



**ENN Energy Released 2021 Annual Results**  
**Sales of Integrated Energy Up 58.3% to 19,065 million kWh**  
**Retail Gas Sales Volume Up 15.1% to 25,269 million m<sup>3</sup>**  
**Low Carbon Business Portfolio & Digitalised Safety Management to Drive the Group's Sustainable Development**

(Hong, Kong, 18 March, 2022)-ENN Energy Holding Limited (Stock code: 2688.HK, "ENN Energy" or "the Group"), one of the largest clean energy distributors in China, announced its annual results for the year ended 31 December 2021 ("the Year"). During the year, robust growth of the Group's integrated energy business, retail gas sales business and value added business drove the Group's revenue growth by 30.0% to RMB93,113 million. Core profit driven by operating activities increased by 14.6% to RMB7,154 million. With its strong business performance and excellent financial management, the Group continued to generate positive free cash flow. The Board has recommended a final dividend payment of HK\$2.11 per share. Together with the interim dividend HK\$0.59 per share paid, total dividends for 2021 amounts to HK\$2.70 per share, representing a year-on-year increase of 11.6%.

**Mr. Wang Yusuo, Chairman of ENN Energy, stated,** "The year of 2021 was full of challenges. In addition to the global energy supply chain disruption caused by the Covid-19 pandemic, the gradual resumption of economic activities caused a sharp increase in energy demand and led to a supply gap. Prices of natural gas and oil hit multi-year highs in 2021. The Group proactively responded to macroeconomic changes, leveraged integrated energy solutions and diversified gas procurement strategies to provide customers with safe, stable and affordable clean energy. The Hang Seng Indexes Company Limited officially included ENN Energy as a constituent stock of the Hang Seng Index on 6 December, coinciding with the Group's 20th listing anniversary. The inclusion will help broaden the Group's shareholder base and create value for more investors."

**Uphold Safety-oriented Principle, Constructed a Digitalised Safety Management System**

The Group adheres to the principle of "Safety as the brand of ENN", focusing on the safety pain points of four major business scenarios, namely engineering, pipeline network, citygate stations and users' sites, to build intrinsically safe facilities. The Group applied IoT and digital intelligence technologies to achieve a digitally intelligent safety management model of "visible, on point and well managed" under all scenarios. The Group is committed to offering safe, stable and low-carbon energy to our customers. It continues to conduct retrofitting and replacement for old pipelines, performs pipeline inspection more frequent than the national standards to guarantee the network operation safety. In addition, it organises specific monitoring and management targeted pipelines that have been constructed for 20 years or more. During the year, a total of 780 km of old pipelines was retrofitted and replaced. The Group also introduced a cloud-based laser methane monitoring combined with IoT technology to quickly identify gas leakage and immediately trigger the alarm procedure, effectively preventing the safety risks caused by the natural gas leak. The Group has been actively planning and installing the laser methane monitoring system since August 2021, and has covered 20.2% of its citygate stations by the end of the year. It is expected the coverage will reach 100% by the end of 2022.

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In order to ensure gas safety for C/I and residential users, the Group actively promoted IoT meters, smart gas meters, gas alarms + solenoids valves, and applied indoor IoT equipment and alarm systems to keep track of the gas consumption of users throughout the city in real time, and to discover various abnormal phenomena in a timely manner. The Group can directly issue valve-closing instructions for meters, and activate multi-level linkage of on-site equipment for risk alert, early warning and response through the system, thereby reducing the probability of gas accidents. During the year, the penetration rate of IoT meters for industrial and commercial users and smart gas meters for residential users reached 48.5% and 36.6% respectively. All the above mentioned measures will further strengthen the Group's safe operation.

### **Rapid Development of Core Businesses under the Carbon Peak and Carbon Neutrality Policies**

Seizing opportunities arising from carbon neutrality, the Group utilised digital intelligence technology to develop four major types of customers, namely low-carbon industrial parks, low-carbon factories, low-carbon buildings and low-carbon transportation, providing them with clean and low-carbon total solutions. The Group actively developed distributed photovoltaic projects, and contracted an installed capacity of 380MW during the year. We also strategically developed energy storage and explored a total solution integrating energy load, energy source, energy grid and energy storage to increase project return. The Group also promoted low-carbon transition for the transportation sector, constructed charging and battery-swapping stations in Quanzhou and Shanghai as pilot projects, 20 of which were put into operation and over 25 of which were under construction. The Group also tapped into distributed clean heating projects in the northern part of China and mid to lower reaches of the Yangtze River, with total heating areas exceeding 8 million square meters. During the year, the number of operational integrated energy projects increased to 150, leading to a surge of 58.3% of integrated energy sales including steaming, cooling, heating, and electricity to 19.065 billion kWh.

The Group has diversified its natural gas sourcing channels. In addition to pipeline resources from CNPC, Sinopec, and CNOOC, the Group imports LNG resources via long-term contracts, sources unconventional gas and locks-in resources from domestic LNG processing plants to guarantee stable gas supply and manage procurement costs. The Group acquired exclusive operating rights of 17 city-gas projects and 3 regional pipeline network projects, which will bring a total of 1.8 billion m<sup>3</sup> of incremental gas volume in the next three years. The regional pipeline network can achieve complementary and coordinated development of regional resources to reduce procurement costs. The Group closely follows energy-intensive industries, such as ceramics, papermaking, and petrochemicals, and keeps developing new customers capitalizing on the coal-to-gas conversion policy and flexible pricing strategy. The Group developed 25,331 C/I customers (gas appliances installed with daily designed capacity of 21.036 million cubic meters), and 2.62 million residential customers during the year, which set a strong foothold for the Group to expand its gas sales volume. Retail gas sales volume recorded an increase of 15.1% to 25,269 million m<sup>3</sup> last year.

### **Decarbonisation Plan to Lead the Industry Energy Transition**

The Group has crafted its first phase of decarbonisation action plan surrounding three areas, including the reduction of its own carbon emissions, facilitate the low-carbon development of society, promote the practice and application of green technologies, thus, to achieve its carbon neutrality goal in 2050. The plan consists of six emission reduction actions, including city-gas methane management, low-carbon trading and transportation, energy transition for integrated

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energy business, system energy efficiency improvement, green technology application and green office, and business development plans that help customers build low-carbon parks, green factories, green buildings and green homes. The Group has become the first city-gas company in China formulated detailed decarbonisation action plans. The Group also prioritised methane management as part of its action taken for city-gas business to respond to climate change and achieve carbon neutrality. Therefore, it became a founding member of the China Oil and Gas Methane Alliance in 2021, to engage the industrial chain to manage methane emission. The Group will keep pioneering national green development and industrial energy transformation in the future.

**Mr. Wang Yusuo concluded,** "In 2022, the Group will seize the opportunities of low-carbon development and market reform. Focusing on customer needs under Carbon Peak and Carbon Neutrality trend, the Group will provide customers with integrated low-carbon energy solutions by incorporating natural gas, distributed solar, new energy storage technology and carbon asset management services which are adaptive to local conditions. We are committed to supporting the low-carbon transformation of industrial, commercial, and residential customers with innovative development strategies, and driving the Group's profit growth. At the same time, the group will continue to play a pioneering role in the country's green development, improve its ESG governance performance, lead the industry to achieve low-carbon development, and help the country to achieve dual carbon goals."

#### **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 refueling 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 2021, the Group had 252 projects locating in 20 provinces, municipalities and autonomous regions in China, including Anhui, Beijing, Fujian, Guangdong, Guangxi, Hebei, Henan, Hunan, Inner Mongolia, Heilongjiang, Jiangsu, Jiangxi, Liaoning, Sichuan, Shandong, Yunnan, Zhejiang, Shaanxi, Shanghai and Tianjin. The Group also developed integrated energy projects in key regions across China, with the accumulative number of projects in operation amounting to 150.

ENN Energy is a constituent of the Hang Seng Index, Hang Seng China Enterprises Index, the Hang Seng Composite Large Cap Index, the Hang Seng ESG 50 Index, the Hang Seng Sustainable Enterprises Benchmark Index and the MSCI China Large Cap Index. For more information, please visit the Group's website at <http://ir.ennenergy.com/>.

#### **IR Enquiry**

ENN Energy Holdings Limited  
Investor Relations Department  
Tel: (852) 2528 5666  
Email: [ir@enn.cn](mailto:ir@enn.cn)

#### **Media Enquiry**

Hill+Knowlton Strategies Asia  
Beatrice Wong / Geffron Au Yeung  
Tel: (852) 2894 6373 / (852) 2894 6255  
Email: [ENN.Energy@hkstrategies.com](mailto:ENN.Energy@hkstrategies.com)

## Financial and Operational Data for 2021 Annual Results

<b>(As of 31 December)</b>	<b>2021</b>	<b>2020</b>	<b>+/-</b>
<b>Business Development</b>			
No. of city-gas projects in China	252	235	17
Connectable urban population coverage	124,271	112,331	10.6%
Piped gas penetration rate	62.4%	62.0%	0.4ppts
Accumulated number of IE projects in operation	150	119	31
<b>Revenue Analysis (RMB million)</b>			
Retail gas sales business	49,247	40,510	21.6%
Integrated energy business	7,805	5,042	54.8%
Wholesale of gas	25,634	17,936	42.9%
Construction and Installation	8,086	6,444	25.5%
Value added business	2,341	1,685	38.9%
<b>Percentage of Segment Revenue (%)</b>			
Retail gas sales business	52.9	56.6	-3.7ppts
Integrated energy business	8.4	7.0	1.4ppts
Wholesale of gas	27.5	25.0	2.5ppts
Construction and Installation	8.7	9.0	-0.3ppts
Value added business	2.5	2.4	0.1ppts
<b>New Natural Gas Customer Development</b>			
Residential households ('000)	2,622	2,293	14.3%
C/I customers (sites)	25,331	28,367	-10.7%
Installed designed daily capacity ('000 m <sup>3</sup> )	21,036	17,078	23.2%
<b>Sales of Gas (million m<sup>3</sup>)</b>			
Total natural gas sales	33,096	29,569	11.9%
-Residential customers	4,703	4,185	12.4%
-C/I customers	19,900	16,878	17.9%
-Wholesale of gas	7,828	7,616	2.8%
-Vehicle gas refuelling stations	665	890	-25.3%
<b>Sales of Integrated Energy</b>			
Sales vol of cooling, heating, electricity, and steam (mil kWh)	19,065	12,042	58.3%