



ENN Energy's Retail Gas Sales Volume Up 22.3% to 12,431 million m³ in 1H2021

Sales of Integrated Energy Up 67.5% to 8,049 million kWh

**Low Carbon Business Portfolio & Digitalised Safety Management
to Drive the Group's Sustainable Development**

(Hong Kong, 23 August 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 interim results for the period ended 30 June 2021 (“the Period”). During the period, retail natural gas sales volume increased by 22.3% to 12,431 million m³. Sales of integrated energy including steam, cooling, heating and electricity surged 67.5% to 8,049 million kWh. Revenue of the Group increased by 30.7% to RMB41,232 million. Thanks to the Group’s robust business growth and its customer-oriented development strategies, core profit driven by operating activities increased significantly by 18.4% to RMB3,685 million. With its strong business performance and excellent financial management, the Group generated positive free cash flow of RMB1,473 million. The Board is pleased to announce the first interim dividend since its IPO in 2001 of HK\$0.59 per share.

Mr. Wang Yusuo, Chairman of ENN Energy, stated, “In the first half of 2021, domestic consumption and manufacturing activities in China have shown signs of recovery, and export trade has shown its resilience. President Xi Jinping announced at the United Nations General Assembly last year that China would strive to achieve carbon emissions peak by 2030 and carbon neutrality by 2060. The Group is also proactively implementing its carbon neutral roadmap with clear action plans, our goal is to achieve carbon neutral by 2050. Thanks to the economic growth and low-carbon development policies, coupled with the remarkable execution ability of our team, the Group continued to maintain high growth during the period. The Company plans to share its results with shareholders earlier with semi-annual dividend distribution starting from this fiscal year, demonstrating its determination to create greater value for shareholders.”

Expand Customer Base & Drive Sustainable Growth

Most of the Group’s projects are located in key areas of air pollution prevention and control, where local governments strictly implement environmental protection policies. During the period, a total of 13,858 new commercial and industrial (“C/I”) customers (gas appliances installed with daily designed capacity of 10,200,523 cubic meters) were developed. As of 30 June 2021, the Group has served a total of 190,986 C/I customers (gas appliances installed with daily designed capacity of 152 million cubic meters). Meanwhile, the Group also developed 1.182 million residential customers. As of 30 June 2021, the Group has served 24.395 million residential customers cumulatively, raising the average piped gas penetration rate from to 62.6%.

During the period, the Group acquired exclusive operating rights of 20 city-gas projects and integrated energy projects, capitalising on the opportunities arising from carbon neutrality, industrial transformation, clean heating and energy reform. The Group is now operating 239 city-gas projects as well as 135 integrated energy projects. There are 40 integrated energy projects under construction,

【For Immediate Release】

including 13 distributed solar projects with installed capacity of 40MW. Total demand of integrated energy will reach 34.4 billion kWh when all projects fully ramp up. In addition, we proactively developed integrated energy projects utilising low-carbon energy sources, such as biomass, photovoltaic, geothermal heat energy, 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 6 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.

Uphold Our Safety-oriented Principle, Constructed a Digitalised Safety Management System

The Group is committed to providing safe and stable low-carbon energy to its customers and has always put operation safety as its top priority. To ensure the operation safety of gas pipelines, the Group continued to rectify and replace old pipelines, and has built a digitalised system to manage the construction and operation of pipelines, ensuring the operation of gas pipelines is stable and reliable.

To ensure the safe use of gas by C/I customers and enhance service quality, the Group performs quarterly/monthly/weekly on-site safety checks according to customer's scale of usage. Furthermore, the Group also vigorously promoted the application of IoT meters to customers. Through the IoT application, the Group will be able to obtain the gas consumption data of customers in different parts of the city in real-time, analyse the current operation status of the meters with data collected, promptly detect abnormalities so as to reduce the probability of gas accidents. The Group's penetration rate of IoT meters for C/I customers has gradually increased to 42%.

Furthermore, to ensure residential users' gas safety, we conduct door-to-door safety inspections once a year for general residential users, and twice a year for rural gas users, more frequent than the biennial safety inspection standard for urban residents as stipulated by the country. The Group also promoted the "Smart Safety Inspection System V2.0" which enabled users to carry out online safety self-inspection and self-test programs, which guide them to report the status of indoor gas facilities in accordance with the safety inspection procedures. Residential customers can also reach out to the Group's customer service officers via multiple channels, including the national customer service hotline 95158, mobile APP and social media, etc. We are committed to ensuring the safety of customer-end gas facilities and conducting thorough safety checks under any circumstances, thus enhancing customer satisfaction.

Mr. Wang Yusuo concluded, "In the second half of 2021, the Group will continue to expand natural gas business, deploying digitalised system to accurately predict customer needs, coordinate resources demand and supply, reserve LNG resources in advance during the low-price period, so as to ensure a stable supply of gas in winter. The Group will strengthen the development of demand-side energy services, including managing and operating energy facilities for customers, installing smart energy management system "Serlink" to optimise customers' energy consumption, providing renewable energy application solutions, in an effort to save energy and reduce carbon emissions for customers. It is believed that under the dual carbon goals of China, the Group's integrated energy business will show rapid growth.

In terms of operation safety, the Group will continue to invest resources to enhance the level of digitalisation in safety management, increase the application of advanced pipeline checking equipments, strengthen the safety awareness of all employees as well as their emergency response capabilities, so as to provide customers with safe, stable and clean energy services."

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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 30 June 2021, the Group had 239 project cities in China, locating in 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 135.

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 2021 Interim Results

(As of 30 June)	2021	2020	+/-
Business Development			
No. of city-gas projects in China	239	229	10
Connectable urban population coverage ('000)	116,831	107,573	8.6%
Piped gas penetration rate	62.6%	61.2%	1.4ppts
Accumulated number of IE projects in operation	135	108	27
Revenue Analysis (RMB million)			
Retail gas sales business	23,138	18,191	27.2%
Integrated energy business	3,662	2,101	74.3%
Wholesale of gas	9,768	7,919	23.3%
Construction and Installation	3,827	2,669	43.4%
Value added business	837	663	26.2%
Percentage of Segment Revenue (%)			
Retail gas sales business	56.1	57.7	-1.6ppts
Integrated energy business	8.9	6.7	2.2ppts
Wholesale of gas	23.7	25.1	-1.4ppts
Construction and Installation	9.3	8.5	0.8ppts
Value added business	2.0	2.1	-0.1ppts
New Natural Gas Customer Development			
Residential households ('000)	1,182	1,025	15.3%
C/I customers (sites)	13,858	8,326	66.4%
Installed designed daily capacity ('000 m ³)	10,201	6,559	55.5%
Sales of Gas (million m³)			
Total natural gas sales	16,011	13,832	15.8%
-Residential customers	2,455	2,139	14.8%
-C/I customers	9,616	7,613	26.3%
-Wholesale of gas	3,580	3,669	-2.4%
-Vehicle gas refuelling stations	360	411	-12.4%
Sales of Integrated Energy			
Sales vol of cooling, heating, electricity, and steam (mil kWh)	8,049	4,806	67.5%