



ENN Energy Releases 2022 Annual Results

Revenue increased by 18.2 % to over RMB 110 billion

The Board of Directors declares final dividend payment of HK\$2.27 per share

(Hong, Kong, 27 March, 2022) --- ENN Energy Holding Limited (Stock code: 2688.HK, “ENN Energy” or “the Group” or “the Company”), one of the largest clean energy distributors in China, announced its annual results for the year ended 31 December 2022 (“the year”). During the year, driven by the resilient growth of core businesses, revenue of the Group increased by 18.2% to RMB110.05 billion, core profit increased by 11.3 % to RMB7,960 million. With solid performance and excellent financial management, the Group continued to generate positive free cash flow. The Board has recommended a final dividend payment of HK\$2.27 per share. Together with the interim dividend HK\$0.64 per share paid, total dividends for 2022 amounts to HK\$2.91 per share

Mr. Wang Yusuo, Chairman of ENN Energy, stated, “2022 was an extraordinary year with profound and sweeping changes in the world. Amidst such complexities, severities and uncertainties, the Company forged ahead by coping with changes and risks with flexible and agile business moves. With the easing epidemic and the rapid economic recovery, we will seize the opportunities presented by low-carbonisation, intelligent technology innovation and urbanisation, and make concerted efforts to promote the transformation and upgrade of the Group, thus achieving a new leapfrog from “gasified city” to “smart city”. Leveraging digital intelligence and decarbonisation technologies, ENN Energy strives to propel systematic development of the energy industry, and shape a safe, low-carbon, intelligent and healthy lifestyle for family.”

Ensured Intrinsic Safety and Built a Safety Brand

The Company is committed to developing itself into a safety brand. To this end, it has put continuous efforts on the construction of a safety system and maintained a proven safety record over the years. During the year, the Company completed the renovation of all above-20-years pipeline networks; continued efforts on comprehensive corporate and gas-project governance, progressively overhauled integrated energy projects and completed online tracking of 108 sub-scenarios under five major business scenarios - construction and engineering, pipeline network, citygate stations, customer sites and integrated energy stations, achieving closed-loop safety management. Through these efforts, the Company enhanced its operation quality, reduced risk alerts for safety hazards and refined its safety supervision, thus building a safe and intelligent operation system that can identify and well manage risks under all scenarios.

Focused on Core Business and Maintained Rapid Growth in Integrated Energy Business

The carbon peaking and carbon neutrality goal in China, which has spurred a massive demand for clean energy and low-carbon products and services, and acceleration of the national unified electricity market system have prospered the Group’s electricity business. With years of experience in the integrated energy business, the Group has accumulated abundant clean energy solutions, low-carbon product portfolio and smart energy management tools. During the year, the annual energy consumption of our contracted customers exceeded 18 billion kWh, and contracts of nine city-level projects were completed. The old-district renovation project in Haining and the new-city development project in Langfang Area of Daxing Airport are highly representative among these nine city-level

projects.

During the year, 60 integrated energy projects were completed and put into operation, which lifted the number of total projects in operation to 210, generating sales of a total of 22,239 million kWh of integrated energy including cooling, heating, electricity and steam, up 16.6% year-on-year. Among them, the proportion of renewable energy sales increased by 35% year-on-year, while the proportion of electricity sales increased significantly to 8.1%. Coupled with 54 integrated energy projects under construction, the total integrated energy demand is expected to reach 41.7 billion kWh when all these projects reach full capacity. During the year, revenue from integrated energy business surged 40.3% to RMB10,951 million, and gross profit also increased by 14.0% to RMB1,556 million.

Stabilised Fundamentals and Kept Growing in Adversity

The Group has been serving an enormous base of customers, including more than 27.92 million household users and 224,462 industrial and commercial users, which demonstrates huge business potential and value. By the end of 2022, the Group had a total of 254 exclusive operating rights for city gas projects, covering 20 provinces, cities and autonomous regions.

Affected by multiple factors during the year, the Group's natural gas business was greatly pressured. The Group took prompt measures to address these risks, including accurately forecasting customer demand, optimising the resource structure and rationalising the pricing mechanism, which solidified its natural gas business. By the end of 2022, the Group's retail gas sales volume increased by 2.7% year-on-year to 25,941 million cubic meters, driving revenue from the retail gas sales business up by 22.0% to RMB60,082 million.

Accelerated Product Promotion and Shaped a New Quality Lifestyle for Family

With increasing pursuit for quality life, the market has been dominated by the demand for a safe, low-carbon, smart and healthy home. The Group's value-added business continued to deep dive residential customers' needs and promoted gas-related products in security, heating, kitchen and sanitation. Meanwhile, based on the Group's product innovation mechanism, the Group continued to encourage its member companies to create innovative products according to local conditions. As a result, a number of digital intelligence products for safety, gas alarms, clean heating, LoRa digital intelligent IoT emerged during the year. In 2022, the Group's revenue from the value-added business amounted to RMB3,114 million, representing an increase of 33.0%, and the gross profit increased by 20.6% to RMB2,078 million. Revenue from the value-added business per customer was RMB118, an increase of 19.2% compared to last year. Currently, the penetration rate of the value-added business among the Group's existing customers is merely 10.1%, while its penetration rate among newly-developed customers was 27.2% during the year, with great potential for business growth.

Mr. Wang Yusuo concluded, "As a crucial year for implementing the 14th Five-Year Plan, 2023 also marks a meaningful year to embark on a journey to fully build a modern socialist China. For the natural gas business, the Group will keep strengthening the flexibility and resilience of its natural gas business by tapping into existing customers, while further expanding its market share through mergers and acquisitions, with a view to maintaining a sustainable and stable growth in such business. For electricity business, we will continue to seize low-carbon opportunities and provide corporate customers with safe, energy efficient, and low carbon management integrated solutions through heat and electricity. For value-added business, we will strive to enhance customer penetration and value-creation through an analysis of residential users' demand for natural gas and an in-depth understanding of their lifestyles. Adhering to the strategy of customer-centric, gas-focused and multiple products for value-creation, the Company has continued to create long-term value for shareholders through meticulous decisions and pragmatic relief measures.

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, the sales and

distribution of piped gas, LNG and other multi-energy products. The Group also provides customers with digital and intelligent services related to low-carbon integrated solutions and develops diversified value-added business based on customer needs. As of 31 December 2022, the Group has managed 254 city-gas 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 develops integrated energy projects in key regions across China, and has successfully operated 210 such projects to date.

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

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Financial and Operational Data for 2022 Annual Results

(As of 31 December)	2022	2021	+/-
Business Development			
No. of city-gas projects in China	254	252	+2
Connectable urban population coverage ('000)	133,196	124,271	+7.2%
Piped gas penetration rate	62.9%	62.4%	0.5ppts
Accumulated number of IE projects in operation	210	150	+60
Revenue Analysis (RMB million)			
Retail gas sales business	60,082	49,247	+22.0%
Integrated energy business	10,951	7,805	+40.3%
Wholesale of gas	29,954	25,634	+16.9%
Construction and Installation	5,950	8,086	-26.4%
Value added business	3,114	2,341	+33.0%
Percentage of Segment Revenue (%)			
Retail gas sales business	54.59	52.89	+1.71ppts
Integrated energy business	9.95	8.38	+1.57ppts
Wholesale of gas	27.22	27.53	-0.31ppts
Construction and Installation	5.41	8.68	-3.28ppts
Value added business	2.83	2.51	+0.32ppts
New Natural Gas Customer Development			
Residential households ('000)	2,086	2,622	-20.4%
C/I customers (sites)	22,003	25,331	-13.1%
Installed designed daily capacity ('000 m ³)	20,504	21,036	-2.5%
Sales of Gas (million m³)			
Total natural gas sales	32,697	33,096	-1.2%
-Residential customers	5,151	4,703	+9.5%
-C/I customers	20,375	19,900	+2.4%

-Wholesale of gas	6,756	7,828	-13.7%
-Vehicle gas refuelling stations	415	665	-37.6%
Sales of Integrated Energy			
Sales vol of cooling, heating, electricity, and steam (mil kWh)	22,239	19,065	16.6%