



# ENN-NG's Proposal for the Privatization of ENN involving H-share Issuance and Listing by Introduction —Investor Presentation Materials



## Disclaimer

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Reference is made to the joint announcement issued by ENN Natural Gas Co., Ltd. (“ENN-NG”), Xinneng (Hong Kong) Energy Investment Limited 新能(香港)能源投资有限公司 (the “Offeror”) and ENN Holdings Limited (“ENN”) dated March 26, 2025 pursuant to Rule 3.5 of The Code on Takeovers and Mergers of Hong Kong (the “Takeovers Code”) in relation to, among others, the pre-conditional proposal for the privatization of ENN by the Offeror by way of a scheme of arrangement under Section 86 of the Companies Act (2025 Revision) of the Cayman Islands (as consolidated and revised from time to time) (the “Joint Announcement”). Unless otherwise specified, capitalized terms used herein shall have the same meanings ascribed to them in the Joint Announcement.

This presentation (the “Presentation”) contains a brief summary of the Proposal and the ENN Share Option Offer, further details of which are set out in the Joint Announcement. Shareholders of ENN-NG and ENN, ENN Share Option Holders, ENN Share Award Holders and potential investors of ENN-NG and ENN are advised to read the Joint Announcement (including the annexes thereto) in its entirety for further information relating to the Proposal and the ENN Share Option Offer. The Joint Announcement is available on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk), and the website of ENN.

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Shareholders of ENN-NG and ENN, ENN Share Option Holders, ENN Share Award Holders and potential investors of ENN-NG and ENN should be aware that the making of the Proposal and ENN Share Option Offer is subject to the satisfaction of the Pre-Conditions. Even if the Proposal is made, the implementation of the Proposal (including the effectiveness of the Scheme) is subject to the satisfaction or waiver (as applicable) of the Conditions, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Even if the ENN Share Option Offer is made, it will be conditional on the Scheme becoming effective. Shareholders of ENN-NG and ENN, ENN Share Option Holders, ENN Share Award Holders and potential investors of ENN-NG and ENN should therefore exercise caution when dealing in the securities of ENN-NG and ENN. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

The Proposal relates to the shares of Chinese or Cayman Islands companies and is proposed to be made by a scheme of arrangement provided for under the laws of the Cayman Islands. The Proposal is subject to the disclosure requirements and practices applicable in Hong Kong, the PRC and the Cayman Islands, which differ from the disclosure and other requirements of the U.S. securities laws and the securities laws of the member states of the European Economic Area (“Relevant States” and each a “Relevant State”). Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in PRC or Hong Kong that may not be comparable to accounting principles generally accepted in the United States and the Relevant States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the U.S. Securities and Exchange Act of 1934, as amended, and the tender offer rules of the Relevant States. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in Hong Kong and the Cayman Islands to schemes of arrangement which differ from the disclosure requirements of the U.S. tender offer rules and the Relevant States’ tender offer rules.

## Disclaimer(cont'd)

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The receipt of the Cancellation Consideration pursuant to the Proposal, the receipt of or the ENN Share Option Offer Price pursuant to the ENN Share Option Offer or the receipt of the ENN Share Award Notional Gains by a Relevant State holder or a U.S. holder may be a taxable transaction under tax laws applicable in a Relevant State, or for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other tax laws. Each Scheme Shareholder, ENN Share Option Holder and ENN Share Award Holder is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal, the ENN Share Option Offer and the vesting of the ENN Share Awards applicable to him/her/it.

It may be difficult for U.S. holders of Scheme Shares or holders of Scheme Shares in the Relevant States to enforce their rights and claims arising out of the U.S. federal securities laws and the Relevant States' securities laws, since ENN-NG, ENN and the Offeror are located in a country other than the United States and the Relevant States, and some or all of their officers and directors may be residents of a country other than the United States and the Relevant States. U.S. holders of Scheme Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Holders of Scheme Shares in the Relevant States may not be able to sue a non-Relevant State company or its officers or directors in a non-Relevant State court for violations of the Relevant States' securities laws. Further, it may be difficult to compel a non-U.S. and non-Relevant State company and its affiliates to subject themselves to a U.S. court's or a Relevant State's court's judgement.

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This Presentation includes certain "forward-looking statements". These statements are based on the current expectations of the management of the Offeror, ENN-NG and/or ENN (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this Presentation include statements about the expected effects of the Proposal, the Scheme, the Listing and/or the ENN Share Option Offer on ENN and/or ENN-NG, the expected timing and scope of the Proposal, the Scheme, the Listing and/or the ENN Share Option Offer, and all other statements in this Presentation other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as "intends", "expects", "anticipates", "targets", "estimates", "envisages" and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the Pre-Conditions, the satisfaction or waiver of the Conditions, as well as additional factors, such as general, social, economic and political conditions in the countries in which the ENN-NG Group and/or ENN Group operate or other countries which have an impact on the ENN-NG Group and/or ENN Group's business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the ENN-NG Group and/or ENN Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the ENN-NG Group and/or ENN Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the ENN-NG Group and/or ENN Group operate and regional or general changes in asset valuations. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, ENN-NG, ENN or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. Each of the forward-looking statements included herein is made only as at the date of such statement. Subject to the requirements of the applicable laws, rules and regulations, including the Takeovers Code, ENN-NG, the Offeror, ENN and CICC and/or their respective directors, senior management, employees, affiliates, related institutions, advisors or representatives undertake no obligation to update, amend or revise any forward-looking statements contained in this Presentation nor accept any responsibility with respect to the achievement of future results or future growth.

The unaudited pro forma financial information of the Enlarged ENN-NG Group contained in this Presentation is extracted from Annex 2 of the Joint Announcement (the compilation of which is based on Hong Kong Financial Reporting Standards and has been reported on by HLB Hodgson Impey Cheng Limited) and is for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged ENN Group had the Proposal been completed as at December 31, 2024, January 1, 2024 or any future date. The unaudited pro forma financial information should be read in conjunction with other financial information disclosed in the Joint Announcement.



## Basic Information of the Transaction

5



## Analysis of the Significance of the Transaction

9



## Analysis of Shareholder Economic Benefits

17



## Appendix: Introduction to ENN-NG

21



## Basic Information of the Transaction

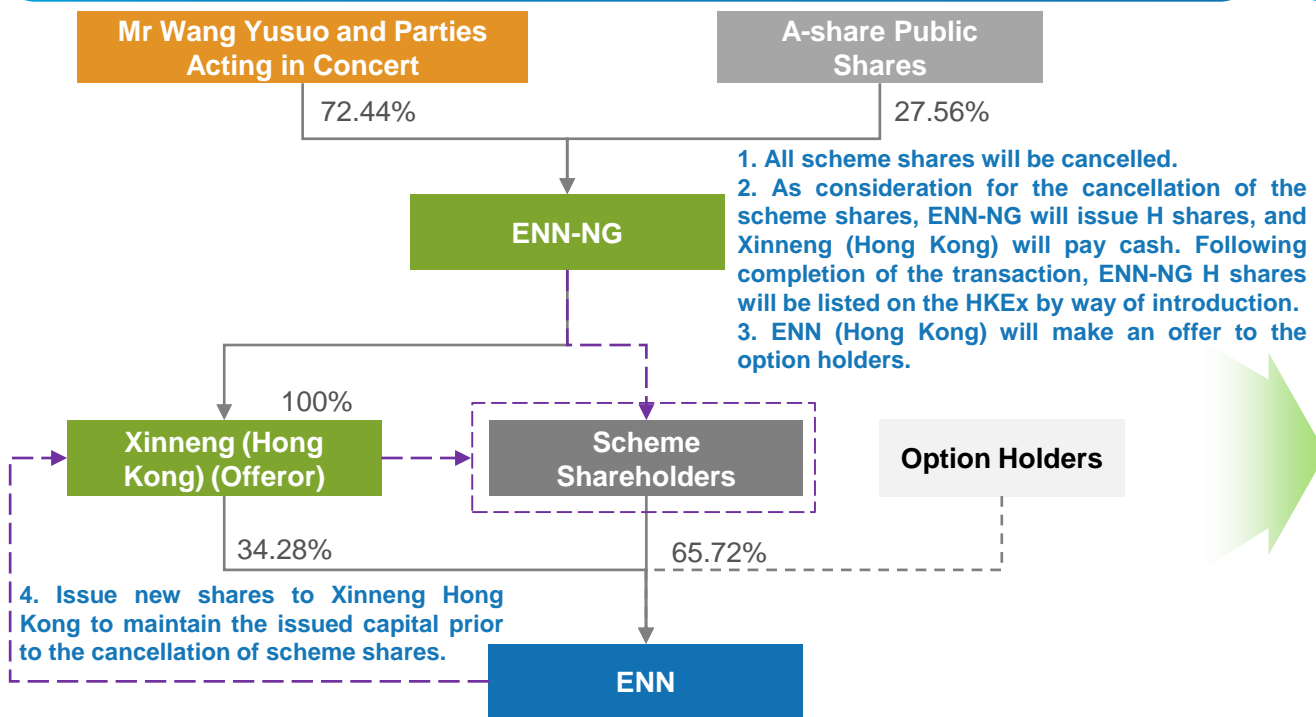


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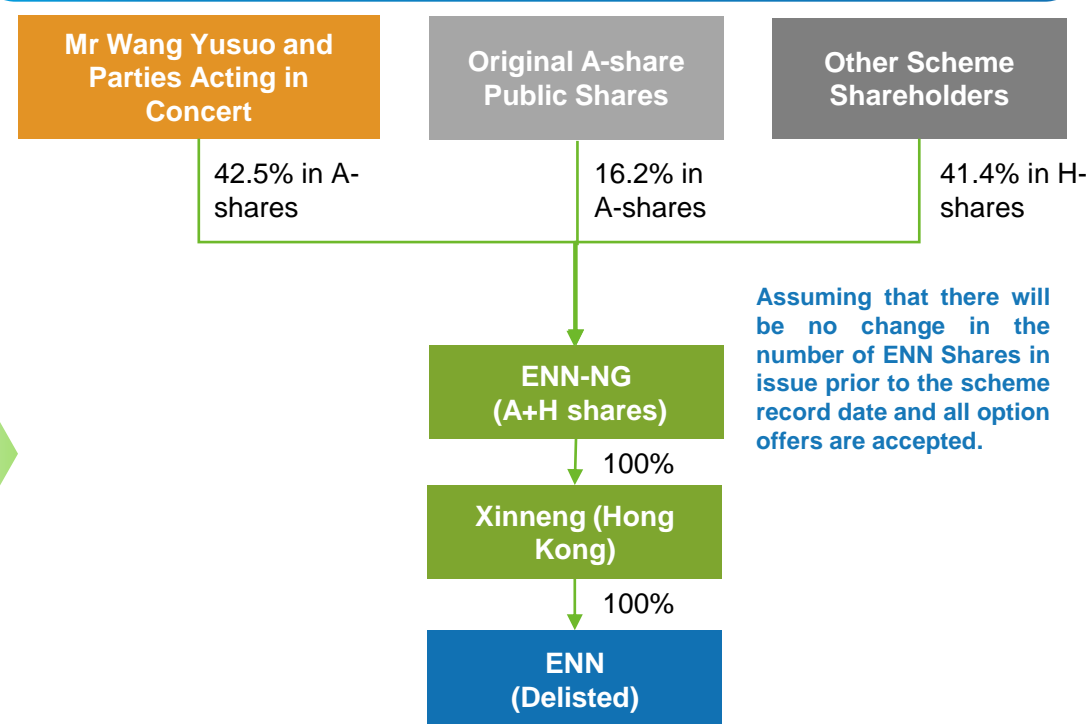
## 1.1 Overview of the Transaction Plan

- The offeror, Xinneng (Hong Kong), intends to make the proposal to privatize ENN by its payment of Cash Consideration and the issuance by ENN-NG of ENN-NG H Shares as consideration for the cancellation of the Scheme Shares. The Scheme Shareholders are all ENN shareholders except the offeror
- Following the completion of the transaction, the ENN-NG H Shares will be listed on the Hong Kong Stock Exchange, and the privatized ENN will become an indirectly wholly-owned subsidiary of ENN-NG
- This transaction constitutes ENN-NG major asset restructuring of A-shares, privatization of ENN by way of a scheme of arrangement, and a proposed listing of the ENN-NG H Shares by way of a listing by introduction

### Structure before the transaction



### Structure following completion of the transaction



Note 1: Before the transaction, Mr Wang Yusuo and Parties Acting in Concert include ENN International, ENN Holdings, ENN Technology, Langfang Heyuan, and Hebei Weiyuan.

Note 2: The above shareholding structure of ENN is as of 26 March 2025; as of 26 March 2025, ENN has 5,599,026 options granted but not yet exercised.



## 1.2 Key Points of the Transaction Plan — Pricing Methodology

### Offeror

- Xinneng (Hong Kong) Energy Investment Limited

### Offeree

- ENN, Stock Code: 2688.HK

### Transaction Method

- Privatization of ENN by way of a scheme of arrangement under Section 86 of the Companies Act
- Privatization transaction under the Codes on Takeovers and Mergers and Share Buy-backs of the SFC in Hong Kong

### Payment Method

- Upon the scheme becoming effective, scheme shareholders can receive the following consideration for each scheme share:
  - Newly issued H shares of ENN-NG (600803.SH), with each scheme share receiving 2.9427 shares of newly issued H shares of ENN-NG and
  - A cash payment from offeror to the scheme shareholders, amounting to HKD24.50 per scheme share, with the portion of cash consideration to be funded by offeror through external loan facility and its internal resources
- Share option offer: share option offer holders will receive “see-through” price in cash

### Dividend payout plan

- The cash consideration for this transaction (at HKD24.50 per share) exceeds the total dividends distributed by ENN over the past 10 years
- Based on the dividend payout plan of ENN-NG for 2023-2025, the estimated dividend per share for 2025 is RMB 0.96, according to the shareholder dividend payout plan which is disclosed by ENN-NG simultaneously and depends on the implementation of this transaction, the planned dividend payout ratio for each year during 2026-2028 is no less than 50% of core profits attributable to the shareholders of ENN-NG for the relevant year, maintaining a stable dividend payout
- The cancellation consideration for this transaction will not be reduced due to the 2024 year-end dividends already declared by ENN or any other dividends that may be declared before completion of the proposal

### Transaction Consideration and Implied Premium

- Theoretical Value of Cancellation Consideration per scheme share (80.00HKD)= 2.9427 exchange ratio **X** valuation advisor Somerley's median value of each ENN-NG H share valuation<sup>1</sup> range HKD18.86 /share + cash payment of HKD24.50 /share for each ENN scheme share, with the corresponding premium rates as follows:

Theoretical Privatization Total Consideration Premium Rate				
Based on daily closing prices as quoted on the HKEx	Last Day	30 trading days up to and including the Last Day	60 trading days up to and including the Last Day	90 trading days up to and including the Last Day
Premium Rate based on LUD <sup>2</sup>	47.60%	51.18%	49.20%	49.12%
Premium Rate based on LTD <sup>3</sup>	34.57%	49.99%	48.91%	48.81%

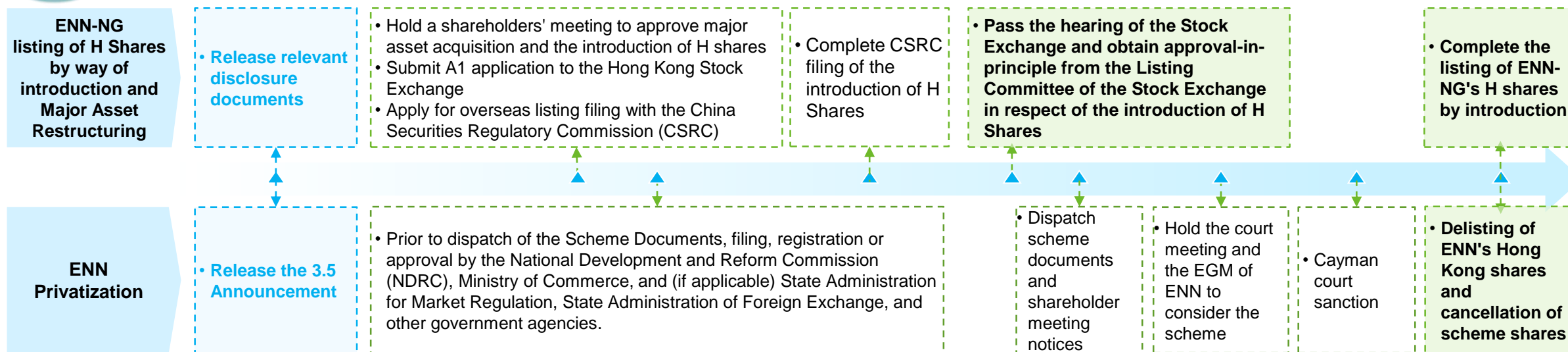
Note 1: 18 March 2025 is the valuation date as set out in the valuation report of Somerley, the H-share valuation advisor, same as below

Note 2: Premium rate for scheme shares based on last undisturbed day, without unusual trading volume and price volatility, which is 14th March, 2025

Note 3: Premium rate for scheme shares based on last trading day, which is 18th March, 2025



## 1.3 Key Milestones and Approval Procedures of the Transaction



### ➤ ENN-NG Voting Threshold (to approve the listing by introduction and major asset restructuring)

- ✓ **General Shareholders' Meeting:** the approval by at least 2/3 of the voting rights held by independent shareholders present

### ➤ ENN Voting Threshold (to approve the privatization)

- ✓ **Court Meeting:** Approval of the Scheme (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting; the approval of the Scheme (by way of poll) by ENN Disinterested Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by ENN Disinterested Shareholders that are voted either in person or by proxy at the Court Meeting, provided that the number of votes cast (by way of poll) by the ENN Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to the Scheme Shares held by all ENN Disinterested Shareholders
- ✓ **ENN Shareholders' Meeting:** Approval by not less than 3/4 of the votes cast by the ENN Shareholders present and voting in person or by proxy at the EGM to reduce issued capital, and approval by a simple majority of the votes cast by the ENN Shareholders present and voting in person or by proxy at the EGM to approve the simultaneous maintenance of the share capital of ENN at the amount prior to the cancellation of the Scheme Shares by the issuance at par to the Offeror

Note: The timing of achieving the conditional precedents depends on the progress of actual regulatory approvals.





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**Analysis of the Significance of the Transaction**





## Analysis of the Significance of the Transaction

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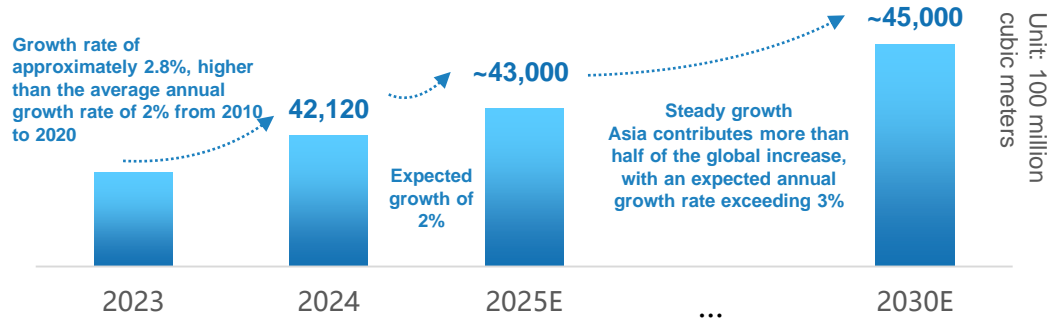
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- 1** The natural gas industry faces both opportunities and challenges, making further integration of the industry chain imperative
  - 2** Strengthening Complementary Advantages to Meet the Diversified Customer Demands Arising under New Market Conditions
  - 3** Leveraging the Natural Gas Comprehensive Advantage to Effectively Hedge Risks and Seize Opportunities
  - 4** Optimizing Corporate Governance and Enhancing Capital Management Efficiency to Flexibly Respond to Synergy Needs



# 2.1 The natural gas industry faces both opportunities and challenges, making further integration of the industry chain imperative

The global transition to low-carbon energy is steadily advancing, and the natural gas market continues to develop positively.

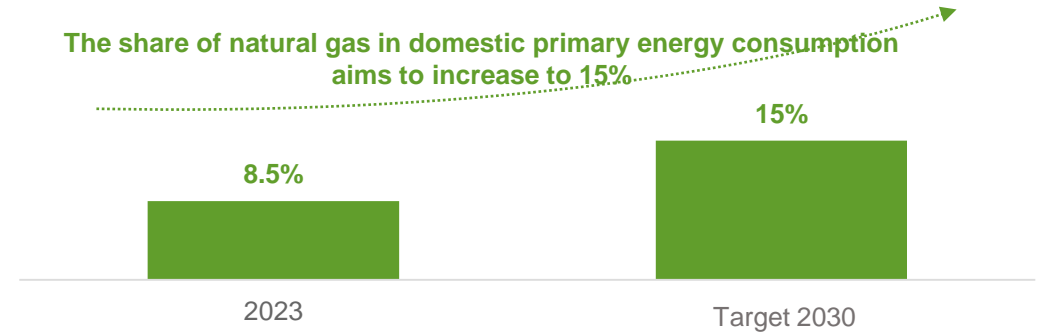
- According to the IEA report, global natural gas consumption is set to reach a new high in 2024, primarily driven by Asia.
- It is expected that by 2030, global natural gas consumption will reach 4.5 trillion cubic meters.



China has asserted its positioning and development strategy for natural gas based on its carbon peaking goals

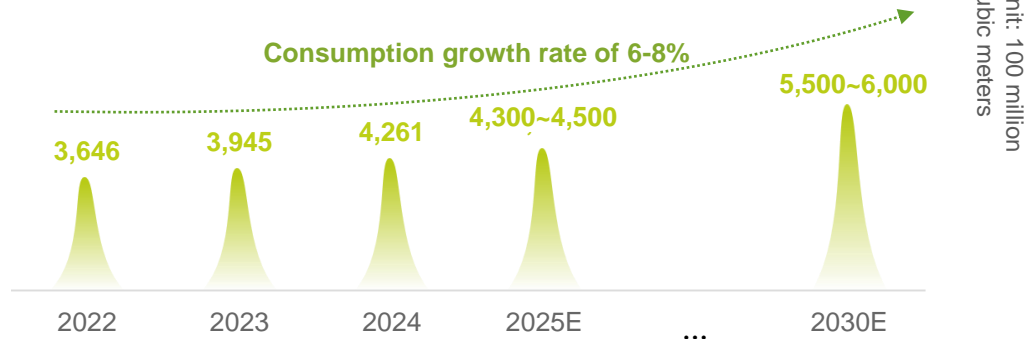
- Natural gas is a crucial alternative energy source for China to achieve its "2030 Carbon Peak" and "2060 Carbon Neutrality" goals, with the country setting clear targets for its share in primary energy consumption.

The share of natural gas in domestic primary energy consumption aims to increase to 15%



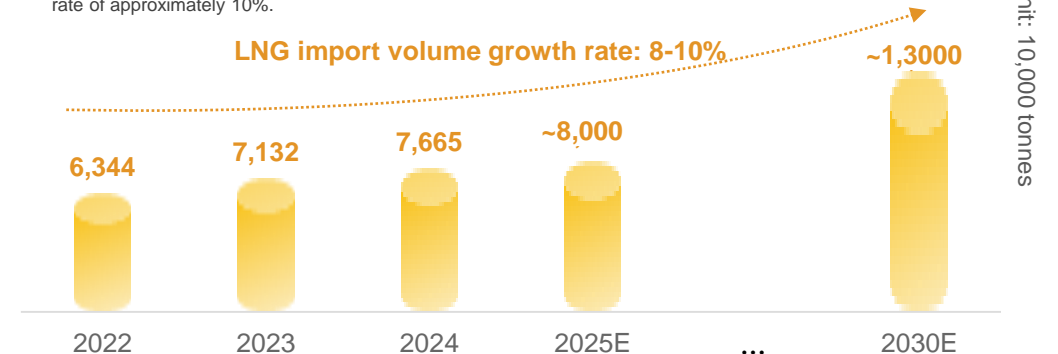
Record high in consumption amidst China's rapidly growing natural gas market

- In 2024, the national apparent consumption of natural gas is projected to be 426.1 billion cubic meters, a year-on-year increase of approximately 8%.
- It is expected that there will be 550 to 600 billion cubic meters by 2030 at a compound annual growth rate of approximately 6%.



China's LNG imports are expected to maintain rapid growth

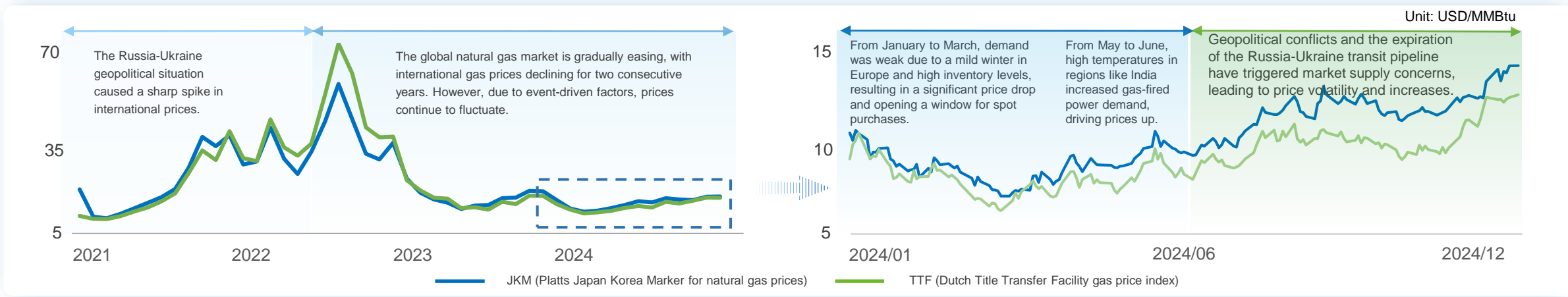
- In 2024, mainland China's LNG imports totalled 76.65 million tonnes, representing an increase of approximately 8% year-on-year.
- It is estimated that LNG imports will reach approximately 130 million tonnes by 2030 at a compound annual growth rate of approximately 10%.



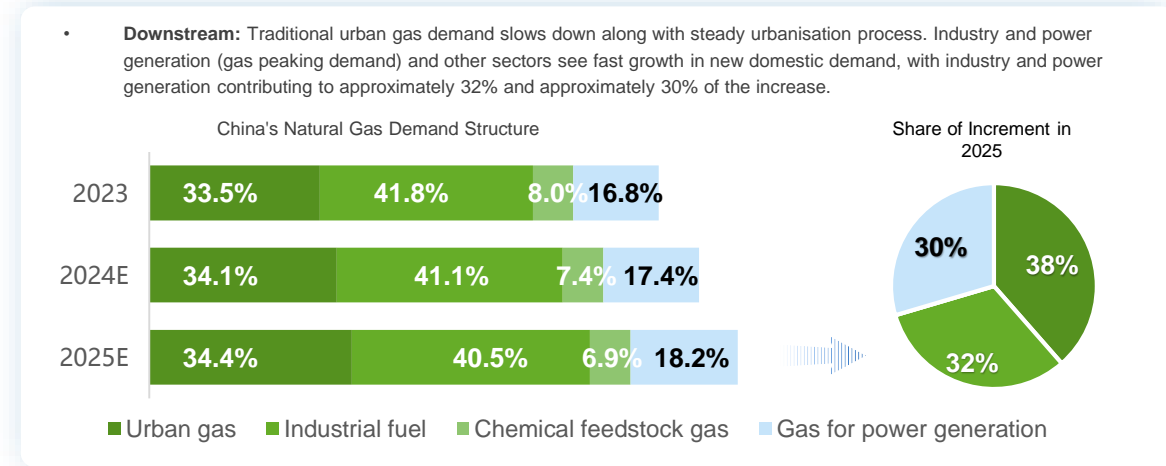
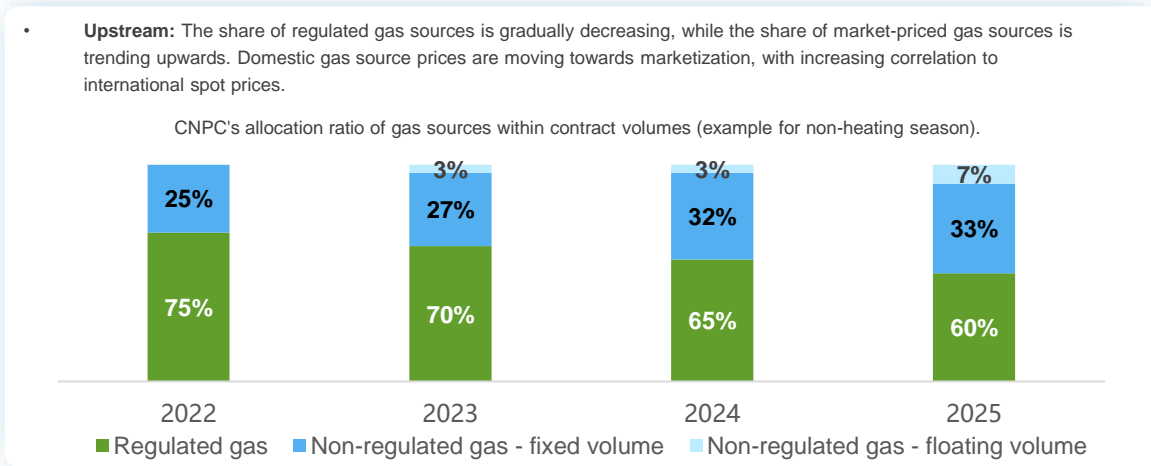


## 2.1 The natural gas industry faces both opportunities and challenges, making further integration of the industry chain imperative (Continued)

### International: International LNG prices continue to fluctuate, with significant uncertainty



### Domestic: Upstream gas prices tend to be marketised and downstream consumption structure changes, leading to increased demand for integrated upstream and midstream integration





## 2.1 The natural gas industry faces both opportunities and challenges, making further integration of the industry chain imperative (Continued)

Customers: In the face of a complex environment, customer demands are becoming increasingly diverse and differentiated, requiring higher service capabilities.

1

### More urgent need for low-cost gas

- Reduced price tolerance
- Increased sensitivity to energy costs

2

### More stable gas supply

- There is a demand for more stable gas supply, with gas supply transitioning from a single annual contract to a 3-5 year stable gas supply contract.

3

### More flexible energy consumption demands

- In terms of pricing, customers require more flexible gas pricing mechanisms, such as fixed prices or pegged to commodity prices and other mechanisms. In spatial terms, the demand for remote delivery is prominent.
- With greater flexibility in gas volume and supply timing, natural gas supply adapts to changes in customer demand.

4

### Greater autonomy in choice

- Market-oriented policies are continuously advancing, with more diverse resource providers and strengthened international and domestic linkages
- Customers have stronger bargaining power, directly sourcing overseas, accelerating direct purchases by major clients, and expanding the scope of proxy transmission and procurement

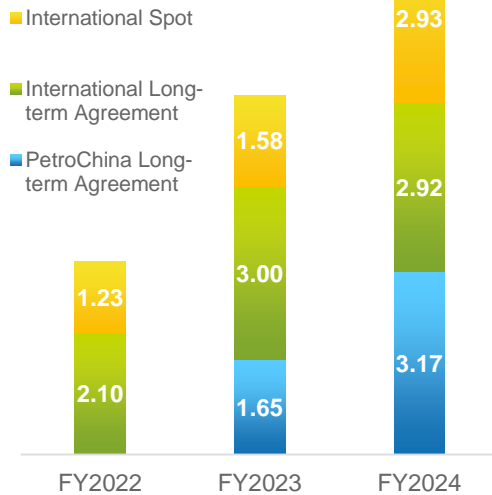
Natural gas operators face both opportunities and challenges, making further integration of the industry chain imperative

# 2

## 2.2 Strengthening Complementary Advantages to Meet the Diversified Customer Demands Arising under New Market Conditions

### Gradually increasing autonomous resources

Unit: Billion m<sup>3</sup>



### ENN-NG: Resources and LNG Receiving Terminals

- **Strengthening long-term cooperation with three major oil conglomerates:** Pursuant to the long-term contract with China National Petroleum Corporation, ENN-NG has imported from China National Petroleum Corporation LNG of approximately 3.2 billion cubic meters in 2024, representing a year-on-year increase of approximately 1.5 billion cubic meters.
- **Optimising the flow of international LNG resources:** As of now, long-term agreements for close to 10 million tonnes of LNG have been signed, with 2.06 million tonnes already delivered in 2024.
- **Zhoushan LNG Terminal:** The current operational processing capacity stands at 7.5 million tonnes per year. Upon completion of Phase III in 2025, the capacity is expected to reach 10 million tonnes per year. In 2024, the unloading volume of the Zhoushan LNG terminal was 2.41 million tonnes, representing a year-on-year increase of 53%.

### ENN: Extensive Customer Resource Base

- ENN's city gas projects are well represented across 20 provinces nationwide, with over 270,000 industrial and commercial customers and more than 31 million residential users. Most of these projects are located in economically developed regions such as Zhejiang, Jiangsu, Shandong, Guangdong, Fujian, and Anhui, which are advantageous markets for distribution of imported LNG. Through swapping of LNG resources, ENN can also reach markets across the PRC.



Both parties leverage their respective strengths to achieve complementary advantages through integration, effectively realizing the "1+1>2" effect to better meet the diverse needs of customers in the new market environment.

- Meet **low-cost gas usage** needs
- Meet **flexible peak-shaving gas demand** needs
- Meet **stable gas supply** needs.
- Meet **multi-facility flexible usage** needs
- Meet **flexible on-demand gas usage** needs
- Meet **price risk control** needs
- Meet **cross-regional low-cost delivery** needs
- ...
- **Based on ENN-NG's natural gas resource pool and LNG receiving terminals, ENN can continue to deepen its city gas business, expand its scale, and continuously develop its integrated energy and smart home businesses.**

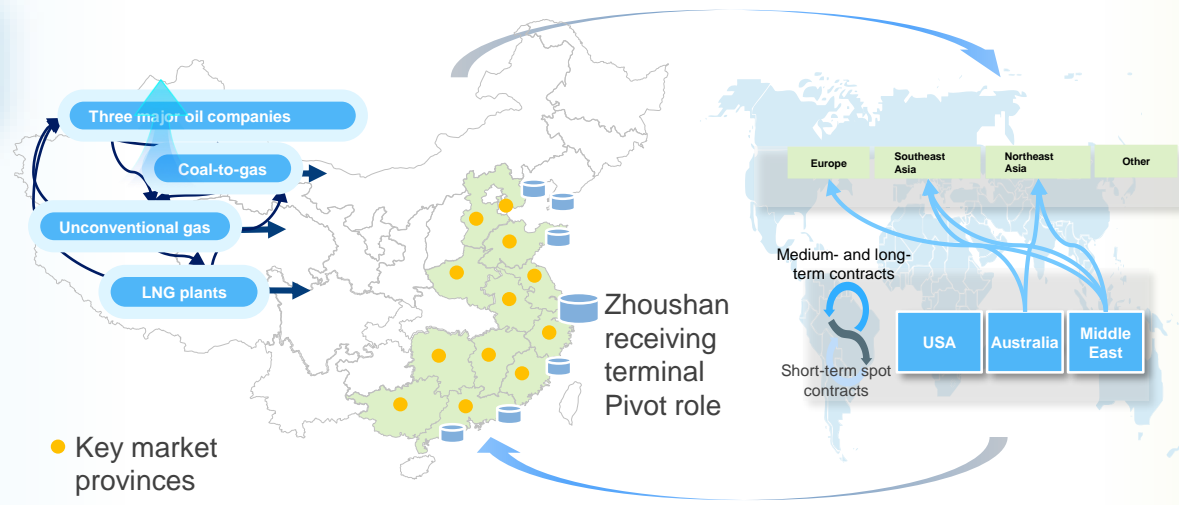
# 2

## 2.3 Leveraging the Natural Gas Comprehensive Advantage to Effectively Hedge Risks and Seize Opportunities

- **Solid Customer Base:** the international and domestic customer base can be expanded based on city gas franchise rights, creating a complementary client relationship between ENN-NG and ENN Energy.
- **Diversified Domestic and International Resources:** after the integration, the long-term natural gas resources held by ENN-NG can serve as a “ballast” for ENN's natural gas business operations, stabilizing gas sources and enhancing the stability of its business operations.
- **Strong Infrastructure leverage points:** the Zhoushan LNG Receiving Terminal is leveraged as a strategic hub, achieving flexible interactive dynamics between international and domestic resource markets.
- **Advanced International Risk Control System:** By leveraging both domestic and international markets, the hedging capabilities and risk control systems to mitigate risks can be further strengthened, ensuring overall business stability and balance.

Conduct dynamic, high-frequency market assessments and manage resource value through physical and paper hedging strategies

After further integration, ENN-NG can focus on European market demand when resource prices are high, ensuring the international sale of long-term resources. By comprehensively considering the profitability of cargo imports, the group can optimize its resource pool cargo swaps and match domestic demand reasonably.



During periods of declining resource prices, resources can be sold through ENN.

During periods of declining resource prices, the group proactively engage in market development with a view to support the import of LNG, attracting medium-term to long-term customers through innovative approaches such as “shipment crowdfunding + options trading”, “flexible + dynamic portfolio supply of multiple resources”, “resource custodianship + hedging” and “peak-shaving + stable services” and enhance the profitability of natural gas retail and distribution businesses.

Solid customer base

Diversified domestic and international resources

Strong infrastructure leverage points

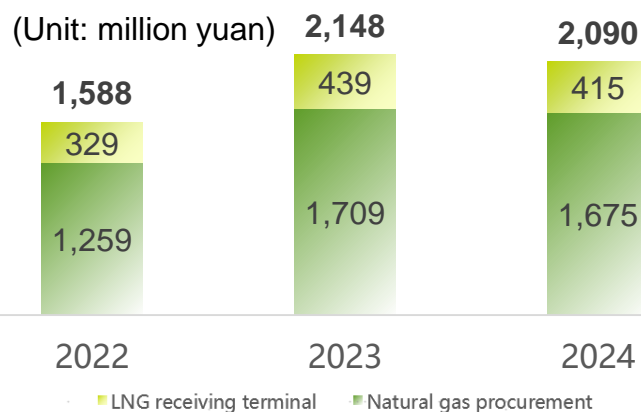
Advanced international risk control system

## 2.4 Optimizing Corporate Governance and Enhancing Capital Management Efficiency to Flexibly Respond to Synergy Needs

### Challenges Faced

- Currently, ENN-NG and ENN operate as independent listed entities, resulting in maintaining independent and separate management functions, capital pool and liquidity reserves.

#### The scale of natural gas procurement and LNG receiving terminal transactions between ENN and ENN-NG<sup>2</sup>



### Significance of This Transaction



#### Flexibility to Optimize Governance Efficiency

- Upon completion of the Proposal, the Enlarged ENN-NG Group will enjoy further flexibility in optimizing its organization structure and streamlining decision-making process.
- This helps improve operational efficiency and enhance responsiveness to rapid market changes.



#### Enhance Capital Management Efficiency

- Integration allows for unified capital management and planning, fully leveraging the advantages of pooled funds.
- This facilitates the release of liquid capital, reduces capital occupation, and achieves higher financial returns.



#### Responding Flexibly to Synergy Demands

- Transactions between ENN-NG and ENN will no longer be subject to requirements related to Hong Kong-listed companies' connected transactions.
- As such, the Enlarged ENN-NG Group will be conducive to seamless cross-entity cooperation, in turn driving synergies.
- In addition, the Enlarged ENN-NG Group will also benefit from reduced compliance overhead associated with ongoing connected transactions.





## Analysis of Shareholder Economic Benefits



## 3.1 Economic Benefits of This Privatization — Overview

### Scheme Shareholder Benefits of ENN

**1**

**New Issuance of H Shares by ENN-NG**

- Each share of ENN stock held by scheme shareholders will be exchanged for 2.9427 shares of ENN-NG H shares.

**2**

**Cash Payment**

- Each share of ENN stock held by scheme shareholders will receive a cash payment of HKD24.50.

### Reasonable Transaction Valuation

- The theoretical total value per scheme shareholder share in this transaction is HKD 80.00. The premium rate for scheme shares based on last undisturbed/trading day is shown in the table below.

Based on daily closing prices as quoted on the HKEx	Last Day	30 trading days up to and including the Last Day	60 trading days up to and including the Last Day	90 trading days up to and including the Last Day
Premium Rate based on LUD <sup>1</sup>	47.60%	51.18%	49.20%	49.12%
Premium Rate based on LTD <sup>2</sup>	34.57%	49.99%	48.91%	48.81%

- ENN's implied valuation is RMB83.55 billion, with an implied valuation multiple of 12.02x (2024 core profits P/E).

### Payment in both cash and shares provides simultaneous assurance for both short-term and long-term returns

- Cash Consideration:** Each scheme share is entitled to a cash consideration of HKD24.50, representing approximately 45% of the closing price on the closing date. The cash consideration exceeds the sum of ENN's cash dividends distributed over the past 10 years, offering Hong Kong shareholders a substantial one-time return.
- Share Consideration:** Each scheme share is entitled to 2.9427 ENN-NG H shares in exchange, sharing the long-term development benefits of the merged entity.

### The EPS increase for ENN shareholders following completion of this transaction:

- Following the completion of the transaction, it is expected to result in an increase of approximately 24% in ENN's 2024 basic EPS for its scheme shareholders based on unaudited pro forma financial information of the ENN-NG.

### Steady expected dividend returns:

- Based on ENN-NG's 2023-2025 dividend payout plan, the estimated 2025 dividend per share is RMB 0.96 for ENN-NG's H share.
- According to the shareholder dividend payout plan which is disclosed by ENN-NG simultaneously and based on the implementation of this transaction, the planned dividend payout ratio from 2026-2028 thereof is no less than 50% of core profits, maintaining a stable dividend payout.

Note 1: Premium rate for scheme shares based on last undisturbed day, without unusual trading volume and price volatility, which is 14th March, 2025

Note 2: Premium rate for scheme shares based on last trading day, which is 18th March, 2025

Note 3: The method for calculating the EPS increase for ENN shareholders is as follows:  $Enlarged\ ENN - NG\ EPS \times exchange\ ratio \div (share\ exchange\ consideration / total\ consideration \times ENN\ EPS) - 1$

# 3

## 3.2 Economic Benefits of This Privatization — Achieving Considerable Overall Gains

- The overall implied premium rate of this transaction (calculated by the combination of stock price and cash consideration) exceeds the comparable range from the historical premium rates of stock exchange privatization transactions in the HKEx.
- Among successful comparable HKEx stock exchange privatization transactions in recent years, the theoretical offer price represent a premium of 26.61%, 29.18%, 31.41% and 34.10% over the average closing prices one trading day, 30 trading days, 60 trading days, and 90 trading days before the last trading day (inclusive), respectively.

Date	Stock Code	Stock name	Industry	Transaction Method	Premium Rate Compared to LTD	Premium Rate Compared to Average Closing Price 30 trading days up to and including the LTD	Premium Rate Compared to Average Closing Price 60 trading days up to and including the LTD	Premium Rate Compared to Average Closing Price 90 trading days up to and including the LTD
2024/10/9	6837.HK	Haitong Securities	Finance	Merger by absorption	32.06%	38.27%	35.30%	31.29%
2020/7/31	1169.HK	Haier Electronics	Consumption	Scheme of Arrangement	44.21%	42.65%	46.63%	51.38%
2020/2/27	0020.HK	Wheelock and Company	Real Estate	Scheme of Arrangement	52.17%	45.20%	43.87%	45.90%
2017/9/8	1893.HK	SINOMA	Materials	Merger by absorption	19.19%	31.18%	44.86%	52.96%
2015/1/9	0013.HK	Hutchison Whampoa	Infrastructure	Scheme of Arrangement	-1.30%	-6.05%	-8.89%	-10.51%
2014/12/31	6199.HK	CNR	Transportation	Merger by absorption	13.30%	23.85%	26.67%	33.58%
<b>Average</b>					<b>26.61%</b>	<b>29.18%</b>	<b>31.41%</b>	<b>34.10%</b>
<b>Median</b>					<b>25.62%</b>	<b>34.73%</b>	<b>39.58%</b>	<b>39.74%</b>
<b>ENN</b>					<b>47.60%</b>	<b>51.18%</b>	<b>49.20%</b>	<b>49.12%</b>

Data Source: iFind

Note 1: Comparable stock exchange privatization transactions exclude those deal value are less than 1bn USD and with pure cash option.

Note 2: The valuation benchmark date is the last trading day of the relevant 3.5 Announcement. The premium rate is based on the theoretical offer price relative to the average closing price (without rights adjustment) increase. Any discrepancies with the announcement made to the market shall be due to tail differences and minor differences in the aforementioned calculation formula.

Note 3: The stock consideration for Wheelock and Company was a special dividend distributed in kind, paid after the court meeting ruling.

Note 4: ENN premium rate based on last undisturbed day (2025/3/14).

# 3

## 3.3 Economic Benefits of This Privatization — Payment in both cash and shares provides simultaneous assurance for both short-term and long-term returns:

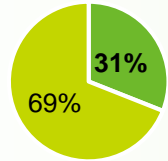
1



**Cash consideration**

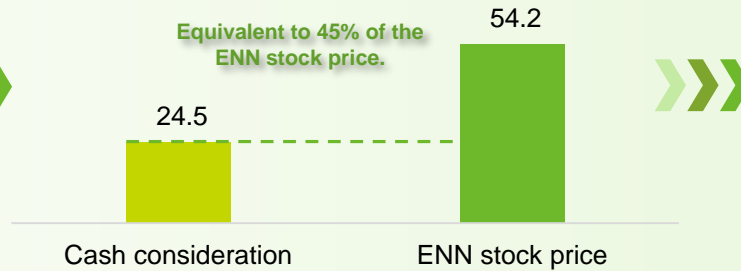
- Each share of ENN stock held by scheme shareholders will receive a cash payment of HKD24.50.
- HKD24.5 cash per share exceeds the total dividends paid from 2015 to 2024.

Cash consideration represents 31% of the cancellation consideration theoretical value, providing a flexible and balanced combination of considerations

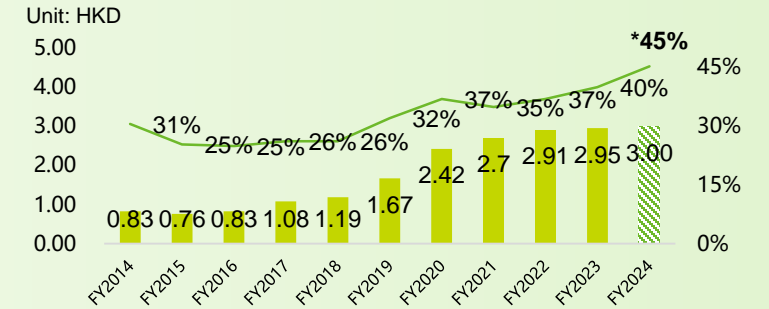


■ Cash consideration ■ Share consideration

The cash consideration represents 45% of the closing price as of the last undisturbed day, offering substantial immediate returns



HKD24.5 cash per share exceeds the total dividends paid by ENN over the past 10 years



2

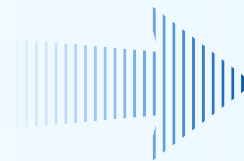
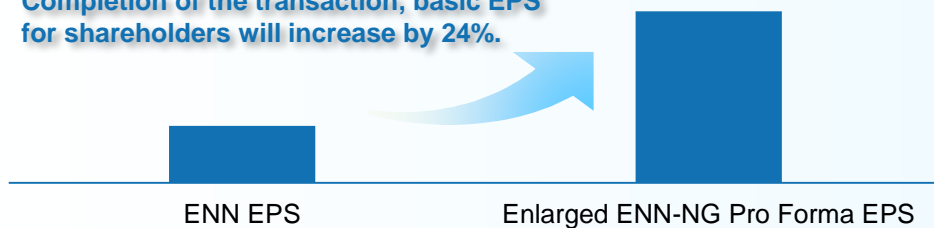


**Share consideration**

- Each share of ENN stock held by scheme shareholders will be exchanged for 2.9427 shares of ENN-NG H shares.

Following the completion of the transaction, 2024 basic EPS for scheme shareholders will increase by 24%.

Completion of the transaction, basic EPS for shareholders will increase by 24%.



**Dividend payout plan**






- RMB 0.96 per share dividend in 2025.
- The planned dividend payout ratio for 2026-2028 will be no less than 50% of core profits, maintaining a stable dividend payout.

Note 1: Based on the ENN stock price as of the date of the 3.5 Announcement.  
 Note 2: The historical dividend rate is based on ENN's core profit calculation.

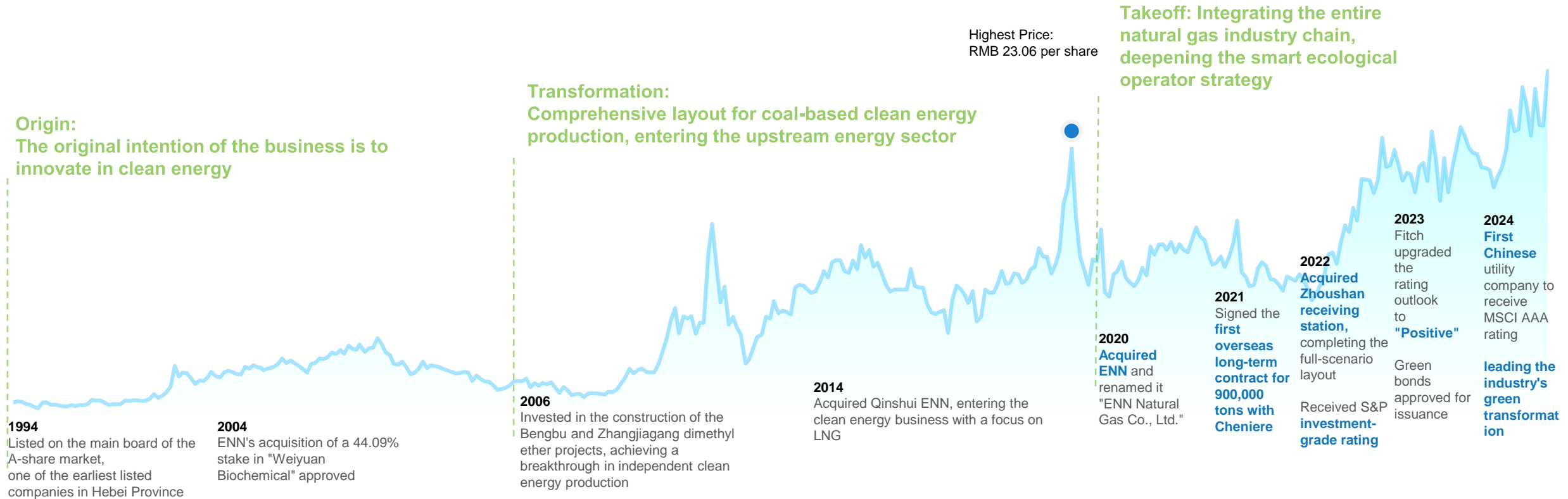
# Appendix: Introduction to ENN-NG

# Company Overview

- ENN-NG (stock code: 600803.SH) was listed in 1994 and is determined to be an operator of natural gas professional capability recognition platform by leveraging the all-scenario strategic pivots. The company aims to promote the industrial capability and efficiency by aggregating demand, resources and facilities ecology, matching intelligently, leveraging the best practices, building intelligent products and LMs.
- Our principal business includes direct gas sales by platform, retail and wholesale of natural gas, infrastructure operation, integrated energy, engineering construction and installation.
- The Company operates 261 city-gas projects nationwide, serving 270,000 C/I customers and over 31 mil residential customers, respectively.

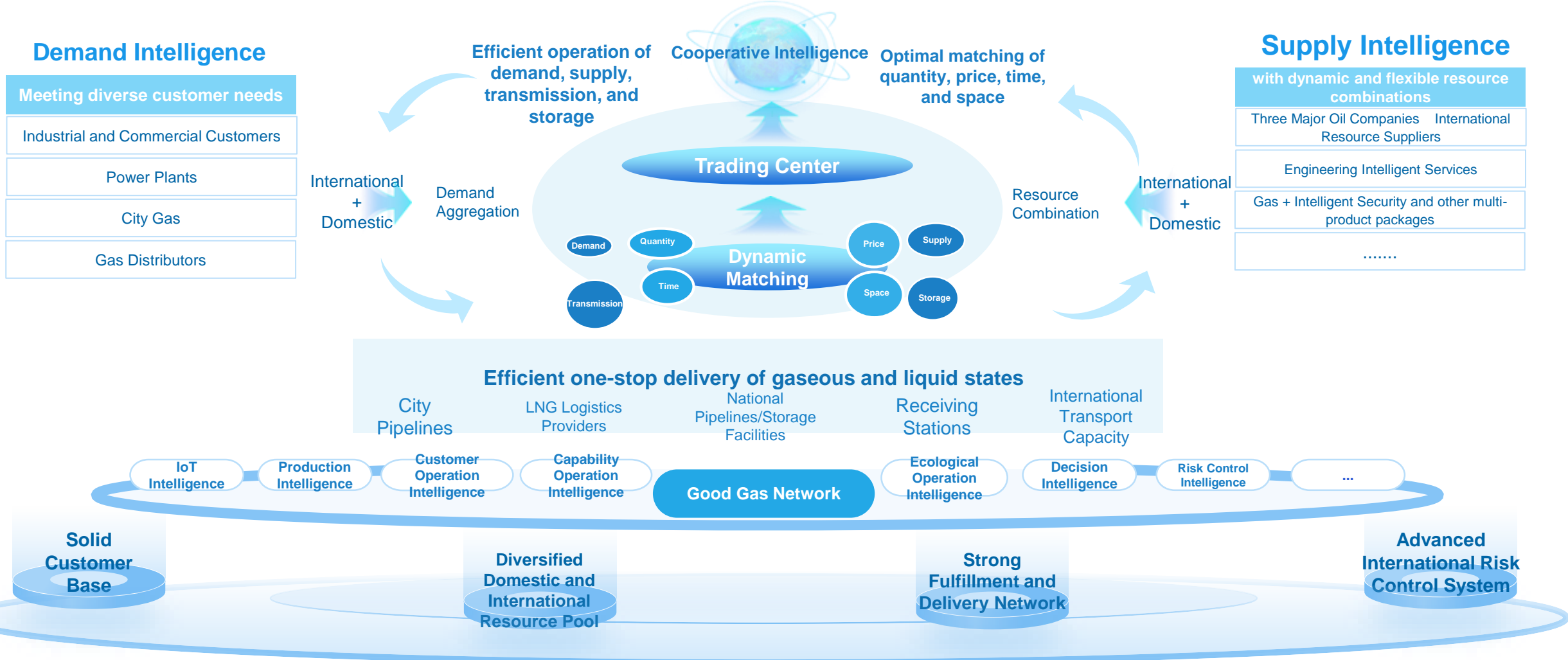
Direct Gas Sales by Platform	Retail & Wholesale of natural gas	Integrated Energy & Value added	Infrastructure Operation	Engineering Construction and Installation
				
<ul style="list-style-type: none"> <li>● The Company mainly purchases natural gas from overseas, supplemented by domestic LNG plants and unconventional resources, and sells gas to city gas companies, energy groups and large industrials, distributors, as well as international utilities, oil &amp; gas companies and energy traders</li> </ul>	<ul style="list-style-type: none"> <li>● Retail: Our primary focus is purchasing natural gas from the three major oil companies and distributing it to residential clients, C/I customers, and CNG/LNG vehicle refueling stations via our pipeline network</li> <li>● Wholesale: Complementing our retail gas sales, we procure gas from domestic upstream producers and sell it in bulk to customers outside our pipeline network's reach within our operating region</li> </ul>	<ul style="list-style-type: none"> <li>● Based on customer needs, the Company selects the best integrated energy solution for customers based on local conditions and provided integrated energy solutions including cooling, heating, steam and electricity</li> <li>● Based on gas business, extending scenarios to enhance intelligence and expand products and services around household customer needs</li> </ul>	<ul style="list-style-type: none"> <li>● Operation of Zhoushan LNG Terminal, gas and liquid transmission and distribution pipelines, gas storage and other infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>● Provide integrated engineering services for natural gas infrastructure, municipal engineering, new energy and digital intelligence, including engineering design, equipment manufacturing and integration, engineering construction</li> <li>● Provide gas installation services for residential and C/I customers</li> </ul>
600803.SH	2688.HK	2688.HK	600803.SH	Construction: 600803.SH Installation: 2688.HK

# Committed to Innovating Clean Energy, Realizing the Dream of Industrial Digital Intelligence



# Supported by four major pivot capabilities, we aim to build a smart ecological operator for the natural gas industry.

- Customer low-cost demand drives the strategic planning of the four major pivots, consolidating intelligent capabilities, promoting business innovation, forming new capabilities, and achieving a pivot-capability-business upward spiral.

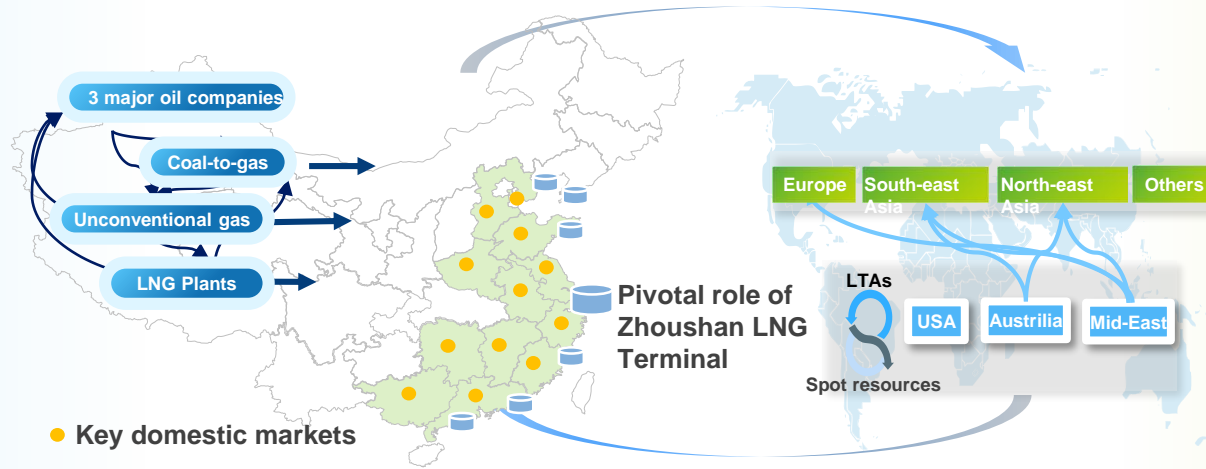




# In a complex and volatile environment, maintain overall business balance and stability through international-domestic resource combinations and international-domestic market combinations.

## Overseas market

The company prioritized the European and Asian markets to expand international sales while gas prices got higher. Simultaneously, the company evaluated the profitability of LTA resources comprehensively and rationally match them with domestic demand.



## Domestic market

The company pre-developed the market and secures medium-to-long-term customers through diversified innovative approaches to support international resource imports while international gas prices got lower.

### Demands

- Total sales volume **39,219 mcm**
- DGSp sales volume **5,568 mcm**
- Volume for medium- and long-term demand **2,300 mcm**

### Resources

- LTA from CNPC **3,166 mcm**
- Imported LTA resources **16 shipments**
- Overseas sales of LTA resources **10 shipments**
- Imported spot LNG **18 shipments**

### Zhoushan LNG Terminal

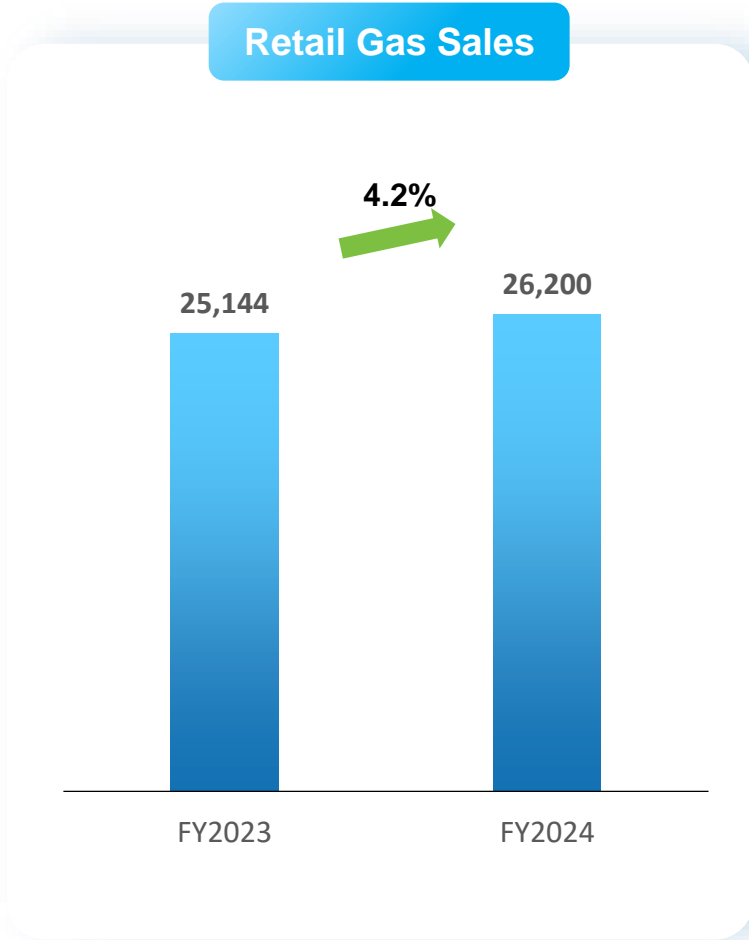
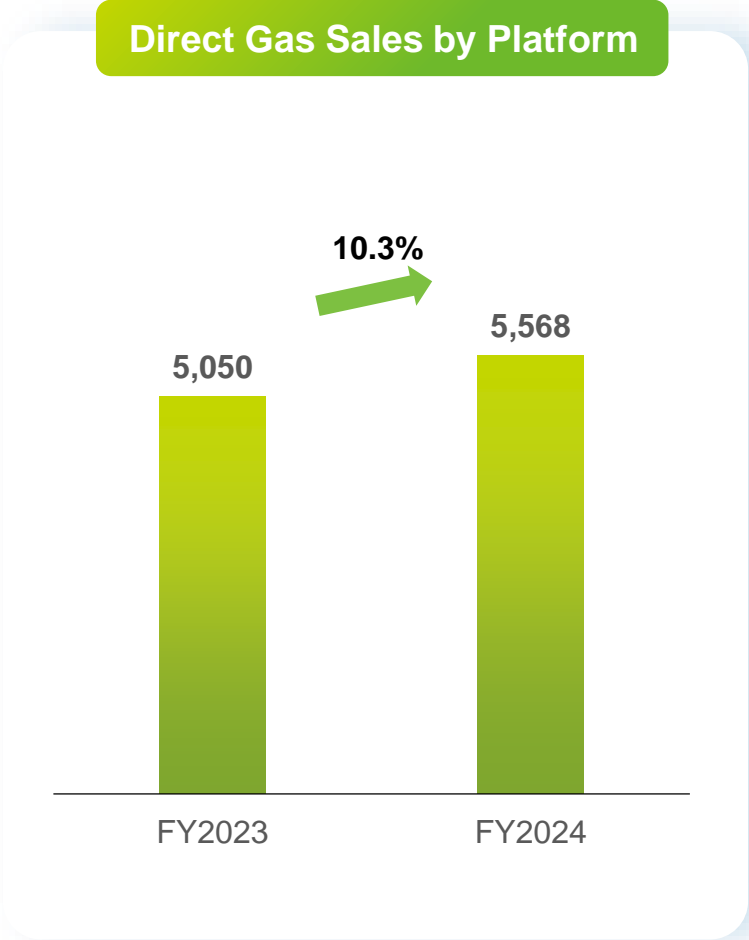
- Unloaded **37 shipments** in total
- Unloaded long-term contract of **13 shipments**
- Unloaded spot LNG of **11 shipments**
- Unloaded resources from other parties including CNPC, Zhejiang Energy Group and SK Group of **13 shipments**

### Trading & Risk management

- Revenues from swap options by aggregating scattered demands reached **\$16mn**
- Expanded the cap swap model to achieve procurement cost reduction for **\$9mn**
- Total GMV of Tianjin International Oil & Gas Exchange reached **RMB 7.8bn**

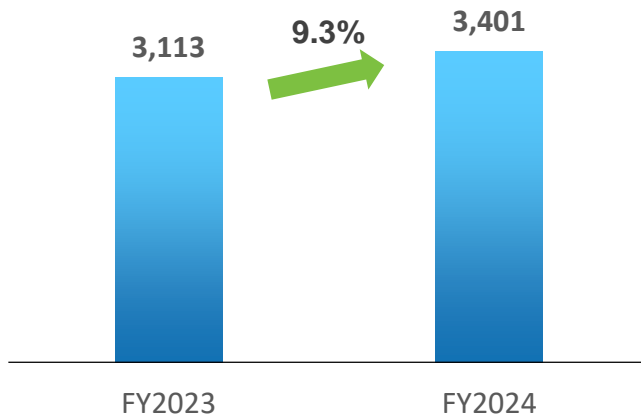
# Continued expansion of the natural gas business scale

Unit: mil m<sup>3</sup>

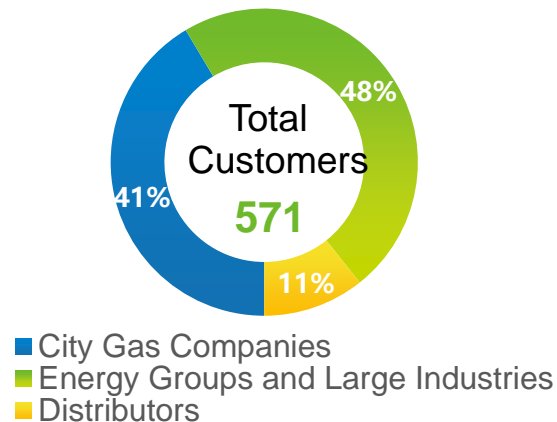


# Link Domestic and International Markets, Expand Platform Trading Gas International Sales

Domestic Sales Vol (mil m<sup>3</sup>)




Customer Structure



\*Customer breakdown was calculated by sales volume

## Leveraging full-scenario advantages to secure long-term demand

**Overview** 

- The world's largest single-unit refining and chemical integration project, with a designed production capacity of 40 mil tons per year and a comprehensive energy consumption of 37 mil tons of standard coal
- Massive demand for natural gas in aspects such as **power generation**, **hydrogen production**, and **fuel gas**
- Signed the contract with a term of **8 years**
- Sales volume in 2024 exceeded **300 mil m<sup>3</sup>**, with an increase of **291%** yoy

**Modes**

- Annual sales
- Procurement Agent
- Hedging
- Peak-shaving
- Long-term cooperations

**Overview** 

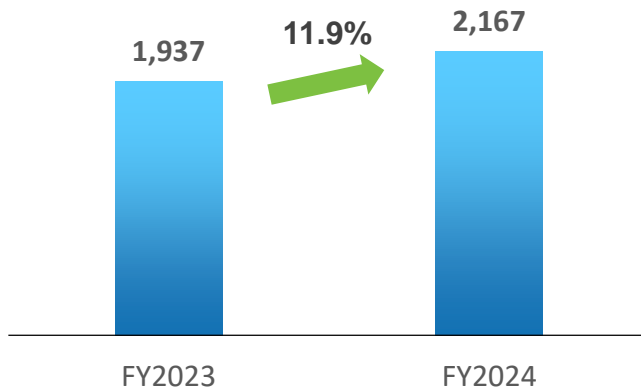
- Reached strategic cooperation with a city-gas group with 200+ projects through cooperation with one of its affiliated urban gas enterprises
- Signed a **4 year** contract and the gas sales volume in 2024 exceeded **90 mil m<sup>3</sup>**

**Modes**

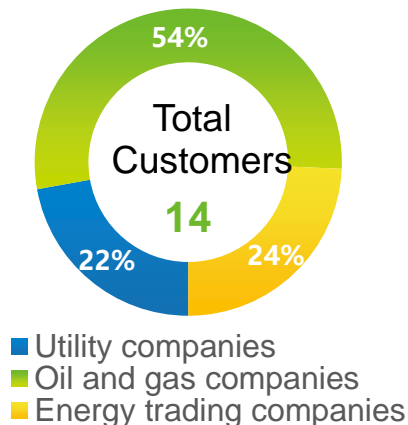
- FY2021: LNG sales
- FY2022: PNG annual contract
- FY2023: PNG LTA
- FY2024: Gas sales, Peak-shaving supply, Agency procurement, Cargo pooling and Windows scheduling

# Link Domestic and International Markets, Expand Platform Trading Gas International Sales

## Overseas Sales Vol (mil m<sup>3</sup>)



## Customer Structure



\*Customer breakdown was calculated by sales volume

## Continuously built global networks to optimize the resources

### Characteristics

#### A large scale European utility company

- Owning its self-operated LNG terminal with flexible scheduling windows
- Owning a downstream power plant with large and stable gas demand
- Insufficient existing LTA resources while newly negotiated long-term contracts remains uncertainty

### Modes

- Relying on FOB LTA and spot LNG resources, ENN successfully sold over **10 shipments** of LNG to Europe within recent years

### Characteristics

#### An oil & gas company from Southeast Asia

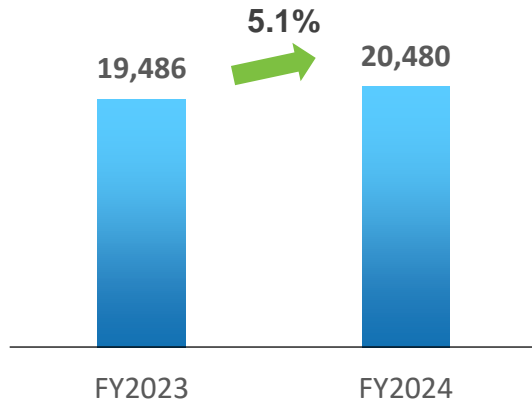
- Increasing gas demand driven by industry transfer and economic growth
- Actively seeking stable gas supply while facing challenges from insufficient domestic gas supply

### Modes

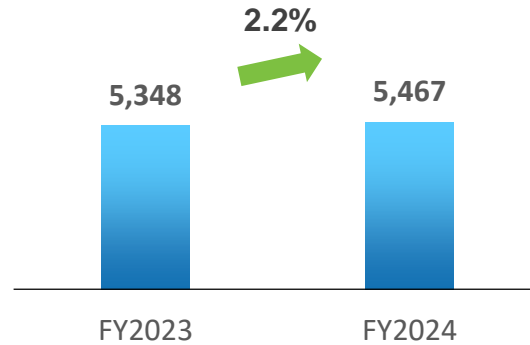
- Established a cooperation through **long-term and medium/short-term contracts**
- Cooperated and swapped **2 shipments** of LNG on mutual benefits within the year

# Steady growth in retail gas

### C/I Vol (mil m<sup>3</sup>)



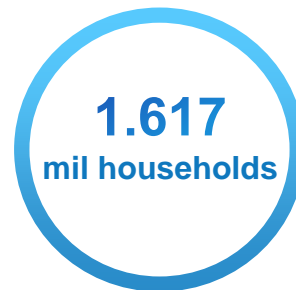
### Residential Vol (mil m<sup>3</sup>)



### Newly Designed daily capacity for C/I



### New Residential Households



## Expanded gas sales to realize incremental income

### Driven by demand, achieving profitability through sales volume

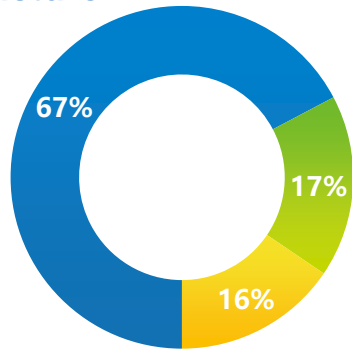
- Industrial customers: Explored incremental opportunities by **optimizing energy utilization processes**, implemented **flexible volume-price strategies** to maximize economies of scale, and enabled **intelligence-driven** value creation by leveraging industry expertise
- Commercial customers: Promoted the "**LPG-to-Pipeline Conversion**" through government-enterprise collaboration, adopted **flexible pricing models** and optimized delivery processes to tap into existing customer potential to contribute long-tail value contributions

### Complied with the trend of reform to promote the residential pass-through

- **101** projects completed residential pricing pass-through and the proportion achieved **63%** to optimize profitability of residential customers

# Based on customer demand, opportunistically expand relatively low-cost resource scale to support dynamic resource combinations

## Diversified resources structure



■ Domestic PNG ■ Domestic LNG ■ International LNG

Domestic PNG includes:

- Three major oil companies
- LTA with CNPC
- Unconventional resources
- PNG from other third parties

## Optimized resources structure to expand domestic and overseas markets

### Optimized and expanded medium- and long-term resources

- Consolidated the long-term and systematic strategic cooperation with the three major oil companies
- Smooth execution of the LTA with CNPC with **3,166 mil m<sup>3</sup>**, representing an increase of **1,519 mil m<sup>3</sup>**

### Dynamically optimized the destination of international resources

- Executed **12 shipments** of LNG under the LTA with Cheniere, among which **2 shipments** were imported to support the development of medium and long-term customers
- Imported **18 shipments** of overseas spot LNG resources by combining physical and derivatives trading strategies

### Expanded ecosystem partnerships to secure strategic resources

- Broadened unconventional gas resources such as Yanchang and Xintian, with a **peak daily gas sales volume exceeding 5 mil m<sup>3</sup>**
- Expanded collaborations with resource suppliers such as **Sinochem, Shenzhen Energy, and Guanghui Energy**

# Strategically layout and optimize infrastructure capabilities

## Zhoushan LNG Terminal

Rely on Zhoushan LNG Terminal to strengthen integrated delivery capabilities and secure critical transmission routs



### Processing Capacity

**7.5 mil tons** currently and **over 10 mil tons** after the completion of phase III

### 2024 Unloading Volume

**37** shipments (+ **13** shipments) with **2.41 mil tons** (+**53.4%** yoy)

### Customers

**843.5 thousand tons** from external customers, accounting for **35.0%**, including **CNPC**, **SINOPEC**, **SK** etc.

## Storage facilities

Injected and extracted resources flexibly by self-owned and multi-level reserve capabilities from the third parties to realize resources balanced



### Self-owned storage capacity

**0.5 bil m<sup>3</sup>** currently and **over 1 bil m<sup>3</sup>** after the completion of phase III

### Storage facilities from PipeChina

Secured a **10-year** storage capacity of **60 mil m<sup>3</sup>/year** at the Wen 23 Gas Storage facility and obtained about **10 mil m<sup>3</sup>** through the Pipeline Access

### Capacity Product

### Other storage facilities

Collaborated with three major oil companies and secured a total capacity of **5 mil m<sup>3</sup>** through partnerships with CNPC and SINOPEC

## Delivery networks

Built a flexible nationwide distribution network to achieve bi-directional adjustment and interconnection of resources from south to north and vice versa



### Window slots from PipeChina

Utilized **11** window slots from PipeChina in 2024, becoming the largest user among the 2nd-tier peers

### Pipeline transportation network

Ranking the **5th** largest client in PipeChina with **AAA** rating **27** uploading and **500+** downloading points

### Transportation capacity

**4** self-owned LNG vessels with **6** vessels on construction

Deployed **1,200+** tanker trucks with daily dispatch volume exceeding **800+** vehicles

# Proactively Embraced Social Responsibility and Continuously Improved ESG Performance

## Brand-new ESG Philosophy: WISE

- Extract and elevate the WISE philosophy from company genes and customer insights
- Use the "WISE" philosophy to guide each business segment in forming its own ESG development direction and practical measures



### Environment

Carbon emission reduction (yoy)



Empowering Society and Clients to Achieve Emission Reduction



### Society

Occupational injury case (mil hrs)



Charity donations

**RMB31.27** mil

RMB 301 million in total since 2020

### Governance

Corruption cases, Complaints, Environmental illegal case



Compliance Management Systems Certification

**ISO37301**

Anti-bribery Management Systems Certification

**ISO37001**

### ESG Rating Performance

MSCI

**AAA** ↑

2023: A

SUSTAINALYTICS

**22.2** ↑

2023: 32

CDP

**B**

2023: B

S&P Global

**67** ↑

2023: 58

### Awards and Honors



- 《Caijing》 magazine: The Evergreen Award and the Sustainable Development Green Award
- 《Securities Market Weekly》: ESG Golden Dawn Leadership Award of 2024
- Huxiu Website: Responsibility Governance Award of 2024
- Observer Information: Best ESG Practice Award
- **MSCI Emerging Market Leader Index**
- Hang Seng A-Share Sustainability Corporate Index
- Ranked among the top 30 companies in terms of A-share ESG performance
- Ranked top among all the companies in the Wind All A Index



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**Go all out, gather wisdom and move forward together**

**Write a new chapter in the intelligent ecological**

**development of the natural gas industry**