



ENN 新奥

ENN Energy Holdings Limited

(Stock code: 2688)

2013 Interim Results

Analyst Presentation

September 2013



ENN 新奥



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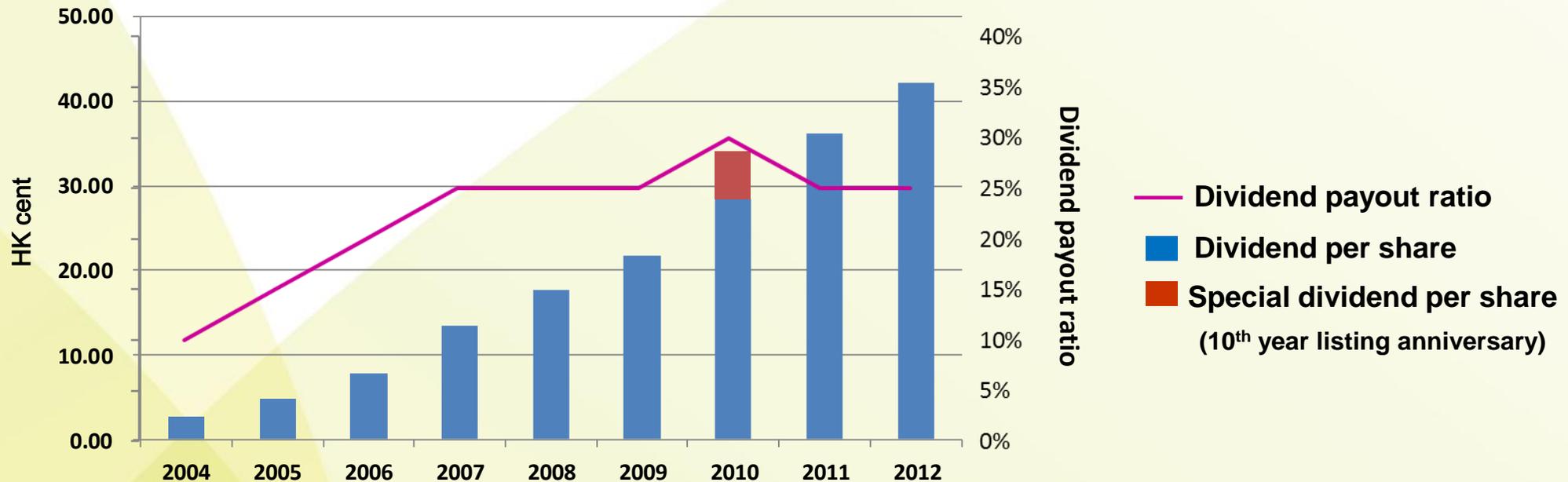
1. Financial Highlights
2. Business Review
3. Our Strategies
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Financial Highlights

| (RMB million) | 1H2013 | 1H2012 | Change |
|--|--------|--------|--------|
| Revenue | 10,386 | 8,774 | 18.4% |
| Gross Profit | 2,721 | 2,411 | 12.9% |
| EBITDA | 2,230 | 1,872 | 19.1% |
| EBIT | 1,871 | 1,558 | 20.1% |
| Profit attributable to owners of the Company | 737 | 730 | 1.0% |
| EPS - Basic (RMB cents) | 68.02 | 68.78 | -1.1% |
| EPS - Diluted (RMB cents) | 68.00 | 68.54 | -0.8% |

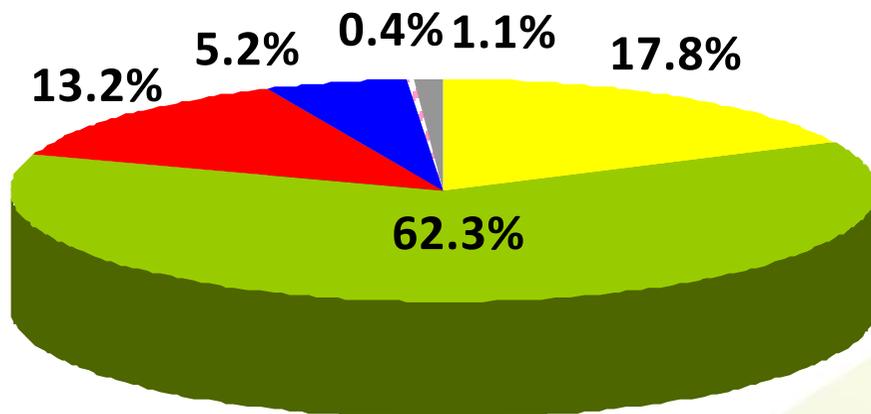
Dividend Policy

- ◆ The Board of Directors has resolved not to recommend payment of an interim dividend for 2013
- ◆ **Our dividend policy:**
 - More subsidiaries have stepped into the mature stage
 - The Group will balance the development of business and financial position to decide the dividend payout ratio

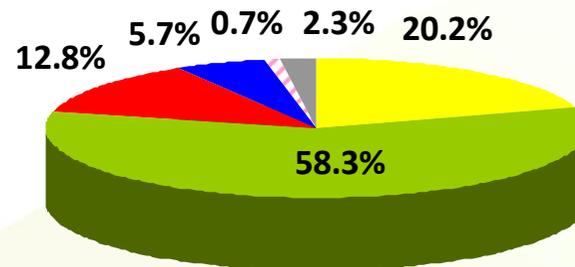


Revenue Breakdown

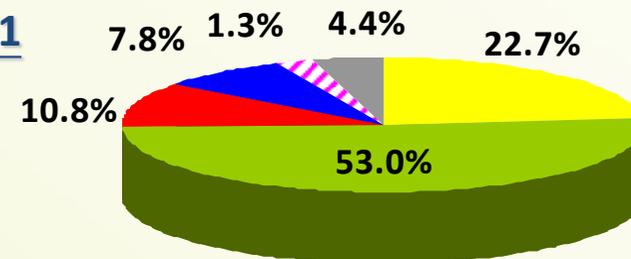
1H2013



2012

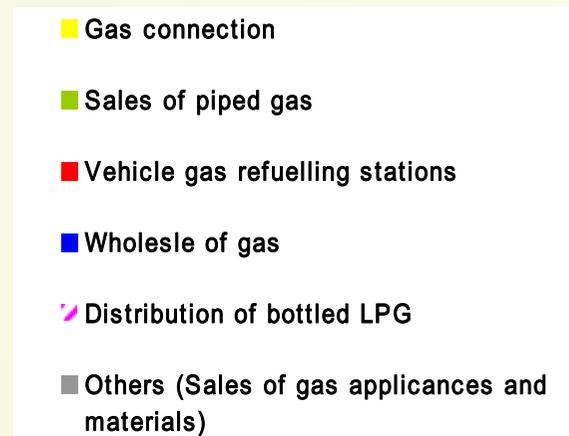


2011



| Core Operating Segments | 1H2013 (RMB mil) | 1H2012 (RMB mil) | Change % |
|---------------------------------|---------------------|---------------------|----------|
| Gas connection | 1,853 | 1,694 | 9.4% |
| Sales of piped gas | 6,473 | 5,107 | 26.7% |
| Vehicle gas refuelling stations | 1,374 | 1,063 | 29.3% |
| Wholesale of gas | 535 | 552 | -3.1% |

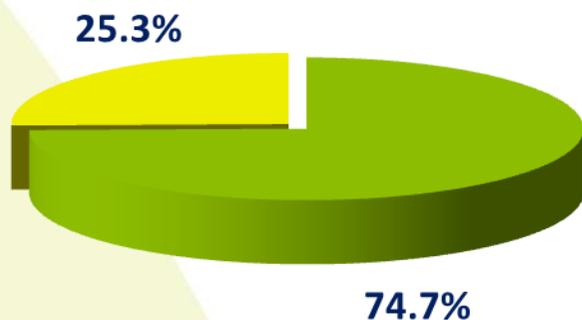
- ◆ Piped gas and vehicle gas sales are key growth drivers, contribution from these two segments will continue expanding, ensuring the Group long term and recurring revenue streams
- ◆ Contribution from connection fee income to the Group's total revenue will be reduced progressively



A Balanced Portfolio of Customers (By Revenue)

- Residential customers
- Commercial / Industrial "C/I" customers
- Gas refuelling stations
- Wholesale of gas

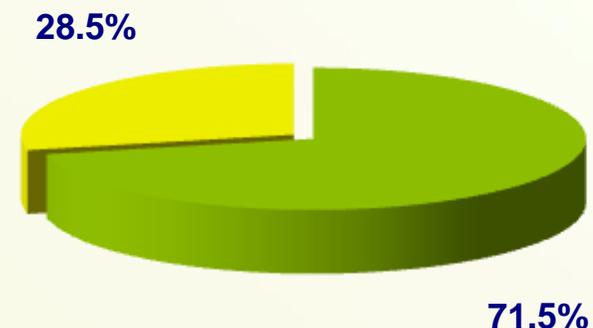
1H2013
Gas connection



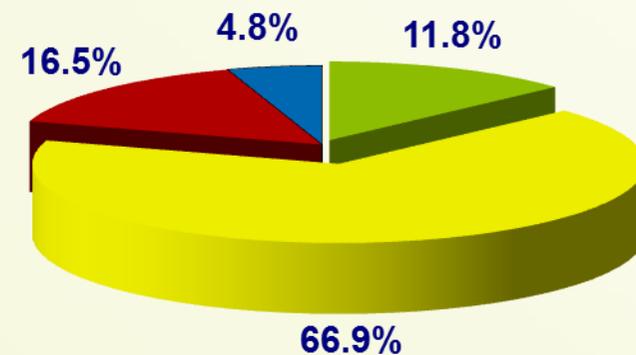
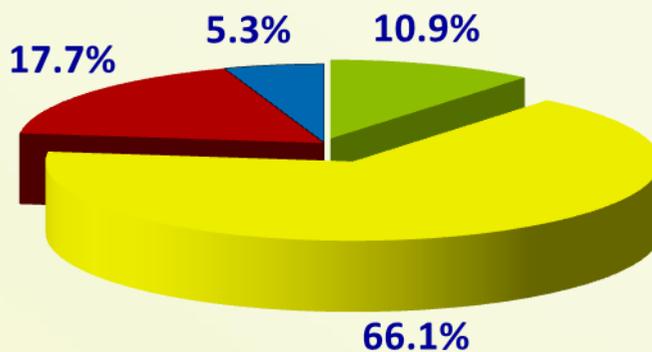
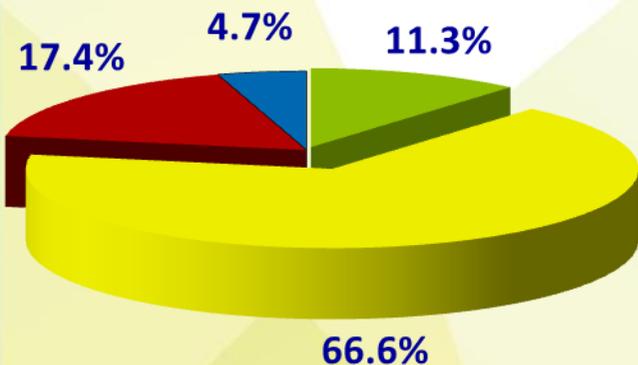
2012



2011



Sales of piped gas, vehicle gas and wholesale gas



Margins Analysis

- ◆ During the period, the gross profit margin dropped by 1.3ppts and net profit margin dropped by 1.2ppts compared with the same period last year

| Gross profit margin | Net profit margin |
|--|------------------------------|
| 26.2% (1H2012: 27.5%) | 10.1% (1H2012: 11.3%) |
| Margins analysis | |
| <u>Gross profit margin:</u> | |
| <ol style="list-style-type: none">1. Continuous improvement in the Group's revenue structure due to more contribution from gas sales instead of connection fee2. Increasing contribution from LNG refuelling business, which has a lower margin than CNG refuelling station business at initial stage, dragged down the segmental margin of vehicle gas sales | |
| <u>Net profit margin:</u> | |
| <ol style="list-style-type: none">1. Non-cash loss of RMB214 million due to fair value change of the convertible bonds issued in Jan 2013 | |

Financial Resources and Liquidity

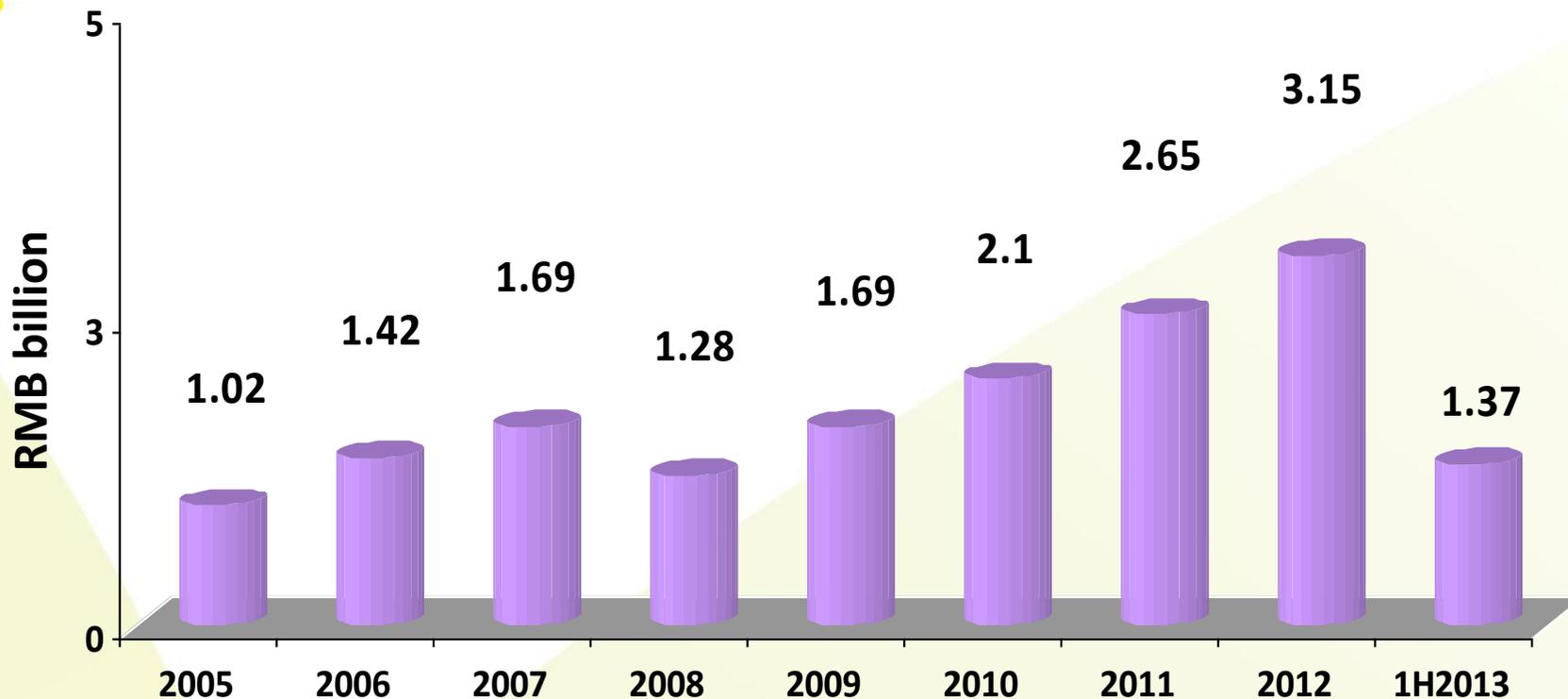
| (RMB billion) | <u>At 30 Jun 2013</u> | <u>At 31 Dec 2012</u> | <u>Change</u> |
|---------------------|-----------------------|-----------------------|---------------|
| Cash on hand | 7.75 | 6.16 | 25.8% |
| A/R Days | 17 | 17 | — |
| Total Debts | 12.81 | 11.24 | 14.0% |
| - Short-term loans | 2.24 | 3.95 | (43.3)% |
| - Long-term loans | 2.66 | 2.67 | — |
| - 10-year bonds | 4.56 | 4.63 | (1.5)% |
| - Convertible bonds | 3.36 | — | — |
| Net Gearing Ratio | 44.9% | 47.7% | (2.8)% |
| ROE | 21.1%* | 17.1% | 4.0% |

**stripping out impact from the fair value change of CB*

- ◆ Only 9 city-gas projects with project financing, and the remaining projects are clean, without loan, so the debt will not affect our dividend payment ability
- ◆ We keep acquiring numbers of new projects in China
- ◆ We do not have any swap and derivative contracts
- ◆ Revenue attributable to gas sales will further increase and such development will deliver long-term and stable cash flow to the Group

Refinancing Plan

| As of 30 Jun 2013 (RMB billion) | | Refinancing Plan |
|---|--------------|--|
| Total Debt | 12.81 | |
| Short-term loans: Subsidiary level loans | 0.99 | <ul style="list-style-type: none"> We have RMB7.75 billion cash on hand while our working capital demands RMB2.5-3 billion cash only, leading to a surplus cash of RMB4.75 billion, which is enough to refinance the short-term loans It is easy for utility company to roll-over short term loans in PRC banks because of stable cash flow and business model |
| Short-term debenture | 1.24 | <ul style="list-style-type: none"> 1 year short-term debenture which is approved by National Association of Financial Market Institutional Investors (NAFMII) with an interest rate per annum of 4.7% and will be expired in 2H2013 |
| Long-term loans | 2.66 | <ul style="list-style-type: none"> 5-year medium term notes which will be expired in 2017 at 5.55% per annum 7-year corporate bond which will be expired in 2018, at 6.45% per annum 15-year loan from China National Development Bank which will be expired in 2020, at PBOC rate |
| 10-year bonds | 4.56 | <ul style="list-style-type: none"> Will be expired in 2021, with a fixed coupon of 6.0% 1 of the few Chinese private enterprises assigned with an investment grade credit rating on corporate and bonds: <ul style="list-style-type: none"> - S&P 'BBB-', Moody's 'Baa3' and Fitch 'BBB' |
| Convertible bonds | 3.36 | <ul style="list-style-type: none"> Will be expired in 2018, zero coupon Bondholders can convert their bonds into new shares anytime until 16 Feb 2018 at the conversion price of HK\$48.62/share Assuming full conversion, approximately 80 million shares will be issued, representing around 6.9% of the enlarged issued share capital |

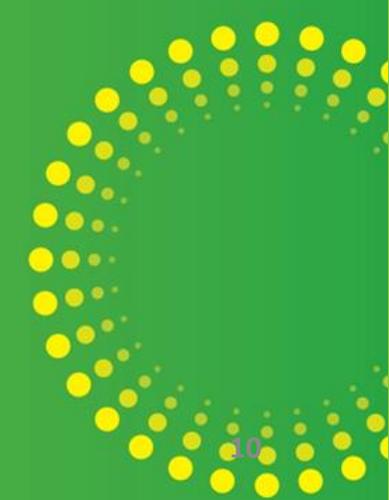


- ◆ CAPEX injected by the Group in 2013 is expected to be at similar level as in 2012
- ◆ The Group had positive free cash flow of RMB78 million in 1H2013 (1H2012: negative free cash flow of RMB200 million)
- ◆ More CAPEX may be required depending on the progress of developing LNG refuelling business
- ◆ The current source of capital mainly comes from operating cash flow, current assets, bank loans and issued bonds. We have sufficient capital and banking facilities to finance the future CAPEX and operational needs



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Key Operational Data

| | 1H2013 | 1H2012 | Change |
|---|------------------|------------------|--------------|
| Coverage & Gas Penetration Rates of PRC projects | | | |
| Number of project cities | 126 | 110 | 16 |
| Connectable urban population coverage ('000) | 57,467 | 53,389 | 7.6% |
| Connectable households coverage ('000) | 19,156 | 17,796 | 7.6% |
| Natural gas penetration rate | 43.8% | 41.0% | 2.8% |
| Piped gas (including natural gas) penetration rate (%) | 44.3% | 41.8% | 2.5% |
| Coverage of International Project (Vietnam) | | | |
| Connectable urban population coverage ('000) | 9,009 | 8,920 | 1.0% |
| Connectable households coverage ('000) | 3,003 | 2,973 | 1.0% |
| Accumulated Connection of Piped Gas | | | |
| Residential (households) | 8,489,432 | 7,436,007 | 14.2% |
| C/I customers (sites) | 34,464 | 27,327 | 7,137 |
| Installed designed daily capacity for C/I customers (m ³) | 37,401,007 | 29,737,646 | 25.8% |
| Connection of Piped Natural Gas | | | |
| Acc. connected / converted households | 8,399,466 | 7,294,633 | 15.1% |
| Increase in the Period (ex. acq & conversion) | 630,183 | 566,127 | 11.3% |
| Acc. connected / converted C/I customers (sites) | 34,151 | 26,968 | 7,183 |
| Increase in the Period (ex. acq & conversion) | 3,510 | 3,130 | 380 |
| Acc. connected / converted C/I customers (m ³) | 37,355,317 | 29,176,519 | 28.0% |
| Increase in the Period (ex. acq & conversion) | 3,973,117 | 3,903,963 | 1.8% |

Key Operational Data

| | 1H2013 | 1H2012 | Change |
|---|------------------|------------------|--------------|
| Gas Infrastructure | | | |
| Length of intermediate & main pipelines (km) | 22,588 | 19,952 | 13.2% |
| Natural gas processing stations | 129 | 116 | 13 |
| Combined daily capacity of natural gas processing stations ('000 m ³) | 47,016 | 32,285 | 45.6% |
| Vehicle gas refuelling stations | 376 | 276 | 100 |
| Gas Sales Volume | | | |
| Piped natural gas ('000 m ³) | 3,058,283 | 2,485,198 | 23.1% |
| Vehicle natural gas ('000 m ³) | 532,301 | 433,482 | 22.8% |
| Wholesale natural gas ('000 m ³) | 138,317 | 118,602 | 16.6% |
| Total natural gas sales ('000 m³) | 3,728,901 | 3,037,282 | 22.8% |
| Other piped gas ('000 m ³) | 42,400 | 154,369 | -72.5% |
| Other vehicle gas ('000 m ³) | 6,410 | 5,483 | 16.9% |
| Total sales of piped and vehicle gas ('000 m³) | 3,777,711 | 3,197,134 | 18.2% |

Natural Gas Pricing Reform in 2013

On 28 June 2013, the NDRC published the Notice on Natural Gas Price Adjustment for non-residential natural gas consumption. The new pricing mechanism took effect on 10 July 2013.

Highlights of the policy:

- ◆ PRC government has set new ceiling provincial city-gate prices for non-residential users
- ◆ The new ceiling city-gate prices are set based on two-tier pricing mechanism, (i) existing volume (with price hike of not more than RMB0.4/m³) and (ii) incremental volume (to be priced at 85% of the weighted average prices of fuel oil and LPG with weighting of 60% and 40% respectively)
- ◆ The new city-gate prices are applicable to natural gas from domestic onshore fields and imported from pipelines. The price ceiling would also be applicable to other natural gas including shale gas, CBM, LNG, etc. if they are transmitted through long-distance pipelines
- ◆ Existing volume is the actual gas usage in 2012
- ◆ PRC government aims at moving natural gas pricing towards a market-based mechanism, with a direct linkage to substitute energies

| Pass-through progress as at 3 Sep 2013 | |
|---|------|
| No. of projects affected | 55 |
| Average upstream cost adjustment (RMB/m ³) | 0.49 |
| No. of projects with tariff adjustment for C/I customers | 26 |
| Average tariff adjustment for C/I customers (RMB/m ³) | 0.49 |
| No. of projects with tariff adjustment for CNG stations | 31 |
| Average tariff adjustment for CNG stations (RMB/m ³) | 0.42 |

- ◆ To accommodate the anticipated fast-growing demand for natural gas, the Group has several ways to secure gas sources:

1. Take-or-pay contracts

- ◆ Signed 15-25 years take-or-pay contracts with various pipelines, secured supply of 5,841 million m³ of natural gas for 2013

2. Other piped natural gas supply

- ◆ The Group also secured guaranteed gas supply contracts for other project cities, e.g. Shaanxi-Beijing Pipeline II, Tai-Qing-Wei Pipeline and offshore natural gas in China

3. Non-pipeline transmission system

- ◆ Able to dispatch a fleet of 526 LNG/CNG trucks with total maximum one-time transmission capacity of over 15.6 million m³, which help secure important gas projects without piped natural gas source in near term as well as serve as our backup gas source

| Take-or-pay Contracts | | |
|---------------------------------|---|---|
| Gas Source | Contracted Supply in 2013 (mil m ³) | Contracted Supply in 2012 (mil m ³) |
| West-East Pipeline I | 1,111 | 800 |
| West-East Pipeline II | 2,643 | 1,576 |
| Zhong-Wu Pipeline | 583 | 583 |
| Sichuan-East Pipeline | 198 | 105 |
| LNG Import Terminal (Guangdong) | 421 | 476 |
| LNG Import Terminal (Fujian) | 700 | 700 |
| CNOOC (Yantai & Laiyang) | 185 | 104 |
| Total | 5,841 | 4,344 |

- ◆ China continues expanding its natural gas supplying infrastructure, more main pipelines and LNG receiving terminals are being constructed and will be put into operation in the coming years:

| Pipeline Name | Capacity (mil m ³ /yr) | Commencement Date | Gas source | Operator |
|--------------------------|-----------------------------------|-------------------|---|------------|
| Shaanxi - Beijing IV | 23,000 | 2014 | Changqing, Central Asia | PetroChina |
| West - East III | 30,000 | 2015 | Central Asia | PetroChina |
| Location of LNG Terminal | Capacity (mil m ³ /yr) | Commencement Date | Gas source | Operator |
| Guangdong, Zhuhai | 4,830 (3.5 mil tons) | 2013 | Middle East, Australia | CNOOC |
| Tianjin | 3,036 (2.2 mil tons) | 2014 | Middle East | CNOOC |
| Shandong, Qingdao | 4,140 (3 mil tons) | 2014 | Papua New Guinea | Sinopec |
| Hebei, Caofeidian | 4,830 (3.5 mil tons) | 2014 | Australia, Qatar | PetroChina |
| Yantai | 2,070 (1.5 mil tons) | 2014 | CNOOC's int'l gas portfolio/spot market | CNOOC |
| Hainan | 4,140 (3 mil tons) | 2014 | Australia, Qatar | CNOOC |
| Shenzhen, Diefu | 5,520 (4 mil tons) | 2015 | Australia | CNOOC |
| Guangdong, Jieyang | 2,760 (2 mil tons) | 2015 | Middle East, Australia | CNOOC |
| Guangxi, Beihai | 4,140 (3 mil tons) | 2016 | Australia | Sinopec |

- ◆ More LNG receiving terminals and national natural gas pipeline projects will be completed and launched one by one, including West-East IV and V, Russia-China pipeline, Inner Mongolia-Shandong pipeline (Ordos-Anping), etc.
- ◆ Sufficient gas sources ensure more gas projects of the Group will be able to enjoy stable supply of piped natural gas in the long run

Gas Sources – Upstream projects

- ◆ The Group has invested in various upstream projects to ensure secured gas sources in long run and to provide clean energy variety to ensure continuous business growth
 - LNG plants
 - The group has 5 LNG plants in China, and 4 of them have been put into operation

| LNG plants | | | |
|---------------------------------|----------------------------------|------------------------------------|--------------------|
| Location | Daily capacity (m ³) | Status | Gas Source |
| Weizhou Island, Beihai, Guangxi | 150,000 | In operation (since Feb 2006) | Off-shore gas |
| Jincheng, Shanxi | 300,000 | In operation (since Dec 2008) | Coalbed methane |
| Yinchuan, Ningxia | 600,000 | In operation (since Aug 2009) | On-shore piped gas |
| Pingdingshan, Henan | 260,000 | In operation (since May 2013) | Coke gas |
| Guye, Tangshan, Hebei | 300,000 | To be put into operation in 2H2013 | Coke gas |

- The Group will continue seeking for other good upstream opportunities in an effort to realize synergy with our core business



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Continue expanding our core businesses riding on favorable government policies and promising growth potential of the industry



City-gas projects

- ◆ **126** city-gas projects with over 57.4 million connectable urban population
- ◆ Average gas penetration rate of **44.3%**
- ◆ Continue organic growth through existing projects and acquire more new projects



Industrial parks

- ◆ We acquired numbers of industrial parks nearby existing projects
- ◆ Tremendous volume growth potential from **C/I users** with **limited CAPEX** requirement
- ◆ Enhance efficiency of natural gas usage by providing C/I users with energy saving solutions, like boiler's upgrading



Vehicle/Ship refuelling business

- ◆ **253 CNG** and **123 LNG** refuelling stations in operation
- ◆ Leverage on our first mover advantage and downstream operational experience to capture market growth

Our Strategies – New Projects

- ◆ In 1H2013, the Group has secured 9 new projects in China, including 5 city-gas projects and 4 industrial park projects, spanning across Anhui, Guangdong, Hebei, Jiangsu and Shandong providing an additional connectable population of 1,946,000.
- ◆ We have one overseas project in Vietnam covering cities of Hanoi, Hochiminh and Danang, total connectable urban population amounts to 9,009,200

**Total coverage increased to
66,476,200
connectable urban population**

| Province | Project | Connectable Population |
|---------------------------|-----------------------|------------------------|
| <u>Acquired in 1H2013</u> | | |
| Hebei | Baoding (保定) | 1,200,000 |
| Guangdong | Heyuan (河源) | 300,000 |
| Anhui | Dingyuan County (定遠縣) | NA |
| Guangdong | Leizhou (雷州) | 350,000 |
| Guangdong | Dongyuan County (東源縣) | 96,000 |

| Province | Project | Connectable Population |
|---------------------------------------|---|------------------------|
| Jiangsu | Suining Suburban Project (睢寧城郊項目) | NA |
| Anhui | Suchu Modern Industry Park (蘇滁現代產業園區) | NA |
| Shandong | Binzhou Zhanhua Economic Development Zone (濱州沾化經濟開發區) | NA |
| Shandong | Xintai City Development Zone (新泰市開發區) | NA |
| Additional Coverage: 1,946,000 | | |

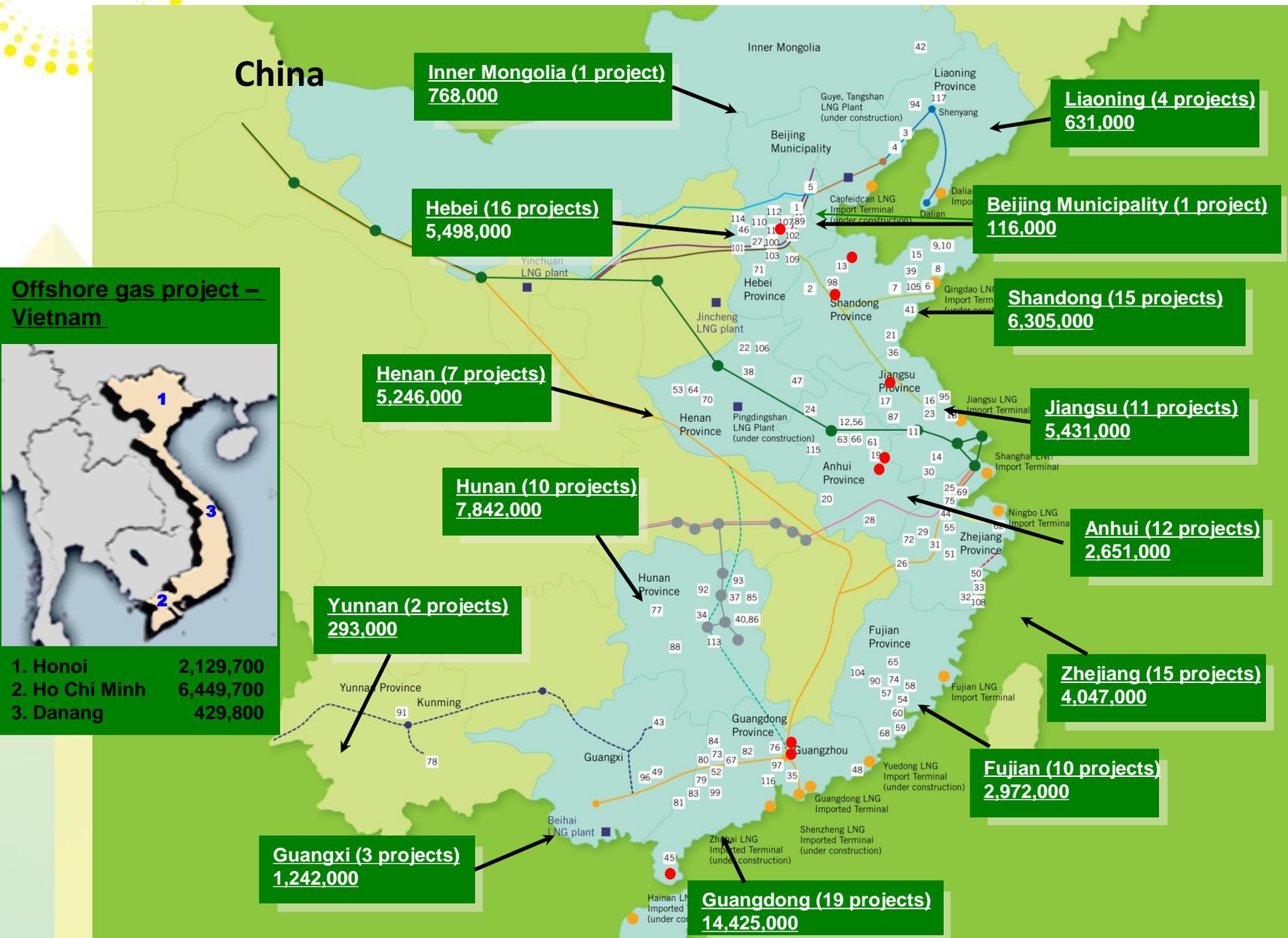
Our Strategies – New Projects

| Project | Baoding (保定) | Heyuan (河源) | Dingyuan County (定遠縣) | Leizhou (雷州) | Dongyuan County (東源縣) |
|---|--|------------------------|--------------------------|-------------------------------|--------------------------|
| Province | Hebei | Guangdong | Anhui | Guangdong | Guangdong |
| Connectable Population | 1,200,000 | 300,000 | NA | 350,000 | 96,000 |
| Stakeholding | 49% | 100% | 100% | 70% | 100% |
| Operational Location | Administrative Region | Administrative Region | Administrative Region | Administrative Region | Administrative Region |
| Registered Capital | RMB300 mil | RMB111 mil | RMB20 mil | RMB10 mil | RMB20 mil |
| Estimated Connection Fees & Gas Tariff | | | | | |
| - Residential (RMB/household) | 3,075-3,675 | 3,480 | 1,600 | 2,500-2,900 | 3,480 |
| - C/I customer (RMB/m ³ /day) | TBC | TBC | TBC | 1,200 | TBC |
| Gas sales price (RMB/m ³) | 2.40 (Res) / 3.65 (C/I) | TBC | 2.41 (Res) / 3.05 (C/I) | 4.50 (Res) / 5.60 (C/I) | TBC |
| Gas Source | Shaanxi-Beijing Pipeline I, II & III, Yong-Tang-Qin Pipeline | West-East Pipeline III | West-East Pipeline I | Guangdong Dapeng LNG Terminal | West-East Pipeline III |

Our Strategies – New Projects

| Project | Suining Suburban Project (睢寧城郊項目) | Suchu Modern Industry Park (蘇滁現代產業園區) | Binzhou Zhanhua Economic Development Zone (濱州沾化經濟開發區) | Xintai City Development Zone (新泰市開發區) |
|---|--------------------------------------|--|--|--|
| Province | Jiangsu | Anhui | Shandong | Shandong |
| Connectable Population | NA | NA | NA | NA |
| Stakeholding | 70% | 88% | 85% | 100% |
| Operational Location | Industrial Park | Industrial Park | Development Zone | Development Zone |
| Registered Capital | RMB20 mil | RMB30 mil | RMB30 mil | US\$13.3 mil |
| Estimated Connection Fees & Gas Tariff | | | | |
| - Residential (RMB/household) | 2,600 | 1,600 | 2,100 | 2,200 |
| - C/I customer (RMB/m ³ /day) | 400 | TBC | TBC | TBC |
| Gas sales price (RMB/m ³) | 3.00 (Res) / 3.60-4.14 (C/I) | 2.84 (C/I) | 2.60 (Res) | 2.60(Res) / 3.0 (C/I) |
| Gas Source | Hebei-Nanjing Pipeline | West-East Pipeline I | Tai-Qing-Wei Pipeline | Tai-Qing-Wei Pipeline |

Operational Locations



➤ Additional connectable urban population from new projects:

1,946,000

➤ Total connectable urban population: (as at the end of June 2013)

66,476,200

Operational Locations

Anhui (12 projects)

| | |
|-----------------|---------|
| 12. Bengbu | 926,000 |
| 19. Chuzhou | 393,000 |
| 20. Luan | 340,000 |
| 24. Bozhou | 224,000 |
| 28. Chaohu | 368,000 |
| 56. Fengyang | 110,000 |
| 61. Laian | 85,000 |
| 63. Quanjiao | 114,000 |
| 66. Guzhen | 91,000 |
| 115. Jiesshou | - |
| Industrial Zone | |

- Dingyuan County -
- Suchu Modern -

Industry Park Beijing Municipality (1 project)

| | |
|-----------|---------|
| 5. Pinggu | 116,000 |
|-----------|---------|

Fujian (10 projects)

| | |
|---------------|-----------|
| 54. Quanzhou | 1,093,000 |
| 57. Nanan | 379,000 |
| 58. Huian | 139,000 |
| 59. Shishi | 99,000 |
| 60. Jinjiang | 400,000 |
| 65. Dehua | 101,000 |
| 68. Quangang | 316,000 |
| 74. Yongchun | 154,000 |
| 90. Anxi | 121,000 |
| 104. Longyuan | 170,000 |
| Dev Zone | |

Guangdong (19 projects)

| | |
|---------------|-----------|
| 35. Dongguan | 6,993,000 |
| 45. Zhanjiang | 654,000 |
| 48. Shantou | 1,478,000 |
| 52. Zhaoqing | 71,000 |
| Dev Zone | |
| 67. Zhaoqing | 514,000 |
| 73. Sihui | 472,000 |

Guangdong (cont'd)

| | |
|---------------|-----------|
| 76. Huadu | 669,000 |
| 79. Guangning | 81,000 |
| 80. Huaiji | 125,000 |
| 81. Luoding | 293,000 |
| 82. Xinyi | 254,000 |
| 83. Fengkai | 81,000 |
| 84. Lianzhou | 155,000 |
| 97. Panyu, | 1,764,000 |
| Guangzhou | |
| 99. Yunan | 75,000 |
| 116. Jiangmen | - |

- Heyuan 300,000
- Leizhou 350,000
- Dongyuan 96,000

County Guangxi (3 projects)

| | |
|-----------------|---------|
| 43. Guilin | 851,000 |
| 49. Guigang | 391,000 |
| 99. Guiping | - |
| Industrial Park | |

Hebei (16 projects)

| | |
|------------------|-----------|
| 1. Langfang | 642,000 |
| 27. Shijiazhuang | 2,443,000 |
| 46. Luquan | 91,000 |
| 71. Luanxian | 82,000 |
| 89. Rongcheng | 70,000 |
| 100. Zhengding | 50,000 |
| New Zone | |
| 101. Jingxing | 330,000 |
| 102. Shenze | 40,000 |
| 103. Gaocheng | 180,000 |
| 107. Wenan | - |
| Industrial Park | |
| 109. Xinji | 200,000 |
| 110. Lingshou | 90,000 |
| 111. Wuji | 80,000 |

Hebei (cont'd)

| | |
|-------------------|-----------|
| 112. Xingtang | - |
| Dev Zone | |
| 114. Luquan Green | - |
| Island Dev Zone | |
| ● Baoding | 1,200,000 |

Henan (7 projects)

| | |
|------------------|-----------|
| 22. Xinxiang | 1,019,000 |
| 38. Kaifeng | 856,000 |
| 47. Shangqiu | 1,497,000 |
| 53. Luoyang | 1,641,000 |
| 64. Xinan | 103,000 |
| 70. Yichuan | 100,000 |
| 106. Weihui City | 30,000 |
| Industrial Zone | |

Hunan (10 projects)

| | |
|---------------|-----------|
| 34. Xiangtan | 891,000 |
| 37. Changsha | 3,639,000 |
| 40. Zhuzhou | 1,016,000 |
| 77. Huaihua | 441,000 |
| 85. Changsha | 299,000 |
| County | |
| 86. Zhuzhou | 272,000 |
| County | |
| 88. Yongzhou | 604,000 |
| 92. Ningxiang | 310,000 |
| 93. Wangcheng | 150,000 |
| 113. Liling | 220,000 |

Jiangsu (11 projects)

| | |
|-----------------|-----------|
| 11. Gaoyou | 150,000 |
| 14. Taixing | 240,000 |
| 16. Yancheng | 899,000 |
| 17. Huaian | 1,180,000 |
| 18. Haian | 193,000 |
| 23. Xinghua | 441,000 |
| 30. Wujin | 980,000 |
| 36. Lianyungang | 967,000 |
| 95. Hongze | 380,000 |

Jiangsu (cont'd)

| | |
|--------------------------|---|
| 95. Yancheng | - |
| Environmental Protection | |
| Industrial Park | |
| ● Suining Suburban | - |
| Project | |

Inner Mongolia (1 project)

| | |
|--------------|---------|
| 42. Tongliao | 768,000 |
|--------------|---------|

Liaoning (4 projects)

| | |
|------------------|---------|
| 3. Huludao | 477,000 |
| 4. Xingcheng | 134,000 |
| 94. Dayou Linhai | 20,000 |
| Econ. Zone, | |
| Linghai City | |

| | |
|---------------------|---|
| 117. Panjing | - |
| Chemical Enterprise | |
| Zone | |

Shandong (15 projects)

| | |
|---------------|-----------|
| 2. Liaocheng | 572,000 |
| 6. Huangdao | 528,000 |
| 7. Zhucheng | 471,000 |
| 8. Chengyang | 645,000 |
| 9. Yantai | - |
| Dev Zone | |
| 10. Yantai | 1,802,000 |
| 13. Zouping | 194,000 |
| 15. Laiyang | 255,000 |
| 21. Rizhao | 392,000 |
| 39. Jiaozhou | 408,000 |
| 41. Jiaonan | 394,000 |
| 98. Changqing | 644,000 |

- Zone, Jinan City
- 105. Qingdao -
- Sino-German Ecopark
- Binzhou Zhanhua
- Economic Dev Park -
- Xintai Dev Zone -

Yunnan (2 projects)

| | |
|------------------|---------|
| 78. Wenshan | 253,000 |
| 91. Kunming City | 40,000 |
| Hi-tech Zone | |

Zhejiang (15 projects)

| | |
|-----------------|---------|
| 25. Haining | 227,000 |
| 26. Quzhou | 269,000 |
| 29. Lanxi | 130,000 |
| 31. Jinhua | 139,000 |
| 32. Wenzhou | - |
| 33. Longwan | 339,000 |
| 44. Huzhou | 224,000 |
| 50. Huangyan | 602,000 |
| 51. Yongkang | 228,000 |
| 55. Xiaoshan | 683,000 |
| 62. Ningbo | 483,000 |
| (Yinzhou) | |
| 69. Haiyan | 101,000 |
| 72. Longyou | 125,000 |
| 75. Nanxun | 497,000 |
| 108. Wenzhou | - |
| Wanquan Light | |
| Industrial Base | |

Vietnam (3 projects)

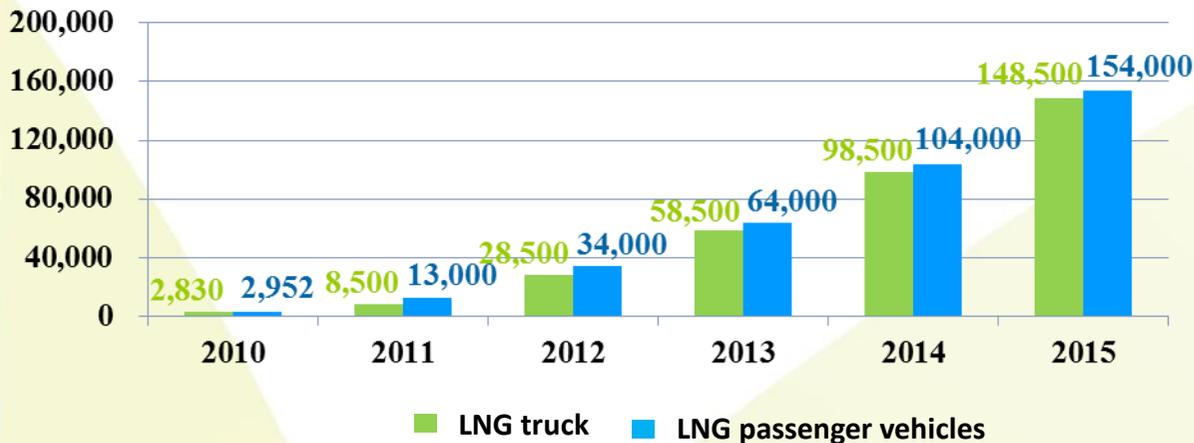
- Hanoi 2,100,000
- Ho Chi Minh 6,420,000
- Danang 400,000

- Projects acquired in 1H13

Our Strategies – LNG Refuelling Stations

Riding on supportive government policies and its economic benefits, market potential for LNG refuelling stations is huge

LNG vehicles adoption and forecast



Forecast on LNG consumption through displacement of diesel by 2015

| | |
|---|-----------------------|
| LNG vehicles on road | 300,000 |
| Average distance travelled/vehicle/year | 100,000km |
| Average LNG consumption/vehicle/year | 50,000 m ³ |
| Total LNG consumption | 15 bil m ³ |

- ◆ **Favourable government policy** – More provincial governments are expected to implement policies to push forward the adoption of NGVs and gas refuelling stations construction, so as to achieve carbon emission reduction targets
- ◆ **Competitive pricing** – LNG pricing is market-driven, increasing supply of LNG through import and onshore liquefaction facilities sustain its price competitiveness, LNG can be sold at a discount to substitute energies
- ◆ **Shorter payback period** – Increasing production of NGVs and related equipment by manufacturers will further reduce cost difference against diesel vehicles
- ◆ **Well-established refuelling network propels adoption of LNG vehicles** – Over 3,500 LNG refuelling stations are expected to be built-out by ENN and peers in 2015

*Source from ENN internal research

Our Strategies - Vehicle Refuelling Stations

CNG refuelling stations

| CNG refuelling stations since 2002 | |
|--|-----|
| No. of new stations in operation | 9 |
| Aggregated no. of CNG refuelling stations in operation | 253 |

| Example: Payback calculation of a CNG taxi | |
|--|----------|
| Average gasoline price (RMB/litre) | 7.6 |
| Average CNG price (RMB/m ³) | 4.0 |
| Gasoline consumption per km (litre) | 0.05 |
| CNG consumption per km (m ³) | 0.06 |
| Cost saved per km (RMB) | 0.14 |
| Average driving distance (km/day) | 400 |
| Daily average savings (RMB) | 56 |
| Monthly average savings (RMB) | 1,680 |
| Conversion fee (RMB) | 3,500 |
| Monthly maintenance cost (RMB) | 175 |
| Payback period (months) | 2 |

LNG refuelling stations

| LNG refuelling stations since 2011 | |
|--|-----|
| No. of new stations in operation | 37 |
| Aggregated no. of LNG refuelling stations in operation | 123 |

| Example: Payback calculation of a New LNG truck | |
|--|-----------|
| Average diesel price (RMB/litre) | 7.2 |
| Average LNG price (RMB/m ³) | 4.6 |
| Diesel consumption per km (litre) | 0.4 |
| LNG consumption per km (m ³) | 0.5 |
| Cost saved per km (RMB) | 0.58 |
| Average driving distance (km/day) | 400 |
| Daily average savings (RMB) | 232 |
| Monthly average savings (RMB) | 6,960 |
| Price difference of LNG truck & diesel truck (RMB) | 80,000 |
| Monthly maintenance cost (RMB) | 150 |
| Payback period (months) | 12 |

Q&A

Session



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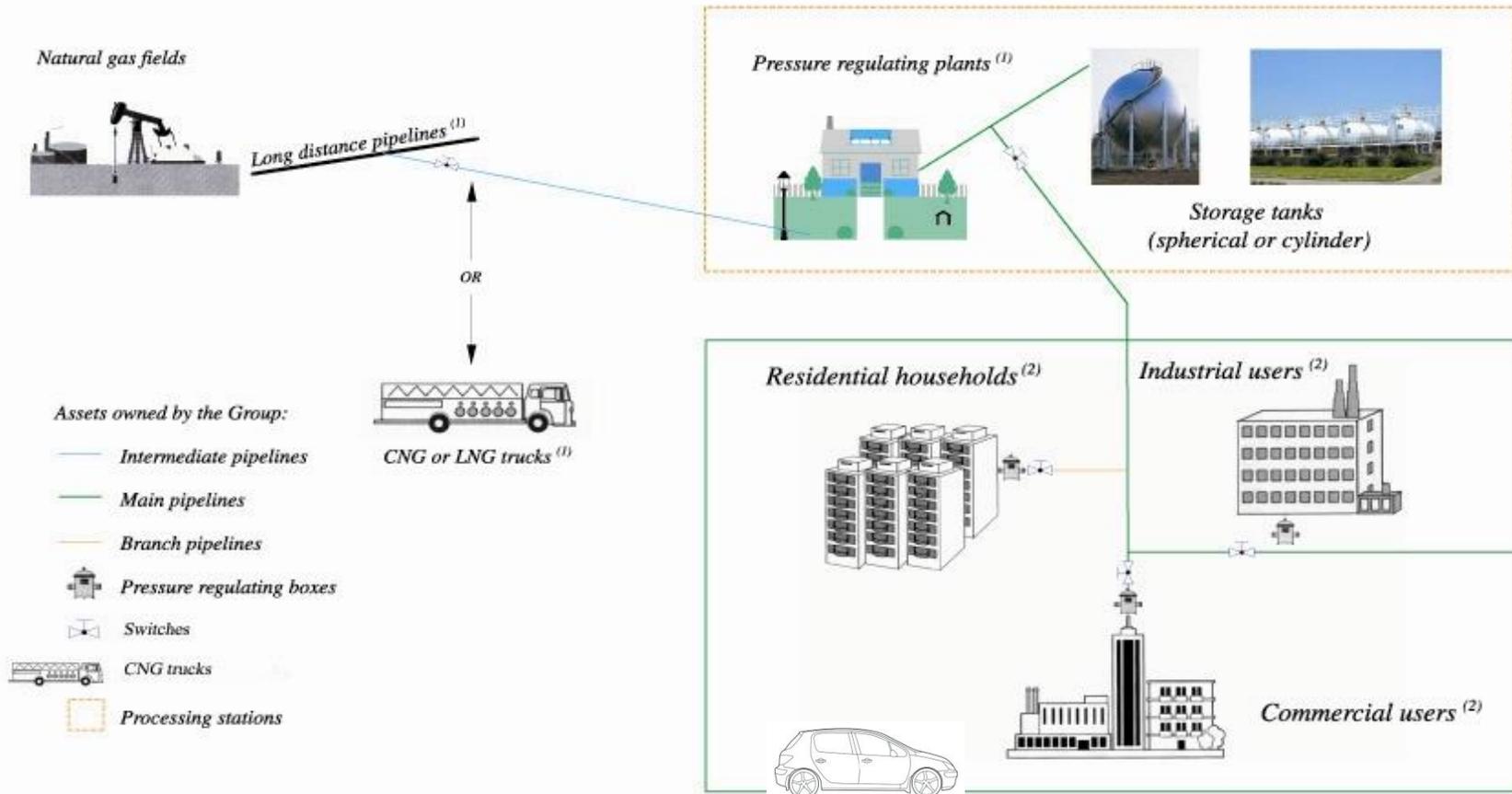
1. Financial Highlights
2. Business Review
3. Our Strategies
4. Appendix



ENN Energy – A Leader in the Industry

- ◆ ENN Energy (formerly known as Xinao Gas) is one of the first privately-owned clean energy distributor in the PRC. It was founded by Mr. Wang Yusuo and Ms. Zhao Baoju in 1993.
- ◆ In 1998, the Chinese government promoted the use of natural gas and encouraged privately-owned enterprises to invest in city infrastructures.
- ◆ ENN Energy seized the opportunity and obtained the exclusive rights for operating piped gas in other cities.
- ◆ ENN Energy was listed on GEM in May 2001 and transferred to the main board (stock code: 2688) in June 2002.
- ◆ ENN Energy is a leading privately-owned gas operator in China
 - 4 cities when IPO launched in May 2001
 - 126 cities in 14 provinces, and 1 international project as of Jun 2013, covering a connectable urban population of approximately 66,476,200.
 - 1 of the few Chinese private enterprises assigned with an investment grade credit rating on corporate and bonds:
 - S&P ‘BBB-’, Moody’s ‘Baa3’ and Fitch ‘BBB’

Gas Delivery Process

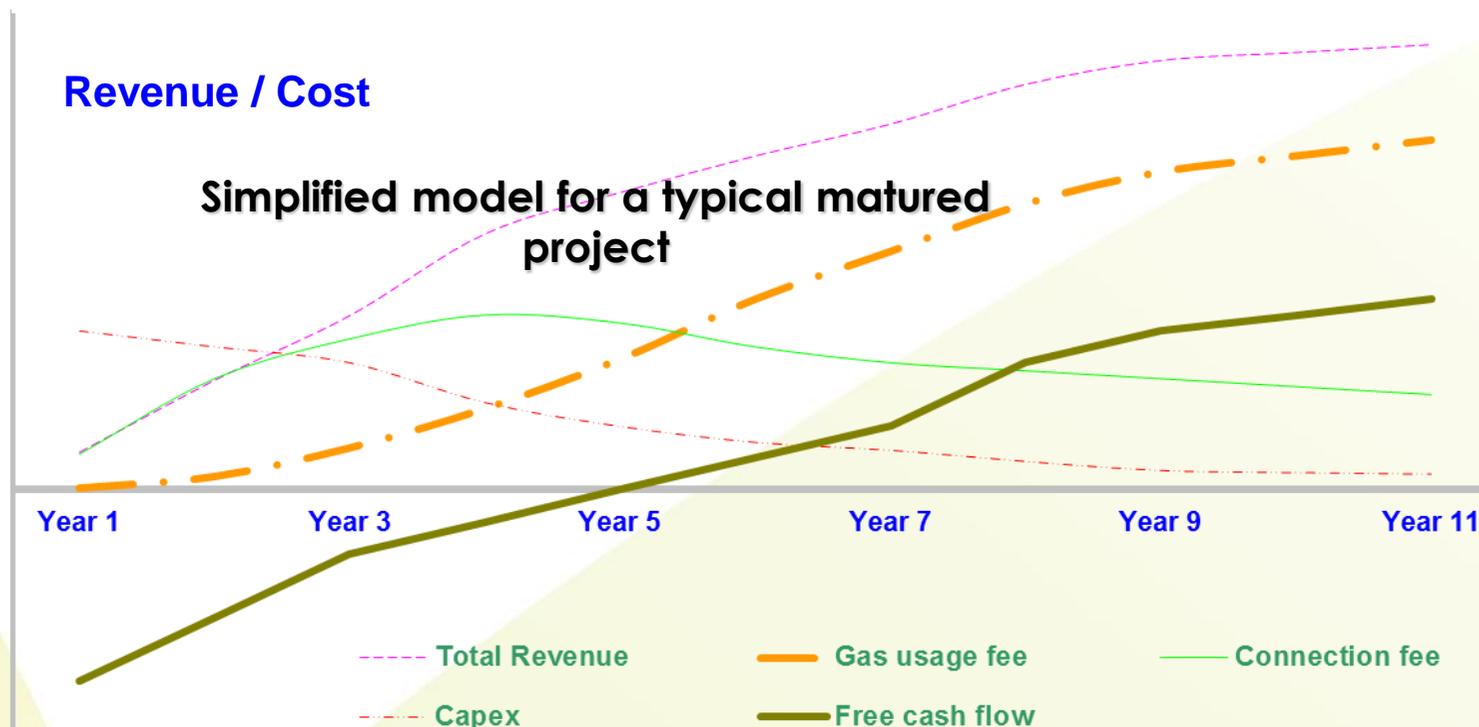


Notes:

(1) Gas delivery using either intermediate pipelines or CNG or LNG trucks.

(2) Customers' pipelines and metres which are not owned by the Group are within the customers' premises and are not highlighted in this diagram.

Immediate Revenue Inflow upon Connection



- ◆ Connection fee dominates in early years when the project companies are signing up new customers
- ◆ Gas usage increases as projects mature, becoming the major source of recurrent income
- ◆ Prior to the completion of the whole pipeline network in cities, revenue will be generated as soon as gas supply becomes available in certain districts. Each connection contract normally takes 6-12 months to complete
- ◆ In general, gas projects would generate positive free cash flow after 5 years operation

Connection Fee & Tariff Policy

Connection Fee Amortisation:

- ◆ As of 30 June 2013, 9 projects have adopted amortisation method:
Anhui Province - Fengyang
Jiangsu Province - Huaian, Lianyungang
Henan Province - Xinxiang
Hunan Province - Xiangtan, Changsha, Zhuzhou, Ningxiang
Shandong Province - Rizhao
- ◆ Connection fee income will be amortised over the concession period instead of one-off recognition in the above projects. As for other projects, connection fee policy remain stable
- ◆ The average connection fees for residential households and C/I customers were RMB 2,732/household and RMB 144/day/m³ respectively

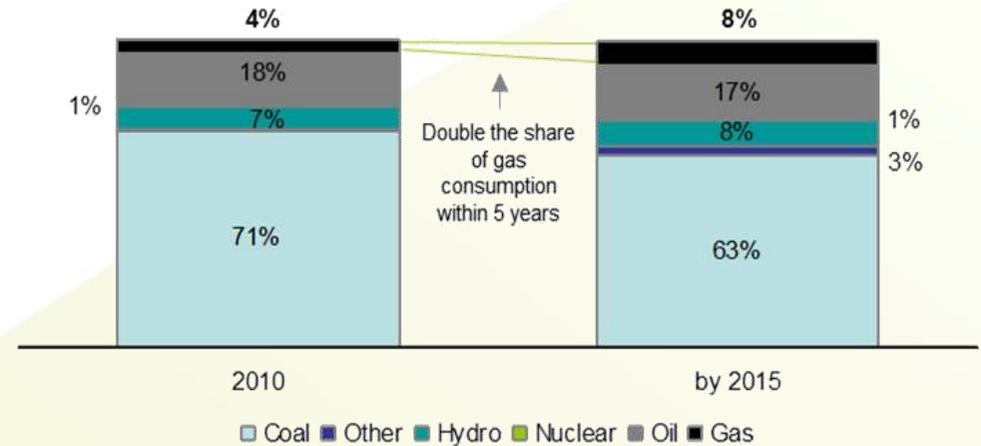
Pricing Policies:

- ◆ On 7 Dec 2012, Sichuan Development and Reform Commission announced to set the city gate price with a price ceiling of RMB1.98/m³ for all users (except for residential, vehicle CNG and fertilizer users)
- ◆ On 26 Dec 2011, a pilot reform on the pricing policy of natural gas was launched in Guangdong Province and Guangxi Autonomous Region, with unified ceiling city gate prices of RMB2.74/m³ and RMB2.57/m³, respectively
- ◆ As of 30 Jun 2013, we have 27 projects with automatic pass through mechanism, ensuring the Group's ability to pass through upstream cost increase to most of the end users in a timely manner. We continue to set up automatic pass through mechanism in more projects

China Natural Gas Industry Overview

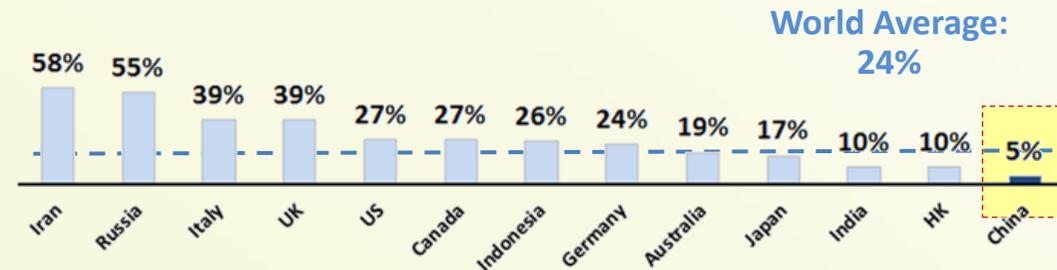
PRC Government's Commitment to Developing Clean Energy

- ◆ China's plan to achieve 40–45% reduction in carbon dioxide emission per unit of GDP by 2020 is driving national energy consumption towards cleaner fuels such as natural gas
- ◆ In connection with the 12th Five-year Plan, the PRC government targets to increase the natural gas portion of total energy consumption from 3.7% (100 bcm) in 2010 to 7.5% (230 bcm) by 2015, with continuous expansion of natural gas infrastructure
- ◆ The PRC government has also been focused on the development of a nationwide gas distribution and delivery system and several cross-border pipelines to mitigate the geographical mismatch between gas demand and supply. As a result, domestic natural gas supply and consumption will increase significantly



Low Natural Gas Penetration Rate ⁽¹⁾ in China

- ◆ Currently, the natural gas consumption in total energy consumption of China is merely 5%, substantially lower than the world average penetration rate of 24%
- ◆ The low penetration rate provides sufficient room for China to increase its national gas consumption going forward, given the country's continuous shift in energy structure. This will further drive the need for piped natural gas infrastructure investment



Source: Company filings, BP Statistical Review of World Energy June 2010.

(1) Note: "Natural Gas Penetration Rate" is defined as natural gas consumption volume as a percentage of total energy consumption.

Approximate conversion factors

| | To | | | | | |
|----------------------------------|-------------------------|-----------------------|-------------------------------|--------------------|--------------------------------|--------------------------------|
| Natural gas and LNG | billion cubic meters NG | billion cubic feet NG | million tonnes oil equivalent | million tonnes LNG | trillion British thermal units | million barrels oil equivalent |
| From | Multiply by | | | | | |
| 1 billion cubic meters NG | 1 | 35.30 | 0.90 | 0.73 | 36.00 | 6.29 |
| 1 billion cubic feet NG | 0.028 | 1 | 0.026 | 0.021 | 1.03 | 0.18 |
| 1 million tonnes oil equivalent | 1.111 | 39.20 | 1 | 0.805 | 40.40 | 7.33 |
| 1 million tonnes LNG | 1.38 | 48.70 | 1.23 | 1 | 52.00 | 8.68 |
| 1 trillion British thermal units | 0.028 | 0.98 | 0.025 | 0.02 | 1 | 0.17 |
| 1 million barrels oil equivalent | 0.16 | 5.61 | 0.14 | 0.12 | 5.80 | 1 |

Source: BP Global Statistics

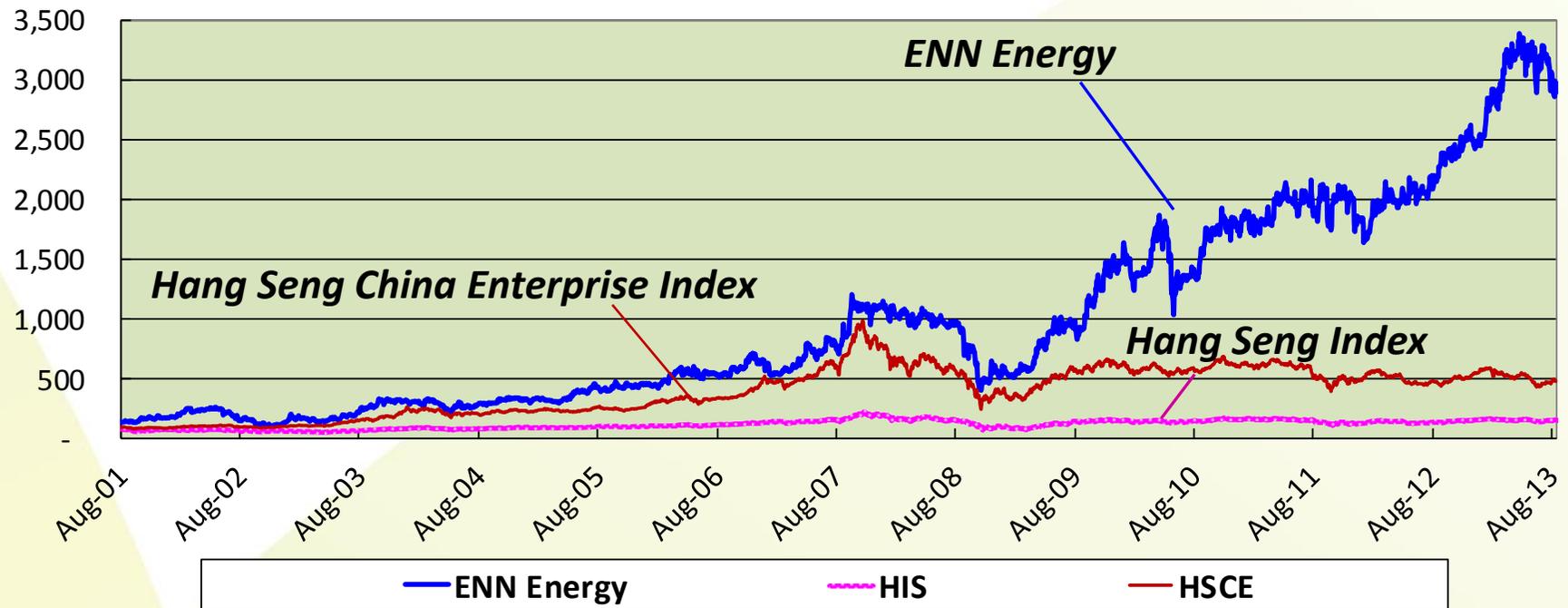
** $28 \text{ m}^3 = 1 \text{ mmbtu}$

Awards & Honors

| | |
|--|---|
| <p>Institutional Investor magazine</p> <p>2013 All-Asia Executive Team Ranking: Best Companies in China, Rank no. 1 (Power Sector) Best CEO, Rank no.2 (Power Sector) Best CFO, Rank no.3 (Power Sector) Best IR Company, Ranked no. 3 (Power Sector) Best IR Professional, Ranked no. 3 (Power Sector)</p> <p>2012 All-Asia Executive Team Ranking: Best CEO, Rank no.1 (Power Sector) Best CFO, Rank no.1 (Power Sector) Best IR Company, Ranked no. 2 (Power Sector)</p> | <p>Forbes</p> <p>2013 China's Best CEO 2012 Asia's Fab 50</p> |
| <p>HK Polytechnic University</p> <p>Bauhinia Cup Outstanding Entrepreneur Awards 2012</p> | <p>China Affiliate of the Balanced Scorecard Institute</p> <p>"Star Organisation of Strategy Execution in China" for 2008</p> <p>"1000 Global Chinese Enterprise" for 2007</p> <p>"Chinese Business 500" for 2001, 2002, 2003, 2004, 2005, 2006</p> <p>Yazhou Zhoukan</p> <p>"Top 20 Chinese Enterprises of Assets Growth" for 2003, 2004, 2005</p> |
| <p>The Asset</p> <p>"China's Most Promising Companies 2009: The Power and Public Utilities sector" "2012 China's Most Promising Companies – Hidden Dragon"</p> | <p>Annual International ARC Awards</p> <p>"Honor, Cover Design, Oil and Gas Production Services" for 2011</p> <p>"Gold, Overall Annual Report: Gas Distribution, Transport & Transmission" for 2008</p> |
| <p>EuroWeek</p> <p>"Best Asian High Yield Bond Issue of 2005"</p> | <p>"Honor, Overall Annual Report: Gas Distribution, Transport & Transmission" for 2004, 2006, 2007</p> <p>Annual International Galaxy Awards</p> <p>"Gold, Annual Reports: Energy" for 2009 "Silver, Annual Reports: Energy" for 2004, 2006, 2008</p> |
| <p>FinanceAsia</p> <p>"The Best Small Cap in China" for 2005 "Best Financial Management" for 2002 "The Best Small Cap IPO" for 2001</p> | <p>Mercury Excellence Awards</p> <p>"Silver, Annual Report" for 2004</p> |
| <p>LACP</p> <p>"Gold, 2010 Vision Awards Annual Report, Energy: Oil, Gas & Consumable Fuels"</p> | <p>The Hong Kong Management Association</p> <p>"Citation for Design, The Best Annual Reports Awards" for 2009" Honourable Mention, "The Best Annual Reports Awards " for 2006</p> |

ENN Energy – Share Price Performance

Market Capitalization (as at 23 Aug 2013):
HK\$42.3 billion



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