

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only, and does not constitute an invitation or an offer to acquire, purchase or subscribe for securities. No public offer of the securities referred to herein will be made in Hong Kong, the United States or any other jurisdiction.

Neither this announcement nor anything herein constitutes an offer of securities for sale or solicitation of an offer to buy securities in the United States. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the Company making the offer and its management and financial statements. The Company has not registered or intends to register, any of the securities in the United States. This announcement is not for distribution, directly or indirectly, in or into the United States.



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)

(Website: www.ennenergy.com)

**PROPOSED ISSUANCE OF
US\$ DENOMINATED UNSECURED BONDS**

The Company proposes to issue bonds which will be offered to professional investors only. In connection with the proposed Bond Issue, the Company will provide prospective professional investors with certain major corporate and financial information regarding the Group, which information may not have previously been made public, and will commence a series of presentations to professional investors only beginning on or around 11 July 2017. A summary of such major corporate and financial information which the Company considers to be material is set out in this announcement.

In connection with the proposed Bond Issue, Citigroup Global Markets Limited and Nomura International plc are the joint global coordinators, and BNP Paribas, BOCI Asia Limited, China Merchants Securities (HK) Co., Limited, Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited, ICBC International Securities

Limited, Morgan Stanley & Co. International plc and Nomura International plc are the joint bookrunners and joint lead managers, each in alphabetical order.

The Company intends to use the net proceeds of the proposed Bond Issue for refinancing certain existing indebtedness of the Group and general corporate purposes, including, without limitations, working capital.

No definitive or binding agreement in relation to the proposed Bond Issue has been entered into as at the date of this announcement, and accordingly, the proposed Bond Issue may or may not materialise. Completion of the proposed Bond Issue is subject to, among other things, market conditions and investors' interests. Accordingly, potential investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

Further announcement(s) in respect of the proposed Bond Issue will be made by the Company as and when appropriate.

This announcement is made by the Company, pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

PROPOSED BOND ISSUE

Introduction

The Company proposes to issue bonds which will be offered to professional investors only. In connection with the proposed Bond Issue, the Company will provide prospective professional investors with certain major corporate and financial information regarding the Group, which information may not have previously been made public, and will commence a series of presentations to professional investors only beginning on or around 11 July 2017. A summary of such major corporate and financial information which the Company considers to be material is set out in this announcement.

It is intended that the Bonds will constitute direct, unconditional, unsubordinated and, subject to the terms and conditions of the Bonds, unsecured obligations of the Company denominated in US dollars. Completion of the Bond Issue is subject to, among other things, market conditions and investors' interests. The size and pricing of the proposed Bond Issue will be determined following a book-building process to be conducted by BNP Paribas, BOCI Asia Limited, China Merchants Securities (HK) Co., Limited, Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited, ICBC International Securities Limited, Morgan Stanley & Co. International plc and Nomura International plc, as the joint bookrunners and joint lead managers (in alphabetical order) of the proposed Bond Issue.

The Bonds will only be offered outside the United States in accordance with Regulation S under the Securities Act. The Bonds will not be offered to the public in Hong Kong or placed to any connected persons of the Company.

An offering circular to be distributed to prospective investors of the Bonds will contain, among other things, details of the proposed Bond Issue, the terms and conditions of the Bonds and risk factors relating to the Group and investing in the Bonds.

Proposed Use of Net Proceeds

The Company intends to use the net proceeds of the proposed Bond Issue, after deducting the underwriting commissions and other expenses payable in connection with the proposed Bond Issue, for refinancing certain existing indebtedness of the Group and general corporate purposes, including, without limitations, working capital.

Listing

The Company will seek a listing of the Bonds on the Stock Exchange. The Stock Exchange assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. The listing of the Bonds on the Stock Exchange and quotation of any Bonds on the Stock Exchange is not to be taken as an indication of the merits of the Company or the Bonds.

General

No definitive or binding agreement in relation to the proposed Bond Issue has been entered into as at the date of this announcement, and accordingly, the proposed Bond Issue may or may not materialise. Completion of the proposed Bond Issue is subject to, among other things, market conditions and investors' interests. Accordingly, potential investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

Further announcement(s) in respect of the proposed Bond Issue will be made by the Company as and when appropriate.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	the board of directors of the Company
“Bond Issue”	the issuance of the Bonds by the Company
“Bonds”	the US dollar denominated bonds proposed to be issued by the Company, as described in this announcement
“Company”	ENN Energy Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected persons”	has the meaning ascribed to it under the Listing Rules

“ Group ”	the Company and its subsidiaries
“ Hong Kong ”	the Hong Kong Special Administrative Region of the PRC
“ Listing Rules ”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“ PRC ” or “ China ”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement
“ RMB ”	Renminbi, the lawful currency of the PRC
“ Stock Exchange ”	The Stock Exchange of Hong Kong Limited
“ subsidiaries ”	has the meaning ascribed to it under the Listing Rules
“ United States ”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“ Securities Act ”	the United States Securities Act of 1933, as amended
“ US\$ ” or “ US dollars ”	United States dollars, the lawful currency of the United States

By Order of the Board
ENN Energy Holdings Limited
Ms. WONG Chui Lai
Company Secretary

Hong Kong, 10 July 2017

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

Executive Directors:

Mr. Wang Yusuo (Chairman)
Mr. Cheung Yip Sang (Vice Chairman)
Mr. Sean S J Wang (Chief Executive Officer)
Mr. Han Jishen (President)
Mr. Wang Dongzhi

Non-executive Director:

Mr. Wang Zizheng

Independent Non-executive Directors:

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

Summary of Certain Major Corporate and Financial Information of the Group

General Information

The Company was incorporated in the Cayman Islands on 20 July 2000, as an exempted company with limited liability. On 13 August 2010, the English name of the Company was changed from “Xinao Gas Holdings Limited” to “ENN Energy Holdings Limited”. The principal executive office is at Building A, ENN Technology Park, Xinyuan DongDao Road, Economic and Technological Development Zone, Langfang City, Hebei Province, the PRC. The registered office is located at Uglan House, P.O. Box 309, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies.

Business Overview

The Group is one of the largest privately owned gas operators and one of the first privately owned clean energy distributors in China. The principal business of the Group is the sale and distribution of piped gas, and the investment in, and the constructions, operation and management of, gas pipeline infrastructure and vehicle/ship refuelling businesses in China. The Group is also involved in the wholesale of gas, the sales of other energy, the sale of gas appliances and materials, the provision of repair, maintenance and other services in connection with gas supply and energy management services that assist customers of the Group in optimising their energy usage.

The Group commenced operations in 1993 and has since developed into one of the leading privately owned gas operators in the PRC piped gas industry. As of 31 December 2016, the Group had a total of 160 operational locations with a total connectable urban population of 77,420,000 in China. The Group operates piped gas distribution infrastructure on an exclusive basis, for periods ranging from 24 to 30 years, in cities and urban areas located in 17 provinces, municipalities and autonomous regions in China. The Group commenced compressed natural gas (“CNG”) and liquefied natural gas (“LNG”) refuelling business in 2002 and 2011, respectively. The Group constructs gas refuelling stations and supply gas to gas-powered vehicles, including taxis, buses and trucks. As of 31 December 2016, the Group had 320 CNG refuelling stations and 277 LNG refuelling stations in operation in the PRC.

The Group typically applies for and obtains exclusive rights from the local governments in China to distribute piped gas. The Group may also acquire exclusive rights by entering into joint ventures with existing local piped gas distributors. In addition, the Group constructs and maintains city piped gas networks in locations in which the Group has acquired exclusive rights through the above mentioned means to supply piped gas. The Group charges connection fees from residential customers on a “per connection” basis and commercial/industrial (“C/I”) customers on a “designed daily maximum capacity” basis for connection to its piped gas network. The Group receives recurring gas usage charges from connected customers based on the tariffs negotiated and determined within the price cap set by the local governments.

The Group intends to grow organically by increasing the penetration rates and the number of connected customers for the 160 existing operational locations while continuing to develop new projects and expanding its concessions to the areas nearby in China (including, without limitation, to add more operational locations and to acquire certain industrial park projects close to the existing operational locations), with a particular focus on the commercial and

industrial zones of emerging cities. In 2015 and 2016, the Group secured 10 new projects and eight new projects, respectively, in China, which, after development, had added a connectable urban population of approximately 1.78 million and 0.98 million, respectively. As the projects in the Group's operational locations continue to mature, the Group has become less reliant on one-time gas connection fees and sales of piped gas have increased as a proportion of its revenue, creating a more stable source of recurring revenue.

For the years ended 31 December 2015 and 2016, the revenue of the Group was approximately RMB32,063 million and RMB34,103 million, respectively, and the net profit of the Group was approximately RMB2,721 million and RMB2,888 million, respectively.

Summary of Certain Operational Information

	Year ended 31 December	
	2015	2016
Number of connected project cities	152	160
Connectable urban population (million)	71.54	77.42
Connectable residential households (million).....	12.3	14.1
New natural gas connections made during the period:		
— residential households.....	1,707,020	1,820,837
— C/I customers (sites)	9,054	11,821
— installed designed daily capacity for C/I customers (m ³)	8,160,660	12,574,005
Accumulated number of connected natural gas customers:		
— residential households.....	12,246,084	14,066,921
— C/I customers (sites)	56,673	68,494
— installed designed daily capacity for C/I customers (m ³)	58,553,575	71,127,580
Accumulated number of connected piped gas (including natural gas) customers:		
— residential households.....	12,326,036	14,146,873
— C/I customers (sites)	56,858	68,679
— installed designed daily capacity for C/I customers (m ³).....	58,608,161	71,182,166
Piped gas (including natural gas) penetration rate.....	51.7%	54.8%
Unit of piped gas sold to residential households (000 m ³)	1,490,416	1,821,136
Unit of piped gas sold to C/I customers (000 m ³).....	7,001,499	7,966,280
Unit of gas sold to vehicles (000 m ³).....	1,588,928	1,561,737
Unit of wholesale gas sold (000 m ³).....	1,231,521	3,036,778
Number of vehicle gas refuelling stations	576	597
Number of natural gas processing stations	157	166
Total length of existing intermediate and main pipelines (km)	29,936	32,921

Competitive Strengths of the Company

The Group believes that its position as a leading gas operator in China is largely attributed to the following competitive strengths:

- Well-positioned in the fast growing natural gas market in China;
- Strategic operational locations with strong growth potential;
- Diversified customer base and stable cash flow;
- Clear expansion strategy with low risk profile; and
- Proven track record and experienced management team with strong execution capability.

Business Strategies of the Company

The Group intends to maintain its position as a leading gas operator in China by focusing on the development of its core business of distributing piped gas while growing its vehicle refuelling station business, energy trading and distributed energy business to achieve synergistic development. The Group intends to achieve its strategic objectives by:

- Developing new operational locations and increasing gas penetration rates and gas consumption of customers in our existing operational locations;
- Expanding our diversified businesses and enhancing their synergies;
- Maintaining strategic alliances with suppliers; and
- Enhancing management and operational efficiency.