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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)

2020 Third Quarter Operating Highlights

The Board of Directors (the “**Board**”) of ENN Energy Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce the operating highlights of the Group for the nine months ended 30 September 2020.

Natural Gas Sales Business[#]

China’s economic recovery continued to accelerate, with GDP growing by 4.9% in the third quarter year-on-year, up by 1.7 percentage points from the growth of 3.2% in the second quarter. Propelled by a series of policy measures to stabilize foreign trade, the demand from overseas markets has partially recovered, coupled with the new economic “dual circulation” strategy, which has spurred domestic demand, natural gas demand by commercial and industrial users (“C/I users”) increased. In the third quarter of 2020, the Group’s retail gas sales volume was 4,870 million cubic meters, representing an increase of 18.2% year-on-year; in which 4,035 million cubic meters were sold to C/I customers while 562 million cubic meters were sold to residential customers, representing a year-on-year increase of 21.2% and 14.0%, respectively. Natural gas sold to vehicle refuelling stations amounted to 273 million cubic meters, representing a decrease of 8.7% year-on-year. As of 30 September 2020, the cumulative retail natural gas sales volume was 15,032 million cubic meters, increased by 8.2% year-on-year, and total natural gas sales volume including wholesale of gas amounted to 20,770 million cubic meters, representing a year-on-year increase of 9.0%.

[#] The Group’s operational data disclosed in the announcement included the data of its subsidiaries, joint ventures and associates

Due to effective pandemic controls in China, the Group's construction and installation progress for new C/I and residential customers has accelerated. In the third quarter, installed designed daily capacity for newly-developed C/I customers was 4.81 million cubic meters, an increase of 33.6% year-on-year; the Group completed 585,000 construction and installation for newly-developed residential customers, representing a significant increase of 45.2% year-on-year. As of 30 September 2020, installed designed daily capacity for new C/I customers increased by 11.37 million cubic meters and new residential households increased by 1.61 million. The Group expects to complete more constructions and installations by the end of the year. These newly-developed customers will gradually ramp up gas consumption, so as to drive the Group's gas sales volume growth.

Integrated Energy Business[#]

At the recent United Nations General Assembly, China stated that it will strive to achieve carbon neutrality by 2060. The Group's integrated energy business is in line with China's national goals, as it integrates natural gas and renewable energy sources according to local conditions to provide customers with diversified energy such as steam, cooling, heating and electricity. Meanwhile, Chinese government's requirements on environmental protection are getting more stringent, and enterprises are paying more attention to green production as well. The Group's integrated energy projects not only improve energy efficiency for users, but also reduce their overall energy bills. Therefore, commercial and industrial enterprises have a strong demand for integrated energy solutions. In the third quarter, 6 integrated energy projects have been put into operation, integrated energy sales volume increased by 137.5% to 3,919 million kWh year-on-year. As of 30 September 2020, 114 integrated energy projects have been put into operation, the cumulative sales volume of integrated energy increased by 142.2% year-on-year to 8,725 million kWh. These projects will drive an annual integrated energy sales of 17.1 billion kWh upon full operation over the next few years. Our integrated energy solutions not only brought sustainable benefits to the Group, but also benefited our customers through successful reduction of energy consumption by more than 1,178,004 tons of standard coal and carbon dioxide emissions by 3,500,194 tons, effectively facilitated energy transformation and brought environmental benefits to the regions.

Sustainable Development

On 10 September 2020, the Company successfully issued its first offshore green senior notes of US\$750 million due 2030, with a coupon rate of 2.625%. According to the Group's green finance framework, the Group intends to use the net proceeds for the refinancing of certain existing indebtedness of the Group and to fund and/or refinance capital or operating expenditures, including renewable energy, energy efficiency, pollution prevention and control, which will facilitate the Group's transition to a low-carbon business portfolio. Furthermore, the Group will leverage its sizable customer network to accelerate its innovation-based integrated energy and value added business development, which helps strengthen customers' resilience against changes in external

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environment, increases customer stickiness, and drives the Group's sustainable growth. The Group is committed to improving management and information disclosure in environmental, social, and governance (“ESG”) issues. In the latest ESG rating review by MSCI, the Group was upgraded to BBB. The Group will further increase transparency and will improve the quality of information disclosure in accordance with the recommendations of Task Force on Climate-related Financial Disclosures (“TCFD”). The Group will also plan and set emission reduction targets, and develop its business in a sustainable manner.

By order of the Board
ENN ENERGY HOLDINGS LIMITED
LIANG Hongyu
Company Secretary

Hong Kong, 28 October 2020

As at the date of this announcement, the board of the Company comprises the following directors:

Executive Directors:

Mr. Wang Yusuo (Chairman)
Mr. Han Jishen (Joint Vice Chairman)
Mr. Zheng Hongtao (Joint Vice Chairman)
Mr. Zhang Yuying (President)
Mr. Wang Dongzhi

Non-executive Directors:

Mr. Wang Zizheng
Mr. Jin Yongsheng

Independent Non-executive Directors:

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