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# **CGN Power CO., LTD**

## **the 1<sup>st</sup> Quarter Results of 2021**



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# Part I Corporate Introduction



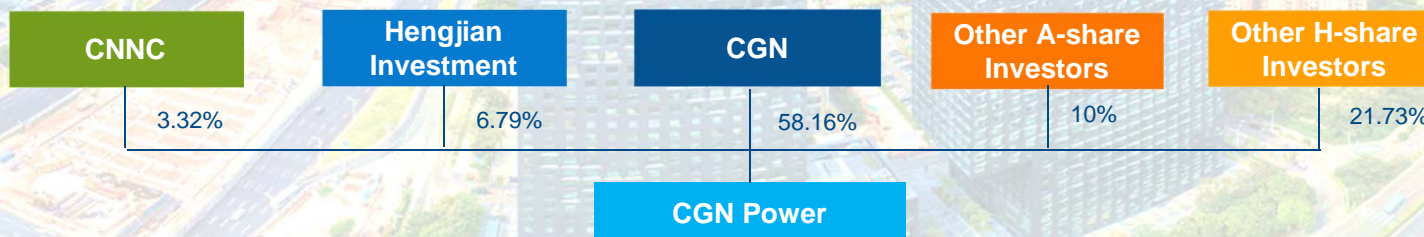
CGN Power has issued 50.5 billion shares and our controlling shareholder is CGN (supervised by SASAC of the State Council); We design, build, operate and manage nuclear power plants (NPPs), sell electricity generated by our NPPs, and organize R&D of NPPs.

Incorporated on  
March 25, 2014

H-share IPO on  
December 10, 2014

A-share IPO on  
August 26, 2019

### Equity Structure



Note: As of April 22, 2021.



### Units in operation

- 24 units
- Installed capacity: 27.14GW

**53.19%**  
Share of installed  
capacity in operation




### Units under construction<sup>1</sup>

- 7 units
- Installed capacity: 8.21GW

**47.21%**  
Share of installed  
capacity under  
construction

### 8 Nuclear Power Bases



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

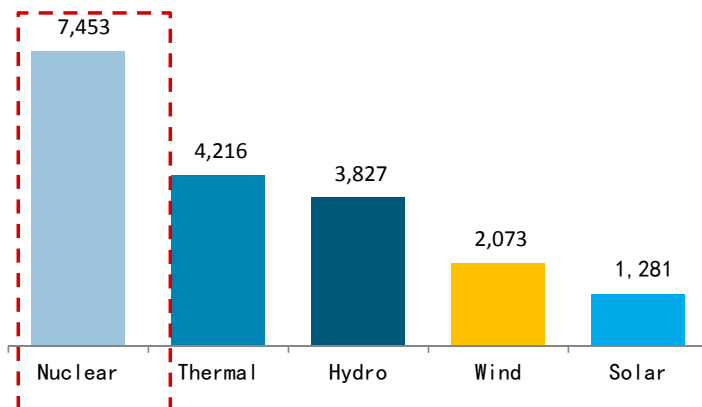
Note: Statistics only include the China's mainland and as of March 31, 2021.

Note1: Units under construction include Huizhou Unit 1, Unit 2 and Cangnan Unit 1, which were entrusted to us by our controlling shareholder for management.

## I、Reliability

- Nuclear power , with large electricity generation per unit, is stable, reliable and almost unaffected by nature environment.
- With lower variable cost and less affected by fluctuations of the energy prices.
- An important base-load power source for the power grid; higher priority for access to grid compared with thermal power; higher annual utilization hours.

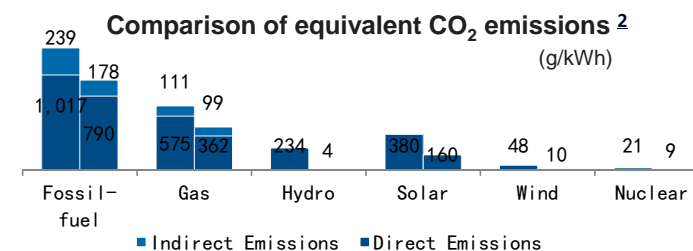
Annual utilization hours of units above 6000 kW in China 2020<sup>1</sup>



Note 1 : referred from China Electricity Council(CEC)

## II、Clean

- No emissions of sulfur oxides, nitrogen oxides and greenhouse gases.
- Plays an irreplaceable role in reducing emissions and pollution.

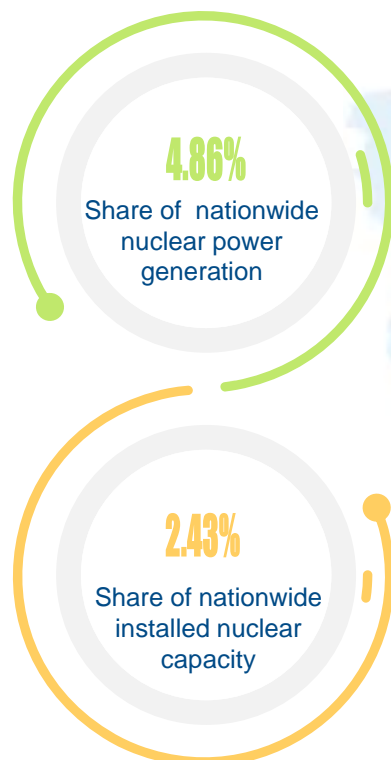


Note 2 : referred from IAEA

## III、Efficiency

- Nuclear power is a highly efficient energy source that is small in size and convenient for transportation and storage.
- An extremely efficient way of generating electricity; according to statistics published by the European Nuclear Energy Association, 1,000 grams of standard coal, mineral oil and uranium produce about 8 kWh, 12 kWh and 24 MWh respectively.

Share of nationwide nuclear power generation and installed capacity<sup>1</sup>



Chinese and global energy industry is shifting towards green and low-carbon development. China strives to achieve carbon emissions peak by 2030 and carbon neutrality by 2060. Nuclear power development presents broad prospects.

Guidance on Energy Work in 2020  
(2020/6/5)

Adhering to the goal of clean and low carbon development. China will **develop nuclear power in a safe manner** and steadily promote project construction and comprehensive use of nuclear energy. China will **continue to implement Temporary Measures on Ensuring Safe Consumption of Nuclear Power**, and promote maximum generation of nuclear power.  
NEA

White Paper on China's Energy Development  
(2020/12)

Building a clean and diversified energy supply system, prioritizing non-fossil energy, attaching equal importance to safety and development, and **developing nuclear power in a safe and orderly manner**.

State Council

Government Work Report  
(2021/3/5)

Take solid steps toward the goals of achieving peak carbon dioxide emissions and carbon neutrality. **Take active and well-ordered steps to develop nuclear energy on the basis of ensuring its safe use.**

State Council

National policies to support nuclear power development

Note1: Statistics from the National Power Industry Statistics Overview issued by the CEC, as of March 31, 2021.



## Vision

World-class nuclear power supplier and service provider with international competitiveness

- Robust business, achieving stable performance in operations and high-quality commercial operations of construction projects
- Financial stability, ensuring capital security, and stable operating performance
- Stable returns, keeping promises and maintaining long-term stable dividend payout

## Purpose

Continuing to create optimal benefits for our customers, shareholders, employees and the society

- Keeping improving safety performance by benchmarking against world-class standards
- Adopting "specialization, centralization and tandardization"(SCS) strategy to enhance multi-unit management and control
- Implementing lean management, strictly controlling project construction costs and optimizing O&M costs

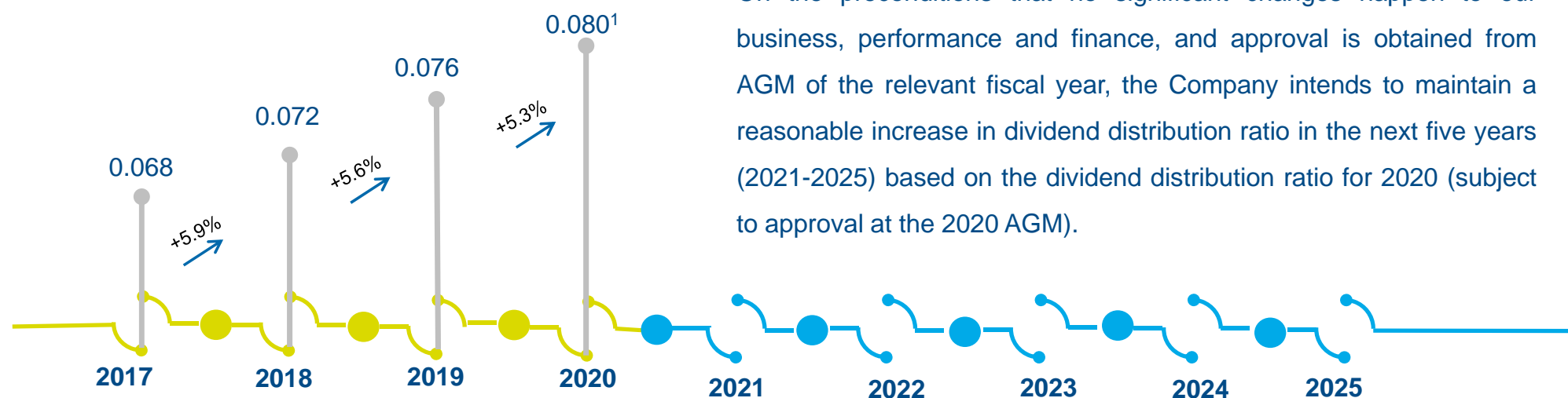


- Dedicated to developing clean energy, focusing on nuclear power and comprehensive use of nuclear energy
- Improving resources utilization rate and reducing resources consumption
- Controlling emissions strictly and protecting the environment

- Pushing ahead with the approval and kick-off of new projects to maintain leading position in installed capacity
- Actively developing and mastering nuclear power technologies to maintain sustainable development of the company
- Strengthening commercialization and promotion of research results to increase business opportunities where appropriate

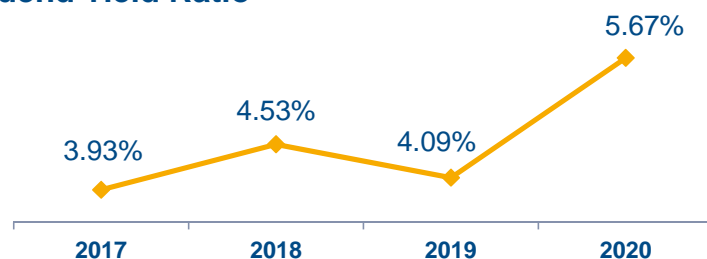
2018-2020 Dividend Payout Promise Honored

Dividend RMB/share



On the preconditions that no significant changes happen to our business, performance and finance, and approval is obtained from AGM of the relevant fiscal year, the Company intends to maintain a reasonable increase in dividend distribution ratio in the next five years (2021-2025) based on the dividend distribution ratio for 2020 (subject to approval at the 2020 AGM).

Dividend Yield Ratio



Note1: The final dividend of 2020 will be distributed after being approved by our shareholders at the 2020 AGM of the Company, and is expected to be distributed on or around July 8, 2021.

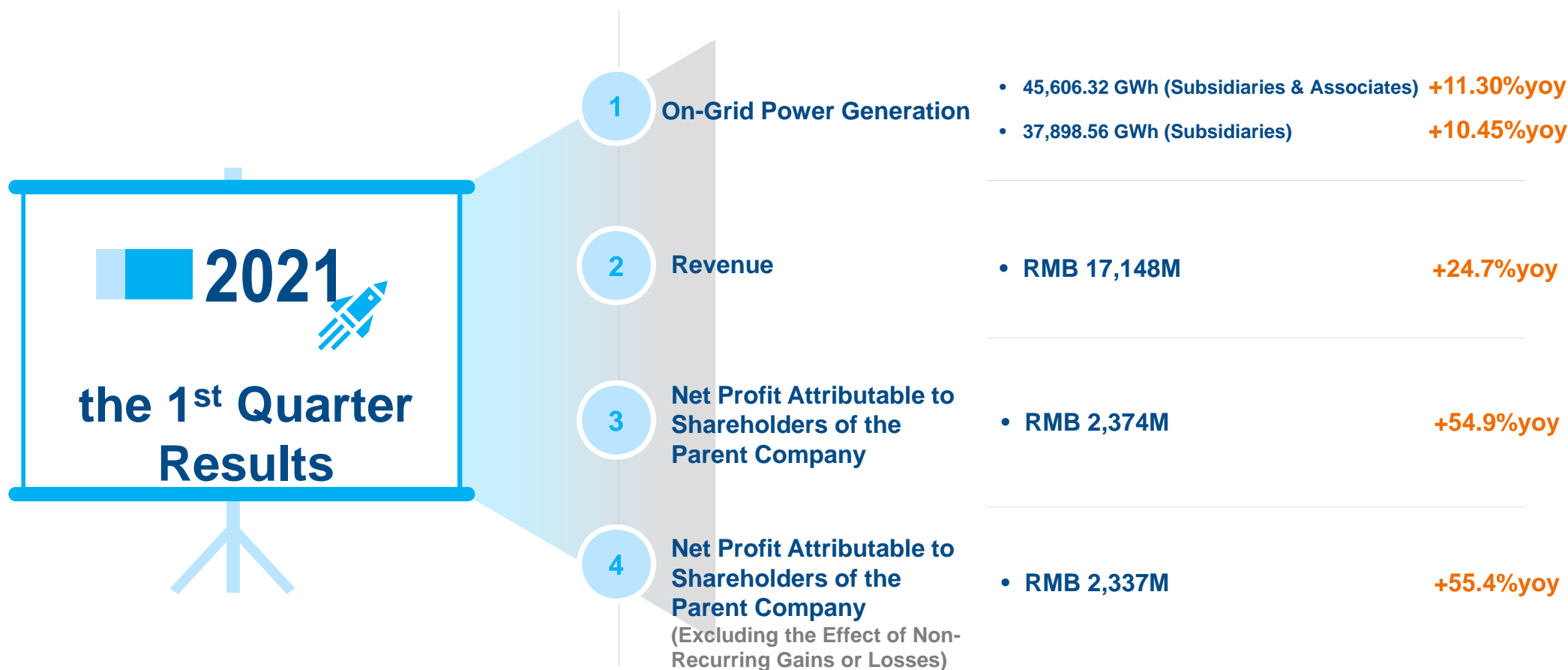
Clean · Green · Nature

the 1<sup>st</sup> Quarter Results of 2021-10

## Part II Key Stats



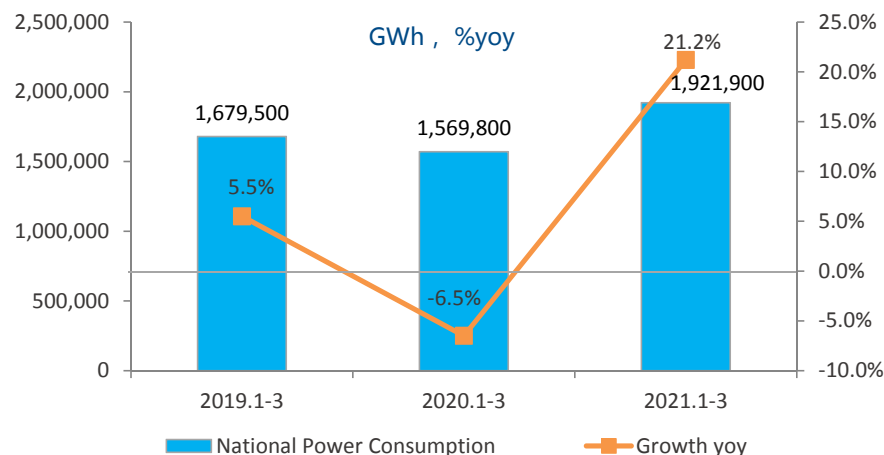




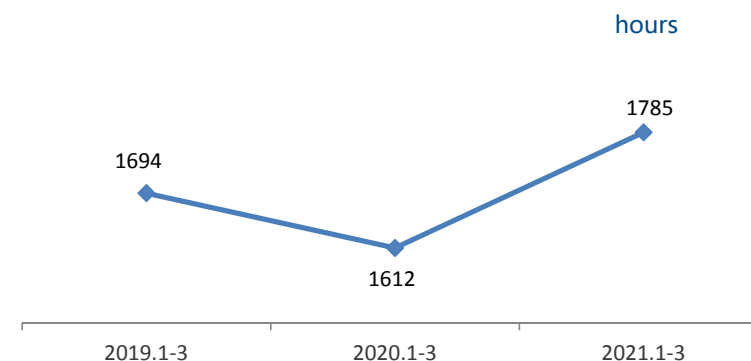
## Part III Business Performance



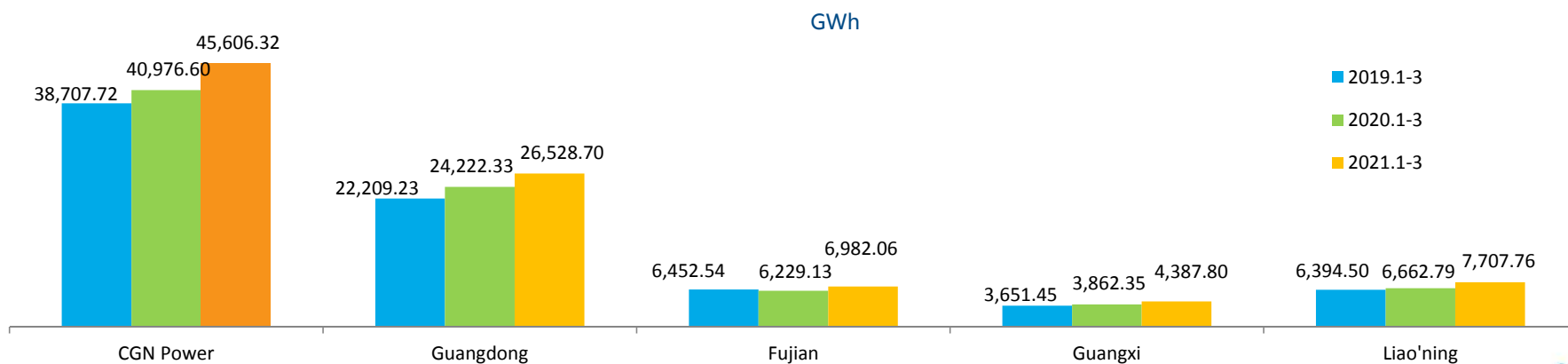
### National Power Demand



### Average Utilization Hours



### On-grid Power Generation in Total and by Region





Guangdong

- ◆ Full load generation with favorable tariff and 2000GWh annual bilateral contract
- ◆ On-grid power generation increased by 9.52% yoy

Guangxi

- ◆ Seized the rising local power demand and developed the increment
- ◆ On-grid power generation increased by 13.60% yoy

Plan Ahead, Adapt Proactively and Actively Seek to Seize Opportunities

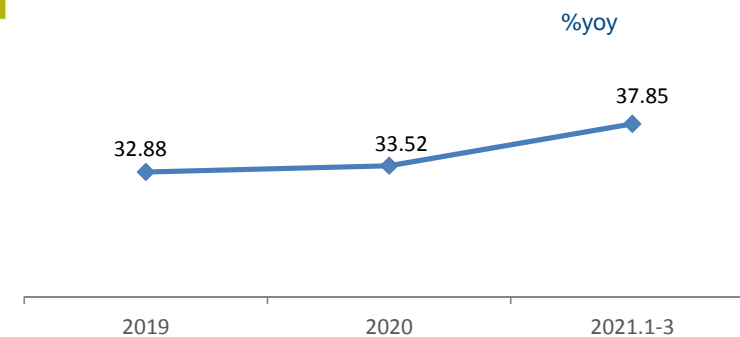
Fujian

- ◆ Seized the rising local power demand and developed the increment
- ◆ On-grid power generation increased by 12.09% yoy

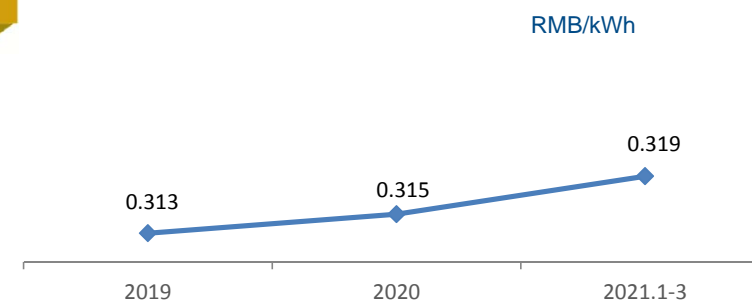
Liaoning

- ◆ Seized the rising local power demand and developed the increment
- ◆ On-grid power generation increased by 15.68% yoy

Share of Market-based Power Generation



Average Market-based Power Tariff (Tax Exclusive)



Note: The share and tariff of market-based power generation both include the 20% (following the "full load generation with favorable tariff" policy) in Guangdong.



0 Covid-19 Infection

Good Safety and Operation Record



0

No International Nuclear Event Scale(INSE) incidents at level 2 or above occurred.



5381 days

As of March 31, 2021, Ling'ao Unit1 has been operating safely for 5,381 days with no unplanned shutdown.

Completed Refueling Outages as Planned



2020.1-3








Completed 2 refueling outages and started 1 refueling outages with total 76 days



2021.1-3

Completed 7 refueling outages and started 2 refueling outages with total 235 days



Units	Civil Construction Phase	Equipment Installation Phase	Commissioning Phase	Grid Connection Phase	Expected COD
<b><u>Hongyanhe Nuclear</u></b>					
Hongyanhe Unit 5					2H2021
Hongyanhe Unit 6					1H2022
<b><u>Fangchenggang Nuclear</u></b>					
Fangchenggang Unit 3					2022
Fangchenggang Unit 4					2022
<b><u>Huizhou Nuclear*</u></b>					
Huizhou Unit1					2025
Huizhou Unit2					2026
<b><u>Cangnan Nuclear*</u></b>					
Cangnan Unit1					2026

Note 1: As of March 31, 2021.

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 and Cangnan NPPs are managed by the Company as entrusted by the controlling shareholder.



Key Tasks in 2021	Performance of the 1 <sup>st</sup> Quarter of 2021
<ul style="list-style-type: none"> <li>➤ To ensure that all in-service units are operating safely and stably ; average utilization hours not lower than the average of last three years</li> <li>➤ To implement the planned 16 refueling outages throughout the year of 2021 successfully.</li> <li>➤ To promote high-quality commercial operation of Hongyanhe Unit 5 and the construction of all units under construction, and prepare for the kick-off of new projects</li> <li>➤ Developing marketing capabilities for power market and engaging in marketing actively</li> </ul>	<ul style="list-style-type: none"> <li>✓ In the 1<sup>st</sup> quarter of 2021, the average utilization hours are 1,785, increased by 10.73%yoy.</li> <li>✓ As of March 31, 2021, 7outages have been completed and 2 outages started.</li> <li>✓ As of March 31, 2021, the projects have basically been promoted as planned; Hongyanhe Unit 5 has been in the last period of commissioning phase.</li> <li>✓ In the 1<sup>st</sup> quarter of 2021, the company achieved on-grid power generation of 45,606.32GWh, an increase of 11.30%yoy.</li> </ul>

Key Tasks in the Following Quarters	
<ul style="list-style-type: none"> <li>➤ To guarantee the safe and stable operation of all in-service power units and achieve average utilization hours in 2021 not lower than the average of last three years</li> </ul>	<ul style="list-style-type: none"> <li>➤ To implement the rest outages</li> </ul>
<ul style="list-style-type: none"> <li>➤ To promote high-quality commercial operation of Hongyanhe Unit 5 and the construction of all units under construction and prepare for the kick-off of new projects.</li> </ul>	<ul style="list-style-type: none"> <li>➤ To strengthen market trading and strive for better tariff and more users.</li> <li>➤ To continue to implement lean management and carry out “tightening our belts” action.</li> </ul>

## Part IV Financial Performance



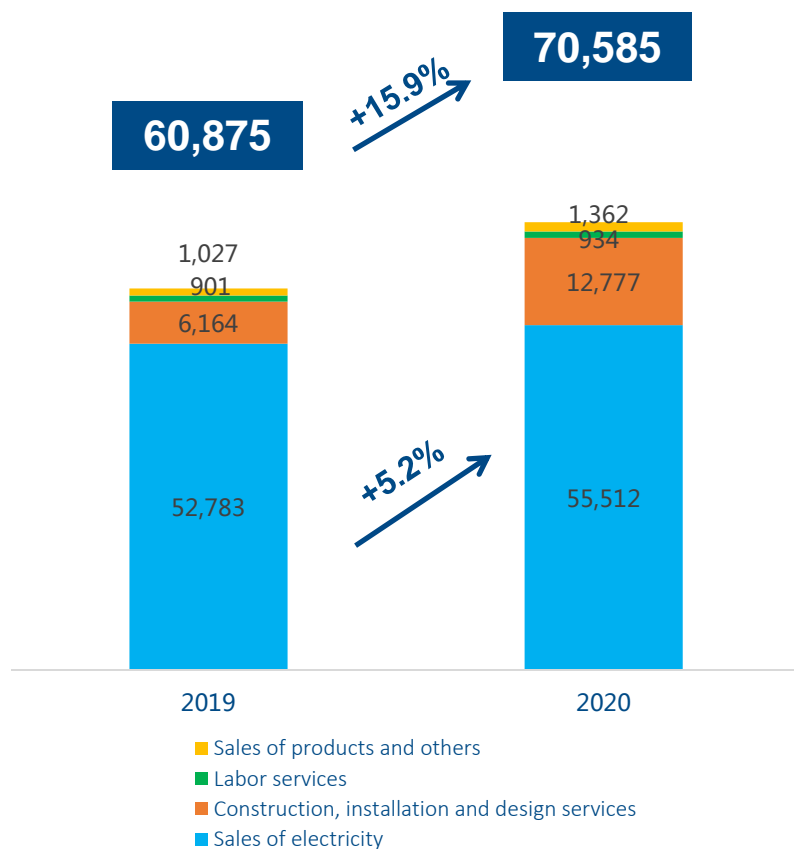
# I Annual Financial Performance of 2020





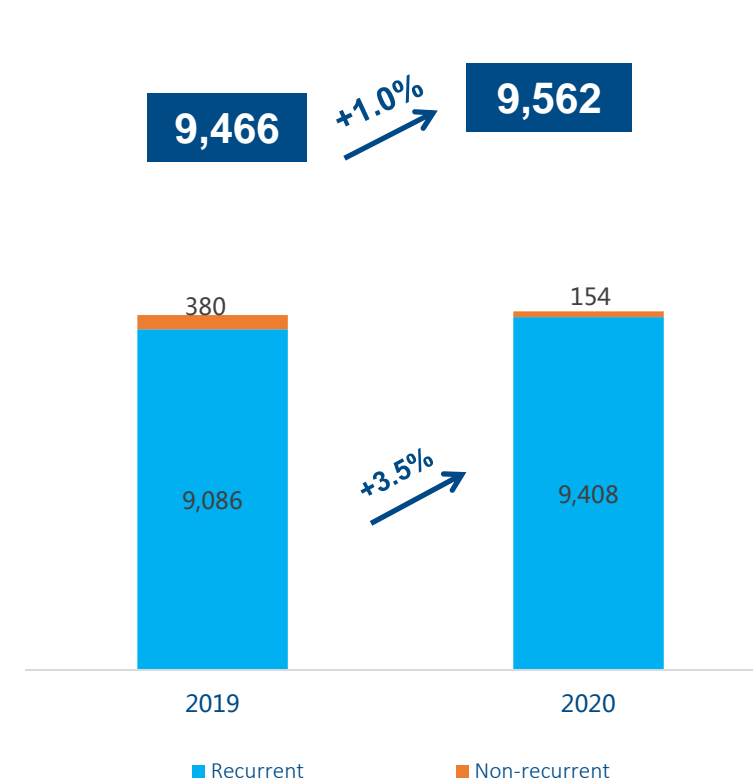
## Revenue<sup>(1)</sup>

RMB M, %yoy



## Net Profit Attributable to Shareholders of the Parent Company

RMB M, %yoy

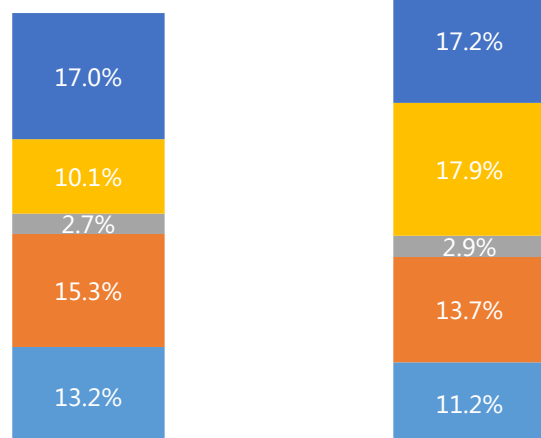


Note1: Hongyanhe Nuclear is not included in the consolidated financial statements, therefore the revenue of Hongyanhe Nuclear is not included in the Company's revenue.

### Cost as % of Revenue

58.3%

62.9%



2019

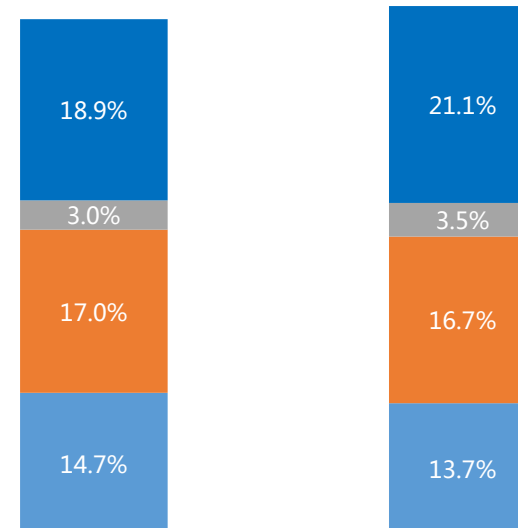
2020

- Operating and others
- Construction, installation and design services
- Provision for spent fuel management
- Depreciation of fixed assets
- Cost of nuclear fuel

### Cost as % of Revenue ( Excluding Construction, installation and Design Services)

53.6%

55.0%



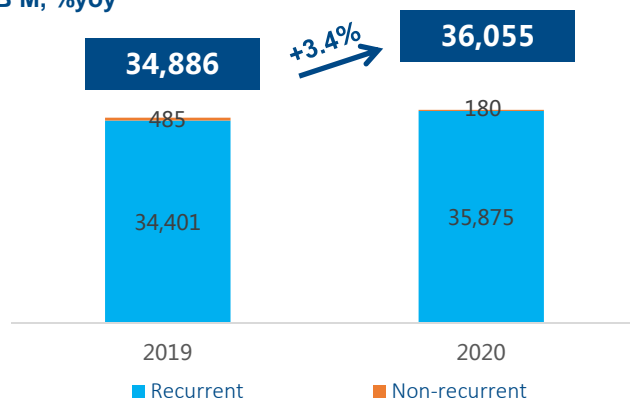
2019

2020

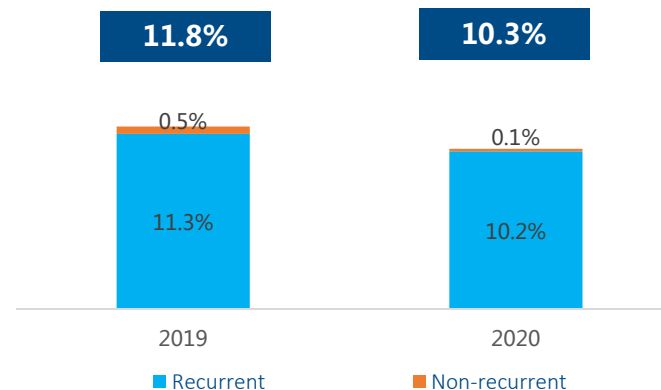
- Operating and others
- Provision for spent fuel management
- Depreciation of fixed assets
- Cost of nuclear fuel

### EBITDA<sup>(1)</sup>

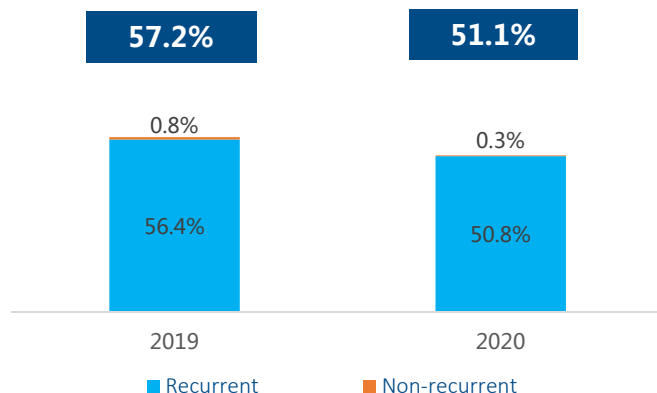
RMB M, %yoy



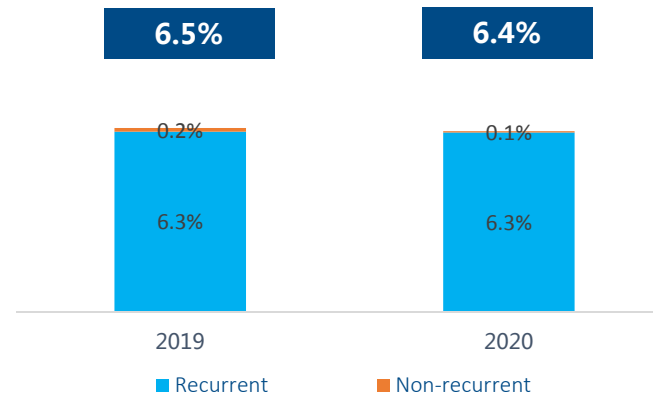
### ROE (Excluding Non-controlling Interests)<sup>(3)</sup>



### EBITDA Margin<sup>(2)</sup>



### ROA<sup>(4)</sup>



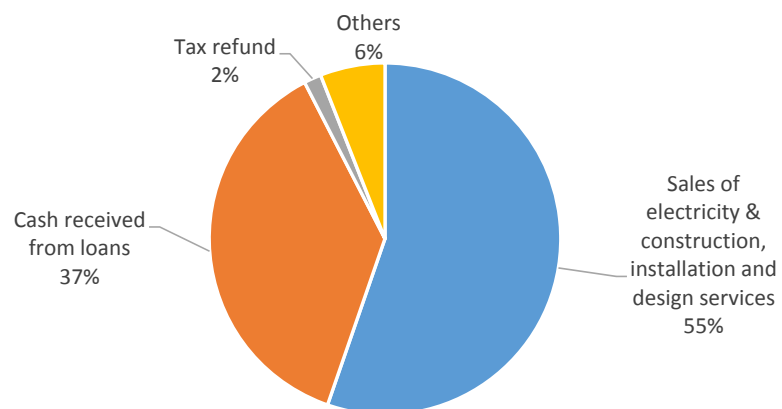
Note 1: EBITDA=Total profit + Interest expenses recognized in profit or loss + Depreciation and amortization

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%

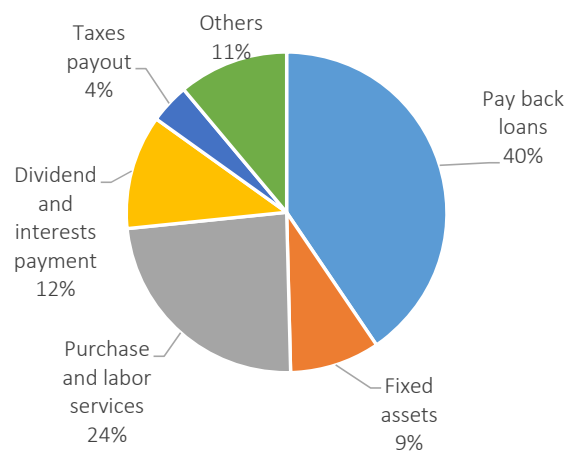
Note 2: EBITDA margin= EBITDA/Revenue \* 100%

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 2020

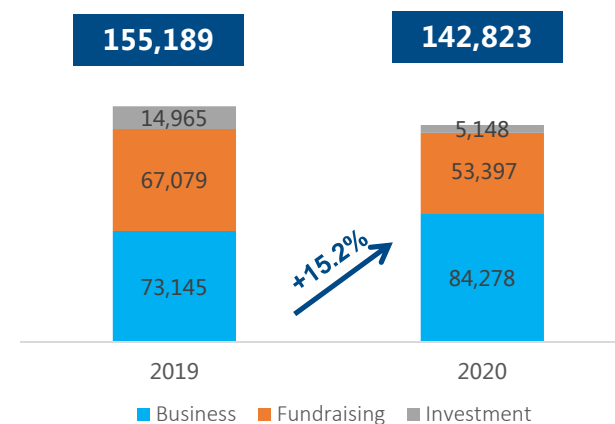


### Cash Outflow Structure in 2020



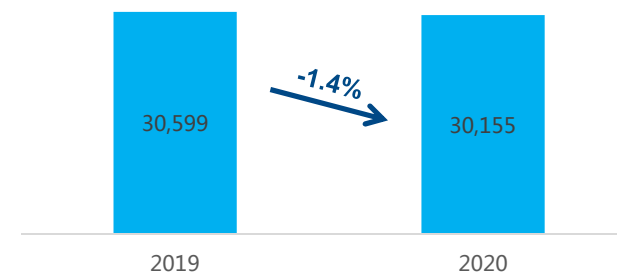
### Cash Inflow

RMB M, %yoy

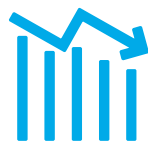


### Net Operating Cash Flow

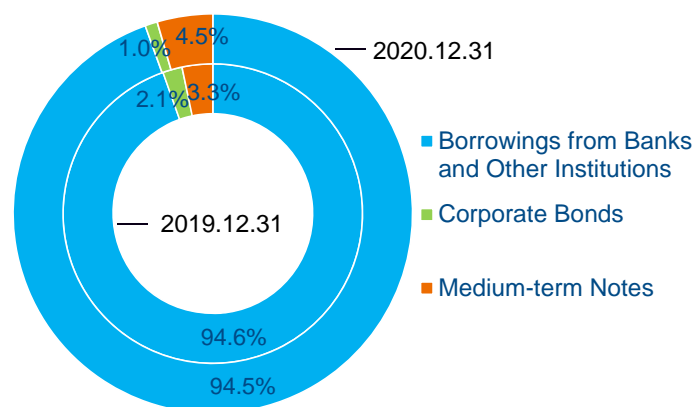
RMB M, %yoy



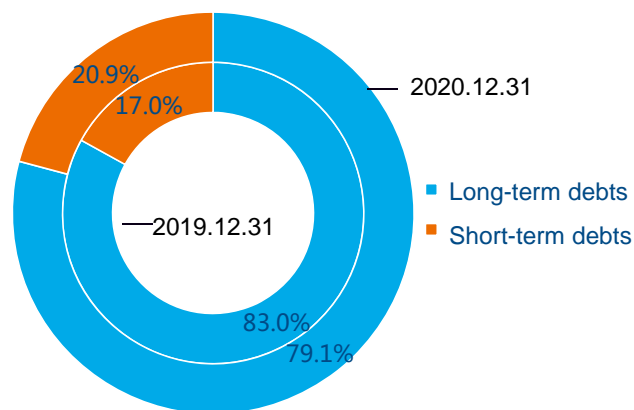




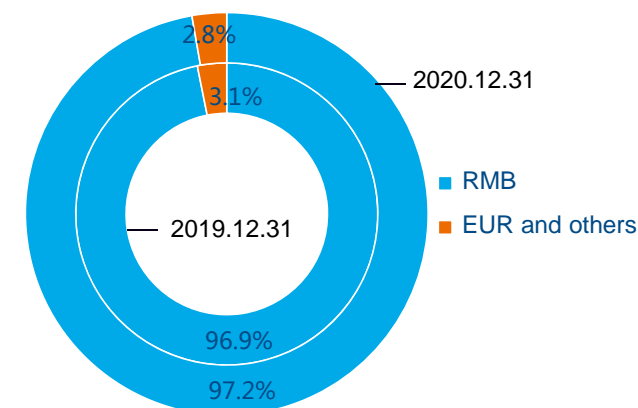
In 2020, we carefully planned to complete the conversion of the loan prime rate(LPR) of existing long-term loans ahead of schedule, reducing annual financial expenses by approximately RMB200 million.



Debts are mainly from bank borrowings

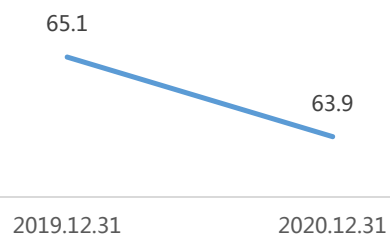


Long-term debt predominates

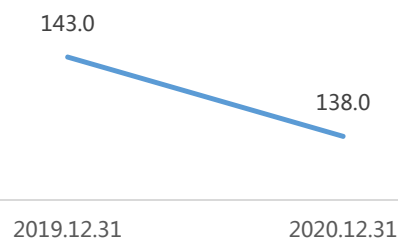


RMB debt predominates

Asset-Liability Ratio %<sup>(1)</sup>



Debt to Equity Ratio %<sup>(2)</sup>

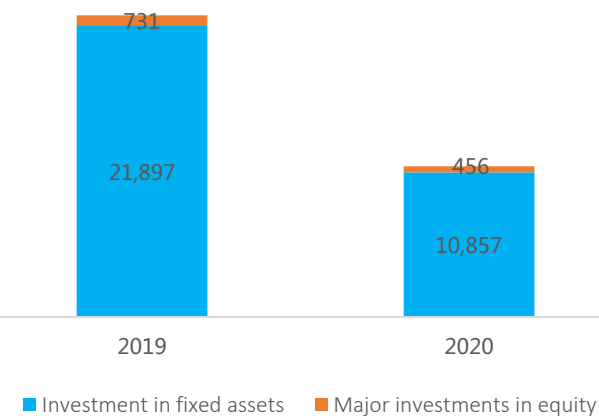


Capital Expenditure

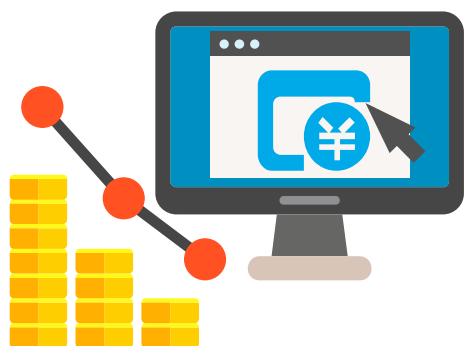
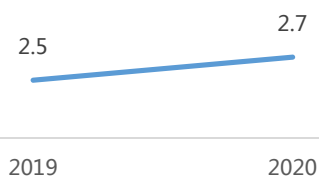
RMB M

22,628

11,313



Interest Coverage<sup>(3)</sup>



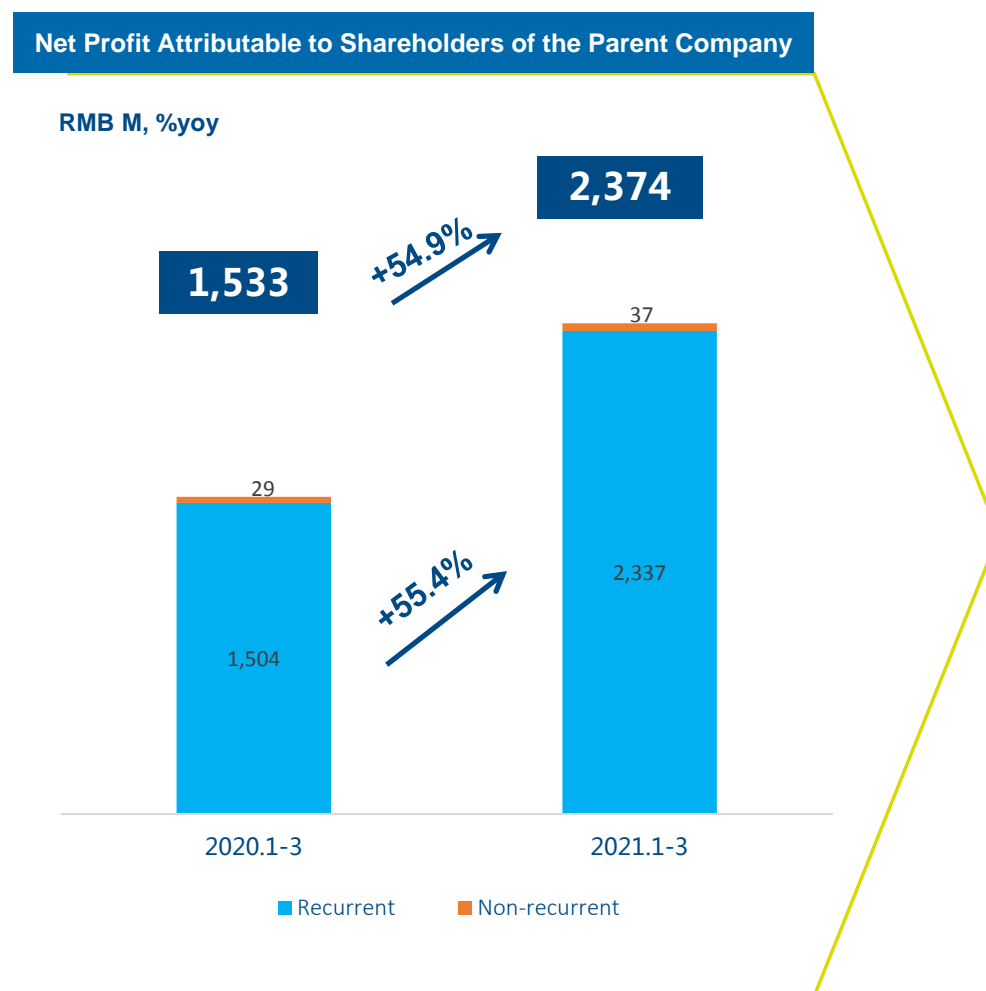
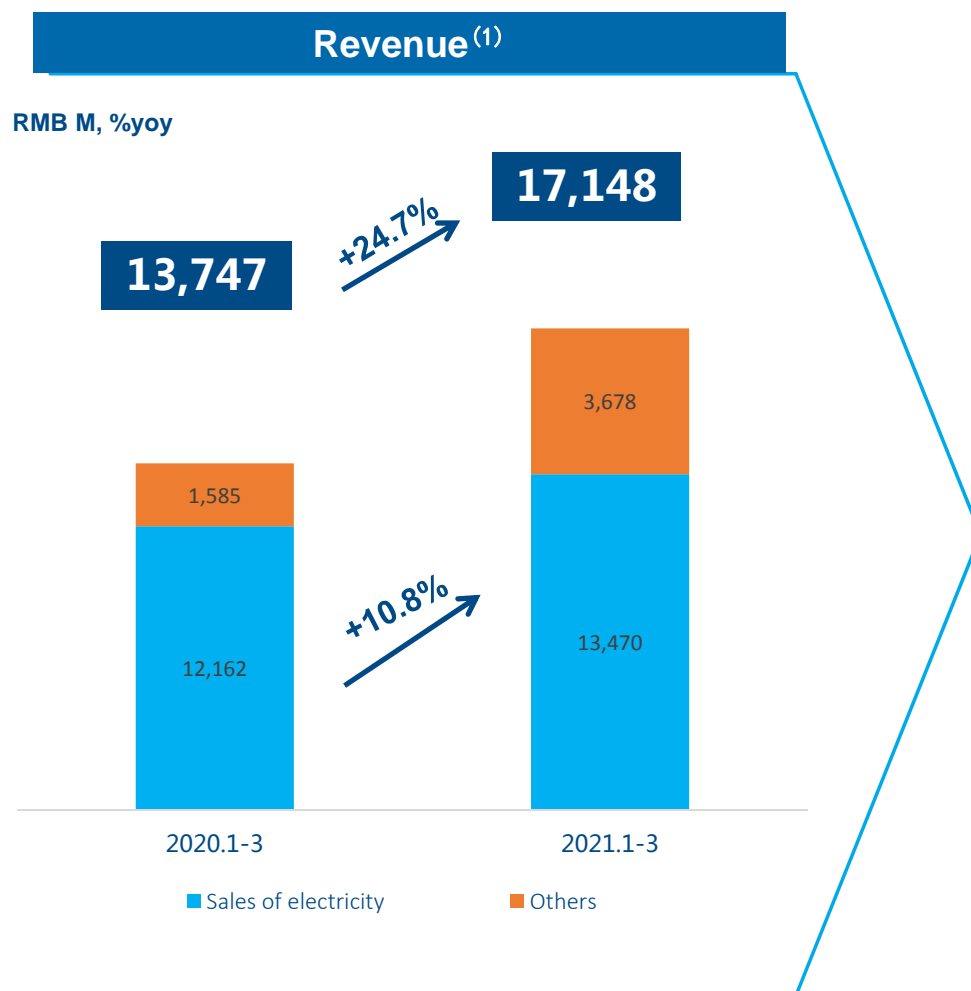
Note1 : Asset-Liability ratio=(Total liabilities / Total assets)\*100%

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)

## II Financial Performance of the 1<sup>st</sup> Quarter of 2021

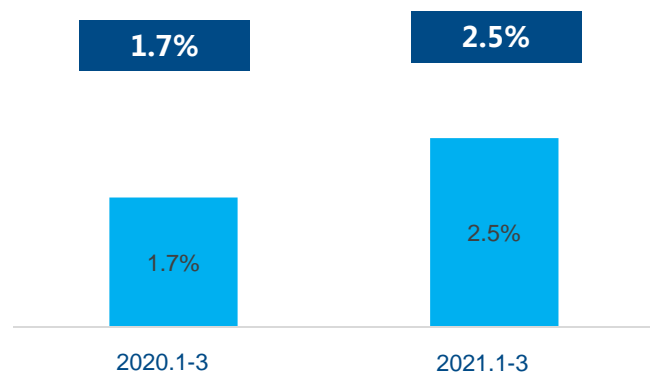




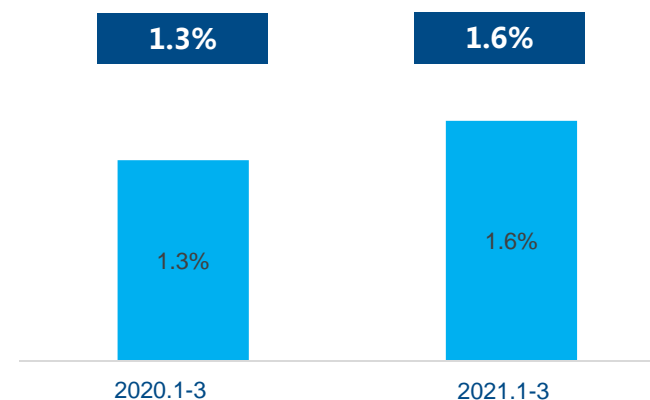
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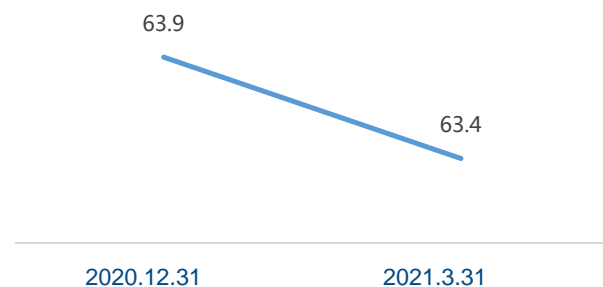
ROE (Excluding Non-controlling Interests)<sup>(1)</sup>



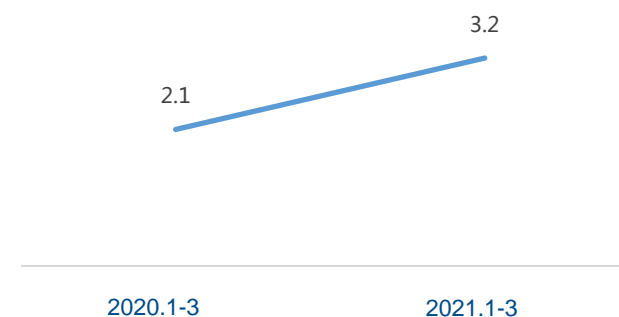
ROA<sup>(2)</sup>



Asset-Liability Ratio %<sup>(3)</sup>



Interest Coverage<sup>(4)</sup>

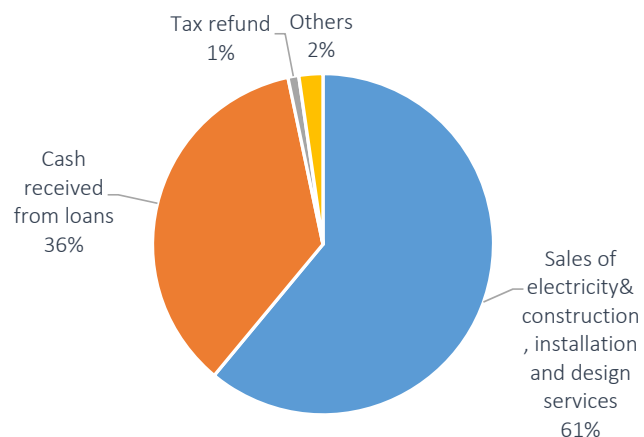


Note1: ROE(Excluding non-controlling interests)= Net profit attributable to shareholders of the parent company/Average equity attributable to shareholders of the parent company (the arithmetic mean of the opening and closing balances) \* 100%  
 Note 2: ROA(Return on total assets)= ( Total profit + Interest expenses recognized in profit or loss)/Average total assets (the arithmetic mean of the opening and closing balances ) \* 100%

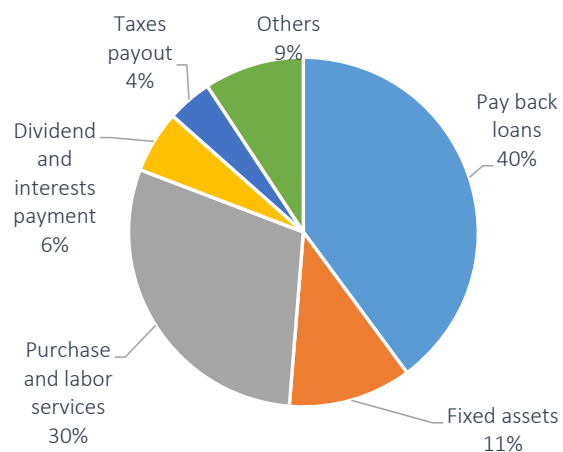
Note3 : Asset-Liability ratio=(Total liabilities / Total assets)\*100%

Note4 : Interest coverage=(Total profit + Interest expenses recognized in profit or loss)/(Interest expenses recognized in profit or loss + interest expenses capitalized)

### Cash Inflow Structure in the 1<sup>st</sup> Quarter of 2021

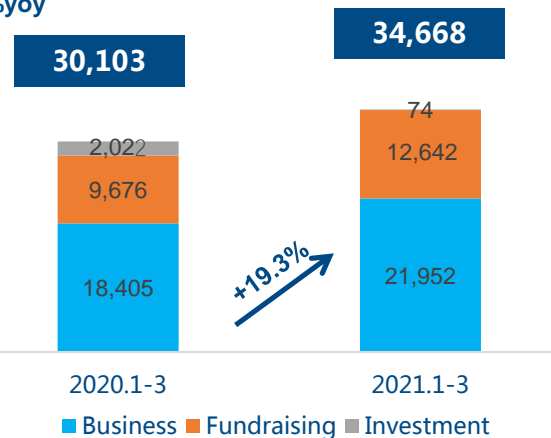


### Cash outflow Structure in the 1<sup>st</sup> Quarter of 2021



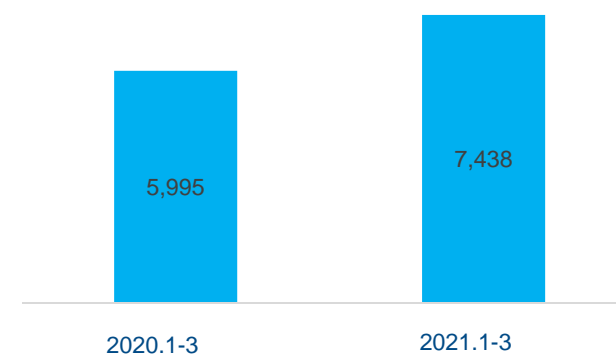
### Cash Inflow

RMB M, %yoy



### Net Operating Cash Flow

RMB M



中广核  CGN

严 · 慎 · 细 · 实

Thank you !

