, the Hang Seng China Enterprises Index and the MSCI China Mid Cap Index. For more information, please visit the Group's website at <http://ir.ennenergy.com/>.

IR Enquiry:

ENN Energy Holdings Limited
Investor Relations Department
Tel: (852) 2528 5666
Email: ir@enn.cn

Media Enquiry:

Hill+Knowlton Strategies Asia
Beatrice Wong / Geffron Au Yeung
Tel: (852) 2894 6373 / (852) 2894 6255
Email: ENN.Energy@hkstrategies.com

Financial and Operational Data for 2019 Annual Results

(As of 31 December)	2019	2018	+/-
Business Development			
No. of city-gas projects in China	217	187	30
Urban population coverage (thousand)	103,880	94,569	9.8%
Piped gas penetration rate	60.4%	58.8%	1.6ppt
Accumulated number of integrated energy projects in operation	98	62	36
Revenue Analysis (RMB million)			
Retail gas sales business	40,049	34,272	16.9%
Sales of integrated energy and services	2,749	1,005	173.5%
Wholesale of gas	18,465	18,107	2.0%
Construction and Installation	6,932	5,882	17.9%
Value added business	1,988	1,432	38.8%
Percentage of Segment Revenue (%)			
Retail gas sales business	57.1	56.5	0.6ppt
Sales of integrated energy and services	3.9	1.7	2.2ppt
Wholesale of gas	26.3	29.8	-3.5ppt
Construction and Installation	9.9	9.7	0.2ppt
Value added business	2.8	2.3	0.4ppt
New Natural Gas Customer Development During the Year			
Residential households (thousand)	2,397	2,302	4.1%
C/I customers (sites)	27,656	29,226	-5.4%
Installed designed daily capacity for C/I customers (thousand m ³)	18,156	18,652	-2.7%
Sales of Gas (million m³)			
Total natural gas sales	26,963	23,328	15.6%
-Residential customers	3,345	2,885	15.9%
-C/I customers	15,334	13,225	15.9%
-Wholesale of gas	7,039	5,958	18.1%
-Vehicle gas refuelling stations	1,245	1,260	-1.2%
Sales of Integrated Energy			
Sales vol of cooling, heating, electricity, and steam (mil kWh)	6,847	2,886	137.2%