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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)

- (1) **DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY AND ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE;**
- (2) **APPLICATION OF WHITEWASH WAIVER; AND**
- (3) **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Board is pleased to announce that after trading hours on June 25, 2018, the Company and the Vendor entered into the SPA pursuant to which the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to purchase the Sale Shares. The Sale Shares represent the entire issued shares of the Target Company. The Consideration for the Acquisition is RMB2,606,595,755 (equivalent to approximately HK\$3,194,122,681), which shall be fully settled by the allotment and issue, credited as fully paid, of 39,926,534 Consideration Shares to the Vendor at Completion. The Company will seek the Independent Shareholders' approval at the EGM for the grant of the Specific Mandate to allot and issue the Consideration Shares to the Vendor. The Consideration of the Acquisition was determined after arm's length negotiations between the parties.

The 39,926,534 Consideration Shares represent (i) approximately 3.68% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.55% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no other change to the share capital of the Company prior to Completion). The issue price of HK\$80.00 per Consideration Share represents (i) a discount of approximately 1.23% to the closing price of HK\$81.00 per Share as quoted on the Stock

Exchange on the Last Trading Day; (ii) a premium of approximately 4.49% to the average closing price of approximately HK\$76.56 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the Last Trading Day; (iii) a premium of approximately 20.30% to the average closing price of approximately HK\$66.50 per Share as quoted on the Stock Exchange for the six months immediately prior to the Last Trading Day; and (iv) a premium of approximately 317.97% to the audited consolidated net asset value of the Group of approximately RMB15.62 (equivalent to approximately HK\$19.14) per Share as at December 31, 2017. The Consideration Shares will be issued under the Specific Mandate. The Vendor, which will be the holder of the Consideration Shares, undertakes not to dispose, agree to dispose, or create any option, right, interest or encumbrances over these Shares during a period of 12 months from the date on which dealings of the Consideration Shares commence on the Stock Exchange.

### **IMPLICATIONS UNDER THE LISTING RULES**

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to notification and announcement requirements of Chapter 14 of the Listing Rules.

Furthermore, in view of the fact that the Vendor is wholly owned by EGII, a controlling shareholder of the Company which held 329,249,000 Shares, representing 30.34% of the issued share capital of the Company as at the date of this announcement, the Vendor is a connected person of the Company and accordingly, each of the Acquisition and the Issuance of Consideration Shares constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25% and the Consideration is more than HK\$10,000,000, the Acquisition, as well as the Issuance of Consideration Shares, will be subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **TAKEOVERS CODE IMPLICATIONS**

As the Vendor is wholly owned by EGII, which is in turn held as to 50% by Mr. Wang and 50% by Ms. Zhao, the spouse of Mr. Wang, and Mr. Wang Zizheng is the son of Mr. Wang, the Vendor is presumed to be "acting in concert" with Mr. Wang, Ms. Zhao, Mr. Wang Zizheng and EGII under the Takeovers Code. As at the date of this announcement, Mr. Wang Concert Group, taken together, directly or indirectly, held 329,249,000 Shares, representing approximately 30.34% of the existing issued share capital of the Company.

Upon Completion, a total of 39,926,534 Consideration Shares will be allotted and issued to the Vendor. As a result, the aggregate voting rights of the Company held by Mr. Wang Concert Group will be increased by 2.47%, assuming that there is no other change to the issued share capital of the Company from the date of this announcement and up to Completion. Such increase of Mr. Wang Concert Group's collective holding of the voting rights of the Company would therefore trigger an obligation of Mr. Wang Concert Group to make a mandatory general offer for all the issued Shares not already owned by them under Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted by the Executive and the Whitewash Waiver is approved by

the Independent Shareholders. According to the SPA, such conditions precedent are not capable of being waived by any party to the SPA. Mr. Wang Concert Group will make an application to the Executive for the Whitewash Waiver. The Whitewash Waiver, if granted, would normally be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll. Mr. Wang Concert Group and persons interested or involved in the Transactions would abstain from voting in respect of the relevant resolutions. As Mr. Wang Concert Group do not have any plan to make a general offer in respect of the Shares, in the event that the Whitewash Waiver is not granted by the Executive and approved by the Independent Shareholders, the SPA shall lapse and the Acquisition will not proceed.

#### **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER AND GENERAL**

Pursuant to the Takeovers Code and the Listing Rules, the Independent Board Committee comprising all of the independent non-executive Directors has been established to advise and provide recommendation to the Independent Shareholders on the Transactions. In this connection, the Board has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders. Such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

The EGM will be convened for the purpose of, among other matters, considering, and if thought fit, approving the Transactions. A circular containing, among other things, (i) details of the SPA and the Acquisition, the grant of the Specific Mandate, the Issuance of Consideration Shares and other information as required to be disclosed under the Listing Rules and the Takeovers Code; (ii) details of the application for the Whitewash Waiver; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to Transactions; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (v) a notice of the EGM, is expected to be despatched to the Shareholders on or before July 16, 2018.

#### **WARNING**

**The Executive may or may not grant the Whitewash Waiver and in the event that it is not granted, the SPA shall lapse and the Acquisition will not proceed.**

**Shareholders and potential investors should note that the Acquisition is subject to the fulfilment of a number of conditions, and accordingly, the transactions contemplated thereunder may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the securities of the Company.**

The Board wishes to announce that after trading hours on June 25, 2018, the Company and the Vendor entered into the SPA, pursuant to which the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to acquire, the Sale Shares on and subject to the terms and conditions of the SPA. Major terms of the SPA are set out below.

#### **THE SPA**

**Date**

June 25, 2018

## **Parties**

- (1) the Company as the purchaser; and
- (2) the Vendor as the seller.

The Vendor is a company incorporated in the BVI with limited liability which is principally engaged in investment holding. The Vendor is wholly owned by EGII, a controlling shareholder of the Company.

## **Assets to be acquired**

The Company conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Shares free from all encumbrances together with all rights now or thereafter attaching thereto, including all dividends or distributions which may be paid, declared or made in respect thereof at any time on or after the Completion. The Sale Shares represent the entire issued shares of the Target Company.

The Vendor has given certain representations and warranties to the Company in relation to the title of the Sale Shares as well as business and operations of the Target Group under the SPA.

## **Consideration**

The Consideration for the Acquisition is RMB2,606,595,755 (equivalent to approximately HK\$3,194,122,681), which shall be fully settled by the allotment and issue, credited as fully paid, of 39,926,534 Consideration Shares to the Vendor at Completion.

The 39,926,534 Consideration Shares represent (i) approximately 3.68% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.55% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no other change to the share capital of the Company prior to Completion).

The issue price of HK\$80.00 per Consideration Share represents:

- (1) a discount of approximately 1.23% to the closing price of HK\$81.00 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a premium of approximately 4.49% to the average closing price of approximately HK\$76.56 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the Last Trading Day;
- (3) a premium of approximately 20.30% to the average closing price of approximately HK\$66.50 per Share as quoted on the Stock Exchange for the six months immediately prior to the Last Trading Day; and

- (4) a premium of approximately 317.97% to the audited consolidated net asset value of approximately RMB15.62 (equivalent to approximately HK\$19.14) per Share as at December 31, 2017, calculated based on the audited consolidated net asset value of the Group attributable to owners of the Company of RMB16,952,000,000 (equivalent to approximately HK\$20,772,982,379) as at December 31, 2017 divided by the total number of Shares in issue as at the date of this announcement.

The Consideration Shares will be issued under the Specific Mandate to be granted to the Directors by the Independent Shareholders at the EGM.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares to be allotted and issued shall rank *pari passu* among themselves and with all the Shares in issue at Completion. The Vendor, which will be the holder of the Consideration Shares, undertakes not to dispose, agree to dispose, or create any option, right, interest or encumbrances over these Shares during a period of 12 months from the date on which dealings of the Consideration Shares commence on the Stock Exchange.

The Consideration was arrived at after arm's length negotiations between the parties to the SPA on normal commercial terms with reference to (a) the future prospects of the Target Operating Group, the anticipated operational synergies and the expected enhancement in the competitive position of the Group as a result of the Acquisition, further details of which are set out in the paragraph headed "Reasons for and benefits of the Acquisition" below, and (b) an implied price-to-earnings ratio of approximately 10.6 times based on the audited profit attributable to owners of the Target Operating Group in 2017 as disclosed in the paragraph headed "Information on the Target Group" below, which represents a fair and reasonable valuation of the Acquisition having regard to certain comparable companies whose financial information was publicly available as at the date of this announcement, and taking into account the liabilities as disclosed in the paragraph headed "Information on the Target Group" below.

### **Conditions precedent**

Completion shall be conditional upon the following conditions precedent:

- (1) the Independent Shareholders having passed the necessary resolution approving the Transactions at the EGM by way of poll;
- (2) the Executive having granted the Whitewash Waiver and any condition attached to the Whitewash Waiver having been satisfied, and the Whitewash Waiver not being revoked;
- (3) the Stock Exchange granting or agreeing to grant the approval for the listing of, and permission to deal in, the Consideration Shares, and such approval not being revoked; and
- (4) there not having been any material breach of any of the representations, warranties, agreements, covenants and undertakings given by the Vendor and the Company in the SPA that are to be performed or complied with prior to Completion.

Condition precedent (4) above may be waived by the party which is not in breach of the relevant representations, warranties, agreements, covenants or undertakings, whereas conditions (1), (2) and (3) are not capable of being waived by any party to the SPA in any event.

It is confirmed that in relation to the condition precedent (4) above, there is no breach of any representations, warranties, agreements, covenants or undertakings by either party to the SPA as at the date of this announcement.

In the event that the conditions precedent above cannot be fulfilled (or waived, where applicable) on or before December 31, 2018, the SPA shall automatically be terminated and neither party shall have any claim against the other party except in respect of any rights and liabilities which have accrued before termination.

### **Completion**

Completion shall take place at 10:00 a.m. on the fifth Business Day after the date upon which the conditions set out in the SPA to be satisfied shall have been satisfied or waived (other than the conditions that by their terms are to be satisfied at Completion) or such other date as the Company and the Vendor shall agree in writing.

### **INFORMATION OF THE TARGET GROUP**

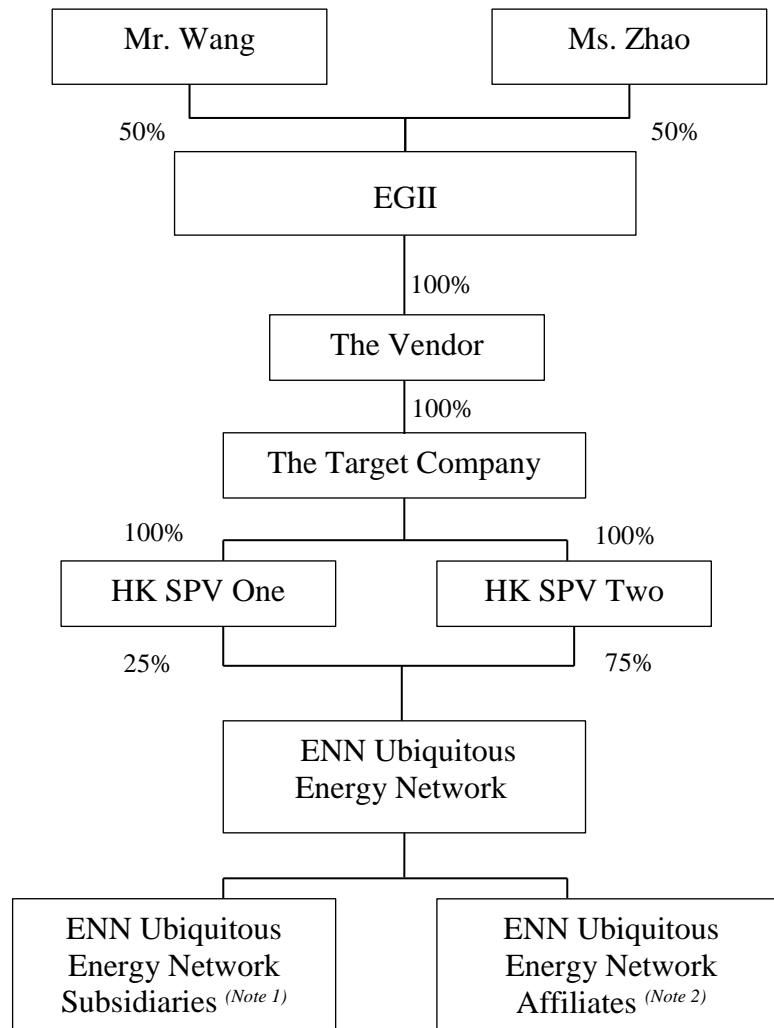
The Target Company is an investment holding company incorporated on February 28, 2018 in the BVI with limited liability. The controlling shareholders, being Mr. Wang, Ms. Zhao and EGII, through the Vendor, are interested in 100% of the equity interest in the Target Company.

The only operating asset of the Target Company is its indirect 100% equity interest in ENN Ubiquitous Energy Network, a limited liability company established in the PRC, which is principally engaged in the business of providing technology solutions of multiple forms of energy in China. ENN Ubiquitous Energy Network was established in 2009 in the PRC by ENN Group Co., Ltd (新奧集團股份有限公司) and ENN Technology Development Co., Ltd (新奧科技發展有限公司), being entities ultimately controlled by Mr. Wang and Ms. Zhao.

As part of the pre-acquisition process: (i) the Target Company, HK SPV One and HK SPV Two were set up recently in 2018 to be the intermediate holding companies of ENN Ubiquitous Energy Network; and (ii) ENN Ubiquitous Energy Network was transferred to the Target Company, an entity also ultimately controlled by Mr. Wang and Ms. Zhao.

Set out below is the simplified shareholding structure and corporate structure chart of the Target Group immediately before the Acquisition:

*Simplified corporate structure chart of the Target Group immediately before the Acquisition:*



*Notes:*

- (1) *Comprise seven subsidiaries wholly owned and one subsidiary owned as to 60% by ENN Ubiquitous Energy Network. See the definition of “ENN Ubiquitous Energy Network Subsidiaries” for details.*
- (2) *Comprise three affiliates owned by ENN Ubiquitous Energy Network as to 40%, 23% and 15% respectively. See the definition of “ENN Ubiquitous Energy Network Affiliates” for details.*

As a result of the pre-acquisition process and as at the date of this announcement: (i) there is an outstanding shareholder’s loan (the “**Shareholder Loan**”) between the Target Company (as the borrower) and EGII (as the lender) in the amount of RMB98,857,841; and (ii) there is an outstanding amount (the “**Debt of HK SPV Two**”) of RMB294,170,100 owed by HK SPV Two (an investment holding company wholly-owned by the Target Company) to ENN Green Energy (a PRC company controlled by Mr. Wang).

As each of the Target Company, HK SPV One and HK SPV Two was recently set up in February 2018, none of them have any operating assets other than their equity interest in ENN Ubiquitous Energy Network as illustrated in the above corporate structure chart. None of them have any liabilities other than the Shareholder Loan and the Debt of HK SPV Two (both of which are one-off items) as disclosed above and certain ancillary costs and expenses, mostly in relation to the pre-acquisition process.

According to the management accounts of the Target Group (based on the audited accounts of the Target Operating Group for the two years ended December 31, 2017 with necessary adjustments to include the subsequent financials of the Target Company, HK SPV One and HK SPV Two since their establishment in February 2018), the total asset value and net asset value of the Target Group as at December 31, 2017 were approximately RMB1,675 million and RMB94 million respectively.

According to the audited accounts of the Target Operating Group for the two years ended December 31, 2017, the total asset value and net asset value of the Target Operating Group as at December 31, 2017 were approximately RMB1,674 million and RMB486 million respectively.

The Target Company, HK SPV One and HK SPV Two were recently set up in February 2018 and none of them have any operating assets. Set out below is a summary of certain audited financial information of the Target Operating Group for the three years ended December 31, 2017:

	<b>Target Operating Group</b> <i>(audited)</i>		
	<b>For the year ended December 31, 2017</b>	<b>For the year ended December 31, 2016</b>	<b>For the year ended December 31, 2015</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>approximately</i>	<i>approximately</i>	<i>approximately</i>
Revenue	1,220,861	523,321	274,475
Profit before taxation	323,642	88,973	61,886
Profit after taxation	275,405	73,200	51,791
Profit attributable to owners of the company	283,934	72,208	52,586

Upon Completion, other than the ENN Ubiquitous Energy Network Affiliates, each member of the Target Group shall become a subsidiary of the Company and the financial results of the Target Group will be consolidated into the Group.

## **INFORMATION OF THE COMPANY**

The Group is one of the largest clean energy distributors in the PRC and is principally engaged in the investment and construction, as well as operation and management of gas pipeline



infrastructures, vehicle and ship refuelling stations and integrated energy projects, the sales and distribution of piped gas, liquefied natural gas and other multi-energy products, and energy trading business and provision of other services in relation to energy supply in the PRC.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The accelerated transformation of energy structure into a clean, low-carbon and efficient model, the continuous introduction of energy reform-related policies by the government, and the ongoing development of distributed energy and energy efficiency technologies, have led to an explosive growth of the integrated energy sector. Take the most important regional integrated energy business market, industrial park, as an example, there are more than 1,500 national and provincial-level industrial parks in the country currently, and there are more than 5,000 other industrial parks. According to the “Implementation Opinions on the Integration and Optimisation of Demonstrative Project Construction” by National Development and Reform Commission and the National Energy Administration, by 2020, the proportion of complementary multi-energy reconstruction in existing industrial parks will reach 30%, and the share of complementary multi-energy projects amongst newly-established industrial parks will reach 50%, demonstrating the tremendous market potential of integrated energy business.

The Group, as one of the pioneers to conduct integrated energy business, actively adjusted its strategy and accelerated its integrated energy business development, to foster new profit growth driver and stimulate its gas distribution business development. Capitalising on the Group’s vast downstream customer base and first-mover advantages, its integrated energy business has been expanded into cities such as Shanghai, Changsha, Qingdao, Shijiazhuang, Langfang, Dongguan, Zhaoqing, Yancheng and Hangzhou. By the end of 2017, the Group has cumulatively put into operation 31 integrated energy projects and is currently constructing 30 new projects.

In the past, the Group mainly leveraged on its own customer base and channel advantages to develop integrated energy business, but it did not possess the core technological know-hows such as planning and designing the integrated energy systems and solutions, thus, it had to procure relevant technology services from external service providers. At the backdrop of the rapidly growing integrated energy market, competitors have accelerated their efforts in developing the business. The Group urgently needs to establish its core technology and strengthen its competitive advantages in a short period of time to enhance its integrated servicing capabilities, so that it can seize any opportunity arisen and grab more market share quickly.

The Group believes that the most effective and efficient way of obtaining the core technology to supplement its capabilities in providing integrated energy solutions is strategic acquisition, after considering the needs of more investment in resources, opportunity costs, and failure risks. Therefore, the Group has been paying attention to and seeking related acquisition opportunities. After comparison and selection, we believe ENN Ubiquitous Energy Network, a technology company with relevant technological advantages in the industry and synergy with the Group, is an ideal acquisition target.

ENN Ubiquitous Energy Network is a leading integrated energy service provider in China. Since its establishment in 2009, ENN Ubiquitous Energy Network has committed itself to the technology innovation and application, it has provided customised integrated energy solutions to

various types of customers, including urban areas/industrial parks, industrial customers and municipal buildings, with focus on the technology services such as consultation, planning, designing, operation and maintenance. ENN Ubiquitous Energy Network expanded its business since 2013 after years of technology advancement. As of today, it has provided services to hundreds of integrated energy projects in more than 50 cities in China, its high quality and efficient technology services and project delivery capabilities were widely recognised by the market.

As one of China's leading technology service providers for integrated energy projects, ENN Ubiquitous Energy Network has the following competitive advantages:

- (i) Possessing the core technological know-hows of integrated energy business. ENN Ubiquitous Energy Network masters a number of core technologies required during the course of planning, designing and operating integrated energy projects, such as load forecasting, quantitative screening, and integration of energy facilities and network within a region, it has also obtained 66 patents and 231 patents under application, as well as 46 software copyrights. Technical competence of ENN Ubiquitous Energy Network ranks in the forefront of the industry. The load forecasting technology analyses the electricity and cooling/heating load of each user according to the usage of energy facilities at different times and locations, to predict the future energy demand of users and provide reliable decision-making basis for energy system planning, designing and operation. Quantitative screening technology focuses on the user's energy usage characteristics, compares the value of various technologies in terms of economics, energy saving, and emission reduction at different times based on factors such as locally available resources and energy prices. It selects the best technology application and the best integration method. The integration of energy facility and network in a region makes full use of the load of each main energy source to complement each other, share energy facilities, realise energy interconnection and intercommunication within the region, and optimise the scale and pace of energy facilities construction. Relying on the aforementioned core technologies, ENN Ubiquitous Energy Network has created a unique model that adapts to local conditions, integrates multiple technologies, collaborates multiple facilities and smartly interacts with demand and supply. This model has the characteristics of a shared economy. Compared with traditional, single distributed energy systems, it can further increase efficiency and save costs. It not only meets the needs of users for safe, clean, economical, and efficient energy resources, but also helps investors increase revenues, reduce expenditures and risks; and
- (ii) Having accumulated broad project experiences. As of the end of 2017, ENN Ubiquitous Energy Network has participated in 225 integrated energy projects, providing services to various types of customers, including government institutions and energy companies. At present, ENN Ubiquitous Energy Network provides technology services to many national-level demonstrative projects, including China's first standardised demonstrative project of pan-energy micro-grid, China's first batch of multi-energy complementary integration optimisation demonstration projects, China's first batch of new energy microgrid demonstration projects, and China's first commercial data center projects with nature of green.

The Group believes that integrated energy business has tapped into an exponential growing stage, the acquisition of ENN Ubiquitous Energy Network is in line with the Group's strategic development. The reasons for this acquisition are specified as follows:

- (i) The transaction facilitates the Group to seize market opportunity and gain stronger foothold in the integrated energy market. Through the consolidation of competitive resources, the Group will obtain the core technological know-hows on planning, designing and operating integrated energy projects, establish an integrated servicing capability, so as to facilitate the Group to exploit market potential from existing customers in regards to integrated energy demands, and enhance the adoption of such services in existing city-gas concessions. The transaction can also facilitate the Group's penetration into customers located beyond its concessions, as well as the development of quality projects such as national and provincial-level industrial parks;
- (ii) The transaction is conducive to enhancing the operational efficiency of the Group's existing integrated energy projects. After the completion of the acquisition, the Group will leverage ENN Ubiquitous Energy Network's technological competitiveness, continue to pay attention to technological upgrading and system optimisation over the course of project operation, so as to increase existing projects' operating efficiency and improve the return on investment;
- (iii) The transaction will enable the Group to reinforce its first-mover advantage having the industry's leading technology exclusive. ENN Ubiquitous Energy Network possesses leading integrated energy technology and has already built up reputation in the industry. The acquisition will bind the interests of the Group and ENN Ubiquitous Energy Network, helping the Group establish its technological advantages swiftly and refraining ENN Ubiquitous Energy Network from serving external customers which will nurture potential competitors in the integrated energy sector; and
- (iv) The transaction will help improve the Group's corporate governance and reduce the amount of continuous connected transactions relating to the procurement of technology services in the future. The Group paid approximately RMB200 million to ENN Ubiquitous Energy Network in 2017 for the integrated energy technology services, with the continuous expansion on the scale of integrated energy business, the Group's demand for ENN Ubiquitous Energy Network's technology service and the amount of relevant connected transaction are expected to increase substantially. The transaction will eliminate the needs to continue procure relevant technology services from connected party in future.

The terms of the SPA were determined after arm's length negotiations between the parties thereto. In light of the reasons above, the Directors (the independent non-executive Directors' views will be contained in the circular to be despatched in due course after taking into account the advice of the Independent Board Committee and the Independent Financial Adviser) are of the view that the terms of the Transactions are fair and reasonable, on normal commercial terms or better, in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

## CHANGES IN SHAREHOLDING STRUCTURE

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately following Completion (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than the issue of the Consideration Shares) and (iii) immediately following Completion (assuming all outstanding share options of the Company are exercised):

Shareholders	As at the date of this announcement		Immediately after Completion (assuming no change in the issued share capital of the Company from the date of this announcement and up to Completion other than the issue of the Consideration Shares)		Immediately after Completion (assuming all outstanding share options of the Company are exercised)	
	Number of Shares	Approximate % (Note 5)	Number of Shares	Approximate % (Note 5)	Number of Shares	Approximate % (Note 5)
Mr. Wang Concert Group						
Mr. Wang	329,249,000 (Note 1)	30.34	329,249,000	29.26	329,829,000 (Note 3)	29.13
Ms. Zhao	329,249,000 (Note 1)	30.34	329,249,000	29.26	329,829,000 (Note 4)	29.13
EGII	329,249,000 (Note 1)	30.34	329,249,000	29.26	329,249,000	29.08
The Vendor	0	0	39,926,534	3.55	39,926,534	3.53
Mr. Wang Zizheng	0	0	0	0.00	60,000	0.01
Subtotal	329,249,000 (Note 1)	30.34	369,175,534	32.81	369,815,534	32.66
The Capital Group Companies, Inc.	129,829,400 (Note 2)	11.96	129,829,400	11.54	129,829,400	11.47
Commonwealth Bank of Australia	72,439,717	6.68	72,439,717	6.44	72,439,717	6.40
JP Morgan Chase & Co.	54,208,902	5.00	54,208,902	4.82	54,208,902	4.79
Public Shareholders	499,459,205	46.03	499,459,205	44.39	505,868,955	44.68
<b>Total</b>	<b><u>1,085,186,224</u></b>	<b><u>100.00</u></b>	<b><u>1,125,112,758</u></b>	<b><u>100.00</u></b>	<b><u>1,132,162,508</u></b>	<b><u>100.00</u></b>

### Notes:

- (1) *The three references to 329,249,000 Shares relate to the same block of Shares. Such Shares are held by EGII, which is owned as to 50% by Mr. Wang and 50% by Ms. Zhao. As at the date of this announcement, the Company has share options granted under its share option schemes entitling the holders thereof to subscribe for an aggregate of 7,049,750 Shares, of which share options entitling the holders thereof to subscribe for an aggregate of 640,000 Shares are held by certain members of Mr. Wang Concert Group (being 580,000 Shares for Mr. Wang and 60,000 Shares for Mr. Wang Zizheng).*
- (2) *Of these Shares, 129,829,400 Shares are held by Capital Research and Management Company (a company which is wholly owned by The Capital Group Companies, Inc.).*

- (3) *The 329,829,000 Shares comprise the 329,249,000 Shares held by EGII referred to in Note 1 above and 580,000 Shares which Mr. Wang is entitled to under the share option scheme of the Company.*
- (4) *The 329,829,000 Shares comprise the 329,249,000 Shares held by EGII referred to in Note 1 above and 580,000 Shares of Mr. Wang referred to in Note 3 above which Ms. Zhao is deemed as holding as Mr. Wang's spouse.*
- (5) *The percentage figures have been subject to rounding adjustments. Accordingly, figures shown in totals may not be an arithmetic aggregation of the figures preceding them.*

## **IMPLICATIONS UNDER THE LISTING RULES**

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to notification and announcement requirements of Chapter 14 of the Listing Rules.

Furthermore, in view of the fact that the Vendor is wholly owned by EGII, a controlling shareholder of the Company which held 329,249,000 Shares, representing 30.34% of the issued share capital of the Company as at the date of this announcement, the Vendor is a connected person of the Company and accordingly, each of the Acquisition and the Issuance of Consideration Shares constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25% and the Consideration is more than HK\$10,000,000, the Acquisition, as well as the Issuance of Consideration Shares, will be subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Wang, Chairman of the Board and an executive Director of the Company, indirectly owns the entire issued share capital of the Vendor, and Mr. Wang Zizheng, an executive Director and Executive Chairman of the Company, is an associate of Mr. Wang, and accordingly, these Directors abstained from voting on the resolutions at the Board meeting held to approve the Transactions. Mr. Cheung Yip Sang, Mr. Han Jishen, Mr. Liu Min and Mr. Wang Dongzhi, each an executive Director of the Company, also abstained from voting on such resolutions at the Board meeting due to their taking of the office as a director or executive in the Target Group or EGII.

## **TAKEOVERS CODE IMPLICATIONS**

### **Application for the Whitewash Waiver**

Since the Vendor is wholly owned by EGII, which is in turn held as to 50% by Mr. Wang and 50% by Ms. Zhao, the spouse of Mr. Wang, and Mr. Wang Zizheng is the son of Mr. Wang, the Vendor is presumed to be "acting in concert" with Mr. Wang, Ms. Zhao, Mr. Wang Zizheng and EGII under the Takeovers Code. As at the date of this announcement, Mr. Wang Concert Group taken together, directly or indirectly, held 329,249,000 Shares, representing approximately 30.34% of the existing issued share capital of the Company.

Upon Completion, a total of 39,926,534 Consideration Shares will be allotted and issued to the Vendor. As a result, the aggregate voting rights of the Company held by Mr. Wang Concert Group will be increased by 2.47%, assuming that there is no other change to the issued share capital of the Company from the date of this announcement and up to Completion. Such increase of Mr. Wang Concert Group's collective holding of voting rights of the Company would therefore trigger an obligation of Mr. Wang Concert Group to make a mandatory general offer for all the issued Shares not already owned by them under Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted by the Executive and the Whitewash Waiver is approved by the Independent Shareholders. According to the SPA, such conditions precedent are not capable of being waived by any party to the SPA. Mr. Wang Concert Group will make an application to the Executive for the Whitewash Waiver. The Whitewash Waiver, if granted, would normally be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll. As Mr. Wang Concert Group do not have any plan to make a general offer in respect of the Shares, in the event that the Whitewash Waiver is not granted by the Executive and approved by the Independent Shareholders, the SPA shall lapse and the Acquisition will not proceed.

The view and recommendation of the Independent Financial Adviser in respect of the Transactions will be set out in a circular to be issued by the Company to Shareholders as required by the Takeovers Code and the Listing Rules.

As at the date of this announcement, the Company does not believe that the Transactions will give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules) other than those as set out in this announcement. If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular. The Company notes that the Executive may not grant the Whitewash Waiver if any part of the Transactions does not comply with other applicable rules and regulations.

If the Whitewash Waiver is granted by the Executive and approved by the Independent Shareholders, members of Mr. Wang Concert Group shall be deemed to have a lowest percentage holding immediately after the completion of the Issuance of Consideration Shares. Any acquisition of additional voting rights by any member of Mr. Wang Concert Group subsequent to such completion will be subject to the 2% creeper rule under Rule 26.1 of the Takeovers Code by reference to the lowest percentage holding in the 12-month period ending on the date of the completion of the relevant acquisition.

### **Dealings and interest held in the Company's securities by Mr. Wang Concert Group**

As at the date of this announcement, other than (i) 329,249,000 Shares held by Mr. Wang Concert Group; (ii) options granted under the share option scheme entitling Mr. Wang Concert Group to acquire 640,000 Shares (representing approximately 0.06% of the issued share capital of the Company as at the date of this announcement) upon exercise of these options in full; and (iii) all the transactions contemplated under the SPA and other than as disclosed in the section headed "Changes in Shareholding Structure" in this announcement, Mr. Wang Concert Group confirms that:

- (i) none of the members of Mr. Wang Concert Group holds, owns, controls or has direction over any Shares, convertible securities, warrants, options or derivatives in respect of the securities in the Company nor has any of them entered into any outstanding derivatives in respect of the securities in the Company;
- (ii) none of the members of Mr. Wang Concert Group has received any irrevocable commitment to vote for or against the proposed resolutions approving the Transactions;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares, shares of the Vendor and shares of Mr. Wang Concert Group members (which are corporations) and which might be material to the Transactions;
- (iv) there is no arrangement or agreement to which any member of Mr. Wang Concert Group is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Transactions (save as the conditions precedent to the SPA); and
- (v) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which any member of Mr. Wang Concert Group has borrowed or lent.

Other than the SPA, none of the members of Mr. Wang Concert Group has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of, any voting rights of the Company or has dealt for value in any Shares, convertible securities, warrants, options or derivatives in respect of the securities of the Company in the six-month period prior to the date of this announcement.

#### **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER AND GENERAL**

Pursuant to the Takeovers Code and the Listing Rules, the Independent Board Committee comprising all of the independent non-executive Directors, namely Mr. Ma Zhixiang, Mr. Yuen Po Kwong and Mr. Law Yee Kwan, Quinn, has been established to advise and provide recommendation to the Independent Shareholders on the Transactions as to whether the terms and conditions thereof are fair and reasonable, on normal commercial terms or better, in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote. In this connection, the Board has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Transactions are fair and reasonable, on normal commercial terms or better, in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote. Such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. The Board does not currently comprise any non-executive Director.

The EGM will be convened for the purpose of, among other matters, considering, and if thought fit, approving the Transactions. A circular containing, among other things, (i) details of the SPA and the Acquisition, the grant of the Specific Mandate, the Issuance of Consideration Shares and other information as required to be disclosed under the Listing Rules and the Takeovers Code; (ii) details of the application for the Whitewash Waiver; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Transactions;

(iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (v) a notice of the EGM, is expected to be despatched to the Shareholders on or before July 16, 2018.

Save for Mr. Wang Concert Group and their respective associates, which are required to abstain from voting on the resolutions to be proposed at the EGM, no Shareholder had a material interest in the Transactions and no other Shareholder would be required to abstain from voting at the EGM in respect of the resolutions relating to the Transactions.

## **WARNING**

**The Executive may or may not grant the Whitewash Waiver and in the event that it is not granted, the SPA shall lapse and the Acquisition will not proceed.**

**Shareholders and potential investors should note that the Acquisition is subject to the fulfilment of a number of conditions, and accordingly, the transactions contemplated thereunder may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the securities of the Company.**

## **DEFINITIONS**

Unless otherwise specified, the following terms have the following meanings in this announcement:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Acquisition”	the acquisition of the Sale Shares by the Company from the Vendor pursuant to the SPA
“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day other than a Saturday, Sunday or public holiday in the Cayman Islands, the BVI or Hong Kong
“BVI”	British Virgin Islands
“Company”	ENN Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2688)
“Completion”	completion of the Acquisition
“connected person”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the aggregate consideration payable by the Company for



	the Sale Shares under the SPA
“Consideration Shares”	39,926,534 Shares to be allotted and issued, credited as fully paid, by the Company to the Vendor upon Completion
“controlling shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Transactions
“EGII”	ENN Group International Investment Limited, a company incorporated in the BVI with limited liability, which is owned as to 50% by Mr. Wang and 50% by Ms. Zhao
“ENN Green Energy”	ENN Green Energy Technology (Langfang) Co., Ltd. (新奧綠能科技(廊坊)有限公司), a limited liability company incorporated in the PRC and controlled by Mr. Wang
“ENN Ubiquitous Energy Network”	ENN Ubiquitous Energy Network Technology Co., Ltd. (新奧泛能網絡科技有限公司), a limited liability company incorporated in the PRC
“ENN Ubiquitous Energy Network Subsidiaries”	<p>Comprise:</p> <p>(i) Langfang ENN Ubiquitous Energy Network Technical Service Co., Ltd. (廊坊新奧泛能網絡科技服務有限公司), ENN Energy Service (Shanghai) Co., Ltd. (新奧能源服務(上海)有限公司), Langfang ENN Ubiquitous Energy Equipment Sales Co., Ltd. (廊坊新奧泛能設備銷售有限公司), Jiangxi ENN Electricity Sales Co., Ltd. (江西新奧售電有限公司), ENN (Anhui) Energy Sales Co., Ltd. (新奧(安徽)能源銷售有限公司), ENN (Beijing) Energy Sales Co., Ltd. (新奧(北京)能源銷售有限公司), and ENN (Shanghai) Energy Sales Co., Ltd. (新奧(上海)能源銷售有限公司), all of which are PRC companies and are wholly owned by ENN Ubiquitous Energy Network; and</p> <p>(ii) Xinzhi Energy System Control Co., Ltd. (新智能源系統控制有限責任公司), a PRC company in which ENN Ubiquitous Energy Network holds 60% of the issued share capital</p>

ENN Ubiquitous Energy Network Affiliates	Shenzhen Qianhai ENN Huijin Smart Energy Co., Ltd. (深圳市前海新奧匯金智能能源有限公司), in which ENN Ubiquitous Energy Network holds 40% of the issued share capital; Langfang ENN Ubiquitous Energy Equity Investment Fund LLP (廊坊新奧泛能股權投資基金中心(有限合夥)), in which ENN Ubiquitous Energy Network holds 23% of the interest in the fund; Yunnan Yuntou Energy Sales Co., Ltd. (雲南雲投新奧售電有限公司), in which ENN Ubiquitous Energy Network holds 15% of the issued share capital
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director, as defined in the Takeovers Code
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK SPV One”	ENN Premier Investment Limited (新奧卓誠投資有限公司), a company incorporated in Hong Kong on February 5, 2018 with limited liability, which is wholly owned by the Target Company
“HK SPV Two”	ENN Excellence Investment Limited (新奧卓信投資有限公司), a company incorporated in Hong Kong on February 20, 2018 with limited liability, which is wholly owned by the Target Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board (which comprises all the independent non-executive Directors) established to advise the Independent Shareholders with regard to the Transactions
“Independent Financial Adviser”	Platinum Securities Company Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong), the independent financial adviser appointed by the Board for the purpose of advising the Independent Board Committee and the Independent

Shareholders as to the Transactions

“Independent Shareholders”	Shareholders other than (i) Mr. Wang Concert Group; and (ii) those who are involved in or interested in the Transactions, and their respective concert parties and associates
“Issuance of Consideration Shares”	the allotment and issue of the Consideration Shares by the Company to the Vendor under the Specific Mandate
“Last Trading Day”	June 22, 2018, being the last full trading day immediately prior to the date of the SPA
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wang”	Mr. Wang Yusuo, an executive Director and Chairman of the Board
“Mr. Wang Concert Group”	comprising Mr. Wang, Ms. Zhao, EGII, the Vendor and Mr. Wang Zizheng, the son of Mr. Wang, and their respective concert parties
“Ms. Zhao”	Ms. Zhao Baoju, the spouse of Mr. Wang
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SPA”	the agreement dated June 25, 2018 entered into between the Company and the Vendor in relation to the Acquisition
“Sale Shares”	10,000 shares of the Target Company, representing 100% of the issued share capital of the Target Company as at the date of this announcement and at Completion
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM to grant the authority to the Board for the allotment and issue of the Consideration

	Shares to the Vendor
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Company”	Excellence Award Holding Company Limited (嘉品控股有限公司), a company incorporated in the BVI on February 28, 2018 with limited liability, which is wholly owned by the Vendor
“Target Group”	Target Company, its subsidiaries and ENN Ubiquitous Energy Network Affiliates
“Target Operating Group”	the Target Group excluding the Target Company and two of its wholly-owned investment holding companies HK SPV One and HK SPV Two
“Transactions”	the entering into of the SPA, the Acquisition, the grant of the Specific Mandate, the Issuance of Consideration Shares and the Whitewash Waiver
“Vendor”	Essential Investment Holding Company Limited (精選投資控股有限公司), a company incorporated in the BVI with limited liability, which is wholly owned by EGII
“Whitewash Waiver”	waiver as may be granted by the Executive under Note 1 to the Notes on dispensation from Rule 26 of the Takeovers Code in favour of the Vendor and parties acting in concert with it in respect of their obligations to make a general offer to acquire the issued Shares (excluding the issued Shares which are owned or agreed to be acquired by Mr. Wang Concert Group) in accordance with the Takeovers Code as a result of the allotment and issue of the Consideration Shares to the Vendor under the Acquisition
“%”	per cent.

*In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of HK\$1 to RMB0.81606. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.*

On behalf of the Board  
**ENN Energy Holdings Limited**  
**Wong Chui Lai**  
Company Secretary

Hong Kong, June 25, 2018

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

*Executive Directors:*

Mr. Wang Yusuo (Chairman)  
Mr. Cheung Yip Sang (Vice Chairman)  
Mr. Wang Zizheng (Executive Chairman)  
Mr. Han Jishen (Chief Executive Officer)  
Mr. Liu Min (President)  
Mr. Wang Dongzhi

*Independent non-executive Directors:*

Mr. Ma Zhixiang  
Mr. Yuen Po Kwong  
Mr. Law Yee Kwan, Quinn

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to Mr. Wang Concert Group and the Target Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by Mr. Wang Concert Group and the Target Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*As at the date of this announcement, the directors of the Vendor are Mr. Wang Yusuo and Mr. Wang Zizheng.*

*The directors and the ultimate beneficial owners of the Vendor jointly and severally accept full responsibility for the accuracy of the information relating to Mr. Wang Concert Group contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by Mr. Wang Concert Group in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*As at the date of this announcement, the directors of ENN Ubiquitous Energy Network are Mr. Wang Zizheng, Mr. Cheung Yip Sang, Mr. Jin Yongsheng, Mr. Han Jishen, Mr. Liu Min, Mr. Zhu Zhenqi and Mr. Chen Jun.*

*The directors and the ultimate beneficial owners of ENN Ubiquitous Energy Network jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group and Mr. Wang Concert Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Directors and Mr. Wang Concert Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*