

## 新奥天然气股份有限公司 ENN Natural Gas Co., Ltd.



**2022 Annual Results** 

March 2023

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## **Results Highlights**





Completed the acquisition of Zhoushan LNG terminal and secured 10 LNG vessels transportation capacity, enhancing the aggregation and flexibility of the ecology



Newly signed long-term purchase agreements for 5.3 mil tons per year, totaling to 7.64 mil tons per year, reserving key resources for future business expansion



Total revenue increased by 32.9% to RMB154,169 mil; Core profit significantly increased by 69.8% to RMB6,067 mil



Sound financial structure and development vision were recognized by capital markets, achieving S&P investment grade BBB- and inclusion in the CSI 300 Index for the first time



# Content





# **Financial Highlights**



**Results Review** 



**Development Strategy** 



### 1.1 Resilient Results



Unit: RMB mil

	FY2022	FY2021*	Change
Total Revenue	154,169	116,031	32.9%
Gross Profit	23,342	19,407	20.3%
EBITDA*	20,590	16,901	21.8%
Total Profit	14,677	13,466	9.0%
Net Profit Attributable to Parent	5,844	4,102	42.5%
Core Profit*	6,067	3,572	69.8%
Core EPS (RMB)	1.97	1.27	55.1%

<sup>\*</sup> The data for FY2021 on this page were not retroactively adjusted for the acquisition of Zhoushan LNG terminal

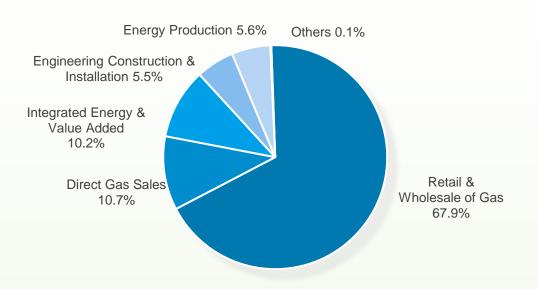
<sup>\*</sup> EBITDA, Excluding FX gains and losses and changes in fair value gains and losses

<sup>\*</sup> Core Profit= Net profit attributable to the parent-Adjustments

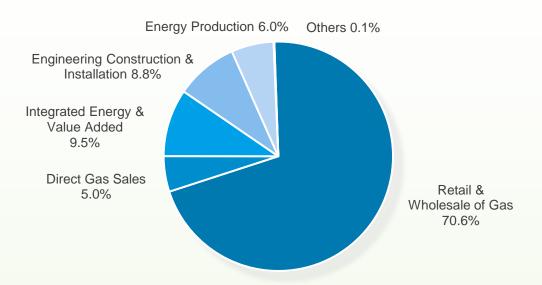
### 1.2 Revenue Breakdown



### FY2022 Revenue Breakdown



### FY2021 Revenue Breakdown

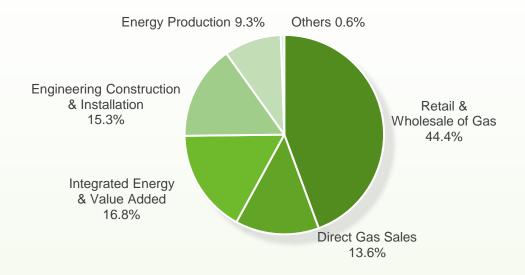


Unit: RMB mil	FY2022	FY2021	Change
Retail & Wholesale of Gas	103,885	81,310	27.8%
Direct Gas Sales	16,314	5,785	182.0%
Integrated Energy & Value Added	15,585	10,994	41.8%
Engineering Construction & Installation	8,441	10,152	-16.9%
Energy Production	8,551	6,900	23.9%

### 1.3 Gross Profit Breakdown



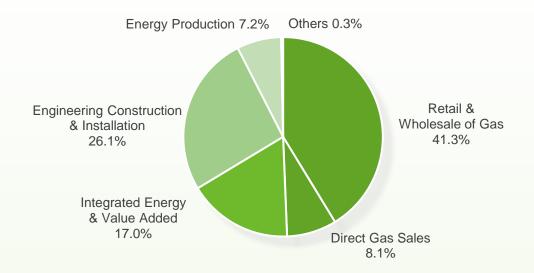
#### **FY2022 Gross Profit Breakdown**



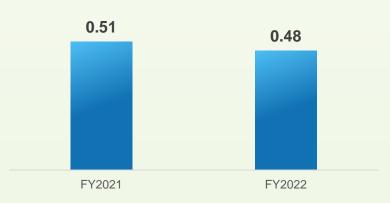
### DM of Direct Gas Sales (RMB/m³)



### **FY2021 Gross Profit Breakdown**



### DM of Retail Gas Sales (RMB/m<sup>3</sup>)



### 1.4 Sustainable Growth of Core Profit



Unit: RMB mil

Main exclud	ded items in the calculation of core profit	FY2022	FY2021
Net Profit Attributable to Parent		5,844	4,102
	Bad debts and asset impairment	-85	-45
Non-cash	Changes in fair value of derivatives	863	257
factor	Changes in FX gains and losses	-900	332
	Amortization of share incentive costs	-72	-87
One-off Gains from disposal of equity investments		000 <b>5</b>	98
factor	Others	-33	-26
Core Profit Attributable to Parent		6,067	3,572

<sup>\*</sup> The data for FY2021 on this page were not retroactively adjusted for the acquisition of Zhoushan LNG terminal

### 1.5 Exchange Rate Changes Analysis



### **FX Impact on Liability with Interest**



### **FX Impact on Income Statement**

Unit: RMB mil

	Changes in USD/RMB exchange rate	Cash impact	Non-cash impact	Non-cash impact attributable to parent
Sensitivity analysis	±1%	∓5	∓133	∓72

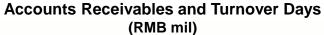
### **FX Risk Management**

- ✓ Repay the principal and interest of loans with income denominated in USD to avoid foreign exchange impact resulting from currency mismatches
- ✓ Continuously monitor fluctuations in the exchange rate market and dynamically manage existing USD bond hedges. In 2022, the proportion of hedging reached 20.1%

<sup>\*</sup> Excluding RMB1.4 bil increase in debt due to FX, total debt decreased slightly

### 1.6 Excellent Financial Management







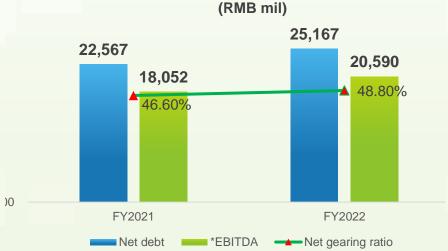
Total Debt & Cash on Hand (RMB mil)



#### CAPEX (RMB mil)



## Net Debt, EBITDA \* and Net Gearing Ratio (RMB mil)

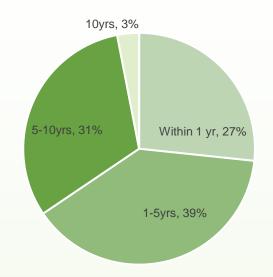


\*EBITDA, Excluding FX gains & losses and changes in fair value gains &losses

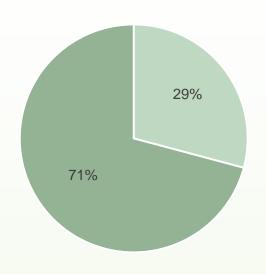
## 1.7 Sound Debt Structure and Ample Liquidity



By Maturity



**Total Credit Facilities: RMB66.1 bil** 



**Credit Ratings** 

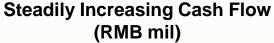
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Rating Agencies	FY2021	FY2022
S&P	-	BBB-
Fitch	BBB-	BBB-
Moody's	Ba1	Ba1(Positive outlook)
CCX	-	AAA 👚
CSCI Pengyuan	-	AAA

### 1.8 Abundant Free Cash Flows and Steadily Rising Payout Ratio

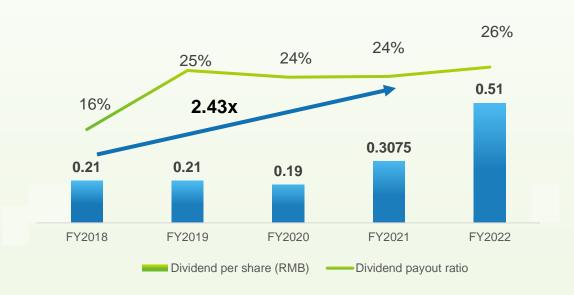


The steady growth in our main business coupled with prudent financial management generated strong cash flow of RMB 6,089 mil(excluding the impact of the acquisition of Zhoushan terminal), with an increase of RMB 2,094 mil compared to the same period last year



## **Substantially Improved Shareholder Returns** (RMB/share)





# Content





## **Financial Highlights**



**Results Review** 

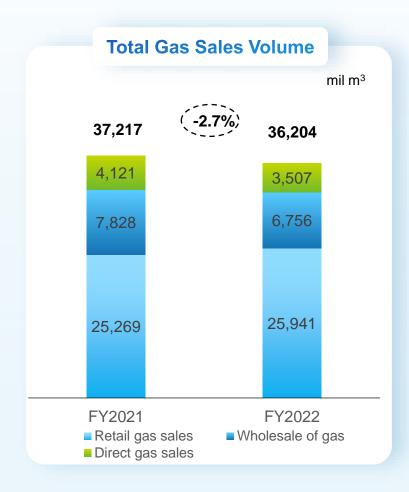


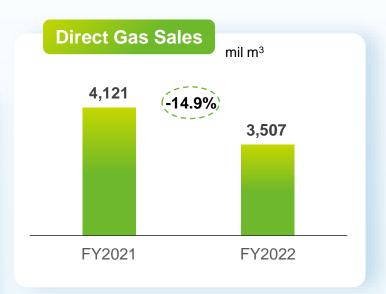
**Development Strategy** 

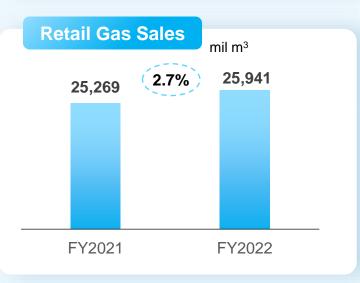


### 2.1.1 Actively Promoted the Sustainable Expansion of Gas Sales Business









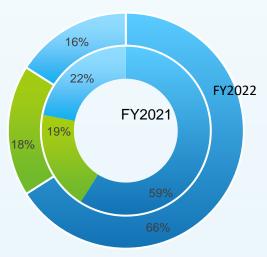
### **Key Initiatives**

- Innovated gas sales models such as base + increments and agency purchase and sales, developed flexible energy pricing strategies and promoted price linkage
- Achieved region-wide sales of piped gas and LNG in high-priced markets by leveraging a diversified resource portfolio and based on PipeChina and LNG transportation capacities
- Aggregated customers through digital intelligence products and services and provided multi-energy packages encompassing natural gas, heat and electricity

### 2.1.2 Rapid Expansion of Direct Gas Sales Leveraging Diversified Resources and Efficient Delivery Network



# Increased the acquisition of superior resources and optimized the overall resource structure



- Domestic pipeline gas resourcesInternational LNG resources
- Domestic LNG resources

### Consolidated ecosystems to optimize resource structure and bolster resource resilience

#### **Domestic resources**

- Stabilized cooperation with three major oil companies and acquired resources such as provincial energy groups
- Aggregated unconventional resources of 3 mil cubic meters/day on a large scale
- Acquired **850,000 tons/year** from our own and third-party LNG plant

#### **International resources**

- International LTAs were performed on schedule with delivery of 1.75 mil tons
- Added 5.3 mil tons through international LTAs, reaching 7.64 mil tons in total
- Built an international LNG capacity pool and acquired 10 LNG vessels transportation resources at competitive prices

Developed infrastructure systematically to boost delivery capacity and augmented marketresources synergy advantages

### Gas Transmission and Distribution

- Self-owned 4 long-distance pipelines with a gas transmission capacity of 12 bil cubic meters per year
- Developed the Xiyi Line, Jining Line and counter transmission path to tighten the delivery network
- Obtained 21 download points from PipeChina, with the expected firstyear gas usage volume is 500 mil cubic meters, and became the largest shipper other than three major oil companies

### LNG Transmission and Distribution

- 1,200+ stable and flexible LNG tankers, with the largest tanker capacity in China
- Departure volume exceeded 600 vehicles per day

#### **Gas Storage Facilities**

- Self-owned gas storage capacity of 500 mil cubic meters
- Acquired storage capacity of about 150 mil cubic meters from virtual gas storage and liquid reserves of PipeChina's Wen 23, Guangzhou and PetroChina

### 2.1.3 Commitment to Building a Digital Intelligent Platform for Natural Gas Industry



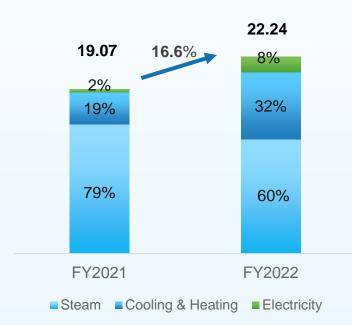
#### **Pain Points Products** Inefficient connections **Engineering services** Inconvenient recharge and **Industrial Customers** payment Online top-up payment hard to buy gas Lack of resource awareness and acquisition ability **Energy use analysis** Lack of means to reduce energy costs **Distributors** Poor customer perception and mismatch between resource supply and demand hard to purchase and Few resource supply options and sale Intelligent market analysis weak bargaining power Imbalance between regions and lack of global synergy Intelligent trading **Resource Providers** Hard to predict market demand hard to sell the Workbench **LNG** delivery resources optimally Lack of risk control capability Piped gas delivery Pipeline network: Demand fluctuates and is hard to predict **Risk control products** Terminals: underutilized **Facility Providers** Tankers: low operational efficiency, poor hard to build and route optimization capability, long waiting operate facilities time for operation

- Zhoushan LNG realized online trading and delivery
- National seven-day piped gas package products were launched for trading to meet customers' flexible gas needs
- Client products were launched in Zhejiang and Shandong, significantly improving customer experience of energy services
- New customer engineering service offerings were launched in Zhejiang, with delivery rate increased to over 90%

### 2.2.1 Innovated Low-Carbon Products and Accelerated IEB Development

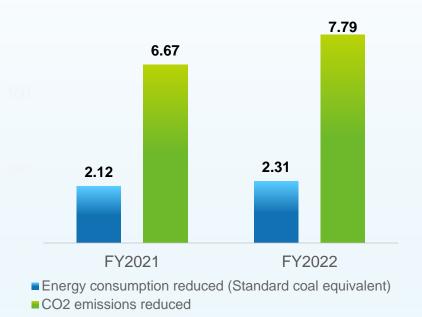






210 operational projects
 with potential energy sales
 34.1bil kWh

### Positive environmental impact (mil tons)



(No. of Projects)

Utilized renewable energy

(Energy Sales Vol)

Generated from renewables

# Huge potential for the projects under construction and newly signed



1,679
newly signed projects
with potential energy sales

18bil kWh

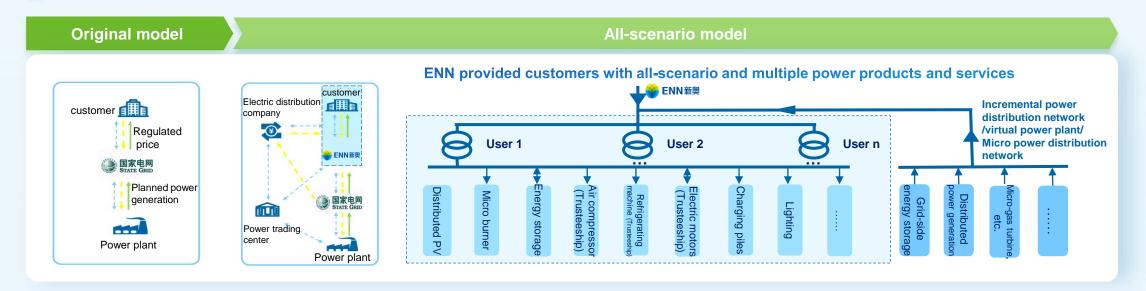
### 2.2.2 Innovated Low-Carbon Products and Accelerated IEB Development



Multiple IE products supported integrated energy-carbon-safety solutions



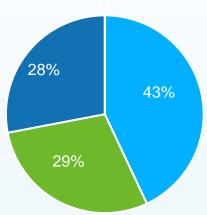
A variety of IE products supported the development of the electricity business and all-scenario electricity revenue reached RMB419 mil in 2022



### 2.3 Developed Engineering Construction Business Driven by Low Carbon Digital Intelligence



### **Revenue Structure**



- Natural gas infrastructure
- Municipal engineering
- New energy engineering and digital intelligence

# Total amount of newly contracted projects reached RMB4.7 bil



## **Shanxi Jinye Coke Oven Gas Comprehensive Utilization Project**



- Using coke oven gas to produce hydrogen and LNG to promote low carbon applications
- Annual output of 148,800 tons of LNG and 16 mil cubic meters of hydrogen

## **Zhoushan and other Large-scale LNG Terminal Projects**



- Through the digital delivery platform, connect the data model information from planning and design to completion and acceptance of the project
- Provide data sources to support application scenarios such as equipment maintenance, simulation training, inspection, and hidden danger investigation

### Huafeng Hydrogenation Integrated Energy Service Project



- "Hydrogen, electricity, oil and gas" four-in-one integrated energy station
- √ "Core technology + planning and design + integrated equipment + EPC" integrated delivery

## Jiangxi Rainbow Photovoltaic Glass Integrated Energy Project



- General contracting for design, procurement, construction and installation of flue gas treatment and waste heat power generation facilities
- Focus on developing low-carbon parks and lowcarbon factories, and cut through with overall planning and design

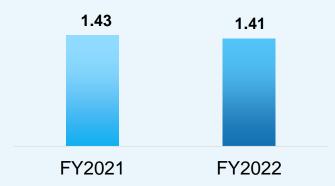
### 2.4 Green and Digital Intelligence Transformation of Energy Production Via Lean Operations



### Coal Sales Volume (mil tons)



### Methanol Sales Volume (mil tons)



#### Coal

- ✓ Upgraded production process, increased the conversion rate of commercial coal and the washing and refining rate
- ✓ Optimized sales channels and optimized the proportion of terminal sales to 26%
- ✓ Steadily increased the coal production capacity, which can be raised to 10 mil tons in the long term
- ✓ Promoted the long-cycle operation of hydrogenation, catalytic and pulverized **coal-to**gas technologies and accelerated market promotion

#### Methanol

- ✓ Optimized process system and cut costs by RMB130 mil
- ✓ Increaed by RMB263 mil year-on-year for the sales revenue from by-product steam and other derivative products by utilizing the IE concept
- ✓ Actively carried out energy-saving and carbon reduction and carbon quota trading business, with an estimated value of RMB10 mil

#### **Built green, smart mines**

- ✓ Continued to restore the mine ecosystem, planting 56 mu of trees, 130 mu of grass and 100 mu of agricultural crops
- ✓ Recycled residual heat from air compressors and introduced new technologies to upgrade and improve energy efficiency
- ✓ Reduced manpower, increased efficiency and improved safety through the implementation of the "intelligent mining" system
- ✓ Obtained approval for 4MW PV project

### 2.5 Proactively Embraced Social Responsibility and Continuously Improved ESG Performance



#### **Environment**

Carbon emission intensity(y-o-y)

28.3%

Helped society & clients reduce emission



**52.88** mil tons

2021: 49.07 mil tons

No. of member companies obtaining environmental management system certification ISO14001

66



2021: 43

### **Society**



0.34

2021: 1.09

Investment in occupational health and safety



RMB 1.74 b

2021: RMB1.66 bil



Investment in R&D

2021: RMB1.04 bil

#### Governance

Corruption cases, Complaints, Environmental illegal case



0

Enhanced the % of female board members



**18** %

2021: 8%

Enhanced the % of independent non-executive director



**36** %

2021: 33%

### Among leading levels in the A-share gas industry

**ESG Rating Performance** 

MSCI rating upgraded to BBB

MSCI ESG Rating history data over the last five years or sinc



**ESG Rating history** 

records began

AAA

AA

BBB

BB

CCC



**MSCI- ESG Rating** 

**Hang Seng Sustainability Index** 

2021: BB

**2021:** A<sup>-</sup>(56.25)

32.4

**50** 

**DJSI Sustainability Score** 

**First Rating** 

**Sustainalytics Score** 

**First Rating** 

# Carried out Scope 3 carbon emission statistics to lay the foundation for industry chain emission reduction

- Completed Scope 3 data statistics for fifteen categories and identified significant Scope 3 emission sources
- Developed statistical models and tools for the corresponding categories
- It is expected to become the first domestic natural gas enterprise to disclose Scope 3 major categories

# Actively responded to international ESG rating system to improve capital market evaluation

- Hang Seng (China A) Corporate Sustainability Index (Top 30)
- Hang Seng (Mainland and HK) Corporate Sustainability Index
- Hang Seng Stock Connect Hydrogen Energy Index
- MSCI China A Index

# Content





## **Financial Highlights**



**Results Review** 



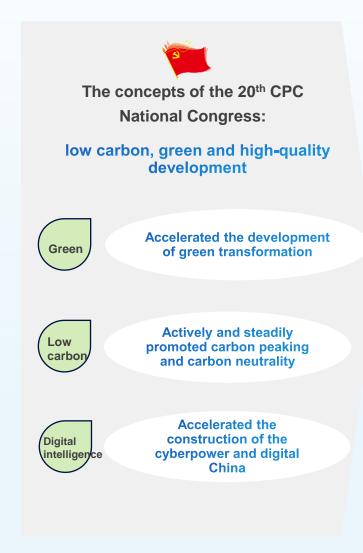
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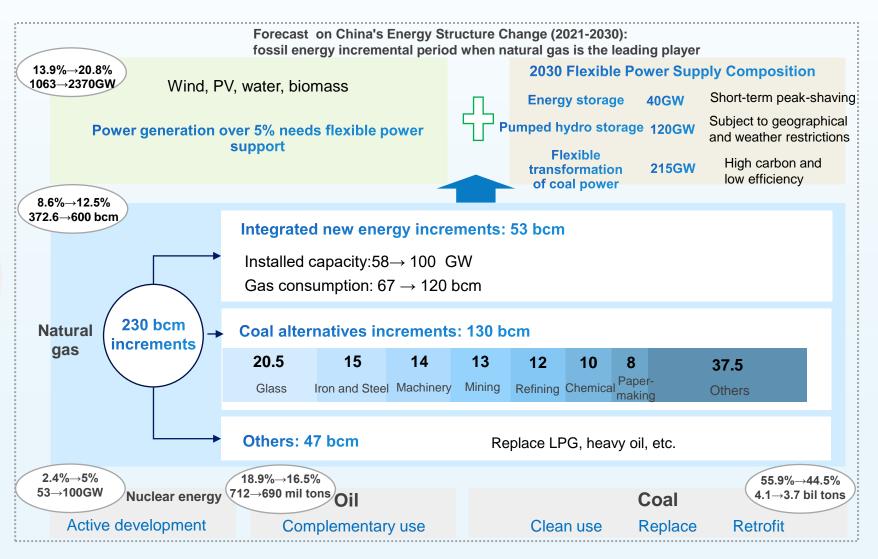


### 3.1.1 The Dual-carbon Policy Drives High-quality Development of Gas Sales Business



### The driving force behind the great development of the natural gas industry: "coal alternatives+new energy integration"

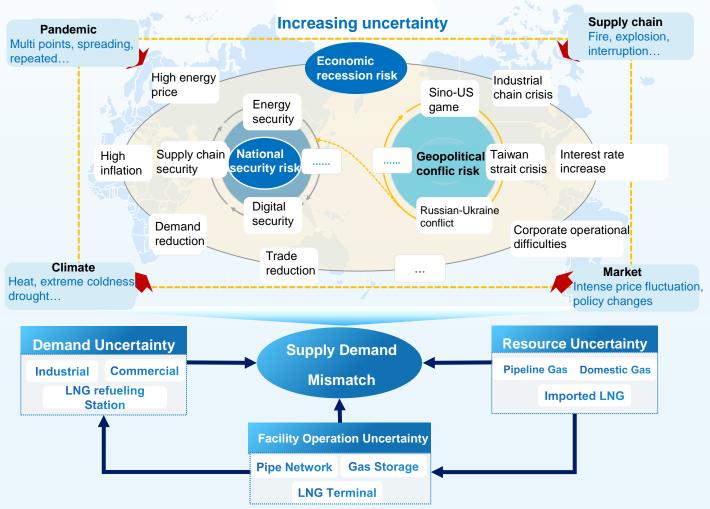




### 3.1.2 Industrial Internet Becomes a General Trend with Increased Uncertainties Amid Great Changes



### China's natural gas industry requires industrial internet



The natural gas industry needs to use digital intelligence technology to link demand and supply, get through data, and realize industrial collaboration and rapid response

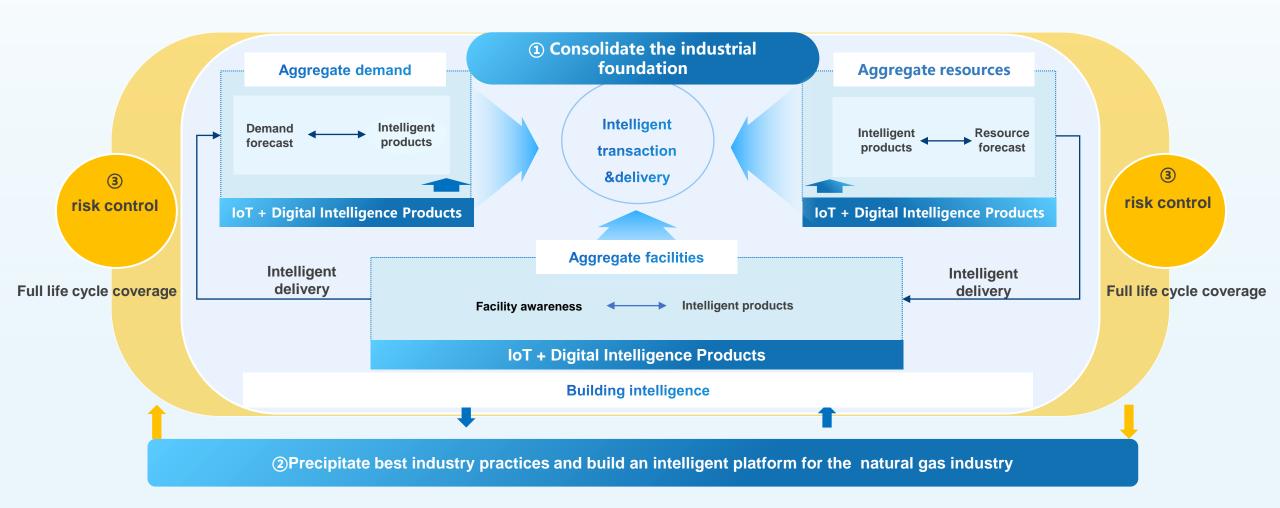


### 3.2 Approaches to Evolving into an Intelligent Ecological Operator of the Natural Gas Industry



Build a new development pattern powered by industrial internet, where the domestic economic cycle leads and the both domestic and international circulations reinforce each other

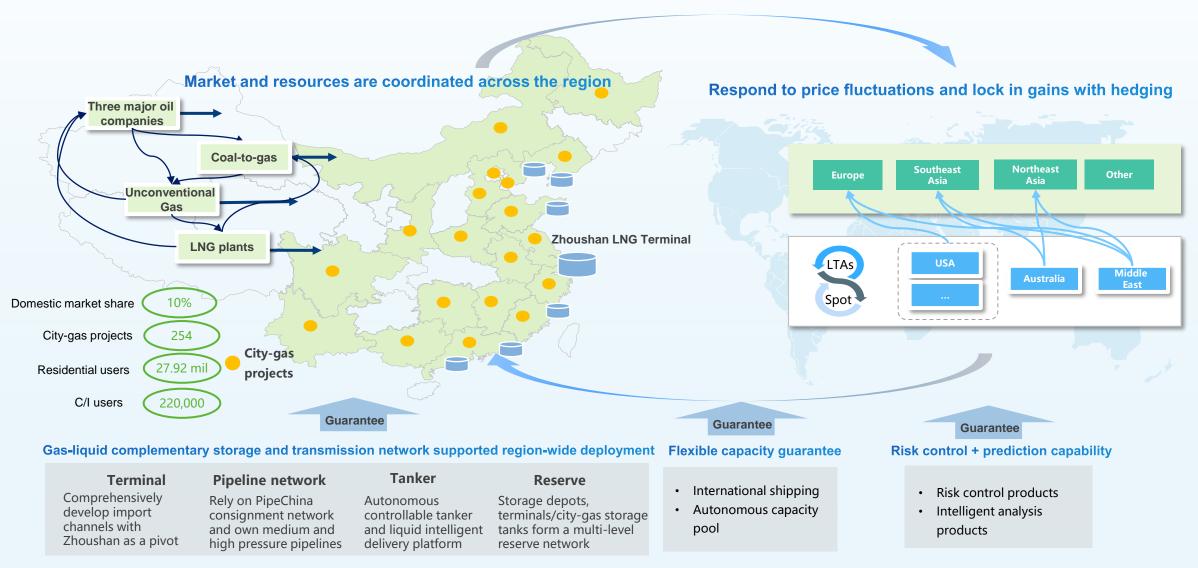
- > Aggregate natural gas demand, resources and facilities ecology through capital, technology, alliances, partnerships, and digital intelligence
- > Precipitate best practices, empower all ecological parties, and enhance the overall capacity of the industry



### 3.3 International-Domestic Linked Direct Gas Sales Business Model

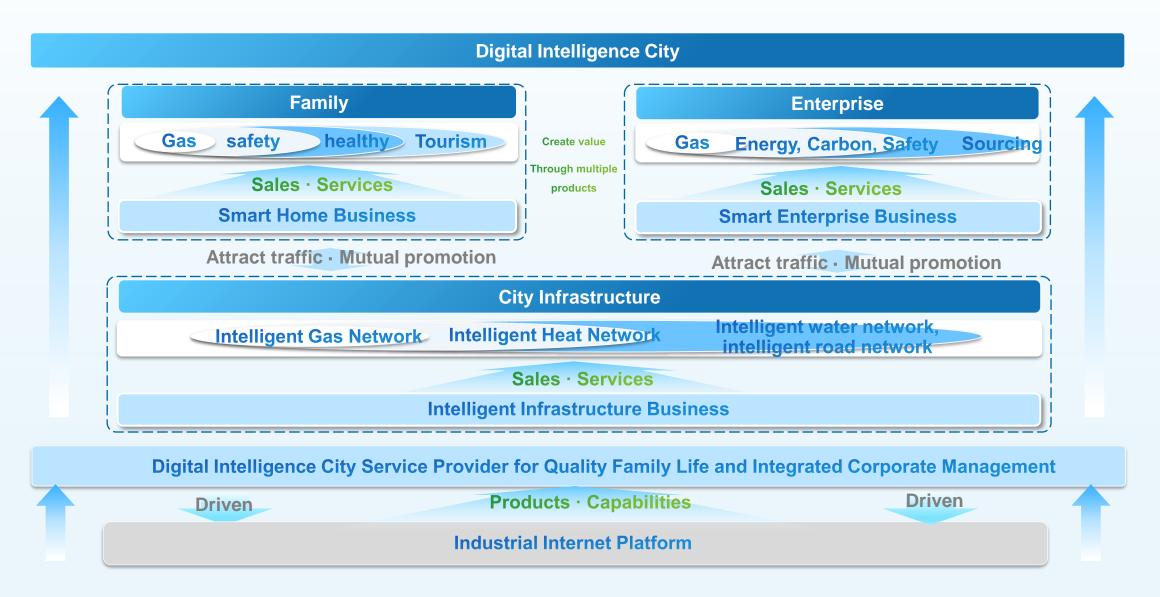


#### Intelligent prediction of international and domestic market changes to achieve intelligent matching of supply and demand



### 3.5 ENN Energy Upgrading into a Digital Intelligence City Service Provider





### 3.5 Expanding Engineering Construction Business with Low-carbon Intelligence



### Intelligent low-carbon construction service provider

Driven by digital intelligence

### **Integrated with Smart City**

- Traditional natural gas business: Innovate on models, strengthen and grow and reinforce industrial foundation
- 2. Smart City:
- Smart Home/Community: Create featured digital intelligence energy products and establish a new model of home construction
- 2 Smart Enterprise / Park: Plan and design to achieve all-scenario collaboration
- 3 Smart infrastructure: Develop intelligent terminals, large storage tanks, pipeline networks and other facilities

#### **Innovative extension**

- Pipeline corridor and intelligent pipeline network business: Innovative development, broaden business areas
- 2. Equipment integration: Develop double bases to expand the scale and help acquire overseas resources
- Coal chemical industry: Independent technology achieve market breakthrough, driving extension of coal chemical projects and resource aggregation

#### **New business**

- Develop biomass natural gas: Acquire low-carbon energy through dry technology and benchmarking demonstration + all-scenario synergy
- 2. Develop hydrogen energy: Develop core hydrogen production technology and equipment to create integrated solutions for hydrogen refueling IE stations

Driven by technology

Digital intelligence products: web design, digital delivery

Core technologies: large storage tanks, biomass, hydrogen energy, SOFC

Nationwide presence / Close to customers / Fast response

Regionalization + Specialization

Full cycle / Integration / Standardization / Low carbon technology

### 3.6 In-depth Layout in the Hydrogen Energy to Accumulate First-mover Competitive Advantage



ENN Natural Gas and ENN Energy were selected in the Hang Seng Shanghai-Shenzhen-Hong Kong Stock Connect Hydrogen Energy Index on 20 March, 2023

#### **Downstream application**

## Storage, transportation and delivery

## Production and manufacturing

### Strengths/ Capabilities

### Huge business network

Comprehensive utilization of green hydrogen

- 220,000 industrial and commercial customers
- More than 300 self-owned refueling stations
- Self-owned methanol production plant

# Smart logistics and delivery platform for hazardous chemicals

Nationwide natural gas pipelines•

- Real-time positioning, monitoring, early warning and route optimization
- Over 70,000 kilometers of medium and high-pressure pipelines
  - Over 110,000 kilometers of low-pressure pipelines

## 14 patented technologies

Coke oven gas to hydrogen technology

Natural gas to hydrogen technology

 Hydrogen production by water electrolysis

# experience in 40+ production projects

- Biomass hydrogen production technology
- EPC solutions covering all mainstream hydrogen production paths

## Development Initiatives

- Expand hydrogen energy distribution and hydrogen gas refueling stations by taking advantage of customer and market network
- Explore the application scenarios such as green methanol and green ammonia
- Smart logistics: Provide digital intelligence services for hydrogen transportation vehicles in the whole process
- Blending hydrogen into pipelines:

  Conduct research on the technology of blending hydrogen into natural gas pipelines
- Alliances and cooperation with leading hydrogen production technology, equipment, and production enterprises to jointly develop technology and markets
- Actively expand hydrogen energy EPC projects and equipment business

### **Appendix 1. Company overview**



- Listed in 1994, ENN Natural Gas (600803.SH) is one of the largest private intelligent ecological operators within the natural gas industry in China
- The Company's principal business covers the entire natural gas industry chain, including direct gas sales, retail and wholesale of gas, integrated
  energy sales and services, engineering construction and installation and energy production, as well as hydrogen and energy storage related
  technology research and business development.
- The Company operates 254 city-gas projects nationwide, serving 220,000 C/I customers and 27.92 million residential customers, respectively
- The Company completed the acquisition of 32.8% equity interest in ENN Energy in 2020 and 90% equity interest in Zhoushan LNG terminal in 2022

### **Business Segments**

#### **Direct Gas Sales**

The Company mainly purchases natural gas from overseas, supplemented by domestic LNG plants and unconventional resources, selling natural gas to domestic large industrial users, power plants, chemical users, and transportation energy, as well as international traders.

# Retail and Wholesale of Gas



- 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
   Wholesale: Complementing our retail gas cales we
- 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 regions

# Infrastructure Operation



 Operation of Zhoushan LNG Terminal, gas and liquid transmission and distribution pipelines, gas storage and other infrastructure

### **Integrated Energy**



 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

# Engineering Construction and Installation



- Provide integrated engineering services for natural gas infrastructure, municipal engineering, new energy and digital intelligence, including engineering design, equipment manufacturing and integration, engineering construction
- Provide gas installation services for residential and C/I customers

### **Energy Production**



- Coal: Mixed coal and cleaned coal production
- Energy chemical: methanol production with coal as a raw material

## Appendix 2. Details of long-term LNG contracts



No.	Buyer	Seller	Tenor	Contract vol (mil tons/year)	Delivery method	Gas resources	Start year	Index-linked
1	ENN Energy	Chevron	10 years	0.66	DES	Global resources	2018	JCC
2	ENN Energy	Total	10 years	0.50	DES	Global resources	2018	ЈСС/НН
3	ENN Energy	Origin	5+5 years	0.28	DES	Global resources	2018	Brent
4	ENN LNG (Singapore) Pte Ltd	Cheniere	13 years	0.90	FOB	USA Corpus Christi Sabine Pass	2022	НН
5	ENN LNG (Singapore) Pte Ltd	Novatek	11 years	0.60	DES	Russia	2025	Brent
6	ENN Energy	Energy Transfer	20 years	0.90	FOB	USA Lake Charles LNG Project	2026	НН
7	ENN LNG (Singapore) Pte Ltd	Energy Transfer	20 years	1.80	FOB	USA Lake Charles LNG Project	2026	НН
8	ENN LNG (Singapore) Pte Ltd	NextDecade	20 years	2.00	FOB	USA Rio Grande LNG Project	2026	НН

## Appendix 3. Net Profits Deducting Non-recurring Profits and Losses



Unit: RMB mil

Main items	excluded for calculating the profits deducting non-recurring profits and losses	FY2022	FY2021
Net Profits A	ttributable to the Parent	5,844	4,102
	Gains or losses on disposal of non-current assets	-73	99
	Government subsidies included in current profits or losses*	386	363
Excluded	Gains or losses from changes in fair value of held-for-trading financial assets/liabilities and return on investment from disposal of held-for-trading financial assets/liabilities and available-for-sale financial assets, excluding effective hedging activities related to the Company's normal business operations	1,748	749
items	Reversal of provision for impairment of receivables individually tested for impairment	32	0.44
	Net profits or losses of a subsidiary resulting from the merger of enterprises under the same control from the beginning of the period to the date of the merger	173	0
	Miscellaneous	00-34	00-36
	Affected amount of income tax	-384	-209
	Affected amount of minority equity (after tax)	<u>-674</u>	୍-439
Net Profits D	educting Non-recurring Profits and Losses	4,671	3,531

<sup>\*</sup>Excluding government subsidies that are closely related to the company's normal business operations, granted under national policies, and continuously enjoyed per certain standards in a fixed or quantitative manner

### Appendix 4. Implementation plan for the acquisition of Zhoushan Terminal



#### **Transaction plan**

Underlying asset: 90% equity

• Consideration: RMB 8.55 bil

Payment method: 50% by shares + 50% by cash

#### Issue price and quantity

- Issue price: RMB16.91 per share
- Number of shares issued: 252,808,988 shares
- Upon completion of the transaction, the controlling shareholder of the company holds a total of 72.40% of the shares of the listed company

Performance commitment period and amount			(RI	MB mil)
Period	2022	2023	2024	2025
Amount	349.67	639.43	933.48	1,196.43

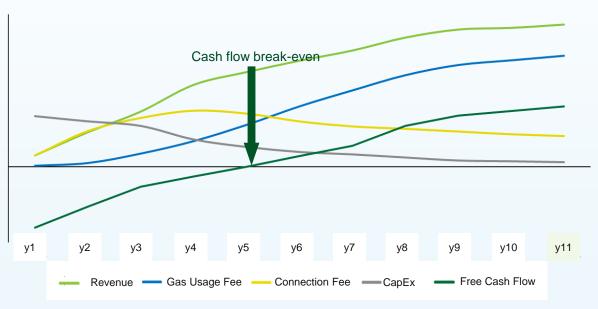
## Transaction key milestones and processes



### Appendix 5. Simplified Model for a Typical City-gas Project & IE Project

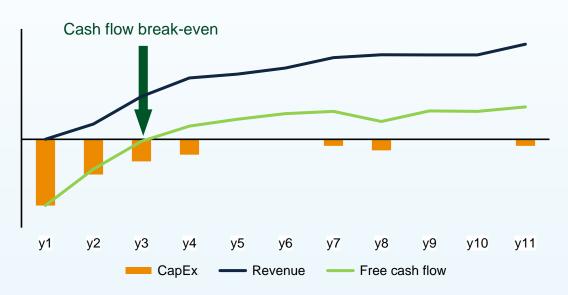


### **City-gas Project**



- Connection fee dominates in early years when the project companies are signing up new customers
- Gas usage increases as projects mature, becoming the major source of recurring income
- Prior to the completion of the whole pipeline network in cities, revenue will be generated as soon as gas supply becomes available in certain districts.
   Each connection contract normally takes 6–12 months to complete
- In general, gas projects would generate positive free cash flow after 5 years of operation

### **IE Project**



#### 1. Stable & Recurring Income

- Selling the types of energy customer need increases their stickiness

#### 2. Rapid Cash Flow Generation

- Capex are invested by stages depending on the number of customers and their energy consumption scale
- Our projects are mostly industrial parks with existing customers, once the energy stations completed, energy sales can be generated
- Payback period: 7-8 years

#### 3. Low Risk

- Diversified customer base in industrial parks helps reduce cyclical risks of certain industry
- Sign minimum energy offtake volume and establish automatic pass-through mechanism with customers
- · Market-oriented business model with low regulatory risk

### Appendix 6. Comprehensive Risk Management Capabilities to Improve Operational Certainty



### Globalized Market Risk Management System

Market Risk Management  Establish market risk research systems, including but not limited to managing risks in energy markets in Europe, the United States, etc. and dynamically indicating risks through ETMO

Foreign Exchange Risk Management Establish foreign exchange risk management system, covering foreign exchange risk management and risk indication mechanisms for different scenarios such as trade, U.S. debt and U.S. loans, etc. .

Integrated Global Risk Control  Create a global integrated trade platform to achieve regional linked risk management in Asian, European and North American markets

# Grid-based Physical Markets Risk Management System

Regional Resource Pool Risk Management  Establish a regional resource pool risk management system, forming a nationalregional risk control network, and empowering regional risk control needs through a regional risk control linkage mechanism

International Resource Pool Risk Management  Establish an international trade risk management system, managing the risk of the whole chain of international transactions, forming international domestic risk control network and indicating the risk in time

Risk Control Support for Industrial Customers  Expand the scope of risk control, including meeting the needs of external customers, industry eco-partners and internal risk control support

# Derivatives Markets Risk Management System

Full Process Risk Control For Derivatives Conduct refined risk control for the whole process of derivatives, manage the risk points before, during and after trading paper goods, and iteratively implement a hedge accounting system

Compliance Capacity Building  Advance transaction compliance capabilities, improve risk management systems, manage transaction contracts, and dovetail with internal and external audits

Credit Risk Management  Establish credit risk management systems, manage counterparty market value and cash flow risks, and improve credit risk model systems





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