



**ENN Energy Recorded Natural Gas Sales Volume up 18.9% to 23,328 million m³
Sales of Integrated Energy Significantly rose 162.4% to 2,886 million kWh
Double Growth Drivers to Maintain Growth Momentum of the Group**

(Hong Kong, 21 Mar 2019)—ENN Energy Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) (stock code: 2688.HK), one of the largest clean energy distributors in China, announced its annual results for the year ended 31 December 2018 (“the year”). During the year, leveraging on its strong foothold in the industry and execution competency, the Company together with its subsidiaries, associates and joint ventures, recorded a total natural gas sales volume of 23,328 million cubic metres, representing an increase of 18.9% year-on-year. Driven by the strong growth of gas sales volume, total revenue reached RMB87,594 million, representing a significant increase of 27.2% year-on-year. Revenue of the Group increased by 25.7% to RMB60,698 million. Stripping out the impact of other gains and losses and amortisation of share option expenses, core profit driven by operating activities increased by 19.8% to RMB4,471 million. The Board recommended a final dividend of HK\$1.19 per share.

In August 2018, the Group successfully acquired Ubiquitous Energy Network Technology Co., Ltd and secured leading core technologies in terms of integrated energy planning, designing, operation and maintenance, which substantially strengthened the Group’s competitive advantage in developing integrated energy business. The acquisition received up to 94% approval from independent shareholders. During the transaction, the Company's share price hit a historical high of HK\$92.35, driving its market capitalization to over HK\$100 billion. This reflected that the Group's strategic transformation into an integrated energy service provider was highly recognized by the capital market.

Integrated Energy Business Grew Rapidly, Breaking Through the Barriers of City-gas Concession Rights

During the year, the Group put 31 new integrated energy projects into operation. As of 31 December 2018, the aggregate number of integrated energy projects in operation rose to 62, which drove the sales of integrated energy including cooling, heating, electricity and steam amounting to 2,886 million kWh, and generated a revenue of RMB1,005 million, representing a substantial year-on-year increase of 241.8%. Among these projects, Zhejiang Yuhang Economic and Technological Development Zone is the Group’s first national-level industrial park which breaks through the barriers of city-gas concession rights. The industrial park was put into operation in March 2018, and the Group sold a total of 612 million kWh of integrated energy including steam and heating to industrial customers in the park in only 10 months, generating a revenue of RMB 196 million.

During the year, the Group signed 257 new integrated energy projects, increasing the total number of projects which are in operation, under construction and newly signed to 323, with a potential integrated energy demand of 122 billion kWh per year, laying foundation for integrated energy business’ rapid growth in the future.



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City-gas Business Sustained Stable Growth with Bargaining Power Enhanced by Long-term LNG Import Contracts

During the year, driven by the significant rising of natural gas sales volume attributable to C/I and residential customers by 23.2% to 16,110 million cubic metres, and the rising natural gas price, revenue of sales of piped gas increased by 31.3% year-on-year to RMB31,434 million. The Group actively cooperated with local governments to accelerate the promotion of industrial “coal-to-gas” conversion, and sped up the development of residential customers and natural gas space heaters users. The continuous expansion of customer base provides a concrete support for the growth of natural gas sales business. During the year, the Group developed a total of 29,226 new C/I customers (installed gas appliances with designed daily capacity of 18,652,070 cubic metres), with the total number of C/I customers reaching 121,105 (installed gas appliances with designed daily capacity of 106,552,583 cubic metres). The Group developed 2,301,600 new residential customers, raising the total number of developed residential households to 18,522,733.

The Group has executed the three long-term LNG import contracts signed with Chevron, Origin and Total since the second half of 2018, providing around 1.44 million tons (equivalent to 2 billion cubic meters) of LNG resources per year to the Group. This assures a stable operation of natural gas projects in the event of gas supply shortage in the winter, and the competitive pricing of self-import LNG can also enhance the Group’s ability to withstand the surge in winter gas procuring cost from upstream suppliers, as well as its bargaining power with them.

Proactively Look for City-gas M&A Opportunities to Expand Operational Areas

In terms of new projects development, the Group acquired 18 new projects and 34 new concessions in proximity to its existing projects during the year, which are expected to contribute more than 2.5 billion cubic meter of gas sales volume to the Group when they mature. As of 31 December 2018, the Group managed 187 city-gas projects in China, covering a connectable population of 94.57 million. The average penetration rate increased from 57.5% in 2017 to 58.8%.

A number of small and medium-sized gas companies with single business model have been under mounting pressure in recent years due to the ROA regulation on gas distribution, the gas shortage as well as the rising financing costs. The Group will continue to look for M&A opportunities that bring synergy to its existing projects and strive to expand the operational areas of city-gas business leveraging on its good corporate image, excellent safety operation capability and the integrated energy business model.

Standard & Poor's Upgraded ENN Energy’s Credit Rating to BBB+

Leveraging on the Group’s strong financial performance and proven development strategies, Standard & Poor's upgraded the Group to BBB+ and issued a “stable” outlook, while Xinao (China) Gas Investment Company Limited, a wholly-owned subsidiary of the Company responsible for domestic business investment, was awarded the highest AAA credit rating and a “stable” outlook by the United Credit Rating Co., Ltd. It is believed that good credit ratings will provide the Group with more competitive financial resources for its long-term development.

Promising Outlook for the Company



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Transitioning to a stage of high-quality development, the government is committed to reducing the energy consumption per unit of GDP. Last year, the energy intensity was successfully reduced by 3.1%, exceeding the preliminary target. Meanwhile, Premier Li Keqiang clearly stated in the 2019 Government Work Report that the energy consumption per unit of GDP must be further reduced by 3% during the year. The natural gas sales and integrated energy business model of the Group which share the same vision is in line with the country's energy reform strategies.

Mr. Wang Zizheng, Executive Chairman of ENN Energy, stated, "The natural gas distribution business is the cornerstone of the Group's sustainable development and generates stable returns for shareholders. We will seize the favorable momentum in the natural gas industry to continue expand our gas sales business. We will also actively import overseas LNG resources and invest in gas storage and peak shaving facilities in an attempt to provide high-quality and safe services to customers by strengthening our gas securing ability. Meanwhile, capitalizing on our huge customer base and first-mover advantage to accelerate the development of its integrated energy business, we will not only focus on getting quality projects, but also focus on executing the projects well by strengthening project operation management, as well as reducing investment risks and accelerating revenue generation. We believe the natural gas sales and integrated energy business will power up our growth continuously".

(The End)

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 2018, the Group had 187 project cities in China in 17 provinces, municipalities and autonomous regions, namely Anhui, Beijing, Fujian, Guangdong, Guangxi, Hebei, Henan, Hunan, Inner Mongolia, Jiangsu, Jiangxi, Liaoning, Sichuan, Shandong, Yunnan, Zhejiang and Shanxi, covering a connectable urban population of 94.57 million. The Group also developed 62 integrated energy projects in key regions spanning across 26 provinces and municipalities.

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

IR Enquiry:

ENN Energy Holdings Limited
Shirley Kwok/Grace Wei/Evonne Zhang/Olivia Xia
Tel: (852) 2528 5666 / (86) 316 2599928
Fax: (852) 2865 7204
Email: enn@ennenergy.com

Media Enquiry:

Hill+Knowlton Strategies Asia
Ada Leung / Andrew Yeung
Tel: (852) 2894 6225 / (852) 2894 6260
Email: ENN.Energy@hkstrategies.com

Financial and Operational Data for 2018 Annual Results

(As of 31 December)	2018	2017	+/-
Business Development			
No. of city-gas project in China	187	172	+15
Urban population coverage (thousand)	94,569	84,693	+11.7%
Piped Gas penetration rate	58.8%	57.5%	+1.3 ppt
No. of integrated energy projects in operation	62	31	+31
Revenue Analysis (RMB million)			
Construction and Installation (Connection Fee)	5,882	5,954	-1.2%
Sales of piped gas	31,434	23,948	+31.3%
Vehicle gas refuelling stations	2,838	3,102	-8.5%
Wholesale of gas	18,107	11,878	+52.4%
Sales of integrated energy and services	1,005	294	+241.8%
Sales of gas appliances	435	320	+35.9%
Sales of material	997	2,773	-64.0%
Percentage of Segment Revenue (%)			
Construction and Installation (Connection Fee)	9.7	12.3	-2.6 ppt
Sales of piped gas	51.8	49.6	+2.2 ppt
Vehicle gas refuelling stations	4.7	6.4	-1.7 ppt
Wholesale of gas	29.8	24.6	+5.2 ppt
Sales of integrated energy and services	1.7	0.6	+1.1 ppt
Sales of gas appliances	0.7	0.7	No change
Sales of material	1.6	5.7	-4.1 ppt
Gas Infrastructure			
Total length of pipeline (km)	46,397	39,146	+18.5%
Gas processing stations	185	173	+12
-Daily capacity (thousand m ³)	123,640	104,370	+18.5%
New Natural Gas Customer Development			
Residential households (thousand households)	2,302	2,074	+11.0%
C/I customers (sites)	29,226	23,200	+6,026
Installed designed daily capacity for C/I (thousand m ³)	18,652	16,718	+11.6%
Accumulated Customers			
Residential households (thousand households)	18,523	16,221	+14.2%
C/I (sites)	121,105	91,879	+29,226
Installed designed daily capacity for C/I (thousand m ³)	106,553	87,901	+21.2%
Sales of Gas (million m³)			
Total natural gas sales	23,328	19,617	+18.9%
-Residential	2,885	2,148	+34.3%
-C/I	13,225	10,931	+21.0%
-Wholesale of gas	5,958	5,141	+15.9%
-Vehicle gas refuelling stations	1,260	1,396	-9.7%
Sales of Integrated Energy			
Total integrated energy sales (million kWh)	2,886	1,100	+162.4%