



ENN Energy Announced 2015 Interim Results

Recurring Profit Up 17.8% to RMB1.39 billion

LNG Refuelling and Energy Trading Businesses Recorded Strong Growth

(Hong Kong, 19 Aug 2015)—ENN Energy Holdings Limited (“ENN Energy” or “the Group”) (stock code: 2688.HK), one of the largest clean energy distributors in China, announced its interim results as of 30 June 2015 (“the Period”). Revenue increased by 10.7% to RMB15.89 billion. Stripping out one-off items, recurring profit increased by 17.8% year-on-year to RMB1.39 billion.

Mr. Wang Yusuo, Chairman of ENN Energy, stated, “In the first half of the year, the natural gas market encountered tremendous challenges given the confluence of the economic recovery slowdown, as well as the plunge in international oil prices. Amidst such a complex operating environment, we further exploited potential of traditional businesses and actively developed new businesses, driving the steady growth of the Group’s businesses. Our total gas sales volume was 5.55 billion m³, up 10.7% year-on-year. ” During the Period, the Group’s investment-grade credit ratings were reaffirmed by three leading rating agencies, namely Moody’s: Baa3(stable), Standard & Poor’s: BBB(stable) and Fitch: BBB(stable), which underscored the Group’s sound financial strength.

City-gas Distribution Business

During the Period, revenue attributable to piped gas sales reached RMB9.63 billion, up 6.1% over the same period last year and accounted for 60.6% of the total revenue, showing the stability of the Group’s revenue structure. The Group leveraged favourable policies to foster the coal-to-gas conversion of industrial coal-based boilers and kilns with steady energy consumption. The Group also helped its customers lower their integrated energy costs and enhance the efficiency of energy usage by providing them energy saving solutions. Such approaches not only helped the Group accomplish the goal of new C/I customers’ development, but also laid a foundation for future growth in gas sales. During the Period, the Group completed new connections to 4,621 C/I customers (with total installed designed daily capacity of 4.23 million cubic meters), bringing the accumulated number of connected C/I customers to 52,310 (with total installed designed daily capacity of 54.47 million cubic meters). In terms of residential connection, the Group actively developed new residential buildings, while intensely explored old residential buildings which had not yet connected to the natural gas pipeline within its operating regions. With its effective marketing and excellent execution capability, the Group conducted new connections to 792,000 households, bringing the total number of connected households to 11.40 million. The Group’s connection revenue thereby increased 20.5% year-on-year to RMB 2.56 billion.

Furthermore, with a large customer base of connected households, the Group actively promoted its own “GREAT”-branded gas appliances during the Period. It offered a variety of products such as stoves, water heaters, chimney hoods, heaters and sterilization cabinets to fully capture overall energy demand of households. The product sales grew four-fold to 46,000 units. The Group will take the initiative to sell gas appliances to scalable customers, including property

developers, hotels, etc., and grow the market through channels such as e-commerce. The Group will innovate its sales methods while playing to its strengths in its brand, service and information, as it aims to achieve swift penetration into the household gas appliance market.

New Projects

Despite the increasingly competitive market, the Group managed to acquire 4 new projects during the Period leveraging its outstanding management system, solid track record and ability to secure gas supply. These new projects included Dongkeng Town at Dongguan city, Shangrao Economic Development Zone at Jiangxi province, Zone B of Qingyuan County Western Industrial Zone at Hebei Province, and Wuzhou Imported Recycled Resources Processing Industrial Park at Guangxi province. The Group also secured eight new concessions near existing projects to further expand its geographic coverage. The C/I customers of these projects are mainly from industries with high gas consumption demands, including non-ferrous metals, automobile manufacturing, photovoltaic, pharmaceuticals manufacturing, electronics and food industries, which will greatly boost the Group's natural gas sales. As at 30 June 2015, the Group had 146 projects in China with total connectable population of 65.63 million people.

Vehicle/Ship Refuelling Business

During the Period, the Group's revenue attributable to vehicle gas sales increased by 8.2% to RMB 1.96 billion, accounting for 12.3% of the total revenue. Vehicular natural gas sales volume rose by 11.5% to 740 million m³. The Group constructed and put into operation 8 CNG and 8 LNG refuelling stations during the Period, bringing the total number of CNG and LNG refuelling stations in operation to 294 and 249 respectively. Leveraging our positive brand image and operational experience, the Group further raised its influence and market share in the natural gas industry through alliance cooperation and franchise distribution. Gas sales at LNG refuelling stations surged by 44.6% to 250 million m³.

In April this year, the Group signed a "Letter of Intent for Cooperation on the Integration of Beijing, Tianjin and Hebei" with Beijing Gas. Pursuant to the LOI, both parties will jointly facilitate the integration of the parties' existing gas refuelling stations in Beijing, Tianjin and Hebei as well as in peripheral areas, and cooperate in the build-up of new vehicle gas refuelling stations. Meanwhile, the Group formed a joint venture with Tewoo Group Co., Ltd. during the Period, and development plans to build vehicle gas refuelling stations in Tianjin city are now in place. The Group also seized the opportunity to continue its initiatives in exploring the LNG bunkering business, given a series of favorable policies were promulgated by the Chinese government. The Group's bunkering barge in Xijiang, Guangxi officially commenced operations, bringing our total number of LNG bunkering stations to 3. The Group also actively engaged in strategic cooperation with well-known domestic and foreign enterprises, including Samchully Company, the largest downstream city gas distributor in Korea, Minsheng Bank, Nantong Port, Wuhan New Port Construction Investment and Development Group and Quanzhou Port Authority, to develop more new LNG-powered vessels and bunkering stations so as to prepare for the rapid development of LNG bunkering business. Through cooperation with the aforementioned reputable companies to promote the use of natural gas as transportation fuel, the Group strives to be the bellwether of the industry leading a healthy and rapid development as well as unlocking its growth potential.

Energy Trading Business

During the Period, the Group's natural gas wholesale volume reached 520 million m³, representing a year-on-year increase of 43.1%. The Group signed gas supply agreements with

refuelling stations operated by Sinopec in various provinces such as Zhejiang, Guangdong and Guangxi. Pursuant to these agreements, the Group supplied natural gas to over 90 Sinopec's refuelling stations in the first half of the year. On 1 July 2015, the Shanghai Petroleum and Natural Gas Exchange (SHPGX) officially commenced trading, the Group is one of its shareholders. Along with various upstream suppliers, the Group conducted piped gas and LNG trading publicly through SHPGX, realizing a market-driven pricing mechanism determined by demand and supply. Meanwhile, the natural gas trading platform developed by the Group was put into trial operation, allowing our customers to trade natural gas online. With the back-end support by an intelligent dispatch system, customers can implement all trading procedure online, from quotation, order processing, confirmation, delivery to payment settlement, supporting the rapid development of energy trading business and boosting trading volume. The Group will continue to capitalize on its advanced dispatch system, transportation fleet and strong capability to acquire upstream resources to supply gas to customers without pipeline coverage, thereby generating higher returns.

Industry Prospect

Mr. Wang Yusuo concluded, "The "Energy Development Strategy Action Plan (2014-2020)" published by the Chinese government clearly states that the proportion of natural gas in primary energy consumption shall increase to 10% or more by 2020. As such, we believe the Chinese government will continue to actively promote the use of natural gas. Looking ahead, we believe energy restructuring, low-carbon urbanization and the development of low energy-consuming industries will become the main drivers for promoting natural gas demand growth. The Group will fully consider the macro-economic environment and trends in the natural gas industry as it allocates resources in a prudent and rational manner. It will continue to expand its natural gas distribution business by penetrating into regions surrounding its existing city-gas projects. In addition, it will fully utilize energy saving technology to actively explore new C/I users. The Group will better realize market potential of the residential market through active development of its existing customer base, to enhance residential connection and to boost sales of gas appliances. In terms of optimizing the layout of its natural gas refuelling network, the Group will construct combined oil-gas stations and adopt a diversified station construction model while improving operating efficiency to reduce costs as well. In addition, the Group will seek to forge closer alliances with external parties to promote the development of vehicles/ship refuelling business. The Group will strive to meet its operational targets for the year and develop strategies for its future development. "

(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 operation and management of gas pipeline infrastructure, vehicle/ship gas refuelling stations, wholesale of gas, the sales and distribution of piped gas and other energy, the sale of gas appliances and equipment, the production of stored-value card gas meters and the provision of repair, maintenance and other services in connection with gas supply. The Group also operates vehicle/ship refuelling business in Europe and North America. As of 30 June 2015, the Group has 146 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 over 65.63 million. The Group has an offshore gas

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project in Vietnam located in Ho Chi Minh, Hanoi and Danang, covering a connectable urban population of over 9 million. The Group's total coverage of connectable urban population in China and overseas reaches over 74.63 million.

ENN Energy is a constituent of the Hang Seng Composite LargeCap Index. For more information, please visit the Group's website at <http://ir.ennenergy.com/>.

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Financial and Operational Data for 2015 Interim Results

(As of 30 June)	2015	2014	+/-
Business Development			
No. of project cities (China projects)	146	140	6
Connectable urban population (China projects)	65,625,000	61,645,000	6.5%
Gas penetration rate (China projects)	52.1%	48.3%	3.8ppt
Revenue Analysis (RMB million)			
Gas connection	2,557	2,122	20.5%
Sales of piped gas	9,625	9,070	6.1%
Vehicle gas refuelling stations	1,959	1,810	8.2%
Wholesale of gas	1,553	1,139	36.3%
Sales of other energy(Distribution of bottled LPG)	37	27	37.0%
Sales of gas appliances and material	156	183	-14.8%
Percentage of Segment Income by Revenue (%)			
Gas connection	16.1	14.8	1.3ppt
Sales of piped gas	60.6	63.2	-2.6ppt
Vehicle gas refuelling stations	12.3	12.6	-0.3ppt
Wholesale of gas	9.8	7.9	1.9ppt
Sales of other energy(Distribution of bottled LPG)	0.2	0.2	-
Sales of gas appliances and material	1.0	1.3	-0.3ppt
Gas Infrastructure			
Total length of pipeline (km)	29,637	25,179	17.7%
Gas processing stations	155	141	14
-Daily capacity (m ³)	80,004,800	59,298,000	34.9%
Vehicle gas refuelling stations	543	485	58
New Connection of Piped Natural Gas			
Residential households (Households)	791,822	650,484	21.7%
Commercial/Industrial customers ("C/I") (Sites)	4,621	4,115	506
Installed designed daily capacity for C/I (m ³)	4,225,616	4,653,800	-9.2%
Accumulated Connection of Piped Gas (Incl. Natural Gas)			
Residential households (Households)	11,396,420	9,931,749	14.7%
C/I (Sites)	52,310	43,156	9,154
Installed designed daily capacity for C/I (m ³)	54,468,771	46,581,062	16.9%
Sales of Gas (million m³)			
Total gas sales (including natural gas)	5,551	5,013	10.7%
Sales of natural gas	5,527	5,001	10.5%
-Residential	776	651	19.1%
-C/I	3,486	3,318	5.1%
-Wholesale of gas	522	365	43.1%
-Vehicle gas refuelling stations	743	667	11.5%