



ENN Energy's Total Natural Gas Sales Volume Up 9.7% to 29.57 billion m³ in 2020

Sales of Integrated Energy Up 75.9% to 12.04 billion kWh

Low Carbon Portfolio to Drive Sustainable Development

(Hong Kong, 22 March 2021)—ENN Energy Holdings Limited (Stock code: 2688.HK; “ENN Energy” or “the Group”), one of the largest clean energy distributors in China, announced its annual results for the year ended 31 December 2020 (“the Year”). During the year, total natural gas sales volume increased by 9.7% to 29.57 billion cubic meters. Excluding wholesale of gas, retail natural gas sales volume increased by 10.2% to 21.95 billion m³. Sales of integrated energy including steam, cooling, heating and electricity surged 75.9% to 12.04 billion kWh. Total revenue of the Group including joint ventures and associates amounted to RMB 99.87 billion. The Group reduced gas selling prices due to lower purchase costs, thus, revenue of the Group increased slightly by 2.0% to RMB71.62 billion. Thanks to the Group’s diversified gas sourcing and customer-oriented development strategies, core profit driven by operating activities increased significantly by 18.2% to RMB 6.24 billion.

With solid performance and excellent financial management, the Group continued to generate positive free cash flow. 2021 is the 20th anniversary of IPO of the Group. To thank our shareholders for their long-term support, the Board recommended a special dividend of HK\$0.32 and a final dividend of HK\$2.10 per ordinary share. Total annual dividend amounts to HK\$2.42, representing a year-on-year increase of 44.9%.

Mr. Wang Yusuo, Chairman of ENN Energy, stated, “The year 2020 was full of challenges. The global outbreak of COVID-19 disrupted economic activities and caused recessions in various countries. Nevertheless, China’s economic activities, especially industrial production, have been resumed in an orderly manner since the second quarter of the year. Thanks to the effective pandemic prevention and control measures adopted by the government. During the year, the Group ensured the safety of gas supply, and provided comprehensive protection for all of our employees, while cooperating with the government to fight against the pandemic. The Group achieved remarkable growth which was higher than the industry level during the year, demonstrated our team’s outstanding execution capability.”

With years of steady growth in operating results and innovative business models that are adaptive to market changes, the Group was named “Award of Excellence: Downstream” at 2020 S&P Global Platts Global Energy Awards, and “Best Investor Event” from IR Magazine. The Group was also included in numerous influential rankings in capital market. ENN Energy has been awarded “Most Honored Company” in Institutional Investors “All-Asia Executive Team” ranking for four consecutive years, and ranked No.996 in Forbes 2020 Global 2000 list, up 438 places from 2019. The above awards firmly demonstrated ENN Energy’s outstanding achievements in providing clean natural gas and integrated energy services with a focus on customer needs have been highly recognized by the capital market.

【For Immediate Release】

Expand Customer Base & Drive Sustainable Growth

Most of the Group's projects are located in key areas of air pollution prevention and control, including Beijing, Tianjin, Hebei, Henan, Shandong, Jiangsu, Zhejiang, Guangdong and other provinces, where local governments strictly implement environmental protection policies. During the year, a total of 28,367 new commercial and industrial ("C/I") customers (gas appliances installed with daily designed capacity of 17.08 million cubic meters) were developed. By the end of 2020, the Group has served a total of 177,128 C/I customers (gas appliances installed with daily designed capacity of 142 million cubic meters). Meanwhile, China is sprinting toward a "moderately well-off society". By the end of 2020, the urbanization rate of the country has exceeded 60%. The government aims to increase the urbanization rate to 65% during the 14th Five-Year Plan period. Large-scale urbanization requires the use of clean energy to improve the environment and satisfy people's pursuit of a high-quality lifestyle, which eventually brings the Group huge potential of urban residential customers development. During the year, the Group developed a total of 2.29million residential customers. As of 31 December 2020, the Group has served 23.21 million residential customers cumulatively, raising the average piped gas penetration rate from to 62%.

In 2020, the Group acquired exclusive operating rights of 20 city-gas projects through acquisitions and tendering, bringing the total number of city-gas projects operated by the Group to 235. During the year, seizing opportunities arising from carbon neutrality, industrial transformation, clean heating and energy system reform, the Group optimized and upgraded both existing projects and projects under construction, and at the same time, developed new projects tailored to local conditions. The Group also actively developed demand-side energy services, thus, managed to promote both qualitative and quantitative development of its integrated energy business. During the year, a total of 21 integrated energy projects were put into operation, the number of operational projects increased to 119. There are 24 integrated projects under construction. Total demand of integrated energy will reach 31,861 million kWh when all projects fully ramp up. In addition, we proactively developed integrated energy projects utilizing low-carbon energy sources, such as biomass, photovoltaic, geothermal heat energy, and etc. The Group also tapped into distributed clean heating projects in the northern part of China and mid to lower reaches of the Yangtze River, with total heating areas exceeding 5 million square meters currently. Above projects laid a good foundation for promoting the Group's transformation and upgrading to become an integrated energy service provider.

Attach Importance to Sustainable Development

The Group put environmental, social and governance (ESG) management at the very heart of its development, it has completed incorporating ESG metrics including safety operations, corporate governance, environmental protection and social responsibility as the KPIs of management's remuneration, so as to ensure our sustainable development. The Group has also set up dedicated working groups to conduct climate change scenarios analysis and quantify related risks, so as to set energy conservation and emission reduction targets according to the Group's development strategies. In the Hang Seng Index annual review ended 30 June 2020, the Group was included in the Hang Seng ESG 50 Index and the Hang Seng Corporate Sustainability Benchmark Index for the first time, with an ESG rating of A. MSCI also upgraded the company's ESG rating to BBB in its September 2020 rating report, confirming the continuous improvement of the Group's ESG performance.

Mr. Wang Yusuo concluded, "President Xi Jinping announced at the General Assembly of the United Nations that China aimed to hit peak carbon emissions in 2030 and to achieve carbon neutrality in 2060. The pace of China's decarbonization journey has been speeding up, there are growing

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opportunities for the Group given its solid market position. Last year, the Group's integrated energy business grew rapidly, helping customers save energy consumption by 1.48 million tons of standard coal equivalent, and reduce carbon dioxide emissions of 4.44 million tons. We will be well-prepared and increase our pace to provide customers with a wider variety of low carbon energy solutions, including coal-to-gas conversion, energy efficiency improvement, integrated energy solutions, and etc., with an aim to assist our customers and society to decarbonize. The Group will also strengthen its digitalization and technological innovation capabilities, focusing on customer needs to innovate digitalized products which can be adopted in both energy supply-side and demand-side. We strive to improve customer service quality and experience, and create higher value and enhance competitiveness of the Group."

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 2020, the Group had 235 project cities in China in 20 provinces, municipalities and autonomous regions, namely Anhui, Beijing, Fujian, Guangdong, Guangxi, Hebei, Henan, Hunan, Inner Mongolia, Heilongjiang, Jiangsu, Jiangxi, Liaoning, Sichuan, Shandong, Yunnan, Zhejiang, Shaanxi, Shanghai and Tianjin. The Group also developed integrated energy projects in key regions across China, with the accumulative number of projects in operation amounting to 119.

ENN Energy is a constituent of the Hang Seng China Enterprises Index, the Hang Seng Composite Large Cap Index, the Hang Seng ESG 50 Index, the Hang Seng Sustainable Enterprises Benchmark Index and the MSCI China Large Cap Index. For more information, please visit the Group's website at <http://ir.ennenergy.com/>.

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Financial and Operational Data for 2020 Annual Results

(As of 31 December)	2020	2019	+/-
Business Development			
No. of city-gas projects in China	235	217	18
Connectable urban population coverage (thousand)	112,331	103,880	8.1%
Piped gas penetration rate	62.0%	60.4%	1.6ppt
Accumulated number of integrated energy projects in operation	119	98	21
Revenue Analysis (RMB million)			
Retail gas sales business	40,510	40,049	1.2%
Integrated energy business	5,042	2,749	83.4%
Wholesale of gas	17,936	18,465	-2.9%
Construction and Installation	6,444	6,932	-7.0%
Value added business	1,685	1,988	-15.2%
Percentage of Segment Revenue (%)			
Retail gas sales business	56.6	57.1	-0.5ppt
Integrated energy business	7.0	3.9	3.1ppt
Wholesale of gas	25.0	26.3	-1.3ppt
Construction and Installation	9.0	9.9	-0.9ppt
Value added business	2.4	2.8	-0.4ppt
New Natural Gas Customer Development During the Year			
Residential households (thousand)	2,293	2,397	-104
C/I customers (sites)	28,367	27,656	711
Installed designed daily capacity for C/I customers (thousand m ³)	17,078	18,156	-1,078
Sales of Gas (million m³)			
Total natural gas sales	29,569	26,963	9.7%
-Residential customers	4,185	3,802	10.1%
-C/I customers	16,878	14,877	13.5%
-Wholesale of gas	7,616	7,039	8.2%
-Vehicle gas refuelling stations	890	1,245	-28.5%
Sales of Integrated Energy			
Sales vol of cooling, heating, electricity, and steam (mil kWh)	12,042	6,847	75.9%