



新奥能源控股有限公司
ENN Energy Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2688)

2024 Green Bond Report

April 2025

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Overview of ENN Energy's Green Finance Framework

ENN Energy Holdings Limited (2688.HK) (hereinafter referred to as "ENN Energy" or "the Company") has been engaged in the city-gas business since 1992. It is one of the largest clean energy distributors in China and a leading integrated energy service provider in the country. The core business of the Company is investments in, and the construction, operation and management of city-gas pipeline infrastructure in China, the sales and distribution of piped gas, liquefied natural gas (LNG) and other multi-energy products. The Company also provides customers with digital and intelligent services related to low-carbon integrated solutions and develops diversified value-added business in response to customer needs.

Guided by its mission of Building a Modern Energy System and Co-building a Better Ecology, ENN Energy is steadfastly committed to corporate responsibility, embedding green development across all operations and business activities. The Company seizes national low-carbon development opportunities, adapts to climate change and promotes low-carbon transition of its operations. It strives to deliver cleaner, lower-carbon products and services to customers while leveraging green bonds to reinforce sustainable development, enhance environmental management, prioritise biodiversity protection and partner with ecological stakeholders to forge a greener future.

Since 2024, ENN Energy has developed its [Green Finance Framework \(April 2025 Edition\)](#) (Hereinafter referred to as the "Framework" or the "New Version") with reference to the "2021 Green Bond Principles" published by the International Capital Market Association (ICMA), as well as the "2023 Green Loan Principles" jointly issued by the Asia Pacific Loan Market Association (APLMA) and the Loan Syndications & Trading Association (LSTA). A [second-party opinion \(SPO\)](#) was obtained from S&P Global for the Framework to support ENN Energy's long-term sustainable development strategy. The New Version has been revised and updated on the basis of the Green Finance Framework¹ (hereinafter referred to as the "Old Version") initially issued in May 2020. The New Version was officially published online in April 2025 and the SPO was made available to investors on ENN Energy's official website simultaneously.

(I) Overview of Issued Green Bonds by ENN Energy

The Company successfully issued green senior notes worth USD 750 million and USD 550 million on September 17, 2020, and May 17, 2022, respectively (collectively referred to as "Green Bonds" hereinafter). The details are as follows:

¹ Source: http://ir.ennenergy.com/tc/ir/sustainability/green_finance_framework.pdf

Table: Green Bond Details

Abbreviation	2020 Green Bond	2022 Green Bond
Issuer	ENN Energy Holding Limited	ENN Energy Holding Limited
Issue date	September 17, 2020	May 17, 2022
Term	10 years	5 years
Maturity date	September 17, 2030	May 17, 2027
Issue amount	USD 750,000,000 (Equivalent to approximately RMB 5.137 billion, based on the exchange rate at the time of fundraising)	USD 550,000,000 (Equivalent to approximately RMB 3.612 billion, based on the exchange rate at the time of fundraising)
Net proceeds after deduction of issuance costs	USD 739,000,000 (Equivalent to approximately RMB 5.065 billion, based on the exchange rate at the time of fundraising)	USD 545,000,000 (Equivalent to approximately RMB 3.579 billion, based on the exchange rate at the time of fundraising)
Principal Repayment up to 31 December 2024	USD 261,119,000	USD 0
Coupon rate	2.63%	4.625%
International securities identification number	US26876FAC68 USG3066LAF88	US29336EAA10 USG3066DAA75

(II) Project Evaluation and Selection Process

According to the Framework, the net proceeds from the issuance of the Green Bonds will be specifically allocated to support all or part of the financing or refinancing for new or existing eligible green projects/assets ("Eligible Green Project") that meet one or more of the qualified green category criteria outlined in the Framework. The evaluation and selection of Eligible Green Projects are overseen by the ESG Working Group.

The ESG Working Group is responsible for updating the content of the Framework. During the revision of the Framework, the Company revised its green eligibility criteria and geared towards more to renewal energy and biomass projects. As a result, existing projects (e.g. residual heat and methane management) that are permissible investments according to the Old Version are no longer be qualified as Eligible Green Projects. According to the New Version, the Company will not redeploy funds already invested in these projects but will stop investing in similar new projects when the Framework was published.

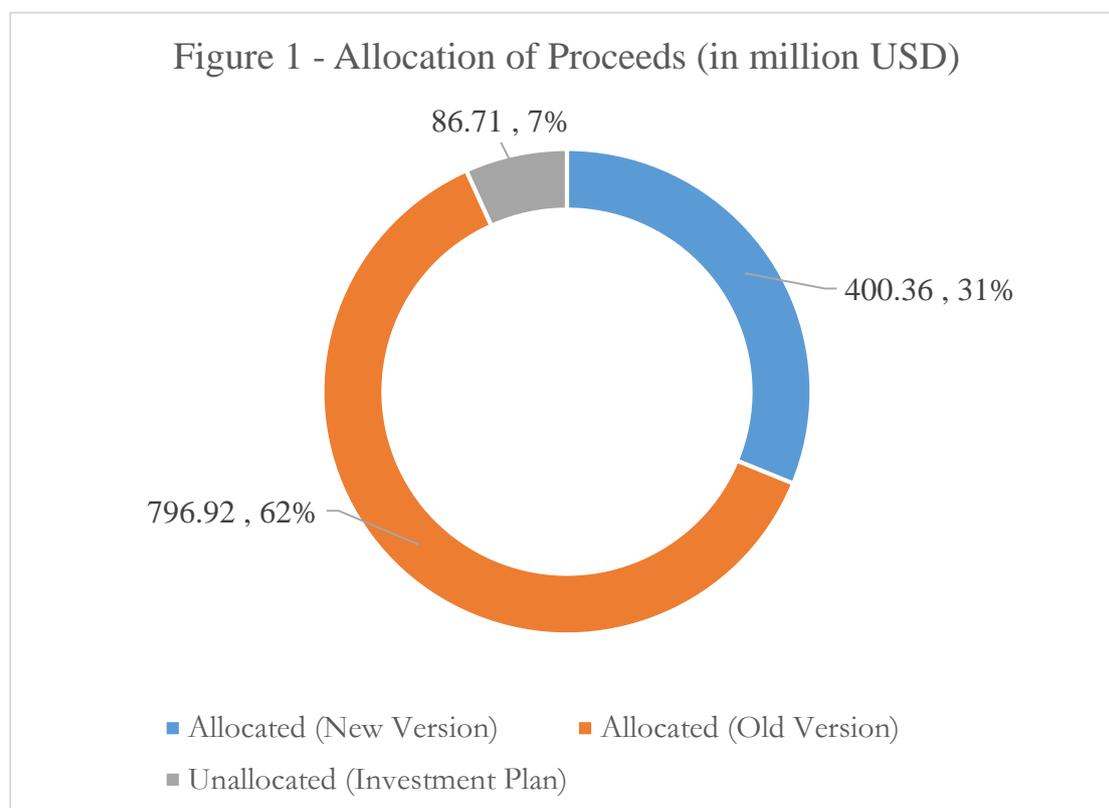
The ESG Working Group is in charge of proceeds allocation and management. The ESG Working Group works closely with functional departments such as finance, investment, and IT to ensure the adequacy and completeness of assessment data and information. The Company utilises internal digital platforms to collect and record the amount of investment to each green project, as well as the energy output generated by each project. The ESG Working Group conducts regular reviews of the use of proceeds and related environmental impacts.

As of the release date of the Green Bond Report, each Eligible Green Project meets at least one of the qualified green categories listed in the Framework.

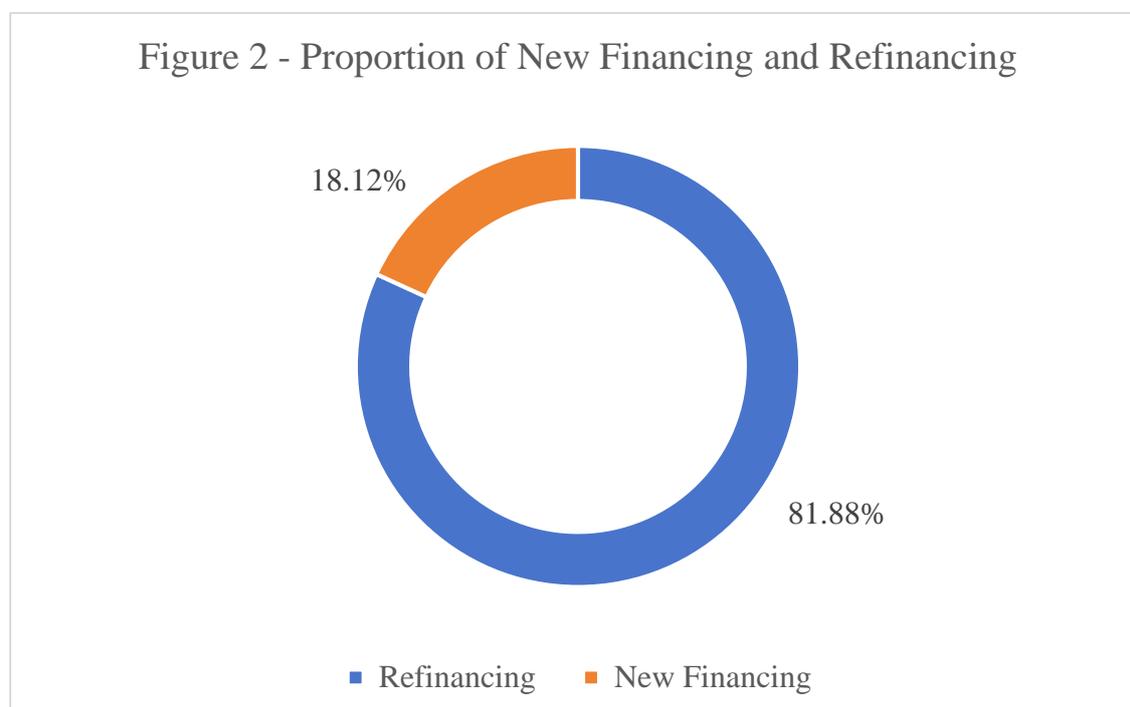
(III) Management of Proceeds

The net green proceeds raised are managed by ENN Energy's finance team. The proceeds of each Green Bond are deposited in a general account and will be deployed on Eligible Green Projects.

By the end of 2024, the amount allocated reached USD 1,197.29 million, accounting for 93% of the total proceeds. Among which, USD 400.36 million was allocated to Eligible Green Project as outlined in the New Version. Meanwhile, allocation amounting to USD 796.92 million was only qualified as eligible assets under the Old Version. The unallocated amount is USD 86.71 million, accounting for 7%, and is planned to be invested in photovoltaic projects.



Among the amount allocated, new financing projects amount to USD 216.94 million, representing 18.12%, while project refinancing is USD 980.35 million, representing 81.88%.



(IV) Use of Allocated Proceeds

Proceeds allocated to Eligible Green Projects (as of the end of 2024)	RMB 8,121.79 million (equivalent to USD 1,197.29 million)
Unallocated Proceeds (Planned to be Invested)	RMB 617.12 million (equivalent to USD 86.71 million), denominated in US dollars.
Examples of Eligible Green Projects (Subject to Confidentiality) Brief Description of Each Eligible Green Project	As confidentiality restricts the provision of details, ENN Energy chooses to present information in general terms according to eligible green categories instead of individual projects.

Note: Project allocations to RMB projects are converted at the average exchange rate of USD to CNY (USD/CNY) in the year of investment.

4.1 Total Amount Allocated to Eligible Green Projects

Eligible Green Project Category	Allocation Amount		SDG
	2024	2020-2023	
	(in RMB million)		
Renewable Energy			
Photovoltaic (“PV”) Projects	665.11	1,513.71	
Biomass Projects	11.32	578.44	
			
Total Amount	676.43	2,092.15	
Total Amount Allocated to Eligible Green Projects (as of the end of 2024)		2,768.58	

For the year 2024, the total allocation amount to RMB 676.43 million, with RMB 665.11 million allocated to photovoltaic projects and RMB 11.32 million allocated to biomass projects. From 2020 to 2023, the total allocation reached RMB 2,092.15 million, of which RMB 1,513.71 million was assigned to photovoltaic projects and RMB 578.44 million to biomass project.

4.2 Total Amount Allocated to Projects only qualified under the Old Version

Project Category under Old Version	Allocation Amount		SDG
	2024	2020-2023	
	(in RMB million)		
Pollution Prevention and Control, and Energy Efficiency			
Integrated energy solution	0	2,600.00	
Integrated energy projects	0	1,520.62	
Residual heat utilisation projects	0	629.10	
Methane management projects	0	603.49	
Total Amount	0	5,353.21	

In accordance with the Old Version, an aggregate amount of RMB 5,353.21 million was allocated integrated energy solution, residual head utilisation and methane management projects.

(V) Impact of Eligible Projects

Environmental Impact of Eligible Projects in 2024

Green Project Category	Allocation Amount as of the end of 2024 (in RMB million)	Avoided/Reduced Greenhouse Gas Emissions (tCO₂ equivalent/year)
PV projects	2,178.82	285,845
Biomass projects	589.76	199,466

PV projects received an allocation of RMB 2,178.82 million (equivalent to USD 312.78 million) up to 31 December 2024, which avoided/reduced 285,845 tons of CO₂ equivalent greenhouse gas emissions in 2024.

Biomass projects received an allocation of RMB 589.76 million (equivalent to USD 87.58 million) up to 31 December 2024, which avoided/reduced 199,466 tons of CO₂ equivalent greenhouse gas emissions in 2024.

Methodology Overview

For PV projects, the greenhouse gas emissions avoided/reduced in 2024 were calculated with reference to the Clean Development Mechanism (CDM) methodology *ACM0002 - Grid - connected electricity generation from renewable sources (Version 22.0)*, and the emission factor was extracted from "China Regional Grid Baseline Emission Factor for Emission Reduction Projects in 2023" released by the National Center for Climate Change Strategy and International Cooperation.

For biomass projects, the greenhouse gas emissions avoided/reduced in 2024 were calculated with reference to the CDM methodology *AM0036 - Use of biomass in heat generation equipment (Version 07.0)*, and the emission factor was extracted from the "Guidelines for Compiling Provincial Greenhouse Gas Inventories (Trial)" released by the National Development and Reform Commission in 2011.

(VI) Assurance Statement

INDEPENDENT LIMITED ASSURANCE REPORT

DTTHK(25)BAR00050

To the Management of ENN Energy Holding Limited

We were engaged by ENN Energy Holding Limited (the "Company") to provide limited assurance over subject matter information described below and contained in its *2024 Green Bond Report* issued on 14 April 2025.

Subject Matter Information

The *2024 Green Bond Report* set out the following Subject Matter Information:

- the allocation of the proceeds from the Green Bonds (US\$750,000,000 issued in 2020 and US\$550,000,000 issued in 2022) to eligible green projects, as set out in Section 4.1 of the *2024 Green Bond Report*;
- the eligible green projects invested by the proceeds of the Green Bonds, as set out in Section 4.1 of the *2024 Green Bond Report*; and
- the environmental impacts arising from eligible green projects invested by the Green Bonds, as set out in Section 5 of the *2024 Green Bond Report*.

The Criteria applied by the Company

The Company revised its "Green Finance Framework" (the "Framework") in April 2025. The Framework establishes:

- Green eligibility criteria in Section 2.1;
- Reporting requirements on allocation of proceeds and impact information in Section 2.4.

The Subject Matter Information is prepared in accordance with this green eligibility criteria and the reporting requirements (the "Criteria").

Management's Responsibilities

The management of the Company is responsible for developing the Framework and the preparation of *2024 Green Bond Report* in accordance with the Framework. This includes establishing and maintaining internal controls over the information relevant to the preparation of *2024 Green Bond Report* to ensure it is free from material misstatement, whether due to fault or error.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies *International Standard on Quality Management 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements"* issued by the International Auditing and Assurance Standards Board which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

We conducted our limited assurance engagement in accordance with the *International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. Our responsibility is to express our limited assurance conclusion in relation to the Subject Matter Information and issue an independent limited assurance report. We planned and performed our work to obtain all the information and explanations which we considered necessary in order to provide sufficient evidence to form conclusions.

Procedures performed in a limited assurance engagement substantially vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about the Subject Matter Information.

Our Procedures

Our procedures include:

- Interviewing personnel responsible for project evaluation and selection, proceed management and information disclosure to understand their relevant processes;
- Inspecting documents of selected projects, on a sample basis, in relation to proceeds allocation and environmental impacts; and
- Performing analytical review and examining calculations, on a sample basis, on relevant information in respect of proceeds allocation and environmental impacts.

Conclusions

Based on our procedures we have performed and the evidence we have obtained, nothing has come to our attention that would cause us to believe that as at 31 December 2024:

- the eligible green projects invested by the proceeds of the Green Bonds, as set out in Section 4.1 of the *2024 Green Bond Report*, did not meet the green project eligibility criteria defined in the Section 2.1 of the Framework and
- the allocation of the proceeds of the Green Bonds to eligible green projects, as set out in Section 4.1 of the *2024 Green Bond Report*, and the environmental impacts arising from these projects, as set out in Section 5 of the *2024 Green Bond Report*, in all material respects, are not disclosed in accordance with Section 2.4 of the Framework.

Restriction on Use

Our work has been undertaken to enable us to express a limited assurance conclusion in accordance with the terms of our engagement agreed with the management of the Company, and for no other purpose. We do not assume responsibility or accept liability to any other person or third party other than the Company, for our work, for this report, or for the conclusion we have reached.



Deloitte Touche Tohmatsu

Hong Kong

14 April 2025