



**ENN Energy Recorded Revenue Increased by 23.8% to RMB26,530 million**  
**Natural Gas sold to C/I & Residential Customers Significantly up 26.5% to 7,878 million m<sup>3</sup>**  
**City-gas Business Sustained a Stable Growth while Integrated Energy Projects Expanded Rapidly**  
**Double Growth Drivers to Maintain Growth Momentum**

(Hong Kong, 23 Aug 2018)—ENN Energy Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) (stock code: 2688.HK), one of the largest clean energy distributors in China, announced its interim results for the period ended 30 June 2018 (“the Period”). During the Period, leveraging on its strong foothold in the industry and execution competency, total natural gas sales volume of the Group together with its associates and joint ventures reached 11,062 million cubic metres, representing an increase of 20.4% year-on-year. Total revenue reached RMB 39,799 million, representing an increase of 28.1% year-on-year.

Revenue of the Group amounted to RMB26,530 million, representing a significant increase of 23.8% year-on-year; Profit attributable to shareholders of the Company increased by 8.1% year-on-year to RMB1,782 million, stripping out the impact of a loss of RMB607 million from other gains and losses and amortisation of share option expenses, profit increased by 25.3% compared to the corresponding period in 2017. During the Period, earnings per share increased by 7.9% to RMB1.64.

Mr. Wang Yusuo, Chairman of ENN Energy, stated, “Benefiting from the government’s determination to control air pollution and the strengthening environmental protection policies from local governments, the apparent natural gas consumption in China recorded a growth of 17.5% year-on-year during the Period, 2.3 ppts higher than that for the same period of last year. While the central and local governments continued to issue a series of environmental protection policies during the year, including the “Three-year Action Plan to Win the Blue Sky Defense War”, these demonstrate a growing effort to promote clean energy across the nation.

China is building a clean, low-carbon, efficient and economical energy system which aims at raising the quality and efficiency of energy consumption. Coupled with the government’s successive introduction of energy reform policies, as well as the ongoing advancement of energy efficiency technology, the integrated energy industry in China is experiencing an explosive growth. The Group actively grasped these growth opportunities to expand city-gas business and accelerate the expansion of integrated energy business, so as to provide the Group with double growth drivers for its sustainable growth.”



### **City-gas Business Sustained a Stable Growth**

In the first half of 2018, sales of piped gas increased by 31.9% year-on-year to RMB14,901 million, mainly due to the significant rising of natural gas sales volume attributable to C/I and residential customers by 26.5% to 7,878 million cubic metres. The Group actively co-operated 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 Period, the Group developed 10,764 new C/I customers (installed gas appliances with designed daily capacity of 8,228,222 cubic metres), with the aggregate number of C/I customers reached 102,643 (installed gas appliances with designed daily capacity of 96,128,735 cubic metres). The Group developed 1.08 million new residential customers, with the aggregate number of piped gas residential customers reached 17.30 million. As of 30 June 2018, the number of household coverage of the Group’s city-gas projects in China reached 29.5 million, while the average penetration rate increased from 57.5% at the end of 2017 to 58.6%.

In addition to actively improving the penetration rate of city-gas projects, the Group also expanded its city-gas operational areas and customer base through merger and acquisition. During the Period, the Group successfully acquired 6 new projects and 19 new concessions around its existing projects, with an additional population coverage of 1.99 million. Among which, the Zhoushan project in Zhejiang Province is the first national strategic level new district, aiming to become a pilot area and experimental zone for the comprehensive development of a maritime economy in Zhejiang, and a key economic growth driver in the Yangtze River Delta region with local population of 1.17 million. The major industries in Zhoushan city include shipbuilding and marine products processing, which create a huge demand for natural gas. While on the commercial side, large-scale starred hotels, restaurants, schools and hospitals bring the Group with more quality commercial customers with higher affordability. The Group believes natural gas demand from Zhoushan project will experience a rapid growth. As of 30 June 2018, the Group had 178 projects in China, covering a population of 88.61 million.

### **All-rounded Development in Integrated Energy Business**

The acquisition of ENN Ubiquitous Energy Network Technology Co., Ltd., one of the leading integrated energy service providers in China, was approved by large majority of independent shareholders in the extraordinary general meeting held on 8 August 2018. Through this acquisition, the Group successfully obtained the core technological know-hows on planning, designing and operating integrated energy projects, and thereby strengthening its competitive advantages in integrated energy business. Leveraging on these technological advantages, the Group will focus on acquiring high-quality industrial park projects, based on its deep understanding of customers to tailor integrated energy solutions which are demand-oriented, so as to facilitate the integrated energy sales and service business comprising the sales of electricity, heating and cooling, to bring new growth engines and profit growth drivers beyond the traditional gas sales business.

During the Period, the Group signed 131 new integrated energy projects, with potential energy sales of 36,424million kWh per year upon full operation; 15 integrated energy projects were put into operation, with the aggregate number of projects in operation reached 46. Among which, Zhejiang Yuhang Economic and Technological Development Zone is a national-level and



established industrial and commercial park with more than 200 large-scale enterprises, creating a strong demand for steam and electricity. Although this project is not located in the Group's gas concession, along with the vigorous promotion of "coal-to-gas" conversion and clean energy initiatives in Zhejiang province, the Group broke through the barriers of gas concession to construct a clean energy ecosystem for Yuhang Development Zone with its leading integrated energy technology and development concept, as well as its strong market development capabilities, so as to satisfy both the customers and the government in terms of the need for multiple forms of energy and environmental quality. As of 30 June 2018, the sales volume of integrated energy including cooling, heating, electricity and steam reached 1,016 million kWh and generated a revenue of RMB 369 million, representing a significant growth of 276.5% year-on-year. This laid down a solid foundation for realising the Group's strategic transformation.

### **Winter Gas Supply Assurance supported by Wholesale Business**

In response to the severe gas shortage in northern China last winter, as one of the largest LNG traders in China, the Group will take three major measures to ensure a stable gas supply, which include locking in onshore LNG supply with major LNG suppliers and manufacturers for the coming winter, procuring offshore LNG leveraging on the LNG terminal invested by ENN Group in Zhoushan and continuously enhancing gas storage capacity.

The downstream demand for natural gas in China remained strong in the first half of 2018. Capitalised on its powerful gas sources acquisition and dispatching capabilities, the Group's revenue of wholesale of gas business reached RMB 6,595 million during the Period, representing a year-on-year increase of 42.4%, while gas sales volume amounted to 2,571 million cubic metres, maintaining a leading market share of 23%. The Group will continue to develop its wholesale business to maintain a leading market share, ensuring a stable gas supply and contributing additional profits to the Group.

### **Outlook**

Mr. Wang Yusuo concluded, "The outlook of China's natural gas industry remains positive and maintains rapid development, as one of the leading players in the industry, the Group continues to achieve its business goals and financial targets. During the Period, Standard & Poor's upgraded the Group's crediting rating to BBB+ with "stable" outlook. Looking forward, the opening up of midstream oil and gas pipelines network (excluding city-gas network), which is conducive to the in-depth reform of the natural gas industry, the full implementation of a market-oriented pricing mechanism, the accelerated construction for upstream and midstream facilities, LNG receiving terminals and gas storage, will provide strong support for the long-term growth of downstream natural gas consumption. Also, the reform of the electricity industry has provided essential support for the Group to vigorously promote its integrated energy business. The Group will continue to promote management restructuring to improve its corporate governance and speed up the business transformation and strategic upgrade, so as to realise its transformation from a pure natural gas distributor into an industry-leading integrated energy service provider."

(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 30 June 2018, the Group had 178 project cities in China in 17 provinces, municipalities and autonomous regions, namely Anhui, Beijing, Fujian, Guangdong, Guangxi, Hainan, Hebei, Henan, Hunan, Inner Mongolia, Jiangsu, Jiangxi, Liaoning, Sichuan, Shandong, Yunnan and Zhejiang, covering a connectable urban population of 88.61 million. The group also developed 46 integrated energy projects in key regions spanning across 11 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: [IR@ennenergy.com](mailto:IR@ennenergy.com)

**Media Enquiry:**

Hill+Knowlton Strategies Asia  
Ada Leung / Andrew Yeung  
Tel: (852) 2894 6225 / (852) 2894 6260  
Email: [enn.energy@hkstrategies.com](mailto:enn.energy@hkstrategies.com)

**Financial and Operational Data for 2018 Interim Results**

<b>(As of 30 June)</b>	<b>1H2018</b>	<b>1H2017</b>	<b>+/-</b>
<b>Business Development</b>			
No. of city-gas project in China	178	165	+13
Urban population coverage (thousand)	88,609	78,090	+13.5 %
Piped Gas penetration rate	58.6%	58.0%	+0.6 ppt
Accumulated integrated energy projects in operation	46	22	+24
<b>Revenue Analysis (RMB million)</b>			
Construction and Installation (Connection Fee)	2,988	2,897	+3.1%
Sales of piped gas	14,901	11,300	+31.9%
Vehicle gas refuelling stations	1,400	1,521	-8.0%
Wholesale of gas	6,595	4,631	+42.4%
Sales of integrated energy and services	369	98	+276.5%
Sales of gas appliances	160	89	+79.8%
Sales of material	117	888	-86.8%
<b>Percentage of Segment Revenue (%)</b>			
Construction and Installation (Connection Fee)	11.3	13.5	-2.2 ppt
Sales of piped gas	56.2	52.7	+3.5 ppt
Vehicle gas refuelling stations	5.3	7.1	-1.8 ppt
Wholesale of gas	24.9	21.6	+3.3 ppt
Sales of integrated energy and services	1.4	0.5	+0.9 ppt
Sales of gas appliances	0.6	0.5	+0.1 ppt
Sales of material	0.4	4.1	-3.7 ppt
<b>Gas Infrastructure</b>			
Total length of pipeline (km)	42,032	35,036	+20.0%
Gas processing stations	176	170	+6
-Daily capacity (thousand m <sup>3</sup> )	118,500	87,635	+35.2%
Vehicle gas refuelling stations	606	606	-
<b>New Natural Gas Customer Development</b>			
Residential households (thousand households)	1,078	951	+13.4%
C/I customers (sites)	10,764	9,650	+1,114
Installed designed daily capacity for C/I customers (thousand m <sup>3</sup> )	8,228	6,957	+18.3%
<b>Accumulated Piped Gas Customers</b>			
Residential households (thousand households)	17,299	15,098	+14.6%
C/I (sites)	102,643	78,329	+24,314
Installed designed daily capacity for C/I (thousand m <sup>3</sup> )	96,128	78,137	+23.0%
<b>Sales of Gas (million m<sup>3</sup>)</b>			
Total natural gas sales	11,062	9,187	+20.4%
-Residential	1,614	1,188	+35.8%
-C/I	6,264	5,038	+24.3%
-Wholesale of gas	2,571	2,267	+13.4%
-Vehicle gas refuelling stations	613	693	-11.5%