

2019 Interim Results Announcement

Aug 2019
(0956.HK)



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Agenda

1.2019 Interim Results Overview

2. Business Review

3. Financial Highlights

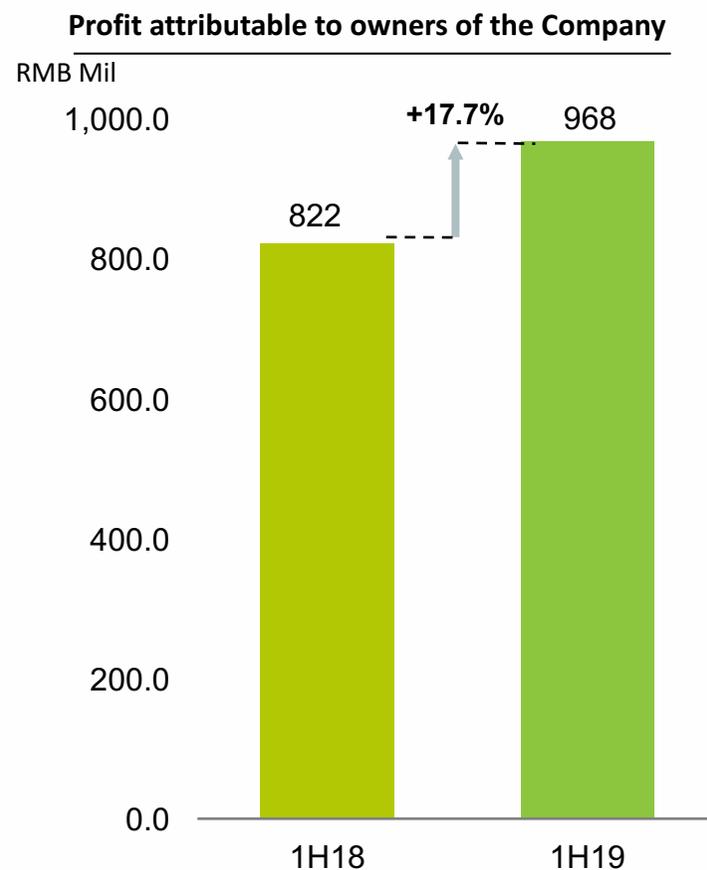
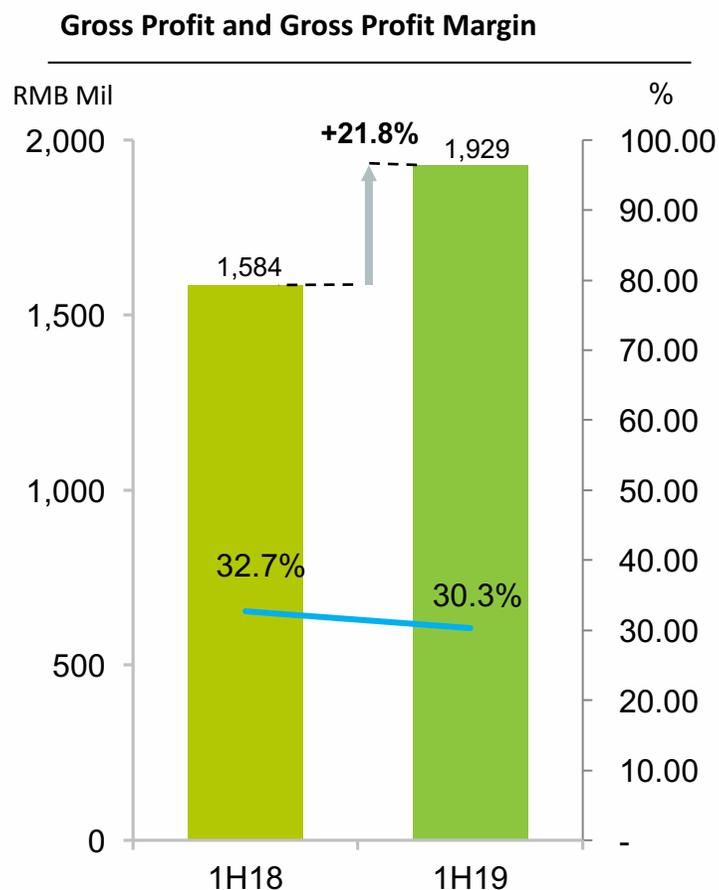
4. Outlook

1. 2019 Interim Results Overview



Results highlight

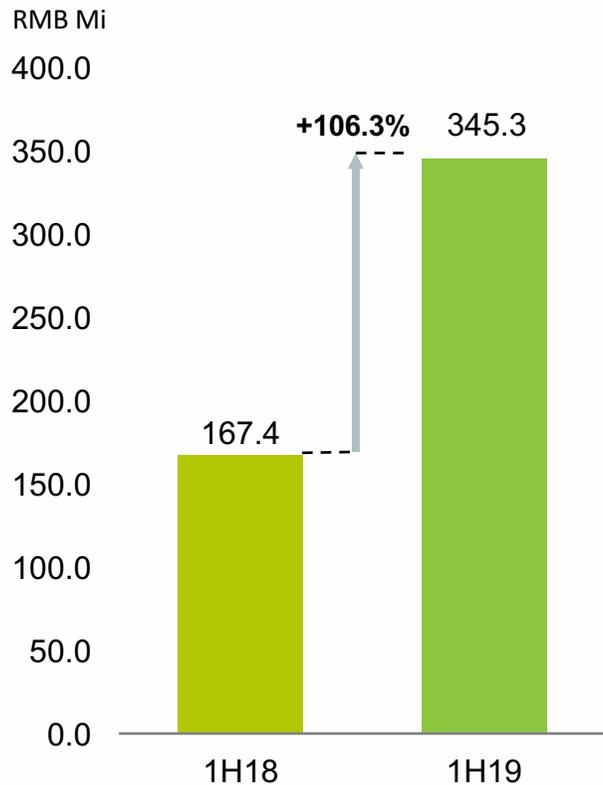
- The Group's Gross Profit in 1H19 was RMB1.929bn, up 21.8 % yoy; Gross Profit margin was 30.3%%, down 2.4ppt yoy
- Profit attributable to owners of the Company was RMB 968mil, up 17.7% yoy



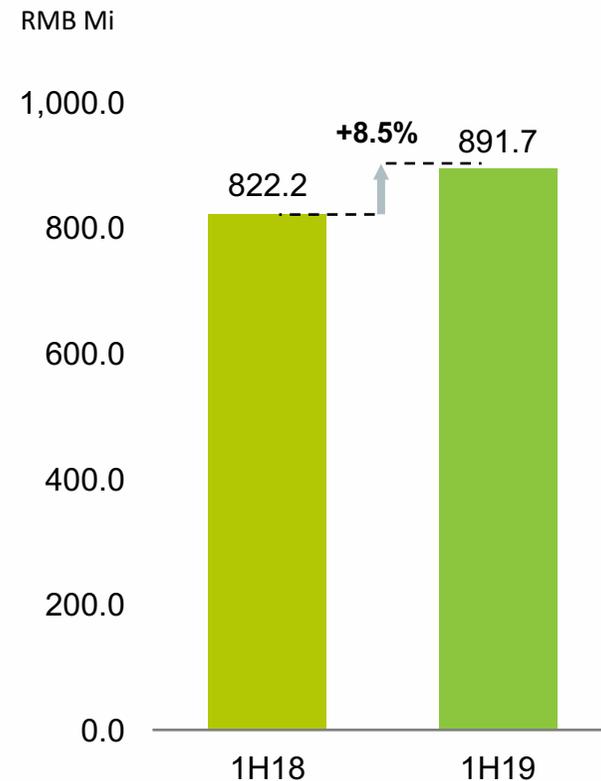
Results highlight

- Net Profit After Tax of Natural Gas Segment was RMB345.3mil, up 106.3% yoy
- Net Profit After Tax of Wind and Solar Power Segment was RMB 892 mil, up 8.5% yoy

NPAT of Natural Gas Segment



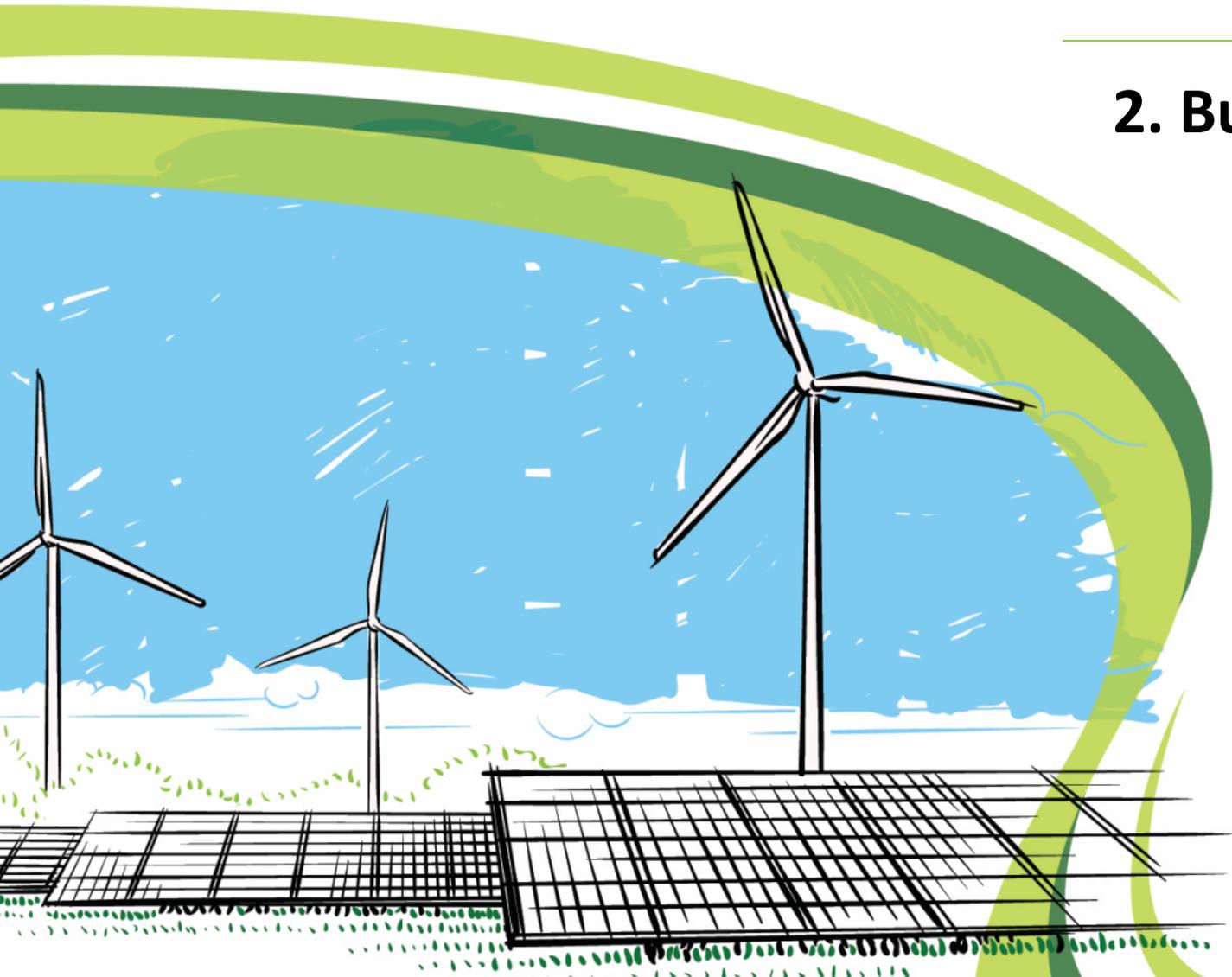
NPAT of Wind and Solar Power Segment





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2. Business Review



1H19 Operating Data Overview

Wind Power

- Consolidated Gross Power Generation increased by 14.45% to 4,779GWh;
- Utilization hours increased by 18 hours to 1,376, which is higher than national average by 243 hours, and higher than average of Hebei by 192 hours;
- Curtailment rate was 5.64%, down 0.79ppts yoy;
- Consolidated installed capacity increased by 119.4MW to 3977.55MW as at end of 1H19; projects under construction has a total capacity of 663MW;
- Added 15 MW of newly approved capacity in the reporting period, the accumulative approved reserve capacity reach 2,487.6MW; acquired wind power resources of 3,100MW, resulting in total agreed volume of wind power resources reaching 37,702.5 MW in over 22 provinces across the country



Natural Gas

- Gas sales volume in 1H19 was 1.651bcm, up 27.3% yoy;
- The Group added 673.73km km of pipelines in 1H19, as at the end of 1H19, total length of natural gas pipelines in operation reached 4,815.9km;
- The whole project of pipelines for ten counties in central Hebei Province (Phase II) was put into trial operation and the project of pipelines for ten counties in central Hebei Province (Phase III) have been completed and put into trial operation;
- Newly acquired 17,591 customers from different categories. Accumulated number of customers reach 298,504;
- There was 1 CNG releasing station under construction. 7 CNG primary refilling stations and 6 CNG refilling stations were in operation



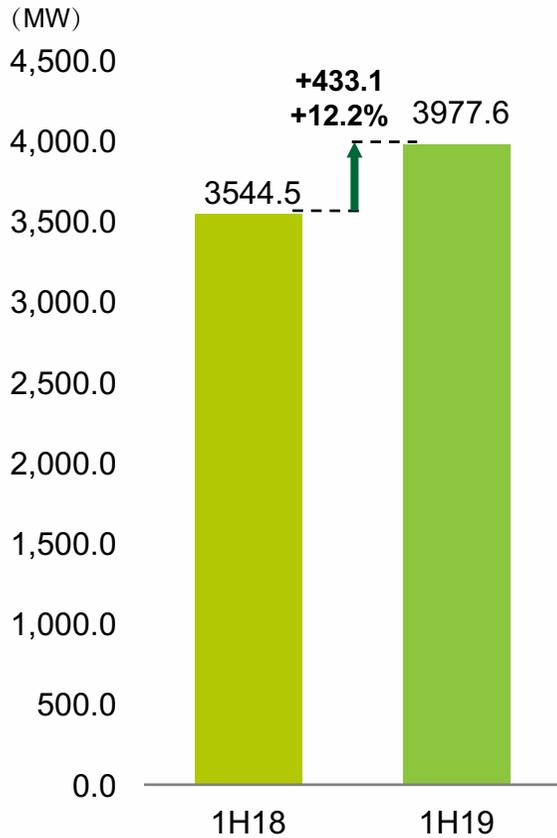
Other Renewable Energy

- No photovoltaic power station projects was put into operation in 1H19; the Group's approved capacity of photovoltaic projects was increased by 200MW; the accumulated operating capacity amounted to 101 MW

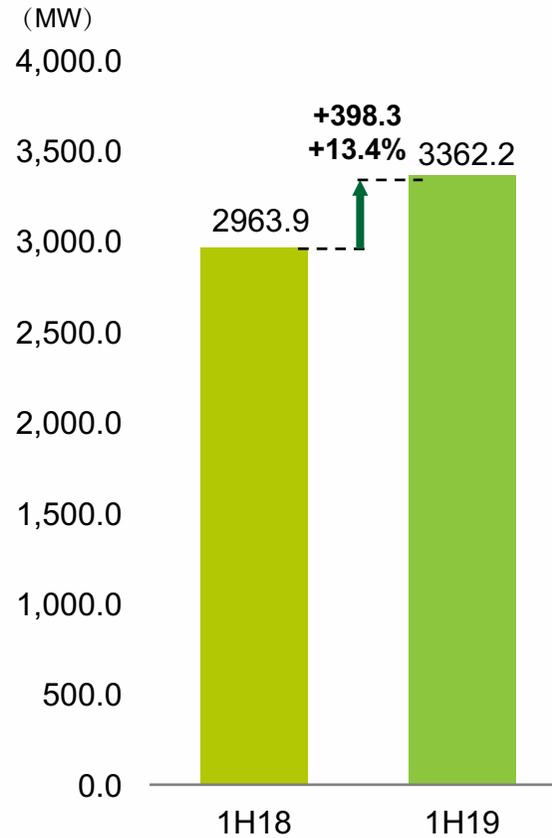


Wind Power Segment Review

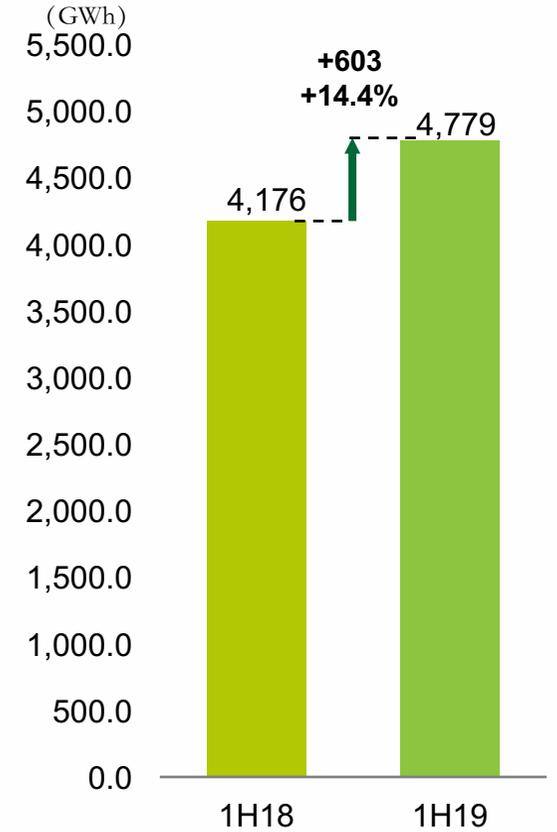
Consolidated Wind Power Installed Capacity



Consolidated commercial operation project capacity



Consolidated Gross Power Generation⁽¹⁾

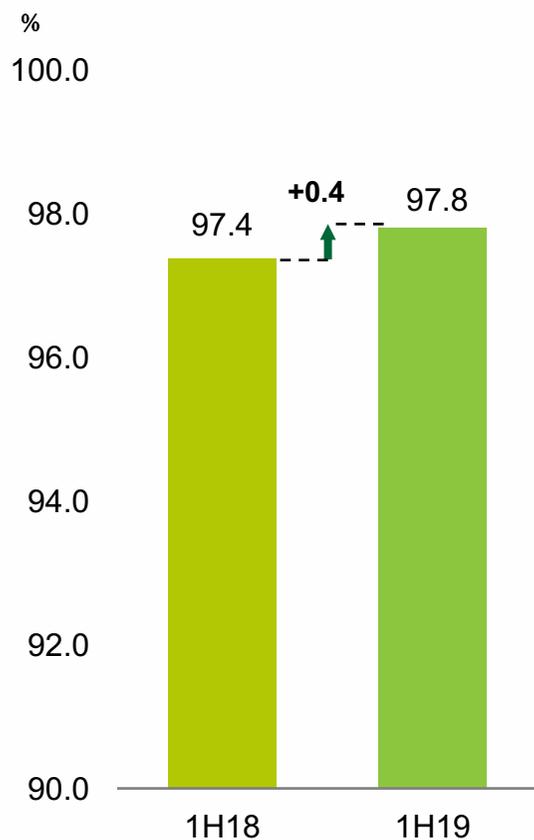


Notes

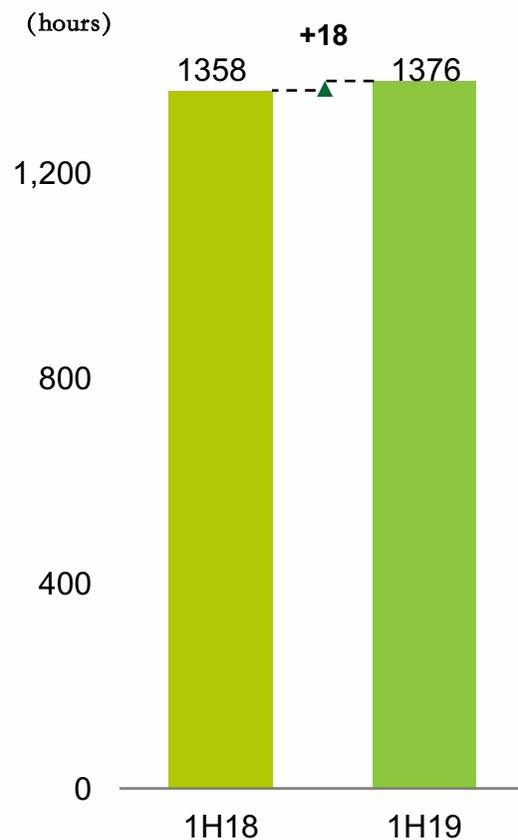
1. Including trial run period power generations

Wind Power Segment Review (Con't)

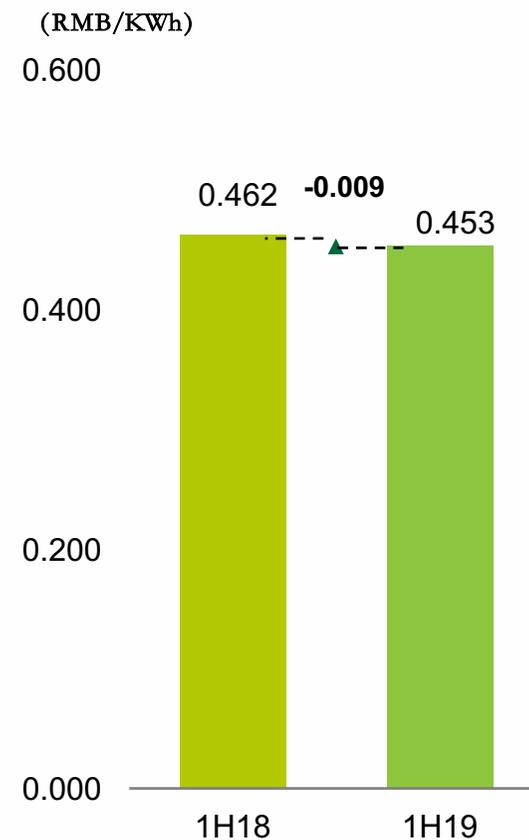
Availability Factor ⁽¹⁾



Average Utilization Hours



Average On-grid Tariff (VAT excluded)



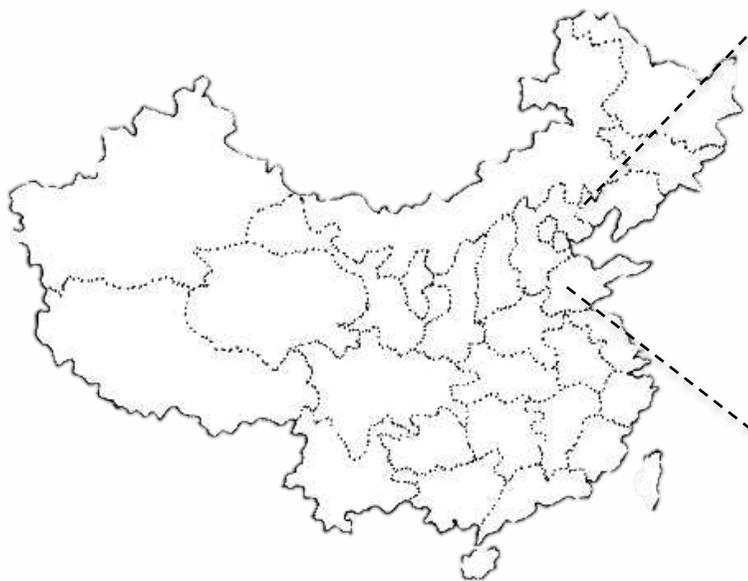
Notes

1. The amount of time that a power plant is able to produce electricity over a certain period divided by the amount of time in such period

Wind Power Projects in Hebei

Wind Power Development in Hebei

- Added 37MW of consolidated installed capacity in Hebei, including 5 MW onshore and 32 MW offshore; As of June-2019, total consolidated installed capacity was 3,169MW, or 79.7% of the Group's total
- No associate wind power capacity added in the year. As of June-2019, total associate wind power capacity was 295MW



Distribution of Installed Wind Power Capacity in Hebei

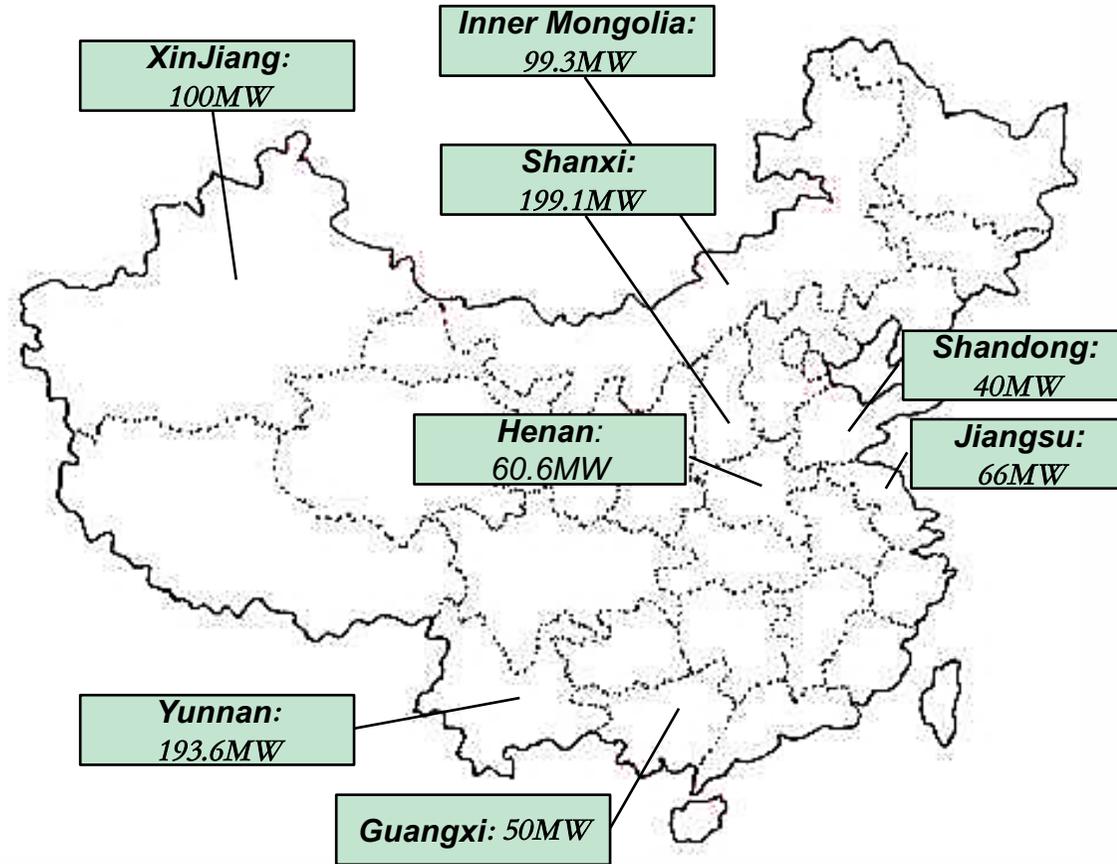


Wind Power Projects in Other Provinces

Wind Power Development Outside Hebei

- Added 82.4MW of newly installed capacity in other provinces, among which 14MW in Henan, 20MW in Jiangsu and 48.4MW in Shanxi.
- Consolidated installed capacity in other provinces was 808.6MW, or 20.3% of the Group's total

Consolidated Wind Power Installed Capacity Outside Hebei

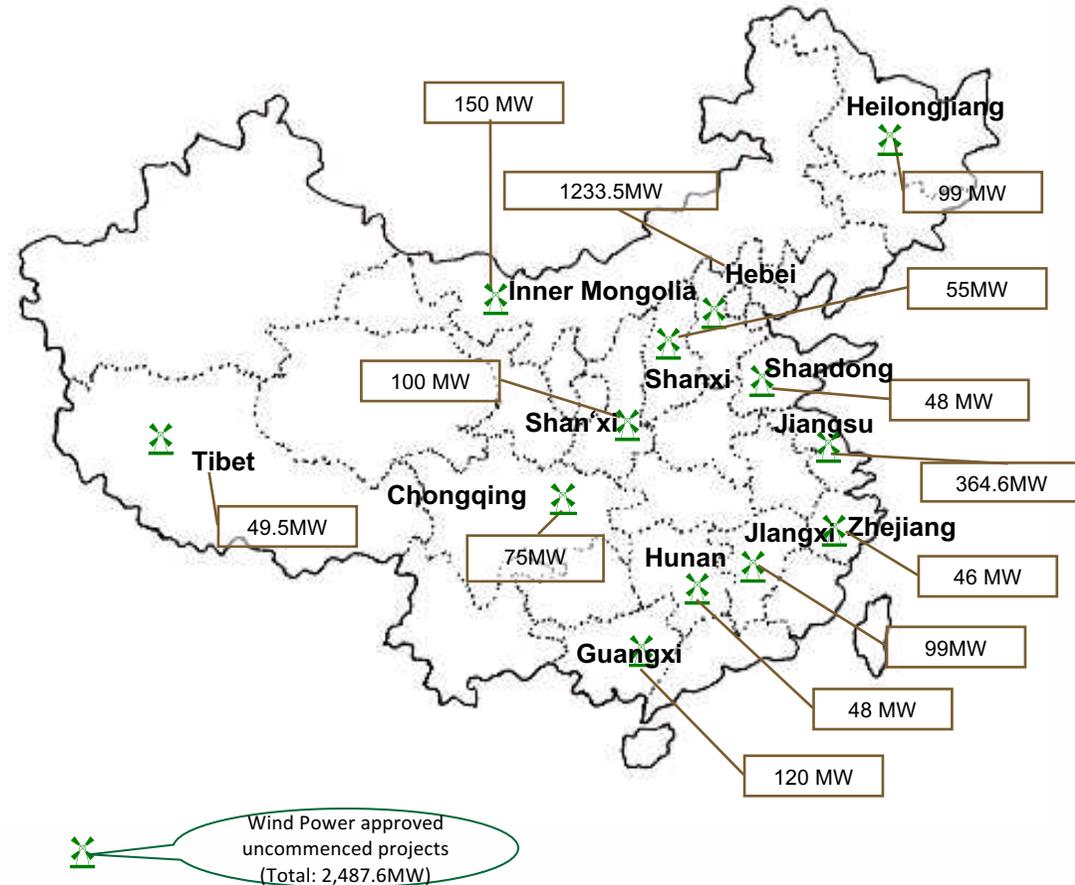


Under Construction and Approved Projects

Wind Power Under Construction and Approved Projects

- Capacity of project under construction was 663MW, including 555MW of onshore and 108MW of offshore wind farms
- During the Reporting Period, the Group acquired 15MW newly approved capacity and the accumulative approved reserve capacity amounted to 2,487.6MW.
- The accumulative national approved capacity of the Group reached 6,633.3MW, spreading over 16 provinces across the country
- Acquired new wind resources of 3,100MW, resulting in total agreed volume of wind resources of the Group reaching 37,702.5MW in over 22 provinces across the country

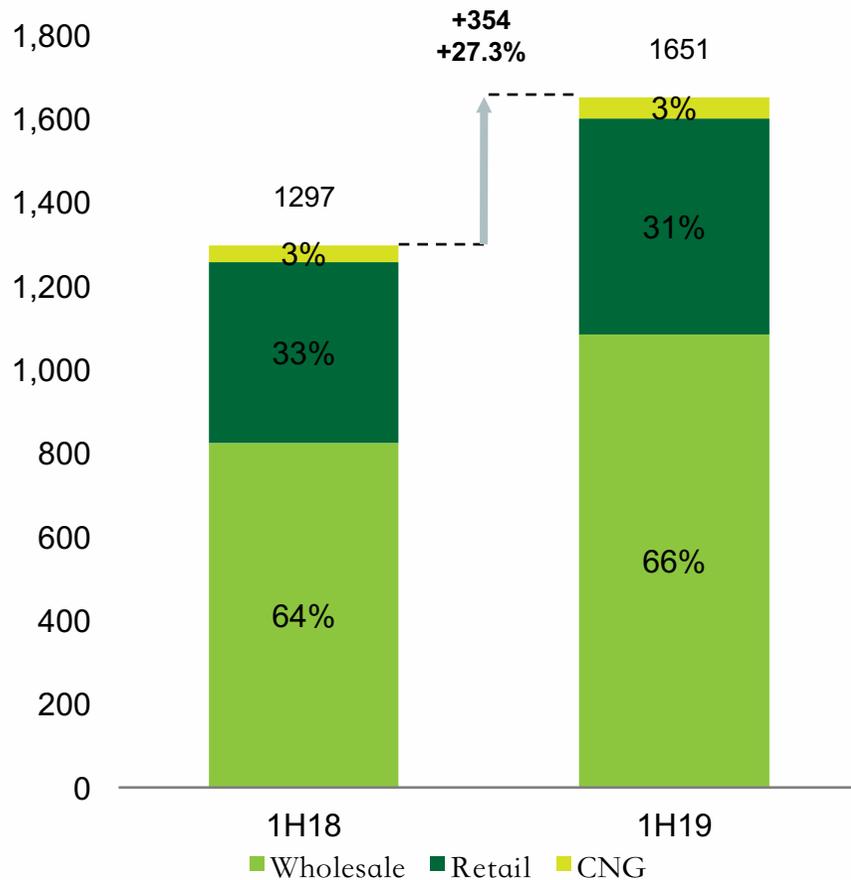
Distribution of approved uncommenced projects



Natural Gas Segment Review

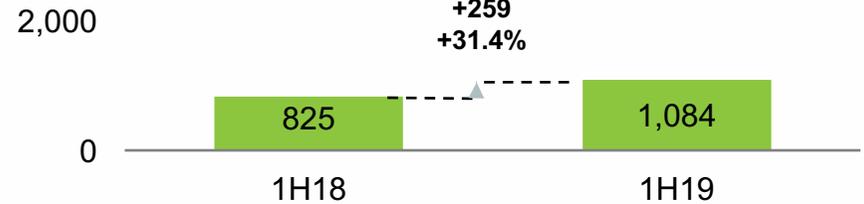
Gas Sales Volume

(Mil m3)



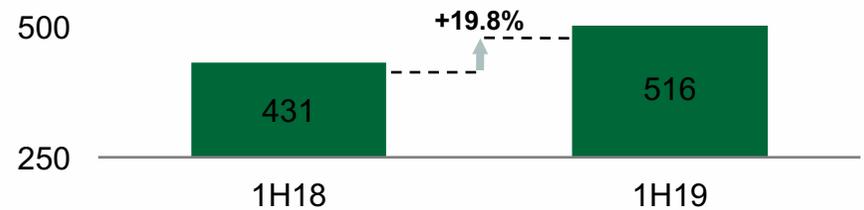
Wholesale

(Mil m3)



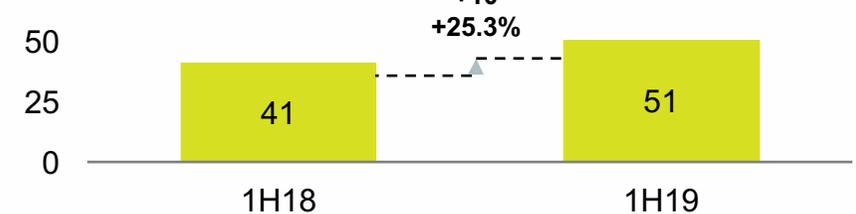
Retail

(Mil m3)



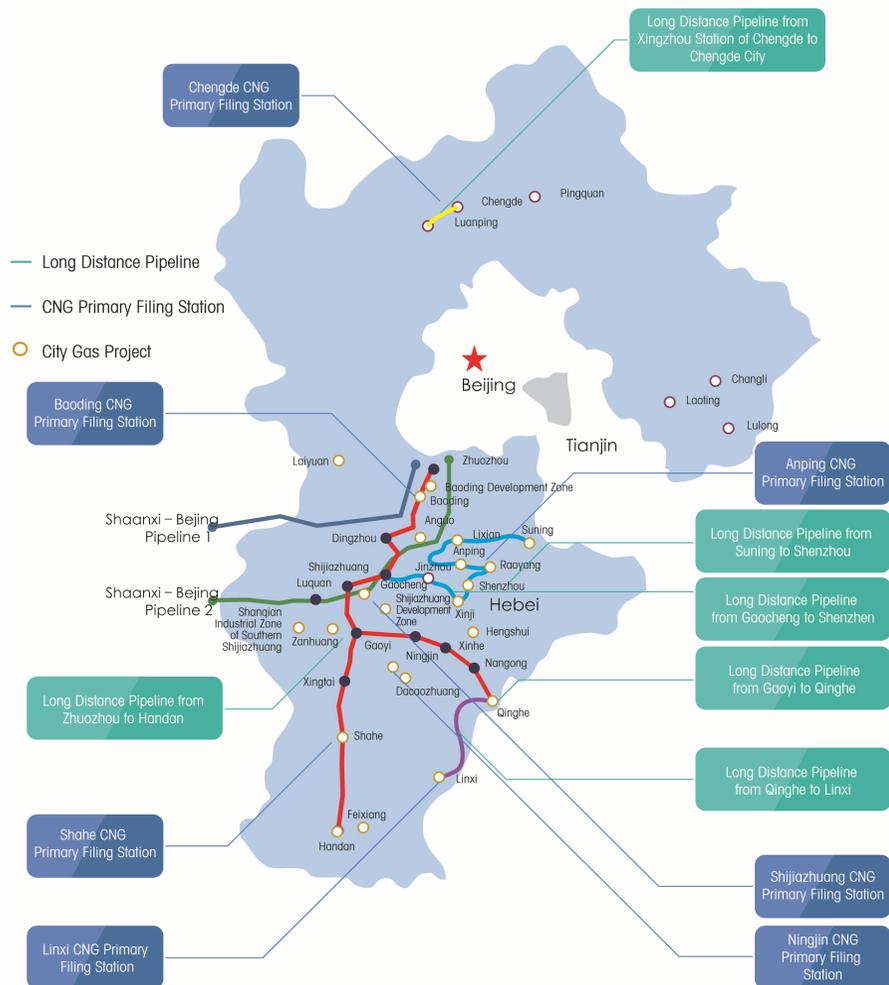
CNG

(Mil m3)



Natural Gas Segment Review

Locations of Natural Gas Pipelines



Construction of Natural Gas Pipeline Projects

- Added 673.73km of new pipelines; total length of natural gas pipelines in operation reached 4815.9km, including 957.72km of transmission pipeline and 3,858.18km of city gas network pipeline
- The whole project of pipelines for ten counties in central Hebei Province (Phase II) was put into trial operation and the project of pipelines for ten counties in central Hebei Province (Phase III) have been completed and put into trial operation.
- The Zhuozhou-Yongqing Pipeline is ready for construction ;
- Approvals for Beijing-Handan dual pipeline and Qinfeng coastal pipeline are being processed
- The review and approval for the Guantao-Handan pipeline have been obtained from the Development and Reform Commission in Hebei.

Downstream Business

- Newly acquired 17,591 customers from different categories. Accumulated number of customers reach 298,504.

Development of CNG/LNG Stations

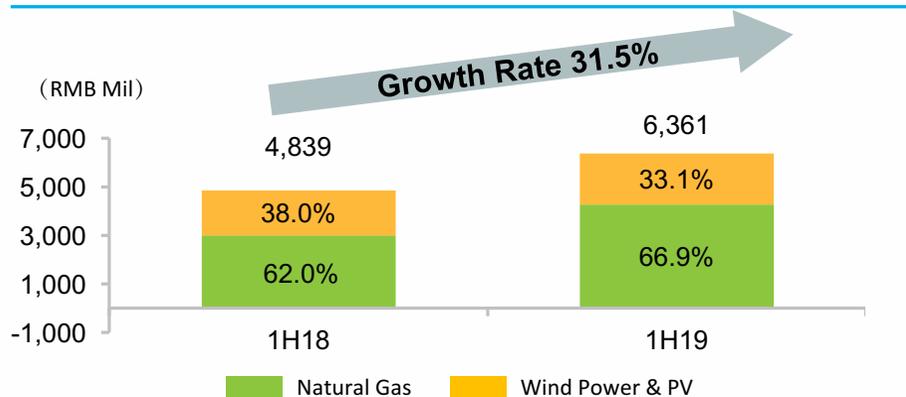
- There was 1 CNG releasing CNG refilling station under construction. 7 CNG primary refilling stations and 6 CNG refilling stations were in operation.

3. Financial Highlights

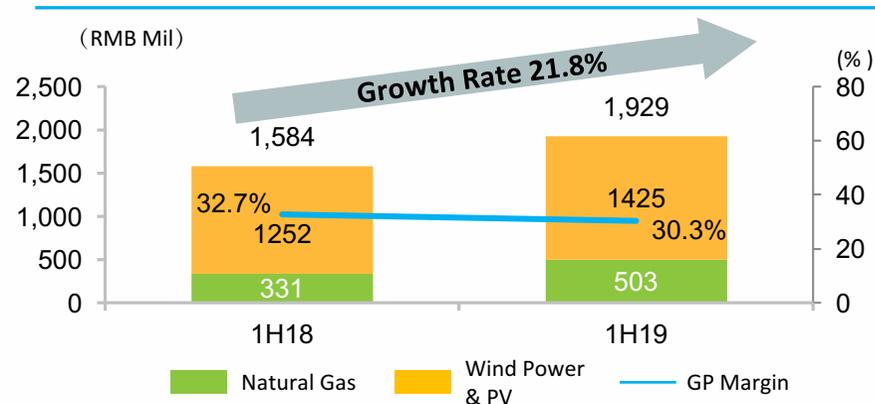


Group Financial Highlights

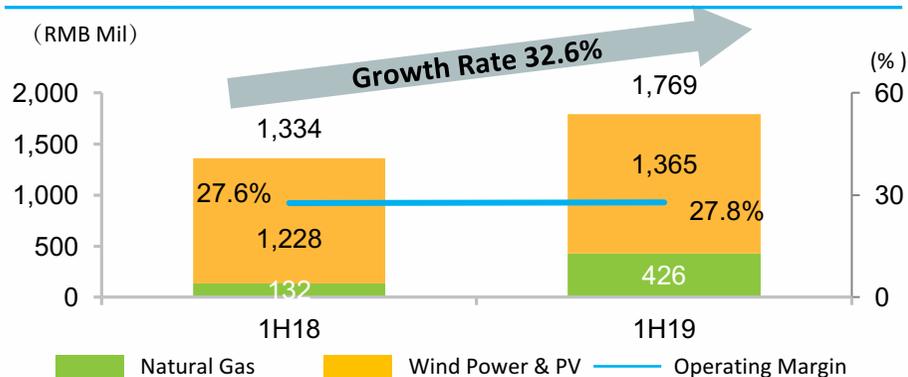
Revenue



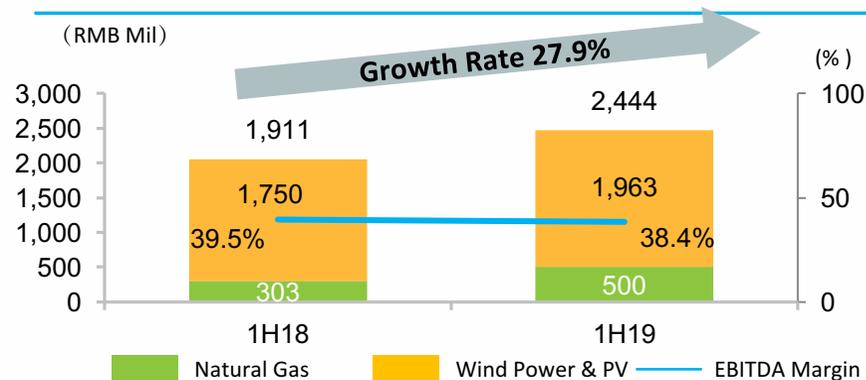
Gross Profit



Operating Profit⁽²⁾



EBITDA^{(1) (2)}



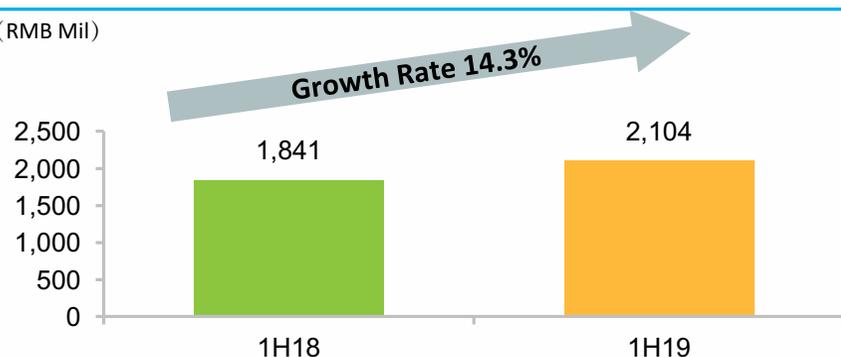
Notes

1. Including other revenue such as CER revenue, VAT refund, and bank interest income, excluding share of profit from associates
2. Sum of two segments is after inter-company elimination and excluding share of profits of associates

Wind and Photovoltaic Segment Financial Highlights

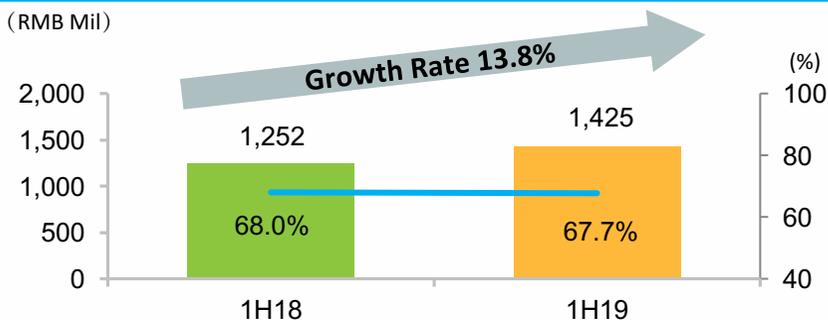
Revenue

(RMB Mil)



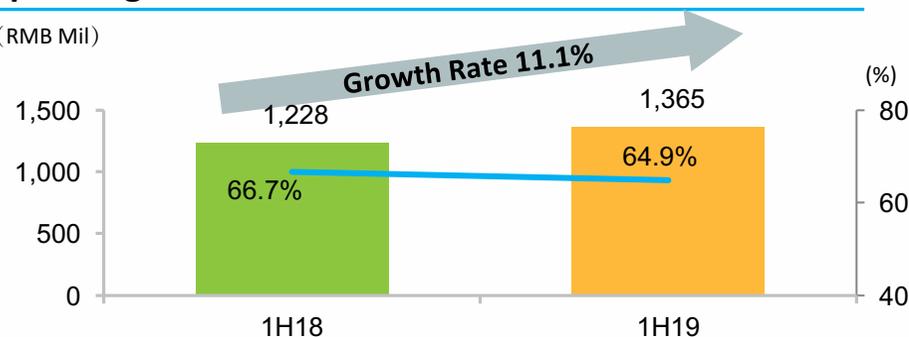
Gross Profit

(RMB Mil)



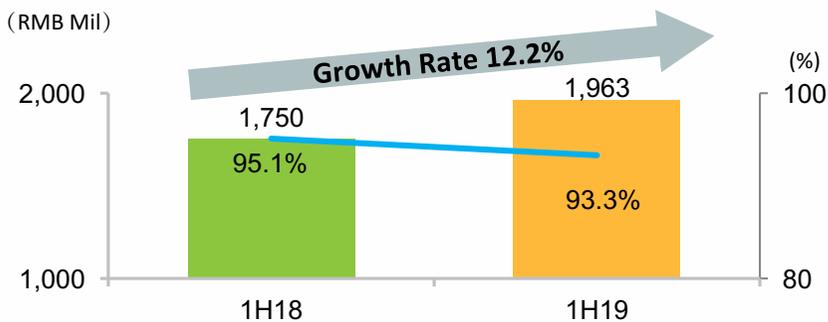
Operating Profit

(RMB Mil)



EBITDA ⁽¹⁾

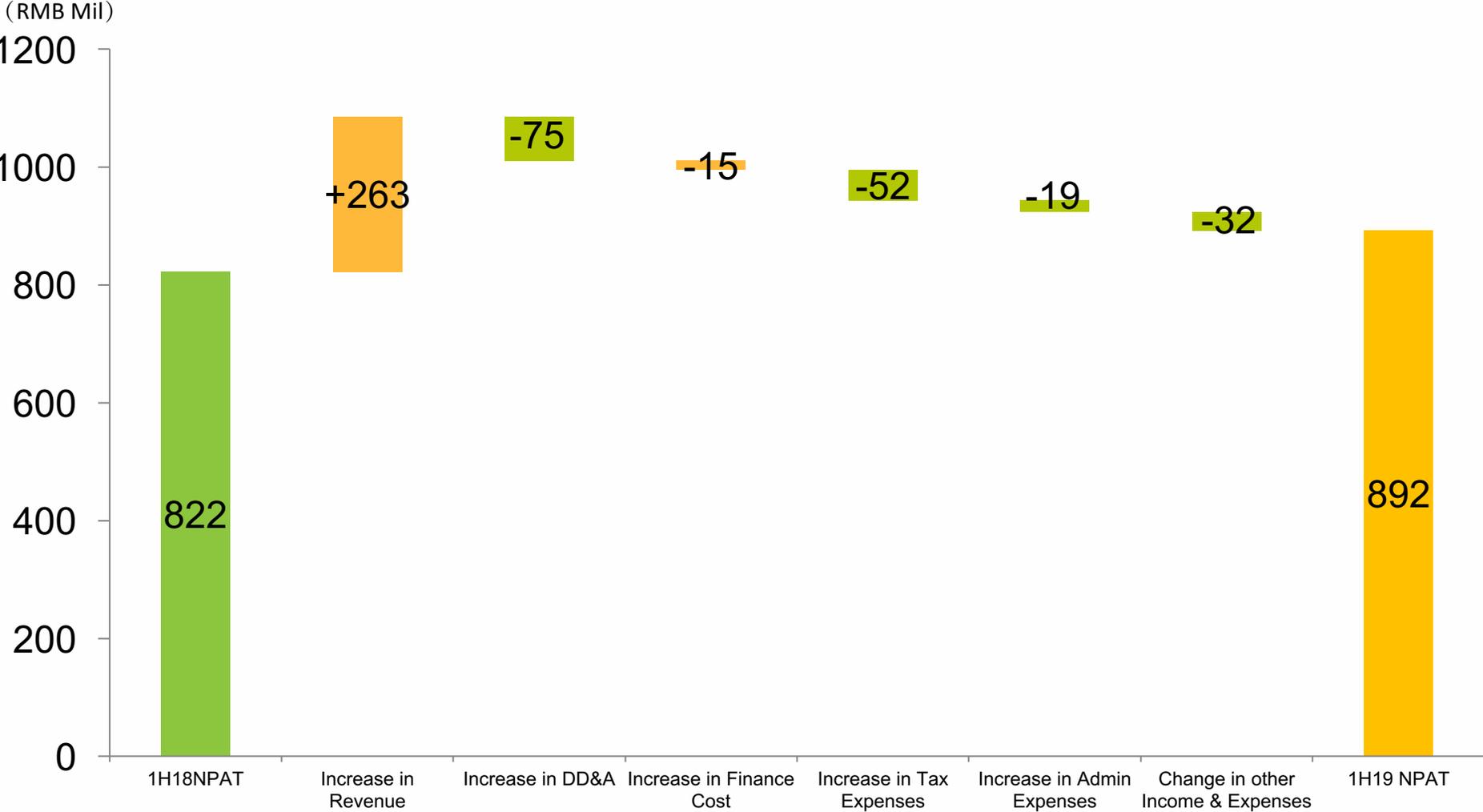
(RMB Mil)



Note:

1. Including other revenue such as CER revenue, VAT refund, and bank interest income, excluding share of profit from associates

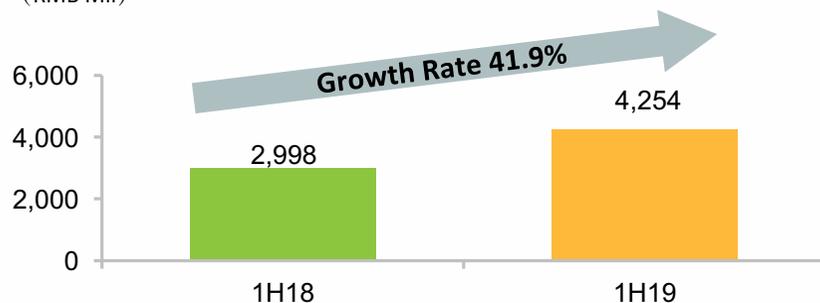
Wind and Photovoltaic Segment NPAT Analysis



Natural Gas Segment Financial Highlights

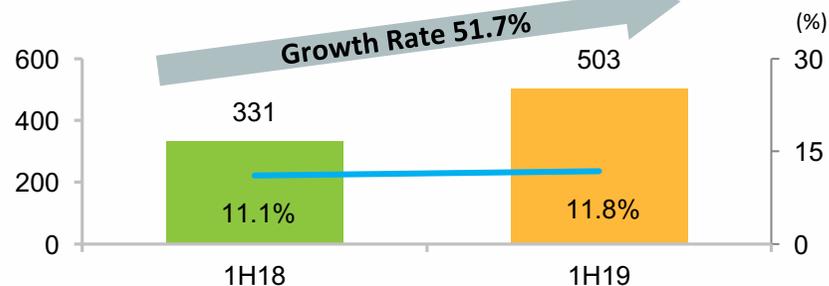
Revenue

(RMB Mil)



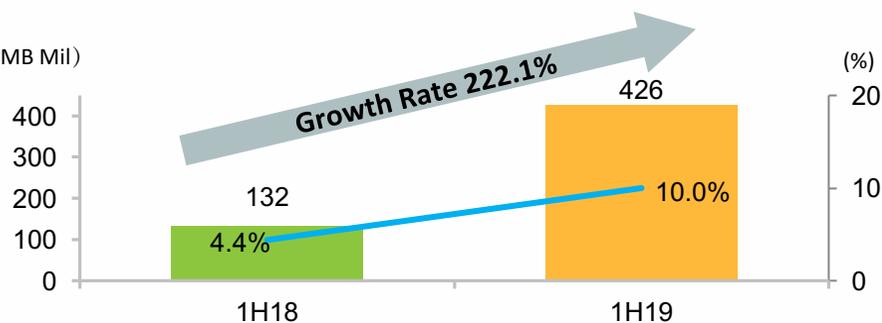
Gross Profit

(RMB Mil)



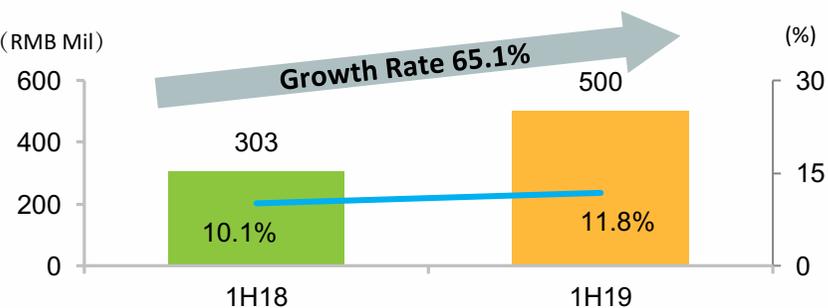
Operating Profit

(RMB Mil)



EBITDA ⁽¹⁾

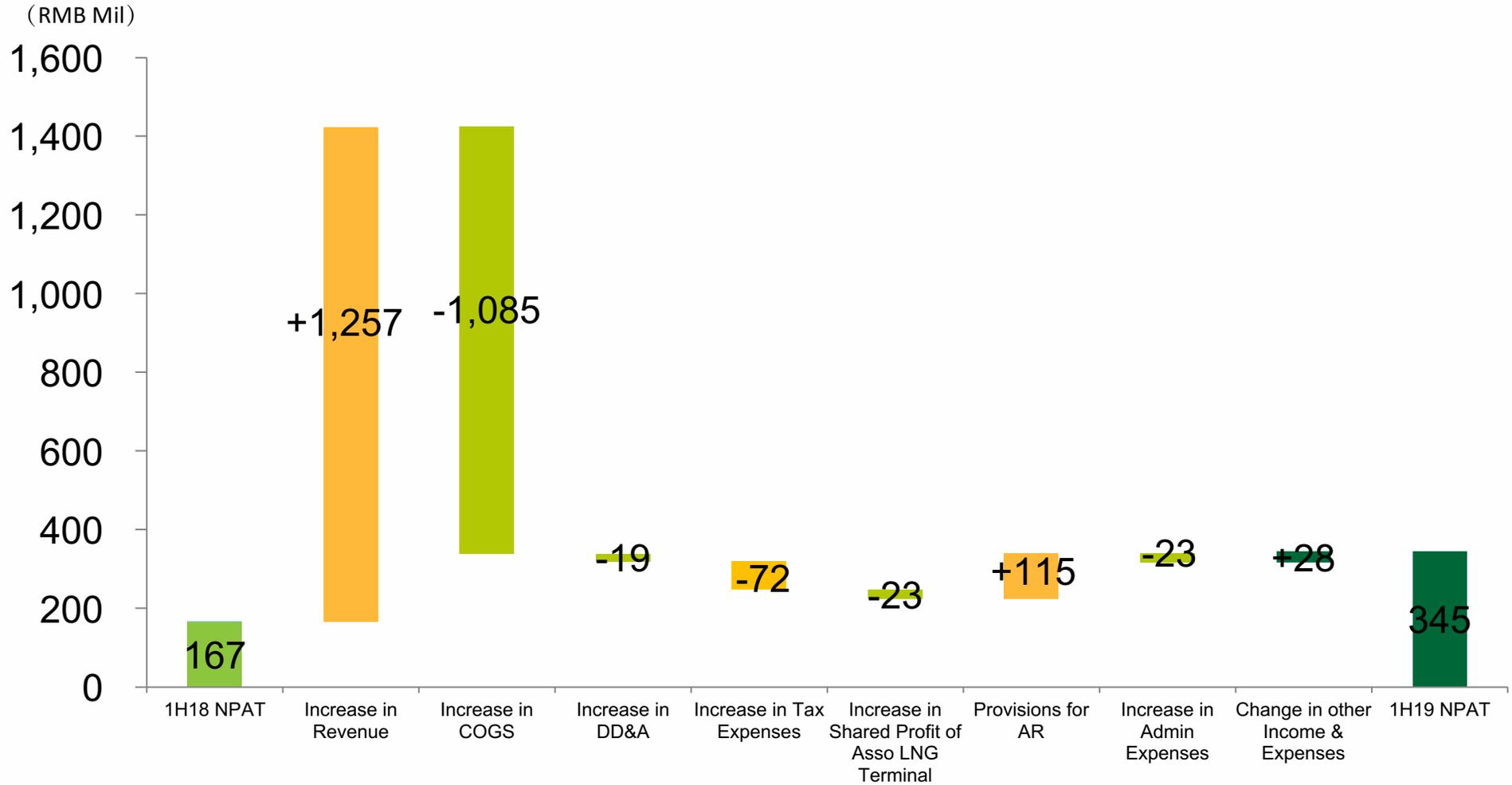
(RMB Mil)



Note

1. Including other revenue, but excluding share of profit from associates

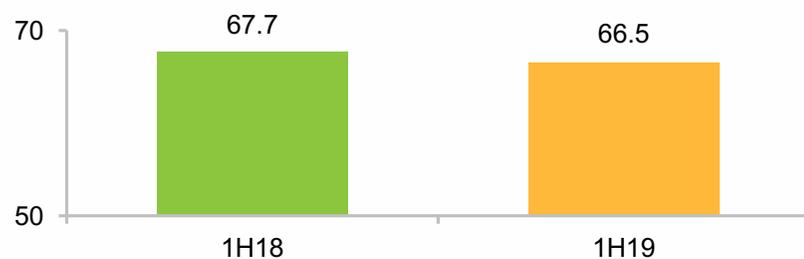
Natural Gas Segment NPAT Analysis



Capital Structure

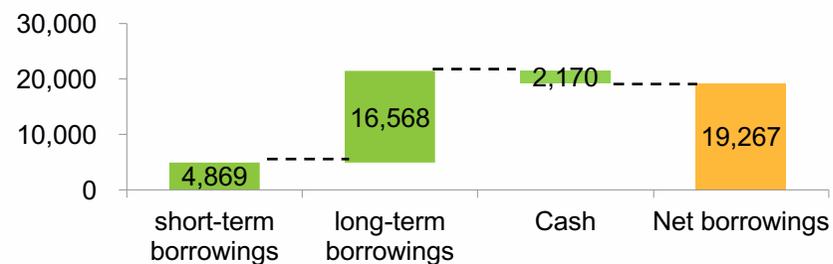
Total Liabilities / Total Assets

(%)



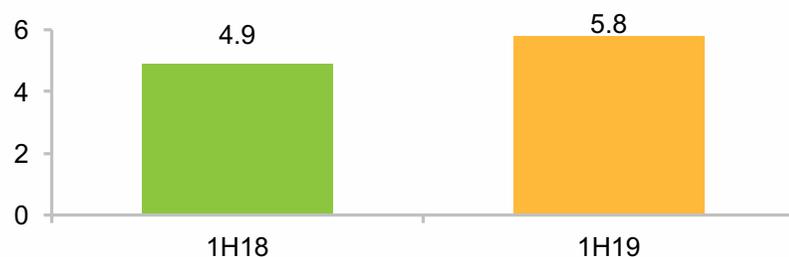
1H19 Net Borrowing Breakdown

(RMB Mil)



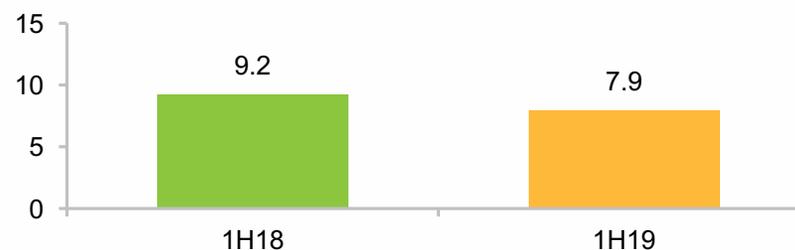
Interest Coverage (EBITDA/Finance Cost)

(x)



Net Debts/EBITDA

(x)





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4. Business Outlook



Business Outlook

In 2H19, the Group will continue its business with the following continuous measures:

1. Accelerate the construction of key projects that have already commenced so that they may be put into operation as soon as possible. Carefully select follow-up projects, avoid investment risk, and transit the Company from high-speed to high-quality development.
2. Rely on the advantages of existing long-distance pipeline resources, give full play to the synergy effect between long-distance pipelines and urban gas market, lay out market in advance, and continuously improve the market size and status of gas business.
3. Actively explore, speed up the layout, closely monitor the large-scale and large-channel projects planned by the state, and strive to realize the scale and diversified coordinated development of the new energy business sector.
4. Build an integrated system of scientific and technological information management to realise business informationisation, intelligence and digitisation, continuously improve management standardisation, standardisation and operational efficiency.
5. Strengthen the quality improvement of the Company's workforce and optimize the talent structure, establish a sound and flexible workforce, employment mechanism and incentive model to support the Group's high-quality development.
6. Continue to expand financing channels, timely issue financial products such as medium-term notes, etc, further optimise the debt structure, and maintain the Group's reasonable level of assets and liabilities and stable and smooth source of capital chains.



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Q&A

