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CGN POWER CO., LTD

(01816.HK, 003816.SZ)

2020 Interim Result

August 2020

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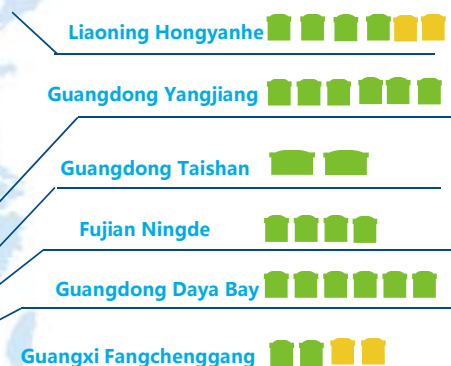
**Outlook for
2020H2**

Part I

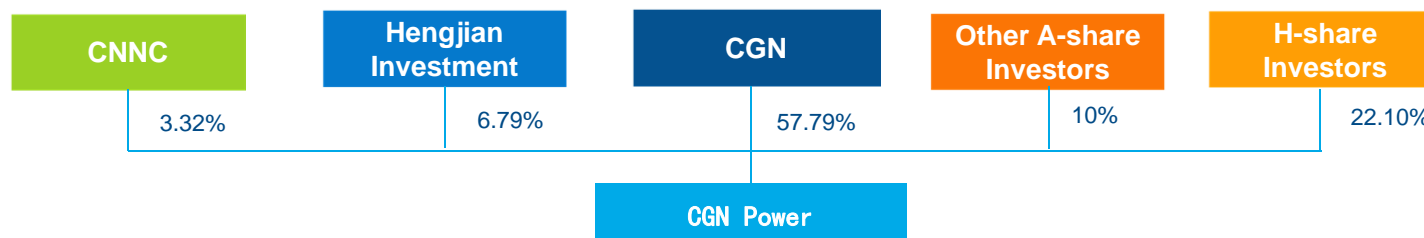
Corporate Introduction

- The controlling shareholder of CGN Power Co., Ltd. (CGN Power) is the large-scale enterprise group, China General Nuclear Power Corporation (CGN).
- Incorporated on March 25, 2014, with a registered capital of RMB 35.3 billion.
- On December 10, 2014, CGN Power, began trading on Hong Kong Stock Exchange.
- On August 26, 2019, CGN Power, began trading on Shenzhen Stock Exchange.
- CGN Power has issued 50.5 billion shares.
- We build, operate and manage NPPs, sell electricity generated by our NPPs, and organize to develop the design and research & development of NPPs..

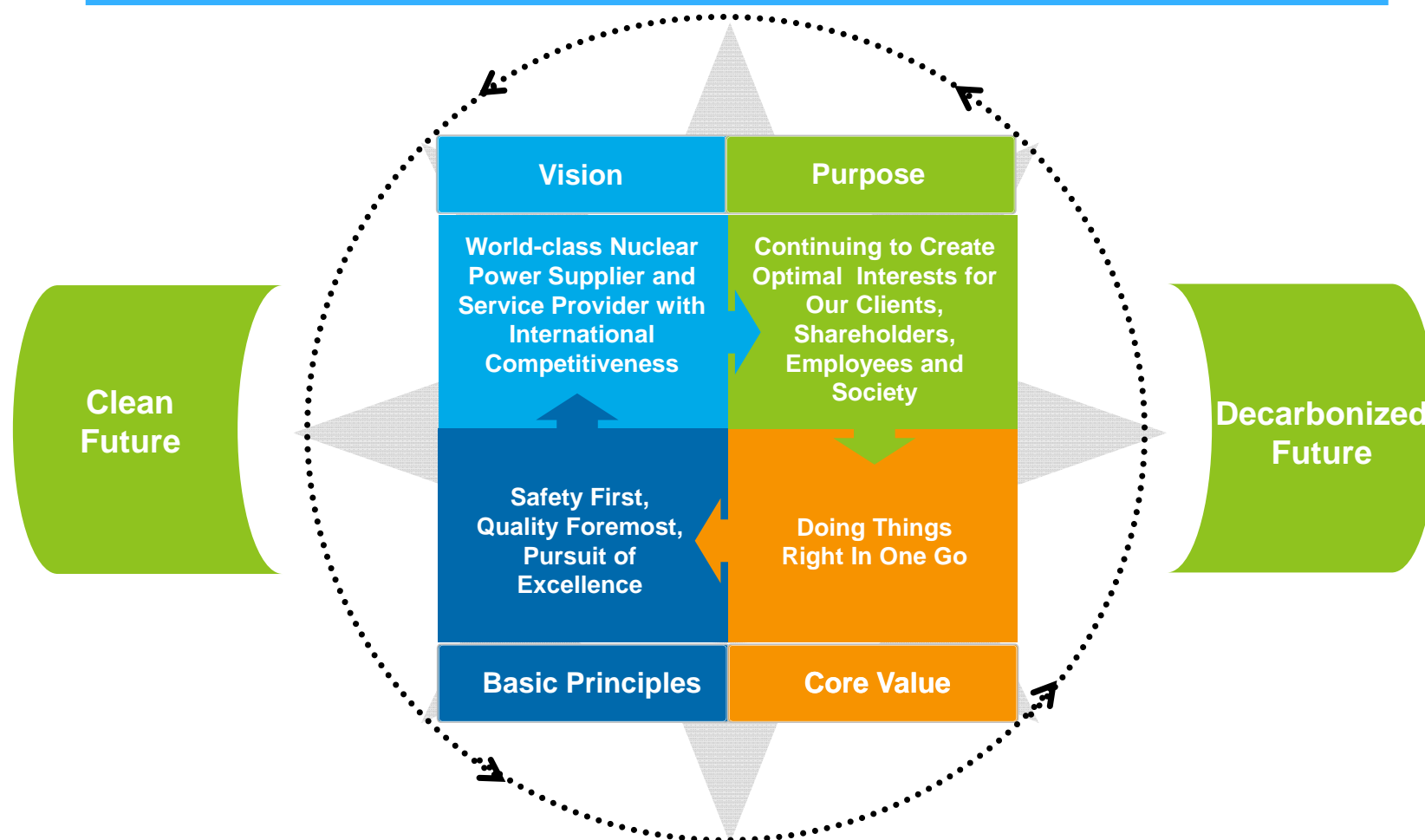
-  Unit in operation with installed capacity about 1000MW
-  Unit in operation with installed capacity about 1750MW
-  Unit under construction with installed capacity about 1000MW



Equity Structure



China and world's energy has been becoming green and low-carbon, which is a solid foundation for CGN's sustainable development.



- Robust business, adhere to high standards, and achieve stable performance in high-quality operations and engineering construction;
- Financial stability, ensuring capital security, and ensuring overall stable operating performance;
- Stable returns, keep promises, implement long-term stable dividend policy.

- Keep improving safety performance by benchmarking with WANO standards;
- Practice "specialization, centralization and standardization"(SCS) strategy to continuously enhance multi-unit management and control capabilities;
- Implement lean management, constantly optimize operating and project construction costs..



- Dedicated to developing clean energy, focusing on nuclear power and nuclear energy utilization
- Improving resources utilization rate and reducing resources consumption
- Controlling emissions strictly and protecting the environment

- Pushing ahead with the approval and kick-off of new projects to maintain leading position in business scale
- Adopting innovation driven strategy, keep applying new technologies to promote sustainable development of the company
- Tracking international market and seizing proper opportunities

Part II

Key Stats of 2020H1



Business

On-Grid Power Generation

90,348.68GWh(Subsidiaries & Associates) **+13.00%yoy**
76,070.27GWh(Subsidiaries) **+15.88%yoy**

WANO Indicators

achieved world top 1/4 advanced level **79.86%**
achieved world top 1/10 excellent level **77.43%**

Installed Capacity in Operation

27.14GW(Total) **+11.67%yoy**
15.16GW(Attributable to owners) **+11.45%yoy**

Installed Capacity under Construction

4.60GW(Total) **-38.15% yoy**
1.72GW(Attributable to owners) **-47.55% yoy**



Financial

Revenue

RMB 31,507M **+18.8%yoy**

EBITDA

RMB 18,597M **+12.5%yoy**

Profit Attributable to Owners

RMB 5,205M **+3.6%yoy**

Profit Attributable to Owners

RMB 5,143M **+6.8%yoy***

*excluding the non-recurrent gain and loss

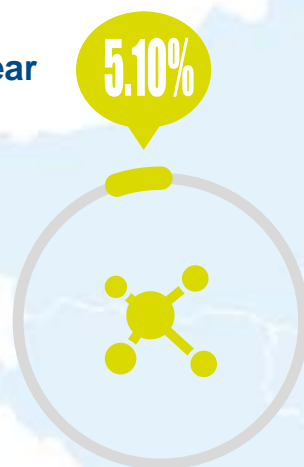
Part III

Business Performance



Power Generation Proportion of Nuclear Power Nationwide

From January to June 2020, the national nuclear power generation is 171600GWh, accounting for only 5.10% of the total national power generation, which is lower than the world average level of about 10% and far lower than those developed countries.



Proportion of Total Installed Capacity in Operation of Nuclear Power Nationwide¹

2.52%

Proportion of Total Installed Capacity in Operation of NPPs Managed by CGN Power²

55.67%

Proportion of Total Installed Capacity under Construction of NPPs Managed by CGN Power³

44.08%

Note*: Statistics only include the China's mainland.

Note1: As of June 30, 2020, the total installed capacity of generators over 6,000kW in China's mainland was 1936.22GW, of which nuclear power was 48.77GW.

Note2: As of June 30, 2020, CGN Power has a total of 24 units in operation with a total installed capacity of 27.14GW.

Note3: As of June 30, 2020, CGN Power has a total of 5 units under construction with a total installed capacity of 5.8 GW, including the Huizhou Unit 1 managed by CGN Power as entrusted by the controlling shareholder.

China continues to introduce policies to support nuclear power development and consumption

Action Plan for Clean Energy Consumption (2018-2020)

Under the condition of securing nuclear safety, most of nuclear power achieves guaranteed consumption in 2018-2019, nuclear power achieves total guaranteed consumption by 2020

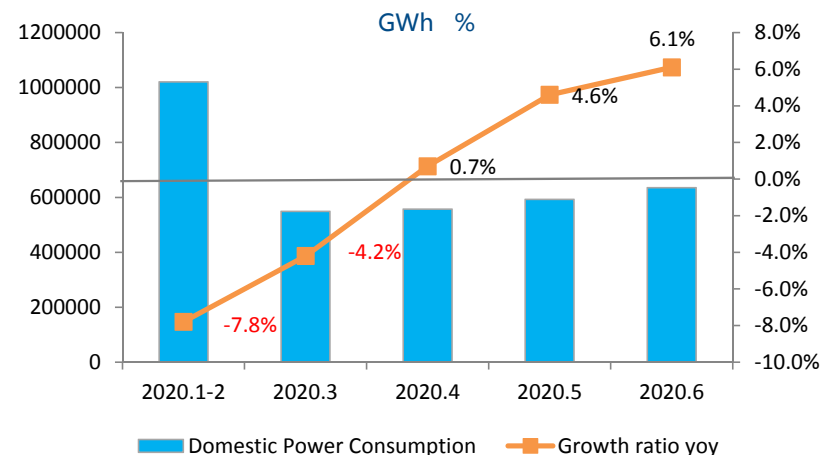
NEA

Guidance of 2020 Energy Work (June 22, 2020)

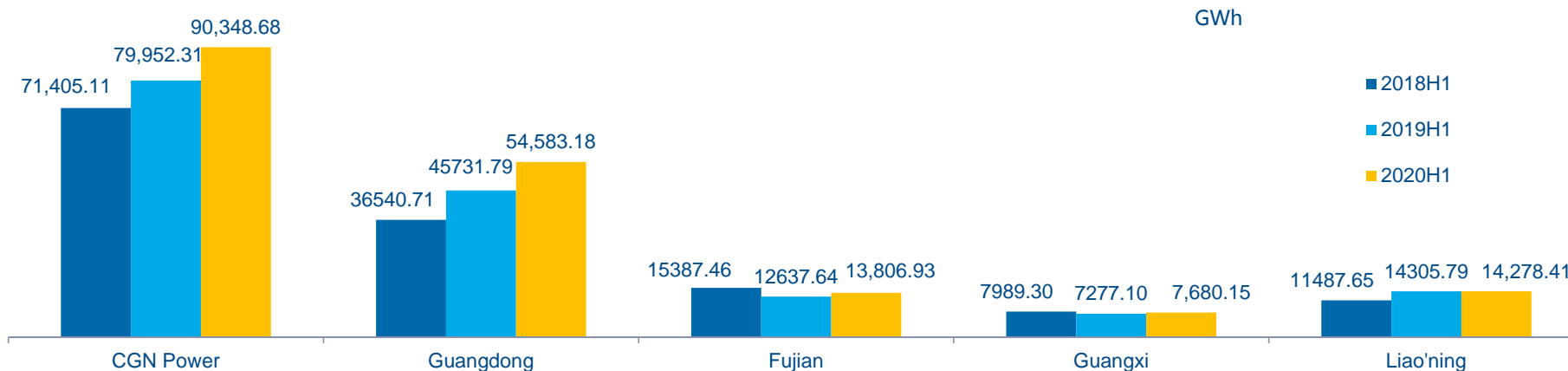
Adhering to the goal of clean and low carbon development. We will develop nuclear power in a safe manner and push forward project construction and integrated use of nuclear power steadily. We will continue to implement the interim measures on ensuring safe consumption of nuclear power so as to promote full load and maximum power generation.

NEA

Domestic Electricity Demand



Overall and Different Regions On-grid Power Generation

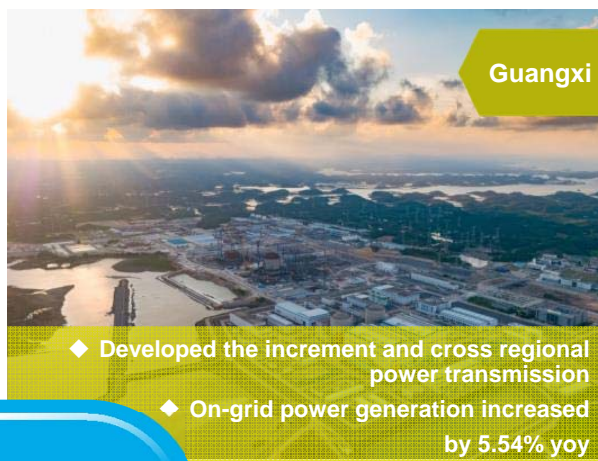


Guangdong



- ◆ "Maximized generation with favorable tariff" strategy
- ◆ On-grid power generation increased by 19.36% yoy

Guangxi



- ◆ Developed the increment and cross regional power transmission
- ◆ On-grid power generation increased by 5.54% yoy

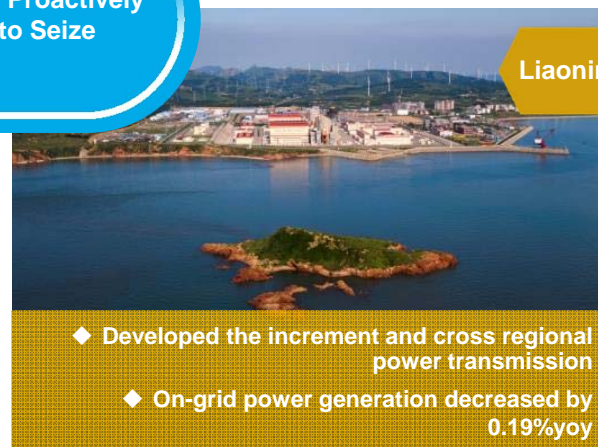
Plan Ahead, Adapt Proactively and Actively Seek to Seize Opportunities

Fujian



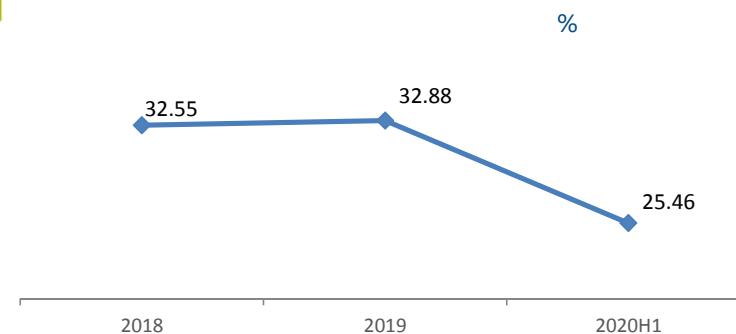
- ◆ Developed the increment and supplied to East China
- ◆ On-grid power generation increased by 9.25% yoy

Liaoning

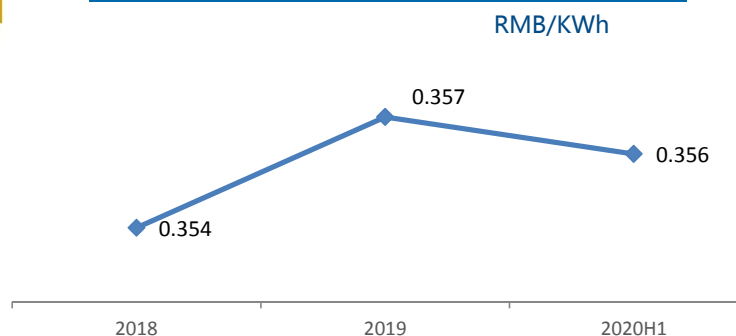


- ◆ Developed the increment and cross regional power transmission
- ◆ On-grid power generation decreased by 0.19% yoy

Market-based Power Generation Proportion



Market-based Power Tariff (tax inclusive)



Note1: The market-based power generation proportion and the market-based power tariff calculation has taken into account of Guangdong Province.

Note2: Starting from April 1st 2019, VAT rate has been adjusted to 13% from 16%.

Good Safety and Operation Record



0

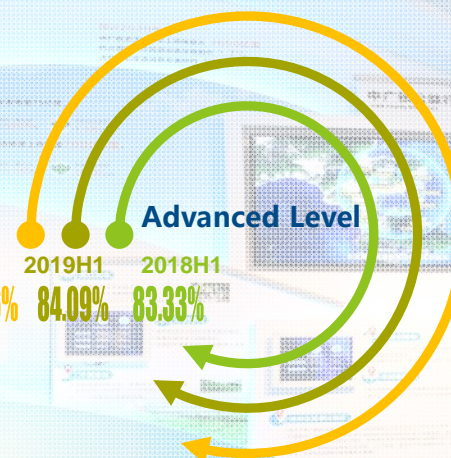
No operational events at level 2 or above of the International Nuclear Event Scale has occurred.



> 5000 Days

Ling'ao Unit 1 has no unplanned shutdown for 15 consecutive years. As of June 30, 2020, it has been operating safely more than 5000 days

WANO¹ Indicators Remained at a High Level



achieving the world's top 1/4 level (advanced level)



achieving the world's top 1/10 level (excellent level)

Note 1: WANO-World Association of Nuclear Operators, WANO organizations, through their members, use them to formulate internationally common performance indicators for unified management and coordination, which is conducive to strengthening the exchange of nuclear power technology, experience and accident information to continuously improve the safety and reliability of NPPs in the world, the organization has successfully operated for 25 years.

According to the electricity demand in China and the operating status of the generating units, we further optimized our outage plans of the units to increase the power generation capacity:

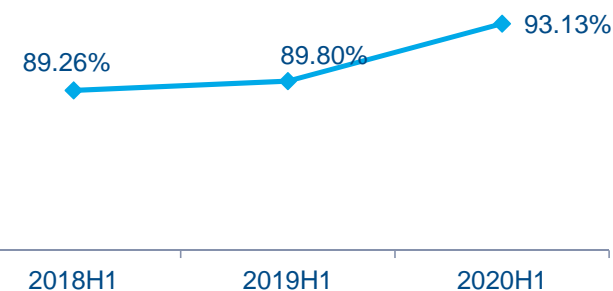

2019H1

Completed 11 refueling outages
344 days

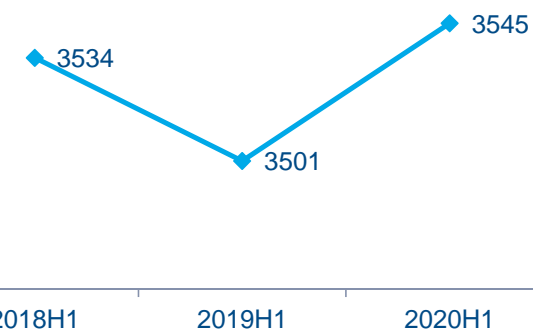

2020H1

Completed 6 refueling outages
200 days

Average Capacity Factor maintained at a high level



Average Utilization Hours Increase



Units	Civil Construction Phase	Equipment Installation Phase	Commissioning Phase	Grid Connection Phase	Expected COD
<u>Hongyanhe Nuclear</u>					
Hongyanhe Unit 5					2H2021
Hongyanhe Unit 6					1H2022
<u>Fangchenggang Nuclear</u>					
Fangchenggang Unit 3					2022
Fangchenggang Unit 4					2022
<u>Huizhou Nuclear*</u>					
Huizhou Unit 1					2025

Note 1: As of June 30, 2020

Note 2: Civil construction phase refers to the process from the First Concrete Day ("FCD") to the proper roof installation of the main plant of the nuclear reactor.

Note3: Equipment installation phase refers to the process from the installation of nuclear island equipment upon the roof installation of the main plant of the nuclear reactor to the nuclear island main system meeting the conditions to conduct cold function tests.

Note4: Commissioning phase refers to the process of conducting cold function tests for nuclear island main system and commencing joint commissioning for the power plant.

Note 5: Grid connection phase refers to the commissioning of generators upon the first grid connection with the power grid, demonstrating that the power generating units are capable for power generation.

Note *:Huizhou Unit 1 is managed by the Company as entrusted by the controlling shareholder.

01. Proactive Disclosure of Information

- Each of the nuclear power bases has established its professional public information platform on nuclear and radiation safety. Any operational incident occurring at a nuclear power generating unit in operation must be published on the public information platform within 2 working days of definition of such incident.
- Each of the nuclear power bases managed by us has established its own websites and social media platforms such as the official WeChat account for delivering the operational information of various NPPs proactively.
- We take the initiative to report to supervisory authorities and national regulatory agencies

02. Good Environmental Performance

- The environmental monitoring system is well-developed and the environmental monitoring results are normal.
- Radioactive waste emissions are far below national limits.

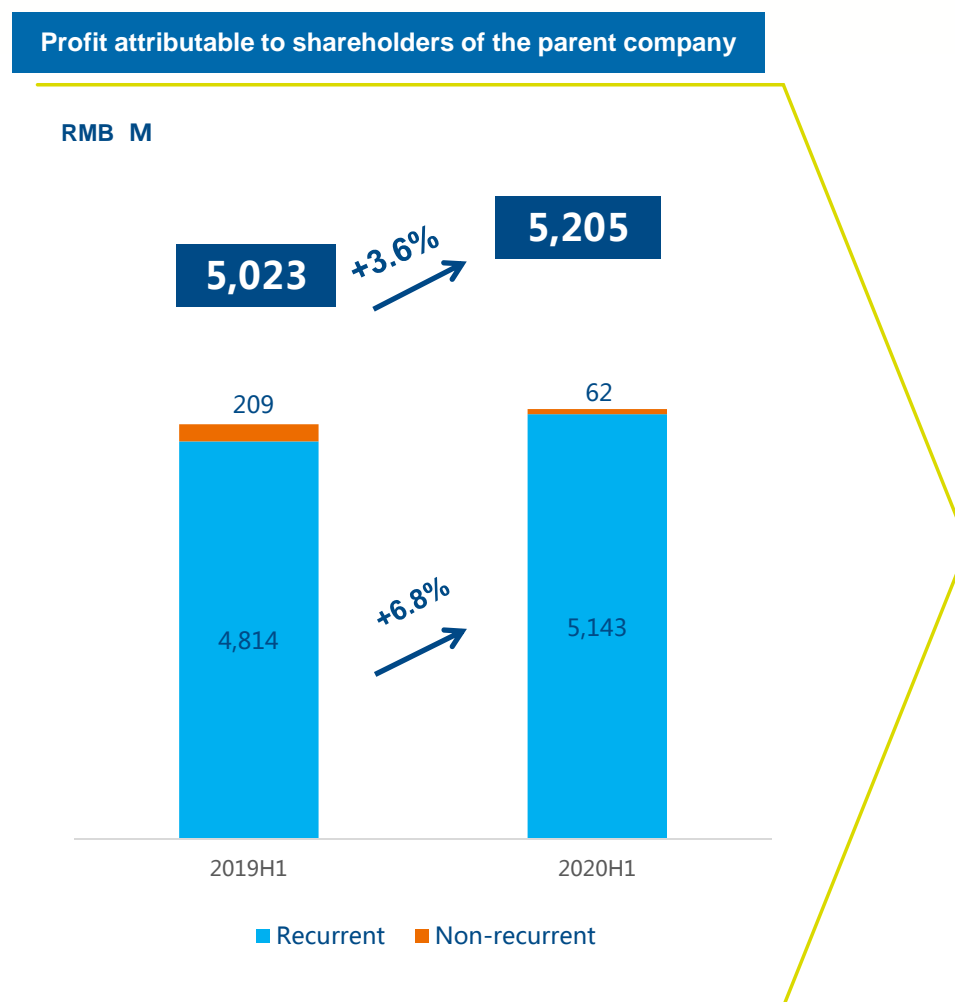
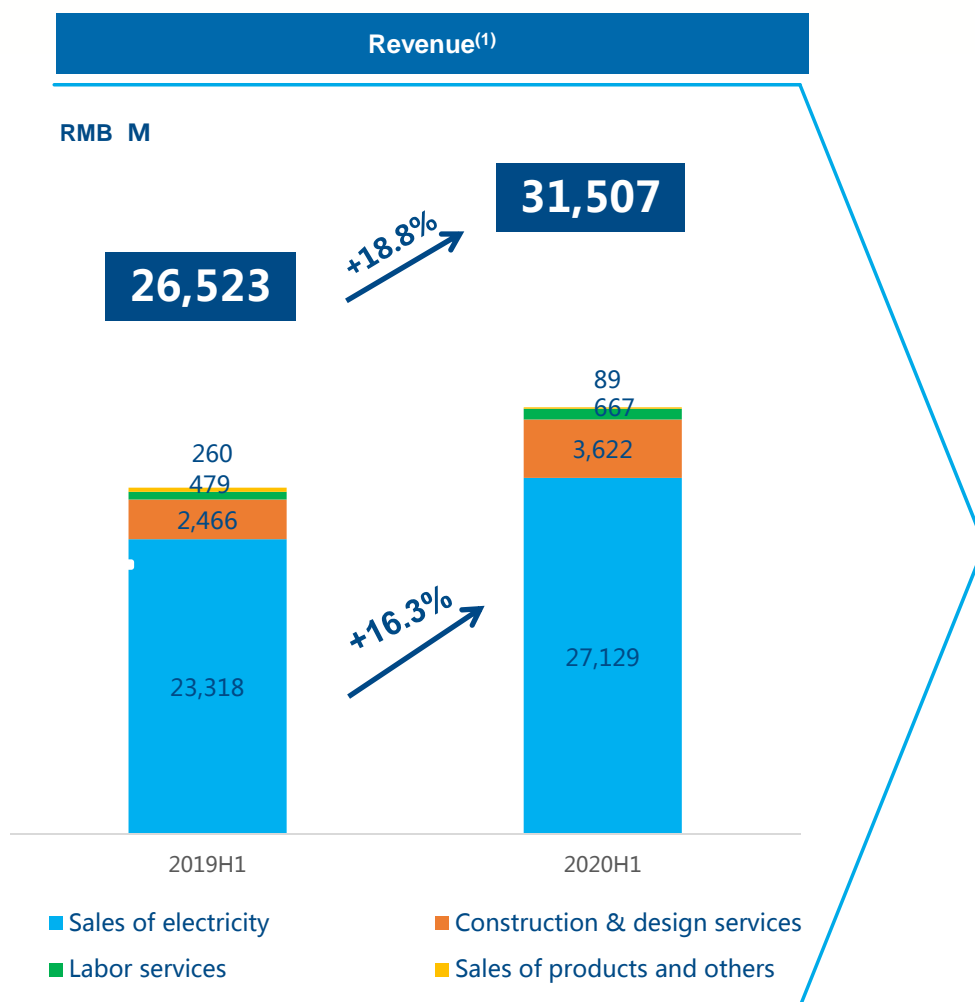


03. Environmental Performance

- In the first half of 2020, our on-grid nuclear power generation in effect represented a reduction of approximately **27.3395** million tons of standard coal consumption
- approximately **75.7122** million tons of CO₂ emissions
- with an equivalent effect of planting a forest of approximately **203,300** hectares

Part IV

Financial Performance

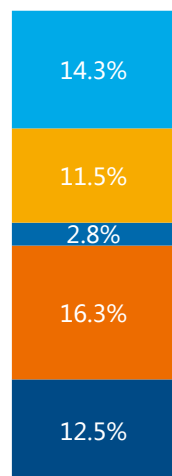
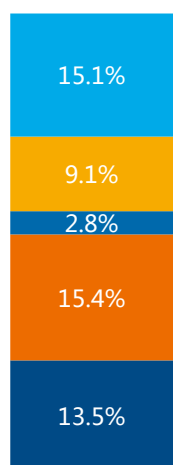


Note1: Hongyanhe Nuclear is not included in the consolidated financial statements, therefore the revenue of Hongyanhe Nuclear is not included in the Company's revenue.

Cost as % of Revenue

55.9%

57.4%



2019H1

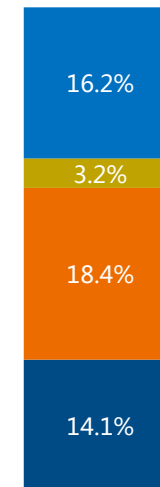
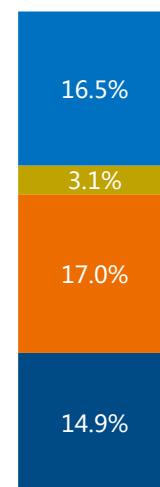
2020H1

- Operation and others
- Construction and design services
- Provision for spent fuel management
- Depreciation of properties, plants and equipment
- Cost of fuels

Cost as % of Revenue (Excluding construction and design services)

51.5%

51.9%



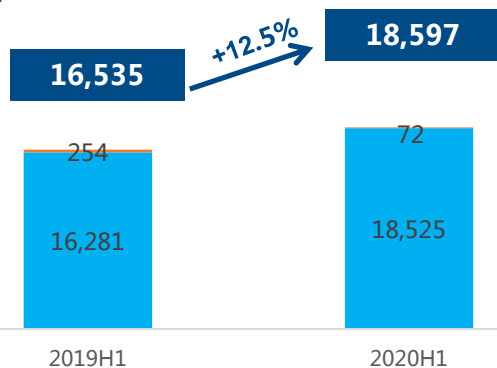
2019H1

2020H1

- Operation and others
- Provision for spent fuel management
- Depreciation of properties, plants and equipment
- Cost of fuels

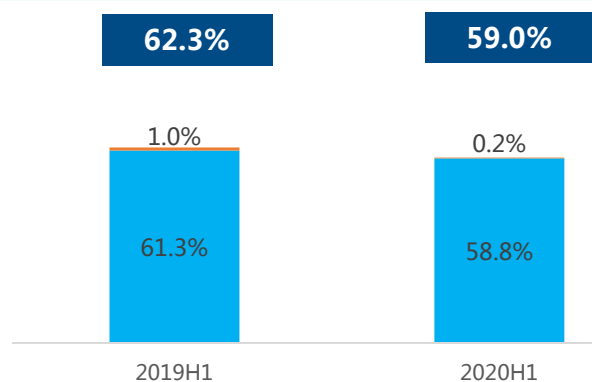
EBITDA⁽¹⁾

RMB M



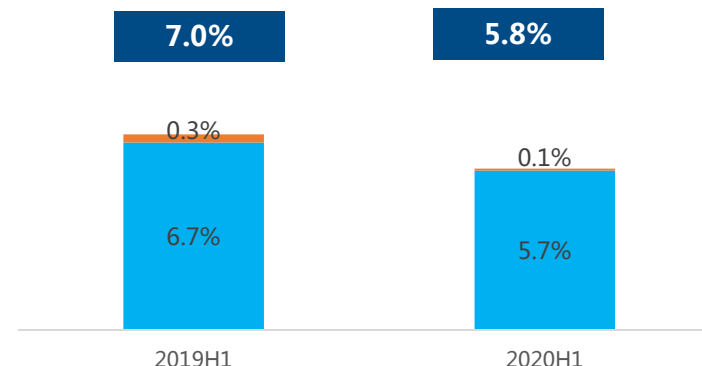
■ Excluding non-recurrent ■ Non-recurrent

EBITDA Margin⁽²⁾



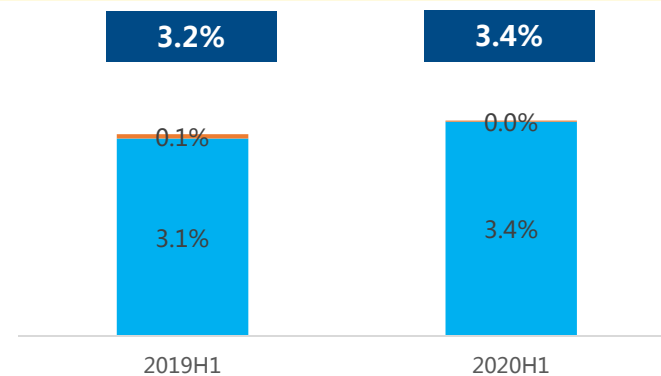
■ Excluding non-recurrent ■ Non-recurrent

ROE (Excluding non-controlling interests)⁽³⁾



■ Excluding non-recurrent ■ Non-recurrent

ROA⁽⁴⁾



■ Excluding non-recurrent ■ Non-recurrent

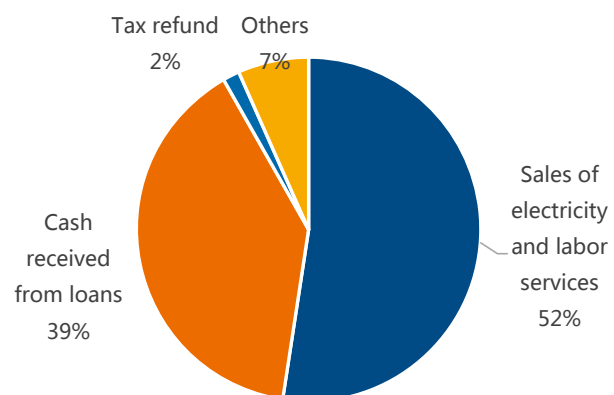
Note 1: EBITDA=Total profit + Interest expenses recognized in profit or loss + Depreciation and amortization

Note 3: ROE(Excluding non-controlling interests)= Net profit attributable to shareholders of the parent company/Average equity attributable to shareholders of the parent company (the arithmetic mean of the opening and closing balances) * 100%

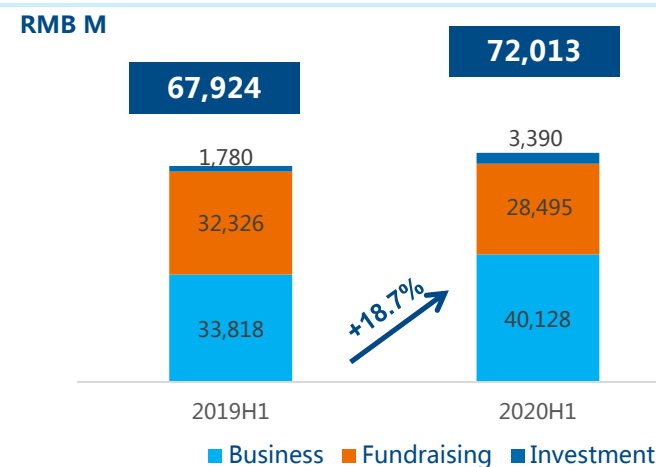
Note 2: EBITDA margin= EBITDA/Revenue * 100%

Note 4: ROA(Return on total assets)= (Total profit + Interest expenses recognized in profit or loss)/Average total assets (the arithmetic mean of the opening and closing balances) * 100%

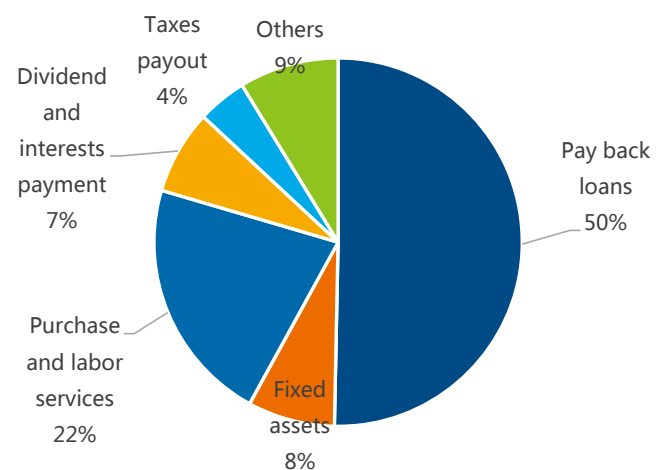
Cash inflow Structure in 2020H1



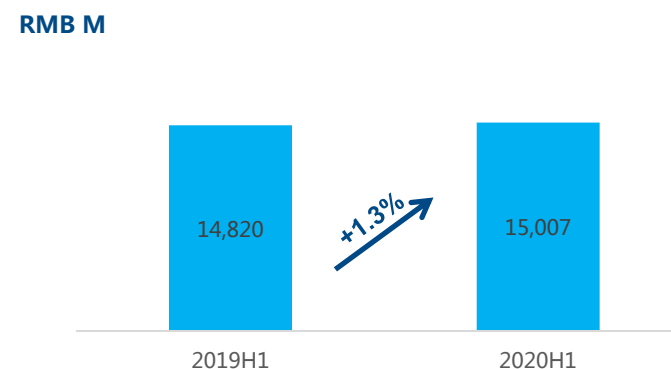
Cash inflow in 2020H1



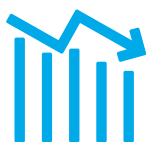
Cash outflow Structure in 2020H1



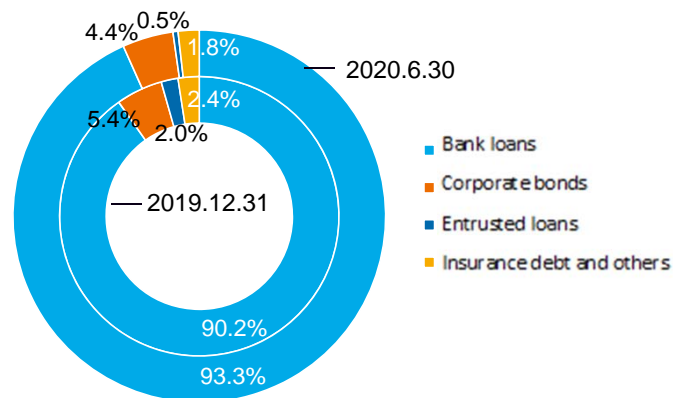
Net operating cash flow in 2020H1



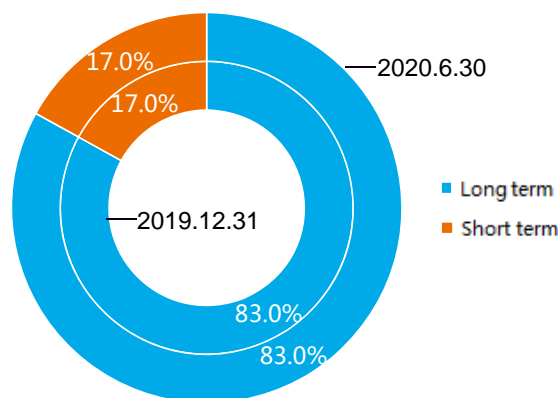
The Company follows the principle of considering both cost and security, ensures finance security and controlling finance costs through building solid debt structure.



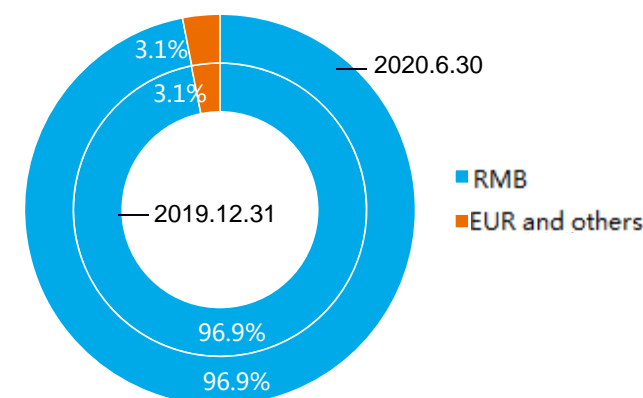
In the first half of 2020, in pace with the trend of the interest rate liberalization reform, the Company converted the basis of pricing for its existing long-term project loans to loan prime rate(LPR), and the interest rate level declined after the conversion, which will have a positive impact on the Company's finance cost saving in 2020.



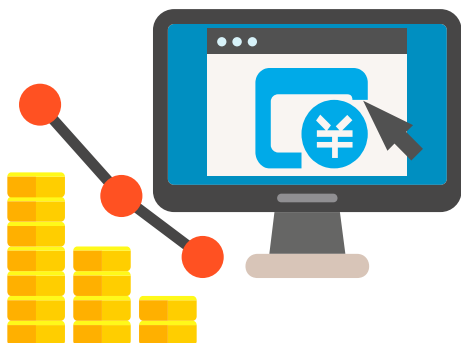
Debts are mainly from bank loans



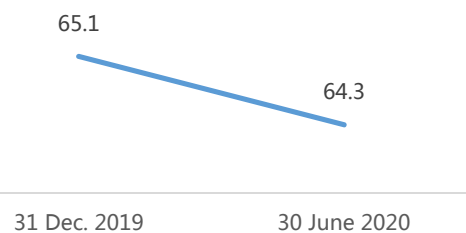
Long-term debt predominates



RMB debt predominates

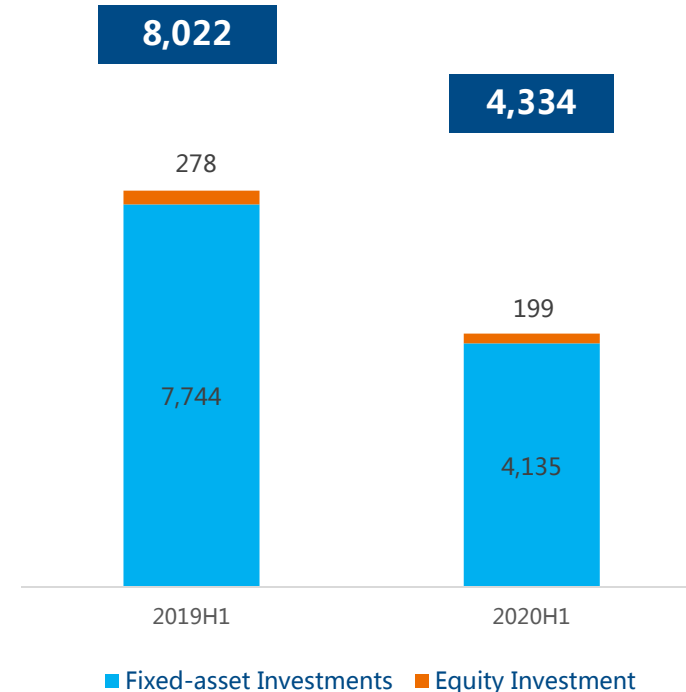


Asset-Liability Ratio%⁽¹⁾

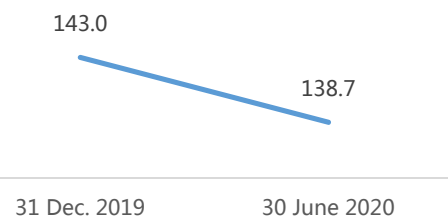


Capital Expenditure

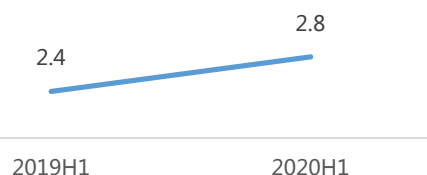
RMB M



Debt to Equity Ratio%⁽²⁾



Interest Coverage⁽³⁾



Note1 : Asset-Liability ratio=(Total liabilities / Total assets)*100%

Note2 : Debt to equity ratio=Net debt (the total amount of bank and other borrowings less cash and cash equivalents and other deposits over three months)/Total shareholders' equity*100%

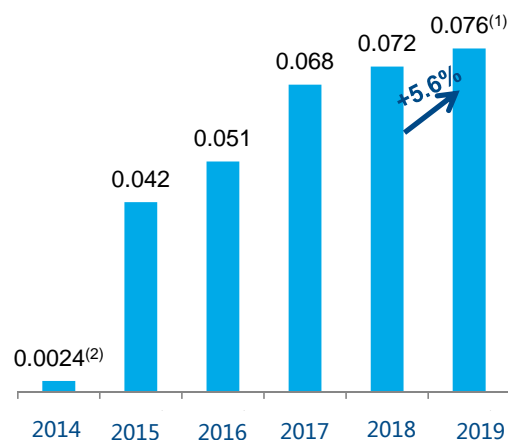
Note3 : Interest coverage=(Total profit + Interest expenses recognized in profit or loss)/(Interest expenses recognized in profit or loss + interest expenses capitalized)



The Board and the management of the Company pay attention to providing its shareholders with steady and growing dividend. By attaching great importance to the safe and stable operation of nuclear power generating units and striving to achieve the stable growth of the Company's overall operation, the Company intends to achieve the target of maintaining a reasonable increase in dividend (subject to approval at the general meeting of the relevant financial year) for each of the three financial years of 2018, 2019 and 2020 based on the annual dividend per share for 2017.

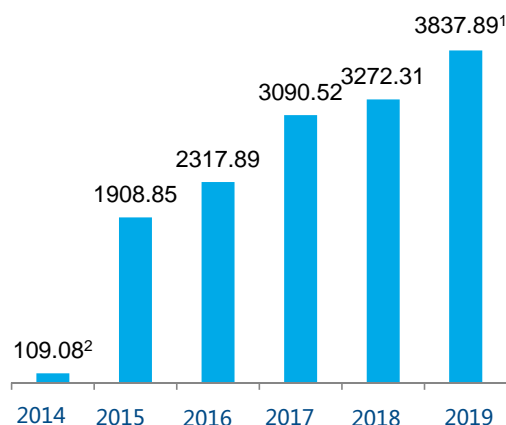
Annual Dividend per Share

RMB per share



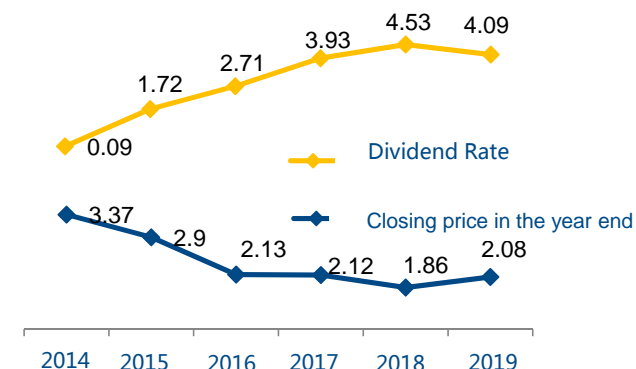
Annual Dividend

RMB M



Dividend Rate

%
HKD



Note 1: The final dividend of 2019 has been distributed on 10th July 2020.

Note 2: Dividend period of 2014 was from 10th Dec to 31st Dec.

Part V

Outlook for 2020H2

01. To ensure the safe and stable operation of all the generating units in operation

We will ensure the safe and stable operation of all the generating units in operation, with 11 planned refueling outages in the 2020H2. We will be meticulous in organizing and further optimizing the outages with reasonable allocation of resources for outages so as to ensure the high quality completion of every refueling outage.

02. To push forward construction of all units under construction

On the premise of ensuring safety and quality, we will push forward construction of the 5 units, and further strengthen management of nuclear power construction projects.

04. To implement our lean management strategy

We will continue to implement our lean management strategy and strengthen internal resources coordination and cooperation to effectively control construction cost of units under construction as well as operation cost of units in operation.

03. To continuously optimize the marketing mechanism of electricity market

We will adapt to the changes in the electricity market situation, continuously optimize the marketing mechanism of electricity market, and strengthen the development of marketing capabilities for electricity market to strive for more on-grid generation through various channels and initiatives, striving to achieve the annual power generation plan

05. To optimize debt structure and improve the efficiency of using funds

By tracking the impact of the COVID-19 on the domestic and international economic and financial market environment, and upholding the principle of prudence, we will continue to optimize our debt structure while ensuring the safety of funds, so as to reduce the Company's capital cost. We will reasonably use the proceeds from H shares and improve the efficiency of using funds.



中广核  CGN

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Thank you!