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CGN Power CO., LTD

the 1st Quarter Results of 2022



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Corporate Introduction





CGN Power

CGN Power has issued 50.5 billion shares and our controlling shareholder is CGN (supervised by SASAC of the State Council).

Core Business: 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



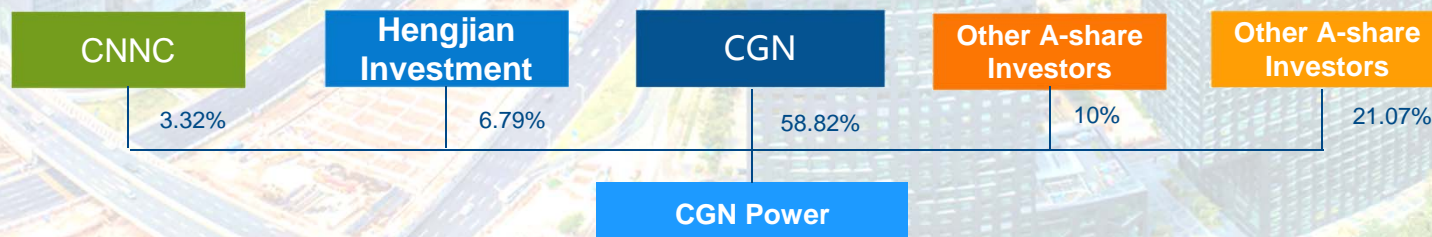
H-share IPO on December 10, 2014



A-share IPO on August 26, 2019



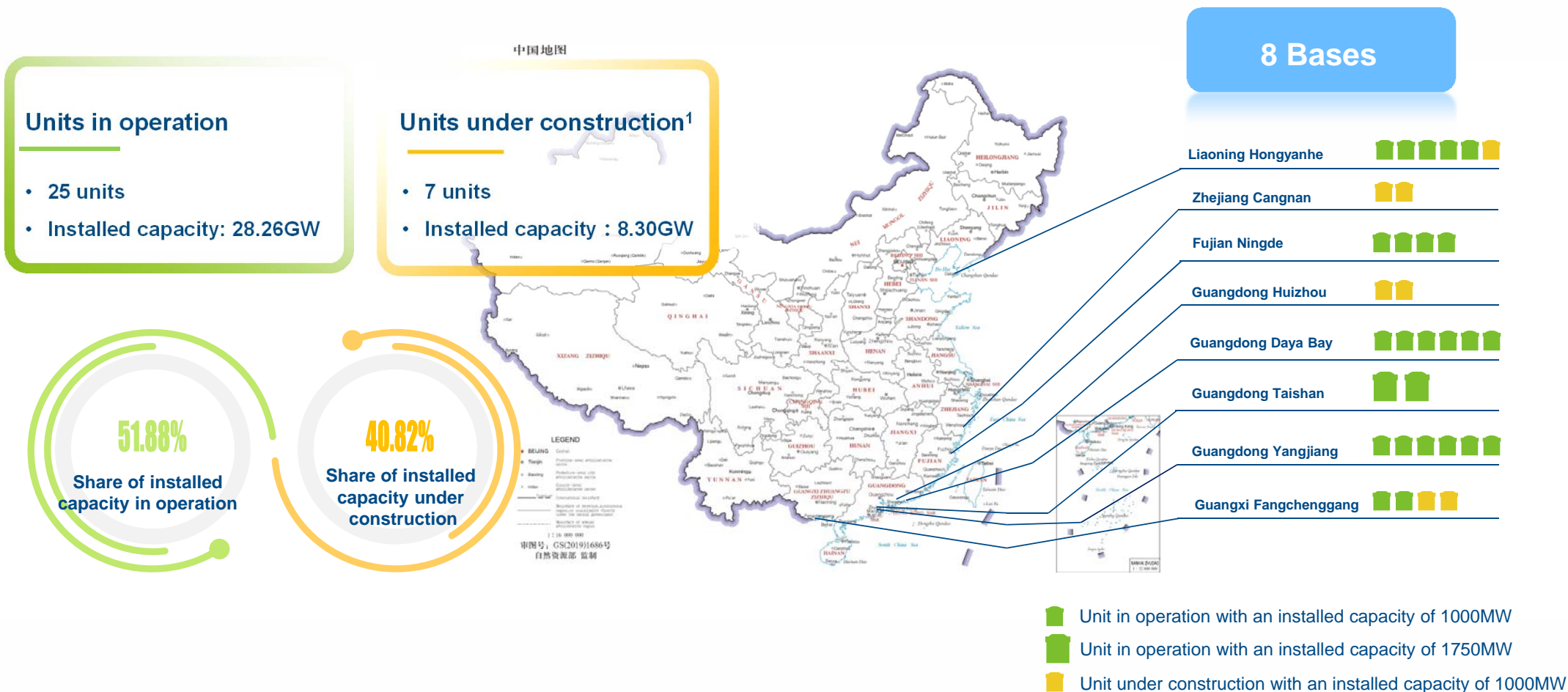
Equity Structure



Note: As of April 21, 2022.

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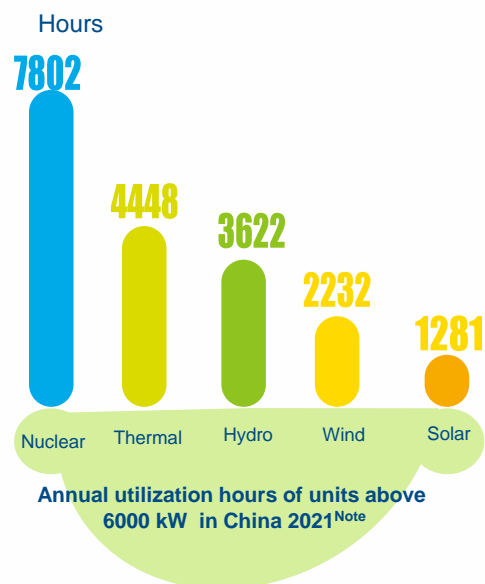
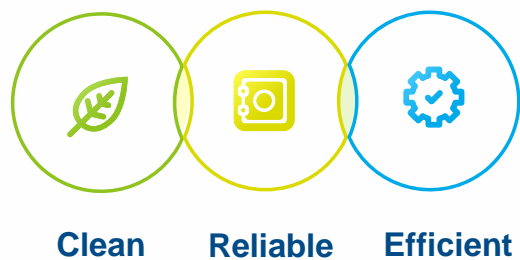
the 1st Quarter Results of 2022-5



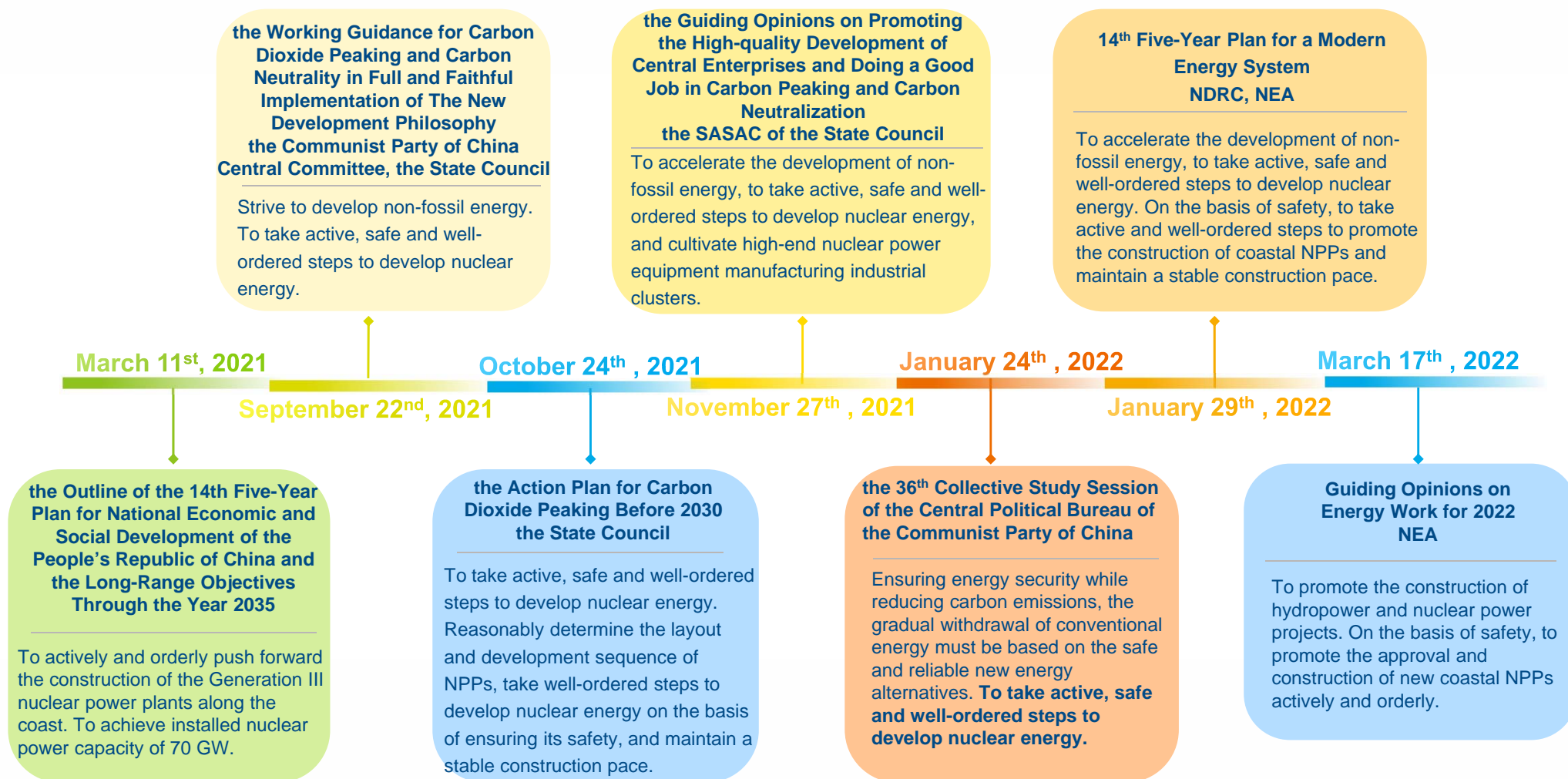
Note: Statistics only include the China's mainland and as of March 31st, 2022.

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

Unique Advantages of Nuclear Power



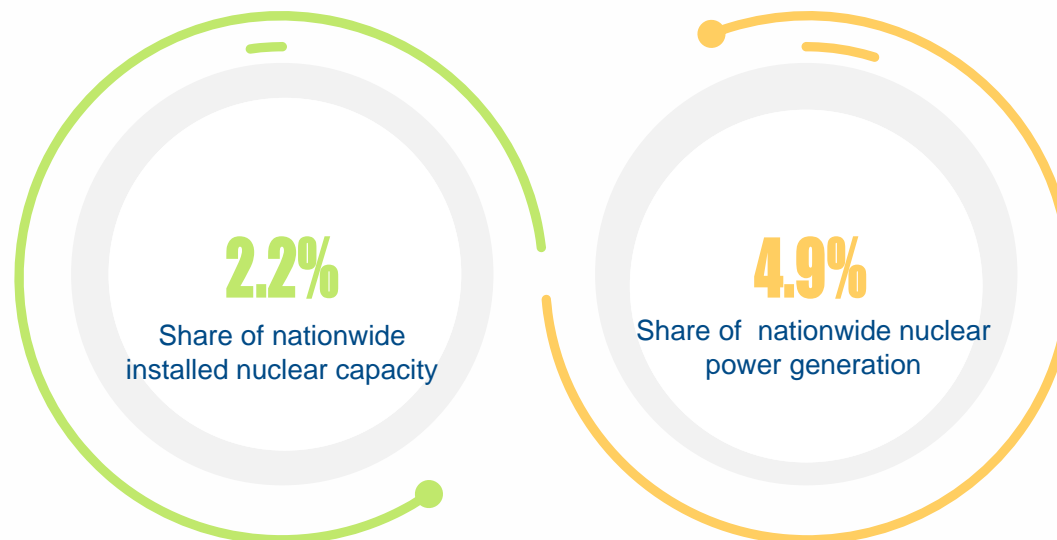
Note: Data from the 2021 National Power Industry Statistics Overview issued by the CEC.





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

Share of Nationwide Nuclear Power Generation and Installed Capacity^{Note}



Note: Data from the 2021 National Power Industry Statistics Overview issued by the CEC.

Vision

A world-class nuclear energy enterprise 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
- Accelerating the R&D of advanced nuclear power technology, improving the level of independent innovation
- Exploring investments in supportive energy storage projects related to nuclear power as appropriate



By 2035

- ✓ Achieving excellence in key performance indicators such as safety operations, project construction, and operational efficiency;
- ✓ Expanding the use of nuclear energy for services such as heating, steam supply to an appropriate extent to enhance the comprehensive benefits of the comprehensive use of nuclear energy.



14th Five-Year

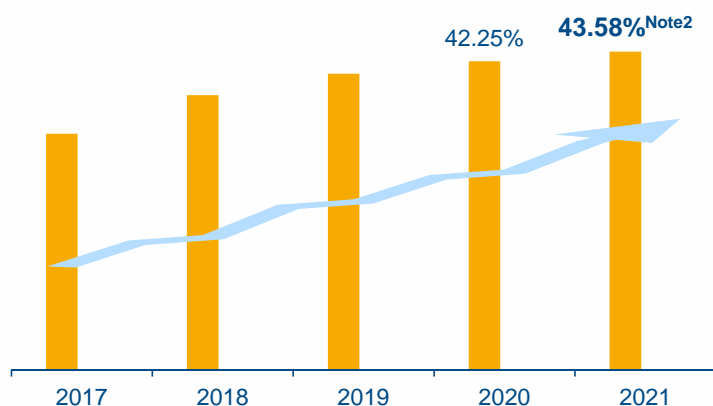
- ✓ Focusing on the five aspects comprising safety, quality and environmental protection, project construction, science and technology innovation, operational efficiency, and corporate management;
- ✓ To realize the quality commercial operation of Hongyanhe Unit 5&6, Fangchenggang Unit 3&4 and Huizhou Unit1;
- ✓ Striving to commence the construction of 2 to 3 new units every year.



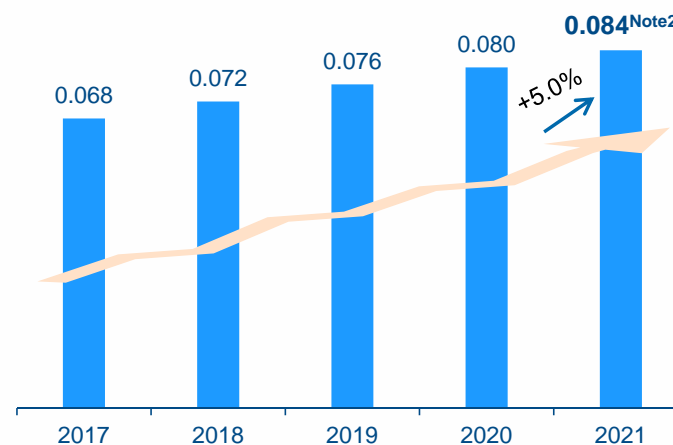
the Dividend Distribution Plan for 2021-2025^{Note1}

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 aims to achieve a moderate increase in the annual dividend ratio based on the dividend ratio in 2020(42.25%), and provide shareholders with stable and reliable returns.

Dividend Ratio (total dividends/net profit attributable to shareholders of the parent company*100%)



Dividend RMB/share



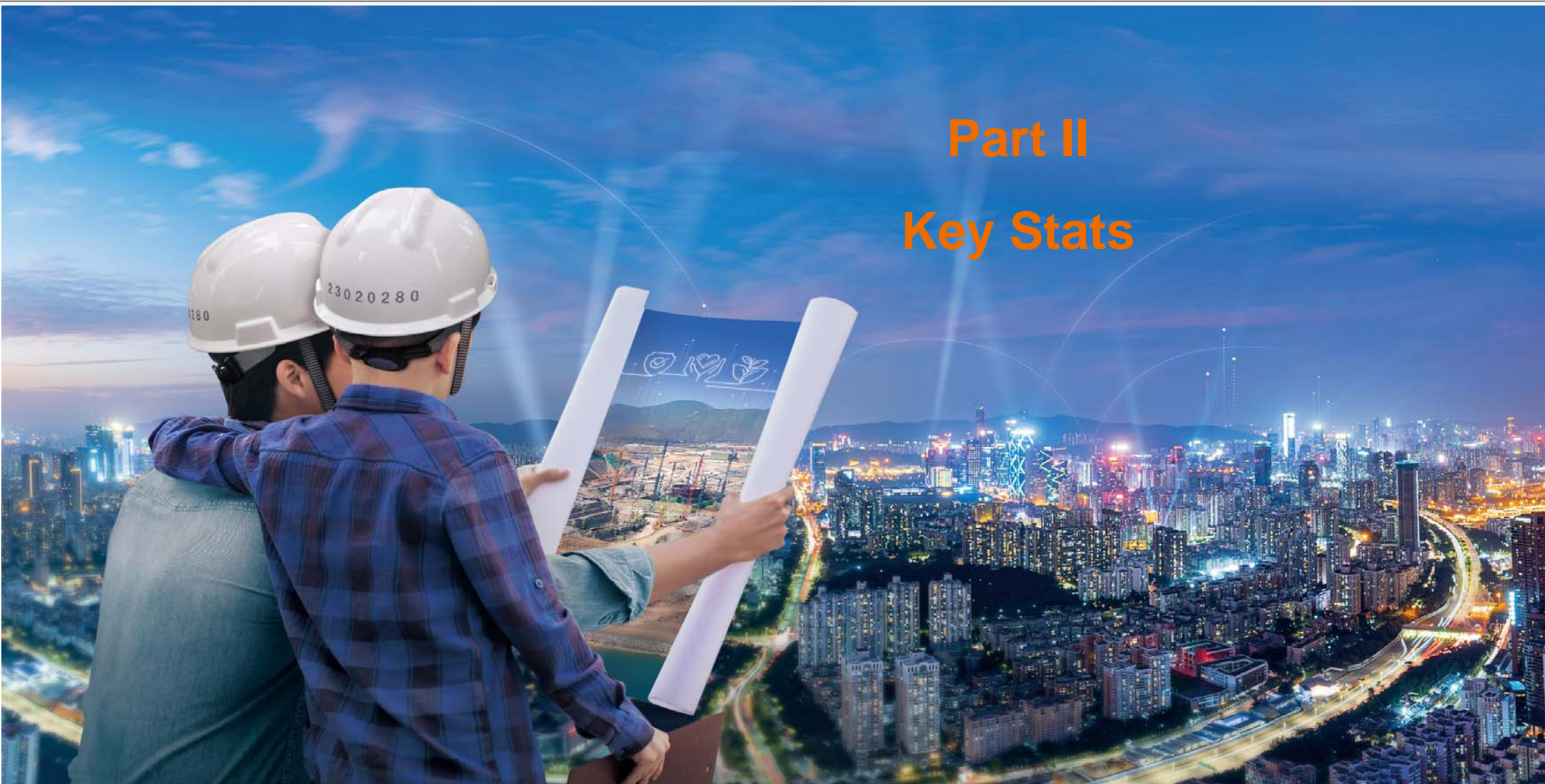
Note1: The Dividend Distribution Plan for 2021-2025 has been approved at the 2020 AGM.

Note2: All dividend in 2021 will be distributed after being approved by our shareholders at the 2021 AGM and is expected to be distributed on around July 7, 2022. Clean · Green · Nature

the 1st Quarter Results of 2022-12

Part II

Key Stats





01	On-Grid Power Generation	• 46,202.31Gwh (Subsidiaries & Associates)	+1.31%yoy
		• 36,489.33Gwh (Subsidiaries)	-3.72%yoy
02	Revenue	• RMB 17,178M	+0.17%yoy
03	Net Profit Attributable to Shareholders of the Parent Company	• RMB 2,852M	+20.10%yoy
04	Net Profit Attributable to Shareholders of the Parent Company (Excluding the Effect of Non-Recurring Gains or Losses)	• RMB 2,815M	+20.45%yoy

Part III

Business Performance



Refueling Outages



2022. 1-3

Completed **6** refueling outages
and started **1** refueling outages
with total **189** days

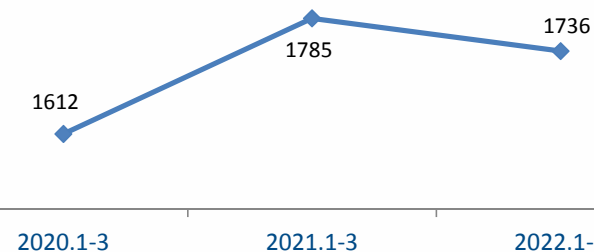


2021. 1-3

Completed **7** refueling outages
and started **2** refueling outages
with total **232** days

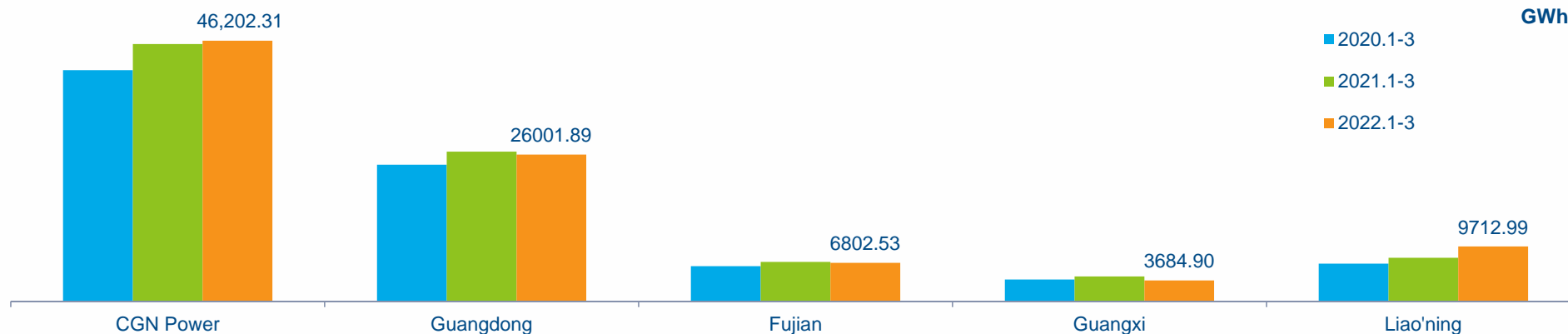
Average Utilization Hours

Hour



On-grid Power Generation in Total and by Region

GWh





In the 1st quarter of 2022, a total on-grid power generation of **46,202.31GWh**, equivalent to **0.1 million hectares** of forest



Standard Coal Consumption Reduction



approximately
13.98
million tons

CO₂ Emission Reduction



approximately
38.44
million tons



SO₂ Emission Reduction

approximately
7,400 tons

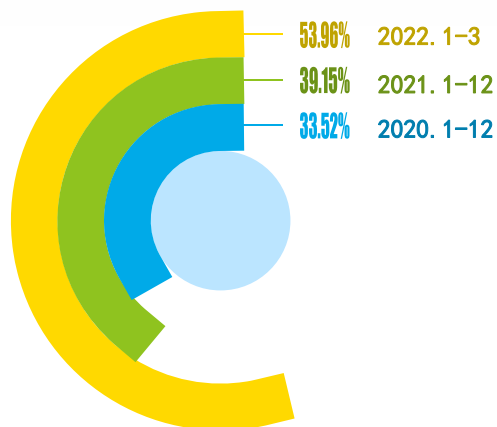


Oxynitride Emissions Reduction

approximately
8,300 tons

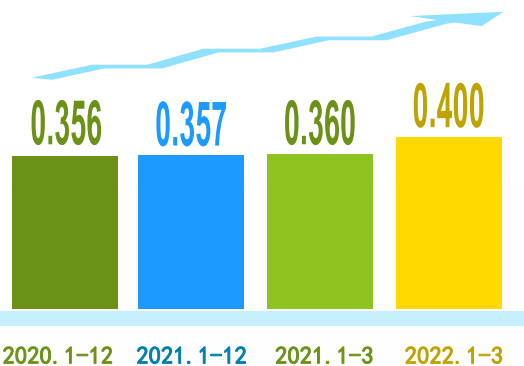


Share of Market-based Power Generation



Average Market-based Power Tariff (Tax Included)

RMB/kWh



Guangdong

◆ “full capacity power generation with favorable tariff” model and part of power generations of 10 units participate in electricity market.

◆ Due to the shutdown and inspection of Taishan Unit 1, on-grid power generation decreased by 1.99%yoy.

Fujian

◆ All of the power generation of nuclear power units in Fujian, except the Hualong-1, should participate in the electricity market.

◆ Due to the more time of temporary operation at reduced load or shutdown for standby at the request of power grid in 2022Q1, on-grid power generation decreased by 2.57%yoy.

Liao'ning








◆ The electricity of Hongyanhe Unit 5&6 will be provided to the residents, agriculture and line loss, and the electricity of the rest units participate in electricity market.

◆ Benefiting from the commercial operation of Unit 5 at the end of July last year, the on-grid power generation increased by 26.02%yoy

Guangxi

◆ All the electricity of the nuclear power participate in the electricity market.

◆ During the 1st quarter, 1 refuelling outage was completed, while 0 refuelling outage at the same period last year, on-grid power generation decreased by 16.02%yoy.

Units	Civil Construction	Equipment Installation	Commissioning	Grid Connection	Expected COD
<u>Hongyanhe Nuclear</u>					
Unit 6					2022H1
<u>Fangchenggang Nuclear</u>					
Unit 3					2022H2
Unit 4					2024H1
<u>Huizhou Nuclear*</u>					
Unit 1					2025
Unit 2					2026
<u>Cangnan Nuclear*</u>					
Unit 1					2026
Unit 2					2027

Note1: As of April 21, 2022.

Note2: 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.

Note5: 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.

Part IV

Financial Performance



Annual Financial Performance of 2021



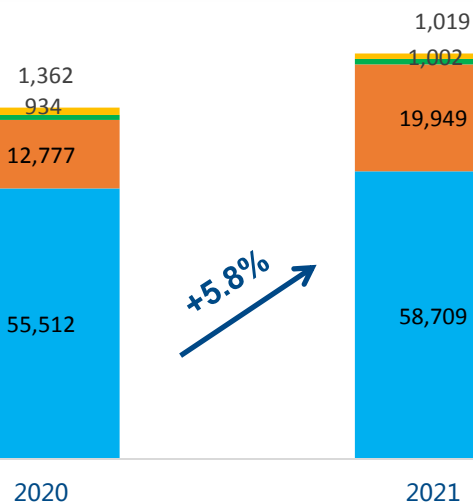
Revenue^{Note}

RMB M

70,585

+14.3%

80,679



- Sales of goods and others
- Rendering of services
- Construction, installation and design services
- Sales of electricity

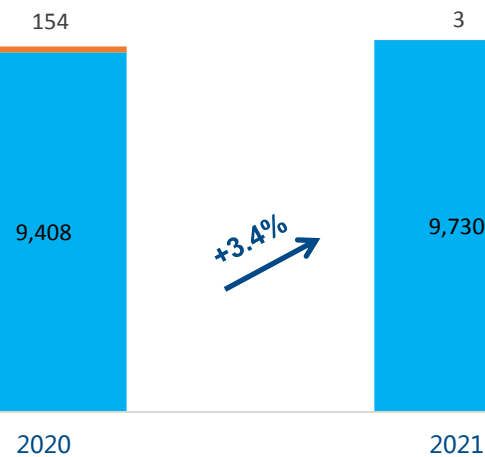
Profit Attributable to Shareholders of the Parent Company

RMB M

9,562

+1.8%

9,733



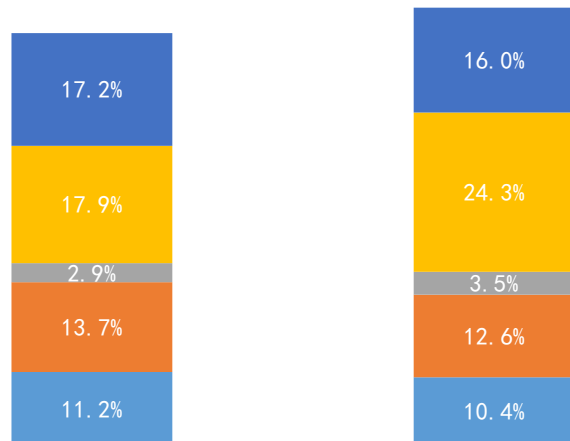
- Recurrent
- Non-recurrent

Note: 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

62.9%

66.8%



2020

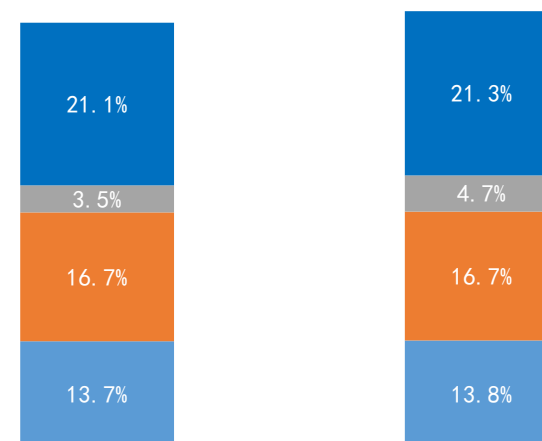
2021

- 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)

55.0%

56.5%



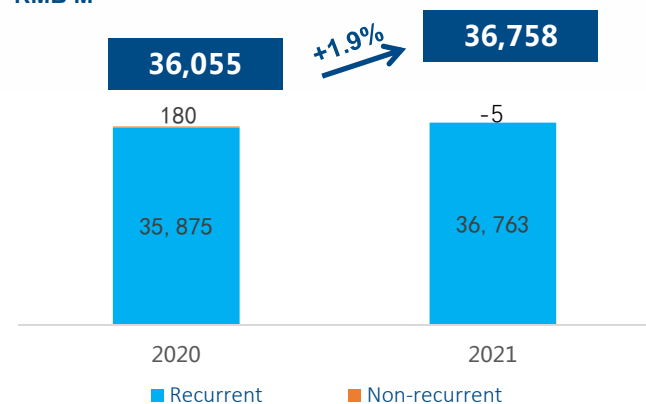
2020

2021

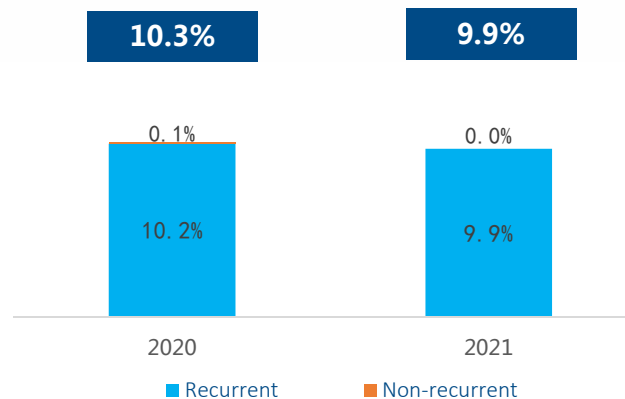
- O&M and others
- Provision for spent fuel management
- Depreciation of fixed assets
- Cost of nuclear fuel

EBITDA⁽¹⁾

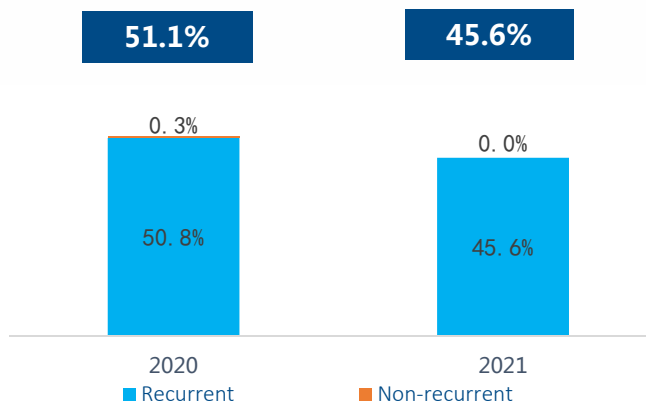
RMB M



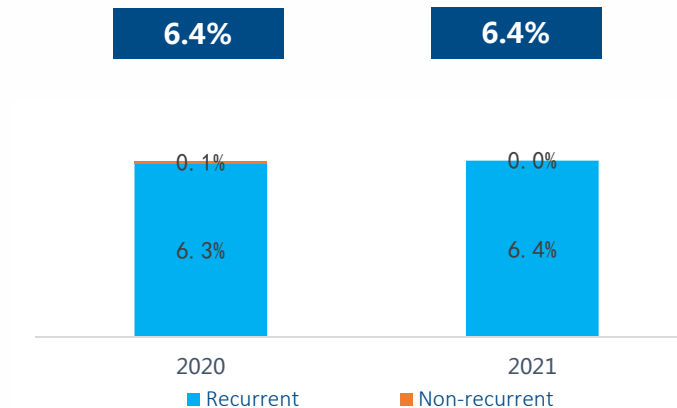
ROE (Excluding Non-controlling Interests)⁽³⁾



EBITDA Margin⁽²⁾



ROA⁽⁴⁾



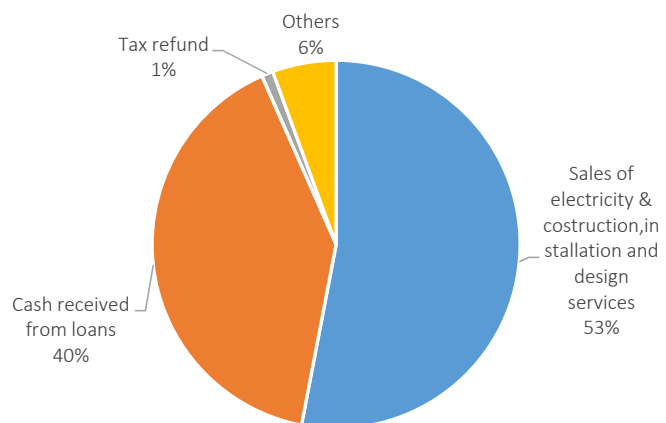
Note 1: EBITDA=Total profit + Interest expenses recognized in profit or loss + Depreciation and amortization

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%

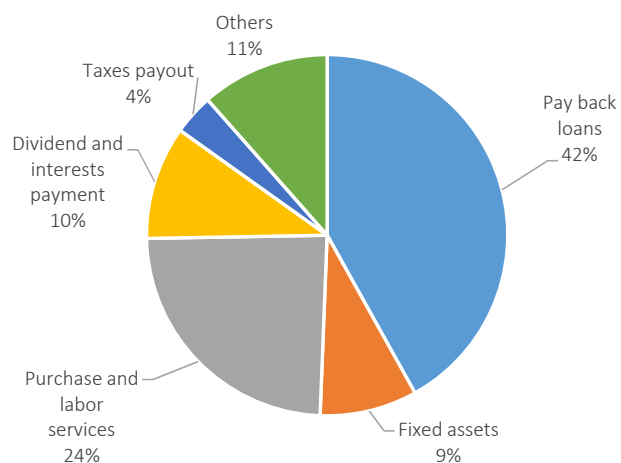
Note 2: EBITDA margin= EBITDA/Revenue * 100%

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 2021

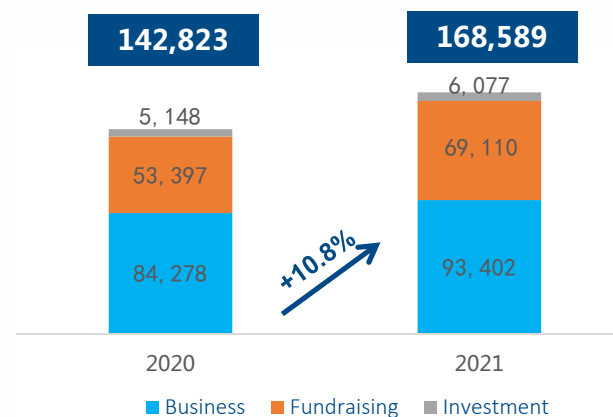


Cash Outflow Structure in 2021



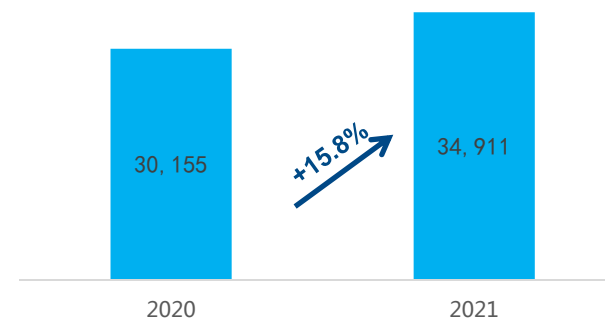
Cash Inflow in 2021

RMB M



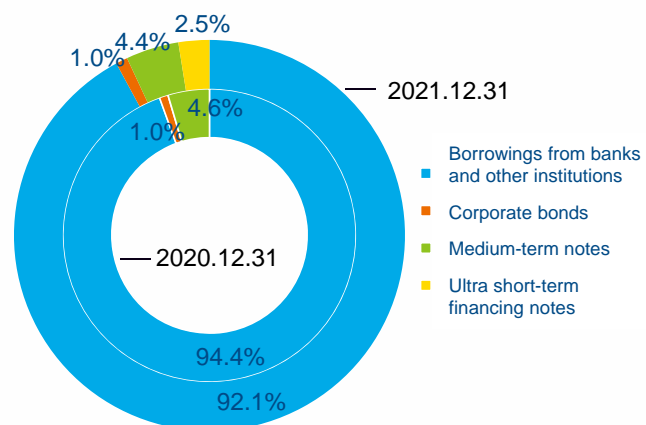
Net Operating Cash Flow in 2021

RMB M

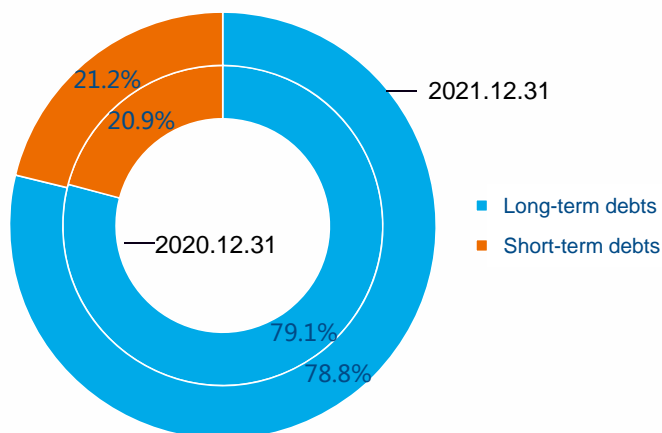




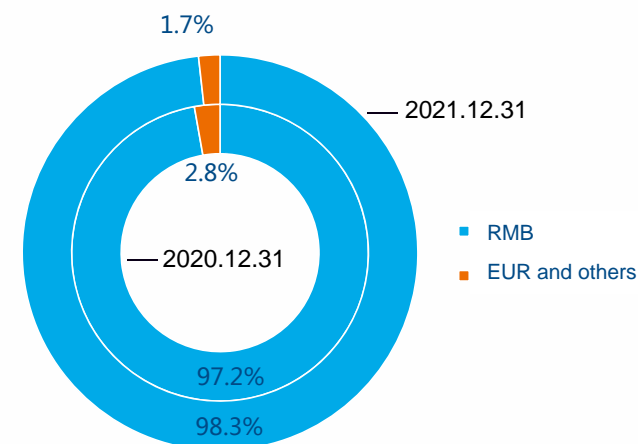
In 2021, the Company has issued a total of RMB11.5 billion of bonds.



Debts are mainly from bank borrowings

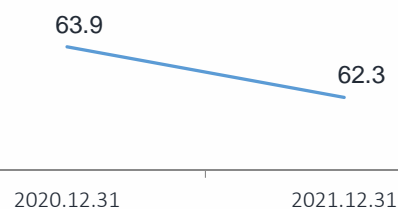


Long-term debt predominates

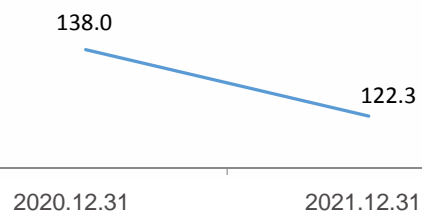


RMB debt predominates

Asset-Liability Ratio %⁽¹⁾



Debt to Equity Ratio %⁽²⁾



Capital Expenditure⁽⁴⁾

RMB M

15,408

16,328

456

14,952

2020

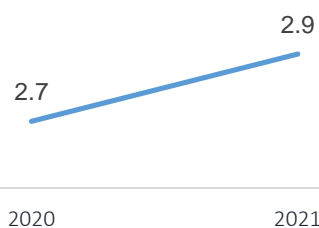
162

16,166

2021

■ Investment in fixed assets
■ Major investment in equity

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)

Note4 : The capex here refers to cash flows.

Financial Performance of the 1st Quarter



Revenue⁽¹⁾

RMB M, %yoy

17,148

+0.2%

17,178

3,678

3,607

13,470

+0.7%

13,571

2021.1-3

2022.1-3

■ Sales of electricity

■ Others

Profit Attributable to Shareholders of the Parent Company

RMB M, %yoy

2,374

+20.1%

2,852

37

37

2,337

+20.5%


2,815

2021.1-3

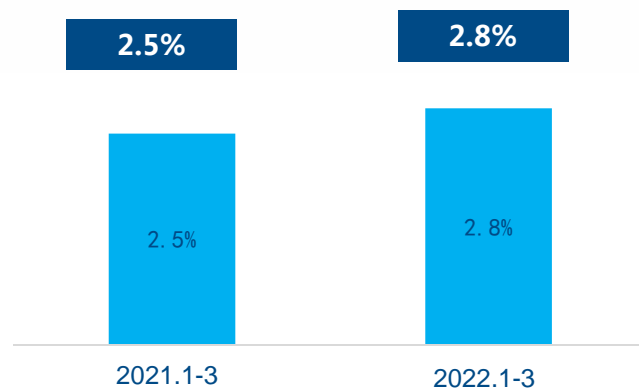
2022.1-3

■ Recurrent

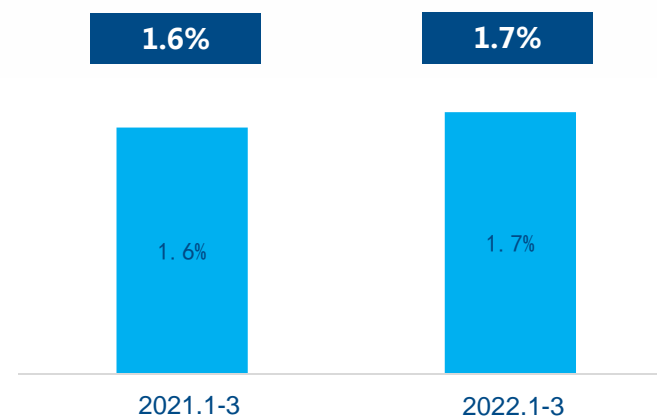
■ Non-recurrent

Note: Hongyanhe Nuclear is not included in the consolidated financial statements, therefore the revenue of Hongyanhe Nuclear is not included in the Company's revenue.  the 1st Quarter Results of 2022-29

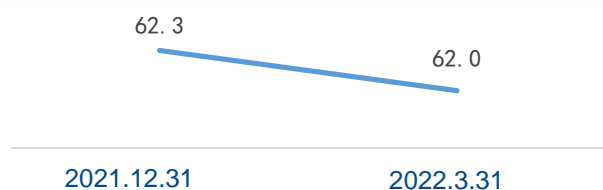
ROE (Excluding Non-controlling Interests)⁽¹⁾



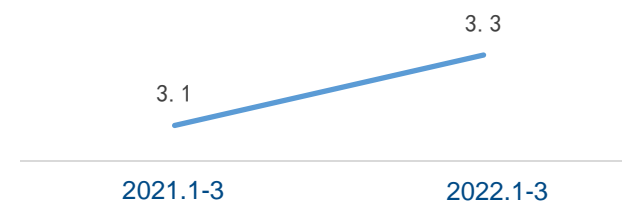
ROA⁽²⁾



Asset-Liability Ratio %⁽³⁾



Interest Coverage⁽⁴⁾



Note 1: 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 3: Asset-Liability ratio=(Total liabilities / Total assets)*100%

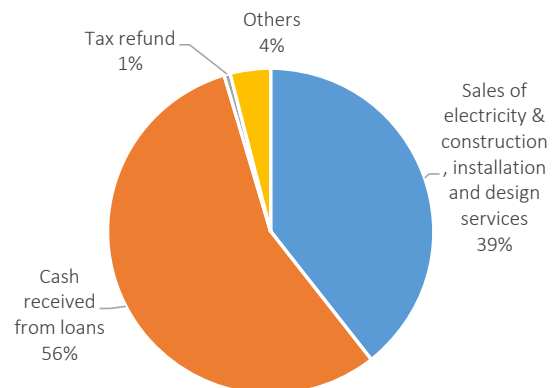
Note2: ROA(Return on total assets)= (Total profit + Interest expenses recognized in profit or loss)/Average total assets (the arithmetic mean of the opening and closing balances) * 100%

Note 4: Interest coverage=(Total profit + Interest expenses recognized in profit or loss)/(Interest expenses recognized in profit or loss + interest expenses capitalized)

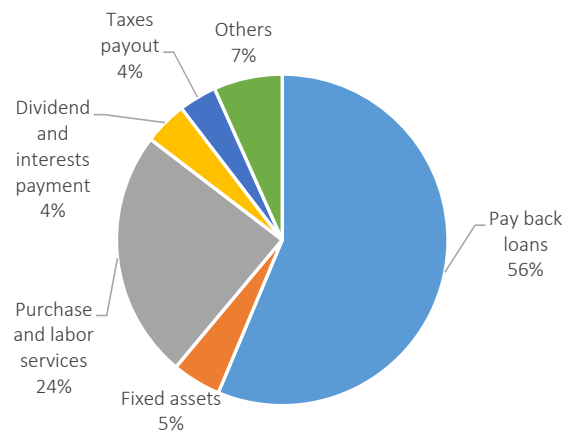
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Cash Inflow Structure in the 1st Quarter of 2022



Cash Outflow Structure in the 1st Quarter of 2022

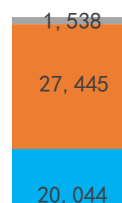
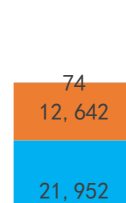


Cash Inflow

RMB M

34,668

49,027



2021.1-3

2022.1-3

■ Business ■ Fundraising ■ Investment

Net Operating Cash Flow

RMB M

7,438

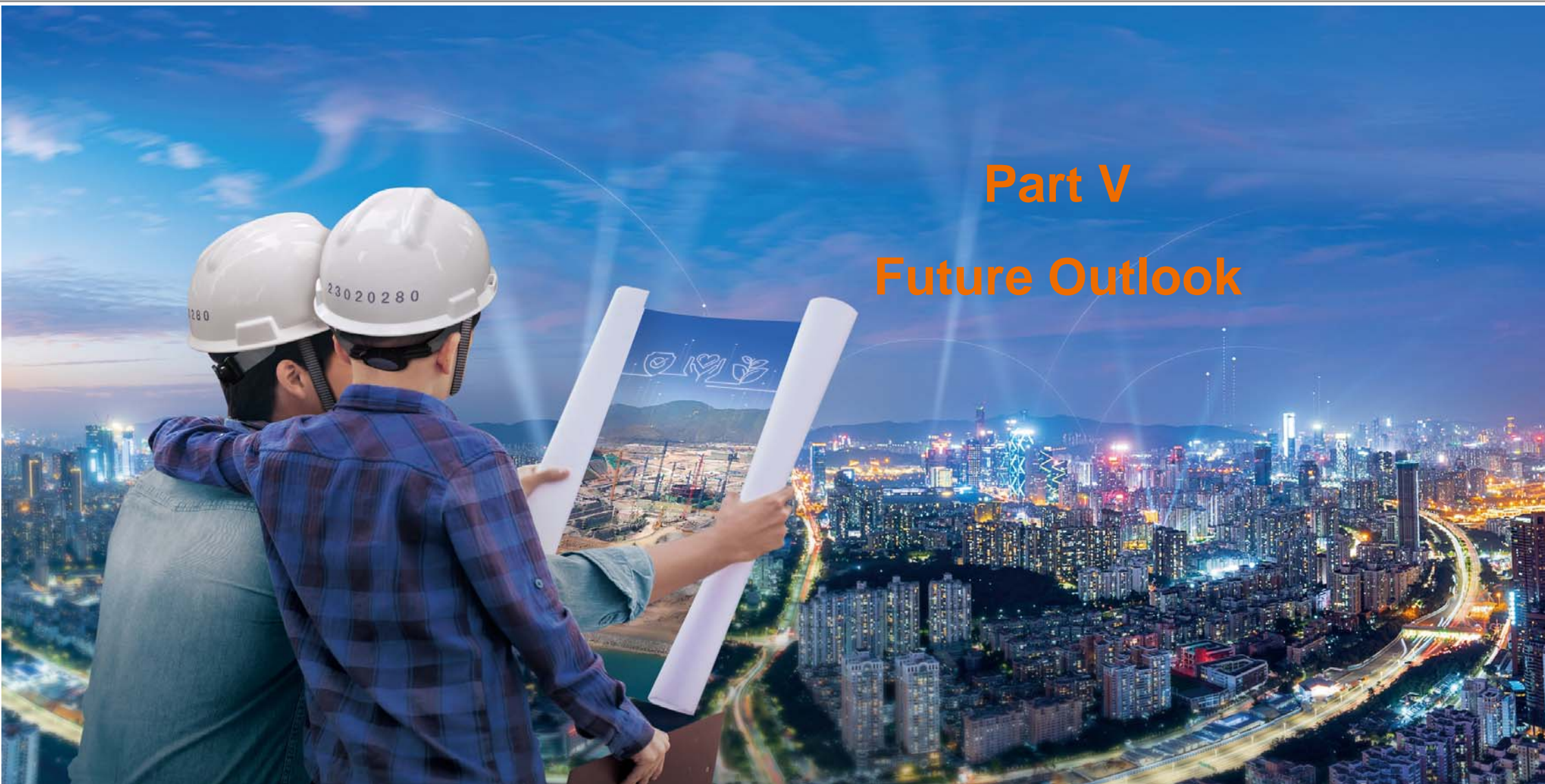
3,945

2021.1-3

2022.1-3

Part V

Future Outlook



Key Tasks in 2022

- To ensure that all in-service units are operating safely and stably ; average utilization hours not lower than the average of last three years
- To implement the planned 20 refueling outages throughout the year of 2022 successfully.
- To promote high-quality commercial operation of Hongyanhe Unit 6 and Fanchenggang Unit 3, and to push forward the construction of all units under construction, and prepare for the kick-off of new projects
- To engage in marketing for electricity market actively

Performance of the 1st Quarter of 2022

- ✓ In the 1st quarter of 2022, the average utilization hours are 1,736, decreased 49 hours than the same period of last year, but higher than the average of last three years(1,697 hours).
- ✓ As of March 31, 2022, 6 outages have been completed and 1 outage started.
- ✓ On March 28, 2022, Hongyanhe Unit 6 completed the loading of the first furnace of nuclear fuel, and started the main system commissioning with nuclear, the construction has been under stable progress.
- ✓ In the 1st quarter of 2022, the company achieved on-grid power generation of 46,202.31GWh, an increase of 1.31%yoy.

Key Tasks in the Following Quarters

- | | |
|---|--|
| ➤ To guarantee the safe and stable operation of all in-service power units and achieve average utilization hours in 2022 not lower than the average of last three years | ➤ To optimize the duration of refuelling outages and strengthen the management of equipment marketing. |
| ➤ To achieve that Hongyanhe Unit 6 and Fangchenggang Unit 3 to commence high quality commercial operation in 2022, and push forward the construction of all units under construction and prepare for the kick-off of new projects.. | <ul style="list-style-type: none"> ➤ To strengthen marketing, and strive for better returns. ➤ To continue to implement lean management and carry out 'tightening our belts' action. |

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Thank you!

