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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)

**PROPOSED ISSUANCE OF
US\$ DENOMINATED UNSECURED BONDS**

The Company proposes to carry out an issuance of unsecured bonds which will be offered to professional and institutional investors only. In connection with this offering, the Company will provide prospective professional and institutional investors with recent corporate and financial information regarding the Group, which information may not have previously been made public, and will commence a series of presentations to professional and institutional investors only beginning on or around 10 October 2014. A summary of such updated corporate and financial information which the Company considers to be material is set out in this announcement.

UBS AG, Hong Kong Branch and The Hongkong and Shanghai Banking Corporation Limited are the joint global coordinators, joint bookrunners and joint lead managers of the proposed Bond Issue.

The Company intends to use the net proceeds of the proposed Bond Issue to fund part of the RMB4 billion consideration to be paid in relation to the Company's subscription of 1.12% of the equity interest in Sinopec Marketing Co., Ltd. and general corporate purposes, including, without limitations, working capital.

No definitive or binding agreement in relation to the proposed Bond Issue has been entered into as at the date of this announcement, and accordingly, the proposed Bond Issue may or may not materialise. Completion of the proposed Bond Issue is subject to, among other things, market conditions and investors' interests. Accordingly, potential investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

Further announcement(s) in respect of the proposed Bond Issue will be made by the Company as and when appropriate.

This announcement is made by the Company, pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

PROPOSED BOND ISSUE

Introduction

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It is intended that the Bonds will constitute direct, unconditional, unsubordinated and, subject to the terms and conditions of the Bonds, unsecured obligations of the Company denominated in US dollars. Completion of the Bond Issue is subject to, among other things, market conditions and investor interests. The size and pricing of the proposed Bond Issue will be determined following a book-building process to be conducted by UBS AG, Hong Kong Branch and The Hongkong and Shanghai Banking Corporation Limited as the joint global coordinators, joint bookrunners and joint lead managers of the proposed Bond Issue.

The Bonds will only be offered outside the United States in accordance with Regulation S under the U.S. Securities Act. None of the Bonds will be offered to the public in Hong Kong or placed to any connected persons of the Company.

An offering circular which will be distributed to prospective investors of the Bonds will contain, amongst other things, details of the proposed Bond Issue, the terms and conditions of the Bonds and risk factors relating to the Group and an investment in the Bonds.

Proposed Use of Net Proceeds

The Company intends to use the net proceeds of the proposed Bond Issue to fund part of the RMB4 billion consideration to be paid in relation to the Company's subscription of 1.12% of the equity interest in Sinopec Marketing Co., Ltd. and general corporate purposes, including, without limitations, working capital. Pending application of the net proceeds of the proposed Bond Issue, the Company intends to invest the net proceeds in bank deposits, money market instruments, certificates of deposit, time deposits or other short-term investments.

Listing

The Company will seek a listing of the Bonds on the Stock Exchange. A confirmation of eligibility of the Bonds for listing has been received from the Stock Exchange. The Stock Exchange assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. The listing of the Bonds on the Stock Exchange and quotation of any Bonds on the Stock Exchange is not to be taken as an indication of the merits of the Company or the Bonds.

General

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DEFINITIONS

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

"Board"	the board of directors of the Company
"Bond Issue"	the issuance of the Bonds by the Company
"Bonds"	the US dollar denominated unsecured bonds proposed to be issued by the Company, as described in this announcement
"Company"	ENN Energy Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"connected persons"	has the meaning ascribed to it under the Listing Rules
"Group"	the Company and its subsidiaries

“ Hong Kong ”	the Hong Kong Special Administrative Region of the PRC
“ Listing Rules ”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“ PRC ” or “ China ”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement
“ RMB ”	Renminbi, the lawful currency of the PRC
“ Stock Exchange ”	The Stock Exchange of Hong Kong Limited
“ subsidiaries ”	has the meaning ascribed to it under the Listing Rules
“ United States ”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“ U.S. Securities Act ”	the United States Securities Act of 1933, as amended
“ US\$ ” or “ US dollars ”	United States dollars, the lawful currency of the United States

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

Hong Kong, 10 October 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

Summary of Updated Corporate and Financial Information of the Group

General Information

The Company was incorporated in the Cayman Islands on 20 July 2000, as an exempted company with limited liability. On 13 August 2010, the English name of the Company was changed from “Xinao Gas Holdings Limited” to “ENN Energy Holdings Limited”. The principal executive office is at Building A, ENN Industrial Park, Xinyuan DongDao Road, Economic and Technological Development Zone, Langfang City, Hebei Province, the PRC. The registered office is located at Uglad House, P.O. Box 309, South Church Street, George Town, Grand Cayman, Cayman Islands.

Business Overview

The Group is one of the largest privately-owned piped gas operators and one of the first privately-owned clean energy distributors in China. The principal business of the Group is the sale and distribution of piped gas, and the investment in, and the constructions, operation and management of, gas pipeline infrastructure and vehicle/ship refuelling business in China. The Group also involves in the wholesale of gas, the sales of other energy, the sale of gas appliances and equipment, the provision of repair, maintenance and other services in connection with gas supply and energy management services that assist customers in optimising their energy usage.

The Group commenced operations in 1993 and has since developed into one of the leading privately-owned gas operators in the PRC piped gas industry. As of 30 June 2014, the Group had a total of 140 operational locations with a total connectable urban population of 61,645,000 in China. The Group operates its piped gas distribution infrastructure on an exclusive basis, for periods ranging from 25 to 30 years, in cities and urban areas located in 16 provinces, municipalities and autonomous regions. The Group commenced compressed natural gas (“CNG”) and liquefied natural gas (“LNG”) refuelling business in 2002 and 2011, respectively. The Group constructs gas refuelling stations and supplies gas to gas-powered vehicles, including taxis, buses and trucks. As of 30 June 2014, the Group had 277 CNG refuelling stations and 208 LNG refuelling stations in operation.

The Group typically applies for and obtains exclusive rights from the local governments in China to distribute piped gas. The Group may also acquire exclusive rights by entering into joint-ventures with existing local piped gas distributors. In addition, the Group constructs and maintains city piped gas networks in locations in which the Group has acquired exclusive rights through the above-mentioned means to supply piped gas. The Group charges connection fees from residential customers on a “per connection” basis and commercial/industrial, or C/I, customers on a “daily maximum capacity” basis for connection to its piped gas network. The Group receives gas usage charges from connected customers based on the tariffs set by the local governments.

The Group intends to grow organically by increasing the penetration rates and the number of connected customers for the 140 existing operational locations while continuing to develop new projects in China (including, without limitation, to add more operational locations and to acquire certain industrial park projects close to the existing operational locations), with a particular focus on the commercial and industrial zones of emerging cities. In 2012 and 2013 and the six months ended 30 June 2014, the Group secured 16 new projects, 17 new projects

and 6 new projects, respectively, in China, which, after development, had added a connectable urban population of approximately 1.01 million, 3.08 million and 0.63 million, respectively. As the projects in the operational locations continue to mature, the Group becomes less reliant on one-time gas connection fees and sales of piped gas have increased as a proportion of its revenue, creating a more stable source of recurring revenue.

For the years ended 31 December 2012 and 2013 and the six months ended 30 June 2014, the revenue of the Group was approximately RMB18,027 million, RMB22,966 million and RMB14,351 million, respectively, and its net profit was approximately RMB1,993 million, RMB1,800 million and RMB1,533 million, respectively.

Summary of Certain Operational Information

	Year ended		Six months ended
	31 December		30 June
	2012	2013	2014
Number of connected project cities	117	134	140
Connectable urban population (million)	55.52	61.02	61.65
Connectable residential households (million)	18.51	20.34	20.55
New natural gas connections made during the period:			
– residential households	1,122,407	1,220,411	650,484
– commercial/industrial (“C/I”) customers (sites)	7,300	7,700	4,115
– installed designed daily capacity for C/I customers (m ³)	7,826,433	8,045,922	4,653,800
Accumulated number of connected natural gas customers:			
– residential households	7,720,152	9,200,671	9,852,169
– C/I customers (sites)	30,597	38,787	42,958
– installed designed daily capacity for C/I customers (m ³)	33,382,200	41,820,125	46,524,925
Accumulated number of connected piped gas (including natural gas) customers:			
– residential households	7,785,098	9,274,794	9,931,749
– C/I customers (sites)	30,741	38,939	43,156
– installed designed daily capacity for C/I customers (m ³)	33,422,696	41,864,127	46,581,062
Natural gas penetration rate	41.7%	45.2%	47.9%
Piped gas (including natural gas) penetration rate	42.1%	45.6%	48.3%
Unit of piped gas sold to residential households (m ³)	930,290,000	1,030,054,000	653,657,000

Unit of piped gas sold to C/I customers (m ³)	4,345,314,000	5,538,164,000	3,319,048,000
Unit of gas sold to vehicles (m ³).....	935,926,000	1,186,697,000	675,841,000
Unit of wholesale gas sold (m ³).....	248,536,000	370,019,000	364,599,000
Number of vehicle gas refuelling stations	330	448	485
Number of natural gas processing stations	126	137	141
Total length of existing intermediate and main pipelines (km).....	21,312	23,907	25,179

Recent Developments

In 2014, the Company sold and proposed to sell certain of its equity interests in certain LNG processing plants, which were not part of its core business and had primarily served to secure the gas supply for its downstream gas projects in earlier years when supply was relatively insufficient in China. In particular, in the first half of 2014, the Company sold 55% and 30% of its equity interests in the LNG processing plants in Beihai and Ningxia to a gas supplier and a joint venture partner, respectively. In addition, on 15 August 2014, ENN China Gas Investment Company Limited (“ENN China Gas”), a wholly-owned subsidiary of the Company, entered into certain agreements with Xinneng Mining Company Limited (“Xinneng”) which is a connected person of the Company under the Listing Rules, pursuant to which ENN China Gas agreed to sell and Xinneng agreed to purchase ENN China Gas’s 45% equity interest in CNOO Xinao (Beihai) Gas Company Limited and 100% equity interest in Shanxi Qinshui Xinao Gas Company Limited for a total consideration of RMB229,990,000. The completion of the transactions is subject to various conditions in the agreements, including the obtaining of relevant regulatory approvals. Following the completion of the transaction, the Company will cease to own any LNG processing plants located in Beihai and Qinshui, respectively and the Company is expected to record a book gain of RMB38 million as a result of such disposal.

On 22 August 2014, the Company entered into a strategic cooperation framework agreement with Sinopec Marketing Co., Ltd. (“Sinopec Marketing”), a wholly-owned subsidiary of China Petroleum & Chemical Corporation, to strengthen cooperation in various aspects, including the procurement and transportation of natural gas.

On 12 September 2014, ENN Energy China Investment Limited (“ENN Energy China Investment”), a wholly-owned subsidiary of the Company, entered into the Capital Injection Agreement with Sinopec Marketing and other investors, whereby ENN Energy China Investment agreed to subscribe for and Sinopec Marketing agreed to sell to ENN Energy China Investment 1.12% of the equity interest in Sinopec Marketing for a total consideration equivalent to RMB4 billion. The completion of this investment is subject to various conditions in the agreement, including the obtaining of relevant regulatory approvals.

Competitive Strengths of the Company

The Group believes that its position as a leading piped gas operator in China is largely attributed to the following competitive strengths:

- Well-positioned in the fast growing natural gas market in China;
- Strategic operational locations with strong growth potential;
- Diversified project portfolio and client base, and stable cash flow;
- Clear expansion strategy with low risk profile; and
- Proven track record and experienced management team.

Business Strategies of the Company

The Group intends to maintain its position as a leading piped gas operator in China by focusing on the development of its core business of distributing piped gas while growing its vehicle refuelling station business and energy management services. The Group intends to achieve its strategic objectives by:

- Developing new operational locations and increasing gas penetration rates and gas consumption of customers in the existing operational locations;
- Expanding the vehicle gas refuelling station businesses;
- Maintaining strategic alliances with suppliers; and
- Enhancing management and efficient utilisation of energy sources.