

**ENN Energy revenue increased 38.2% to RMB14.35 billion in 1H2014**  
**Natural gas sales up 34.1% to 5.0 billion m<sup>3</sup>**

\* \* \* \* \*

**Results Highlights:**

- **Stripping out one-off items, recurring profit increased by 19.9% to RMB1.18 billion**
- **Piped gas sales revenue increased by 40.3% to RMB9.07 billion**
- **Vehicle gas sales revenue rose 31.7% to RMB1.81 billion**
- **Operated 485 vehicle gas refuelling stations, including 277 CNG stations and 208 LNG stations**

(Hong Kong, 22 August 2014)—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 2014 (“the Period”). Revenue increased by 38.2% to RMB14.35 billion. Stripping out one-off items, recurring profit increased by 19.9% year-on-year to RMB1.18 billion. The Board of Directors has resolved not to recommend an interim dividend.

Mr. Wang Yusuo, Chairman of ENN Energy, stated, “Reviewing the first half of the year, the Group’s total natural gas sales volume increased significantly by 34.1% to 5.0 billion m<sup>3</sup>, demonstrating the demand of natural gas remains strong in China. Leveraging a series of favourable policies, we grasped business opportunities and progressively developed city-gas projects, industrial parks, distributed energy projects and vehicle/ship refuelling business, providing sustainable growth drivers for the Group.” As at the end of June, the Group had approximately RMB7.11 billion cash on hand while its total debts amounted to RMB12.04 billion. Our net gearing ratio was 38.9%. In July, Standard & Poor’s upgraded the Company’s investment grade credit rating from “BBB-” to “BBB”, outlook is stable, which underscored the Group’s sound financial strength.

**City-gas distribution business**

During the Period, revenue attributable to piped gas sales amounted to RMB9.07 billion, representing an increase of 40.3% over the same period last year and accounting for 63.2% of the total revenue, up 1.0 percentage point, showing the Group’s more stable revenue structure. Meanwhile, the Group successfully developed more commercial/industrial (“C/I”) and residential customers leveraging its insightful market intelligence and strong execution ability. During the Period, the Group completed new piped natural gas connections to 4,115 C/I customers (with total installed designed daily capacity of 4.65 million cubic meters), bringing the accumulated number of connected C/I customers to 42,958 (with total installed designed daily capacity of 46.53 million cubic meters). The Group conducted new piped natural gas connections to 650,484 residential households, bringing the accumulated number of connected residential households to 9.85 million. The Group’s connection fee revenue thereby increased 14.5% year-on-year to RMB2.12 billion, accounting for 14.8% of the total revenue.

**Actively developed new projects**

The Group acquired a total of 6 new projects including Yangxi County in Guangdong Province, Dingan County, Changjiang County and Ledong County in Hainan Province, Wangdu Economic Development Zone in Hebei Province and Guannan Development Zone in Jiangsu Province. The main industries in these new projects include food processing, tourism, real estate, pharmaceuticals, chemicals, shipbuilding, etc. All of these projects have robust commercial and industrial activities with promising growth prospects. Meanwhile, we have acquired 10 projects in proximity to the Group's existing projects. We can fully utilize our existing resources and management platform to reap synergy and boost our gas sales volume. As of 30 June 2014, the Group has 140 city-gas projects under management, covering a population of over 61.64 million in China, with an average gas penetration rate of 48.3%.

**Vehicle/ship natural gas business**

During the Period, the Group's revenue attributable to vehicle gas sales increased by 31.7% to RMB1.81 billion, accounting for 12.6% of the total revenue. Sales volume of vehicle gas rose by 25.5% to 680 million m<sup>3</sup>. The Group constructed and put into operation 9 CNG and 28 LNG refuelling stations during the Period. We have altogether 485 vehicle gas refuelling stations in operation, including 277 CNG and 208 LNG stations.

The Group also continues its initiatives in exploring the LNG bunkering business. Since its successful engine conversion and trial run of an LNG bunkering vessel in Xinyi of Jiangsu Province in 2013, the Group has completed more engine conversions and LNG refuelling for 11 dredgers and 1 LNG bunkering vessel in Jiangsu Province and Shandong Province. The Group also started the construction of an LNG bunkering terminal and a brand new LNG bunkering vessel in Xinyi of Jiangsu Province and a bunkering barge in Xijiang of Guangxi Province. We will actively participate in national pilot projects, enhance partnership building and strengthen market development in LNG bunkering industry.

With the government's stronger determination to optimize energy consumption structure and resolve environmental pollution problems, natural gas is deemed to become one of the major forms of transportation fuels. In addition to its price competitiveness compared with gasoline and diesel, vehicle/ship natural gas business undoubtedly has a broad prospect.

**Government policies and industry prospect**

Mr. Wang Yusuo commented, "China and Russia achieved remarkable progress in natural gas supply by reaching a natural gas purchase and supply agreement worth US\$400 billion with a term of 30 years. It is expected that the annual supply capacity can reach 38 billion m<sup>3</sup>. With the construction of China-Russia pipelines, the phase by phase completion and operation of more natural gas pipelines including West-East III & IV, Shaanxi-Beijing IV, etc and LNG import terminals, along with the acceleration of conventional and unconventional natural gas exploration and production, China's natural gas supply will become more diversified and abundant, which is beneficial to the Group's business expansion."

The Group once again received honors in The 2014 All-Asia Executive Team ranking by *Institutional Investor* including No.1 in “Asia’s Best CEOs”, No. 2 in “Asia’s Best CFOs”, No. 2 in “Asia’s Best IR Professionals and No. 2 in “Asia’s Best Investor Relations Company” under power sector. The Group was also honored No. 6 in Best Investor Relations by *FinanceAsia*, “Top 100 for Investor Relations in Greater China” by *IR Magazine*, “Mainland Enterprise Listed in HK Ranking – Best Company in Clean and Renewable Energy Industry” by *Yazhou Zhoukan*, etc. These honors fully demonstrated that the Group’s business performance and management’s profound execution ability was acclaimed by investors, analysts and business partners. We will continue to redouble our efforts and maximize returns for our shareholders and staff.

(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 LPG, 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. As of 30 June 2014, the Group has 140 project cities in China in 16 provinces, municipalities and autonomous regions, namely Anhui, Beijing, Fujian, Guangdong, Guangxi, Hainan, Hebei, Henan, Hunan, Inner Mongolia, Jiangsu, Liaoning, Sichuan, Shandong, Yunnan and Zhejiang, covering a connectable urban population of over 61.64 million. The Group has an offshore gas 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 70.65 million.

#### **IR and Press Enquiry:**

Shirley Kwok / Hedy Shen

Tel: (852) 2528 5666

Fax: (852) 2865 7204

Email: [wm.kwok@ennenergy.com](mailto:wm.kwok@ennenergy.com) / [yihui.shen@ennenergy.com](mailto:yihui.shen@ennenergy.com)

**Financial and Operational Data for 2014 Interim Results**

<b>(As of 30 June)</b>	<b>2014</b>	<b>2013</b>	<b>+/-</b>
<b>Business Development</b>			
No. of project cities (China projects)	140	126	14
Connectable urban population (China projects)	61,645,000	57,467,000	7.3%
Gas penetration rate (China projects)	48.3%	44.3%	4.0%
<b>Revenue Analysis (RMB million)</b>			
Gas connection	2,122	1,853	14.5%
Sales of piped gas	9,070	6,465	40.3%
Vehicle gas refuelling stations	1,810	1,374	31.7%
Wholesale of gas	1,139	543	109.8%
Sales of other energy(Distribution of bottled LPG)	27	34	-20.6%
Sales of gas appliances and material	183	117	56.4%
<b>Percentage of Segment Income by Revenue (%)</b>			
Gas connection	14.8	17.8	-3.0
Sales of piped gas	63.2	62.2	1.0
Vehicle gas refuelling stations	12.6	13.2	-0.6
Wholesale of gas	7.9	5.2	2.7
Sales of other energy(Distribution of bottled LPG)	0.2	0.3	-0.1
Sales of gas appliances and material	1.3	1.1	0.2
<b>Gas Infrastructure</b>			
Total length of pipeline (km)	25,179	22,588	11.5%
Gas processing stations	141	129	12
-Daily capacity (m <sup>3</sup> )	59,298,000	47,016,000	26.1%
Vehicle gas refuelling stations	485	376	109
<b>New Connection of Piped Natural Gas</b>			
Residential households (Households)	650,484	630,183	3.2%
Commercial/Industrial customers ("C/I") (Sites)	4,115	3,510	605
Installed designed daily capacity for C/I (m <sup>3</sup> )	4,653,800	3,973,117	17.1%
<b>Accumulated Connection of Piped Gas (Incl. Natural Gas)</b>			
Residential households (Households)	9,931,749	8,489,432	17.0%
C/I (Sites)	43,156	34,464	8,692
Installed designed daily capacity for C/I (m <sup>3</sup> )	46,581,062	37,401,007	24.5%
<b>Sales of Gas (million m<sup>3</sup>)</b>			
Total gas sales (including natural gas)	5,013	3,778	32.7%
Sales of natural gas	5,001	3,729	34.1%
-Residential	651	559	16.4%
-C/I	3,318	2,499	32.8%
-Wholesale of gas	365	138	163.6%
-Vehicle gas refuelling stations	667	532	25.4%