新奧能源控股有限公司
ENN Energy Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2688)

Annual Results Announcement For The Year Ended 31 December 2024

Results Highlights:

	2024	2023	Increased/ (Decreased) by
Retail gas sales volume# *(million m^3)*	26,200	25,144	4.2%
Sales volume of integrated energy# *(million kWh)*	41,569	34,700	19.8%
Revenue *(RMB million)*	109,853	113,858	(3.5%)
Profit attributable to owners of the Company *(RMB million)*	5,987	6,816	(12.2%)
Core profit from domestic businesses△* *(RMB million)*	6,712	6,091	10.2%
Basic earnings per share *(RMB)*	5.35	6.05	(11.6%)
Interim dividend paid and proposed final dividend per share *(HK$)*	3.00	2.95	1.7%

The Group's operational data disclosed in the announcement included the data of its subsidiaries, joint ventures and associates

△ Profit attributable to owners of the Company but stripping out related after-tax profits from wholesales of gas (overseas sales)*, other gains and losses (excluding net settlement amount realised from commodity derivative financial instruments, net compensation income and gain on repurchase of senior notes), relevant deferred tax arose from net unrealised (loss) gain of commodity derivative financial instruments and share-based payment expenses.

* The related after-tax profits from wholesales of gas (overseas sales) (including net settlement amount realised from commodity derivative financial instruments) amounted to RMB240 million (2023: RMB1,495 million).

The Board of Directors (the "**Board**") of ENN Energy Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2024 together with the comparative audited figures for the corresponding period in 2023. The annual results and audited consolidated financial statements have been reviewed by the Company's Audit Committee.

BUSINESS REVIEW

In 2024, amidst multiple challenges such as increasing uncertainties in the international situation, frequent extreme weather events, and insufficient effective demand, China's GDP growth reached 5%. In response to opportunities presented by the evolving macro environment, industry transformations, and diverse customer demands, we proactively upgraded our strategy, leveraging intelligent innovations to transition into a multi-value service provider anchored in natural gas. Through a steadfast focus on customer-centricity and intelligent innovation, the Group continuously strengthened safety foundation and enhanced customer satisfaction to drive business upgrades, thereby achieving sustained growth in 2024.

The key financial data and operational data of the Group for the year together with the comparative figures for last year are as follows:

	For the year ended 31 December 2024	2023	Increased/ (Decreased) by
Key financial data			
Revenue *(RMB million)*	109,853	113,858	(3.5%)
Gross profit *(RMB million)*	13,405	14,338	(6.5%)
Profit attributable to owners of the Company *(RMB million)*	5,987	6,816	(12.2%)
Core profit from domestic businesses△* *(RMB million)*	6,712	6,091	10.2%
Basic earnings per share (*RMB*)	5.35	6.05	(11.6%)
Net gearing ratio	23.2%	25.3%	(2.1 ppt)
Key operational data#			
Number of city-gas projects in China	261	259	2
Connectable urban population coverage *(thousand)*	143,123	137,097	4.4%
New natural gas customers developed during the year:			
– residential households *(thousand)*	1,617	1,854	(12.8%)
– C/I customers *(sites)*	27,775	18,706	48.5%
– installed designed daily capacity for C/I customers *(thousand m^3)*	15,101	17,564	(14.0%)
Accumulated number of customers:			
– residential households *(thousand)*	31,379	29,775	5.4%
– C/I customers *(sites)*	270,943	243,168	11.4%
– installed designed daily capacity for C/I customers *(thousand m^3)*	215,962	200,890	7.5%
Piped gas penetration rate	65.8%	65.2%	0.6 ppt
Retail gas sales volume *(million m^3)*	26,200	25,144	4.2%
Wholesale of gas volume *(million m^3)*	7,451	8,477	(12.1%)
Accumulated number of scalable integrated energy projects in operation	356	296	60
Scalable Integrated energy projects under construction	50	60	(10)
Sales volume of integrated energy *(million kWh)*	41,569	34,700	19.8%

△ Profit attributable to owners of the Company but stripping out related after-tax profits from wholesales of gas (overseas sales)*, other gains and losses (excluding net settlement amount realised from commodity derivative financial instruments, net compensation income and gain on repurchase of senior notes), relevant deferred tax arose from net unrealised (loss) gain of commodity derivative financial instruments and share-based payment expenses.

* The related after-tax profits from wholesales of gas (overseas sales) (including the net settlement amount realised from commodity derivative financial instruments) amounted to RMB240 million (2023: RMB1,495 million).

The Group's operational data disclosed in the announcement included the data of its subsidiaries, joint ventures and associates.

OPERATION HIGHLIGHTS

Natural Gas Sales Business: Focusing on Customer Demand to Achieve Scale-Driven Profits, Laying a Solid Foundation for the Natural Gas Sales Business

In 2024, the implementation of policies such as the *Measures for the Administration of Infrastructure and Public Utilities* and the *Natural Gas Utilisation Policy* further propelled the sustained and healthy development of China's natural gas industry. With the accelerated integration of domestic and international natural gas resources, coupled with heightened market volatility risks, customers' demand for cost efficiency and supply stability has amplified. The Group adheres to a customer-centric approach, expanding its customer base through customer segmentation, lean resource allocation, and intelligent operations, as well as growing profit through sales volume to achieve economies of scale and mutual success with customers.

Industry is a major player in energy consumption and carbon emissions, and natural gas plays a critical role in substituting high-carbon energy sources with low-carbon energy sources. We tailored models based on customer profiling, analysing their industries, production processes, energy consumption patterns, and alternative energy options. By leveraging IoT devices, we promptly monitored energy usage and developed a flexible strategy, customising strategies tailored to each enterprise. In 2024, we installed gas appliances with a total daily designed capacity of 12.17 million cubic meters for industrial customers, reaching a cumulative total daily designed capacity of 185 million cubic meters, driving a 5.2% year-on-year growth in industrial gas sales.

Within the concessionary area, we capitalised on the government's "bottled-to-piped-gas conversion" policy; and launched a specialised campaign by using optimised designs, flat-rate pricing, and block-based cluster development to develop 25,000 new commercial customers, bringing the cumulative total to 227,000 commercial customers, with installed gas appliances achieving a total daily designed capacity of 2.93 million cubic meters, thereby bringing the cumulative daily capacity to 31 million cubic meters. This drove a 4.5% year-on-year growth in commercial gas sales.

In 2024, we actively responded to downward pressures in the real estate market, and deepened efforts to develop existing households, thereby completing the installation of gas supply facilities for 1,617 thousand households. The cumulative number of household customers reached 31.38 million, significantly strengthening the foundation for value added business. Meanwhile, we proactively advanced adjustments for residential gas prices. By the end of 2024, we had cumulatively adjusted gas price for 63% of the household customers to market rates.

The extensive customer base and substantial gas consumption scale of the Group have created opportunities to optimise spatiotemporal resource allocation, and have enabled the Group to unlock operational economies of scale. In 2024, driven by customer demand, we continuously increased contract volumes with the three major oil companies in China, improved the long-term agreement resources with China National Petroleum Corporation and strengthened the security of self-sourced overseas resources. By synergising domestic and international resources, we effectively reduced procurement costs. Concurrently, we leveraged professional teams to implement hedging strategies, mitigating price volatility and ensuring long-term price stability for customers.

In 2024, the Group achieved a 4.2% year-on-year increase in natural gas sales volume, with revenue and gross profit rising 0.2% and 2.9% to RMB60,749 million and RMB6,225 million, respectively. With the decline in international natural gas prices, the Company primarily focused on the domestic market, with the revenue and gross profit of wholesale of gas business decreasing by 15.3% and 91.4% to RMB25,143 million and RMB94 million, respectively. The construction and installation business continued to be under pressure from the downturn in the real estate sector, with revenue and gross profit declining 23.3% and 31.6% year-on-year to RMB4,095 million and RMB1,895 million, respectively.

Integrated Energy Business: Implementing Integrated Energy Concept to Promote the Steady Growth of Integrated Energy Business

With the implementation of China's dual-carbon strategy, declining costs of photovoltaic (PV) and energy storage equipment, and advancements in intelligent technologies, customers' demand for green solutions, efficiency improvements, and cost reductions has grown rapidly. Building on years of accumulated expertise, we leveraged intelligent systems to refine best practices and deployed integrated energy solutions tailored to major energy-intensive customers. In 2024, we expanded our customer base across industrial parks, factories, and public infrastructure sectors, leveraging delivery intelligence and operational intelligence to enhance project execution efficiency and optimise operational performance.

Building upon our existing base of 270,000 Commercial and Industrial (C/I) customers and a broader accessible customer network, we adopted a customer-centric approach, leveraging simulation-based intelligence to align with customer demands, thereby achieving 1.7GW of newly commissioned installed capacity. For industrial park customers, we have developed integrated "Load-Source-Grid-Storage-Sales" capabilities to facilitate project implementation. In 2024, the total installed capacity of newly commissioned industrial parks reached 0.5 GW. Among these, 236 MW of newly installed PV capacity and 80 MWh of newly installed energy storage capacity were connected to the grid. For factory and building customers, we are guided by customers' end-to-end energy and carbon management requirements across their operational chains to develop AI-driven energy-carbon solutions tailored to key industries, thereby intensifying collaborations with enterprise groups. In 2024, the Group achieved a commission of 1.2 GW of low-carbon factory and building capacity.

During the year, the Group completed the construction and commissioning of 60 scalable projects, bringing the total number of operational scalable projects to 356. Through investments and management arrangements, the cumulative installed capacity reached 13.3GW, driving 41.57 billion kWh of integrated energy sales (including cooling, heating, electricity, and steam), representing a 19.8% year-on-year increase. In 2024, the revenue and gross profit of the integrated energy business increased by 5.2% and 16.4%, respectively, reaching RMB15,273 million and RMB2,220 million, with gross margin rising to 14.5%.

Value Added Business: Enhancing Products and Services to Scale Operations

In 2024, the government vigorously promoted the implementation of policies related to consumer goods trade-in programs and the renovation of old communities, stimulating the demand for home furnishings, household appliances, etc. Facing the vast residential consumption market and a customer base of 31.38 million households, the Group has broadened its focus beyond household gas demand. It has ventured into promoting a high-quality lifestyle that encompasses kitchen solutions, whole-house innovations, health services, and shopping experiences, progressively unlocking the full potential of its household customer base. We increased the penetration rate through core products and services, and enhanced performance through innovative intelligent products, and expanded the customer base through the output of capabilities. At the same time, based on customers' demand for quality living, we are actively exploring quality services such as community direct drinking water and home health products to continuously enhance customer value.

In terms of core products and services, we improved the efficiency of our employees through intelligent capabilities such as intelligent scheduling, optimised the customer service system, promoted the lean operation of the grid, and achieved the value creation through core products and services such as range hood, boiler, cooking stove and heating furnace products. The comprehensive customer penetration rate reached 23.9%. By optimising the product portfolio, the sales volume of self-owned brand, Gratle, rose 62.2%, and the average transaction value per household increased to RMB612.

In terms of intelligent products, we entered the market through IoT to develop innovative products and services. Focusing on the safety needs of household customers and combining the application of intelligent technologies, we cultivated and developed products such as AI safety valves, fire-leaving detection system, and safety guards, effectively combining products and services. The contract value of intelligent products reached RMB820 million in 2024, laying a solid foundation for enhancing long-term performance.

In 2024, we focused on the demand for quality family living by utilising intelligent tools and collaborating with external ecosystems to expand models such as kitchen renovation, elder-friendly modifications, and health services. Concurrently, we leveraged the standardised products and services developed through our value added business to achieve expansion beyond our current markets and continuously meet the needs of family customers. In 2024, the revenue and gross profit of the Group's value added business were RMB4,593 million and RMB2,971 million, representing a year-on-year increase of 24.1% and 18.0%, respectively.

FINANCIAL PERFORMANCE

In 2024, the Group strengthened the foundation of its natural gas business and accelerated value creation across multiple products, further optimising its earning structure. The gross profit contributed from the sustained businesses, such as natural gas sales business, integrated energy business, and value added business increased by 5.2 percentage points to 85.9%. The Group recorded revenue of RMB109,853 million (2023: RMB113,858 million), representing year-on-year decrease of 3.5%, primarily due to the Company's wholesale of gas business focusing more on the domestic market and the sluggish domestic real estate market, which impacted the construction and installation business during the year. The overall gross profit and gross profit margin were also under pressure, down 6.5% year-on-year to RMB13,405 million and by 0.4 percentage points to 12.2%, respectively.

During the year, the Group adopted prudent financial management, controlled cost effectively and managed foreign exchange risks. The ratio of selling and administrative expenses to revenue, along with foreign exchange fluctuations, remained at a similar level as last year, effectively reducing their impact on financial indicators. At the same time, the profit contributed by associates and joint ventures to the Group improved significantly during the year, representing a year-on-year increase of 90.8% to RMB912 million, thanks to the ongoing implementation of cost pass-through policy.

Taking all the above factors into consideration, profit attributable to the owners of the Company and basic earnings per share amounted to RMB5,987 million and RMB5.35 respectively, representing a year-on-year decrease of 12.2% and 11.6%, respectively. Stripping out the impact of the related after-tax profits from wholesales of gas (overseas sales), other gains and losses (excluding net settlement amount realised from commodity derivative financial instruments, net compensation income and gain on repurchase of senior notes) and deferred tax arose from net unrealised loss of commodity derivative financial instruments amounted to RMB725 million, the year-on-year growth of core profits from domestic business, which better reflects the Company's sustainability, increased by 10.2% year-on-year to RMB6,712 million.

In 2024, the Group adopted prudent financial management and managed its expenditures well to ensure smooth cash flow. For the year ended 31 December 2024, the Group's operating cash inflow was RMB10,294 million, representing a year-on-year increase of 7.1%.

FINANCIAL RESOURCES REVIEW

As at 31 December 2024, an analysis of the Group's cash, current and non-current debts is as follows:

	2024 *RMB million*	**2023** *RMB million*	**Increased/ (Decreased) by** *RMB million*
Bank balances and cash (excluding restricted bank deposits)	7,693	9,689	(1,996)
Long-term debts (including bonds)	13,068	13,156	(88)
Short-term debts	6,464	8,767	(2,303)
Total debts	19,532	21,923	(2,391)
Net debts[1]	11,839	12,234	(395)
Total equity	51,076	48,262	2,814
Net gearing ratio[2]	23.2%	25.3%	(2.1 ppt)
Net current liabilities	10,318	8,548	1,770

Working Capital Management

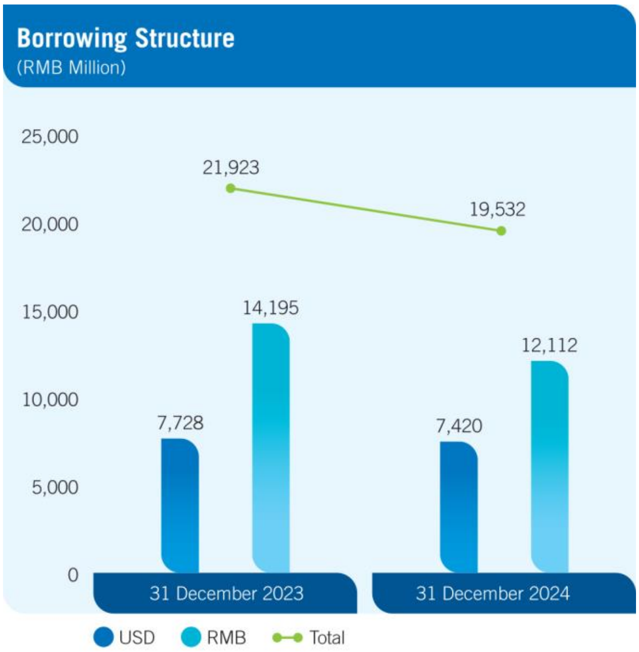
During the year, the Company effectively reduced financial costs by improving capital turnover efficiency and minimising excess funds. As at 31 December 2024, the Group's receivables, payables and inventory turnover days were 14 days, 21 days and 6 days respectively.

[1] Net debts = Total debts - Bank balances and cash (excluding restricted bank deposits)
[2] Net gearing ratio = Net debts / Total equity x 100%

Borrowings Structure

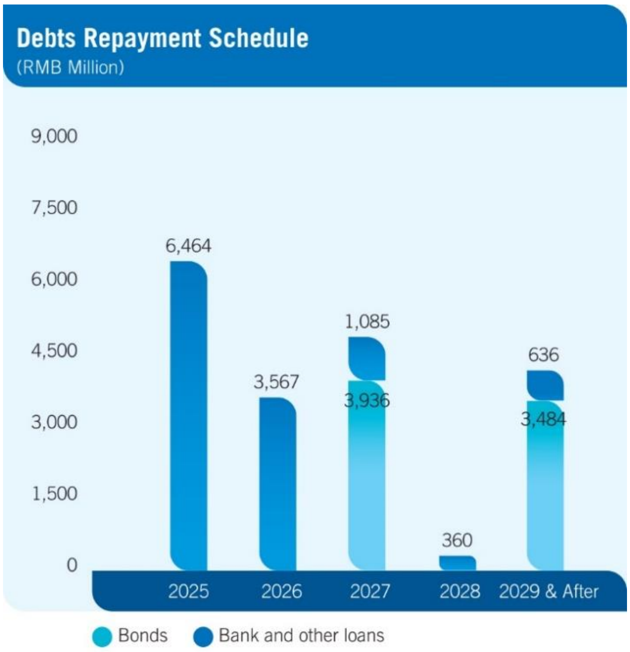
During the year, the Group reduced the outstanding debts denominated in non-functional currency through repurchasing USD61 million of its senior notes in the secondary market, further optimising its capital structure. As at 31 December 2024, the principal amount of the Group's borrowings denominated in foreign currencies amounted to USD 1,039 million (2023: USD 1,100 million), equivalent to approximately RMB7,420 million (2023: RMB7,728 million), and among which all are long-term debt.

As at 31 December 2024, the Group's total debts amounted to RMB19,532 million, representing a decrease of RMB2,391 million compared to the total debts as of 31 December 2023. The Group's net gearing ratio reduced to 23.2% as at 31 December 2024 (2023: 25.3%).



Foreign Exchange Risk Management for US Dollar Debt

In light of the ongoing fluctuations in the RMB to USD exchange rate during the year, the Company has further strengthened its management of foreign exchange risk associated with US dollar debt to mitigate its impact on performance. For the two outstanding US dollar senior notes, the Company has entered into foreign currency derivative contracts primarily consisting of cross-currency swaps with several financial institutions to reduce foreign exchange risk. As at 31 December 2024, the Group has hedged debt principal of USD820 million (2023: USD440 million) and the hedge ratio of long-term USD debts reached 78.9% (2023: 40.0%).



Net Current Liabilities

The Group's current liabilities mainly include a large amount of receipts in advance of gas fee, and construction and installation contracts. These funds are stable and will normally not be returned, therefore the Group has invested the funds in the development of new projects and maintained a reasonable cash level, resulting in net current liabilities amounted to approximately RMB10,318 million as at 31 December 2024. As the Group has stable operating cash flow, high-quality current assets and good credit ratings, plus sufficient cash on hand and unutilised banking facilities, the Group is able to meet its working capital requirements and future capital expenditure.

COMMODITY PRICE AND FOREIGN EXCHANGE RISK MANAGEMENT

The Group's two regular operated international long-term LNG sale and purchase agreements, along with certain domestic long-term natural gas procurement agreements, are primarily priced based on international crude oil or natural gas price indices. Price fluctuations may bring risk exposure to the Group. Therefore, the Group has well-established risk management policies and commodity hedging mechanisms by hedging a reasonable proportion of planned annual sales and purchases of LNG, to stabilise its international LNG procurement costs and reduce commodity price risks, so as to minimise the adverse impact of international energy price fluctuations on the Group's business.

Due to the foreign exchange risk also associated with the aforementioned trades, the Group has entered into foreign exchange forward contracts with several financial institutions to stabilise procurement costs. In 2024, the Group had hedged an amount of USD751 million, with a hedging ratio for trade risk exposure reaching 46.9%.

SUSTAINABLE DEVELOPMENT

Safety as the Foundation: Deepening Digital Intelligence in Key Energy Sectors to Reinforce Safety Standards

In recent years, central and local governments have rolled out a series of policies and measures to continuously advance the special rectification of urban gas safety. In response to stricter safety mandates, the Group has implemented its "visible, prioritised, and well managed" safety philosophy, centred on "IoT Sensing + Intelligent Technology" to establish a digital intelligence-driven safety system covering end-to-end business scenarios. In 2024, we developed an intelligent safety risk mapping system and pioneered role-specific AI capabilities, equipping critical frontline roles with integrated tools for hazard identification, intelligent solution, and real-time risk analysis-systematically enhancing employees' safety competencies. In addition, the Company had successfully eliminated three hidden dangers: non-extinguishing protective stoves, and indoor venting water heaters and rubber hoses, achieving comprehensive and dynamic hazard elimination. Furthermore, the Company established digital and intelligent supervision over the entire lifecycle of contractor management, covering aspects such as access control, process management, and performance evaluation. Enabling multi-dimensional assessments, fostering a competitive environment, and ensuring safety from the source. By adopting digital and intelligent technologies, the Group aims to establish a long-term safety mechanism that supports intrinsic safety.

Customer-Centricity: Reconstructing the Service Ecosystem to Enhance Customer Satisfaction

Customer satisfaction remains ENN People's unwavering priority. With the advancement of digital and intelligent technologies, the rapid dissemination of information and the diversification of customer demands, the Group strives to provide satisfactory services to 31.38 million residential households and 270,000 C/I customers. In order to deepen customer engagement, enhance loyalty, and build trust, the Group have leveraged intelligent technologies to reconstruct its customer service system and to strengthen its service platform in 2024. Focusing on customer feedback, the Group expanded feedback channels by collecting data from platforms like 12345 and Douyin, to fully capture customer feedback. It also optimised processing workflows to enhance resolution speed, deployed AI-powered hotline robots for efficient self-service that quickly addresses customer inquiries, and continuously refined customer profiling to predict customers' needs, enabling proactive service.

Intelligent Applications: Accelerating Capability Development to Unlock Intelligent Value

We actively adopts digital and intelligent technologies. Firstly, it fosters deep integration among industry, academia, and research by establishing joint research and development centers with top universities such as Peking University and Nankai University. These collaborations focus on tackling industry pain points such as energy distribution and safety, and have led to significant technological breakthroughs in the field of pipeline robotics. Secondly, the Company integrates general-purpose AI models such as OpenAI, Tongyi Qianwen, ERNIE Bot and DeepSeek to develop industry-specific vertical models and intelligent agents that empower its three core businesses: value added business, integrated energy business, and natural gas business.

To advance its "cloud-intelligence integration" strategy, the Company collaborates with Huawei Cloud and Alibaba Cloud to build a high-bandwidth hybrid cloud architecture that exceeds 80G. This infrastructure facilitates elastic resource scaling, supports PB-level data processing, and withstands 100G-level DDoS attacks, releasing private cloud terminals and host security protections. Notably, 76 city gas companies have obtained National Information Security Level Protection Certification for their automated control systems, completing the construction of disaster recovery systems for core business platforms. With ISO UKAS and CNAS certifications, the system achieves a recovery time objective (RTO) of $\leqslant$3 hours during disaster events, providing a secure foundation for large-scale AI deployment.

Continuous ESG Improvement: Unlocking the Green Growth Potential

In 2024, the Group intensified ESG practices driven by innovation. By implementing the "4S" sustainable development strategy, it established a carbon neutrality system across the entire value chain. The Group achieved a consecutive AA ranking in the MSCI ESG Ratings for three years and was selected as one of the "Top 5%" enterprises in the S&P Global Sustainability Yearbook 2024 (China Edition), demonstrating a leading position in the industry. In addition, the Company's green finance framework received the highest "Dark Green" rating from S&P Global. Through standardised and transparent fund management, we are leading the industry's low-carbon transition, achieving a synergistic enhancement of both environmental benefits and commercial value.

In terms of environmental initiatives, the Company has outlined the net-zero pathways for all scenarios and established a dynamic management mechanism for climate risks. In 2024, the Group achieved the sales of 33,651 million cubic meters of natural gas, which is equivalent to a reduction in of 15.13 million tons of standard coal, thereby reducing carbon dioxide emissions by 45.2 million tons. The scalable integrated energy projects had reached a total of 356, and integrated energy sales amounted to 41.57 billion kWh, helping customers reduce consumption by 3.15 million tons of standard coal and decrease carbon emissions by 12.73 million tons.

RATINGS AND CAPITAL MARKET RECOGNITION

During the year, the Company's credit ratings from the three major rating agencies: Standard & Poor's, Moody's and Fitch were maintained at "BBB+", "Baa1" and "BBB+" respectively, with a "stable" outlook. This reaffirms its solid business foundation and robust financial position.

In the selection of "2024 All-Asia (ex-Japan) Executive Team" organised by Institutional Investor, and a renowned international financial magazine, the Group won eight awards, including the "Best CEO", "Best CFO", "Best ESG Program", and "Best IR Program", which once again served as testaments to the capital market's recognition of the Group's management team, its commitment to investor relations, and its performance in environmental, social and governance practices.

OUTLOOK

Looking ahead to 2025, the complexity and uncertainty of the international and domestic economic environment are expected to intensify. The government will promote stable economic development through a series of measures, including implementing more proactive and effective macro policies, expanding domestic demand across all aspects, driving scientific and technological innovation and industrial upgrading, advancing high-level opening up to the outside world, and mitigating risks in key areas. In 2025, AI technology is expected to develop advance rapidly and with costs continuing to decline, facilitating the widespread application of AI across industries and profoundly transforming people's ways of life and mode of production. By focusing on customer needs and aligning with development trend, we are determined to upgrade our business strategy. Building on a foundation of 31.38 million residential household customers, 270,000 C/I customers, and an even broader market reach, the Group will leverage demand and intelligence to build long-term sustainable development capabilities. Through the integration of industry and intelligence, the Group will drive systematic innovation, deepening the application of intelligent technologies, and fostering the continuous business upgrade and the steady operational performance growth.

Meanwhile, we will accelerate the application of intelligent technologies, build on valuable industrial experience, and develop intelligent capabilities to empower employees in achieving cost reductions and efficiency improvements through the application of such technologies. We will continue to deepen our understanding of customer needs, while analysing their needs to effectively match them with tailored solutions, thereby driving rapid business expansion. In the natural gas business, we will seize the opportunity arising from the industry reforms by actively promoting the cost pass-through for residential gas prices and enhancing connection with existing residential household customers. We will also continuously optimise our resource pool, improve the operational efficiency of natural gas facilities, and encourage C/I customers to increase their gas consumption, and enhance performance through higher sales volume. In the integrated energy business, we will utilise integrated energy simulation technology to support factories, buildings, large-scale parks, and small and micro parks in expanding their installed capacity. In the value added business, we will leverage the e-City e-Home platform to analyse residential households' energy usage data and enhance our understanding of customer needs, enabling the development of intelligent home solutions tailored to these needs and supporting the growth of supply capabilities. In addition, we will connect with various ecosystems to accelerate the penetration of core products and upgrade quality products and services, thereby driving the growth of value added business.

Looking back, we have capitalised on the opportunities presented by China's rapid economic development, achieving significant growth through the synergy of "Natural Gas Resources + Urbanisation". Moving forward, we will continue to seize the opportunities presented by the era of intelligence and upgrade our business model through the integration of "Customer Resources + Digital Intelligence", consistently creating value for customers, maximising returns for shareholders, and contributing to social value in everything we do!

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	**2024** *RMB million*	**2023** *RMB million*
Revenue	4	109,853	113,858
Cost of sales		(96,448)	(99,520)
Gross profit		13,405	14,338
Other income		1,046	1,023
Other gains and losses	5	(642)	267
Distribution and selling expenses		(1,276)	(1,171)
Administrative expenses		(3,915)	(4,144)
Share of results of associates		339	14
Share of results of joint ventures		573	464
Finance costs		(733)	(786)
Profit before tax		8,797	10,005
Income tax expense	6	(1,921)	(2,273)
Profit for the year		6,876	7,732
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Fair value change of equity instruments at fair value through other comprehensive income ("**FVTOCI**")		4	(7)
Fair value change of a property transferred from property, plant and equipment to investment properties		-	1
Income tax relating to items that will not be reclassified to profit and loss		(1)	1
		3	(5)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		13	97
Fair value gain of derivative financial instruments under hedge accounting		158	1
Income tax relating to items that may be reclassified subsequently to profit and loss		7	18
Other comprehensive income for the year		181	111
Total comprehensive income for the year		7,057	7,843
Profit for the year attributable to:			
Owners of the Company		5,987	6,816
Non-controlling interests		889	916
		6,876	7,732
Total comprehensive income for the year attributable to:			
Owners of the Company		6,168	6,927
Non-controlling interests		889	916
		7,057	7,843
		RMB	*RMB*
Earnings per share	8		
Basic		5.35	6.05
Diluted		5.35	6.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2024

	Notes	**2024** *RMB million*	**2023** *RMB million*
Non-current Assets			
Property, plant and equipment		53,151	50,330
Right-of-use assets		2,753	2,751
Investment properties		246	268
Goodwill		2,504	2,504
Intangible assets		4,420	4,341
Interests in associates		4,943	4,708
Interests in joint ventures		5,433	5,117
Other receivables		3	14
Derivative financial instruments		139	55
Financial assets at fair value through profit or loss (“**FVTPL**”)		4,434	4,334
Equity instruments at FVTOCI		224	219
Deferred tax assets		1,518	1,442
Other non-current assets		688	135
Restricted bank deposits		580	538
		81,036	76,756
Current Assets			
Inventories		1,513	1,682
Trade and other receivables	9	9,828	11,091
Contract assets		848	632
Derivative financial instruments		196	203
Financial assets at FVTPL		-	100
Amounts due from associates		619	649
Amounts due from joint ventures		1,080	1,736
Amounts due from related companies		233	247
Restricted bank deposits		174	346
Cash and cash equivalents		7,693	9,689
		22,184	26,375
Current Liabilities			
Trade and other payables	10	8,203	8,171
Contract liabilities		12,943	13,714
Deferred income		73	98
Amounts due to associates		713	675
Amounts due to joint ventures		968	805
Amounts due to related companies		1,503	1,148
Taxation payables		1,059	1,287
Lease liabilities		195	170
Derivative financial instruments		345	43
Bank and other loans		6,464	8,767
Financial guarantee liabilities		32	37
Share-based payment liabilities		4	8
		32,502	34,923
Net Current Liabilities		(10,318)	(8,548)
Total Assets less Current Liabilities		70,718	68,208

Capital and Reserves		
Share capital	117	117
Reserves	44,984	42,543
Equity attributable to owners of the Company	45,101	42,660
Non-controlling interests	5,975	5,602
Total Equity	51,076	48,262
Non-current Liabilities		
Contract liabilities	2,500	2,687
Deferred income	967	890
Lease liabilities	667	633
Derivative financial instruments	-	6
Bank and other loans	5,648	5,428
Senior notes	7,420	7,728
Deferred tax liabilities	2,440	2,574
	19,642	19,946
	70,718	68,208

Notes:

1. REVIEW OF THE RESULT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the independent auditor of the Company, Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year as approved by the Board. The work performed by Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Deloitte Touche Tohmatsu on the preliminary announcement.

Deloitte Touche Tohmatsu attended the Audit Committee meeting of the Company on 24 March 2025 to reported their audit results and opinions to the Audit Committee.

2. BASIS OF PREPARATION

The consolidated financial statements are prepared in accordance with the HKFRS Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the disclosure requirements under Appendix D2 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

As at 31 December 2024, the Group has net current liabilities of approximately RMB10,318 million. The directors of the Company (the **"Directors"**) have given careful consideration to the Group's future financial resources when preparing the consolidated financial statements. Taking into account of the continuity and availability of financial resources to the Group, among other things, the cash flows generated from its principal operations, availability of banking facilities and its expected future working capital requirements. The Directors are therefore satisfied that the Group will be able to meet in full its financial obligations when they fall due and continue its existing operation in the foreseeable future. Accordingly, the consolidated financial statements for the year ended 31 December 2024 have been prepared on a going concern basis.

3. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as appropriate.

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the "**Committee**"), including Climate-related Commitments, which is relevant to the Group. The management has assessed the impact of climate risk on the Group's financial position and has concluded that there is no material impact on the financial statements for the year ended 31 December 2024. While the effects of climate change are a source of uncertainty, as at 31 December 2024, the management did not consider there to be a material impact on the critical judgements and estimates from the physical and transition risks in the short to medium term.

Save as mentioned above, the application of the amendments to HKFRS Accounting Standards and the Committee's agenda decision in the current year has had no material impact on the Group's consolidated financial position and performance for the current or prior year and/or on the disclosures set out in these Group's consolidated financial statements.

4. SEGMENT INFORMATION

The following is the information by reportable segments which are also the operating segments used by the chief operating decision maker of the Company for the purposes of resource allocation and performance assessment:

2024

	Retail gas sales business	**Integrated energy business**	**Wholesale of gas**	**Construction and installation**	**Value added business**	**Total**
	RMB million	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*
Segment revenue	69,304	15,482	40,236	5,184	8,400	138,606
Inter-segment sales	(8,555)	(209)	(15,093)	(1,089)	(3,807)	(28,753)
Revenue from external customers	60,749	15,273	25,143	4,095	4,593	109,853
Segment profit before depreciation and amortisation	7,772	2,618	97	2,313	2,978	15,778
Depreciation and amortisation	(1,547)	(398)	(3)	(418)	(7)	(2,373)
Segment/Gross profit	6,225	2,220	94	1,895	2,971	13,405

2023

	Retail gas sales business	Integrated energy business	Wholesale of gas	Construction and installation	Value added business	Total
	RMB million	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*
Segment revenue	68,513	14,664	40,590	6,575	7,938	138,280
Inter-segment sales	(7,902)	(151)	(10,895)	(1,238)	(4,236)	(24,422)
Revenue from external customers	60,611	14,513	29,695	5,337	3,702	113,858
Segment profit before depreciation and amortisation	7,457	2,217	1,099	3,216	2,522	16,511
Depreciation and amortisation	(1,408)	(310)	(4)	(446)	(5)	(2,173)
Segment/Gross profit	6,049	1,907	1,095	2,770	2,517	14,338

The above segment profit represents the profit earned by each segment without allocation of central administration costs, distribution and selling expenses, share of results of associates and joint ventures, other income, other gains and losses and finance costs. Inter-segment sales are charged at prevailing market rates.

5. OTHER GAINS AND LOSSES

	2024	2023
	RMB million	*RMB million*
Net gain of financial assets at FVTPL	110	13
Net (loss) /gain of derivative financial instruments (note a)	(145)	900
Loss on foreign exchange, net (note b)	(211)	(241)
Gain on repurchase of senior notes	47	227
Impairment loss under expected credit loss model, net of reversal	(326)	(280)
Impairment losses recognised for property, plant and equipment, intangible assets and goodwill	(162)	(192)
Net loss on disposal of property, plant and equipment, right-of-use assets and equities	(43)	(155)
Net compensation income	108	-
Others	(20)	(5)
	(642)	267

Notes:

a. Included in the amount for the year are net realised gain of RMB254 million (2023: RMB786 million) and net unrealised loss of RMB523 million (2023: net unrealised gain of RMB89 million) recognised by the Group in relation to commodity derivative financial instruments.

b. Included in the amount for the year ended 31 December 2024 is an exchange loss of approximately RMB113 million (2023: RMB184 million) arising from the translation of senior notes and bank loan denominated in USD to RMB.

6. INCOME TAX EXPENSE

	2024	2023
	RMB million	*RMB million*
Current tax	2,201	2,389
Overprovision in prior years	(76)	(103)
	2,125	2,286
Deferred tax	(204)	(13)
	1,921	2,273

As the major operating income of the Group are derived from People's Republic of China (the "**PRC**"), the tax expenses arose principally from the Enterprise Income Tax Law of the PRC (the "**EIT Law**") and Detailed Rules for the Implementation of the EIT Law (the "**Implementation Rules**") for both years, the tax rate applicable for PRC entities is 25%.

Certain PRC subsidiaries of the Company are qualified as "High and New Technology Enterprises", which are subject to PRC EIT Law at the preferential rate of 15% of the estimated assessable profit as determined in accordance with relevant tax rules and regulations in the PRC. This preferential rate is applicable for three years, and those subsidiaries are eligible to apply the tax concession again upon expiry.

7. DIVIDEND

	2024 *RMB million*	2023 *RMB million*
Dividends declared and paid		
Interim dividend	673	669
Final dividend	2,376	2,317
Less：Dividend for shares held under the Share Award Scheme	(34)	(9)
	3,015	2,977

(a) Dividends recognised and distributed during the year

The interim dividend declared in 2024 of HK$0.65 (equivalent to approximately RMB0.59) per share and the 2023 final dividend of HK$2.31 per share (equivalent to approximately RMB2.09), a total of approximately RMB3,015 million in aggregate was paid during the year ended 31 December 2024.

The 2023 interim dividend of HK$0.64 (equivalent to approximately RMB0.59) per share, the 2022 final dividend of HK$2.27 (equivalent to approximately RMB2.05) per share, a total of approximately RMB2,977 million in aggregate was paid during the year ended 31 December 2023.

(b) Proposed final dividend after the end of the reporting period

After the end of the reporting period, the Board has recommended a final dividend of HK$2.35 per share (equivalent to approximately RMB2.19 per share), with a total amount of HK$2,658 million for the year ended 31 December 2024, and is subject to the approval by the shareholders in the forthcoming Annual General Meeting ("**AGM**"). The final dividend proposed after the end of the reporting period has not been recognised as a liability in the consolidated financial statements.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

(a) Basic earnings per share

Basic earnings per share for the years ended 31 December 2024 and 2023 are calculated by dividing the profit attributable to the owners of the Company by the weighted average number of shares in issue during the year.

	2024	2023
Profit for the year attributable to the owners of the Company (RMB million)	5,987	6,816
Weighted average number of shares	1,119,061,515	1,127,615,310
Basic earnings per share (RMB)	5.35	6.05

(b) Diluted earnings per share

Diluted earnings per share for the years ended 31 December 2024 and 2023 are calculated assuming all dilutive potential shares were converted during the year.

	2024 *RMB million*	**2023** *RMB million*
Earnings		
Earnings for the purpose of diluted earnings per share	5,987	6,816

	2024	**2023**
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	1,119,061,515	1,127,615,310
Effect of dilutive potential shares:		
- share options	219,986	1,160,589
Weighted average number of shares for the purpose of diluted earnings per share	1,119,281,501	1,128,775,899
Diluted earnings per share (RMB)	5.35	6.04

9. TRADE AND OTHER RECEIVABLES

The following is an aged analysis of trade receivables, net of allowances for credit losses, presented based on invoice date at the end of the reporting period:

	2024 *RMB million*	**2023** *RMB million*
0 to 3 months	1,718	1,713
4 to 6 months	211	383
7 to 9 months	252	234
10 to 12 months	164	118
More than one year	805	642
	3,150	3,090

10. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on invoice date at the end of the reporting period:

	2024	2023
	RMB million	*RMB million*
0 to 3 months	3,447	3,177
4 to 6 months	480	540
7 to 9 months	223	255
10 to 12 months	185	188
More than one year	1,201	1,190
	5,536	5,350

11. MATERIAL EVENTS AFTER THE REPORTING DATE AND CONTINGENT LIABILITIES

On 18 March 2025, Xinneng (Hong Kong) Energy Investment Limited (the "**Offeror**") (a company with limited liability incorporated under the laws of Hong Kong), being the controlling shareholder of the Company and a wholly-owned subsidiary of ENN Natural Gas Co., Ltd. ("**ENN-NG**"), has requested the Board to, subject to the satisfaction of certain pre-conditions, put forward the proposal to the registered holders of all the shares of the Company in issue other than those held by the Offeror (the "**Scheme Shares**", and such holders, the "**Scheme Shareholders**") for the privatisation of the Company by way of a scheme of arrangement (the "**Scheme**") under section 86 of the Companies Act (2025 Revision) of the Cayman Islands. Upon the fulfilment of certain conditions and the Scheme becoming effective, all Scheme Shares will be cancelled and the Scheme Shareholders will be entitled to receive 2.9427 newly issued H shares of ENN-NG and a cash consideration of HK$24.50 to be paid by the Offeror for every cancelled Scheme Share.

2024 FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Company's dividend policy allows shareholders to share the Company's profits while reserving sufficient reserves for the Group's future development. According to the applicable laws of the Cayman Islands, the Company's reserve available for distribution as at 31 December 2024 amounted to RMB8,376 million.

After considering, among others things, the Group's general financial conditions and strategies, expected operating cash flows and capital expenditure needed for future expansion, surplus, contractual restrictions, actual and expected government financial conditions, macroeconomics and such other factors as the Board may deem relevant, the Board recommends a final dividend of HK$2.35 (2023: HK$2.31) (equivalent to approximately RMB2.19 (2023: RMB2.09)) per share payable to shareholders whose names are on the register of members of the Company on Monday, 2 June 2025. Together with the interim dividend of HK$0.65 (2023: HK$0.64) (equivalent to approximately RMB0.59 (2023: RMB0.59)) per share, total annual dividends proposed amounted to HK$3.00 (equivalent to approximately RMB2.78) per share, the pay-out ratio is about 45% of the Group's core profits[3]. The resolution on the final dividend is subject to approval by the shareholders in the forthcoming AGM and will be paid to shareholders of the Company on or before Friday, 25 July 2025.

a. Closure of Register of Members

For the purpose of ascertaining shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 20 May 2025 to Friday, 23 May 2025, both days inclusive. In order to qualify for the right to attend and vote at the AGM, all transfers accompanied by the relevant share certificates should be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Monday, 19 May 2025.

For the determination of entitlement to the final dividend to be approved at the AGM, the register of members of the Company will be closed from Friday, 30 May 2025 to Monday, 2 June 2025, both days inclusive. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates should be lodged with Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Thursday, 29 May 2025.

b. Withholding and Payment of Enterprise Income Tax for Non-Resident Enterprises in respect of the 2024 Final Dividend

According to the "Notice Regarding Matters on Determination of Tax Residence Status of Chinese-Controlled Offshore Incorporated Enterprises under Rules of Effective Management", the EIT Law and the Implementation Rules, the Hebei Provincial Tax Service of the State Administration of Taxation of the PRC issued an approval confirming that the Company is treated as a Chinese resident enterprise, with effect from 1 January 2022. Accordingly, when the Company distributes the 2024 final dividend to non-resident enterprise shareholders, it shall withhold and pay 10% of the enterprise income tax.

If any resident enterprise listed on the Company's register of members does not desire to have the Company withholding and paying the said 10% enterprise income tax, it shall lodge with Computershare Hong Kong Investor Services Limited documents from its governing tax authority confirming that the Company is not required to withhold and pay the enterprise income tax in respect of the dividends that it is entitled to at or before 4:30 p.m. on Thursday, 29 May 2025.

For non-resident enterprises, please refer to the Company Information Sheet published by the Company on 30 June 2022 for details on withholding tax.

The address of Computershare Hong Kong Investor Services Limited is Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

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[3] Referred to core profits from domestic business plus the relevant after-tax profit from wholesales of gas (oversea sales).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Reference is hereby made to the announcements of the Company dated 19 September 2023 and 23 September 2024 regarding the Board approved the utilisation of up to USD100 million and up to HK$300 million for instructing the trustee (the "**Trustee**"), who is responsible for managing the share award scheme of the Company to purchase the Company's ordinary shares listed on the Main Board of the Stock Exchange (the "**Awarded Share Purchase(s)**") for the purpose of the Share Award Scheme, and to utilise up to another HK$300 million to buy-back shares from the open market. During the year, the Trustee has purchased 13,252,000 shares of the Company, using a total of approximately HK$731 million. As at 31 December 2024, there were 19,984,600 shares of the Company held in the Trustee, representing approximately 1.77% of the issued share capital of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 December 2024, the Company has complied all the Code Provisions set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules.

AUDIT COMMITTEE AND REVIEW OF RESULTS

The Company established an Audit Committee in accordance with requirements under the Listing Rules for the purpose of reviewing (together with the management) the accounting principles and practices adopted by the Group, as well as auditing, risk management, internal control and financial reporting matters. The Audit Committee also maintains an appropriate relationship with the Company's independent auditor and provides advice and comments to the Board. A meeting of the Audit Committee was held on 24 March 2025 to review with the management the Group's annual results and the Audited Consolidated Financial Statements for the year ended 31 December 2024.

By order of the Board
ENN Energy Holdings Limited
WANG Yusuo
Chairman

Hong Kong, 26 March 2025

As at the date of this announcement, the Board comprises of the following directors: six executive directors, namely Mr. WANG Yusuo (Chairman), Mr. ZHANG Yuying (Chief Executive Officer), Mr. GONG Luojian (President), Mr. WANG Dongzhi (Chief Financial Officer), Ms. ZHANG Jin and Ms. SU Li; one non-executive director, Mr. WANG Zizheng; and four independent non-executive directors, namely Mr. MA Zhixiang, Mr. YUEN Po Kwong, Mr. LAW Yee Kwan, Quinn and Ms. WONG Lai, Sarah.