



龍源電力集團股份有限公司
China Longyuan Power Group Corporation Limited*

2018中期業績發佈會

Interim Results Announcement

2018.08

Disclaimer

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

- This presentation and the information contained herein does not constitute or take the form of any recommendation for the purchase or sale of any securities of China Longyuan Power Group Corporation Limited (“Longyuan” or “the Company”), and does not constitute an offer to purchase or sell any securities of the Company, nor does it constitute the foundation or basis of any contract or commitment.
- No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained herein. Neither the Company nor any of the Company's advisors or representatives shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially.
- This presentation includes several forward-looking statements regarding the Company’s financial status, operating results and business, and several plans and targets of the Company’s management. These forward-looking statements include foreseen and unforeseen risks, uncertainties or other factors, and these risks, uncertainties and other factors may lead to a material difference in the actual future results and performance of the Company from the results and performance explicitly or implicitly hinted in these forward-looking statements. These forward-looking statements are based on the Company’s current and future business strategies, and assumptions made based on the political and economic environment where the Company operates in the future. The above forward-looking statements are a reflection of the views held by the Company’s management on the day the data was published. No persons shall rely on these forward-looking statements. The Company shall not ensure the consistency of the forward-looking statements with the Company’s future results or events.
- The information contained in this presentation is provided to you in confidence, where the information shall not be forwarded or disclosed to any other person, and shall not be photocopied.



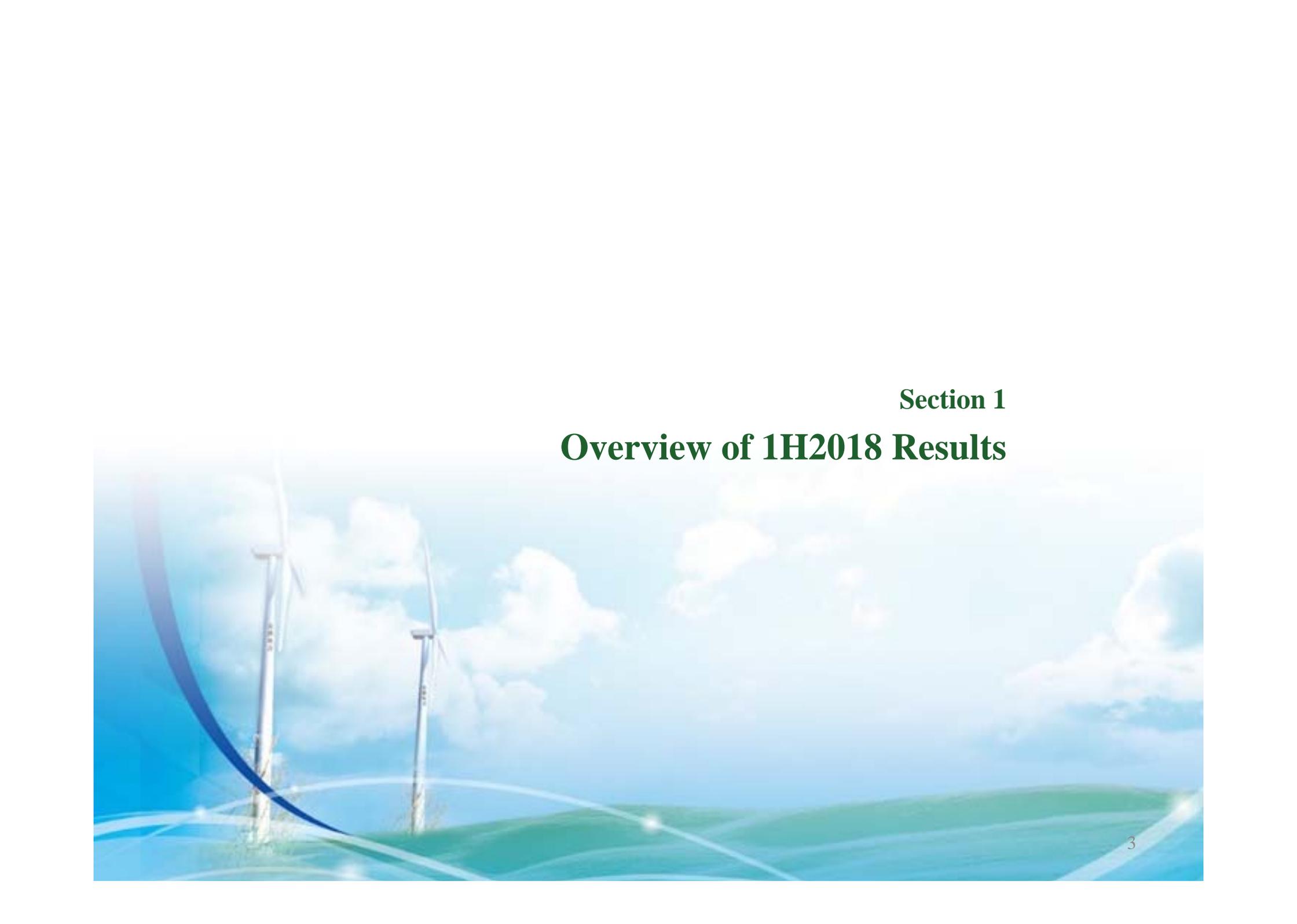
Contents

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

Section 1	Overview of 1H2018 Results	3
Section 2	1H2018 Business Performance	8
Section 3	1H2018 Financial Performance	22
Section 4	2H2018 Outlook	30





Section 1
Overview of 1H2018 Results

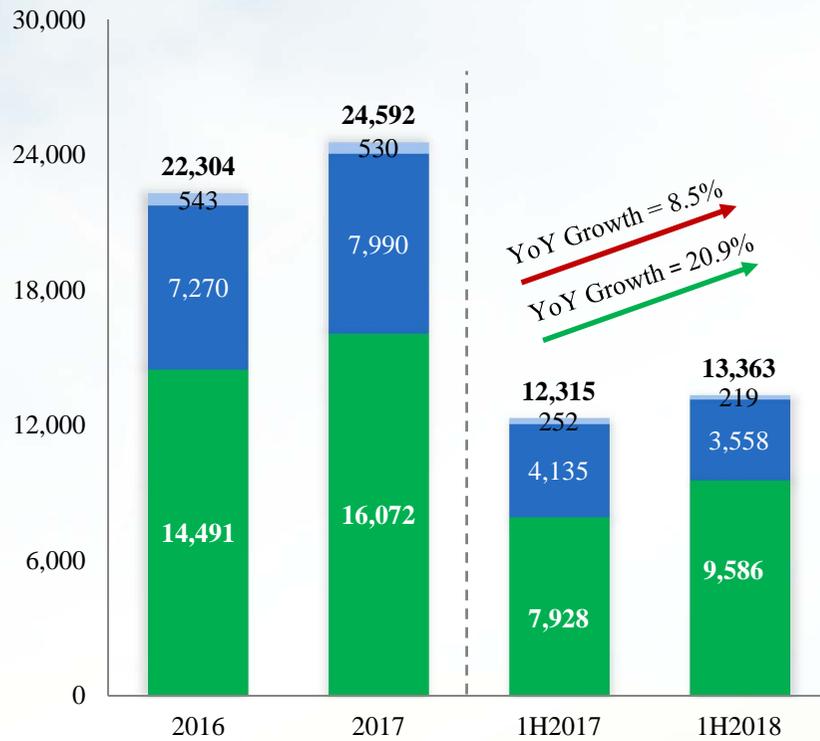
1H2018 Results Overview

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

Revenue

(RMB MM)



■ Wind⁽¹⁾ ■ Coal⁽²⁾ ■ Others⁽³⁾

→ YoY Growth for Total

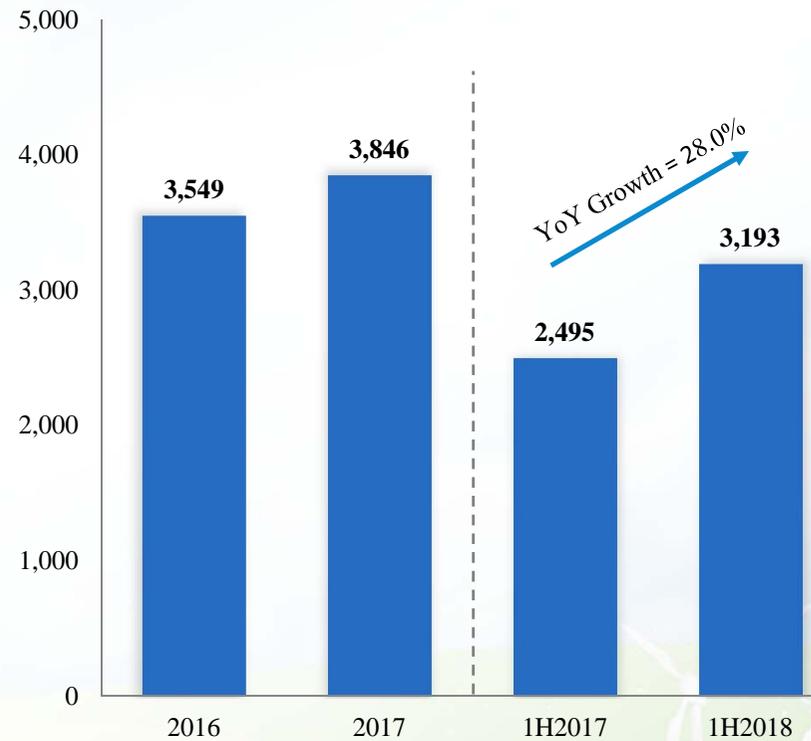
→ YoY Growth for Wind

Notes:

- 1 Includes concession construction revenue
- 2 Includes sales of coal
- 3 Includes inter-segment elimination revenue

Net Profit Attributable to Equity Holders of the Company

(RMB MM)



1H2018 Results Overview (Cont.)

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

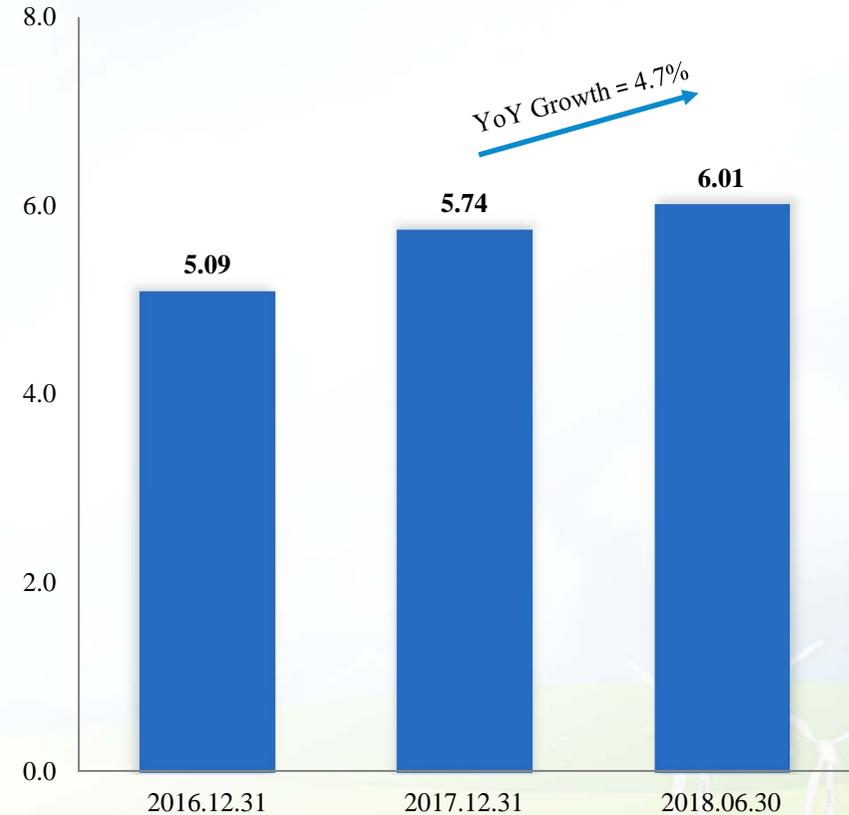
Earning Per Share

(RMB Cent)



Net Asset Per Share

(RMB Yuan)



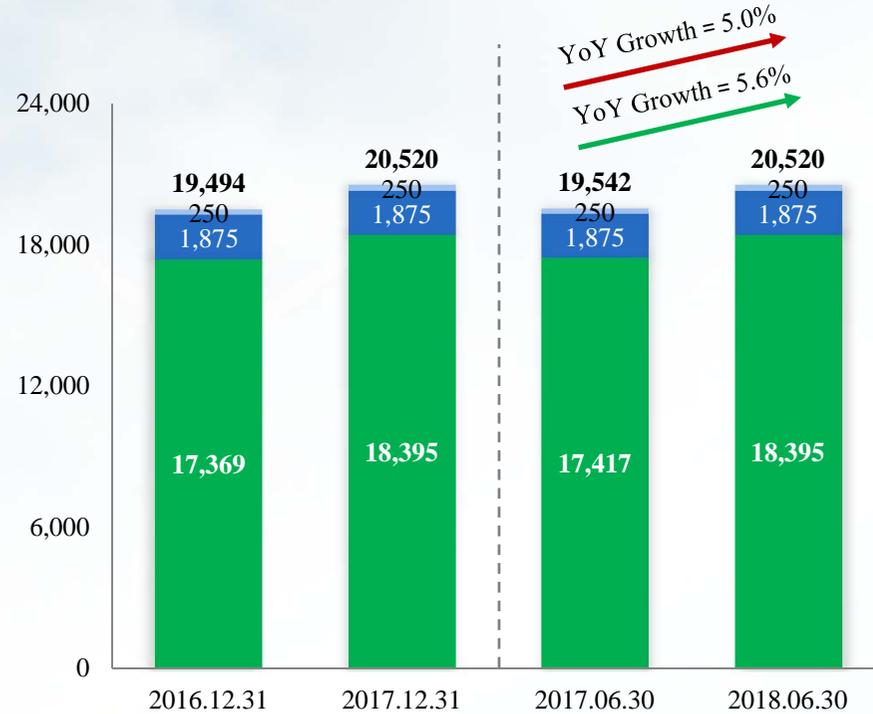
1H2018 Results Overview (Cont.)

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

Consolidated Installed Capacity

(MW)

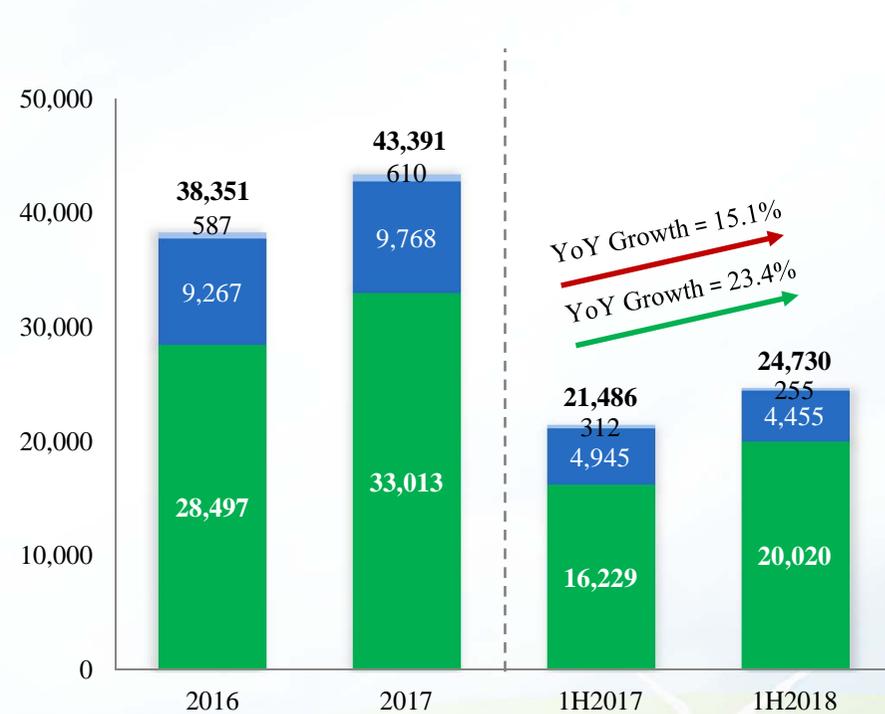


→ YoY Growth for Total
→ YoY Growth for Wind

■ Wind ■ Coal ■ Other Renewable Energy

Net Power Generation

(GWh)



→ YoY Growth for Total
→ YoY Growth for Wind

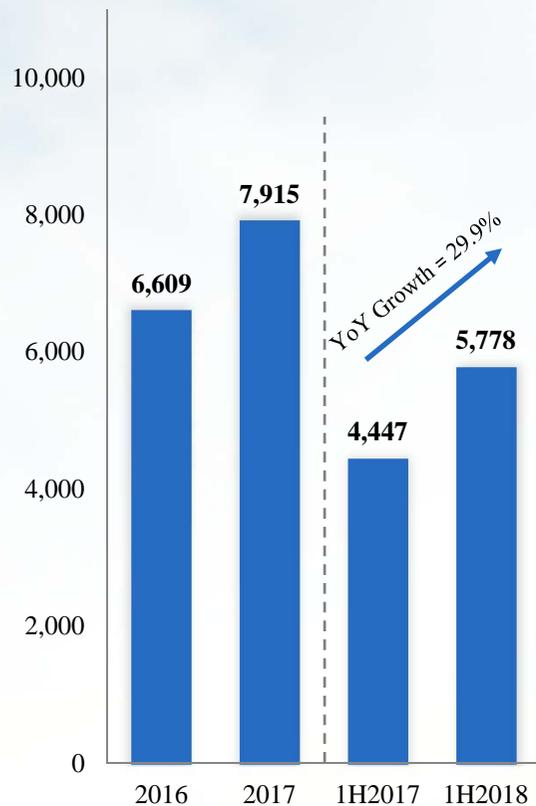
1H2018 Results Overview (Cont.)

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

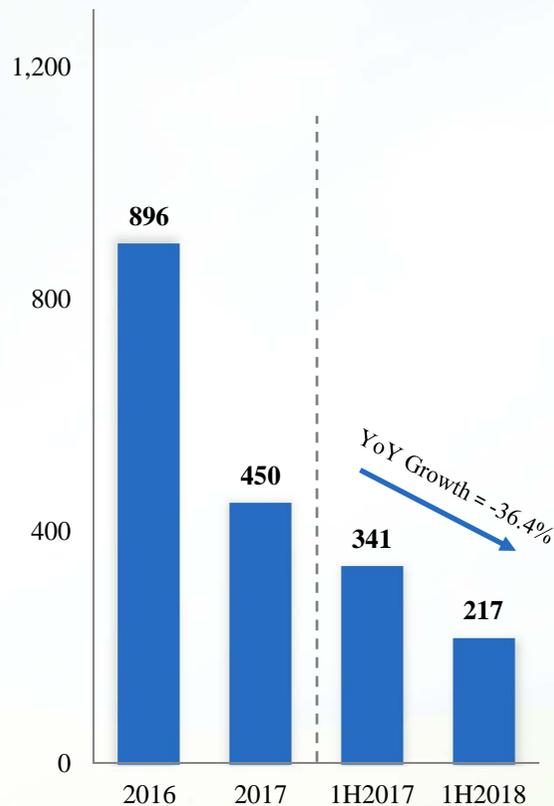
Wind Power Operating Profit

(RMB MM)



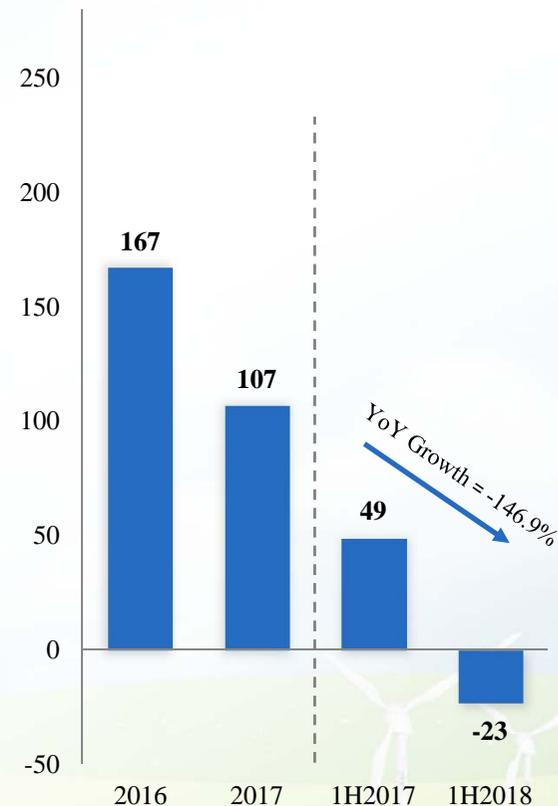
Coal Power Operating Profit ⁽¹⁾

(RMB MM)



Other Business Operating Profit

(RMB MM)



Note:

1 Coal power operating profit including sales of electricity & heat and others, and coal sales business

Section 2

1H2018 Business Performance



Industry Review

– Operational Environment

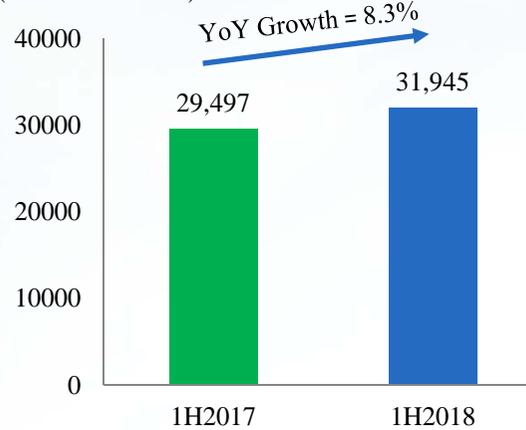
Power Consumption Across the Country

(100 million kWh)



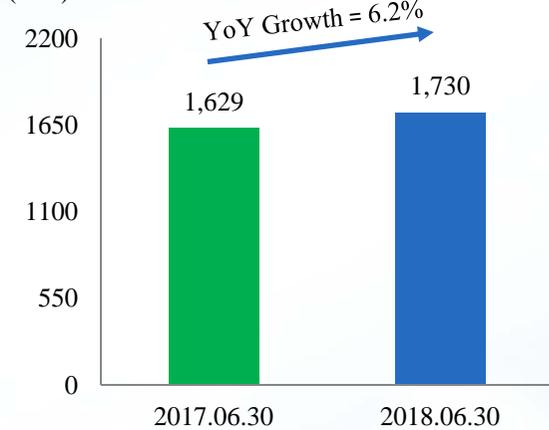
Total Electrical Output Across the Country

(100 million kWh)



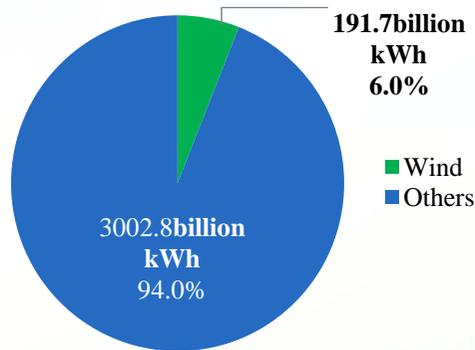
Power Generation Installed Capacity Across the Country

(GW)



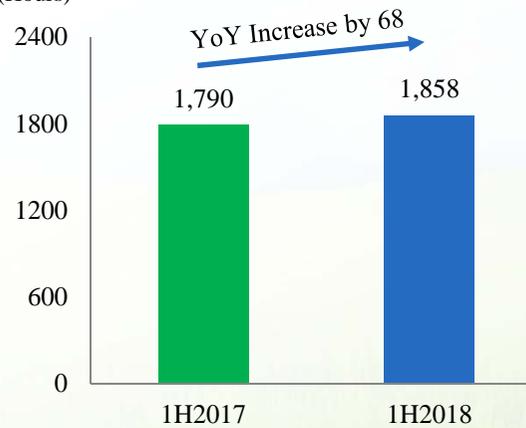
The Proportion of Wind Power in the Total National Power Generation

(%)



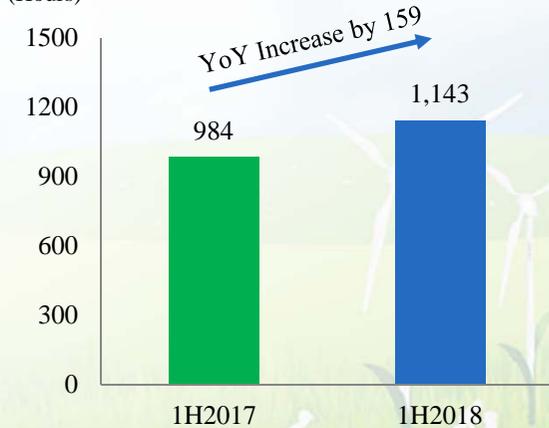
Average Utilization Hours of Power Generation Equipment Across the Country

(Hours)



Average Wind Power Utilization Hours Across the Country

(Hours)



Industry Review

– Policy Factor

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

In March, the NEA issued the “Opinions on Renewable Electricity Quotas and Assessment Methods (Exposure Draft)”

In April, the NEA issued the “Circular on Interim Administrative Measures for the Development and Construction of Distributed Wind Power Projects”

In April, the NEA issued the “Circular on Matters Concerning Easing Burdens of Enterprises in Renewable Energy Sector”

In May, the NEA issued the “Circular on the 2018 Administrative Requirements of Wind Power Development”

In June, the MOF issued the “Notice on Releasing the Catalogue of Additional Subsidies for Renewable Energy Electricity Prices (the Seventh Group)”



Strengthened Safety Management, Strived to Enhance Quality and Efficiency and Achieved Significant Improvement in Operation

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

System Construction

- Revised its internal rules and regulations to improve safety risk management and strengthen the awareness of responsibility and duty performance
- Advanced the adoption of information technology for safety supervision and innovated safety management procedures and models

Education and Training

- Organized trainings for the safety officers of each shift and team to improve the safety awareness and quality of production safety personnel
- Organized examinations for safety production personnel, covering all safety production positions
- Held a variety of special activities and emergency drills to enhance the safety skills and awareness of all employees

Special Inspection

- Performed all-round production safety checks and defined the responsibilities of each level of the production system
- Effectively improved its on-site safety, equipment management and civilized production levels through standardizing its safe and civilized production practice in an orderly way

Safety Culture

- Held a series of “Work Safety Month” activities themed “life first, safe development” to advocate “being a safety guard, preventing safety risks and building safe wind power farms”. All this has helped enhance the concept of safe development and create a safety-aware culture

Strengthened Safety Management, Strived to Enhance Quality and Efficiency and Achieved Significant Improvement in Operation (Cont.)

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

Strengthened the reliability management of equipment

- Defined the contents, requirements, working procedures and standards for onsite overhaul of wind power equipment
- Innovated and improved the standardized management system on the overhaul of wind power equipment and developed a “new wind power equipment overhaul system”

Steadily carried out the construction of intelligent wind farms

- Implemented the “12 Measures to Strengthen the Supervision of Wind Power Technology”, and through the comprehensive analysis of test results and data, provided technical support for equipment management
- Adopted drone patrols, big data analysis and other new technologies to precisely diagnose the health conditions of generating units

Enhanced the prevention and control of equipment defects

- Implemented accurate diagnosis and prepared targeted modification plans, thus further improving the stability of generating units
- Set out the Incentive Measures on Reporting Defects and Potential Problems of Units and established special incentive funds for technical transformation

Optimized and refined the benchmarking assessment

- Enhanced the benchmarking with the whole industry and carried out benchmarking management on different levels and categories
- Optimized the special assessment mechanism on utilization hours and time loss for failure
- Improved the scientificity and accuracy in the calculation of indicators

Made progress in curtailment management

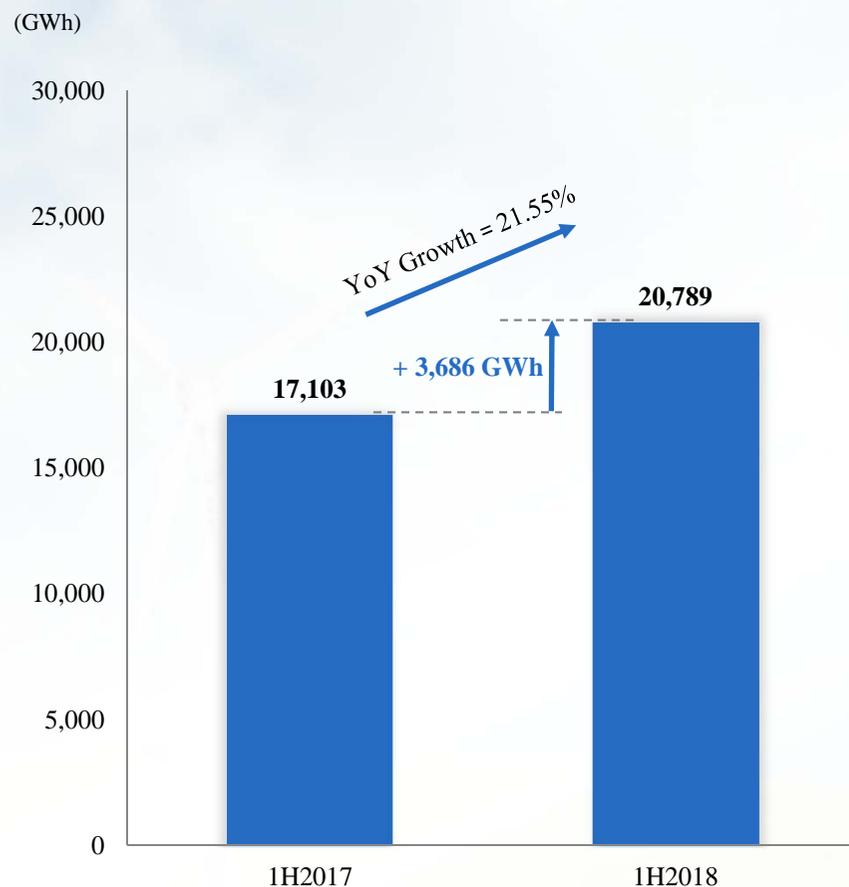
- Internally, enhanced follow-up supervision and performed stringent assessment on grid curtailment; Externally, strengthened marketing awareness and strove for greater generation load
- Strictly managed and control proportion and volume of curtailment

Strengthened Safety Management, Strived to Enhance Quality and Efficiency and Achieved Significant Improvement in Operation (Cont.)

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

Wind Consolidated Gross Power Generation



Geographical Breakdown of Wind Consolidated Gross Power Generation

Region (MWh)	1H2018	1H2017	YoY
Heilongjiang	1,389,088	1,197,882	15.96%
Jilin	469,610	429,457	9.35%
Liaoning	1,359,244	1,112,106	22.22%
Inner Mongolia	2,765,248	2,370,444	16.66%
Jiangsu Onshore	1,411,555	1,280,171	10.26%
Jiangsu Offshore	980,129	526,561	86.14%
Zhejiang	182,888	184,446	-0.84%
Fujian	978,926	820,546	19.30%
Hainan	60,412	63,923	-5.49%
Gansu	1,322,240	984,087	34.36%
Xinjiang	1,603,680	1,325,245	21.01%
Hebei	1,429,304	1,333,891	7.15%
Yunnan	1,220,298	1,108,354	10.10%
Anhui	876,649	786,934	11.40%
Shandong	493,945	393,985	25.37%
Tianjin	215,292	142,797	50.77%
Shanxi	1,012,854	624,135	62.28%
Ningxia	832,880	670,226	24.27%
Guizhou	682,749	743,018	-8.11%
Shaanxi	389,389	308,763	26.11%
Tibet	8,525	7,230	17.91%
Chongqing	149,995	168,715	-11.10%
Shanghai	70,189	69,677	0.73%
Guangdong	72,932	57,584	26.65%
Hunan	72,237	79,916	-9.61%
Guangxi	132,613	134,103	-1.11%
Jiangxi	48,980	25,377	93.01%
Hubei	62,042	--	--
Canada	145,945	153,558	-4.96%
South Africa	349,636	--	--
Total	20,789,474	17,103,131	21.55%

Strengthened Safety Management, Strived to Enhance Quality and Efficiency and Achieved Significant Improvement in Operation (Cont.)

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

Wind Average Utilization Hours

(Hours)



Geographical Breakdown of Wind Average Utilization Hours

Region (Hours)	1H2018	1H2017	YoY
Heilongjiang	1,125	970	15.98%
Jilin	947	866	9.35%
Liaoning	1,355	1,109	22.18%
Inner Mongolia	1,069	917	16.58%
Jiangsu Onshore	1,148	1,063	8.00%
Jiangsu Offshore	1,656	1,096	51.09%
Zhejiang	802	809	-0.87%
Fujian	1,451	1,401	3.57%
Hainan	610	646	-5.57%
Gansu	1,025	763	34.34%
Xinjiang	1,040	860	20.93%
Hebei	1,222	1,140	7.19%
Yunnan	1,586	1,647	-3.70%
Anhui	1,196	1,149	4.09%
Shandong	1,332	1,161	14.73%
Tianjin	1,212	1,082	12.01%
Shanxi	1,221	911	34.03%
Ningxia	1,149	949	21.07%
Guizhou	1,064	1,185	-10.21%
Shaanxi	1,076	962	11.85%
Tibet	1,137	964	17.95%
Chongqing	1,000	1,129	-11.43%
Shanghai	1,478	1,467	0.75%
Guangdong	1,115	1,147	-2.79%
Hunan	1,505	1,665	-9.61%
Guangxi	1,389	1,404	-1.07%
Jiangxi	1,224	1,475	-17.02%
Hubei	1,293	--	--
Canada	1,473	1,550	-4.97%
South Africa	1,430	--	--
Total	1,181	1,030	14.66%

Strengthened Strategic Leadership and Emphasized Quality and Efficiency, Maintained Sustainable and Quality Development

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

Intensified strategic leadership

- Adhered to the development strategy of "nationwide expansion and provincial dispersion"
- Kept in mind the big picture including the planning and construction progress of power grid across the country and regional grid to steadily develop high-quality resources

Enhanced the establishment of the preliminary work system

- Improved the quality of feasibility study reports and built a professional database
- Summarized the preliminary development system of wind power and a sound and standard development process
- Establishing a full set of preliminary work system with the Company's characteristics which was domestically leading and sound

Increased the depth of preliminary work

- Actively responded to new industry policies and conducted effective feasibility studies for projects
- Determined the boundary conditions, such as forest and land seizures, environmental evaluation, water conservation and delivery coordination, in advance and enhanced the maturity of projects

- The Group constantly optimized development layout and launched wind power projects in 31 provinces and regions across the country, thereby completing a coverage of the whole country (excluding Hong Kong, Macau and Taiwan)
- 9 projects of the Group with an aggregate capacity of 490 MW, all of which are located in the regions not subject to grid curtailment, are listed under the Wind Power Development Plan issued by NEA in 2018
- In the first half of 2018, the Group had newly approved wind power projects of 330 MW. As at the end of June, the Group had wind power projects of 7.48 GW approved but not yet put into operation

Strict Quality Management, Enhanced Environmental Management and Control and Rolled out High-quality and Competitive Projects at Full Stretch

龍源電力集團股份有限公司
China Longyuan Power Group Corporation Limited

Adopted an innovative quality management and control system to build world-class wind farms

- In the first half of 2018, the Group upheld the general business guidelines of “making progress and optimization in a steady way” in steadily pushing ahead with the construction of wind power projects
- Through scientifically optimized design, strengthened supervision and strict supervision on the manufacturing of equipment, effectively reduced potential quality problems and ensured project quality
- Through regularly conducting overall analysis on cost, review on changes, project payments and the maximum price limit and other in-process controls, effectively curbed project changes and strictly controlled the project cost
- Enhanced environment risk management and control for constructions, strictly implemented environmental protection and water conservation measures, built ecological wind farms across the country and achieved green and sustainable development
- In June 2018, the wind power project of Shandong Longyuan with an installed capacity of 98.2 MW in Yushan and Qingyun Town, Linshu County, the wind power project of Guangxi Longyuan with an installed capacity of 48 MW in Liujiang Town, Heng County and the wind power project with an installed capacity of 47.5 MW in Beibao Town, Chongming County, Shanghai of the Group obtained the “China Power Quality Engineering Award”, the highest project quality prize in the power construction industry in China

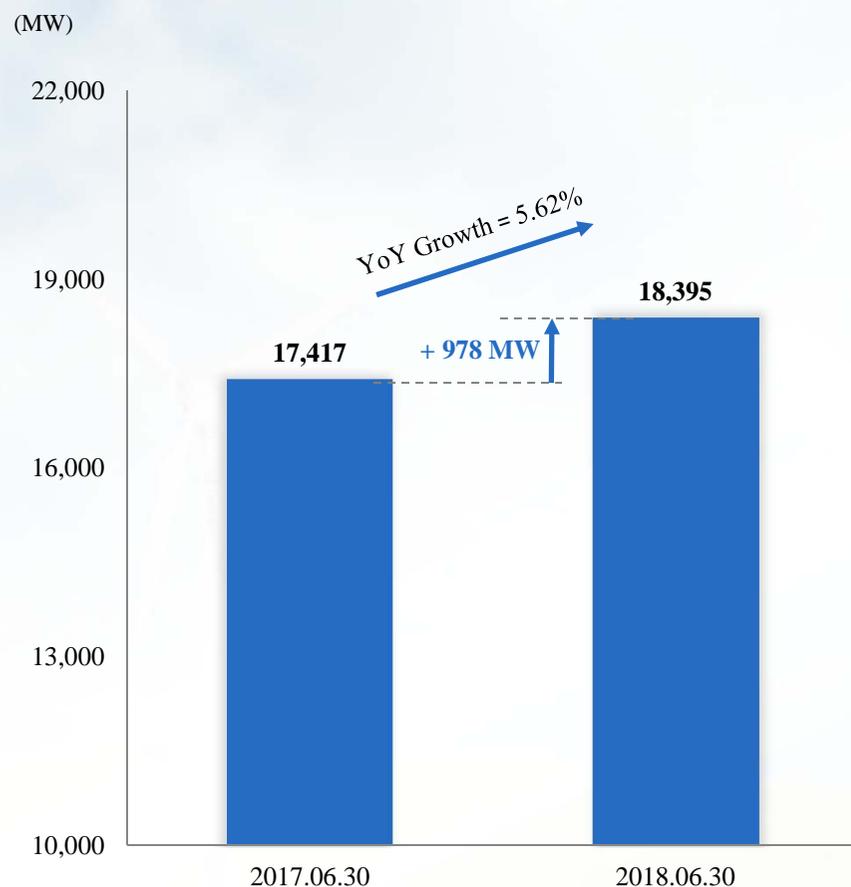


Strict Quality Management, Enhanced Environmental Management and Control and Rolled out High-quality and Competitive Projects at Full Stretch (Cont.)

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

Wind Consolidated Installed Capacity



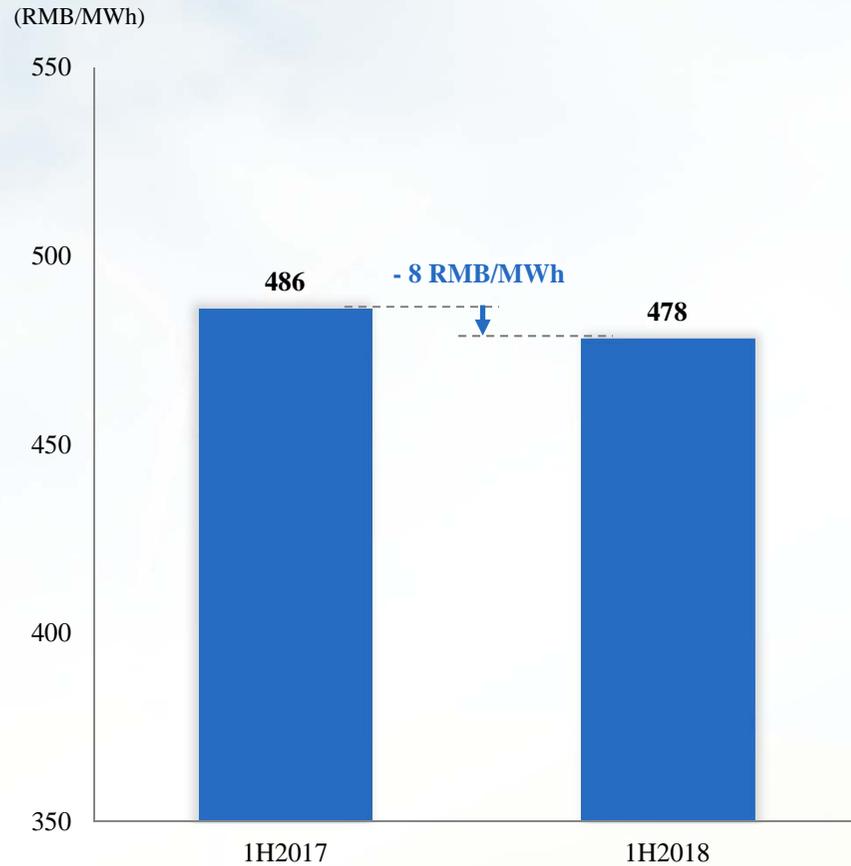
Geographical Breakdown of Wind Consolidated Installed Capacity

Region (MW)	2018.06.30	2017.06.30	YoY
Heilongjiang	1,234.7	1,234.7	0.00%
Jilin	547.4	547.4	0.00%
Liaoning	1,003.2	1,003.2	0.00%
Inner Mongolia	2,635.8	2,635.8	0.00%
Jiangsu Onshore	1,248.5	1,248.5	0.00%
Jiangsu Offshore	980.3	480.3	104.10%
Zhejiang	227.9	227.9	0.00%
Fujian	717.1	665.1	7.82%
Hainan	99.0	99.0	0.00%
Gansu	1,289.8	1,289.8	0.00%
Xinjiang	1,541.3	1,541.3	0.00%
Hebei	1,170.1	1,170.1	0.00%
Yunnan	769.5	769.5	0.00%
Anhui	733.1	733.1	0.00%
Shandong	393.4	393.4	0.00%
Tianjin	194.0	132.0	46.97%
Shanxi	829.5	829.5	0.00%
Ningxia	724.7	724.7	0.00%
Guizhou	641.5	641.5	0.00%
Shaanxi	439.2	439.2	0.00%
Tibet	7.5	7.5	0.00%
Chongqing	209.5	149.5	40.13%
Shanghai	47.5	47.5	0.00%
Guangdong	75.74	75.74	0.00%
Hunan	48.0	48.0	0.00%
Guangxi	95.5	95.5	0.00%
Jiangxi	100.0	40.0	150.00%
Hubei	48.0	48.0	0.00%
Canada	99.1	99.1	0.00%
South Africa	244.5	--	--
Total	18,395.34	17,416.84	5.62%

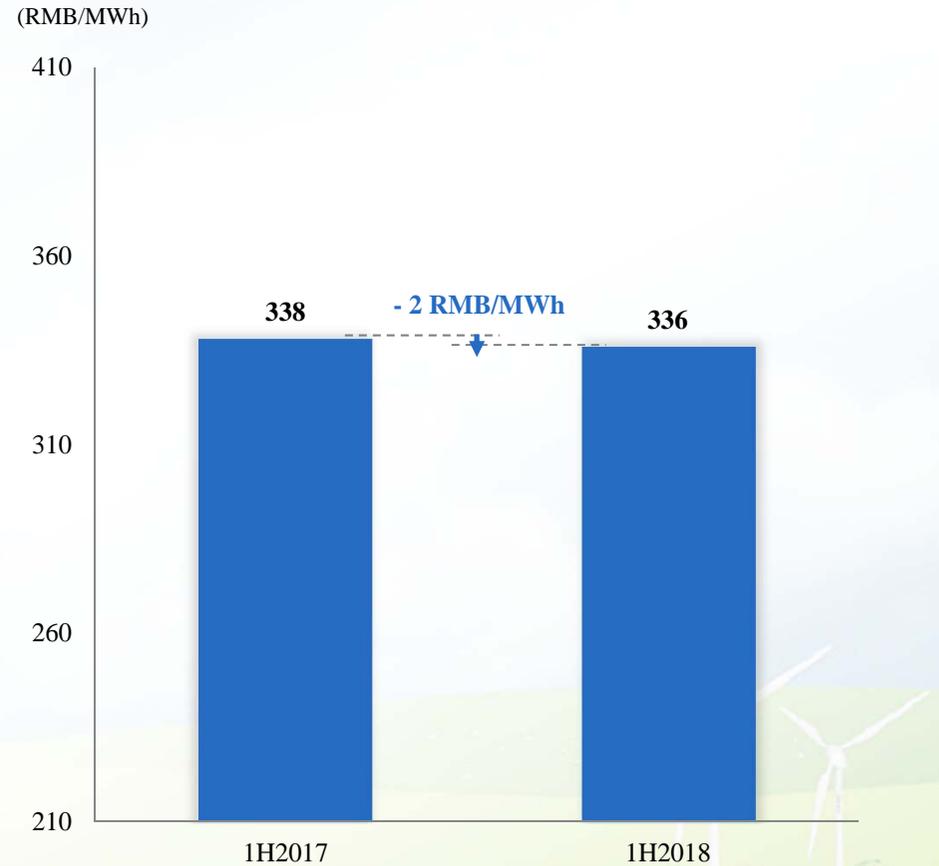
Innovated Marketing Strategies, Guaranteed Supply and Control of Price Scientifically and Steadily Increased Economic Benefits

龍源電力集團股份有限公司
China Longyuan Power Group Corporation Limited

Average Wind Power On-grid Tariff (Exc. VAT)



Average Coal Power On-grid Tariff (Exc. VAT)



Innovated Capital Management, Strictly Controlled Capital Risks and Maintained the Leading Advantage of Capital Cost

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

Continued to maintain a leading position in controlling capital cost

- In the face of the external financial environment with “deleveraging and strengthening regulation”, the Group vigorously expanded financing channels, continued to innovate its fund management model and effectively controlled the capital cost
- The financing channels have been consistently expanded, and the third green energy financing summit was successfully held, which strengthened the relationship with major partners in the financial market and obtained more credit granted from financial institutions
- The Group continued to deepen financing innovation and promoted innovative products such as recycling factoring, asset securitization and supply chain finance, revitalized receivable new energy subsidies and optimized liquidity indicators
- It also improved refined capital operation and achieved the management and control of large-capital income and expenditure plans to full coverage at home and abroad to seek the time value of capitals
- The Group strengthened the management and control of capital risks and expanded the proportion of long-term financing to ensure the safety of the capital chain



Implemented Innovation-driven Strategy, Strengthened Transformation of Results and Continuously Improved Capability Supporting the Scientific Development

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

- In the first half of 2018, based on the development needs of the Company and following the principle of scientific research serving for production, it focused on project quality. 6 independent innovation science and technology projects have been approved by the CHN Energy, the most over the years
- The Group was newly granted 1 invention patent and 18 utility model patents
- The “Guidelines on Vibration Evaluation of Wind Turbine” and the “Post-evaluation Procedures for Photovoltaic Power Station Equipment”, two standards on the energy industry prepared by the Group, were approved by the NEA for implementation. So far, the Group have undertaken the preparation of 42 national and industry standards
- 10 scientific and technological achievements of the Group were awarded by the CHN Energy, and the Group was awarded the Company of Science and Technology Innovation
- 4 persons were awarded advanced individuals in technological innovation
- Various science and technology projects have obtained industrial recognitions, and 3 projects were awarded prizes for scientific and technological progress awards in the industry, of which the study on key technology in digitalized wind farms and engineering demonstration results has been certified by the Chinese Society for Electrical Engineering, and the overall technology has reached a world-leading level
- The unit capacity expansion project of the tidal test power station of the Group successfully completed the development and achieved safe and stable operation of the world’s first three-blade two-way bulb cross-flow tidal generator set. The technology level is world-leading. CCTV’s “The Pillars of the Great Power” and “China’s Public Opinion Field” introduced the programs



Enhanced Management and Control over Investment

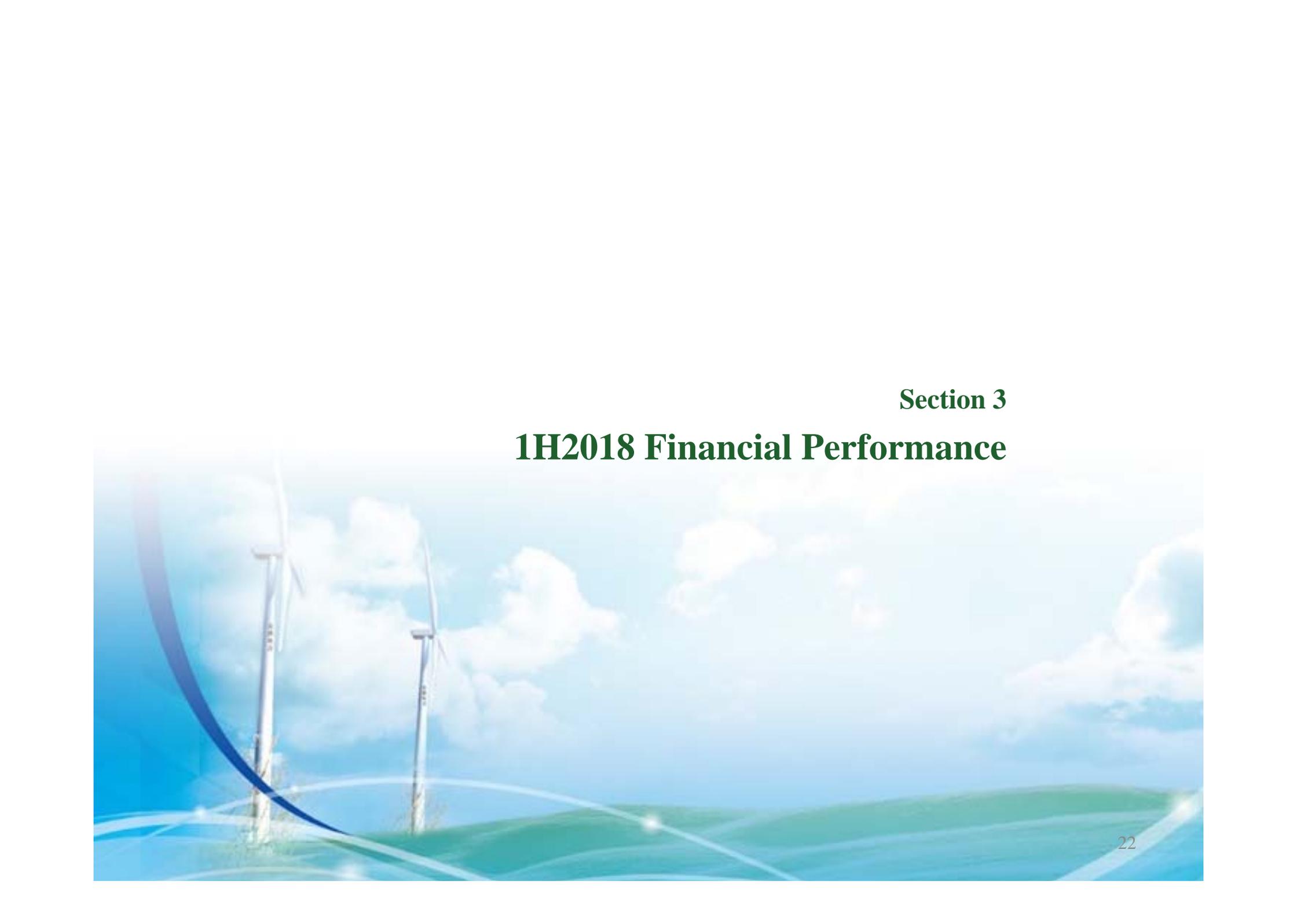
龍源電力集團股份有限公司

Risk, Steadily Expanded Overseas Markets, Continuously Improved Competitiveness in the International Market

China Longyuan Power Group Corporation Limited

- The Group thoroughly implemented the relevant requirements of the SASAC on risk prevention and control and steadily carried out overseas business in accordance with the arrangement of the CHN Energy. The Group strengthened project risk assessment and actively expanded the wind power market in countries in Central and Eastern Europe, Central Asia and the America under the “Belt and Road” initiatives
- In the first half of 2018 , the 99.1 MW Dufferin Wind Farm in Canada recorded total power generation of 146 million kWh. As at 30 June, it has maintained safe production for 1,307 consecutive days. The new project development in Alberta was under full advancement, and the submission of documentation on the tender qualification review of Alberta was completed. The land lease, wind measurement, access system application and environmental investigation for the new project were carried out in an orderly manner and progressed smoothly
- In the first half of 2018, the safety situation of the 244.5 MW project in De Aar, South Africa was good and recorded total power generation of 350 million kWh. In terms of safety, health and environmental protection, the indicators met the requirements of the South African government. In June, CCTV sent the staff of the show *Belt & Road of Yuanfang De Jia* to South Africa for covering the De Aar Wind Power Project to promote the Company’s “going global” strategy and its contribution to the local economy development. The programme was aired worldwide while the BRICS Business Forum was held in South Africa





Section 3
1H2018 Financial Performance

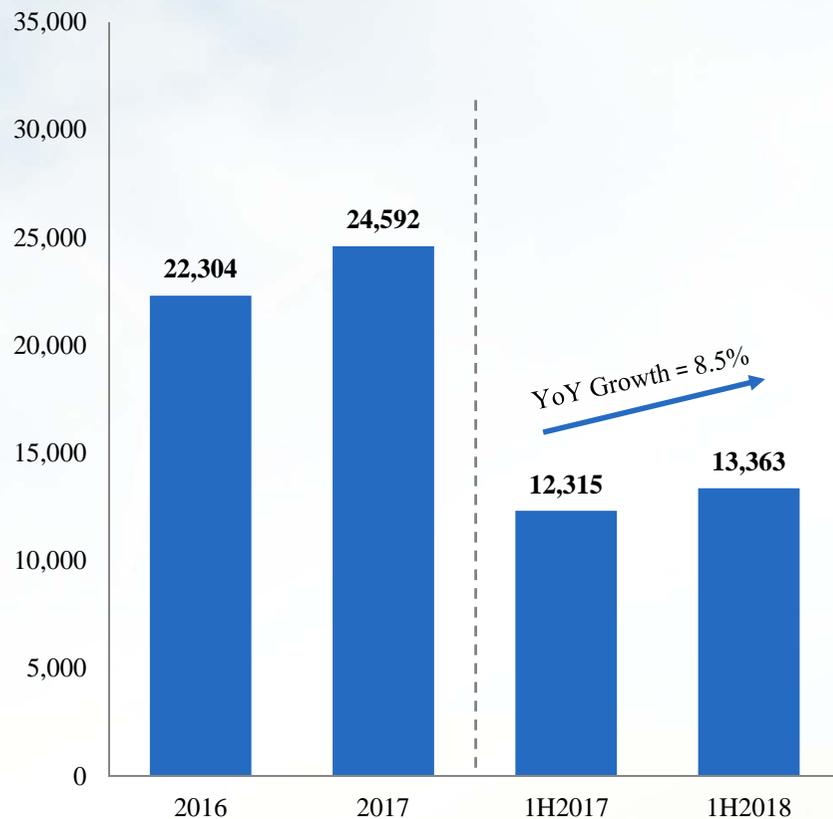
1H2018 Results Overview

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

Revenue ⁽¹⁾

(RMB MM)



Adjusted EBITDA and EBITDA Margin ⁽²⁾

(RMB MM)

(%)



Notes:

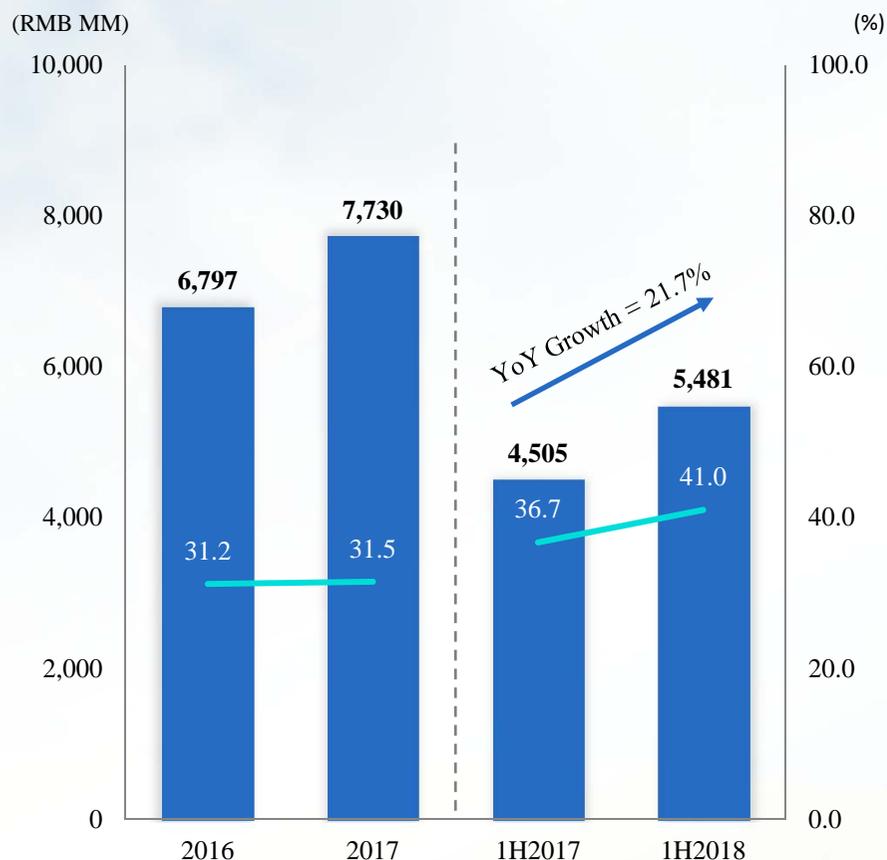
- 1 Including concession construction revenue
- 2 Adjusted EBITDA excludes other net income, adds back non-recurring impairments

1H2018 Results Overview (Cont.)

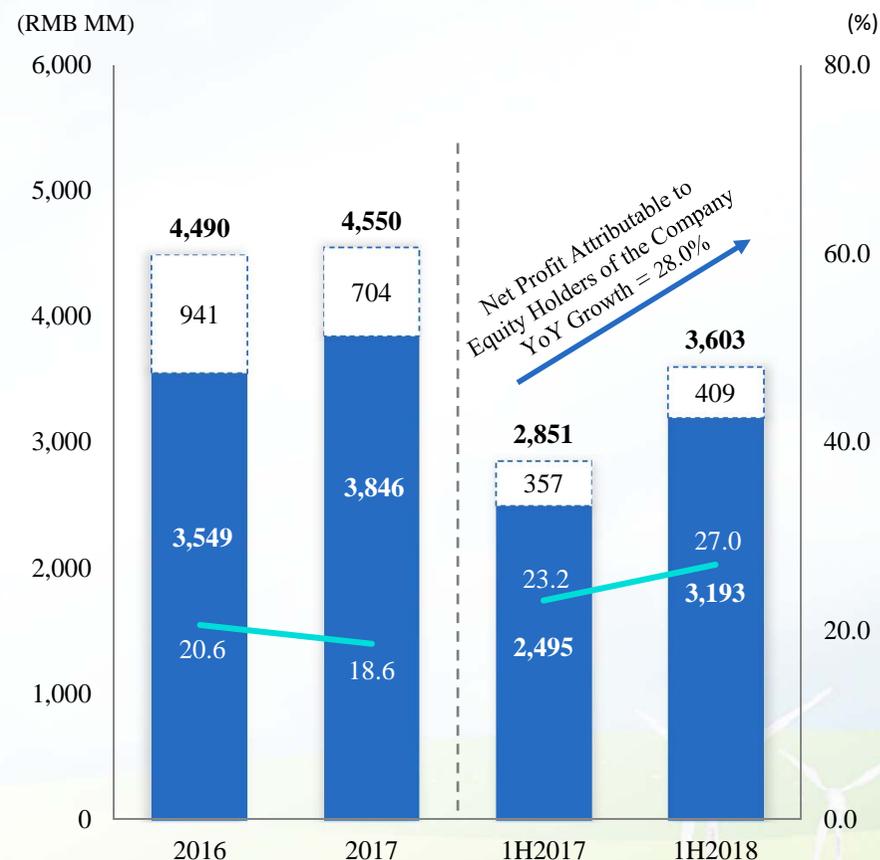
龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

Adjusted Operating Profit and Profit Margin ⁽¹⁾



Net Profit and Profit Margin ⁽²⁾



Notes:

- Adjusted operating profit excludes other net income, adds back non-recurring impairments
- Solid line: Net profit attributable to equity holders; Dash line: Non-controlling interests. Net profit margin calculated based on net profit including non-controlling interests, excluding concession construction revenue

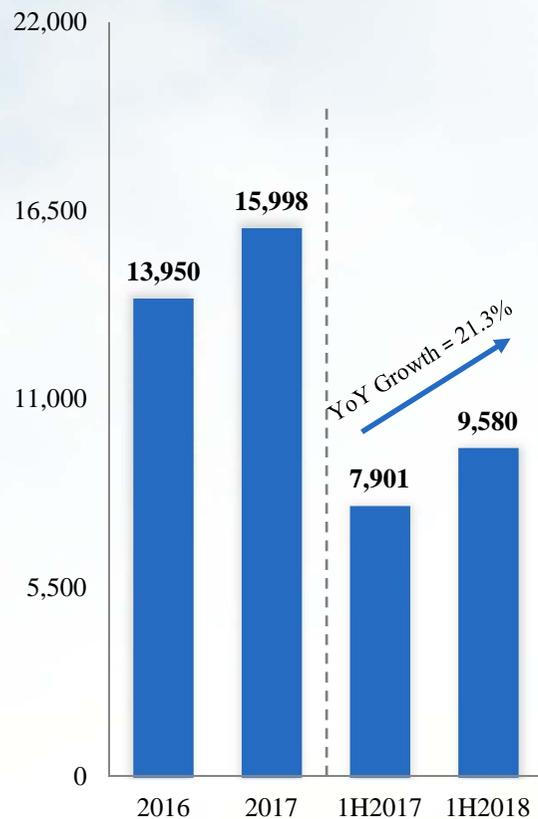
1H2018 Wind Power Business Results

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

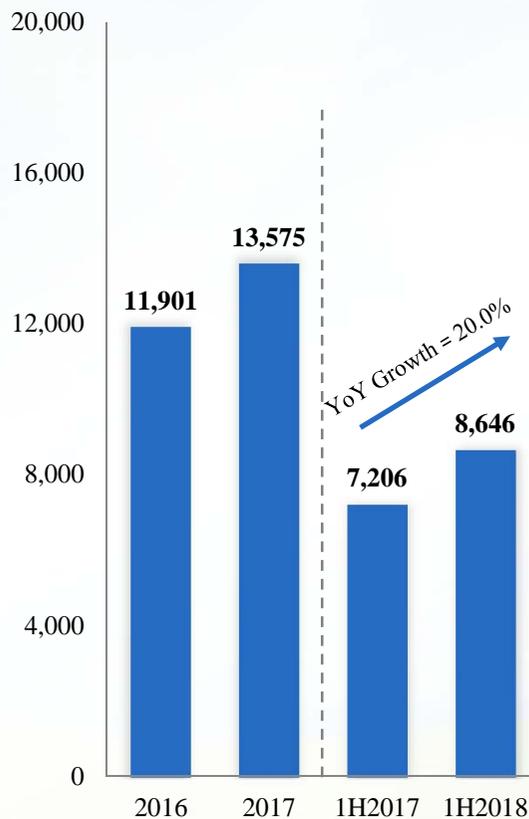
Revenue ⁽¹⁾

(RMB MM)



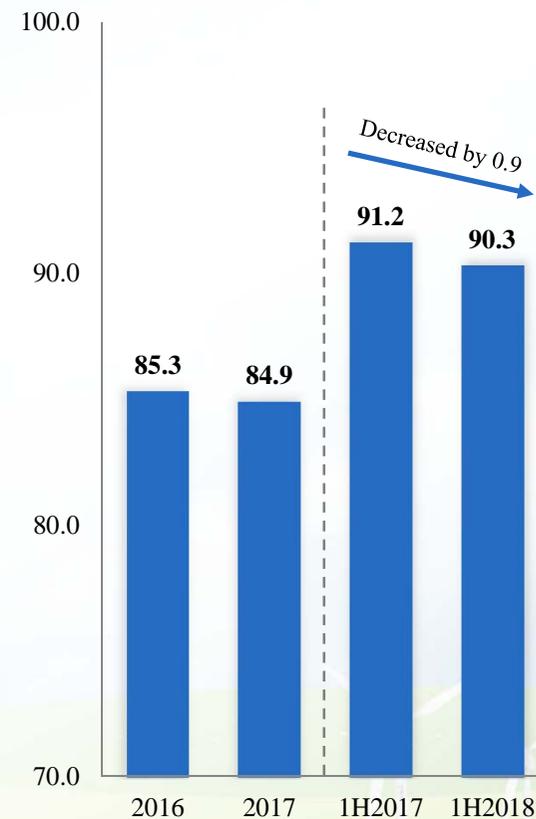
Adjusted EBITDA ⁽²⁾

(RMB MM)



Adjusted EBITDA Margin ⁽²⁾

(%)



Notes:

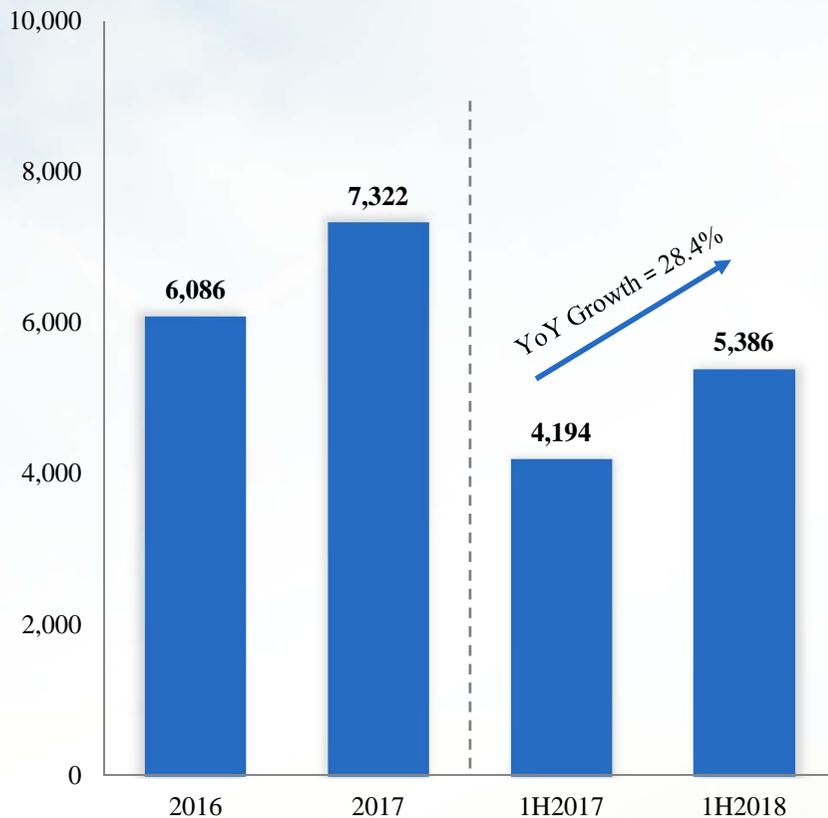
- 1 Revenue excludes concession construction revenue
- 2 Adjusted EBITDA excludes other net income, adds back non-recurring impairments

1H2018 Wind Power Business Results (Cont.)

龍源電力集團股份有限公司
China Longyuan Power Group Corporation Limited

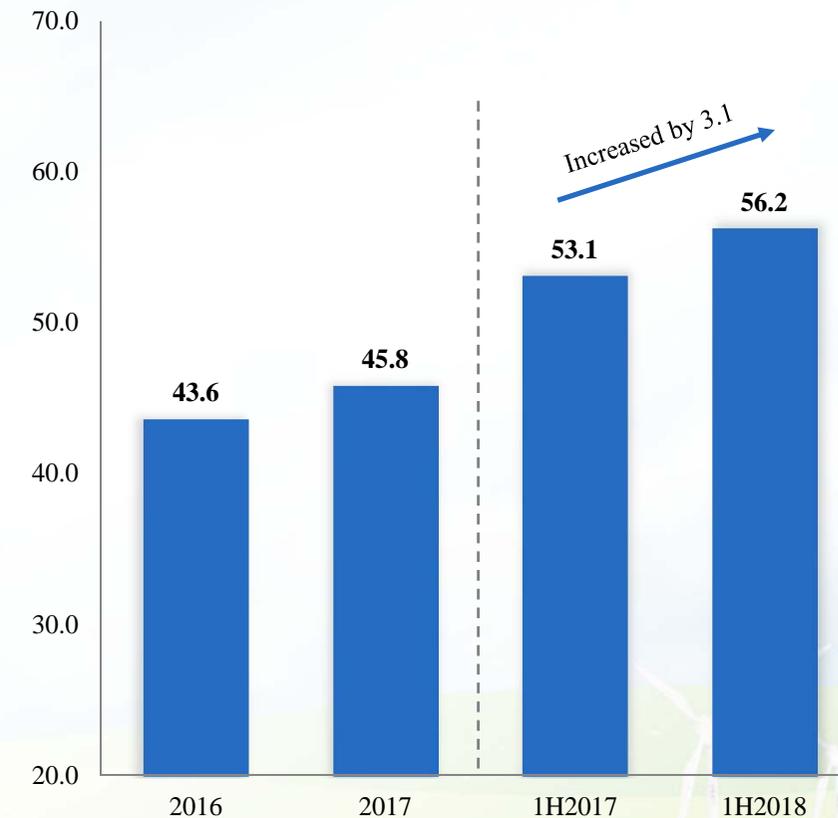
Adjusted Operating Profit ⁽¹⁾

(RMB MM)



Adjusted Operating Profit Margin ⁽¹⁾

(%)



Note:

1 Adjusted operating profit excludes other net income, adds back non-recurring impairments

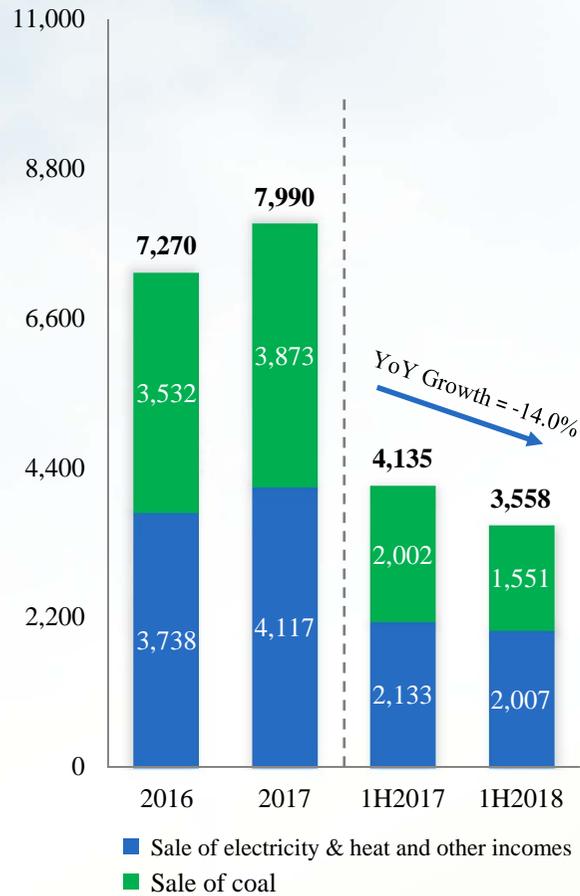
1H2018 Coal Power Business Results

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

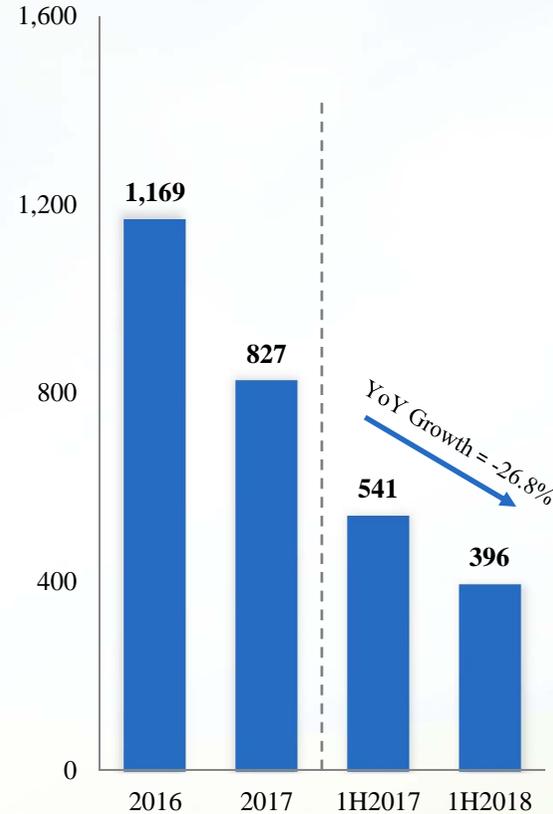
Revenue

(RMB MM)



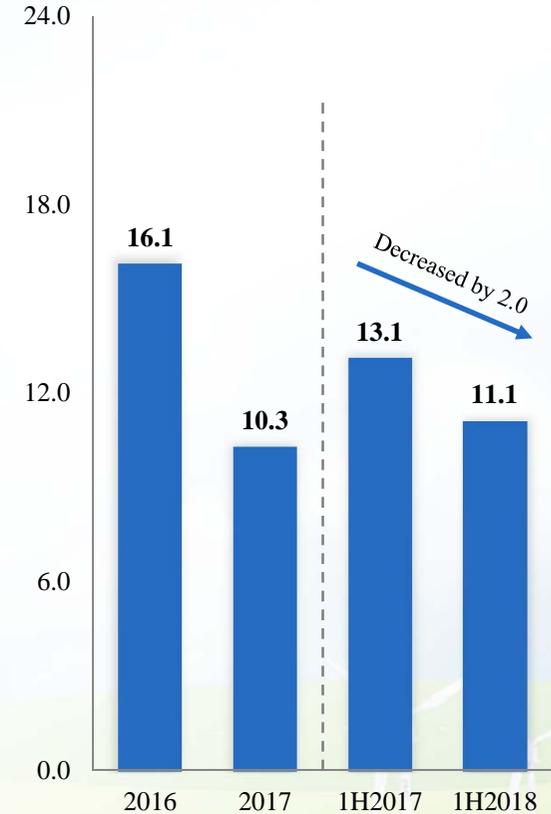
Adjusted EBITDA ⁽¹⁾

(RMB MM)



Adjusted EBITDA Margin ⁽¹⁾

(%)



Note:

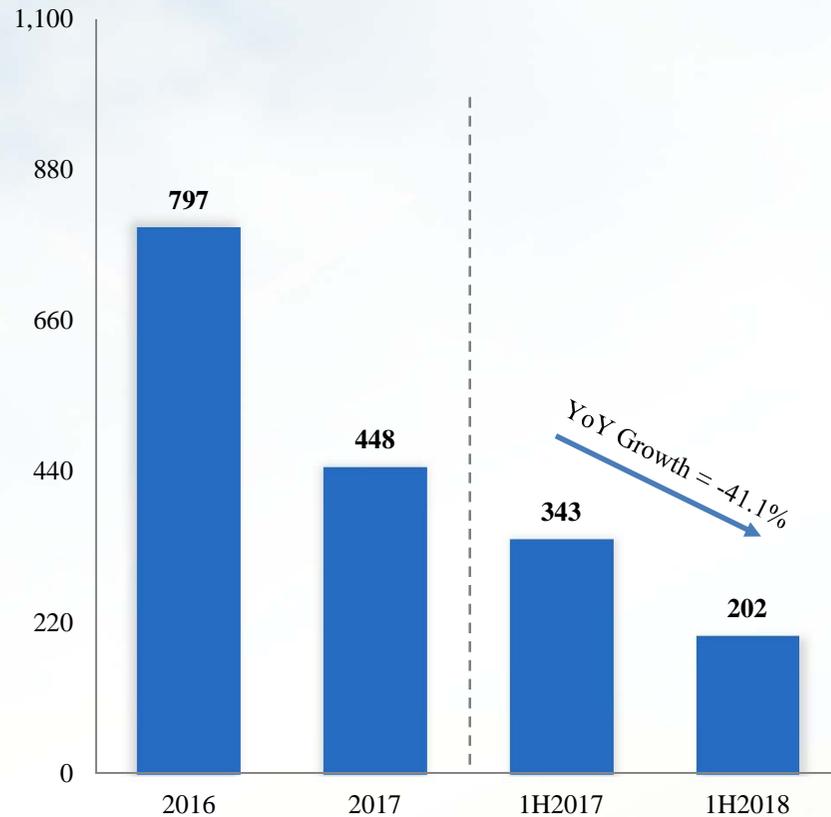
1 Adjusted EBITDA excludes other net income, adds back non-recurring impairments, includes coal sales

1H2018 Coal Power Business Results (Cont.)

龍源電力集團股份有限公司
China Longyuan Power Group Corporation Limited

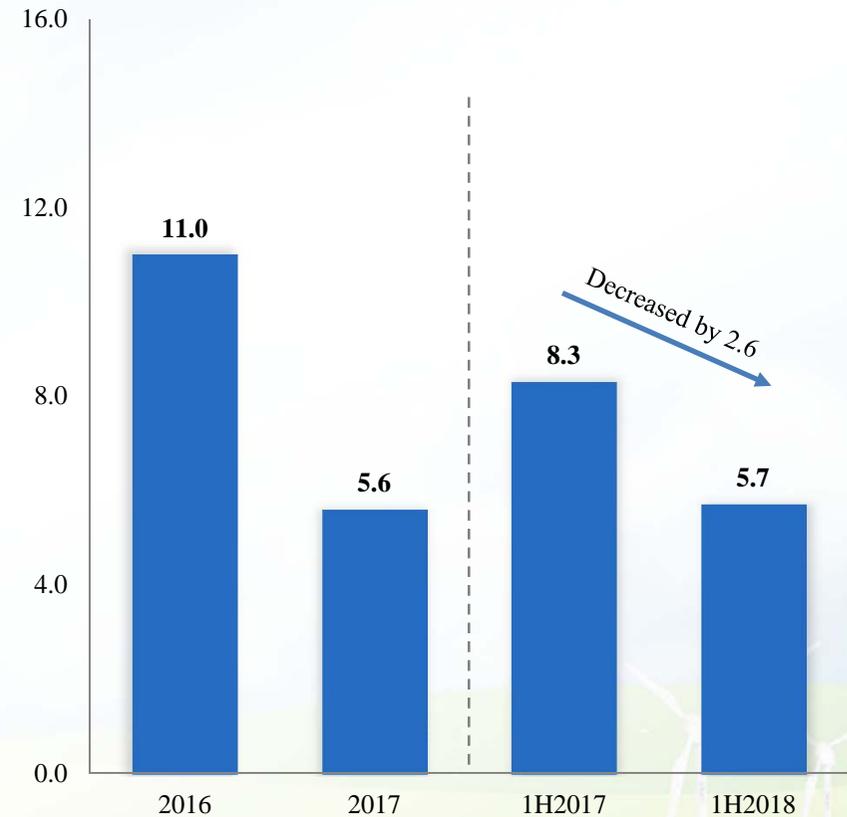
Adjusted Operating Profit ⁽¹⁾

(RMB MM)



Adjusted Operating Profit Margin ⁽¹⁾

(%)



Note:

1 Adjusted operating profit excludes other net income, adds back non-recurring impairments, includes coal sales

Balance Sheet

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

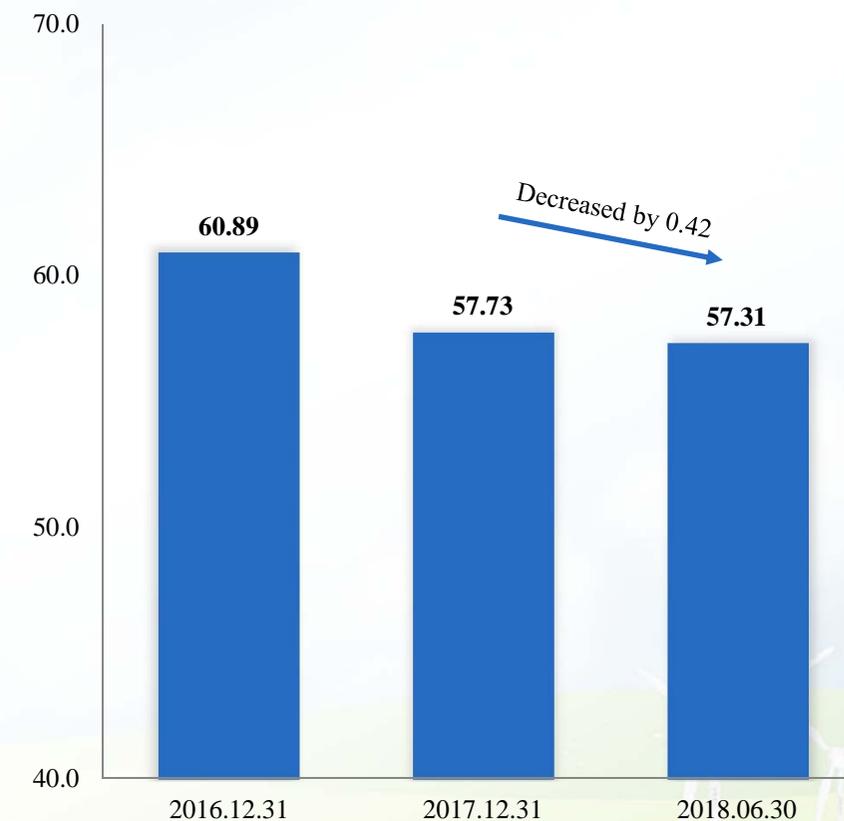
Key Data in Balance Sheet

(RMB MM)

	2018-06-30	2017-12-31	YoY
Bank Deposit and Cash	2,283	5,072	-55.0%
Short-term Borrowings	30,439	35,774	-14.9%
Long-term Borrowings	46,038	41,620	10.6%
Total Liabilities	90,798	92,336	-1.7%
Net Asset	55,602	53,299	4.3%
Total Asset	146,400	145,635	0.5%

Net Gearing ⁽¹⁾

(%)



Note:

1 Net debt / (net debt + shareholder's equity (incl. minority interests))

Section 4
2H2018 Outlook



2H2018 Business Outlook

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

**Consolidate the base
for production safety**

**Reinforce assets operation
and management**

**Roll out high-quality
and competitive projects**

**Deepen the corporate governance
in accordance with the laws**

**Comprehensively exert more
efforts in “Capturing Every
Single kWh of Electricity”**

**Improve the quality
of preliminary works**

Insist on innovation-driven strategy

**Comprehensively intensify
the Party construction**

Thank You

