



ENN Energy Releases 2023 Interim Results

Revenue of RMB 54.1billion

Profit to owners of the Company up 7.3% to RMB 3.3billion

The Board of Directors declares interim dividend payment of HK\$0.64 per share

(Hong, Kong, 24 August, 2023) --- 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 2023 ("the Period"). During the period, the Group's main businesses operated smoothly with total revenue of RMB54.1 billion and profit attributable to shareholders increased by 7.3% to RMB3.3 billion. With solid performance and excellent financial management, the Group continued to generate positive free cash flow RMB412 million. The Board has recommended an interim dividend of HK\$0.64 per share, same as the same period last year (2022 interim: HK\$0.64 per share)

Mr. Wang Yusuo, Chairman of ENN Energy, stated, "Throughout this year, the global economy has faced escalating challenges from different directions, with contradictions becoming more prominent. Factors such as geopolitical conflicts, supply chain disruptions and inflationary pressures have adversely affected global economic growth. Meanwhile, as China's economy and society gradually return to normal, its economy has stabilised, showing positive trends. Nevertheless, there are still headwinds. In the first half of 2023, the Group withstood the pressure of development under the new situation and steadfastly implemented its business transformation, striving to develop its integrated energy business and value added business while maintaining the stable development of natural gas business. During the reporting period, the Company's credit rating from Standard & Poor's, Moody's and Fitch maintained at "BBB+", "Baa1" and "BBB+" respectively, with a "stable" outlook. This reaffirms our solid business foundation and robust financial position, showcasing our resilience even in a persistently challenging operating environment. "

Developing Systematic Capabilities to Ensure Work Safety, Operational Safety, and Digital Intelligence Safety; Enhancing Core Competitiveness and Strengthening the Digital Intelligence Safety Brand

With our corporate goal of being recognised as a trusted brand in safety, we have continuously upgraded our capabilities in digital intelligence to address management challenges across our five major business scenarios, namely, construction and engineering, pipeline networks, city-gate stations, integrated energy stations and customer sites. So far this year, the Group has delivered gas monitoring platforms to the governments of Shijiazhuang, Cangzhou, and the Tianjin Economic-Technological Area, further consolidating our "Safety by Digital Intelligence" brand proposition. At the same time, we have also cooperated with various industry peers and universities (including the Tianjin University) to establish industry standards, such as the "Guidelines on Managing Gas Leakage Accidents in Urban Areas", the "Technical Specification for Designing Intelligent City-gate Stations", and the "Urban

Intelligent Pipeline Networks”. By doing so, we have further advanced our brand influence, assisted governments in safeguarding urban safety and fulfilled our corporate social responsibility and mission.

Striving to Achieve Dual Carbon Goals, Implementing Integrated Energy Strategies

During the period, the Group has seized the opportunity and capitalised on demand to contribute to the national “Dual Carbon” goal, and accelerated the implementation of its strategy to develop the integrated energy business. A total of 42 integrated energy projects were completed and put into operation during the period, which lifted the number of total projects in operation to 252, generating sales of a total of 15,664 million kWh of integrated energies, including cooling, heating, electricity, and steam, up 45.0% year-on-year. During the period, revenue and gross profit of the integrated energy business increased by 30.3% and 30.8% to RMB6,988 million and RMB913 million respectively.

For the six months ended 30 June 2023, the Group has 62 integrated energy projects under construction. Potential integrated energy demand is expected to reach 45.0 billion kWh when all projects under construction and in operation reach their full capacity. During the period, the Group also signed contracts for 21 new low-carbon parks, 956 new low-carbon factories, and 73 new low-carbon construction projects, with a total annual energy consumption of over 14.6 billion kWh, which will support the Group’s rapid growth in the coming years.

Maintaining Gas Sales, Overcoming Challenges, Strengthening Fundamentals

The Group faced significant challenges in maintaining its retail gas sales due to a combination of high gas prices and subdued domestic demand during the China’s economic recovery. For the six months ended 30 June 2023, retail gas sales volume decreased by 6.9% year-on-year to 12,162 million cubic metres, commercial gas sales volume increased by 5.3% year-on-year, residential gas sales volume increased by 5.1% year-on-year, industrial gas sales decreased by 11.7%.

Diversifying Product Models, Expanding the Value added Business

The Group currently supplies gas to more than 28.92 million residential customers and 232,695 commercial and industrial customers. Since the beginning of the year, the Group has been making continuous efforts to enhance the customer service experience. These efforts included gaining a deeper understanding of their diverse needs in various scenarios, such as safety, kitchen, and communities. The Group has also integrated online sales and offline service experiences, expedited the implementation of innovative value added service business models and scaled up business output.

During the period, the Group’s revenue and gross margin from the value added business amounted to RMB1,699 million and RMB1,139 million, representing a year-on-year increase of 45.8% and 30.5% respectively. The significant fluctuation in gross profit margin between the two periods mainly due to changes in the product sales portfolio. Currently, the penetration rate of the value added service business among the Group’s existing customers is only 11.2%. Therefore, we will continue to enhance

the penetration rate and satisfy customers' demand for diversified and high-quality products and services.

SUSTAINABLE DEVELOPMENT

The Group always attaches great importance to climate-related matters. In the first half of 2023, the Group began the process of preparing a Task Force on Climate-related Financial Disclosure (the "TCFD") framework report to systematically assess the Group's risks and opportunities associated with climate change. The Company plans to publish a report in October 2023 using the TCFD as a framework, which it will aid the Group in addressing climate-related challenges, allowing investors and other stakeholders to comprehend its sustainability strategy, and enhancing its corporate image and sustainability leadership.

In order to strengthen the quality and oversight of ESG information disclosure, the Company introduced an ESG intelligent ecological platform on 30 July 2023 which possesses comprehensive functionalities, standardised management, controllable processes and transparent data. This platform offers a broader range of reliable data, which enhances our ability to manage energy and carbon-related business activities.

Mr. Wang Yusuo concluded, "The current international environment remains highly complex and volatile. China's export growth will likely be constrained as the world economy slows down. Private enterprises still require a confidence boost. It is crucial to strengthen economic fundamentals as rapid changes and uncertainties may become the "new normal" in the Chinese market. In the face of these challenges, we remain committed to cementing our ties with customers through leveraging our strategically positioned geographic presence and diversified business portfolio. Additionally, we will adopt a more assertive implementation plan to enhance the profitability of our core businesses, achieving our strategic goal of upgrading our business. The Group will leverage its accumulated expertise in integrated energy and the practical experience gained from operating 14 diversified micro-grid projects to rapidly replicate and promote these initiatives. By achieving scalability of the system, we wish to accelerate the expansion of the Group's electric power businesses. Moreover, as more people pursue diversified and personalised consumption, the Group has adopted a new model of offline experience (through business hall) + online consumption (through ecej.com). This approach aligns with the wider consumer upgrading trend towards personalised services and is set to increase user penetration, ultimately driving steady profit growth. "

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 business based on customer needs. As of 30 June 2023, 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 successfully operated 252 such projects to date.

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

IR Enquiry

ENN Energy Holdings Limited

Karen Liu/ Chelsea Sun/Martin Ding

Tel: (852) 2528 5666

Email: ir@enn.cn

Media Enquiry

Hill+Knowlton Strategies Asia

Joyce Kwong / Cassidy Wong

Tel: (852) 6842 5929 / (852) 2894 6263

Email: ENN.Energy@hkstrategies.com

Financial and Operational Data for 2023 Interim Results

(As of 30 June)	2023	2022	+/-
Business Development			
No. of city-gas projects in China	254	254	
Connectable urban population coverage ('000)	133,196	128,199	3.9%
Piped gas penetration rate	65.1%	62.7%	2.4ppts
Accumulated number of IE projects in operation	252	177	75
Revenue Analysis (RMB million)			
Retail gas sales business	29,217	30,316	-3.6%
Integrated energy business	6,988	5,365	30.3%
Wholesale of gas	13,345	18,696	-28.6%
Construction and Installation	2,862	2,790	2.6%
Value added business	1,699	1,165	45.8%
Percentage of Segment Revenue (%)			
Retail gas sales business	54.0	52.0	2 ppts
Integrated energy business	12.9	9.2	3.7 ppts
Wholesale of gas	24.7	32.0	-7.3 ppts
Construction and Installation	5.3	4.8	0.5 ppts
Value added business	3.1	2.0	1.1 ppts
New Natural Gas Customer Development			
Residential households ('000)	998	979	1.9%
C/I customers (sites)	8,233	9,138	-9.9%
Installed designed daily capacity ('000 m3)	8,359	9,479	-11.8%
Sales of Gas (million m³)			
Total natural gas sales	15,826	16,835	-6.0%
-Residential customers	2,911	2,769	5.1%
-C/I customers	9,075	10,075	-9.9%
-Wholesale of gas	3,665	3,770	-2.8%
-Vehicle gas refuelling stations	176	221	-20.4%
Sales of Integrated Energy			
Sales vol of cooling, heating, electricity, and steam (mil kWh)	15,664	10,801	45.0%