



ENN Energy Released 2022 Interim Results
Revenue increased significantly by 41.5% to RMB 58,332 million
The Board of Directors declares an interim dividend of HK\$0.64 per share

(Hong Kong, 19 August, 2022) -- ENN Energy Holding Limited (Stock code: 2688.HK, "ENN Energy" or "the Group" or "the Company"), one of the largest clean energy distributors in China, announced its interim results for the period ended 30 June 2022 ("the Period"). During the Period, driven by the resilient growth of core businesses, revenue of the Group increased significantly by 41.5% to RMB 58,332 million. With solid performance and excellent financial management, the Group continued to generate positive free cash flow. The Board of Directors is pleased to declare an interim dividend of HK\$0.64 per share, representing a year-on-year increase of 8.5% (2021 interim: HK\$0.59 per share).

Mr. Wang Yusuo, Chairman of ENN Energy, stated, "In the first half of 2022, the Group promptly adjusted its energy procurement strategy in order to control costs when international energy prices rose, while the energy demand has been affected by the resurgence of COVID-19 epidemic as well. The Group established a dynamic demand tracking mechanism to ensure supply security for its consumers across the nation. Also, leveraging on the advantages of scale and the leading integrated energy business model, the Group actively expanded low-carbon integrated solutions and value-added business, and recorded satisfactory growth during the Period. The Group's sound financial position and resilient earnings have also been highly recognised by Standard & Poor's, and received an upgrade on its credit rating to BBB+ (stable) on 3rd August this year. Despite the challenging operating environment in the first half of the year, employees at all level of the Group continued their strong execution capabilities and achieved remarkable results in the first half of the year. "

Deepened the Digital and Intelligent Safety System and Build the Brand of ENN Safety Ingenuity

Adhering to the principle of "Safety as Integral to ENN's Brand", with digital and intelligent applications as the carrier, the Group has focused on key safety issues relevant to five major business scenarios-construction and engineering, pipeline network, citygate stations, integrated energy stations and customer sites, accurate monitoring has been carried out through plenty of IoT perception technologies, with data collected in real time and fed back to the big data center to further realise the security and intelligent operation system of "Visibility of Risks, Identification of Major Risks and Well-Managed Safety" in all scenarios. During the period, the construction of the digital and intelligent safety system for 33 of our subsidiaries was completed, and it will be extended to more member companies in the second half of the year. In addition, ENN Qingdao Company was awarded the industry's first scene digital and intelligent safety system management and control certificate by China Classification Society, and successfully set the benchmark in the industry's digital and intelligent safety field. During the period, nine projects of the Group including Shijiazhuang, Changsha and Luoyang were inspected by the national inspection team. The Group is determined to enhance the level of intrinsic safety of itself as well as the industry capitalising on the digitalised safety management system and its iteration.

Adopted Diversified Gas Sources and Market-oriented Pricing Policies Amidst Soaring Energy Prices

As the continual rise in natural gas prices, the Group has optimized resource scheduling and carried out a demand-side response to expand the scale of sales. The Group has adopted various measures to

For Immediate Release

counter the risks and expand the customer base, including entering into long-term supply contracts with price linkage agreements and diversified pricing mechanisms with customers, reducing the risk of rising gas prices while developing customers. In the meantime, it expands the integrated energy business which prioritises the use of clean energy priority, adapts to local conditions and is complemented by multi-energy sources, providing customers with low-carbon integrated solutions through continuous iteration of integrated energy products.

As at the end of the Period, the Group's retail volume of natural gas increased by 5.1% to 13,065 million cubic meters, while the sales volume of integrated energy increased significantly by 34.2% to 10,801 million kWh. The total number of city gas projects operated by the Group has reached 254, and the number of integrated energy projects that have been put into operation has also reached 177. The above projects will lay a solid foundation for the rapid growth of the Group in the next few years.

Established Multifaceted Product Portfolios Centred on Customer Demand for Safety-Energy-Carbon to Fuel Value Added Business Growth

The Group has been serving an enormous base of customers, including more than 26.81 million household users and 211,597 industrial and commercial users, which demonstrates huge business potential and value. The Group is especially focused on ensuring energy safety for customers. During the Period, it has expanded home safety and security products, IoT smart products, energy saving gas appliances and low-carbon heating products, further unleashed the extended service value of its gas customers. The Group's revenue of value-added business during the Period reached RMB 1,165 million, representing a year-on-year increase of 39.2%.

Actively Formulate Carbon Emission Reduction Plans to Promote Sustainable Development

The Group utilized clean energy technology and digital and intelligence management capabilities to reduce carbon emissions for customers and society, assisting their low-carbon transformation, helping the country achieve the dual-carbon goal as well as building the low-carbon future together. During the Period, the Group has captured a short but advantageous issuance window, successfully issued a US\$550 million 5-year tenure green senior notes. This was the second issuance of green bond denominated in US dollars by the Company, boosting the development of the Group towards a cleaner low-carbon trajectory.

In terms of implementing the green action plan, the tracking of Scope 3 GHG emissions started in the first half of the year. During the Period, the Company entered into a cooperation agreement with China University of Petroleum (East China) specifying that it plans to carry out city-gas methane emission scenarios and emission measurement to identify key emission sources and take relevant control measures. In the meantime, the Group actively participated in the methane emission control organization activities, participated in the MGP round table meeting, as well as confirmed its plan to expand the organization strategy to the whole natural gas value chain. In addition, the company released its first *Biodiversity Conservation Report* in May, which clarified the medium- and long-term low-carbon green action goals, incorporated biodiversity conservation concepts and measures into corporate strategies and daily operations, implementing biological actions with practical actions.

Mr. Wang Yusuo concluded, "In the second half of 2022, the global energy industry is expected to continue to face turbulence due to geopolitical instability, high energy prices and rising inflationary pressures. The Group will continue to seize the opportunities of low-carbon development and market-oriented reforms, and will customise four types of integrated energy solutions, namely low-carbon industrial parks, low-carbon factories, low-carbon buildings and low-carbon transportation for customers by integrating natural gas, biomass, photovoltaic, geothermal and other renewable energy sources depending on local conditions. The Group will also deploy prominent and innovative marketing

For Immediate Release

channels and strengthen brand publicity to increase the penetration rate of value added business among existing customer groups. The Group is committed to drive profit growth and to achieve the dual-carbon goals.”

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, the sales and distribution of piped gas, LNG and other multi-energy products. The Group also provides customers with digital and intelligent services related to low-carbon integrated solutions and develops diversified value-added services based on customer needs. As of 30 June 2022, the Group has managed 254 city-gas projects locating in 20 provinces, municipalities and autonomous regions in China, including 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 develops integrated energy projects in key regions across China, and has operated 177 integrated energy projects.

ENN Energy is a constituent of the Hang Seng Index, Hang Seng China Enterprises Index, the Hang Seng Composite Large Cap Index, the Hang Seng ESG 50 Index, the Hang Seng Corporate Sustainability 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 2022 Interim Results

(As of 30 June)	2022	2021	+/-
Business Development			
No. of city-gas projects in China	254	239	15
Connectable urban population coverage	128,199	116,831	9.7%
Piped gas penetration rate	62.7%	62.6%	0.1ppts
Accumulated number of IE projects in operation	177	135	42
Revenue Analysis (RMB million)			
Retail gas sales business	30,316	23,138	31.0%
Integrated energy business	5,365	3,662	46.5%
Wholesale of gas	18,696	9,768	91.4%
Construction and Installation	2,790	3,827	(27.1%)
Value added business	1,165	837	39.2%
Percentage of Segment Revenue (%)			
Retail gas sales business	52.0	56.1	-4.1 ppts
Integrated energy business	9.2	8.9	0.3 ppts
Wholesale of gas	32.0	23.7	8.3 ppts
Construction and Installation	4.8	9.3	-4.5 ppts
Value added business	2.0	2.0	Unchanged
New Natural Gas Customer Development			
Residential households ('000)	979	1,182	(17.2%)
C/I customers (sites)	9,138	13,858	(34.1%)
Installed designed daily capacity ('000 m ³)	9,479	10,201	(7.1%)
Sales of Gas (million m³)			
Total natural gas sales	16,835	16,011	5.1%
-Residential customers	2,769	2,455	12.8%
-C/I customers	10,075	9,616	4.8%
-Wholesale of gas	3,770	3,580	5.3%
-Vehicle gas refuelling stations	221	360	(38.6%)
Sales of Integrated Energy			
Sales vol of cooling, heating, electricity, and steam (mil kWh)	10,801	8,049	34.2%