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**CGN Power CO., LTD**

**2021 Interim Results**

严 · 慎 · 细 · 实



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# Part I Corporate Introduction



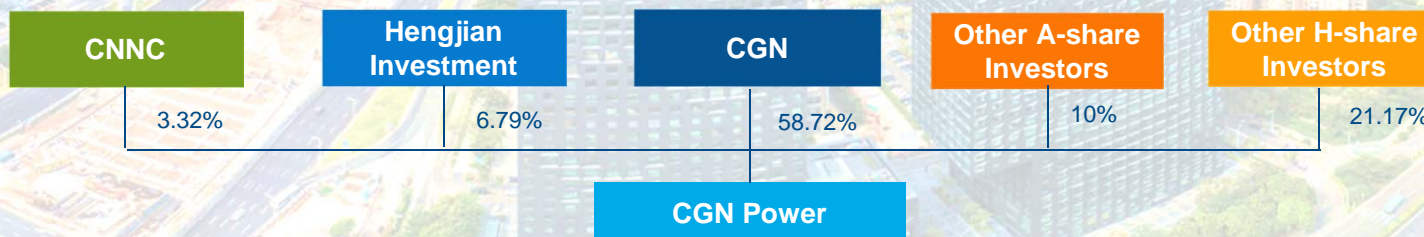
CGN Power has issued 50.5 billion shares and our controlling shareholder is CGN (supervised by SASAC of the State Council); We design, build, operate and manage nuclear power plants (NPPs), sell electricity generated by our NPPs, and organize R&D of NPPs.

Incorporated on  
March 25, 2014

H-share IPO on  
December 10, 2014

A-share IPO on  
August 26, 2019

### Equity Structure



Note: As of June 30, 2021.



中国地图

### Units in operation

- 25 units
- Installed capacity: 28.26GW

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

- 6 units
- Installed capacity : 7.09GW

### 8 Nuclear Power Bases



53.05%

Share of installed capacity in operation

39.77%

Share of installed capacity under construction

- 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 July 31<sup>st</sup>, 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.

## Vision

A 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 "centralization, specialization, and standardization" (CSS) strategy to enhance multi-unit management and control
- Implementing lean management, strictly controlling project construction costs and optimizing O&M costs

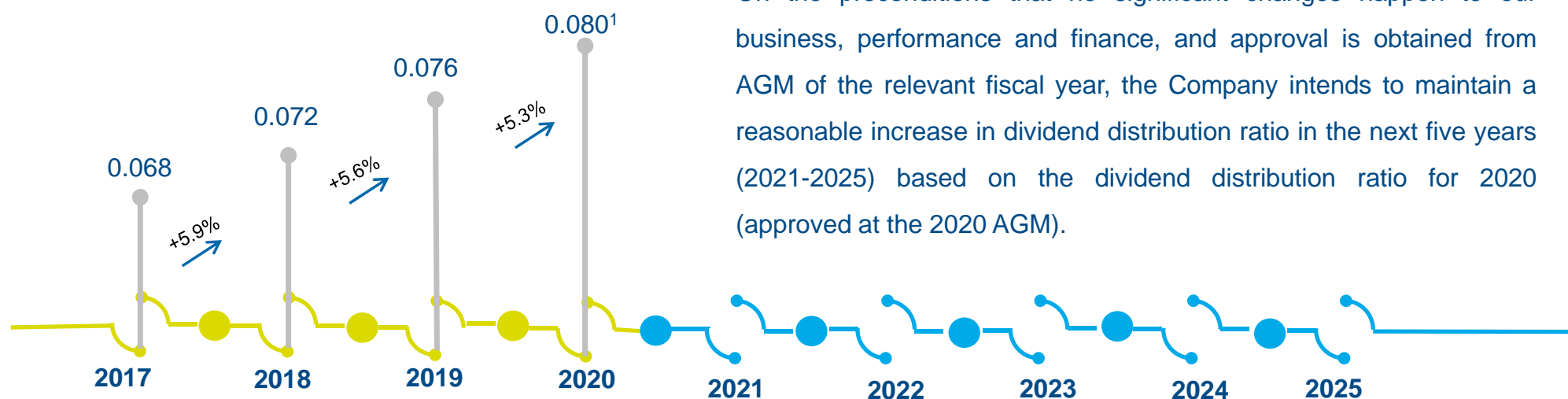


- Dedicated to developing clean energy, focusing on nuclear power and comprehensive use of nuclear energy
- Improving resources utilization rate and reducing resources consumption
- Controlling emissions strictly and protecting the environment

- 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

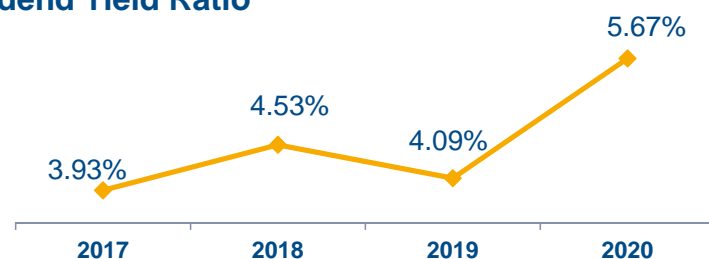
2018-2020 Dividend Payout Promise Honored

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 (approved at the 2020 AGM).

Dividend Yield Ratio<sup>2</sup>



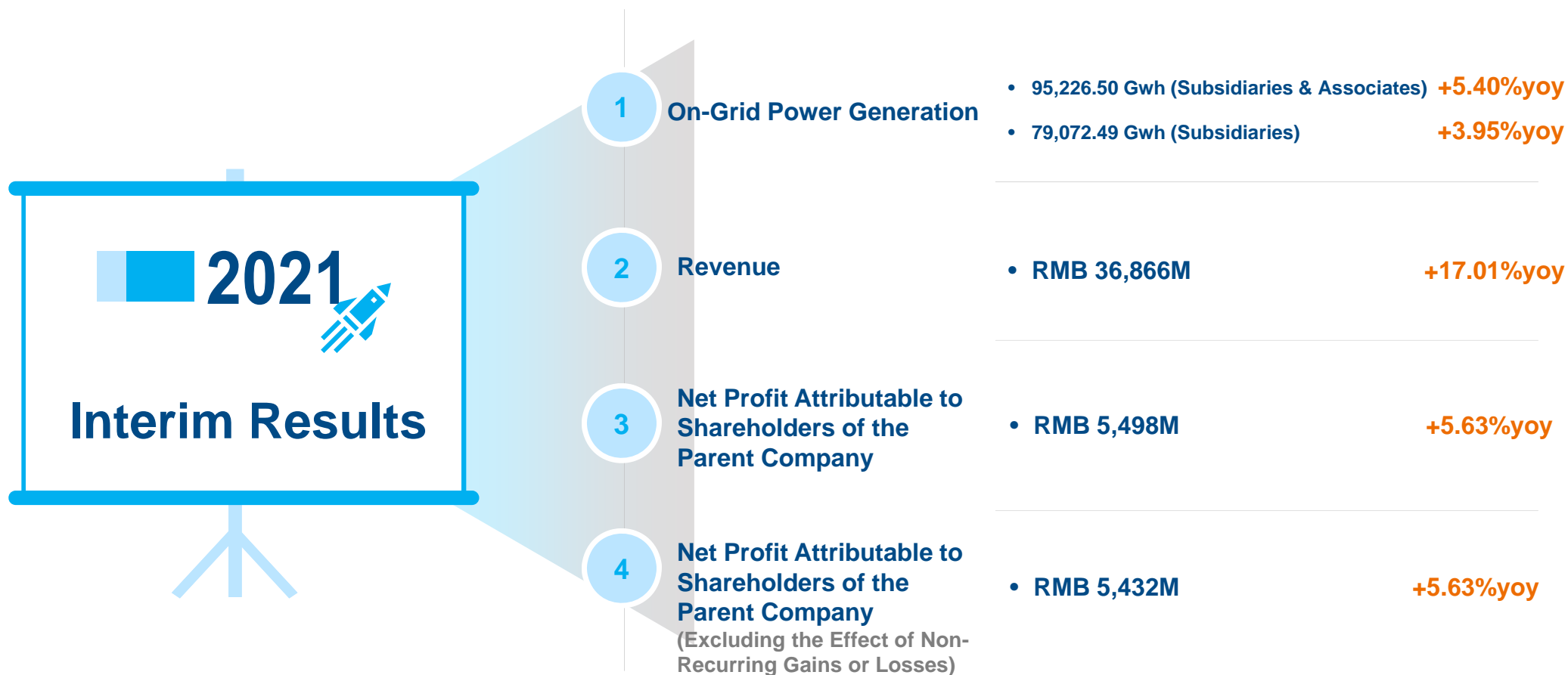
Note1: The final dividend of 2020 has been distributed on 8<sup>th</sup> July, 2021.

Note2: This refers to the dividend yield ratio of H shares, calculated by the closing price of the last trading day of the year.



## Part II Key Stats of 2021H1



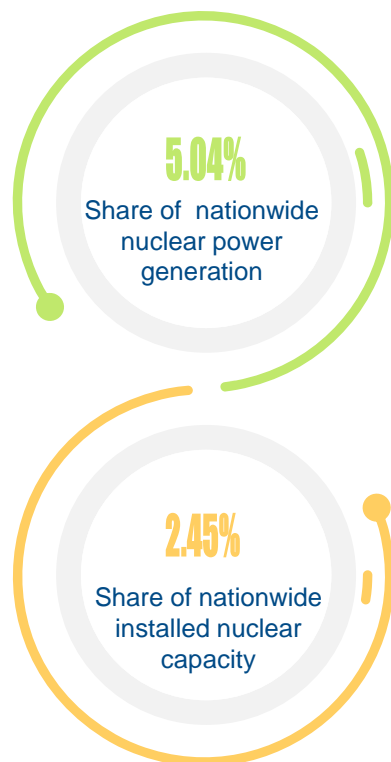


## Part III Business Performance





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 dioxide emissions peaking before 2030 and carbon neutrality before 2060. Nuclear power development presents broad prospects.

Government Work Report  
(2021/3/5)

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

State Council

Guiding Opinions on Energy Work for 2021  
(2021/4/19)

Strive to develop non-fossil energy. **To take active and well-ordered steps to develop nuclear energy on the basis of ensuring its safe use.**

NEA

Notice on 2021 Summer Energy Peaking  
(2021/7/17)

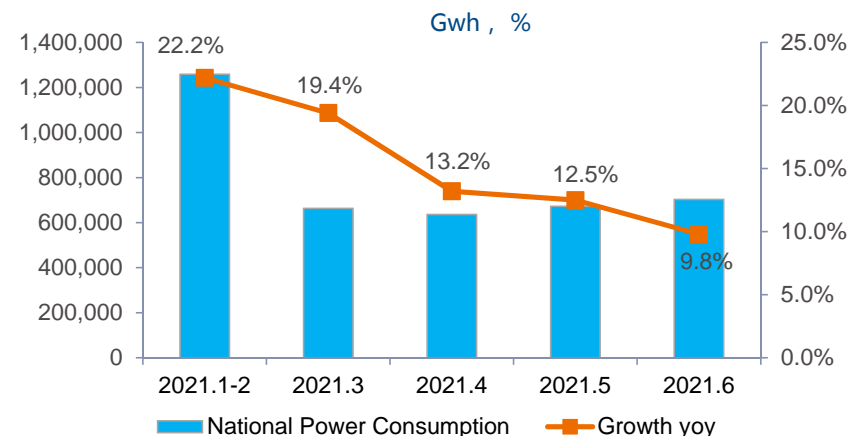
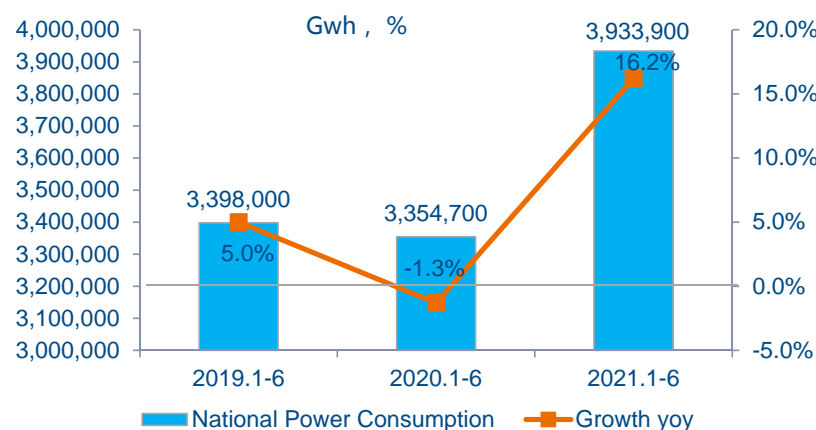
To promote maximum generation of clean energy. Relevant localities should organize power grid companies, power generation companies and other related parties to formulate implementation rules as soon as possible to **increase the annual utilization hours of nuclear power.**

NDRC

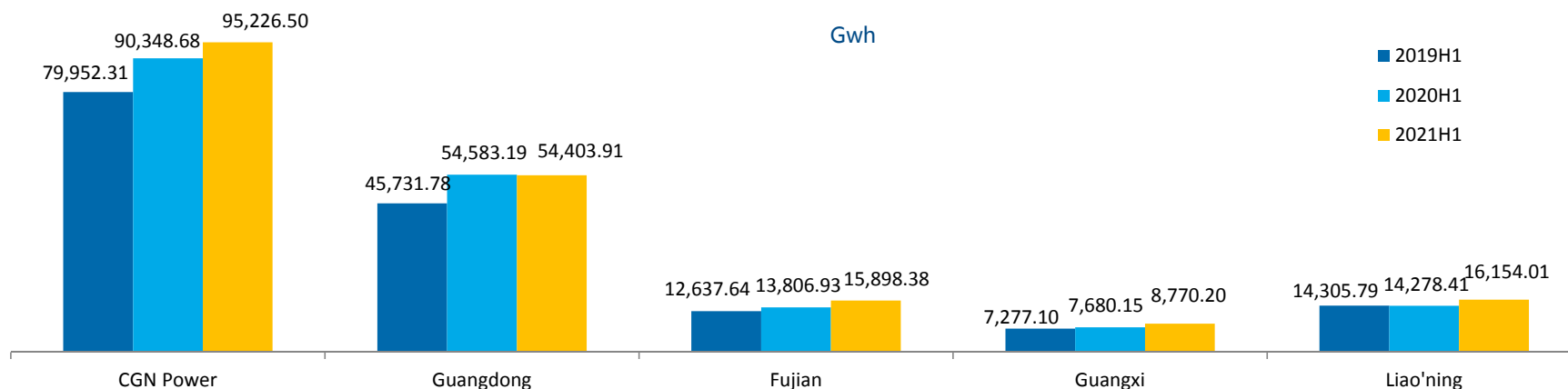
National policies to support nuclear power development

Note1: Statistics from the Briefings on the Operation of the National Power Industry from January to June 2021 published by the China Electricity Council.

### National Power Demand<sup>1</sup>




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



Note1: Statistics from the Briefings on the Operation of the National Power Industry from January to June 2021 published by the China Electricity Council.



On-grid nuclear power generation in 2021H1 was about **95,226.50 Gwh**, represented

  
A reduction of about **28.70 million tons** of standard coal consumption



A reduction of about **79.23 million tons** of CO<sub>2</sub> emissions

With an equivalent effect of planting a forest of **0.21 million hectares**.





Guangdong

- ◆ Full load generation with favorable tariff and 2000GWh annual bilateral contract
- ◆ On-grid power generation slightly decreased by 0.33% yoy<sup>Note1</sup>

Guangxi

- ◆ Actively developed the incremental market, coordinated and optimized the operation mode of the units
- ◆ On-grid power generation increased by 14.19% yoy

Fujian

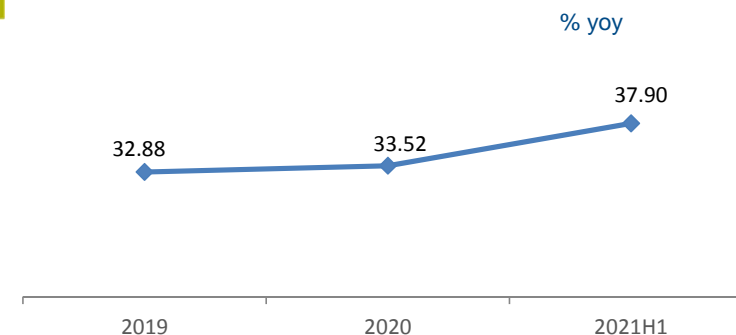
- ◆ Affected by less rainfall, the duration of operation at reduced load of Ningde Nuclear significantly reduced as compared with the first half of 2020
- ◆ On-grid power generation increased by 15.15% yoy

Liaoning

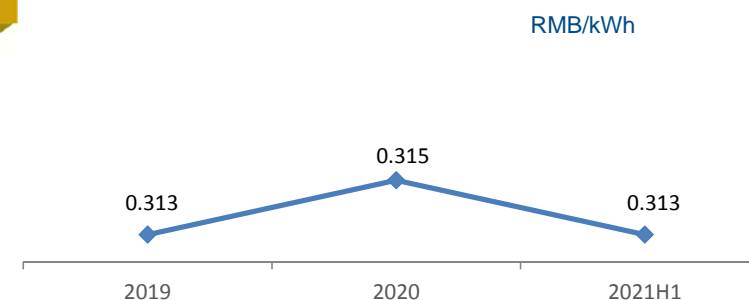
- ◆ With proactive expansion in power market, Hongyanhe Nuclear entered into larger transactions within the province
- ◆ On-grid power generation increased by 13.14% yoy

Plan Ahead, Adapt Proactively and Actively Seek to Seize Opportunities

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.

Note1: Affected by the year-on-year increase in the duration of planned outages of the nuclear power generating units within the Guangdong province, the on-grid power generation decreased by 0.33% over the corresponding period of previous year. Excluding the impact of the duration of outages, the on-grid power increased by 6.42% year on year.



Good Safety Management Performance



0

No International Nuclear and Radiological Event Scale(INES) incidents at level 2 or above occurred.



**0 Covid-19 Infection**

We implemented the necessary precautionary measures to control and manage the COVID-19 situation, no covid-19 infection happened nationwide.

Good Results against WANO<sup>(1)</sup>Indicators



Percentage of indicators achieving top 1/4 worldwide



Percentage of indicators achieving top 1/10 worldwide

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.



According to the specific operating conditions of each generating unit, we continue to enhance and develop targeted refueling outage plans, reasonably arrange inspection and maintenance projects, and actively adopt advanced technology to improve the efficiency of inspection and maintenance:



2020H1

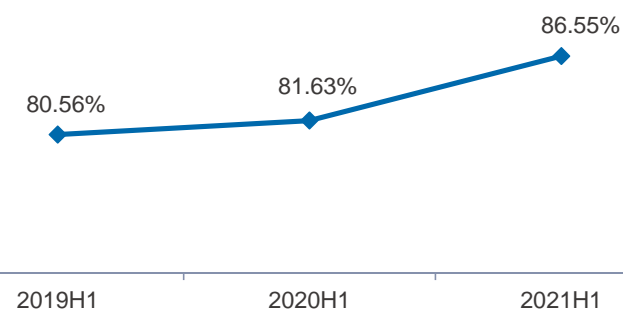
Completed 6 refueling outages  
200 days



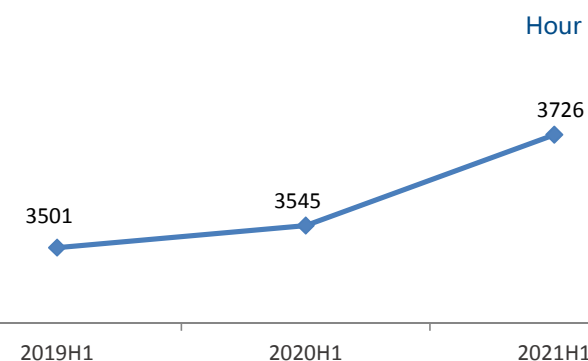
2021H1

Completed 11 refueling outages  
408 days








### Load Factor



### Average Utilization Hours





Units	Civil Construction Phase	Equipment Installation Phase	Commissioning Phase	Grid Connection Phase	Expected COD
<b><u>Hongyanhe Nuclear</u></b>					
Hongyanhe Unit 5 ★					2021.7.31 Qualified for Commercial Operation
Hongyanhe Unit 6					2022H1
<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 June 30, 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.

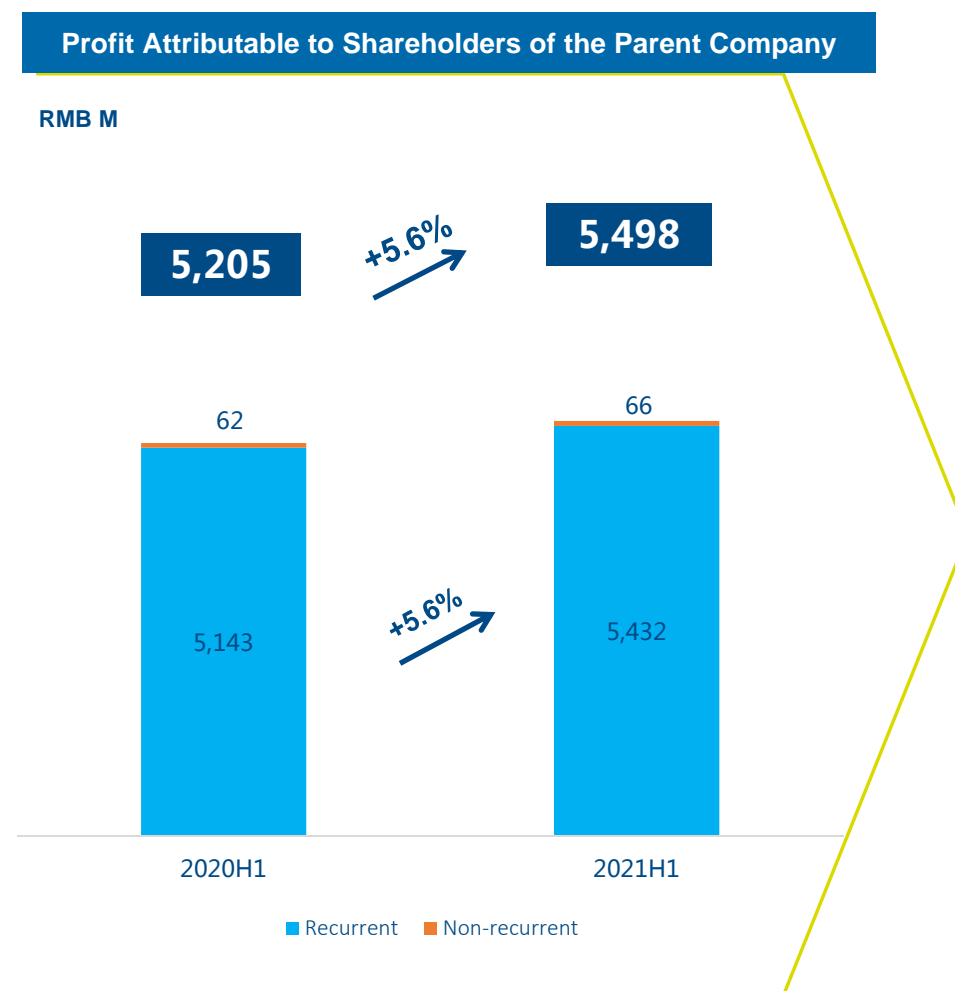
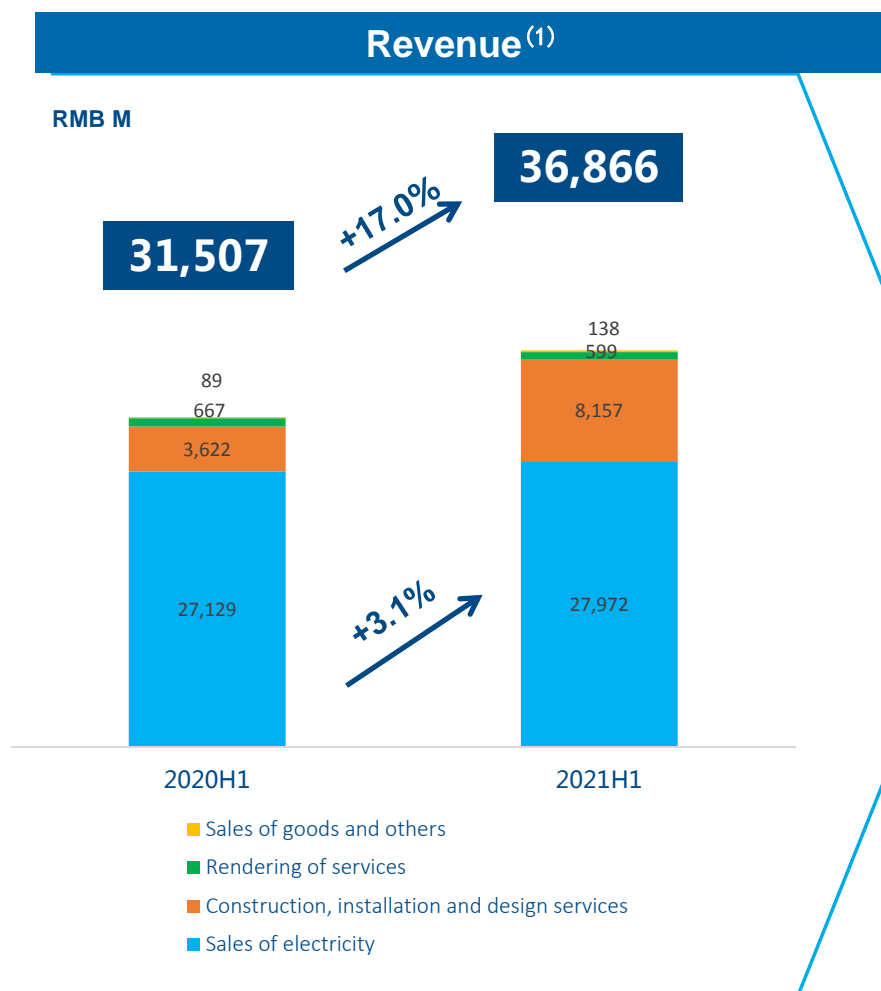
Note 5: Grid connection phase refers to the commissioning of generators upon the first grid connection with the power grid, demonstrating that the power generating units are capable for power generation.

Note \*: Huizhou Unit 1, Unit 2 and Cangnan Unit 1 were entrusted to us by our controlling shareholder for management.



## Part IV Financial Performance





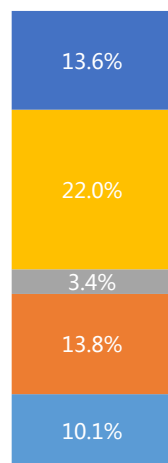
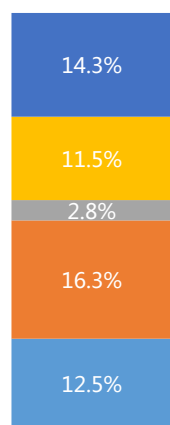
Note1: Hongyanhe Nuclear is not included in the consolidated financial statements, therefore the revenue of Hongyanhe Nuclear is not included in the Company's revenue.



### Cost as % of Revenue

57.4%

62.9%



2020H1

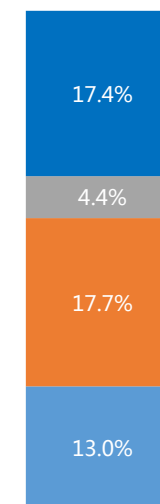
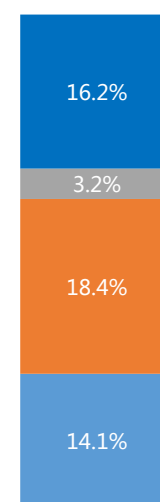
2021H1

- O&M 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)

51.9%

52.5%



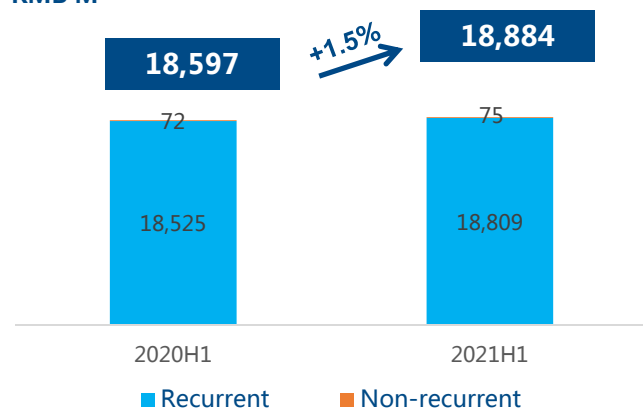
2020H1

2021H1

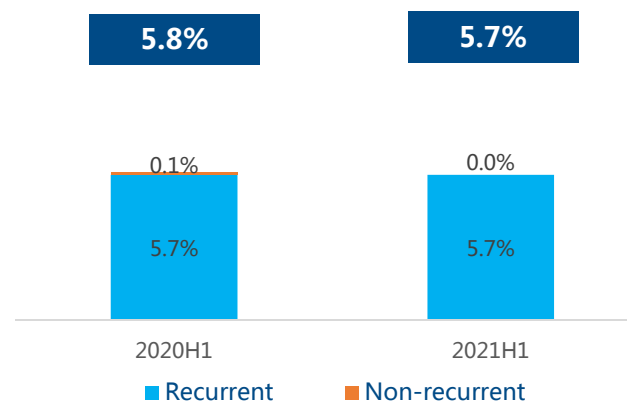
- O&M and others
- Provision for spent fuel management
- Depreciation of fixed assets
- Cost of nuclear fuel

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

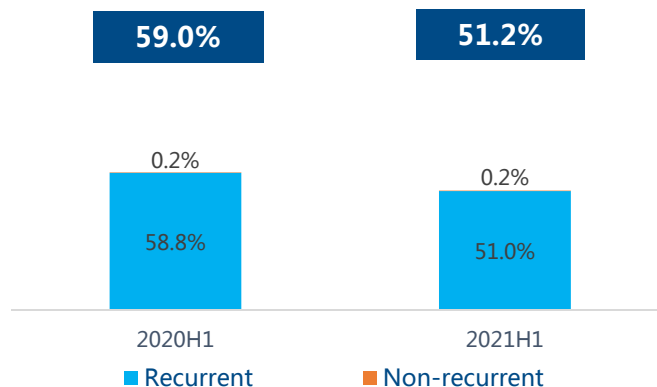
RMB M



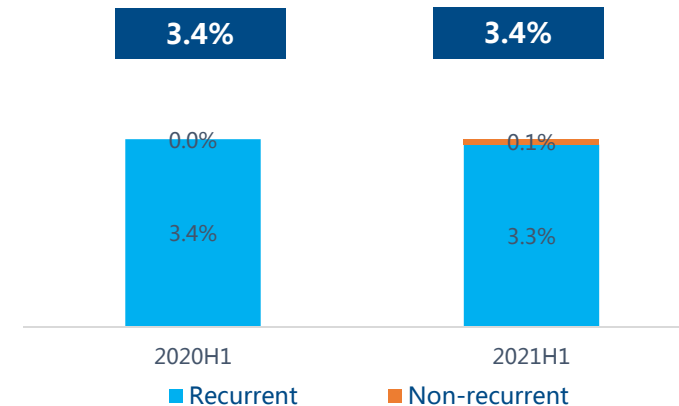
### ROE (Excluding Non-controlling Interests)<sup>(3)</sup>



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



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



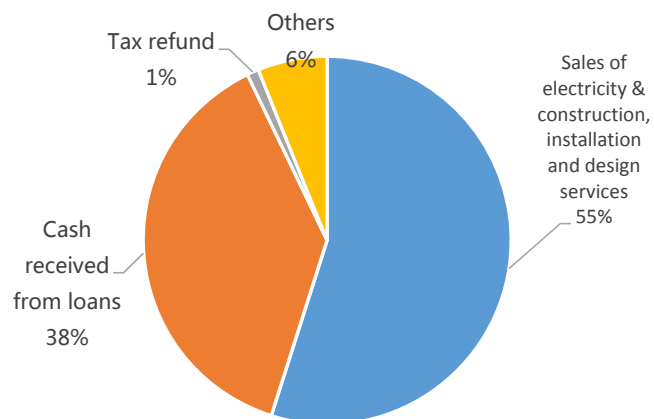
Note 1: EBITDA=Total profit + Interest expenses recognized in profit or loss + Depreciation and amortization

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%

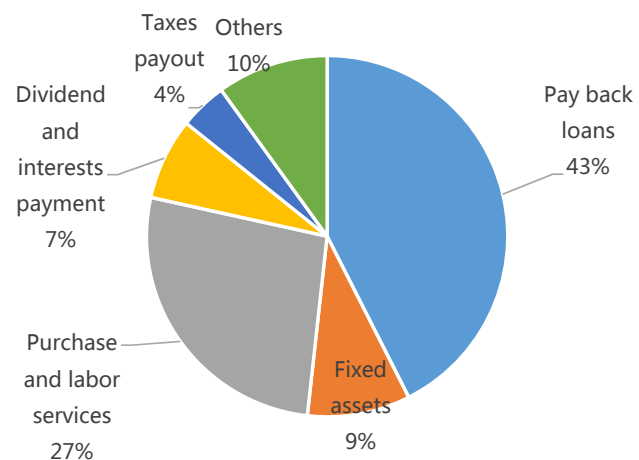
Note 2: EBITDA margin= EBITDA/Revenue \* 100%

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 2021H1

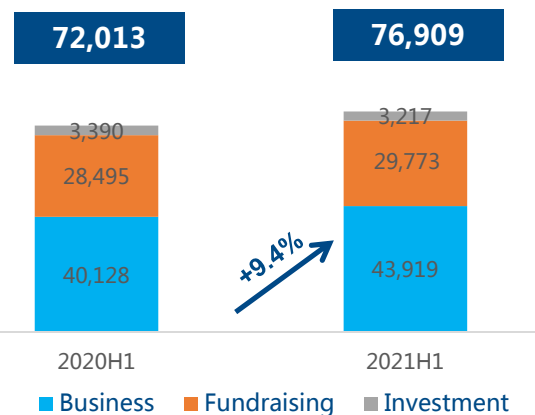


### Cash Outflow Structure in 2021H1



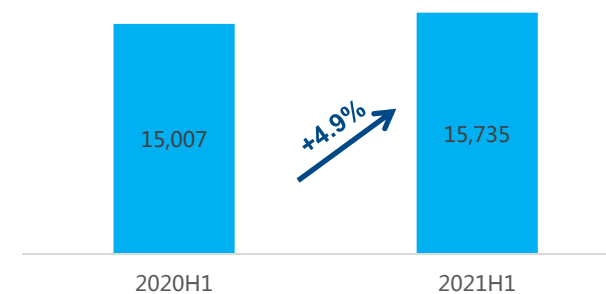
### Cash Inflow

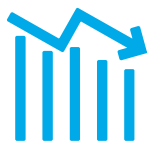
RMB M



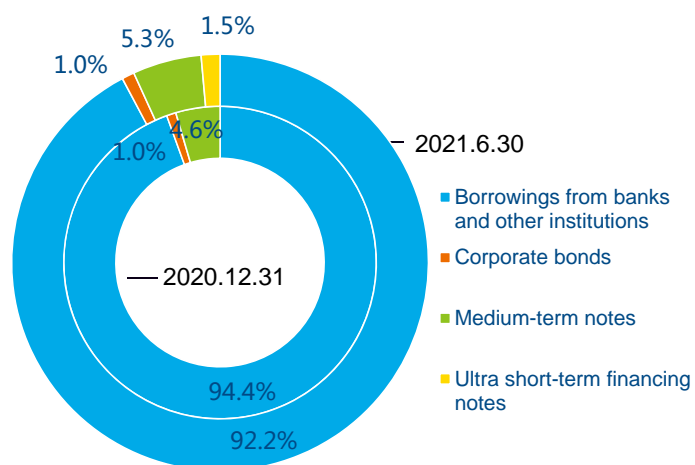
### Net Operating Cash Flow

RMB M

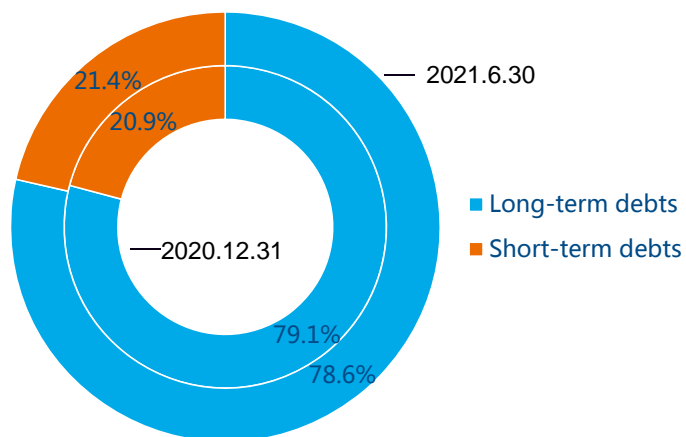




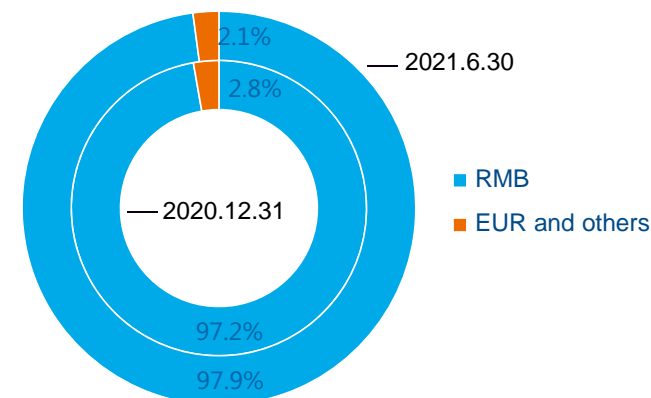
The company follows the principle of considering both cost and security, ensures financing security and controlling financing costs through building solid debt structure.



Debts are mainly from bank borrowings



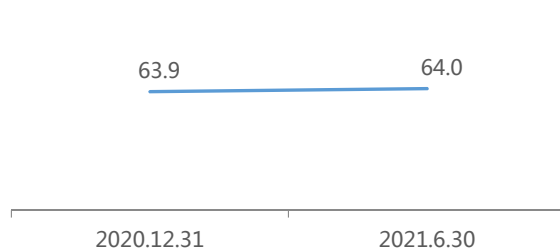
Long-term debt predominates



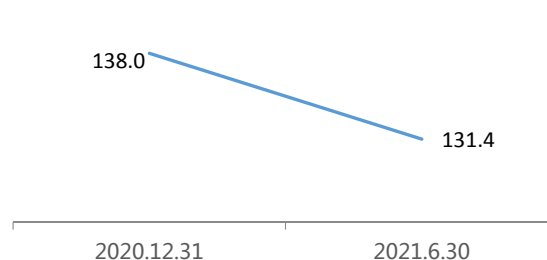
RMB debt predominates



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

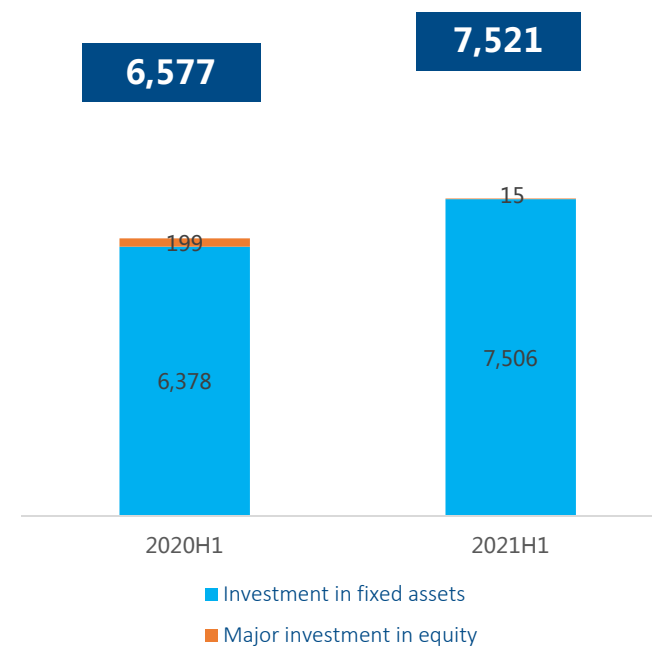


Debt to Equity Ratio %<sup>(2)</sup>

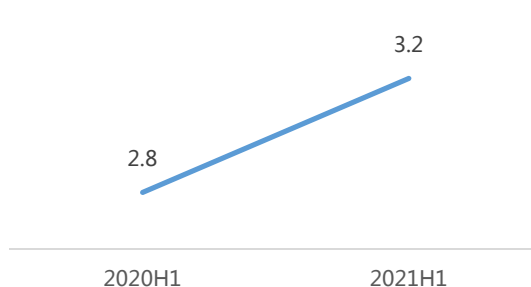


Capital Expenditure<sup>(4)</sup>

RMB M



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)

Note4 : The capex here refers to cash flows.

## Part V Future Outlook





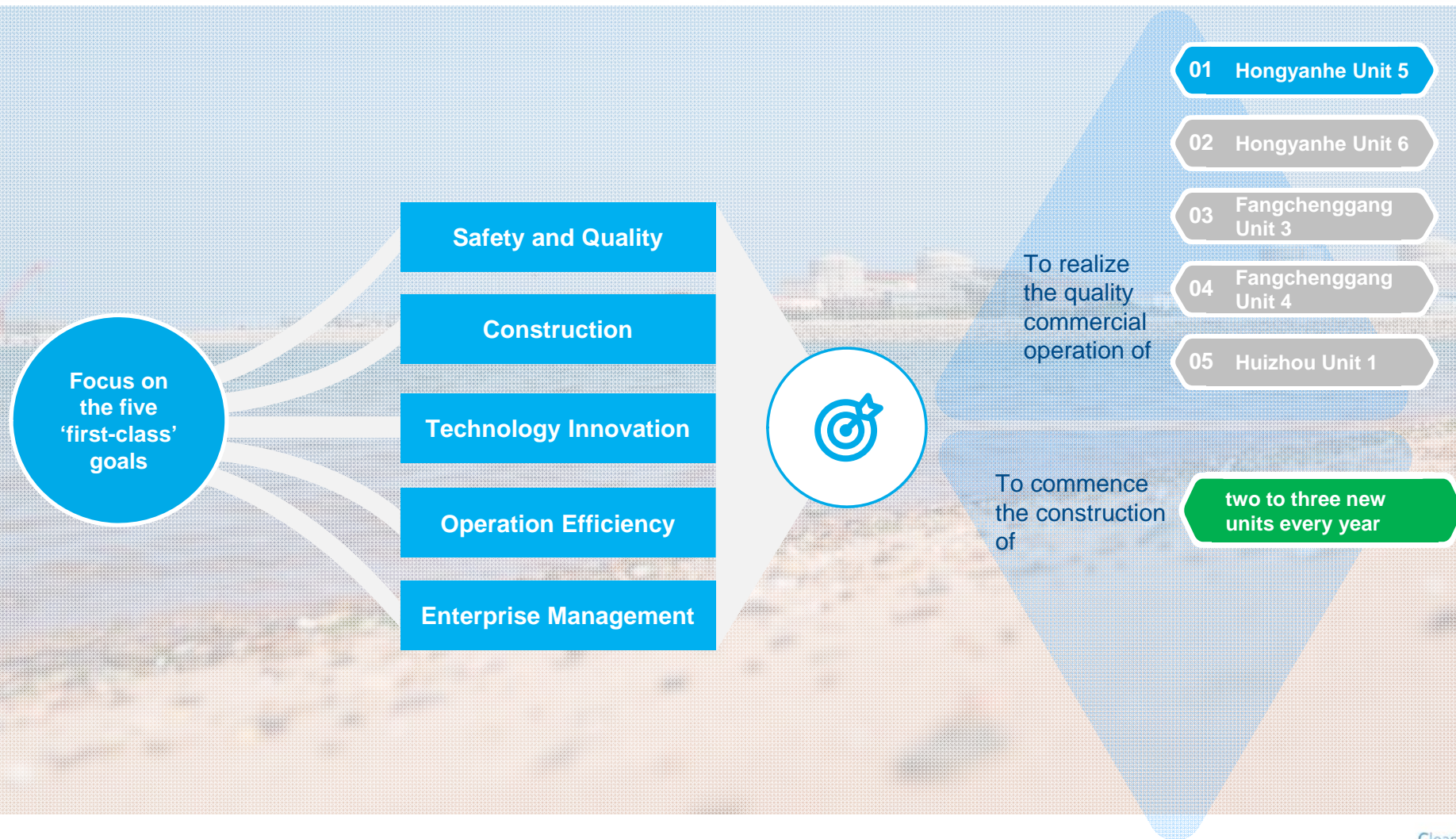
- Significant enhancement in comprehensive competitiveness of the industry
- An installed nuclear power capacity in operation exceeding 70,000MW
- Aim to rank first in terms of the total installed nuclear power capacity in operation and under construction in the world
- Excellence in key performance indicators such as safe operation, project construction and operating efficiency
- Remarkable results in comprehensive benefits of comprehensive nuclear energy utilization



## Mid-to-long term goals

By 2035, we will become a world-class nuclear power supplier and service provider with international competitiveness.







### To promote nuclear power safety

In conformity with the new environment, we will continue to carry out safety standardization and international benchmarking, reinforce the implementation of centralized measures applying new technology to avoid human errors, and enhance industrial safety, fire control and network information security management, in order to promote nuclear power safety;

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

Seize the opportunity to strive for more on-grid power generation, and conduct the 5 refueling outages.

### To push forward construction of all units under construction

In the premise of ensuring safety and quality, we will push forward construction of generating units as planned, in order to achieve high quality commercial operation of Hongyanhe Unit 5 within 2021. (Hongyanhe Unit 5 was already qualified for commercial operation on July 31, 2021)

### To continuously strengthen the marketing mechanism of electricity market

We will strengthen the marketing system and mechanism of electricity market, as well as the development of marketing capabilities for electricity market to strive for more on-grid generation through various channels and initiatives, and prepare for the electricity marketing next year and subsequent years.

### To implement our lean management strategy

We will continuously push forward the implementation of CSS management strategy, lean management and the initiative of 'tightening our belts' 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.

### To promote business growth driven by independent innovation

We will promote reliability of fuels and equipment, and improve safety system performance of power generating units with business growth driven by independent innovation such as technology innovation and technical transformation, in order to facilitate the sustainable development of the Company. We will strengthen the transformation and application of scientific research results to the external market to create greater economic value.

### To ensure the steady development of the company through operation of risk management system

We will closely follow the change of national policy, domestic and international economic and financial environment, adhere to the principle of prudence, identify changes in risks in a timely manner through operation of risk management system, and adjust our measures when appropriate to ensure the steady development of the company.

中广核  CGN

严 · 慎 · 细 · 实

Thank you !

