



# 2020 Interim Results Announcement

28 August 2020

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新天绿色能源股份有限公司  
China Suntien Green Energy Corporation Limited\*

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# Agenda

1. 2020 Interim Results & Industries Overview

2. Business Review

3. Financial Highlights

4. Outlook



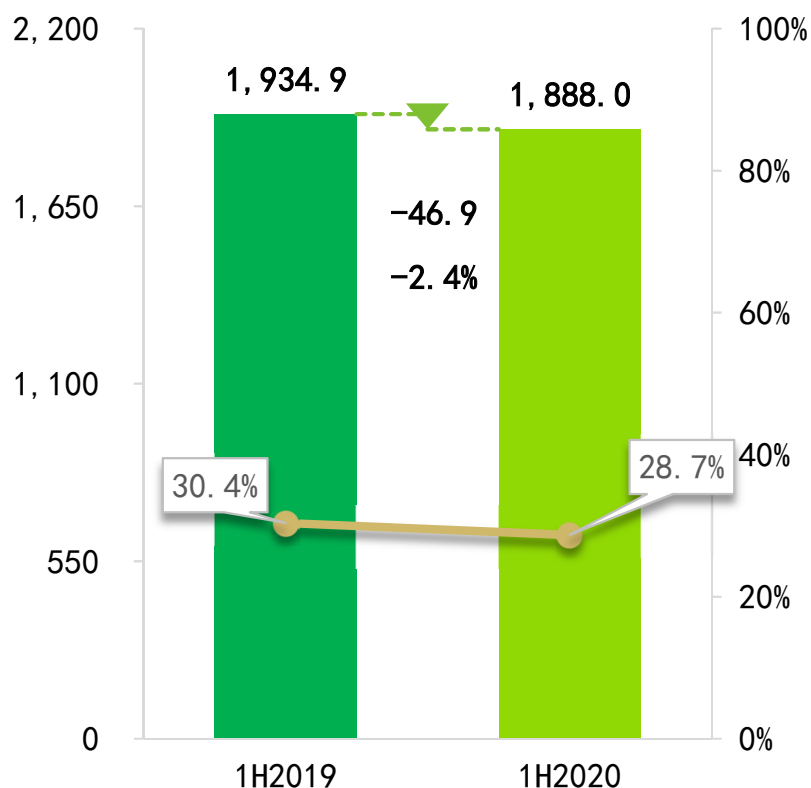


## 1. 2020 Interim Results & Industries Overview

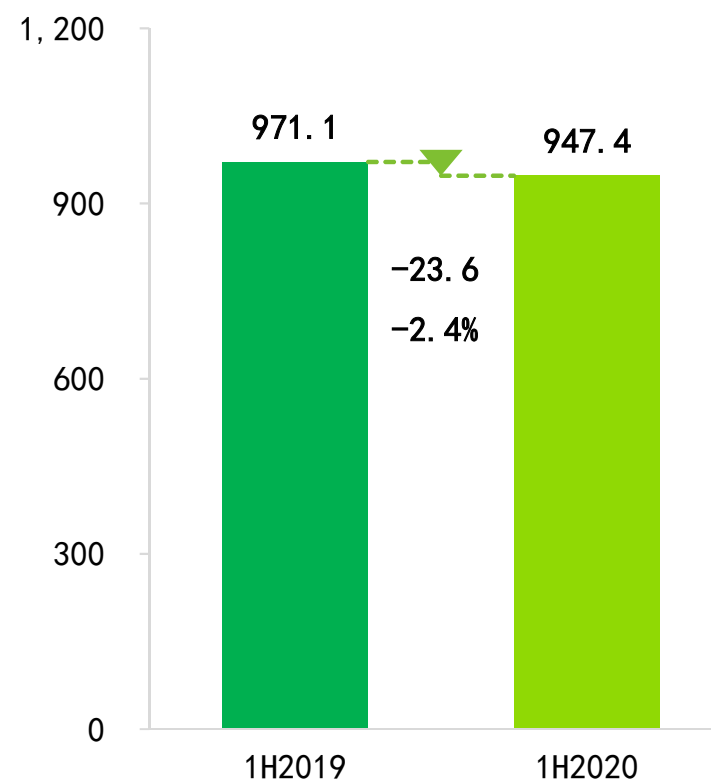
# Results Highlights

- The Group's **Gross Profit** in 1H2020 was RMB1.89 billion, down 2.4% yoy; **Gross Profit Margin** was 28.7%, down 1.7ppt yoy.
- **Net profit attributable to shareholders of the Company** was RMB0.95 billion, down 2.4% yoy.

Gross Profit & Profit Margin (RMB·Million)



Net profit attributable to shareholders of the Company (RMB·Million)

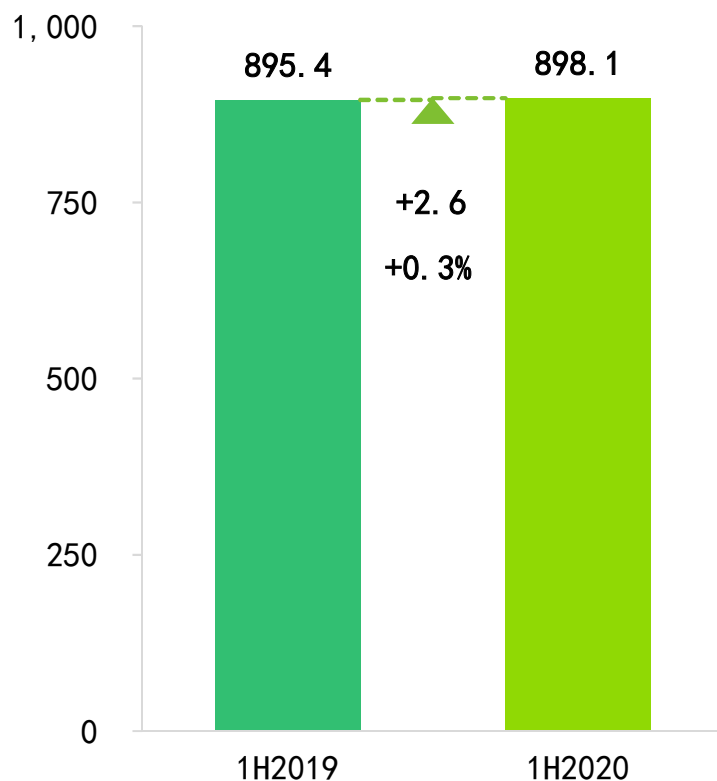


( Note: 1H2019 data was restated due to the business combinations under common control. )

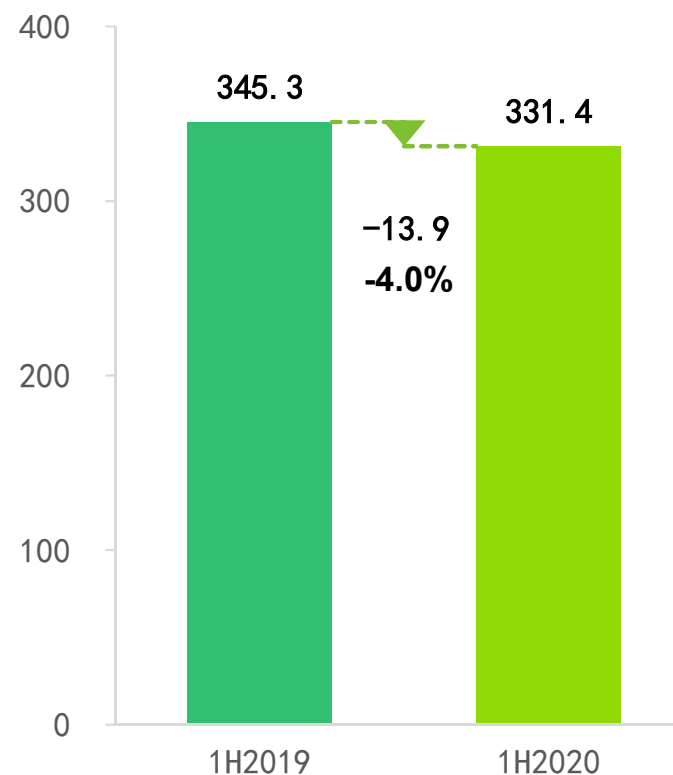
# Results Highlights

- **Net Profit After Tax** of Wind and Photovoltaic power segment was **RMB898** million, down 0.3% yoy.
- **Net Profit After Tax** of Natural Gas segment was **RMB331** million, down **4.0%** yoy.

### Net Profit After Tax of Wind and Photovoltaic Power Segment (RMB·Million)



### Net Profit After Tax of Natural Gas Segment (RMB·Million)



# Operating environment for the wind power industry

- **The State continues to vigorously support the development of new energy industry.** According to the energy structure adjustment target, the proportion of non-fossil fuel in the energy structure will reach 15% by 2020, 20% by 2030 and 50% by 2050, respectively. The State encourages the promotion of green power upgrade and transformation during the “14th Five-Year Plan” period. For a long time to come, wind and photovoltaic power will become the main contributors to the increase in installed capacity of China. Meanwhile, the State attaches great importance to the development of the hydrogen energy industry, which is expected to be included in the national energy strategy system.
- **New wind and photovoltaic power projects enters parity era.** From 1 January 2021, all newly approved onshore wind power projects shall fully achieve the grid parity and the photovoltaic power projects are also dealt with pursuant to the comprehensive grid parity policy in 2021. From 1 January 2022, the State will no longer provide subsidies for new offshore wind power projects. After then the development of wind and photovoltaic power will fully enter into the parity era. In future, it will be critical to improve the quality of project resources by in-depth analysis of new projects, promote the refined and large-scale development of new projects, strengthen the operation and maintenance of completed projects, rationally carry out technological transformation, and fully tap into any space of the profit in completed projects.



# Operating environment for the wind power industry

- **The grid consumption problem continues to be improved overall but is still severe in some areas.** In October 2018, the NDRC and NEA issued the Clean Energy Consumption Action Plan (2018–2020) and has achieved good results. In the first half-year, the curtailed wind power was 9.53 billion kWh across the country, and the wind power utilization rate was 96.1%, increased by 0.8ppt yoy; the curtailed photovoltaic power was 2.78 billion kWh, and the photovoltaic power generation utilization rate was 97.9%, increased by 0.3ppt yoy. However, the situation of power consumption is still severe in some areas, and the consumption issue remains a key concern of the industries.
- **The payment of renewable energy subsidy re-adjusted.** In February 2020, the MoF, the NDRC and the NEA jointly issued the Several Opinions on Promoting the Healthy Development of Non-hydro Renewable Energy Power Generation and the revised Measures for the Administration of Renewable Energy Tariff Surcharge, which stipulated that the MoF shall distribute the subsidy funds to the power grid companies and provincial finance departments based on the principle of “determining expenditure based on incomes”. It aims to fully guarantee the policy continuity and the reasonable income of existing projects. For the projects obtained approval (completed filing), completed integrated and involved in the subsidy catalog, the quota of the central government’s subsidy will be reviewed based on reasonable utilization hours.





# Operating environment for the wind power industry

- **The average utilization hours decreased slightly in the first half-year.** From January to June 2020, the nationwide wind power generation amounted to 0.2379 trillion kWh, increased by 10.9% yoy, and the growth rate dropped by 6ppt, while the average utilization hours of wind power generation units were 1,123 hours, decreased by 10 hours yoy; and the average utilization hours of wind power generation units in Hebei Province were 1,158 hours, decreased by 26 hours yoy.



# Operating Environment for the Natural Gas Industry

- **The establishment of the National Pipe Network Corporation will lead to the reconstruction of the natural gas market system.** On 18 May 2020, the Central Committee of CCP and the State Council issued the *Opinions on Accelerating the Improvement of the System of Socialist Market Economy in a New Era* proposing to steadily advance the reform of natural monopoly industries and accelerate the marketization of competitive field. In the oil and gas sector, it is proposed that the fair opening of oil and gas pipeline networks to market participants shall be advanced, the sources and sales prices of natural gas shall be deregulated in a timely manner. With the establishment of the State Piping Network Corporation, the infrastructure of the natural gas market will become more fair and open. The natural gas pipeline network, LNG receiving stations and other infrastructures will be opened in an orderly and fair manner under the national supervision, and various oil and gas pipeline network facilities will be interconnected. The monopoly of existing resources and pipelines will be broken, natural gas companies will have more diversified choice of pipelines, and the industry landscape of the natural gas market is expected to be reshaped.



# Operating Environment for the Natural Gas Industry

- **The State has vigorously promoted the construction of natural gas reserve system.** In the first half year of 2020, the State successively issued documents such as the *Opinions on Accelerating the Construction of Gas Storage Facilities and Improving the Market Mechanism for Gas Storage Peak Capacity Auxiliary Services*, the *Several Opinions of the State Council on Promoting the Coordinated and Stable Development of the Natural Gas Industry*, and the *Implementation Opinions on Accelerating the Construction of Natural Gas Storage Capacity* to encourage the deepening of reform on systems and mechanisms, speed up the realization of infrastructure interconnection and fair opening, and promote gas storage facility operators to improve internal management mechanisms, and carry out operational model innovation and product innovation.
- **Temporary Reduction on non-residential gas cost to facilitate operation resumption.** The NDRC issued the notice on *Temporarily reducing the non-residential gas costs to support the resumption of work and production*, aiming to lower the gas cost for terminal users, support enterprises to resume production, and overcome difficulties together. The relevant measures were valid until June 30. Hebei DRC issued corresponding policies, stipulated the transmission fee within the province for non-residential users should be reduced by 5%, with other indications on lowering the terminal price for non-residential users in different categories.



# Operating Environment for the Natural Gas Industry

- **The production capacity and consumption amount of the natural gas keeps increasing in the first half-year.** In first half year of 2020, the production of natural gas in China amounted to 94.96 billion cubic meters, increased by 9.9% yoy. The apparent consumption of natural gas amounted to 155.61 billion cubic meters, increased by 4% yoy. According to customs statistics, in first half of this year, the imports of natural gas amounted to 66.74 billion cubic meters, increased by 3.3% yoy.





## 2. Business Review

# 1H2020 Operating Data Overview

## Wind Power

- Consolidated gross power generation increased by 4.42% to 4,990 GWh.
- Utilization hours decreased by 88 hours to 1288; curtailment rate was 8.67%, up 3.03ppt; availability rate was 98.47%, up 0.67 ppt.
- Consolidated installed capacity was 4,736.4 MW, increased by 320.6 MW. Commercial operation project capacity was 3,753.7 MW, increased by 47.5 MW.
- The total capacity of projects under construction was 566 MW. The approved reserve capacity was 1777 MW.

## Natural Gas

- Natural gas sales volume was 1.896 billion cubic meters, up 13.2%.
- Group operating pipelines increased by 115.40 km to 5284.06km.
- 14,480 new terminal users were developed , with a total of 357,734 users.

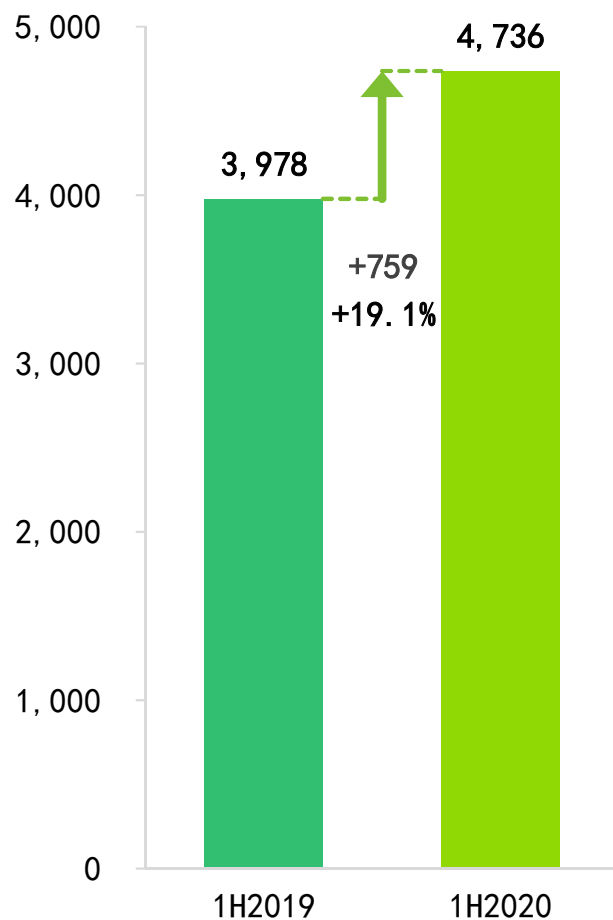
## Photovoltaic

- Accumulated operating capacity was 102.4 MW. Accumulated approved capacity was 422 MW.

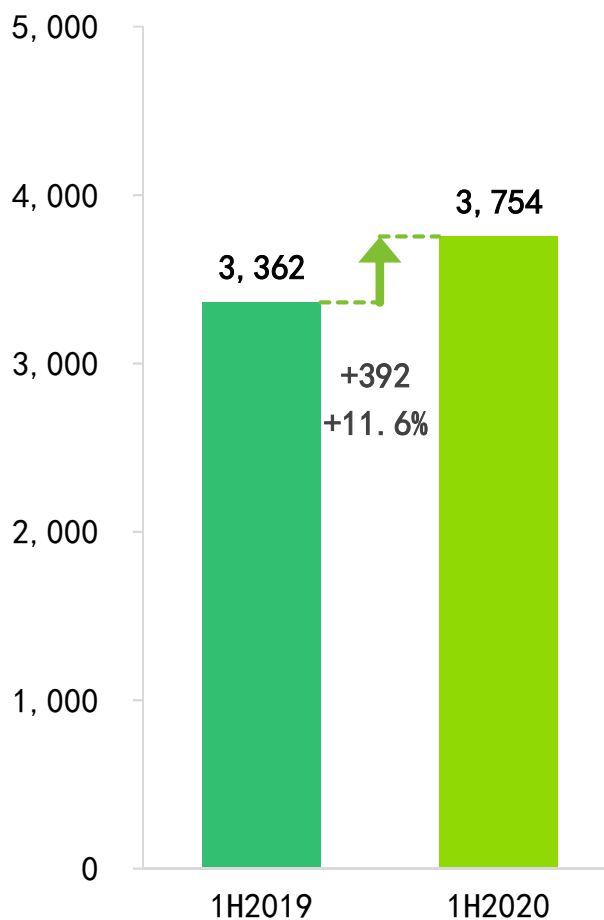


# Wind Power Segment Review

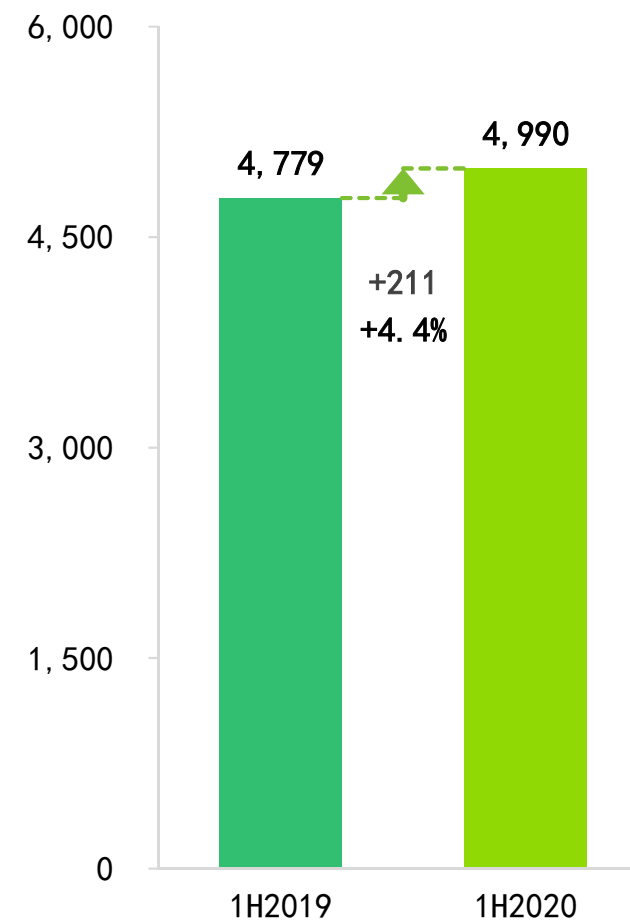
### Accumulated Consolidated Wind Power Installed Capacity (MW)



### Accumulated Commercial Operation Capacity (MW)

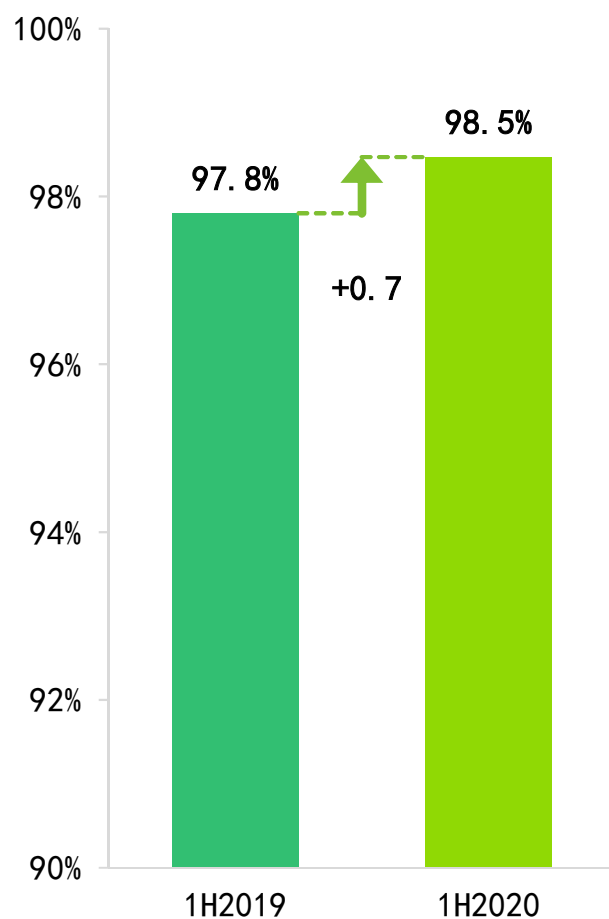


### Consolidated Gross Power Generation (GWh)

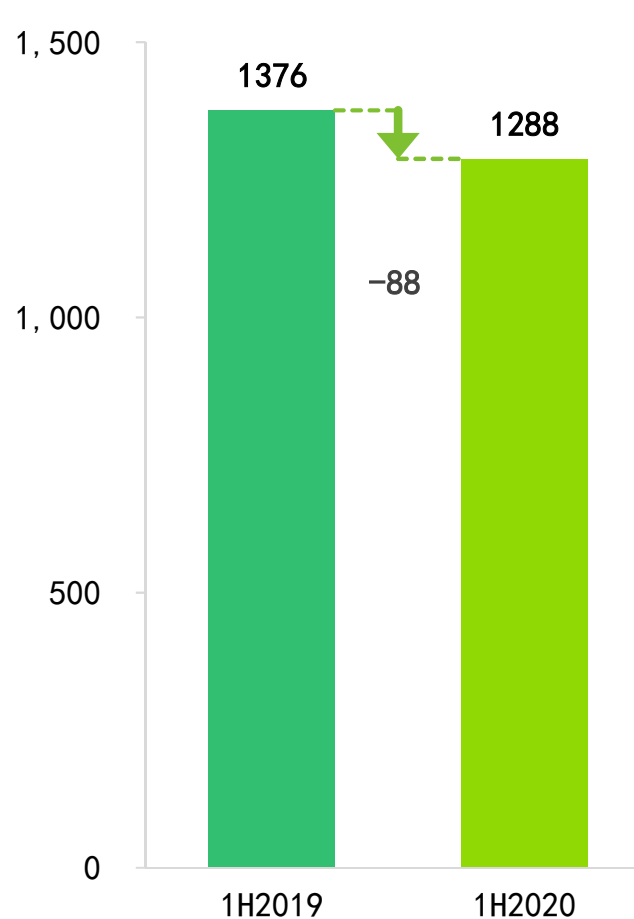


# Wind Power Segment Review

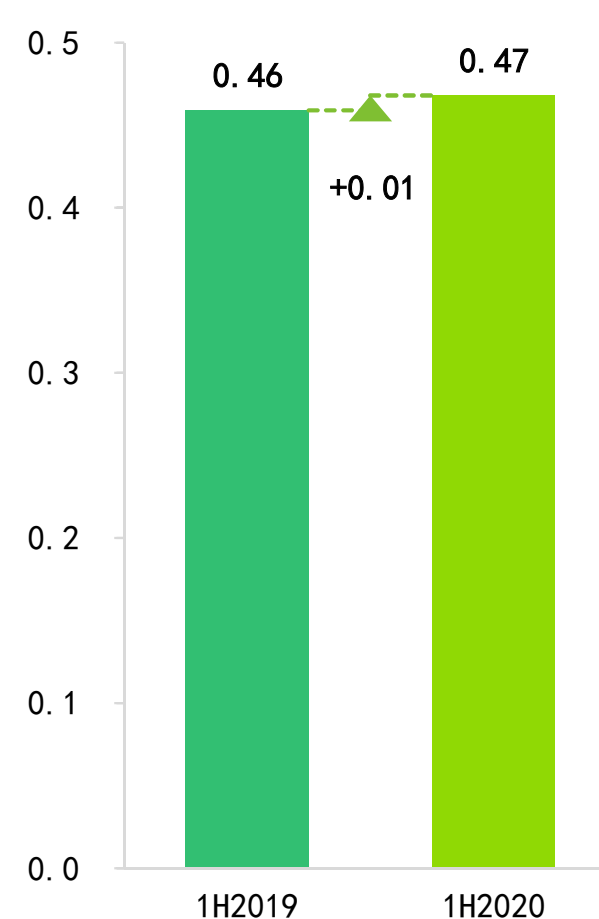
### Availability Factor (%)



### Average Utilization Hours (hours)



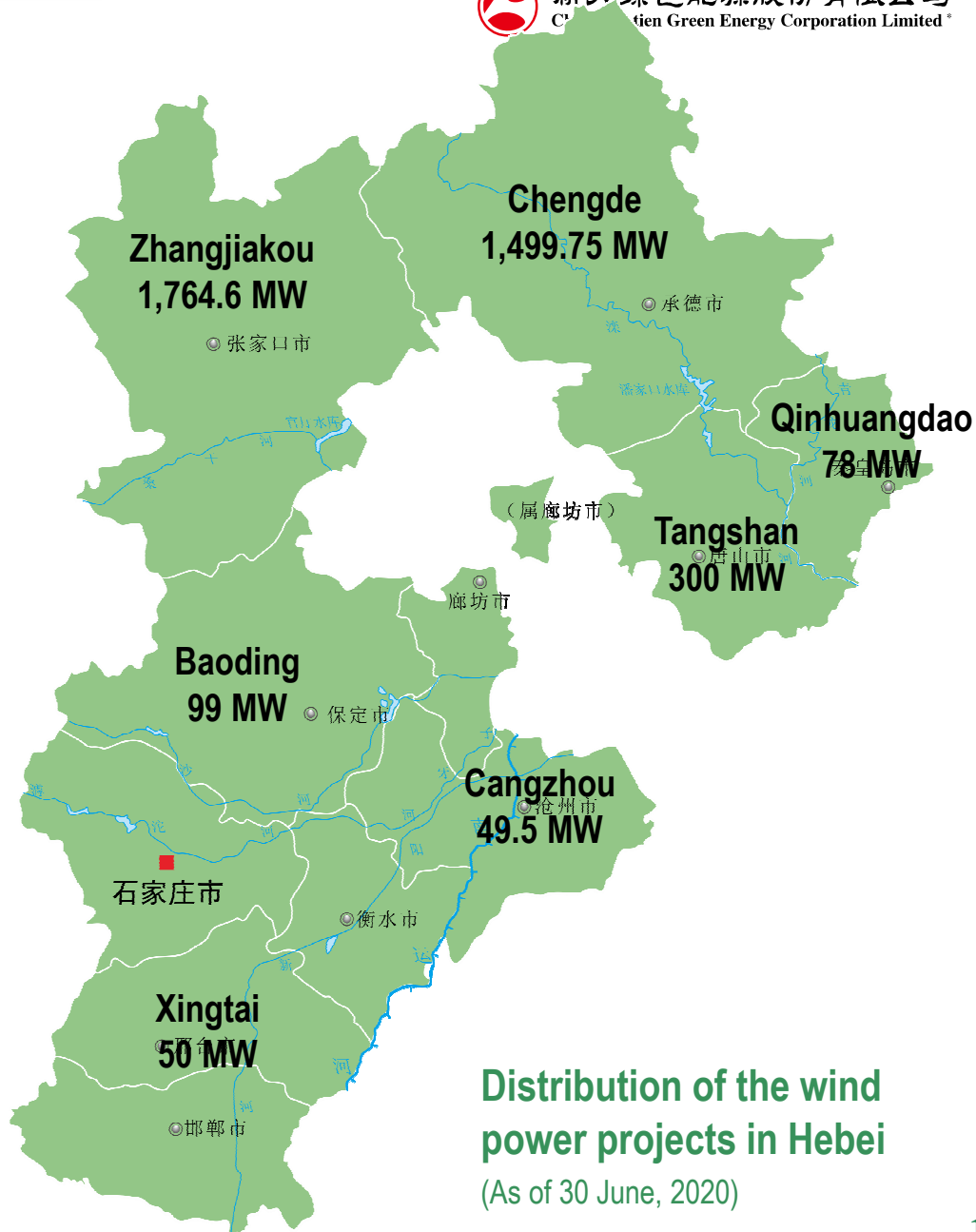
### Average On-grid Tariff (VAT excluded) (RMB/KWh)





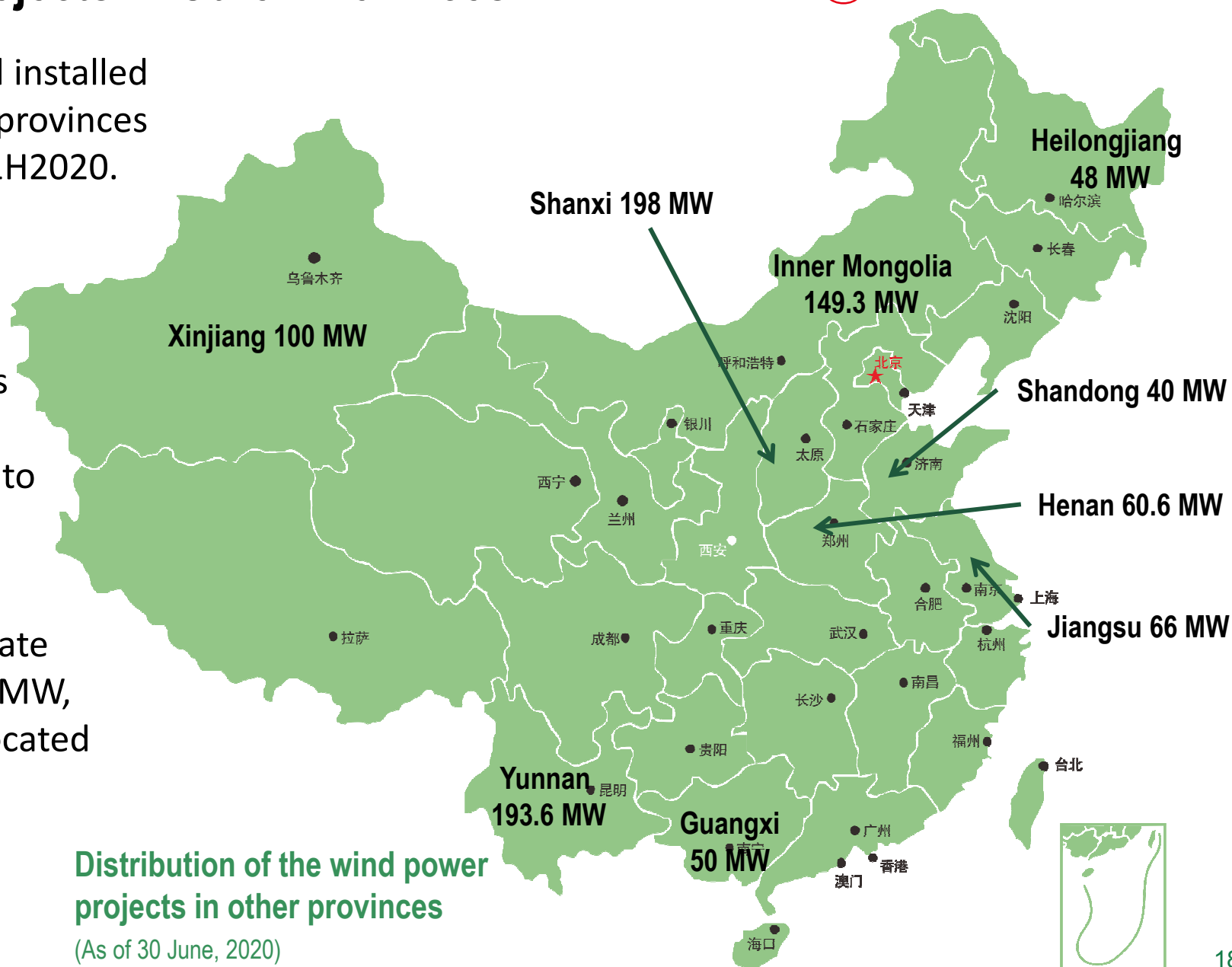
# Wind Power Projects in Hebei

- New consolidated installed capacity of wind power in 1H2020 was 320.6 MW, of which 279 MW was installed within Hebei.
- Accumulative consolidated installed capacity in Hebei was 3830.8 MW, accounted 80.9% to the group.



# Wind Power Projects in Other Provinces

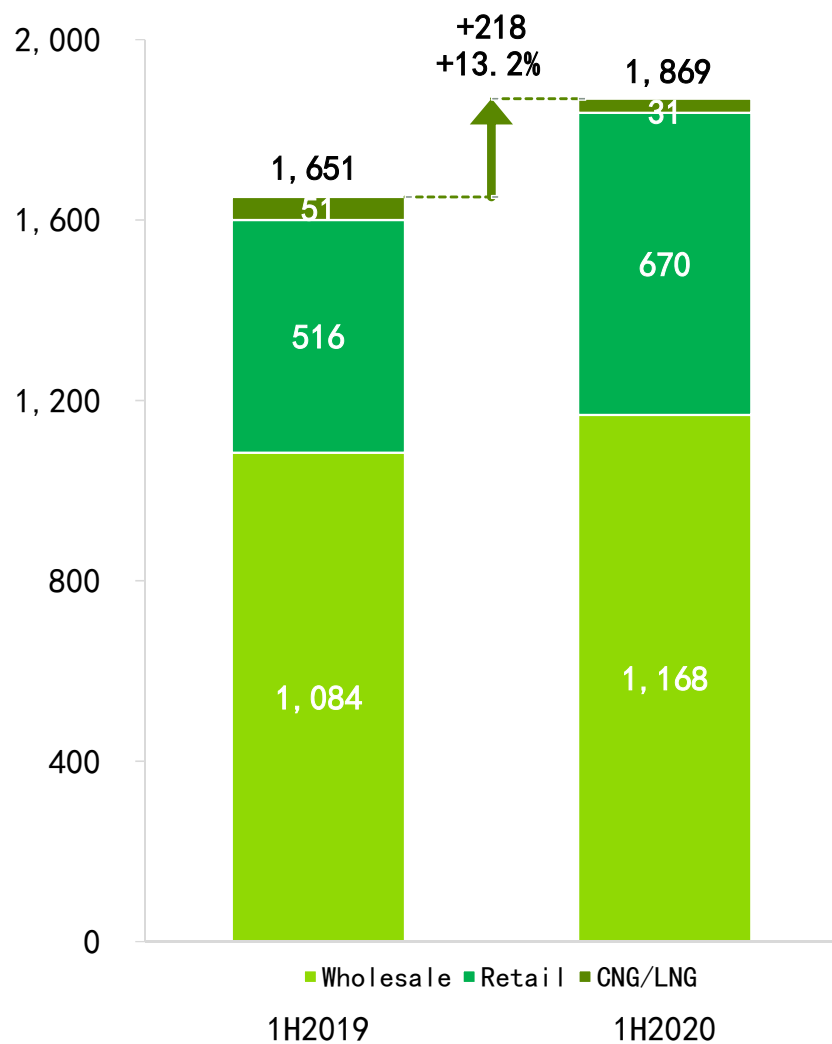
- New consolidated installed capacity in other provinces was 41.6 MW in 1H2020.
- The accumulative consolidated installed capacity in other provinces was 905.6 MW, accounted 19.1% to the group.
- The accumulative capacity of associate projects was 295 MW, all of which are located within Hebei.



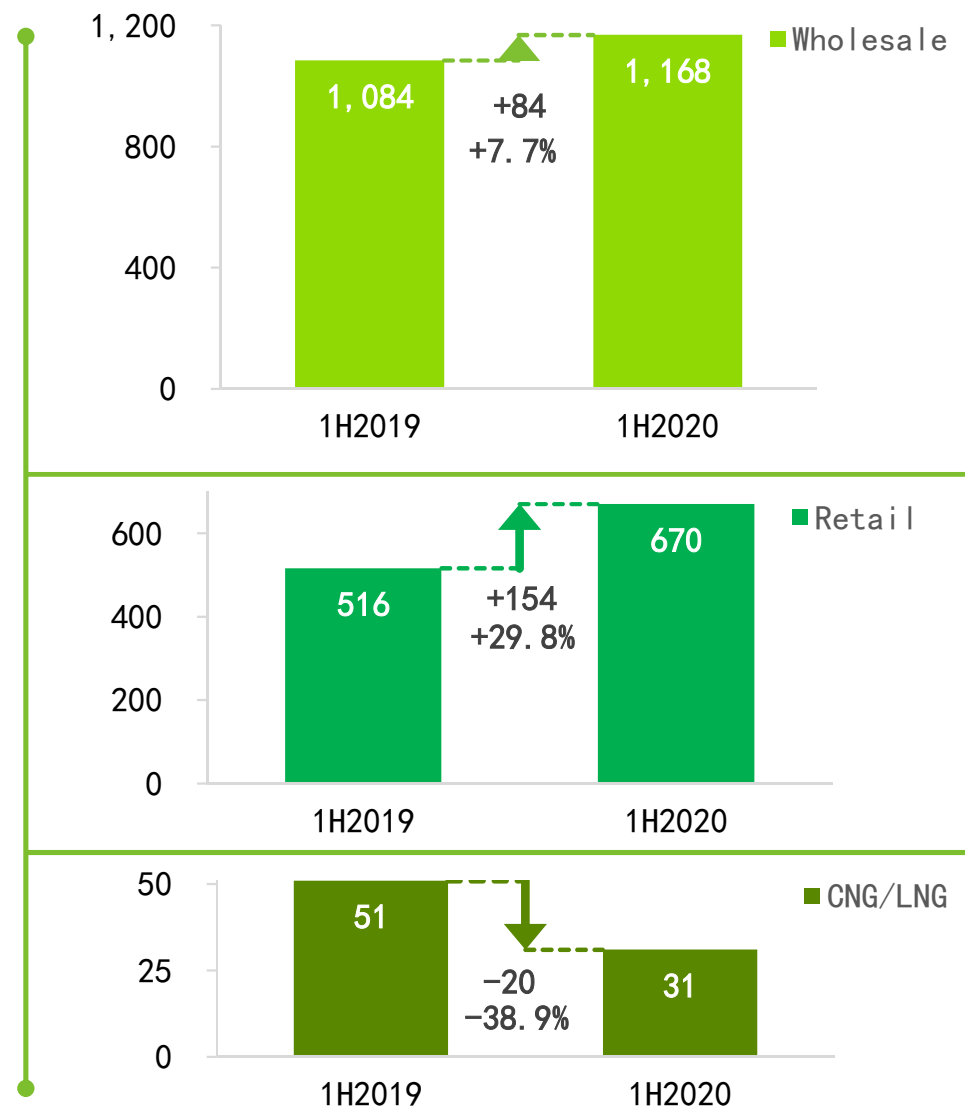
# Natural Gas Segment Review

## Gas Sales Volume

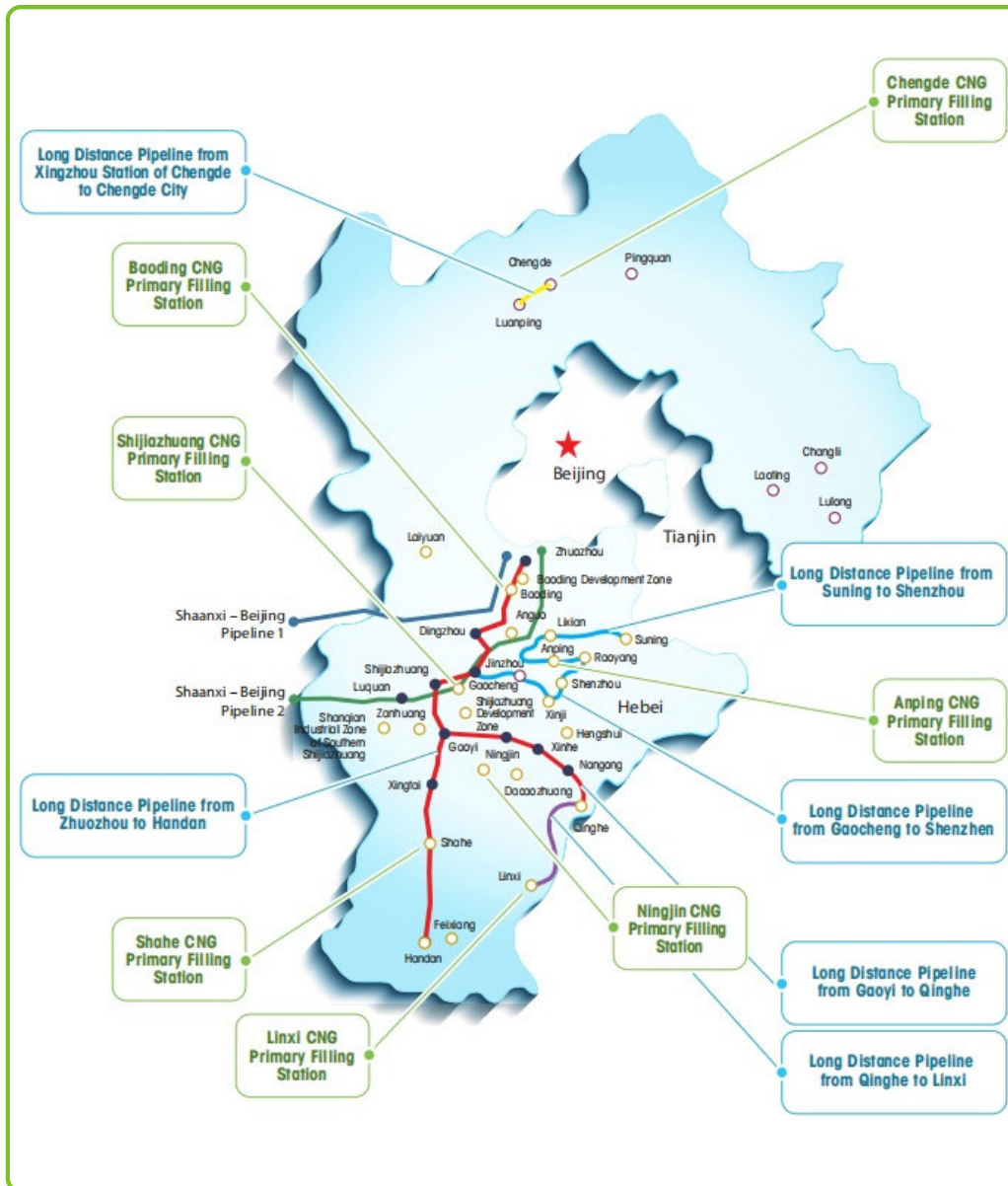
(million cubic meters)



## Category (million cubic meters)



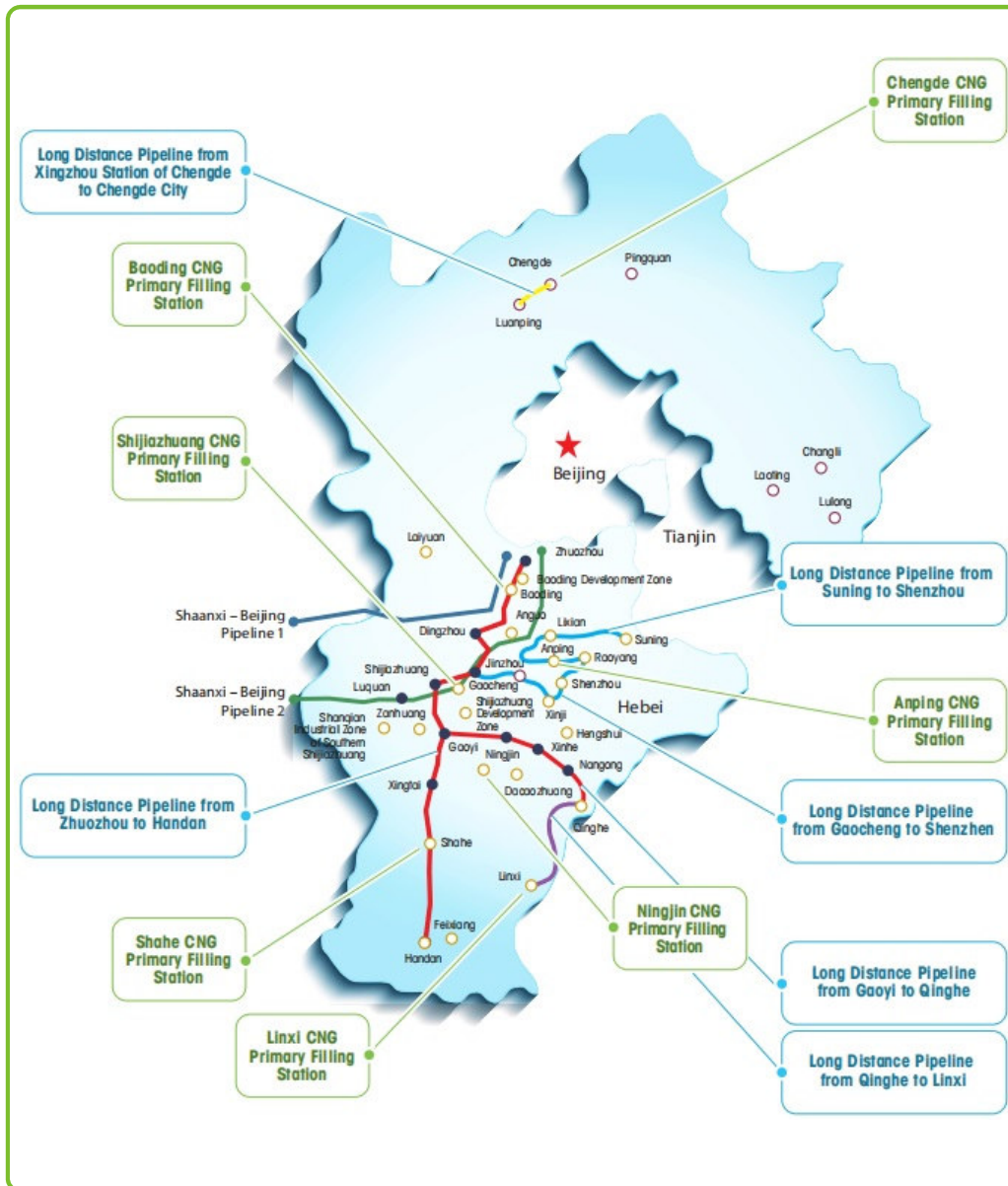
# Natural Gas Segment Review



## Steadily proceeding with the construction of natural gas pipelines

- The length of the Group's pipelines in operation increased by 115.40 km to 5,284.06 km.
- E'ancang-Jing Han pipeline Handan liaison line and Zhuozhou-Yongqing Pipeline projects were under construction, the Beijing-Handan Dual Track has entered the preparatory stage prior to construction, E'ancang-Jing Han pipeline Baonanliaison line and Jizhong ten counties pipeline network phase IV projects were approved by the DRC of Hebei. Tangshan LNG project terminal I and outbound pipeline projects were under construction based on the scheduled plan.

# Natural Gas Segment Review



## Striving to explore the end-user market

- The Group newly acquired 14,480 users from different categories. As of 30 June 2020, the Group had an aggregate of 357,734 users from natural gas industry, public welfare, commerce and civil use industry.

## CNG and LNG projects

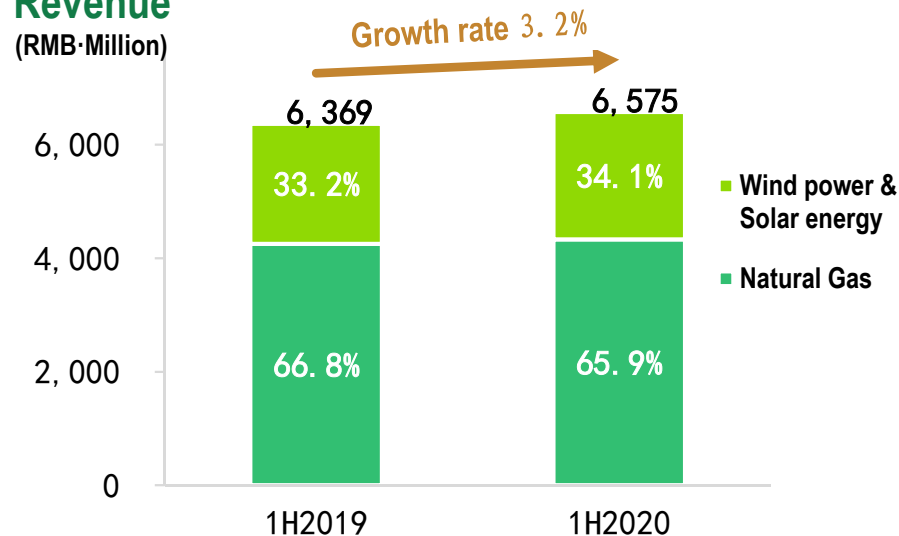
- As of 30 June 2020, 7 CNG primary filling stations, 7 CNG filling stations and 1 LNG filling station were in operation.



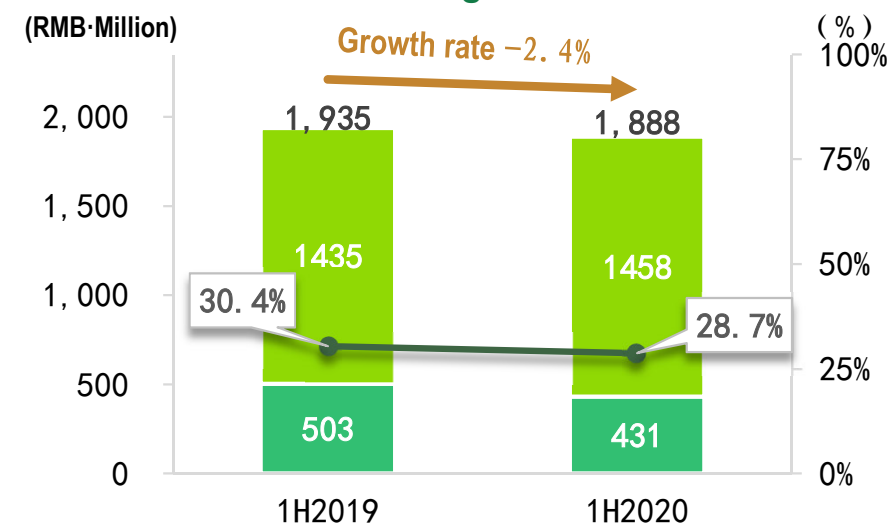
### 3. Financial Highlights

# Group Financial Highlights

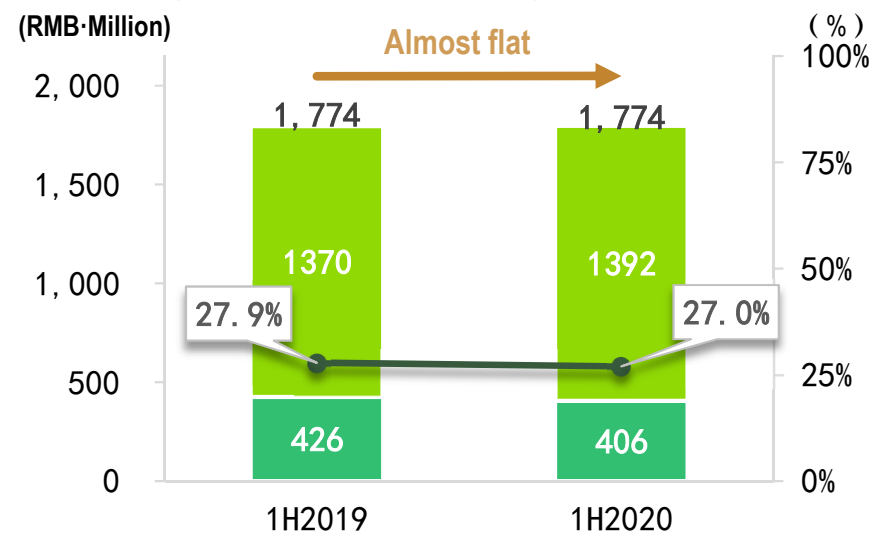
## Revenue (RMB·Million)



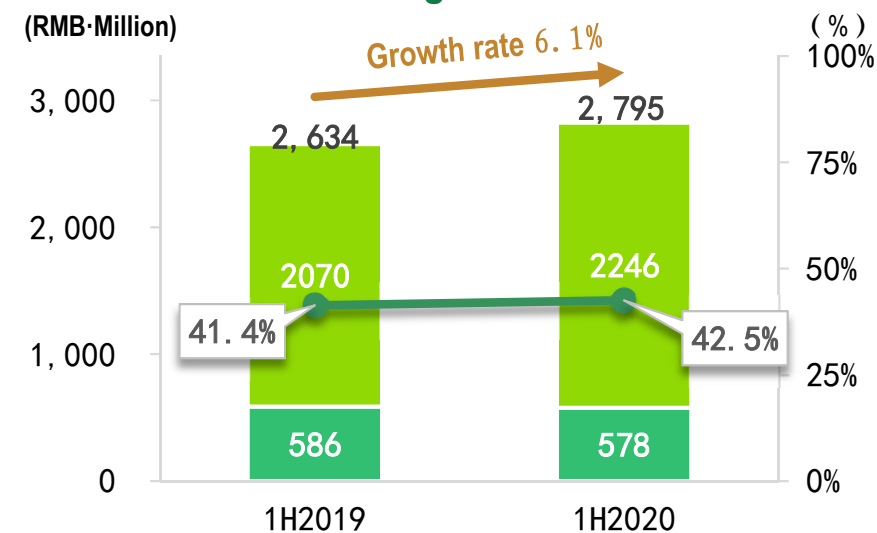
## Gross Profit & Profit Margin (RMB·Million)



## Operating Profit & Profit Margin (RMB·Million)



## EBITDA & EBITDA Margin (RMB·Million)



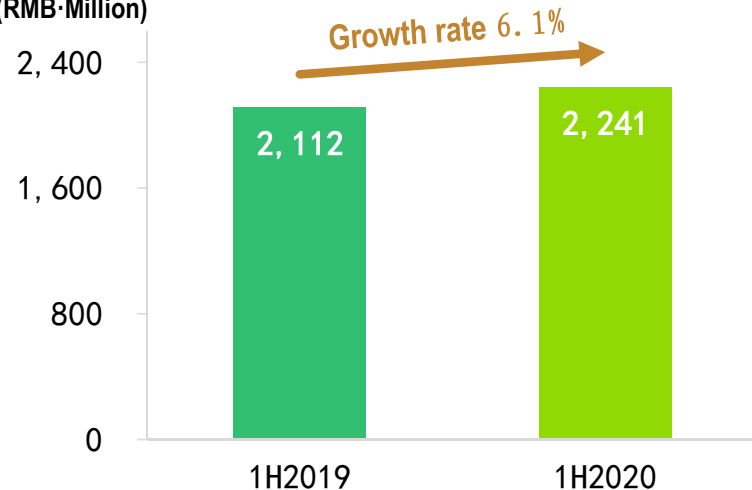
(Note: The indicators mainly show the segment data of the wind power & solar energy with natural gas.)

(Note: EBITDA = PBT + D&A + Interest expense.)

# Wind and Photovoltaic Segment Financial Highlights

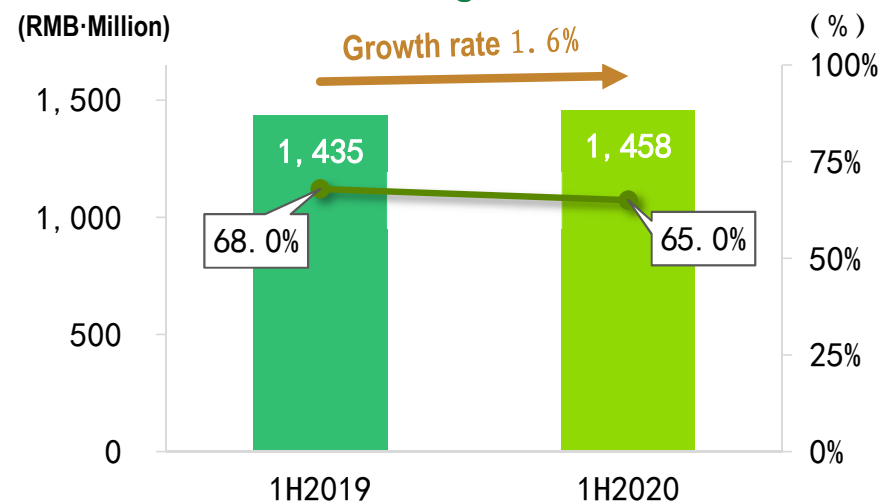
## Revenue

(RMB·Million)



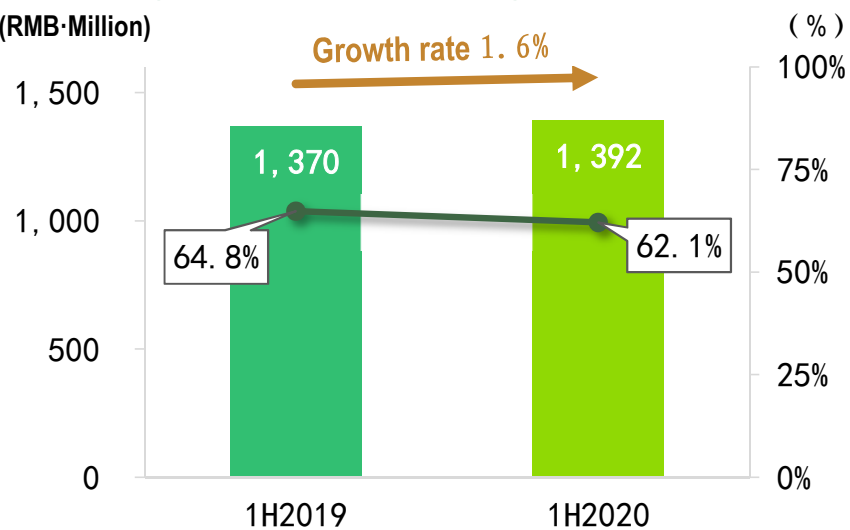
## Gross Profit & Profit Margin

(RMB·Million)



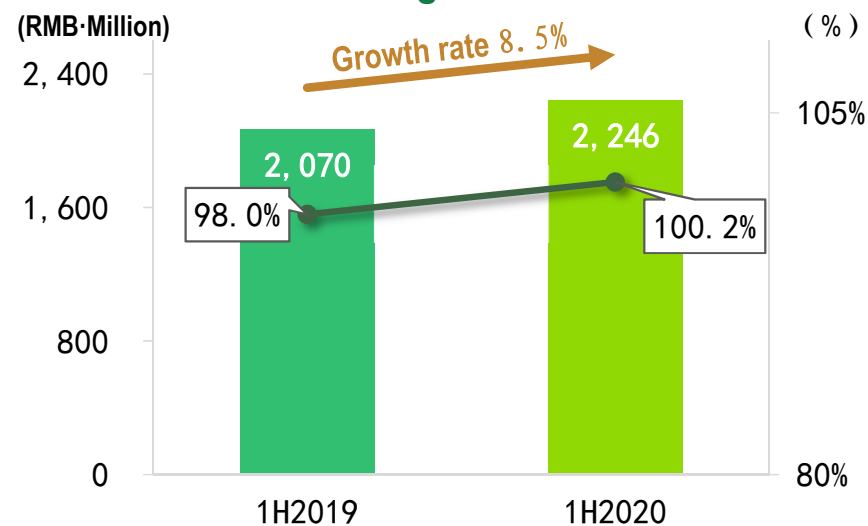
## Operating Profit & Profit Margin

(RMB·Million)



## EBITDA & EBITDA Margin

(RMB·Million)

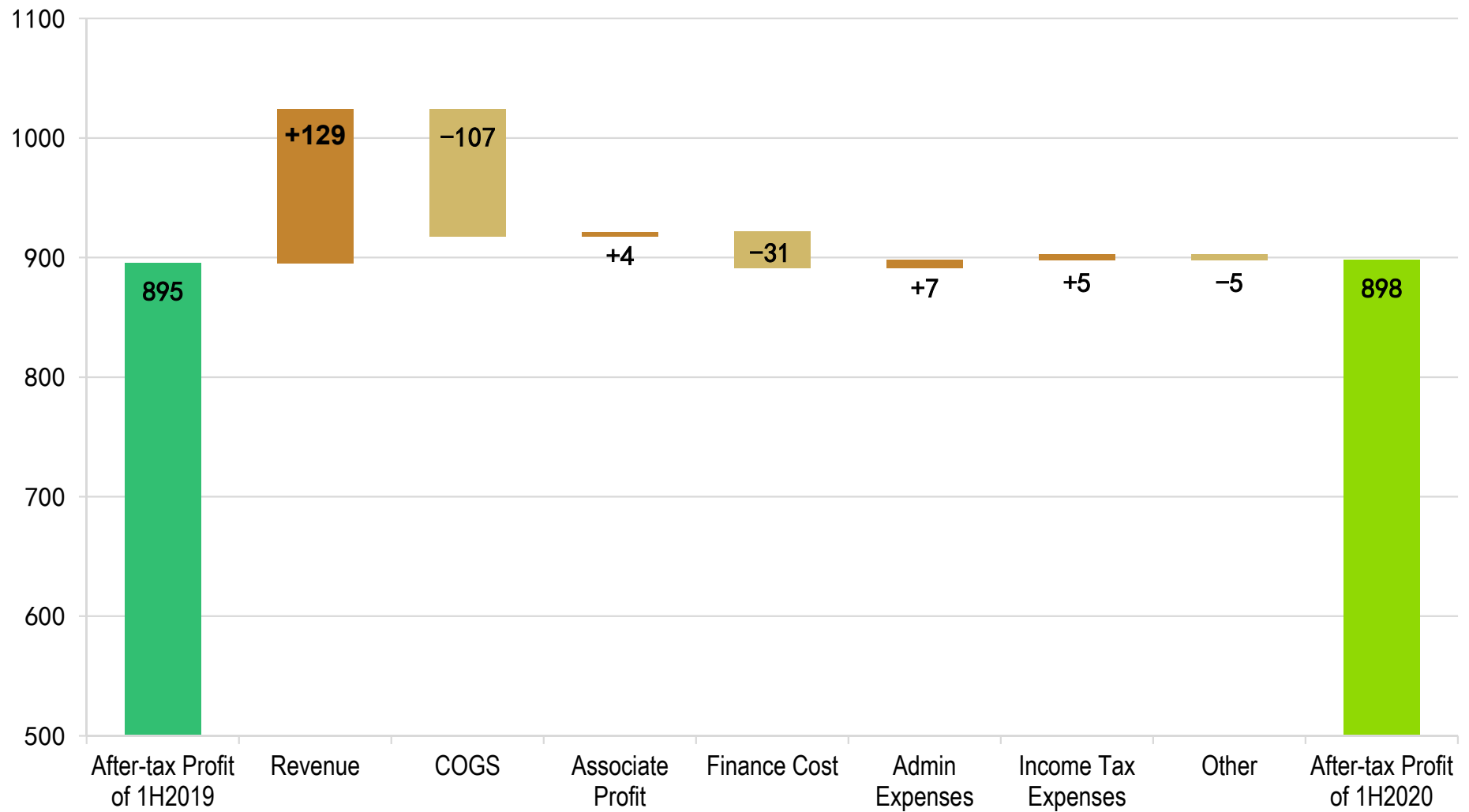


(Note: EBITDA = PBT + D&A + Interest expense.)



# Wind and Photovoltaic Segment NPAT Analysis

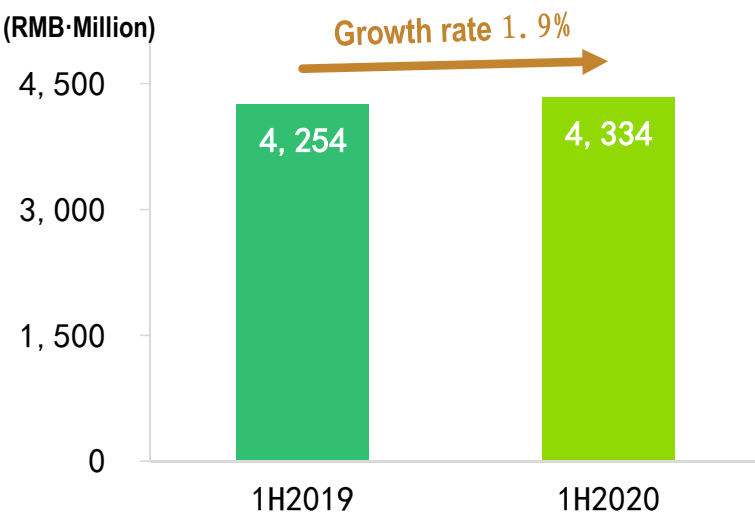
(RMB·Million)



# Natural Gas Segment Financial Highlights

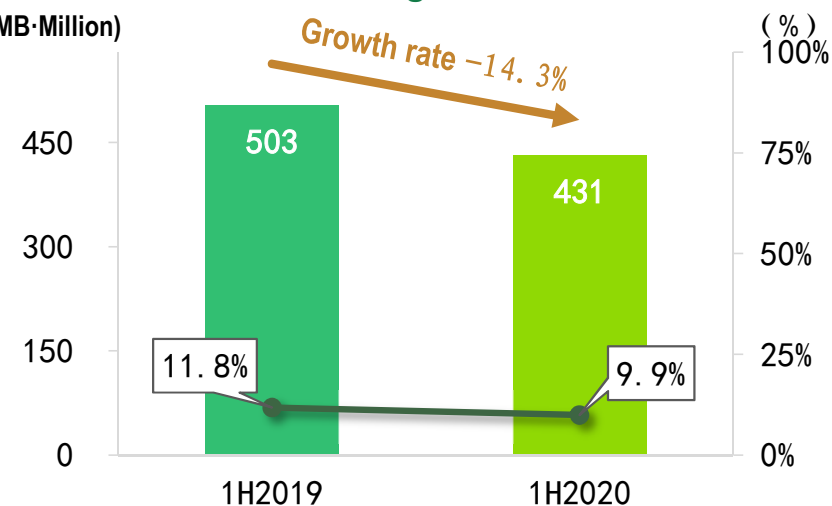
## Revenue

(RMB·Million)



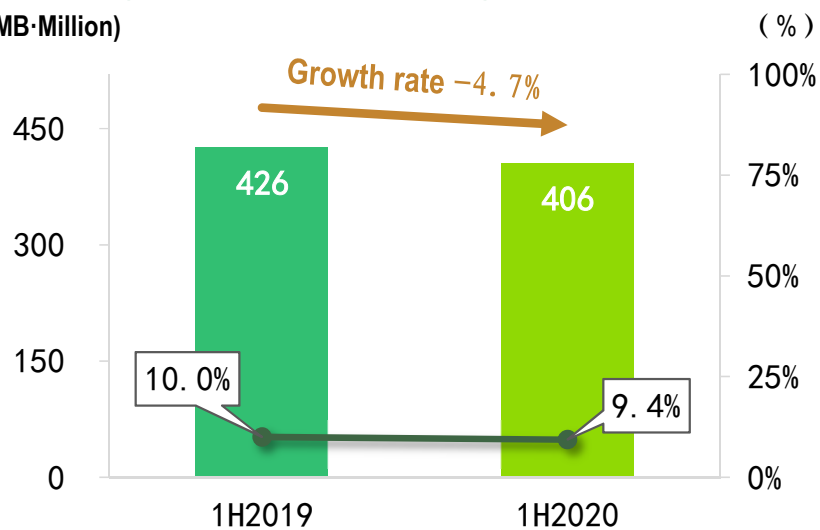
## Gross Profit & Profit Margin

(RMB·Million)



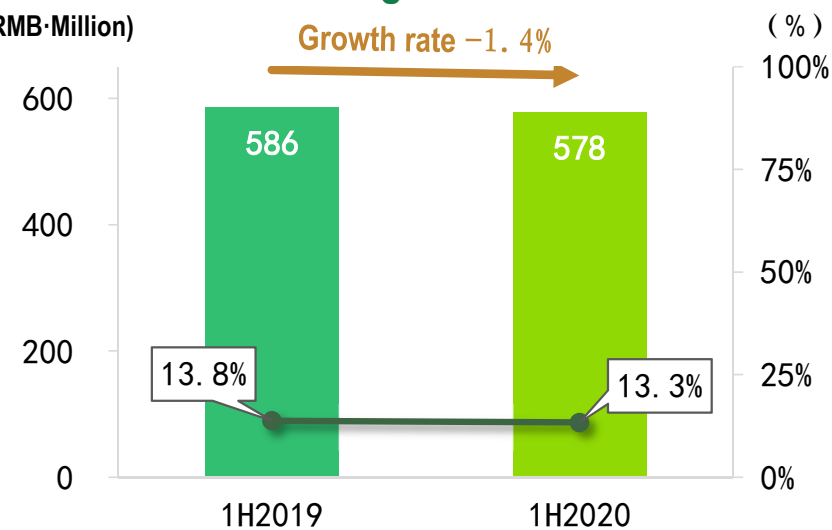
## Operating Profit & Profit Margin

(RMB·Million)



## EBITDA & EBITDA Margin

(RMB·Million)



(Note: EBITDA = PBT + D&A + Interest expense.)

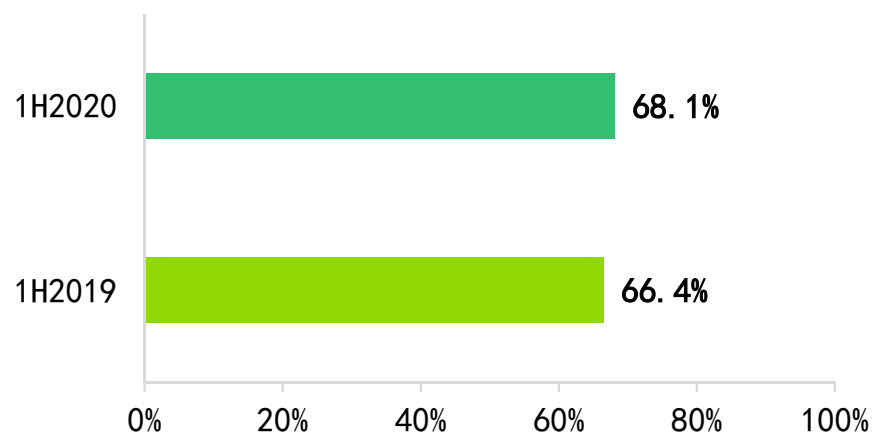
# Natural Gas Segment NPAT Analysis

(RMB·Million)

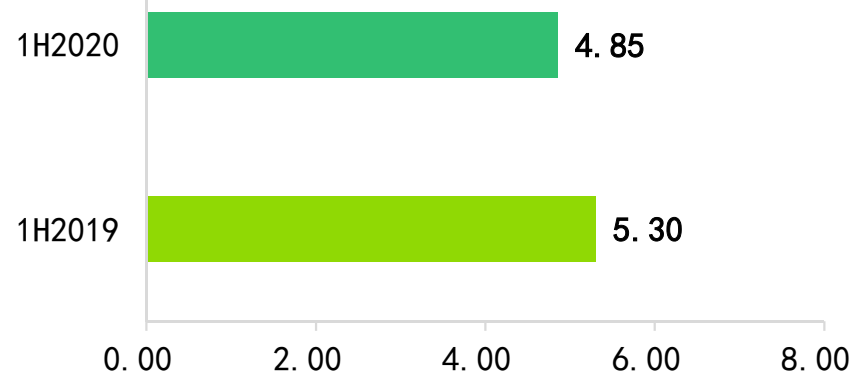


# Capital Structure

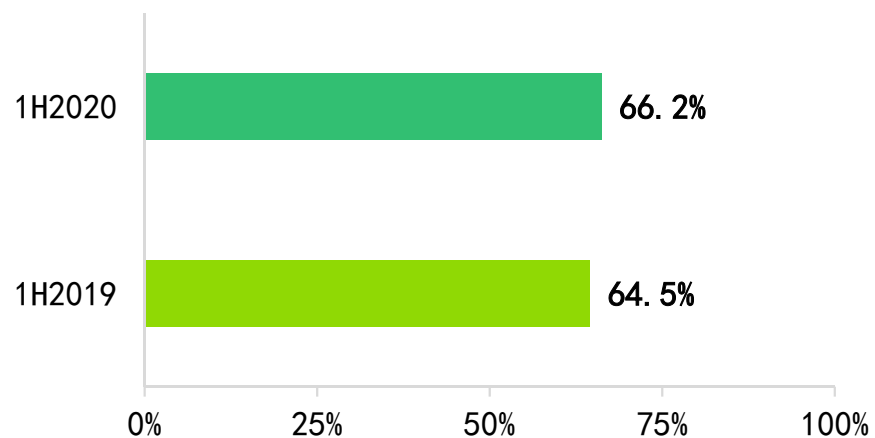
## Total Liabilities / Total Assets



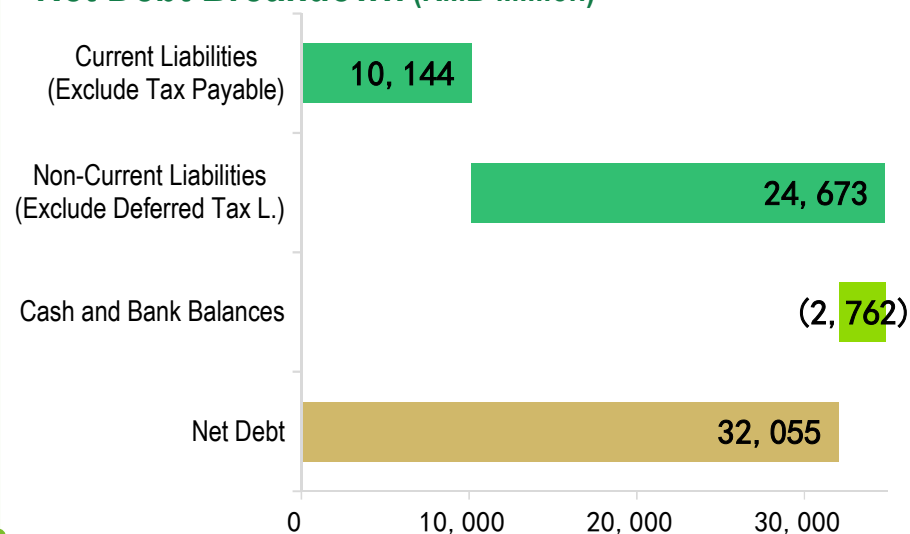
## Interest Coverage Ratio (EBITDA/Interest Expenditure)



## Net Gearing Ratio



## Net Debt Breakdown (RMB·Million)





新天绿色能源股份有限公司  
China Suntien Green Energy Corporation Limited \*



## 4. Outlook

**In the second half of 2020, amid domestic and international risks and uncertainties, the Group will continue to push forward the following:**

- Firmly establish the concept of “the top responsibility is production safety, and the top mission is safe development”, earnestly implement safety and prevention measures, and secure production safety with all-out effort.
- Coordinate and arrange construction schedule and progress of projects, pay close attention to the control of construction processes, strictly follow construction procedures, and ensure the quality of construction and put constructions in progress into operation as scheduled.
- Grasp strategic opportunities arising from the reform of the PRC natural gas sector, accelerate the development of upstream and downstream sectors of the natural gas business, give full play to the synergy effect between long-distance pipelines and urban gas market and do everything possible to seize market shares in the end-user market.
- Closely monitor key low-price regions across China and any planned large-channel and large-scale projects, identify focus and converge development efforts to achieve the scale development of the new energy segment.



In the second half of 2020, amid domestic and international risks and uncertainties, the Group will continue to push forward the following:

- Study adjustments in national and local fiscal, tax and financial policies in great depth, further expand domestic and international financing channels, optimise debt structure and promote the effective integration between innovative financing and the rapid development of the Company.
- Pursue the objective of “digital Suntien”, improve the management mechanism of technological innovations, establish an integrated system for scientific and technological information management to makes its business become information-based, intelligent and digitalised, and constantly enhance management standardization and operating efficiency.
- Further strengthen the building of operation and management, professional, technical and skilled talents teams, improve talent selection and use, training and development, assessment and evaluation, and incentive and supervision mechanisms to provide a strong talent team to support the high-quality development of the Group.



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**Q & A**