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新奥能源控股有限公司
ENN Energy Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2688)

(Website: www.ennenergy.com)

DISCLOSEABLE TRANSACTION
PARTICIPATION IN CAPITAL INTRODUCTION OF
SINOPEC MARKETING CO., LTD.

EXCLUSIVE FINANCIAL ADVISER TO ENN ENERGY HOLDINGS LIMITED



The board of directors of the Company announces that on 12 September 2014, Sinopec Marketing, ENN Energy China Investment (a wholly-owned subsidiary of the Company) and Other Investors entered into the Capital Injection Agreement, whereby (among others) ENN Energy China Investment conditionally agreed to subscribe for and Sinopec Marketing conditionally agreed to sell to ENN Energy China Investment 1.120% of the equity interest in Sinopec Marketing upon the completion of the Capital Injection for a total consideration of RMB4 billion (to be paid in U.S. dollars, the actual amount of U.S. dollars payable will be calculated in accordance with the central parity rate of U.S. dollars against RMB announced by People's Bank of China on the business day prior to the Completion Date).

As the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules are greater than 5% but less than 25%, the Investment constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under the Listing Rules.

INTRODUCTION

The board of directors (the "**Board**") of ENN Energy Holdings Limited (the "**Company**") announces that on 12 September 2014, Sinopec Marketing, ENN Energy China Investment (a wholly-owned

subsidiary of the Company) and Other Investors entered into the Capital Injection Agreement, whereby (among others) ENN Energy China Investment conditionally agreed to subscribe for and Sinopec Marketing conditionally agreed to sell to ENN Energy China Investment 1.120% of the equity interest in Sinopec Marketing upon the completion of the Capital Injection for a total consideration of RMB4 billion (to be paid in U.S. dollars, the actual amount of U.S. dollars payable will be calculated in accordance with the central parity rate of U.S. dollars against RMB announced by People's Bank of China on the business day prior to the Completion Date).

UBS acts as the exclusive financial adviser to the Company in its participation in the Capital Injection.

CAPITAL INJECTION AGREEMENT

Date

12 September 2014

Parties

- (1) ENN Energy China Investment Limited
- (2) Other Investors
- (3) Sinopec Marketing Co., Ltd.

Capital Injection

Sinopec Marketing agreed to increase its registered capital from RMB20 billion to RMB28.567 billion in accordance with the terms and conditions of the Capital Injection Agreement. The increased registered capital will be subscribed by all Investors.

The Investors agreed to make a total contribution of RMB107.094 billion or an equivalent amount in US dollars in accordance with the terms and conditions of the Capital Injection Agreement, and subscribe for the increased registered capital of Sinopec Marketing based on their subscription ratio. According to the Capital Injection Agreement, ENN Energy China Investment conditionally agreed to subscribe for 1.120% of the equity interest in Sinopec Marketing upon the completion of the Capital Injection for a total consideration of the Subscription Consideration.

Upon the completion of the Capital Injection, it is anticipated that Sinopec Corp. and all Investors will hold 70.01% and 29.99% equity interests in Sinopec Marketing, respectively.

Consideration and payment terms

On the Completion Date, ENN Energy China Investment shall pay the Subscription Consideration to Sinopec Marketing in full by remittance.

ENN Energy China Investment will pay the Subscription Consideration out of cash deposits held by the Group and bank credit facilities granted to the Group.

The Subscription Consideration is determined by ENN Energy China Investment and Sinopec Marketing after arm's length negotiation and on normal commercial terms, taking into account (among others) the audited financial information of Sinopec Marketing as at 31 December 2013 and 30 April 2014 respectively.

Major conditions precedent

Completion of the Capital Injection is conditional upon the satisfaction or waiver (if applicable) of various conditions precedent, including without limitation the Transaction Documents having been executed, the obtaining of approval of the Capital Injection from the Ministry of Commerce of the People's Republic of China, there being no laws or regulations prohibiting the Capital Injection, the relevant parties issuing the relevant letters of guarantee and/or letters of undertaking, the legal advisors to the relevant parties issuing the legal opinion, and with respect to certain insurance institutional Investors, the completion obligations of such Investor is subject to it not having received any notice from the China Insurance Regulatory Commission restricting or prohibiting its participation in the Capital Injection.

Termination clauses

The Capital Injection Agreement contains various termination clauses, including without limitation the following clauses:

In the event some Investors fail to pay their purchase prices when required, Sinopec Marketing is entitled to terminate the Capital Injection Agreement, and Sinopec Marketing and the other Investors who have paid their purchase prices are obliged to re-execute new transaction documents on the existing terms and conditions of the Transaction Documents in order for Sinopec Marketing to apply for approval certificate(s) showing the updated shareholders' information from the Ministry of Commerce of the People's Republic of China and to amend registrations with the relevant Administration for Industry and Commerce bureaus. However, if the investment amount payable by the Investors who rights and obligations have been terminated constitutes 50% or more of the aggregate investment amount, the relevant parties shall separately negotiate with one another as to whether to enter into new transaction documents.

RESTRICTIONS ON SALE OF SHARES

According to the Equity Joint Venture Contract Regarding Sinopec Marketing Co., Ltd. made between Sinopec Corp. and all Investors on 12 September 2014, within three years after the day ENN Energy China Investment receives its capital contribution certificate, ENN Energy China Investment shall not directly or indirectly sell to any person the equity interest held by it in Sinopec Marketing (other than specifically permitted transfers), without prior written consent of Sinopec Corp. Following expiry of the said three-year period, if Sinopec Marketing has not accomplished an initial public offering and listing of its shares on the Hong Kong stock exchange market or other stock exchange markets, ENN Energy China Investment shall be entitled to transfer to any person all or part of the shares held by it in Sinopec Marketing, provided that Sinopec Corp. shall have a right of first refusal in respect of such transfer. In addition, in no circumstance shall ENN Energy China Investment transfer any equity interest in Sinopec Marketing to any main competitor of Sinopec Marketing or its affiliates directly or indirectly without prior written consent of Sinopec Corp.

Within one year from completion of the initial public offering and listing of the shares in Sinopec Marketing on the Hong Kong stock exchange market or other stock exchange markets, or such other lock-up period provided for by applicable laws (whichever is longer), ENN Energy China Investment shall not directly or indirectly transfer any of its shares in Sinopec Marketing.

GUARANTEE ARRANGEMENT

The Company has issued a letter of undertaking to Sinopec Marketing, undertaking that it will provide ENN Energy China Investment with support by means of equity financing, so as to enable ENN Energy China Investment to have sufficient funds to pay the Subscription Consideration, and assuming full, unconditional and irrevocable joint liability in relation to the obligations of ENN Energy China Investment under the Transaction Documents.

INFORMATION OF THE COMPANY AND ENN ENERGY CHINA INVESTMENT

The Group is principally engaged in clean energy distribution business in the PRC, including but not limited to the sales of piped natural gas, gas connection, construction and operation of vehicle gas refuelling stations, wholesale of gas, sales of other energy and sales of gas appliances and materials.

ENN Energy China Investment, a company incorporated in Hong Kong with limited liability, is a wholly-owned subsidiary of the Company. ENN Energy China Investment is not engaged in any business as at the date of this announcement.

INFORMATION OF SINOPEC MARKETING AND OTHER INVESTORS

Established in 1985, Sinopec Marketing is a wholly-owned subsidiary of Sinopec Corp. In April 2014, Sinopec Corp. implemented an internal reorganization of its marketing business with Sinopec Marketing as its platform, and injected relevant marketing business and assets into Sinopec Marketing. Following the reorganization, Sinopec Marketing became a limited liability company wholly owned by its legal person, 100% owned by Sinopec Corp. Its business scope includes storage and logistics, retail sales, direct sales and distribution of petroleum products such as refined oil, natural gas and fuel oil, etc., as well as development and operation of non-fuel business (such as convenience stores and car services, etc.). After the reorganization, Sinopec Marketing intended to introduce social and private capital through capital injection. Details of Sinopec Marketing and its capital introduction are set out in the “Progress Update Announcement of the Restructuring of Sinopec’s Marketing Business” published by Sinopec Corp. on 30 June 2014 (“**Sinopec Corp. Announcement**”).

According to Sinopec Corp. Announcement, as of 30 April 2014, the audited consolidated total assets and net assets of Sinopec Marketing were approximately RMB341,758 million and RMB64,405 million respectively.

According to Sinopec Corp. Announcement, for the four months ended 30 April 2014, the audited net profits before and after income tax expense of Sinopec Marketing were approximately RMB11,067 million and RMB8,046 million respectively.

According to Sinopec Corp. Announcement, for the year 2013, the audited net profits before and after income tax expense of Sinopec Marketing were approximately RMB34,980 million and RMB25,945 million respectively.

Details of the Other Investors are set out in the announcement regarding the Capital Injection published by Sinopec Corp. on 14 September 2014.

REASONS FOR AND BENEFITS OF THE INVESTMENT

The Board believes that the investment in Sinopec Marketing will strengthen and reinforce the co-operative relationships between the parties. At the same time, the Company would like to take this cooperation and investment opportunity, to further utilize their and Sinopec Marketing's strengths in their respective businesses, to strengthen and reinforce the co-operative relationships between the parties, and thereby create a win-win relationship between the Company and Sinopec Marketing, and enable further efficiencies, synergies and opportunities for both parties in the clean energy sector.

LISTING RULES IMPLICATION

As the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules are greater than 5% but less than 25%, the Investment constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under the Listing Rules.

The Directors of the Company believe that the Investment and the Subscription Consideration are fair and reasonable and are entered into on normal commercial terms, and that the Investment is in the interest of the Company and its shareholders as a whole.

To the best knowledge, information and belief of the Directors of the Company, having made all reasonable enquiries, Sinopec Marketing, the Other Investors and their respective ultimate beneficial owners are third parties independent of the Company and are not connected persons of the Company.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Capital Injection”	the transactions contemplated under the Capital Injection Agreement
“Capital Injection Agreement”	the capital injection agreement made between ENN Energy China Investment, the Other Investors and Sinopec Marketing on 12 September 2014
“Completion Date”	the tenth business day following the day when all conditions to completion set out in the Capital Injection Agreement are satisfied or waived as appropriate and Sinopec Marketing gives a requisite written notice to the Investors, or such other date as

may be agreed by Sinopec Marketing and the Investors in writing separately

“ENN Energy China Investment”	ENN Energy China Investment Limited
“Group”	the Company and its subsidiaries
“Investment”	the transaction in which ENN Energy China Investment subscribes for certain increased registered capital of Sinopec Marketing according to the terms and conditions of the Capital Injection Agreement
“Investors”	the investors which subscribe for the increased registered capital of Sinopec Marketing according to the Capital Injection Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Other Investors”	the other investors (other than ENN Energy China Investment) which subscribe for the increased registered capital of Sinopec Marketing according to the Capital Injection Agreement
“Sinopec Corp.”	China Petroleum & Chemical Corporation, a joint stock limited company established in the PRC with its shares listed on the Main Board of the Hong Kong Stock Exchange (stock code: 386) and the Shanghai Stock Exchange (stock code: 600028) and with its American depository receipts listed on the New York Stock Exchange and the London Stock Exchange (stock code: SNP)
“Sinopec Marketing”	Sinopec Marketing Co., Ltd.
“Subscription Consideration”	the consideration of RMB4 billion payable by ENN Energy China Investment to Sinopec Marketing in relation to the Investment (to be paid in U.S. dollars, the actual amount of U.S. dollars payable will be calculated in accordance with the central parity rate of U.S. dollars against RMB announced by People’s Bank of China on the business day prior to the Completion Date)
“Transaction Documents”	the Capital Injection Agreement; the Articles of Association of Sinopec Marketing Co., Ltd. signed by Sinopec Corp., Sinopec Marketing and all Investors on 12 September 2014; and the Equity Joint Venture Contract Regarding Sinopec Marketing Co., Ltd. made between Sinopec Corp. and all Investors on 12 September 2014.

“UBS”

UBS AG, Hong Kong Branch

By Order of the Board
ENN Energy Holdings Limited
Ms. WONG Chui Lai
Company Secretary

Hong Kong, 14 September 2014

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

Mr. Wang Yusuo (Chairman)
Mr. Cheung Yip Sang (Vice Chairman)
Mr. Yu Jianchao
Mr. Han Jishen (President)
Mr. Wang Dongzhi (Chief Financial Officer)

Non-executive Directors:

Mr. Wang Zizheng
Mr. Jin Yongsheng
Mr. Lim Haw Kuang

Independent Non-executive Directors:

Mr. Wang Guangtian
Ms. Yien Yu Yu, Catherine
Mr. Ma Zhixiang
Mr. Yuen Po Kwong
Mr. Law Yee Kwan, Quinn