

2019 Annual Results Presentation

Concord New Energy Group Ltd. (0182.hk)

- An Experienced Wind & Solar Developer and Operator

31th Mar 2020

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C E 2019 Financial Summary

		As of 31th Dec 2019	As of 31th Dec 2018	Change
	Total Assets	19,892.44	18,412.81	+8.0%
	Net Assets	5,969.20	5,546.74	+7.6%
Key Financial Data	Cash and Cash Equivalents	1,605.13	1,366.30	+17.5%
		As of 31th Dec 2019	As of 31th Dec 2018	Change
	Revenue	1,835.92	1,414.07	+29.8%
	Profit Attributable to Owners of the Company	604.29	502.41	+20.3%
	Fully Diluted EPS	6.86cents	5.87 cents	+16.9%
Sogmont Dovonyo	Power Generation ¹	1,636.29	1,251.11	+30.8%
Segment Revenue	Others	199.63	162.96	+22.5%
Segment Results ²	Power Generation	949.19	781.02	+21.5%
	Others	11.24	12.78	-12.1%

Power generation revenue from consolidated power plants
 The Segment Results are the earnings before interest and tax and disposal gain. The Power Generation includes the power generation, URP release, deferred tax contribution and shared profits of joint ventures.

Unit: Million RMB

C E Profit Indicators Steadily Increased , Debt Ratio Efficiently Controlled

Profit Attributable to Owners of the Company (Million RMB)



Return on Equity (%)



Power Generation Profits (Million RMB)





C E Significant Growth in Power Generation, Revenue and Net Profit

In 2019, the proportion of revenue from power generation business reached 89%, power generation revenue and profits maintained a steady increase.

	Pow Reven	ver Generati ue(RMB '0	on 00)	Attributable Power Generation Net Profit (RMB '000)			Attributable Power Generation Output (GWh)		
	2019	2018	Change	2019	2018	Change	2019	2018	Change
<u>Total Wholly-owned</u> <u>Power Plants</u>	1,636,294	1,251,109	30.8%	628,204	511,276	22.9%	3,025.7	2,296.0	31.8%
Wind	1,254,404	906,206	38.4%	526,351	419,089	25.6%	2,548.0	1,865.4	36.6%
Solar	381,890	344,903	10.7%	101,853	92,187	10.5%	477.7	430.5	11.0%
<u>Total Associates and JV</u> <u>Power Plants</u>	-	-	-	170,042	149,619	13.7%	1,342.4	1,339.8	0.2%
<u>Total</u>	1,636,294	1,251,109	30.8%	798,246	660,895	20.8%	4,368.1	3,635.8	20.1%

Remark: Attributable Net Profit refers to the sum of net profit of power plants based on attributable calculation. The income of associates and JV power plants are not consolidated.

C E Power Generation Operational Indicators Kept at High Level

Operational Indicators	As of 31th Dec 2019	As of 31th Dec 2018	Change
Weighted Average Utilization Hours			
Wind Plants (attributable)	2,126 Hours	2,148 Hours	-1.0%
Wind Plants (wholly-owned)	2,277 Hours	2,288 Hours	-0.5%
PV Plants (attributable)	1,517 Hours	1,379 Hours	10.0%
PV Plants (wholly-owned)	1,505 Hours	1,356 Hours	11.0%
Weighted Average Tariff (traded power adjustment considered)			
Wind Plants (attributable)	0.5499/kWh	0.5595/kWh	-1.7%
Wind Plants (wholly-owned)	0.5800/kWh	0.5948/kWh	-2.5%
PV Plants (attributable)	0.9471/kWh	0.9446/kWh	0.3%
PV Plants (wholly-owned)	0.9135/kWh	0.9073/kWh	0.7%
<u>Total Attributable Average Grid Curtailment</u>	3.4%	4.8%	↓ 1.4 percentage
Wind Plants (attributable)	3.1%	4.0%	↓ 0.9 percentage
Wind Plants (wholly-owned)	1.3%	0.1%	1 1.2 percentage
PV Plants (attributable)	7.0%	12.4%	↓ 5.4 percentage
PV Plants (wholly-owned)	7.6%	13.6%	↓ 6.0 percentage

C E Power Plants Construction Steady, Assets Replacement Optimizes Structure

- In 2019, the total newly added in operation capacity was 386MW and the attributable capacity was 318MW, 149MW of which was wholly owned grid parity wind power projects
- Meanwhile, actively implemented the assets structure adjustment, and total 201MW attributable capacity was sold which were all wholly owned wind projects currently no listed in the subsidy catalogue
- Optimizing the assets structure by continuously undergoing the assets replacement, rapidly replace the capacity relied on subsidy to grid parity capacity

	As of 31th Dec 2019	As of 31th Dec 2018
Newly added Attributable Installed Capacity	318 MW	471 MW
Sold Attributable Installed capacity	201 MW	-
Net added Attributable Installed capacity	117 MW	471 MW
Operational Attributable Installed Capacity	2,394 MW	2,277 MW
Wholly-owned Wind Power Plants	1,369 MW	1,308 MW
Associates and JV Wind Power Plants	711 MW	655 MW
Wholly-owned PV Power Plants	303 MW	303 MW
Associates and JV PV Power Plants	11 MW	11 MW

C E Abundant Pipelines Guarantee the Capacity Growth in Grid Parity Era

- In 2019, the newly approved capacity was 886MW, 741MW of which was grid parity projects and part of them was already in operation by the end of 2019
- By now, 1495.5 MW projects were approved and more than 60% were grid parity projects. It guarantees the strong and sustainable capacity growth

Approved Projects Under Construction

Approved Projects Ready for Construction

No	Project	Province	Туре	Capacity (MW)	Tariff (RMB/kWh)	No	Project	Province	Туре	Capacity (MW)	Tariff (RMB/kWh)
1	Xuwulin	Hebei	Wind	48	0.5	1	Longquan	Hubei	Wind	30	Grid parity
2	Fanshi	Shanxi	Wind	100	0.6	2	Daquan	Hubei	Wind	70	Grid parity
3	Qiaodong	Anhui	Wind	50	0.6	3	Daquan phase II	Hubei	Wind	60	Grid parity
4	Qiaobei	Anhui	Wind	100	0.57	4	Huilong	Hunan	Wind	50	Grid parity
5	Mengzhuling	Hunan	Wind	50	0.6	5	Jinbi	Hunan	Wind	50	Grid parity
6	Yingshanmiao	Henan	Wind	50	0.6	6	Guazhou	Gansu	Wind	200	Grid parity
7	Dongda	Hunan	Wind	48	Grid parity	7	Huilai	Guangdong	PV	100	Grid parity
8	Xinfa D	Jilin	Wind	49.5	Grid parity	8	Panzhuang	Tianjing	Distributed	45	Trade Price
9	Yilan	Heilongjiang	Wind	200	Grid parity		C				
10	Fangzheng	Heilongjiang	Wind	50	Grid parity	9	-	-	Wind	145	-
			Total	745.5					Total	750	

Optimize the Assets Structure By Continuous Assets Replacement

• Continuously implement the "build-transfer" strategy, replacing the existing projects relied on subsidy to quality grid parity projects, to improve the cash flow and optimizing the debt structure, and to increase the overall return on the investment of the Group

In 2019, 201MW attributable capacity was sold, which will be expected to bring 174 million pre tax profit and 966 million cash back in total. In addition, more projects sales are under discussion with numbers of institutions.

NO	Project	Туре	Ratio	Capacity (MW)	Buyers	Consideration (Million RMB)	Pre-tax Profit (Million RMB)	Cash Back (Million RMB)	PB
1	Shenzhangtang*	Wind	75%	36	Apple Clean	226 21	61.09	240 77	1 27
2	Jingtang*	Wind	75%	36	Energy Fund	220.51	01.08	249.77	1.57
3	Qinshan	Wind	100%	33	Zhuhai Port	60.96	12.52	235.73	1.26
5	Linkou	Wind	100%	48	National	244.29	100.66	481.02	1 70
6	Chuansu	Wind	100%	48	Nuclear	244.38	100.00	481.02	1.70
			Total	201		531.65	174.26	966.52	1.49

* After the share transfer of Shenzhangtang and Jingtang projects, company set up a new business model with Apple Clean Energy Fund to provide total solution for the projects assets management. It brings 9 million/year revenue to the affiliated O&M company, which also will be increased by 3%/year.

E Latest Industry Outlook

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Total electricity consumption increased 4.5 % in 2019

In 2019, the coal-fired capacity reduction target set at a total 8.664 GW, aiming to reduce 1/4 to 1/3 coal-fired capacity by the end of 2021

Power curtailment in Northern regions mitigated with the red & orange warnings in Jilin & Heilongjiang Provinces both changed to green, which resulted in more room for investment development in Northern China

The policy for grid parity and competitive bidding of wind and PV power generation started to be implemented, and China entered the era of grid parity. In 2019, the 1st batch of approved grid parity wind and PV projects reached 20.76 GW

The Ministry of Finance has commenced the review of the subsidy list, and the qualified wind power projects connected to the grid before the end of December 2019 and qualified PV projects connected to the grid before the end of July 2017 will be included in the subsidy list

Newly released Notice on Establishing and Improving the Protective Mechanism of Renewable Energy Power Consumption laid out the renewable energy consumption quota for each province, securing the consumption of renewable energy

Outlook

Latest

Industry

CE Latest Company Outlook

Profit attributable to the owners of the company was 604 million, the recommended final dividend was HK\$0.025 per ordinary share. The profits, dividend ratio reached an all-time high

Attributable power generation continued a notably increase, representing 20.1% increase over last year, and the power generation of wholly-owned wind power plants accounted for significant 36.6% increase over last year. The weighted average utilization hours of wind power plants reached 2,126H, and the average utilization hours of wholly-owned wind power plants reached 2,277H (the national average was 2,082h)

Added total 886MW newly approved projects, of which 741MW were grid parity projects. The company was moving back to the north regions where has more investment space than before, and focus on the investment in grid parity wind and PV projects



The first grid parity project, Jilin Tongyu wind power project, commenced the construction and connected to the grid in the same year

Total 201MW projects were sold to Apple Clean Energy Fund, Zhuhai Port and National Nuclear, and the total cash back will be RMB 960 million. By assets replacement, the capacity relied on subsidy will be constantly replaced to the grid parity capacity

Relying on the intelligent operational platforms "POWER⁺ "+"Yixun"+ "Monitoring and Control Centres" +"EAM", via three-tier interaction of headquarters+ regions+power stations, Concord O&M achieved digitalized intelligent management over the asset's full lifecycle. The Revenue and the profits were significantly increased

C E Development Strategy and Prospects

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Prospects

Strengthen safety Management and Control to Ensure Safety, Stability and Efficiency in Various Business Segments

Strict Refined management of power plants to uplift operation efficiency

Increase Development Efforts in Grid Parity Projects with Innovative Development Modes and Improve the Quality of projects approved

Accelerate the Construction and Control the Cost of Projects to Ensure Steady Growth of the Attributable Installed Capacity

Adhere to the Strategy of "the Lowest LCOE" to Enhance the Core Competitiveness of the Group

Continuously Develop Energy IoT to Promote the Smart Energy Undertaking

Enhance Asset Management and Optimize Asset Quality and Liability Structures

Enhance the Synergetic Development of Services Business to Achieve Better and Stronger Performance

Ensure the lowest LCOE in Industry by Taking Diversified Measures

• To pursue the lowest LCOE as the core competitiveness of the Group to welcome the advent of grid parity era



I: To improve the project development quality, invest in the profitable projects



- II: Actively tracking and applying new technologies, new turbine types, and new processes in the construction of the Group's invested projects and build high-quality, high-efficiency power plants
- III: Comprehensively promoting the application of energy internet in power plants operation, to improve the efficiency by providing the refined management and regional control, actively implementing technical reform measures such as blade lengthening to further reduce the LCOE



IV: Optimizing the asset structure through capital replacement, improving the asset quality of power plant



Appendix





• Total Assets: 19.89bn

(As of 31th Dec 2019 Unit : RMB)

- Net Assets : 5.97bn
- Net Profit : 0.61bn

Power Generation

• Owns and operates 78 wind power plants (attributable capacity 2,394MW)

• Focusing on the investment in wind and solar projects

Other Businesses

- Consultation & Design
- Engineering Construction and Equipment Procurement
- Professional O&M, Intelligent Energy
- Energy Storage and Electricity Ancillary Service
- Finance Lease

CE Summary of Financial Statement

P&L(RMB'000)	2019	2018
Revenue	1,835,922	1,414,070
Cost of sales and services rendered	(714,842)	(547,600)
Gross profit	1,121,080	866,470
Other income	31,669	30,678
Other gains and losses, net	64,326	29,697
Expense		
Distribution and selling expenses	(11,695)	(6,854)
Administrative expenses	(287,160)	(235,414)
Other expenses	(35,500)	-
Finance costs	(384,809)	(301,210)
Share of profit of joint ventures	136,889	130,179
Share of profit of associates	17,406	16,594
Profit before income tax	652,206	530,140
Income tax expense	(39,087)	(16,291)
Profit for Reporting Period	613,119	513,849
Profit attributable to:		
Owners of the Company	604,293	502,406
Non-controlling interests	8,826	11,443

Asset (RMB'000)	2019	2018
Current assets	5,024,267	3,566,432
Non-current assets	14,868,170	14,846,376
Total assets	19,892,437	18,412,808
Current liabilities	(4,308,295)	(3,463,929)
Non-current liabilities	(9,614,941)	(9,402,140)
Total liabilities	(13,923,236)	(12,866,069)
Net current assets	715,972	102,503
Net Asset	5,969,201	5,546,739
Share Capital	73,652	74,049
Reserves	5,869,651	5,444,179
Cash Flow ('000)	2019	2018
Cash Flow ('000) Net cash from operating activities	2019 936,102	2018 766,261
Cash Flow ('000) Net cash from operating activities Net cash used in investing activities	2019 936,102 (1,016,654)	2018 766,261 (2,113,629)
Cash Flow (*000) Net cash from operating activities Net cash used in investing activities Net cash from financing activities	2019 936,102 (1,016,654) 207,004	2018 766,261 (2,113,629) 1,683,601
Cash Flow (*000) Net cash from operating activities Net cash used in investing activities Net cash from financing activities Net increase/(decrease) in cash and cash equivalents	2019 936,102 (1,016,654) 207,004 126,452	2018 766,261 (2,113,629) 1,683,601 336,233
Cash Flow (*000) Net cash from operating activities Net cash used in investing activities Net cash from financing activities Net increase/(decrease) in cash and cash equivalents cash and bank balances	2019 936,102 (1,016,654) 207,004 126,452 1,605,128	2018 766,261 (2,113,629) 1,683,601 336,233 1,366,305
Cash Flow (*000) Net cash from operating activities Net cash used in investing activities Net cash from financing activities Net increase/(decrease) in cash and cash equivalents cash and bank balances Total Liability	2019 936,102 (1,016,654) 207,004 126,452 1,605,128	2018 766,261 (2,113,629) 1,683,601 336,233 1,366,305 13,923,236
Cash Flow (*000) Net cash from operating activities Net cash used in investing activities Net cash from financing activities Net increase/(decrease) in cash and cash equivalents cash and bank balances Total Liability Liability with Interest	2019 936,102 (1,016,654) 207,004 126,452 1,605,128	2018 766,261 (2,113,629) 1,683,601 336,233 1,366,305 13,923,236 9,745,555
Cash Flow (*000) Net cash from operating activities Net cash used in investing activities Net cash from financing activities Net increase/(decrease) in cash and cash equivalents cash and bank balances Total Liability Liability with Interest Weighted Average Cost	2019 936,102 (1,016,654) 207,004 126,452 1,605,128	2018 766,261 (2,113,629) 1,683,601 336,233 1,366,305 13,923,236 9,745,555 5.61%

C E Regional Statistic Data of Power Plants in Operation

Attributable Power Generation (GWH)

	Attributal	ole Power G in Total	eneration	Wholly-owned Power Plants			
Business Segments and Regions	2019	2018	Change rate	2019	2018	Change rate	
Wind Power	3,872.8	3,187.9	21.50%	2,548.0	1,865.4	36.6%	
Northeastern China	351.5	338.9	3.70%	1.7	-	-	
Northern China	431.8	438.6	-1.6%	-	-	-	
Northwestern China	145.4	141.1	3.0%	-	-	-	
Eastern China	729.8	567.4	28.6%	519.0	323.4	60.5%	
Central Southern China	1,995.20	1,507.5	32.4%	1,808.3	1,347.6	34.2%	
Southernwestern China	219	194.5	12.6%	219.0	194.5	12.6%	
PV Power	495.3	447.9	10.6%	477.7	430.5	11.0%	
Northeastern China	0.8	-	-	0.8	-	-	
Northern China	44.4	43.3	2.5%	32.0	31.0	3.2%	
Northwestern China	13.1	12.5	4.8%	13.1	12.5	4.8%	
Eastern China	60.3	59.4	1.5%	55.0	54.4	1.1%	
Southernwestern China	355.4	311.6	14.1%	355.4	311.6	14.1%	
Overseas Regions	21.4	21.0	1.9%	21.4	21.0	1.9%	
Total	4,368.1	3,635.8	20.1%	3,025.7	2,296.0	31.8%	

Attributable Installed Capacity (MW)

	Power 1	Plants of the	Group	Wholly-owned Power Plants			
Business Segments and Regions	2019	2018	Change rate	2019	2018	Change rate	
Wind Power	2,080	1,963	6.0%	1,369	1,308	4.6%	
Northeastern China	310	162	91.4%	149	-	-	
Northern China	219	186	17.7%	-	-		
Northwestern China	103	103	0.0%	-	-	-	
Eastern China	346	379	-8.7%	228	261	-12.6%	
Central Southern China	1,022	1,053	-2.9%	912	967	-5.7%	
Southernwestern China	80	80	0.0%	80	80	0.0%	
PV Power	314	314	0.0%	303	303	0.0%	
Northeastern China	1	1	0.0%	1	1	0.0%	
Northern China	26	26	0.0%	20	20	0.0%	
Northwestern China	9	9	0.0%	9	9	0.0%	
Eastern China	44	44	0.0%	40	40	0.0%	
Southernwestern China	215	215	0.0%	215	215	0.0%	
Overseas Regions	18	18	0.0%	18	18	0.0%	
Total	2,394	2,277	5.1%	1,672	1,611	3.8%	

C E Wind Projects in Operation

3,113MW-Total Capacity; 2,080MW-Attributable Capacity

Asso	ociates and .	IV Pro	jects: 71	IMW	attributa	ble insta	lled
Year	Project	Regions	Province	Capatity (MW)	CNE's Stake	Tariff (RMB/kWh)	Attributable Capacity
2006	Chantu Phase I	NE	Liaoning	50.25	25%	0.64	12.56
2008	Taiqi Phase I	N	Inner Mongolia	49.5	49%	0.52	24.26
2008	Erlianhaote Phase I	Ν	Inner Mongolia	21	49%	0.52	10.29
2009	Linchang Phase I	NE	Jilin	49.5	49%	0.61	24.26
2009	Mazongshan	NE	Liaoning	49.5	24.5%	0.61	12.13
2009	Qujiagou	NE	Liaoning	49.5	24.5%	0.61	12.13
2009	Zhaqi Phase I	Ν	Inner Mongolia	49.5	49%	0.54	24.26
2009	Heiyupao Phase I	NE	Jilin	49.5	49%	0.61	24.26
2010	Wuchuan	N	Inner Mongolia	49.5	46%	0.51	22.77
2010	Huadeng Phase I	Ν	Inner Mongolia	49.5	32%	0.54	15.84
2010	Huadeng Phase II	Ν	Inner Mongolia	49.5	32%	0.54	15.84
2010	Zhalute Phase II	Ν	Inner Mongolia	49.5	32%	0.54	15.84
2010	Zhalute Phase III	Ν	Inner Mongolia	49.5	32%	0.54	15.84
2010	Guazhou	NW	Gansu	201	51.5%	0.52	103.52
2011	Touzhijian	N	Inner Mongolia	49.5	51.0%	0.51	25.25
2011	Kailu	Ν	Inner Mongolia	49.5	32%	0.54	15.84
2011	Maniuhu	NE	Liaoning	49.5	30%	0.61	14.85
2011	Gulibengao	NE	Liaoning	49.5	30%	0.61	14.85
2012	Heiyupao Phase II	NE	Jilin	49.5	32%	0.58	15.84
2012	Heiyupao Phase N	NE	Jilin	49.5	32%	0.58	15.84
2012	Tianchang	Е	Anhui	48	49%	0.62	23.52
2013	Chaoyang Wanjia	NE	Liaoning	49.5	30%	0.61	14.85
2013	Guanshan	Е	Anhui	48	49%	0.61	23.52
2013	Suzhou Fuli	E	Anhui	48	49%	0.61	23.52
2013	Jianghua	CS	Hunan	48	59%	0.61	28.32
2014	Zilingpu	CS	Hubei	48	59%	0.61	28.32
2014	Huolonggang	CS	Henan	49.5	59%	0.61	29.21
2014	Yantai Gaotong	E	Shandong	48	49%	0.61	23.52
2016	Lingshan	Е	Anhui	48	49%	0.61	23.52
2018	Shenzhagtang	NE	Hunan	48	25%	0.61	12
2018	Jingtang	Ν	Hunan	48	25%	0.6	12
2019	Kailu Phase II	N	Inner Mongolia	50	32%	0.5	16
2019	Zhaqi Phase IV	Ν	Inner Mongolia	50	32%	0.5	16

stalled Wholly-owned Projects: 1,369MW attributable installed

	2	5					
Year	Project	Regions	Province	Capacity (MW)	CNE's stake	Tariff (RMB/kWh)	Attributable Capacity
2015	Feixi	Е	Anhui	34	100%	0.61	34
2015	Dongtian	CS	Hunan	48	100%	0.61	48
2016	Jiepai	CS	Hunan	48	100%	0.61	48
2016	Jiagou	Е	Anhui	48	100%	0.61	48
2016	Cangfang	SW	Yunnan	48	100%	0.61	48
2016	Fuchuan Shijia	CS	Guangxi	48	100%	0.61	48
2016	Fuchuan Chaodong	CS	Guangxi	48	100%	0.61	48
2016	Bainijing	SW	Yunnan	32	100%	0.61	32
2016	Nanzhao	CS	Henan	100	100%	0.61	100
2017	Wuhe	Е	Anhui	48	100%	0.61	48
2017	Qiaotoupu	CS	Hunan	48	100%	0.61	48
2017	Yangjiawan	CS	Henan	48	100%	0.61	48
2017	Xinzao	CS	Guangxi	48	100%	0.61	48
2017	Hongtang	CS	Hunan	48	100%	0.61	48
2017	Jinmen	CS	Hubei	48	100%	0.61	48
2018	Tianchang Phase II	Е	Anhui	48	100%	0.6	48
2018	Nanshao	CS	Henan	100	100%	0.6	100
2018	Yushan	CS	Hubei	48	100%	0.61	48
2018	Zaoyang	CS	Hubei	47	100%	0.61	47
2018	Lixi	CS	Hubei	48	100%	0.6	48
2018	Jindashan	Е	Anhui	50	100%	0.6	50
2019	Baimangying	CS	Hunan	48	100%	0.6	48
2019	Yushan Phase II	CS	Hubei	89	100%	0.57	89
2019	Wulanhua D	Ν	Jilin	49.5	100%	0.3731	49.5
2019	Wulanhua E	Ν	Jilin	49.5	100%	0.3731	49.5
2019	Wulanhua F	Ν	Jilin	49.5	100%	0.3731	49.5

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C E PV Projects in Operation

332MW-Total Capacity; 314MW-Attributable Capacity

Year	Projects	Regions *	Province	Capacity (MW)	CNE's stake	Tariff (RMB/kWh)	Attributable Capacity	
Associates and JV	Projects: 10.78MW attributable	installed ca	apacity					
2011	Suqian	Е	Jiangsu	8.88	49%	2.4	4.35	
2015	Zhaer	Ν	Inner Mongolia	20	32.16%	0.95	6.43	
Controlled Project	s: 303.22MW attributable install	ed capacity	r					
2011	Wuwei	NW	Gansu	9	100%	1.15	9	
2012	Hawaii(Hoko)		US	0.9	80%	USD 0.44 (2-3% increase/Y)	0.72	770
2013	Yongren	WS	Yunnan	50	100%	1	50	[]]
2013	Wisconsin(Jefferson)		US	1	100%	USD 0.21 (1% increase/Y)	1	4
2014	Naidong	WS	Tibet	20	100%	1.15	20	
2014	Pingyuan	Е	Shandong	40	100%	1.2	40	
2015	Indiana		USA	10	100%	USD 0.20	10.2	
2015	Huaping	WS	Yunnan	50	100%	0.95	50	
2015	Eryuan	WS	Yunnan	30	100%	0.95	30	
2015	Yanyuan	WS	Sichuan	30	100%	0.95	30	
2015	Rhode Island(Johnston)		USA	1.5	100%	USD 0.175	1.5	
2015	Rhode Island (North kingstown)		USA	0.5	100%	USD 0.19	0.5	
2016	Ohio(Minster)		USA	4.3	100%	USD 0.07 (2% increase/Y)	4.3	\mathcal{H}
2017	Cuomei	WS	Tibet	20	100%	1.15	20	1
2017	Haixing	Ν	Hebei	20	100%	1.18	20	
2017	Jiangzi	WS	Tibet	15	100%	1.15	15	1
2018	Haerbin	NE	Heilongjiang	1	100%	0.7012	1	









C E Grid-Parity Wind Power Plant Economics (sample)

Assumptions: Tariff =Desulfurization Coal-fire Benchmark tariff, real time tariff by the Power Grid Corp

 Capacity = 48MW Tariffs = Desulfurization Coal-fire Benchmark tariff 	 3. Project Financing Ratio : 70% 4. Interest rate = 5.41% 	5. Bank Loan Term = 10 Years6. VAT for CAPEX offset by VAT for power sales
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Project Cash Flow

	Benchmark	Utilization	Investment	Equity	Cash Flow (in: RMB)										
Province	tariff (RMB)	(Hours)	(RMB/kW)	ÎRR	Year0	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year 10
Jilin	0.3731	3,500	6,500	26.27%	-9,360	2,020	2,129	3,240	2,466	2,560	2,364	1,776	1,808	1,932	2,010
Helongjiang	0.374	2,800	6,500	16.58%	-9,360	882	991	1,895	1,364	1,458	1,513	1,261	944	1,069	1,146
Hunan	0.45	2,500	6,900	17.24%	-9,936	1,020	1,136	2,109	1,530	1,630	1,691	1,375	1,075	1,205	1,288
Hubei	0.4161	2,400	6,900	13.17%	-9,936	464	580	1,452	990	1,090	1,152	1,014	895	783	866

Wind power projects are much less relied on subsidies than PV and the cash flow will be positive without subsidies

CAUTION : The numbers above are hypothetical numbers illustrating a sample financial model for a wind farm in China. Such numbers do not derive from any wind power plant in which CNE has invested or plan to invest.

C E Grid-Parity Wind Power Plant Economics (Tongyu Project)

Wind Power Plant Economics Assumptions:

 Capacity of wind farm = 198MW Utilization Hours = 3,800hours Tariffs = RMB0.3731/kWh (include VAT) 	 4. Total Investment = RMB 1.4553bn (RMB7.35/W) 5. Project Financing Ratio : 70% 6. Interest rate = 5.41% 	 Bank Loan Term = 10 Years VAT for CAPEX offset by VAT for power sales
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Project Income Statement:

(in RMB mil)	Year 0	Year 1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year 10
Net Electricity tariffs (exclude VAT)		24,843	24,843	24,843	24,843	25,531	26,457	26,457	26,457	26,457	26,457
VAT Refund		-	-	-	-	688	1,615	1,615	1,615	1,615	1,615
Total revenue		24,843	24,843	24,843	24,843	25,531	26,457	26,457	26,457	26,457	26,457
Depreciation (a)	20Years	6,211	6,211	6,211	6,211	6,211	6,211	6,211	6,211	6,211	6,211
O & M costs		405	417	430	443	456	610	628	647	667	687
Repair costs		78	78	79	79	80	185	189	412	196	200
Others		125	125	125	125	125	125	125	125	125	125
Operating expense		140	144	149	153	158	162	167	172	177	183
Total		6,959	6,975	6,994	7,011	7,030	7,293	7,320	7,567	7,376	7,406
Operating profit		17,884	17,868	17,849	17,832	18,501	19,164	19,137	18,890	19,081	19,051
Loan balance at end of the year	10Years 101,871	96,777	86,590	76,403	66,216	56,029	45,842	35,655	25,468	15,281	5,094
Interest expense	10Years 5.41%	5,373	4,960	4,409	3,858	3,307	2,756	2,204	1,653	1,102	551
Profit before tax		12,510	12,907	13,441	13,974	15,058	16,086	16,610	16,914	17,656	18,178
Tax		-	-	-	2,229	2,296	2,355	4,704	4,642	4,690	4,682
Profit after tax (b)		12,510	12,907	13,441	12,227	13,175	14,075	12,458	12,685	13,242	13,634
Capital	43,659										
VAT offset (c)		3,230	3,230	3,230	3,230	1,853	-	-	-	-	-
Loan repayment (d)	10Years -	5,094	10,187	10,187	10,187	10,187	10,187	10,187	10,187	10,187	10,187
Cash Flow $(a)+(b)+(c)-(d)$	-43,659	14,552	12,162	12,695	11,482	11,054	10,112	8,483	8,711	9,268	9,659
20-year equity IRR	28.51%										
20-year project IRR	15.17%										
LCOE (RMB/kWh)	0.1862										
ROE		29.00%	30.00%	31.00%	28.00%	30.00%	32.00%	29.00%	29.00%	30.00%	31.00%

CAUTION : The numbers above are hypothetical numbers illustrating a sample financial model for a wind farm in Hunan. Such numbers do not derive from any wind power plant in which CNE has invested or plan to invest.

Wind Power Plant Economics Analysis(Tongyu Project)

Sensitivity/ Scenario Analysis:

Scenario (assuming other factors held constant)	Impact on 1 st Year Profit	Impact on IRR (Compared with 28.51%)	Equity IRR	Current Level
Utilization Hours dropped by 200 hours	-RMB 13.07mil	-2.85%	25.66%	3,500-3,900 hours
Interest rate increased by 0.50% to 5.91%	-RMB 4.96mil	-0.75%	27.76%	4.9-5.9%
Project Cost Decreased to RMB 6,900/kW	+RMB 7.16 mil	3.53%	32.04%	RMB 6.4-7.4 RMB/watt



Stable Shareholder Structure, Professional Management Team



Executive Directors

Mr. Liu Shunxing

An Executive Director of China Energy Council. He once worked in NDRC and China Energy Conservation Investment Corporation

Ms. Liu Jianhong

Former Chief Legal Officer of China Energy Conservation Investment Corporation, possessing over 20 years experiences in renewable energy industry

Mr. Yu Weizhou

Former Deputy Chief Engineer of Guohua Energy Investment Ltd. Also previously served at State Electricity Regulatory Commission of the PRC (SERC) and the Nation's Electric Dept

Mr. Niu Wenhui

Has over 20 years financial management experience. He was the Vice President of China Ruilian Industry Group and CFO of Rainbow Group Shenzhen Branch

Mr. Gui Kai

Has more than 20 years experience in power industry. He was General Manager of Shenhua Trading Group and vice general manager of Guohua Energy Investment Co., Ltd

Mr. Shang Li

Holds a Ph. D degree in Princeton University, USA. He was formerly the Chief Architect and Vice President of Intel China Research and an Associate Professor in University of Colorado

Mr. Zhai Feng

Has over 20 years experience in capital market management. He was the director, vice president of Shanghai Shenhua Holdings

C E Professional and Experienced Management Team

Non-Executive Director

Mr. Wang Feng holds a Master degree in North China Electric University. He is currently works for Huadian Fuxin Energy Limited Company as Director of Planning and Investment Department

Independent Non-Executive Directors

Mr. Yap Fat Suan, Henry fellow Member of the Institute of Chartered Accountant in England and Wales and an Associate Member of Hong Kong Institute of Certified Public Accountants

Dr. Jesse, Zhixi Fang holds a doctor degree in University of Nebraska-Lincoln. He was the global vice president of Intel and founded Intel Labs China, ILC as its first dean

Ms. Huang Jian holds a Master degree in Central University of Finance and Economics. She is currently a partner of Ruihua Certified Public Accountants

Mr. Zhang Zhong holds a Master degree in Renmin University of China. He is currently a partner of ZhongLun Law Firm

Other Management Team

Mr. Jiang Yingjiu -- Vice President Joined the company in 2006, he had worked for Beijing Municipal Commission of Housing and Urban-Rural Development and China Energy Conservation Investment Corporation

Mr. Wang Xigang - Vice President Joined the company in 2009, he had worked for AVIC

Mr. Ma Suoming -- Vice President Joined the company in 2015, he had worked for dispatch center of National Grid

Mr. Wang Meihai -- Vice President Joined the company in 2019, he had worked for China Datang Corporation

Mr. Lu Yichuan -- Vice President Joined the company in 2019, he had worked for Longyuan Power Group and U.S. Energy Fund

Mr. Zhou Xiaole -- Vice President Joined the company in 2009, he had worked for Yili Group



Thank You for Your Interest in CNE

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