#### **Concord New Energy Group Ltd. (0182.HK)**

— An Experienced Wind & Solar Developer and Operator

# **2022 Annual Results Presentation**

28th Feb. 2023



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			U	nit: Million RMB
		As of 31 <sup>st</sup> Dec 2022	As of 31 <sup>st</sup> Dec 2021	Change
	Total Assets	27,172.52	24,044.82	+13.01%
	Net Assets	8,094.89	7,562.89	+7.03%
	Cash and Cash Equivalents	4,049.28	4,151.44	-2.46%
Key Financial Data		As of 31 <sup>st</sup> Dec 2022	As of 31 <sup>st</sup> Dec 2021	Change
	Revenue	2,679.37	2,195.54	+22.04%
	Profit Attributable to Owners of the Company	871.82	787.53	+10.70%
	Fully Diluted EPS	9.86 cents	9.39 cents	+5.01%
	Power Generation <sup>1</sup>	2,114.11	1,748.84	+20.89%
Segment Revenue	O&M	279.09	244.83	+13.99%
	Others	286.17	201.86	+41.77%
	Power Generation	1,287.12	1,109.18	+16.04%
Segment Results <sup>2</sup>	O&M	37.36	26.69	+39.98%
	Others	12.51	5.00	+150.20%

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.

#### **Profitability Significantly Enhanced, Financial Indicators Continuously Improved**



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- In 2022, the total newly added capacity was 1,111MW (attributable capacity 1,062), including 9 wind projects (attributable capacity 992MW) and 1 PV project (attributable capacity 70MW)
- Meanwhile, the company actively optimized the assets quality by selling projects with subsidy of total 189MW attributable capacity

	Attributable Capacity
During 2022: Newly added Attributable Installed Capacity	1,062 MW
Sold Attributable Installed capacity	189 MW
Net added Attributable Installed capacity	873 MW
As of 31st Dec 2022 : Operational Attributable Installed Capacity	3,588 MW
Subsidiary -owned Wind Plants	2,469 MW
Associates and JV Wind Plants	668 MW
Subsidiary -owned PV Plants	444 MW
Associates and JV PV Plants	7 MW

Remark: The company's subsidiary-owned subsidy-free capacity is 2,161MW, consisting of wind power 1,833MW, PV power 328MW.

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<b>Operational Indicators</b>	As of 31 <sup>st</sup> Dec 2022	As of 31 <sup>st</sup> Dec 2021	Change
Weighted Average Utilization Hours			
Wind Plants (attributable)	2,543 Hours	2,411 Hours	5.5%
Wind Plants (Subsidiary -owned)	2,921 Hours	2,697 Hours	8.3%
PV Plants (attributable)	1,547 Hours	1,458 Hours	6.1%
PV Plants (Subsidiary -owned)	1,532 Hours	1,420 Hours	7.9%
Weighted Average Tariff (traded power adjustment considered)			
Wind Plants (attributable)	0.4390/kW•h	0.5005/kW·h	-12.3%
Wind Plants (Subsidiary -owned)	0.3904/kW•h	0.5124/kW·h	-23.8%
PV Plants (attributable)	0.5122/kW·h	0.8020/kW·h	-36.1%
PV Plants (Subsidiary -owned)	0.4895/kW•h	0.7806/kW•h	-37.3%
<u>Total Attributable Average Grid Curtailment</u>	2.8%	3.2%	↓ 0.4 percentage
Wind Plants (attributable)	2.6%	2.9%	↓ 0.3 percentage
Wind Plants (Subsidiary -owned)	2.2%	2.1%	↑ 0.1 percentage
PV Plants (attributable)	3.8%	9.8%	↓ 6.0 percentage
PV Plants (Subsidiary -owned)	4.1%	10.9%	↓ 6.8 percentage

Remark : According to The National Energy Administration of China, the national average utilization hours of wind power was 2,221 hours and that of PV power was 1,377 hours.



#### Attributable Power Generation Increased Substantially, Revenue and Profit of Power Plants Hit a New High

	Attributable Power Generation Output (GW · h)		Power Generation Revenue(RMB '000)			Attributable Power Generation Net Profit (RMB '000)			
	2022	2021	Change	2022	2021	Change	2022	2021	Change
<u>Total</u>	6,673	5,225	27.7%	2,114,106	1,748,842	20.9%	987,995	917,373	7.7%
<u>Total Subsidiary -</u> owned Power Plants	5,241	3,824	37.1%	2,114,106	1,748,842	20.9%	817,876	764,280	7.0%
Wind	4,474	3,542	26.3%	1,769,309	1,553,401	13.9%	702,675	684,240	2.7%
Solar	767	282	171.6%	344,797	195,441	76.4%	115,201	80,040	43.9%
<u>Total Associates and</u> <u>JV Power Plants</u>	1,432	1,401	2.2%	-	-	-	170,119	153,093	11.1%

*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.* 

### **CINE** NEW ENERGY Remarkable Achievement in Project Development, Breakthrough in Large-scale Projects

- In 2022, Company obtained the high quality wind projects construction permit for 1,355MW, and total 1,556 MW newly approved (recorded) projects
- Added 4,000MW of state government approved projects, effectively guaranteeing the growth of installed capacity
- Newly-added Construction Permit 1,355MW

No.	Province	Туре	Capacity(MW)
1	Heilongjiang	Wind	740
2	Hunan	Wind	400
3	Henan	Wind	100
4	Guizhou	Wind	100
5	Neimenggu	Wind	15
		Total	1,355

Newly-added approved (recorded) projects 1,556MW

No.	Province	Туре	Capacity(MW)
1	Heilongjiang	Wind	540
2	Yunnan	Wind	350
3	Hubei	Wind/ PV	400
4	Hebei	PV	200
6	Anhui	Wind	51
7	Neimenggu	Wind	15
		Total	1,556

#### Newly-added State Government Approved Permit 4,000MW\*

No.	Province	Туре
1	Qinghai	PV
2	Jilin	Wind/PV
3	Heilongjiang	Wind/PV

\* Annual construction permit still need to be obtained

### **CNE** Sufficient Project Reserves Guarantee the Acceleration of projects Construction

• Approved projects under/ready for construction are 2,126MW, which will strongly guarantee the company's sustainable development and ensure the company to achieve the 2023 attributable installed capacity double-increase plan

#### Projects Under/Ready for Construction

No.	Province	Туре	Capacity(MW)	Total
1	Heilongjiang	Wind	740	
2	Hunan	Wind	400	
3	Henan	Wind	200	
4	Guangxi	Wind	100	Subtotal, 1706
5	Guizhou	Wind	100	Proportion: 80.2%
6	Hubei	Wind	100	•
7	Anhui	Wind	51	
8	Neimenggu	Wind	15	
1	Hebei	PV	200	
2	Qinghai	PV	100	Subtotal: 420
3	Shanxi	PV	100	Proportion: 19.8%
4	Hainan	PV	20	
		Total	2,126	



#### **E**<sup>CONCORD</sup> NEW ENERGY Assets Quality Continuously Optimized, Proportion of Subsidy-free Projects Significantly Increased

- The attributable installed capacity of subsidy-free projects have reached 2,161MW, accounting for 60.2% of the attributable installed capacity
- Continuously optimizing the assets quality, the repayment of renewable energy subsidy increased sharply while the the receivable continued to declined

#### **Operating Attributable Capacity Structure**





\* Change rate between 2022 and 2021

#### **CIE** CONCORD NEW ENERGY Actively Expand GPC Transactions, Subsidy-free Projects Obtained Extra Income

- The company has strengthened the procedure management of GPC (Green Power Certificate) registration and sales. In 2022, the GPC issued for subsidy-free projects represented a year-on-year increase of 64%. The total revenue of GPC sales in 2022 was more than RMB 25 million.
- Taking a 50MW subsidy-free project as an example, assuming that GPC price is RMB 20 per unit, it is estimated that the annual income will increase by RMB 3 million. The calculation is as follows:

Capacity(MW)	Hours(H)	Annual Power Generation (GW · h)	Number of Green Certificates	Unit Price of Green Certificates (RMB)	Revenue of Green Certificates('000RMB/Y)
50	3,000	150	150,000	20	3,000

#### **CNE ENERGY The Capacity of O&M's Service Improved Significantly, Competitive Advantage Further Improved**



### **Latest Industry Outlook**

The development of large-sized wind turbines continued to accelerate, with high power, high tower, long blades continuing to be the mainstream development direction for wind turbines. N-type cell technology including TOPCON, heterojunction, HBC and perovskite has been further developed. It is an industry consensus that N-type cell technology will replace P-type cell as the next generation cell technology.

The price of wind turbines has maintained stable with downward trend, breaking the threshold of RMB 2,000/kW in early 2022 and the bid price of RMB 1,500/kW reported for bidding price in the second half of the year. Since December 2022, the price of PV modules has dropped from RMB 1,970/kW to the lowest of RMB 1,700/kW, which will help to reduce the investment cost of PV plants.

Government issued energy storage policies, specifying the direction of the targeted level of installed capacity, market position and business model of energy storage. At present, more than 90% of regions in China released explicitly the mandatory energy storage requirements for wind and solar power plants. Energy storage has been accelerated with the development of renewable energy.

In November 2022, NDRC published a document clarifying that the newly-added renewable energy would be excluded from the cap on total energy consumption. The issuance of Green Certificates will cover all renewable energy power projects. Green certificates, green electricity and CCER have become the supportive direction by the Chinese government.

In 2022, the PRC government continued to deepen the electricity market-based reform. The marketized electricity transaction amounted to 5.25 trillion kWh, accounting for approximately 60.8% of China's total electricity consumption, representing a year-on-year increase of 15.4 percentage points.

In 2022, the People's Bank of China repeatedly lowered the deposit reserve ratio and LPR. Under the guidance of the "dual-carbon" targets, the financing environment for renewable energy projects continues to be accommodative.



#### Latest Company Outlook

Attributable capacity 3,588MW, Approved projects under/ready for Construction 2,126MW

Newly added 1,355MW construction permit, approved (recorded) projects permit 1,556MW, state government approved projects 4,000MW

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The attributable installed capacity of subsidy-free projects accounted for over 60%. The subsidy collection of the subsidiary-owned projects was RMB 670 million, and the balance of subsidy receivable dropped significantly to RMB 810 million



GPC issued for subsidy-free projects represented a year-on-year increase of 64%, and the total revenue of GPC sales was more than 25 million

The financing rate continued to decrease, and the weighted average cost decreased by 0.41 percentage points compared with the previous year

The O&M service capacity exceeded 18GW,the revenue continued to increase, and the competitive advantage further improved

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#### **Development Strategies and Prospects**

- The renewable energy is currently booming and gradually becoming the main energy source, which will bring about profound changes to the power industry and more opportunities in the investment and service
- Company will grasp the opportunities and actively participate in building the new power system, focusing on the main business of power generation and giving full play to the professional advantages, and pursue the comprehensive development with the service business
  - Accelerate Project Development and Construction to Achieve Rapid Growth in Installed Capacity
  - Strive to Enhance Market-Based Revenue, Further Exploit the Value Of Carbon Assets
  - Solution Vigorously Develop the Service Business, Reinforce the O&M sector's Competitiveness
  - Establish an International Investment Platform, Gradually Create A Global Market Presence
  - Continuously Optimize the Quality Of Asset
  - Strengthen Safety Management Efforts to Ensure The Safety of Generation and Construction
  - Enhance Management and Foster Corporate Culture to Support Rapid Business Expansion

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• Take the pursuit of the lowest cost of electricity as the company's core competitiveness

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2020

- I: Pay attention to the quality of project development and select quality projects for investment
- 閂
- II: Actively optimize the design, new technologies, tracking and applying new turbine types, and new processes in the construction of the Group's invested projects and build high-quality, high-efficiency power plants



III: Implementing regional control, promoting the application of energy internet in power plants operation, refining management



Optimizing the asset structure through capital replacement, further reducing the LCOE



66 technical retrofit were carried out to increase the power generation of the power plants



2021

2022

### **LCOE of Power Plant Projects**

### **Significant Improvement in ESG Governance Performance**







Annual Saving of Standard Coal 2.75 million tons Cumulative Savings 17.67 million tons O hour

**Employee Anti-corruption Training Participation** 

2,015 person-time

0

**Serious Corruption Complaint Cases** 

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2022 Annual Results Presentation



### Appendix

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P&L(RMB'000)	2022	2021
Revenue	2,679,368	2,195,540
Cost of sales and services rendered	(1,084,395)	(875,878)
Gross profit	1,594,973	1,319,662
Other income	60,132	82,735
Other gains and losses, net	317,810	153,563
Impairment losses under expected credit loss model, net of reversal	1,181	27,550
Expenses		
Distribution and selling expenses	(18,814)	(12,708)
Administrative expenses	(426,476)	(337,598)
Finance costs	(546,316)	(446,120)
Share of profit of joint ventures	151,115	134,246
Share of profit of associates	20,004	18,265
Profit before income tax	1,153,609	939,595
Income tax expense	(227,840)	(121,733)
Profit for Reporting Period	925,769	817,862
Profit attributable to:	871 817	787 534
Owners of the Company	<b>0/1,01</b> / 53.952	30 328
Non-controlling interests	55,752	50,528

Asset (RMB'000)	2022	2021
Current assets	6,664,495	7,453,517
Non-current assets	20,508,021	16,591,301
Total assets	27,172,516	24,044,818
Current liabilities	(6,516,961)	(5,707,337)
Non-current liabilities	(12,560,663)	(10,774,594)
Total liabilities	(19,077,624)	(16,481,931)
Net current assets	147,534	1,746,180
Net Asset	8,094,892	7,562,887
Share Capital	77,443	77,499
Reserves	7,754,304	7,336,427
Cash Flow ('000)	2022	2021
Not each from operating activities		
Net cash nom operating activities	2,400,050	1,303,399
Net cash non operating activities Net cash used in investing activities	2,400,050 (3,771,645)	1,303,399 (1,959,649)
Net cash used in investing activities Net cash from financing activities	2,400,050 (3,771,645) 1,277,304	1,303,399 (1,959,649) 1,890,956
Net cash noil operating activities Net cash used in investing activities Net cash from financing activities Net increase/(decrease) in cash and cash equivalents	2,400,050 (3,771,645) 1,277,304 (39,431)	1,303,399 (1,959,649) 1,890,956 1,230,010
Net cash non 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	2,400,050 (3,771,645) 1,277,304 (39,431) 4,049,279	1,303,399 (1,959,649) 1,890,956 1,230,010 4,151,437
Net cash non 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	2,400,050 (3,771,645) 1,277,304 (39,431) 4,049,279 <b>19,077,624</b>	1,303,399 (1,959,649) 1,890,956 1,230,010 4,151,437 <b>16,481,931</b>
Net cash non 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 <b>Total Liability</b> Liability with Interest	2,400,050 (3,771,645) 1,277,304 (39,431) 4,049,279 <b>19,077,624</b> 14,052,298	1,303,399 (1,959,649) 1,890,956 1,230,010 4,151,437 16,481,931 11,589,120
Net cash non 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 <b>Total Liability</b> Liability with Interest Weighted Average Cost	2,400,050 (3,771,645) 1,277,304 (39,431) 4,049,279 19,077,624 14,052,298 5.12%	1,303,399 (1,959,649) 1,890,956 1,230,010 4,151,437 16,481,931 11,589,120 5.53%



#### **3,137MW-Attributable Capacity**

#### Subsidiary-owned Projects: 2,469MW attributable installed capacity CNE's Tariff Tariff Attributable Capacity Attributable Capacity **CNE's Stake** Project Province Year Regions Province Year Project Regions $(\mathbf{RMB/kW} \cdot \mathbf{h})$ (**MW**) $(\mathbf{RMB/kW} \cdot \mathbf{h})$ (MW) Capacity Stake Capacity 2006 Chantu Phase I NE 50.25 25% 0.61 12.56 2015 Feixi Е Anhui 34 100% Liaoning 0.61 34 2016 CS Hunan 48 100% 0.61 48 Jiepai 2008 Ν 21 49% 0.52 10.29 Erlianhaote Phase I Inner Mongolia 2016 Е Anhui 48 100% 0.61 48 Jiagou 2009 Linchang Phase I NE Jilin 49.5 49% 0.61 24.26 2017 Wuhe Е Anhui 48 0.61 48 100% 2009 Zhaqi Phase I Ν 49.5 49% 0.54 24.26 Inner Mongolia 2017 Qiaotoupu CS Hunan 48 100% 0.61 48 2017 CS 48 100% 0.61 48 Hongtang Hunan 2009 Heivupao Phase I NE Jilin 49.5 49% 0.61 24.26 2017 48 100% 48 CS Hubei 0.61 Jingmen 2010 Huadeng Phase I Ν 49.5 32% 0.54 15.84 Inner Mongolia 2018 Yushan CS Hubei 48 100% 0.61 48 2010 Huadeng Phase II Ν Inner Mongolia 49.5 32% 0.54 15.84 2018 48 100% 48 Lixi CS Hubei 0.6 50 2018 Jindashan E Anhui 100% 0.6 50 2010 Zhalute Phase II Ν Inner Mongolia 49.5 32% 0.54 15.84 2019 Baimangying CS Hunan 48 100% 0.6 48 2010 Zhalute Phase III Ν Inner Mongolia 49.5 32% 0.54 15.84 2019 Wulanhua D NE Jilin 49.5 100% 0.3731 49.5 2010 Guazhou NW 201 51.5% 0.52 103.52 Gansu 2019 Wulanhua E NE Jilin 49.5 100% 0.3731 49.5 2019 49 5 0.3731 49 5 Wulanhua F NE Jilin 100% 2011 Kailu Ν Inner Mongolia 49.5 32% 0.54 15.84 CS 50 2020 Mengzhuling Hunan 100% 0.6 50 2011 Maniuhu NE 49.5 30% 14.85 Liaoning 0.61 2020 Yingshanmiao CS Henan 50 100% 0.6 50 2011 Gulibengao NE Liaoning 49.5 30% 0.61 14.85 2020 Yilan NE 200 100% 0.374 200 Heilongijang 2021 NE 200 74% 0.374 148 2013 Chaoyang Wanjia NE 49.5 30% 0.61 14.85 Binxian Heilongjiang Liaoning 2021 Fangzheng NE Heilongjiang 50 100% 0.374 50 Е 2013 Guanshan Anhui 48 49% 0.61 23.52 2021 Guazhou NW Gansu 100 100% 0.3078 100 Е Suzhou Fuli Anhui 2013 48 49% 0.61 23.52 2021 Shiziling Phase I CS 48 100% 0 4207 48 Guangxi Jianghua CS Hunan 2013 48 59% 0.61 28.32 2021 CS 48 100% 0.45 48 Dongda Hunan Zilingpu CS Hubei 2014 48 59% 0.61 28.32 2021 Fuxin Hailiban NE 50 100% 0.3749 50 Liaoning CS NE 49.5 100% 0.3731 49.5 2014 Huolonggang Henan 59% 29.21 2021 Xinfa D Jilin 49 5 0.61 CS 20 100% 0.52 20 Yantai Gaotuan Е Shandong 2021 Wuying Hubei 2014 48 49% 0.61 23.52 2022 CS Guangxi 42 100% 0.4207 42 Shiziling Phase II 2016 Е 48 49% 0.61 23.52 Lingshan Anhui 48 2022 Shiziling Phase III CS 100% 0.4207 48 Guangxi 2018 CS Hunan 48 25% 0.61 12 Shenzhagtang 2022 NE 49.5 100% 0.3749 49.5 Chaoyang Liaoning CS 2018 Jingtang Hunan 48 25% 0.6 12 2022 SW 350 100% 0 3358 350 Kaiyuan Yunan Kailu Phase II Ν Inner Mongolia 2019 50 32% 0.5 16 2022 SW 300 300 Danfeng Yunan 100% 0.3358 2022 NW 100 100% 0.3078 100 Guazhou Phase II Gansu 2019 89 100% 0.57 43.6 Yushan Phase II CS Hubei 2022 Huilong CS Hunan 21 100% 0.45 21 Zhaqi Phase IV Ν Inner Mongolia 2019 50 32% 0.5 16 2022 Jinbi CS Hunan 30 100% 0.45 30 -2020 Kailu Phase II Ν Inner Mongolia 200 32% 0.5 64.32 51 2022 Xiangbei CS Hubei 100 51% 0 4 1 6 1

#### Associates and JV Projects: 668MW attributable installed Capacity



#### 451 MW-Attributable Capacity

Year	Projects	Region	Province /Country	Capacity (MW)	CNE Stake	Tariff (RMB/kW·h)	Attributable Capacity
ssociates and	JV Projects: 6.43 MW attri	butable inst	alled capacity				
2015	Zhaer	Ν	Inner Mongolia	20	32.16%	0.95	6.43
ıbsidiary-own	red Projects: 444.22MW att	tributable in	stalled capacity				
2012	Hawaii (Hoku)		USA	0.9	80%	USD 0.48 (2-3% increase/Y)	0.72
2013	Wisconsin (Jefferson)		USA	1	100%	USD 0.22 (1% increase/Y)	1
2014	Naidong	WS	Tibet	20	100%	1.15	20
2015	Indiana		USA	10	100%	USD 0.20	10.2
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 0.08 (2% increase/Y)	4.3
2017	Cuomei	WS	Tibet	20	100%	1.15	20
2017	Jiangzi	WS	Tibet	15	100%	1.15	15
2018	Haerbin	NE	Heilongjiang	1	100%	0.7012	1
2021	Xiangbei Agri-PV	CS	Hubei	100	100%	0.4161	100
2021	Xishui	CS	Hubei	40	100%	0.4161	40
2021	Dachaidan	NW	Qinghai	100	100%	0.2277	100
2022	Nandagang	N	Hebei	70	100%	0.3644	70









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### **Thank You for Your Interest in CNE**

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#### Please feel free to contact us for any inquiries:

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