



龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

2017年度業績發佈會

Annual Results Announcement

2018.03



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China Longyuan Power Group Corporation Limited

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Section 1

Overview of 2017 Results

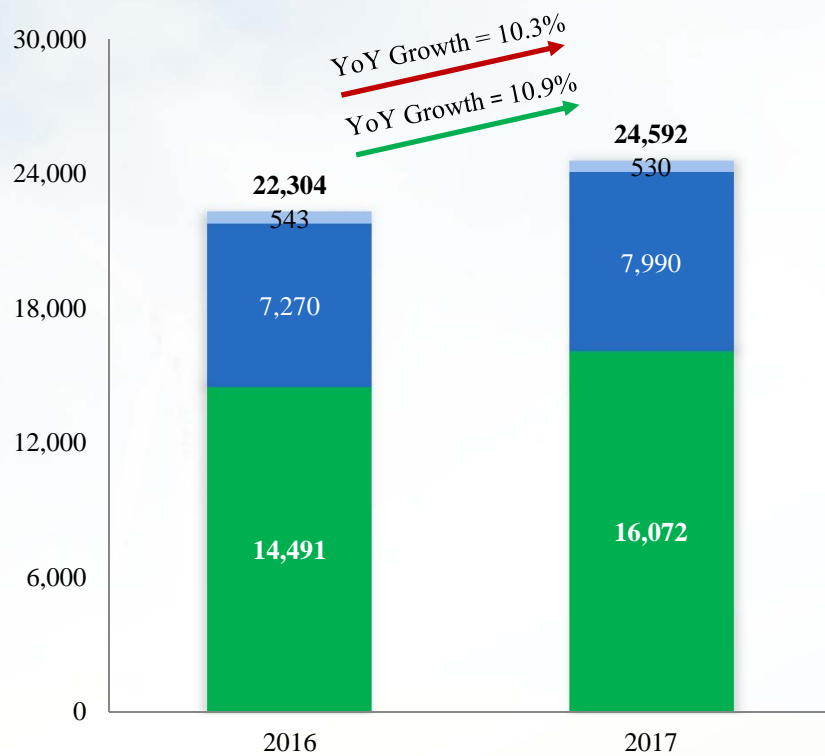
2017 Results Overview

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Revenue

(RMB MM)



■ Wind⁽¹⁾ ■ Coal⁽²⁾ ■ Others⁽³⁾

→ YoY Growth for Total

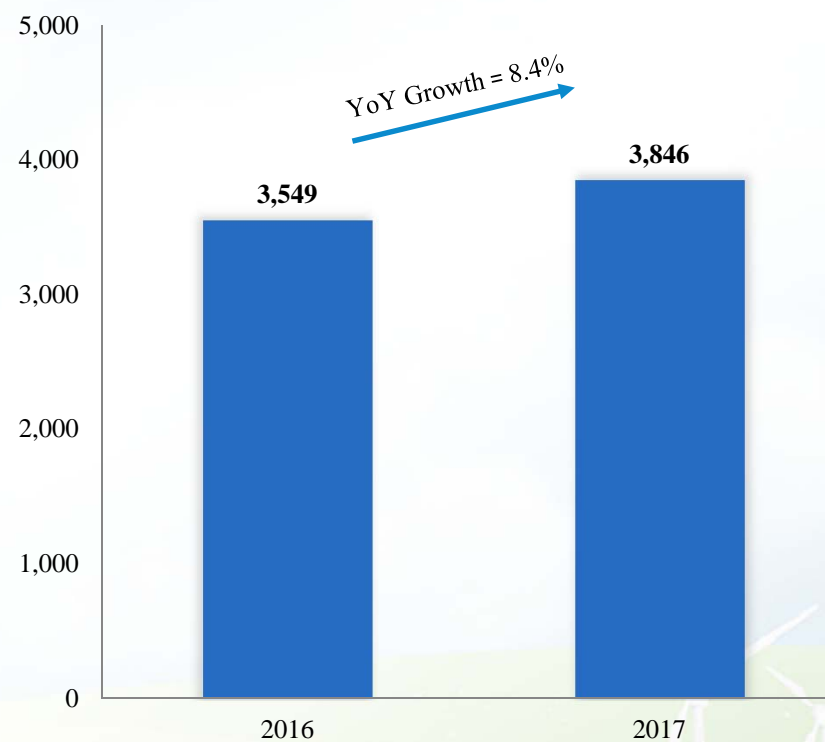
→ YoY Growth for Wind

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)



→ YoY Growth = 8.4%

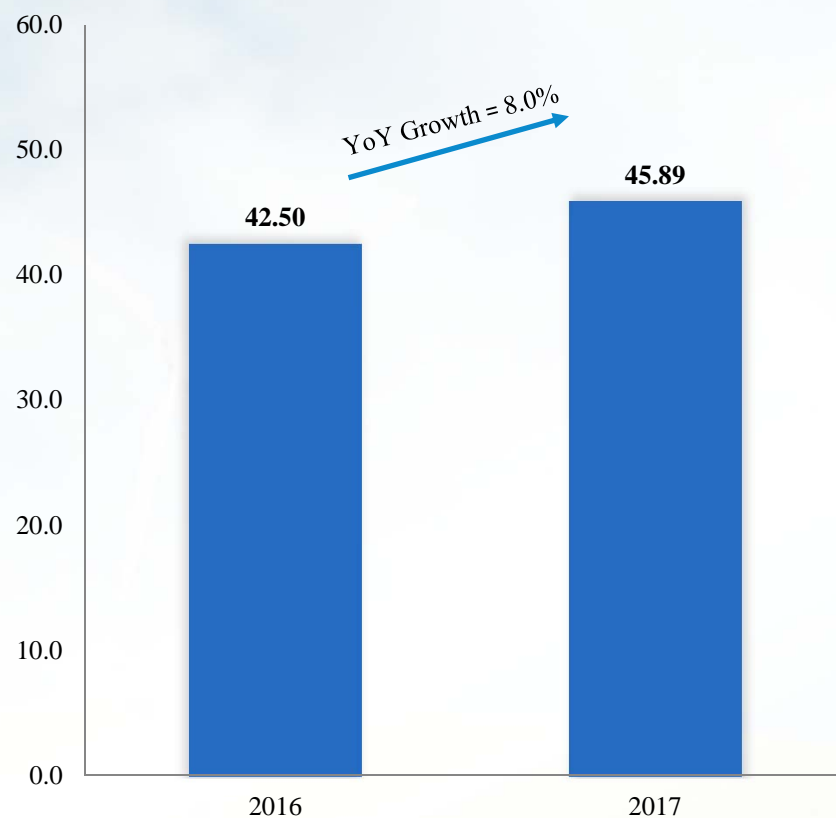
2017 Results Overview (Cont.)

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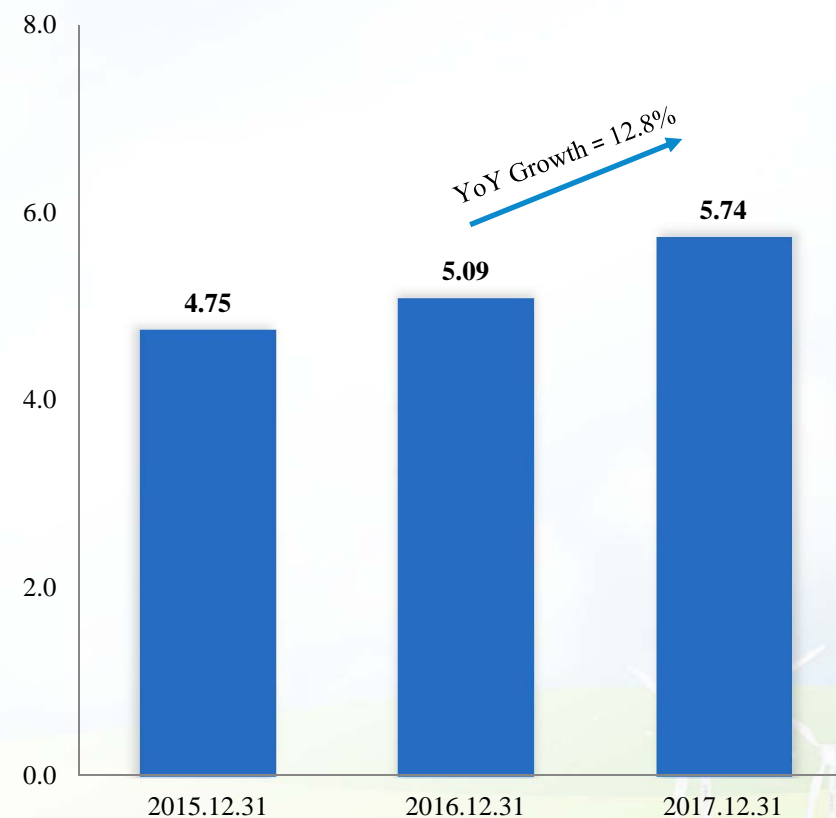
Earning Per Share

(RMB Cent)



Net Asset Per Share

(RMB Yuan)



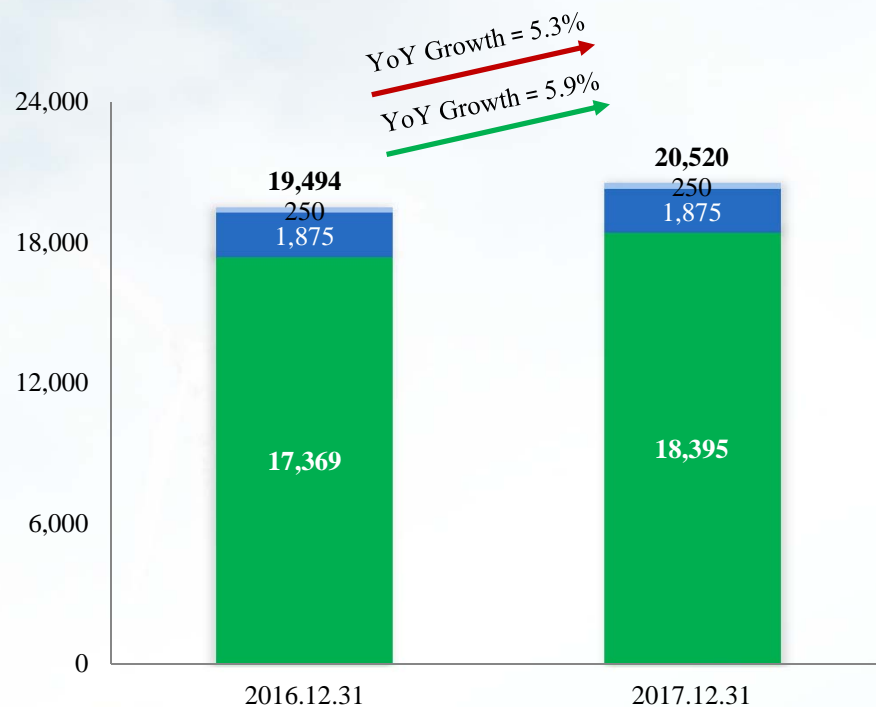
2017 Results Overview (Cont.)

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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

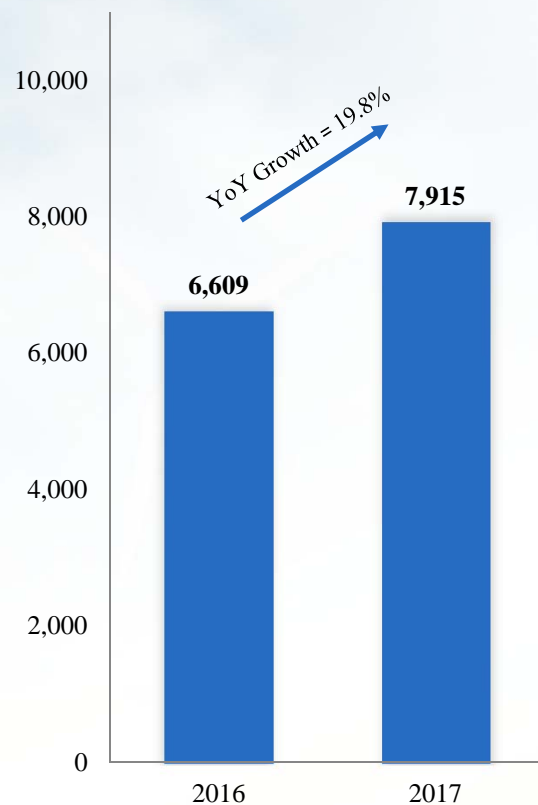
2017 Results Overview (Cont.)

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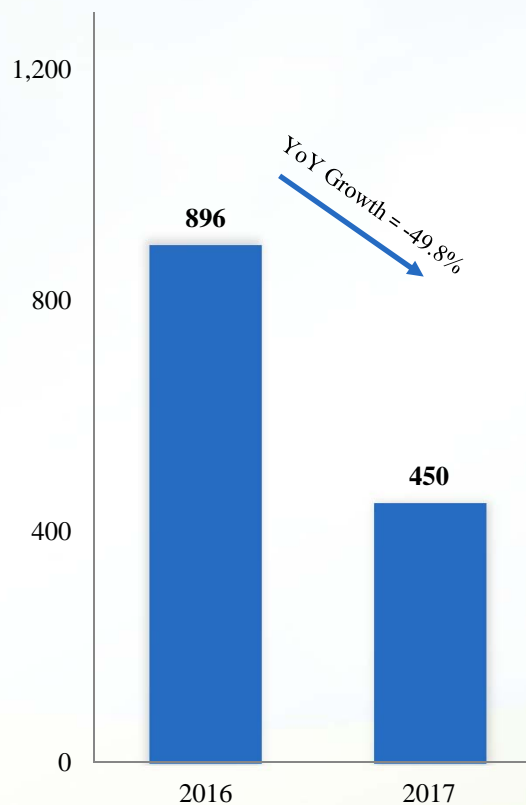
Wind Power Operating Profit

(RMB MM)



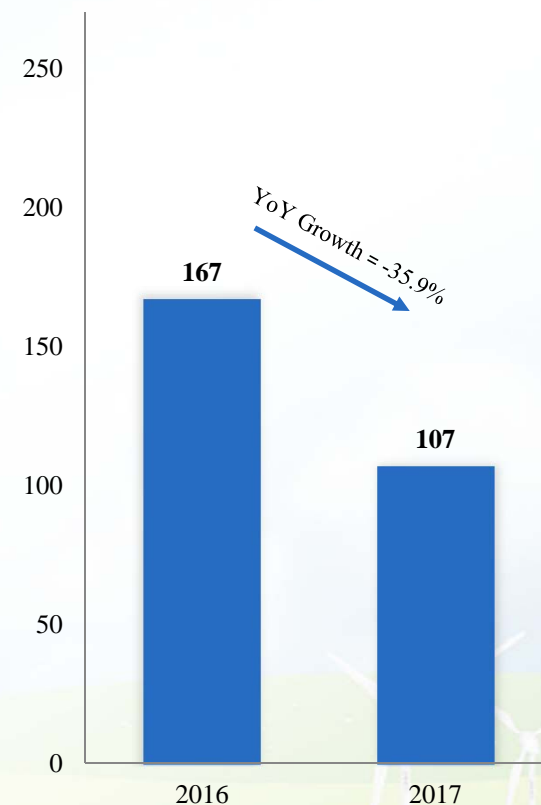
Coal Power Operating Profit ⁽¹⁾

(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

2017 Business Performance

Industry Review

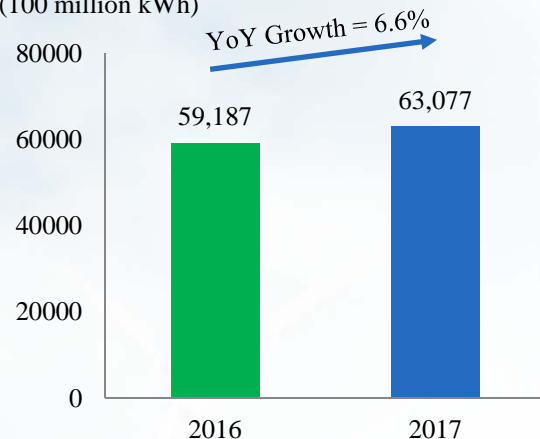
– Operational Environment

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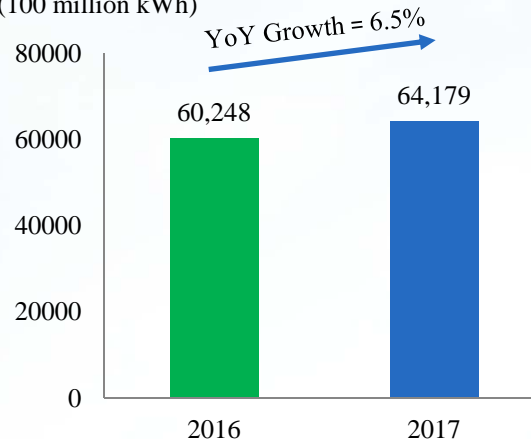
Power Consumption Across the Country

(100 million kWh)



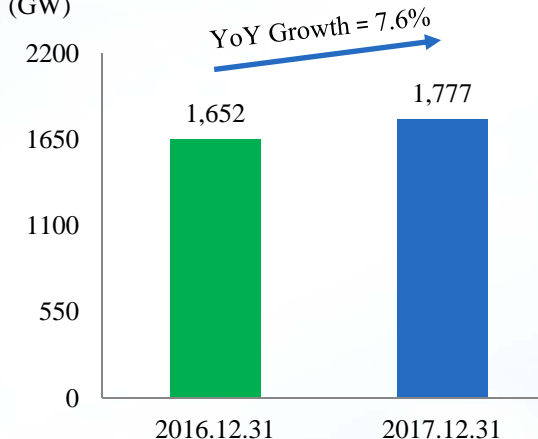
Total Electrical Output

(100 million kWh)



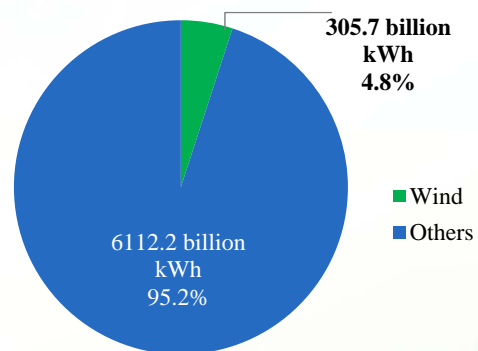
Power Generation Installed Capacity Across the Country

(GW)



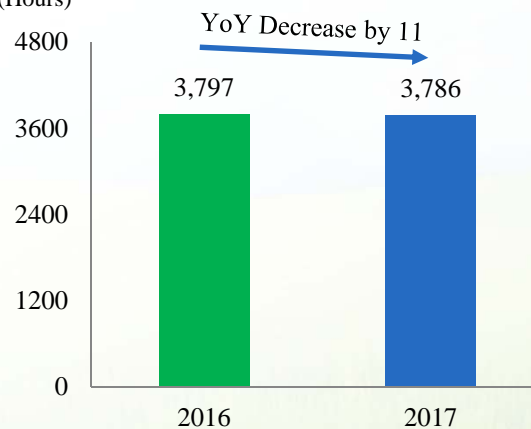
The Proportion of Wind Power in the Total National Power Generation

(%)



Average Utilization Hours of Power Generation Equipment Across the Country

(Hours)



Average Wind Power Utilization Hours Across the Country

(Hours)



Source: Statistic data by China Electricity Council

Industry Review

– Policy Factor

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Policy Trends in 2017

- In January, State Grid Corporation of China held a conference, in which it explicitly expressed its intention to strive for effective alleviation of the conflict in relation to curtailment of wind power and photovoltaic energy from 2017 to 2018 and solution to completely address the consumption issue of new energy in 2020, with **the rate of curtailment of wind power and photovoltaic energy limited to 5% below**, and proposed 20 specific measures to promote the consumption of new energy
- In February, the National Development and Reform Commission (the “NDRC”), the Ministry of Finance and the National Energy Administration (the “NEA”) issued the **Notice on Trial Implementation of Renewable Energy Green Power Certificate Issuance and Voluntary Subscription Trading System**
- In April, the NDRC, the Ministry of Finance and the NEA issued the **Notice on Liquidation of Additional Subsidies for Electricity Tariff of Renewable Energy**
- In April, the State Grid Corporation of China issued the **Notice on Issuance of Arrangement for Promotion of Consumption of New Energy in 2017**
- In May, the Comprehensive Department of the NEA issued the **Notice on Implementation of Demonstration for Grid Parity of Wind Power Generation**
- In June, the NEA issued the **Notice on Requirements in relation to Acceleration of Construction of Distributed Wind Power Connection Projects**
- In July, the **online transaction platform for voluntary subscription** for green power certificates officially commenced operation
- In July, the NEA issued the **Guiding Opinions on Implementing the Thirteenth Five-Year Plan on Renewable Energy Development** and at the same time issued the Proposal on Scale of New Wind Power Construction (2017-2020), Proposal on Scale of New Photovoltaic Power Plant Construction and Proposal on Layout of the Thirteenth Five-Year Plan of Biomass Power Generation
- In August, the NDRC issued the **Letter of Opinions on Seeking Administrative Measures for the Plan Regarding Giving Priority to Power Generation and Purchase of Power**
- In August, the National Power Dispatch Control Center and Beijing Electricity Trading Center issued the **Pilot Rules on Cross-Provincial Spot Trading of Surplus Renewable Energy Power (Trial Implementation)**
- In August, the NEA issued the **Notice on Reducing the Tax Burden of Enterprises Engaging in Renewable Energy Business**
- In November, the NDRC and NEA issued the **Implementation Plan for Solving Hydro, Wind and Solar Power Curtailment**, requiring the places where suffered severely from the limitation of renewable energy power to achieve significant alleviation, with rate of curtailment of wind power of Gansu and Xinjiang dropping to approximately 30%, that of Jilin, Heilongjiang and Inner Mongolia to 20% and that of other places to below 10%

Enhanced Innovative Management and Insisted on Improving Quality and Efficiency in Order to Consolidate Overall Strengths of Enterprise

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Consolidated the Foundation for Safe Production

- Pushed ahead with the standardization of safe and civilized production in order to solidify the foundation of safe management
- Made further progress in implementing the “Three Measures and One Scheme” so as to make practical efforts in enhancing the operation safety and standardization
- Continued to push forward “lean maintenance” of equipment for wide promotion of construction of fault-free wind farms
- Constructed a world class production and operation management and control system with a view to consolidating and enhancing the leading advantages of key indicators
- Innovated an assessment and incentive mechanism in order to enhancing the assessment drivers and correlativity
- Strengthened management and control of economic operation and facilitate the construction of smart wind farms
- Strictly implemented double management and control measures in relation to “grid curtailment limit and rate”, thus making good progress in the management of curtailment of power generation



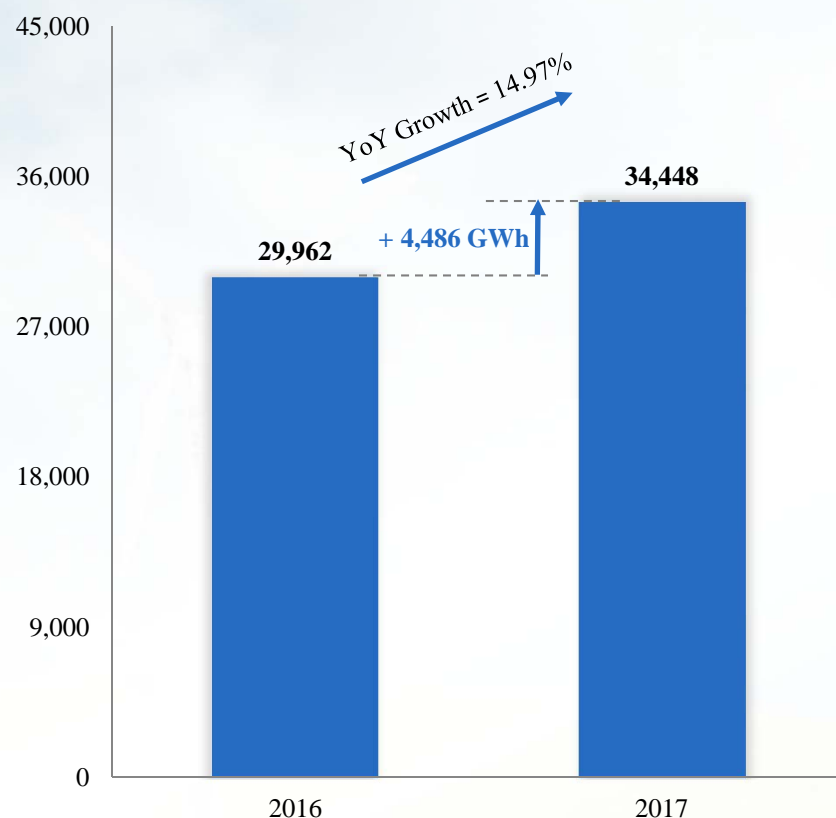
Enhanced Innovative Management and Insisted on Improving Quality and Efficiency in Order to Consolidate Overall Strengths of Enterprise (Cont.)

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Wind Consolidated Gross Power Generation

(GWh)



Geographical Breakdown of Wind Consolidated Gross Power Generation

Region (MWh)	2017	2016	YoY
Heilongjiang	2,470,344	2,179,811	13.33%
Jilin	857,589	612,740	39.96%
Liaoning	2,181,498	1,975,699	10.42%
Inner Mongolia	4,909,500	4,504,521	8.99%
Jiangsu Onshore	2,356,064	2,350,056	0.26%
Jiangsu Offshore	1,089,998	1,058,757	2.95%
Zhejiang	409,719	416,858	-1.71%
Fujian	1,898,992	1,470,887	29.11%
Hainan	147,438	121,461	21.39%
Gansu	2,095,533	1,414,743	48.12%
Xinjiang	2,827,684	2,184,817	29.42%
Hebei	2,606,858	2,422,333	7.62%
Yunnan	1,808,015	1,558,875	15.98%
Anhui	1,550,076	1,534,874	0.99%
Shandong	723,540	691,070	4.70%
Tianjin	251,443	250,354	0.43%
Shanxi	1,403,353	1,272,022	10.32%
Ningxia	1,291,969	1,085,088	19.07%
Guizhou	1,263,221	1,172,941	7.70%
Shaanxi	712,616	587,358	21.33%
Tibet	13,010	15,040	-13.50%
Chongqing	349,950	301,304	16.15%
Shanghai	132,176	124,221	6.40%
Guangdong	124,343	40,514	206.91%
Hunan	163,022	151,029	7.94%
Guangxi	258,569	187,248	38.09%
Jiangxi	72,863	--	--
Hubei	52,909	--	--
Canada	282,092	277,590	1.62%
South Africa	144,093	--	--
Total	34,448,476	29,962,211	14.97%

Enhanced Innovative Management and Insisted on Improving Quality and Efficiency in Order to Consolidate Overall Strengths of Enterprise (Cont.)

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Wind Average Utilization Hours

(Hours)



Geographical Breakdown of Wind Average Utilization Hours

Region (Hours)	2017	2016	YoY
Heilongjiang	2,001	1,765	13.37%
Jilin	1,730	1,368	26.46%
Liaoning	2,175	1,969	10.46%
Inner Mongolia	1,898	1,742	8.96%
Jiangsu Onshore	1,957	2,141	-8.59%
Jiangsu Offshore	2,269	2,204	2.95%
Zhejiang	1,798	1,829	-1.69%
Fujian	3,029	2,817	7.53%
Hainan	1,489	1,227	21.35%
Gansu	1,625	1,097	48.13%
Xinjiang	1,835	1,570	16.88%
Hebei	2,228	2,070	7.63%
Yunnan	2,448	2,516	-2.70%
Anhui	2,205	2,257	-2.30%
Shandong	2,100	2,040	2.94%
Tianjin	1,873	1,897	-1.27%
Shanxi	1,860	1,968	-5.49%
Ningxia	1,783	2,038	-12.51%
Guizhou	1,969	2,066	-4.70%
Shaanxi	2,100	2,324	-9.64%
Tibet	1,735	2,005	-13.47%
Chongqing	2,341	2,015	16.18%
Shanghai	2,783	2,615	6.42%
Guangdong	2,219	1,574	40.98%
Hunan	3,396	2,754	23.31%
Guangxi	2,708	3,146	-13.92%
Jiangxi	2,343	--	--
Hubei	2,261	--	--
Canada	2,847	2,801	1.64%
South Africa	--	--	--
Total	2,035	1,901	7.05%

Focused on Quality and Efficiency and Optimized Development Layout in Order to Maintain Sustainable and Quality Development

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Utilized Quality Resource Reserves

- Development concept of “nationwide presence and provincial dispersion”
- Focused mainly on the central-eastern, southern and southeast regions
- Kept a close eye on wind power development in the “Three North” areas

Innovated Management Mechanism

- Paid close attention to changes in wind power development policy and market environment as well as innovation of state-of-the-art technology
- Designed and devised dynamic optimisation preliminary work for upper level
- Established professional “wind power development technology management system”

Maintained Quality of Preliminary Work

- Insisted on the principle of “quality first, benefit first”
- Fully explored the potential of project resources and finalise conditions to commence construction
- Safeguarded investment risks of projects to ensure profitability of projects

- Among the second batch of wind power approved plans under the Thirteen Five-Year Plan issued by the provincial agencies of the NEA, Longyuan has 36 projects with a total of 1,935 MW
- In 2017, there were 32 wind power projects with a total capacity of 1,788 MW being approved, among which, regions not subject to grid curtailment accounted for 97% or above
- The development of the projects in Henan province signified that Longyuan Development Zone has been extended to all province, municipality and autonomous region except Hong Kong, Macau and Taiwan
- As of the end of 2017, the Group had wind power projects of 7.3 GW approved but not yet put into operation, which provides strong support to sustainable quality development

Placed Great Emphasis on Ecological Environment and Rolled out Competitive Construction in Order to Construct New and First Class Wind Farms With Upgrade

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Innovated Quality Management System ,Construct World Class Wind Farms

- In 2017, 10 wind power projects were put into operation, with capacity of 1,026.5 MW, including onshore projects of 552 MW and South Africa project of 244.5 MW
- The operation of Hubei Baokang Huanglianshan wind power project was very much a breakthrough for Longyuan to record installed capacity in Hubei province
- The South Africa project is the first self-invested, constructed and operated project by Longyuan overseas
- The Jiangsu Dafeng offshore project succeeded in constructing the first offshore separable transformer station in the world, which has solved the difficult problems arising in the transportation in intertidal zone during the construction of offshore transformer station. Large cross section seamless production technique was first applied. Cross-section in 1600mm² and submarine cable in length of 33 km with 220kV were first used, so that the operation risk of the project was effectively reduced, facilitating the development of the submarine cable industry at a level of high voltage in China
- Fujian Nanri offshore project was the first to use the transition section-free large dimension single pile in the world. Its operation platform is equipped with the drilling machines with the highest performance in the world currently. A flat-free model system is used in the high pile platform, shortening the operation time from 3 months to 3 hours
- Through constructing healthy, highly efficient, smart, safe and “first class” wind farms, the Group further cemented the competitive edges of Longyuan in the wind power industry. During the construction process, the Group was in strict compliance with the construction procedures in order to ensure the project was constructed in accordance with laws and regulations. Meanwhile, the Group fully implemented environmental acceptance procedures for the completed projects across the nation and facilitated the ecological construction of wind farms within the nation by using Hebei Qixin Weichang project as the demonstrative construction
- The Group fulfilled the social responsibility of being a resource conserving and environmentally friendly enterprise and implemented the operation principle of protecting the environment and benefitting the next generations with a view to gradually developing green development projects and seizing the appropriate opportunities for future development



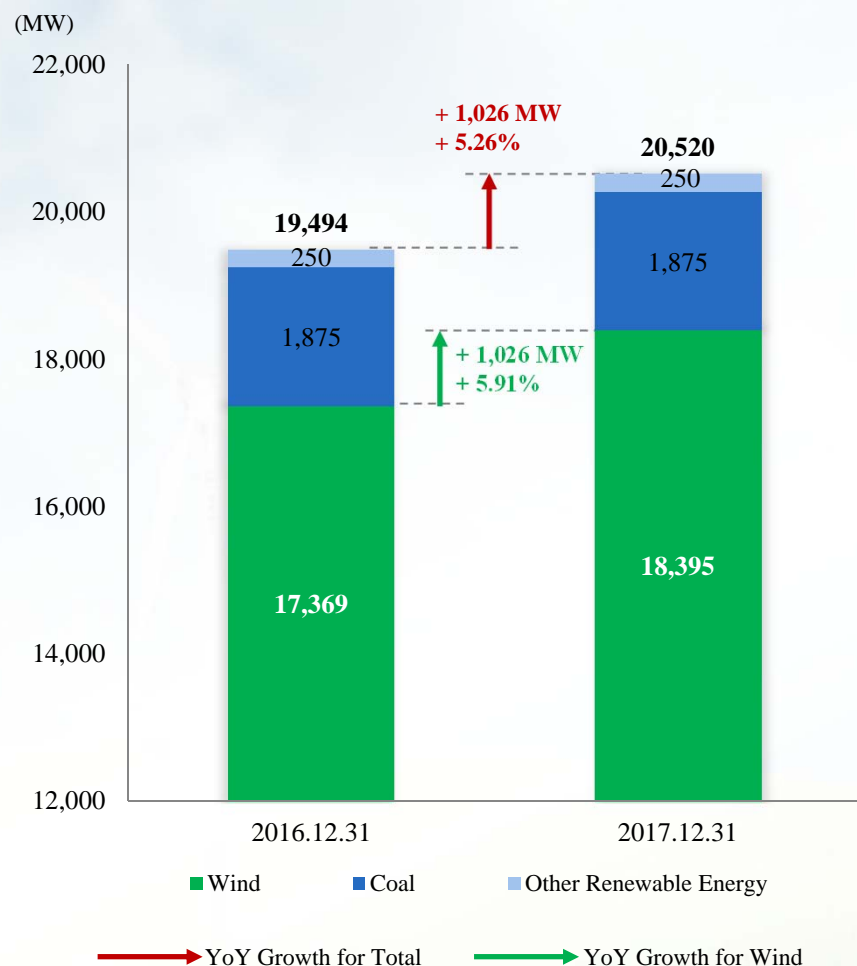
Placed Great Emphasis on Ecological Environment and 龍源電力集團股份有限公司

Rolled out Competitive Construction in Order to

China Longyuan Power Group Corporation Limited

Construct New and First Class Wind Farms With Upgrade (Cont.)

Wind Consolidated Installed Capacity



Geographical Breakdown of Wind Consolidated Installed Capacity

Region (MW)	2017.12.31	2016.12.31	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	--	--
Canada	99.1	99.1	0.00%
South Africa	244.5	--	--
Total	18,395.34	17,368.84	5.91%

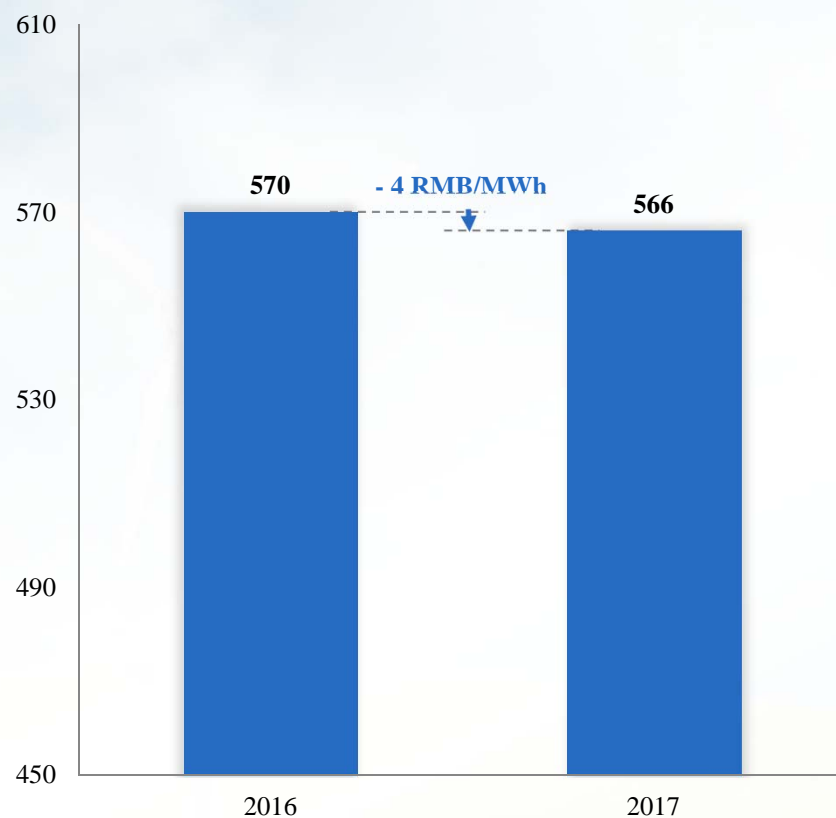
Innovated Marketing Strategies with Volume and Price Being Maintained in a Scientific Manner and Steadily Improved Economic Efficiency

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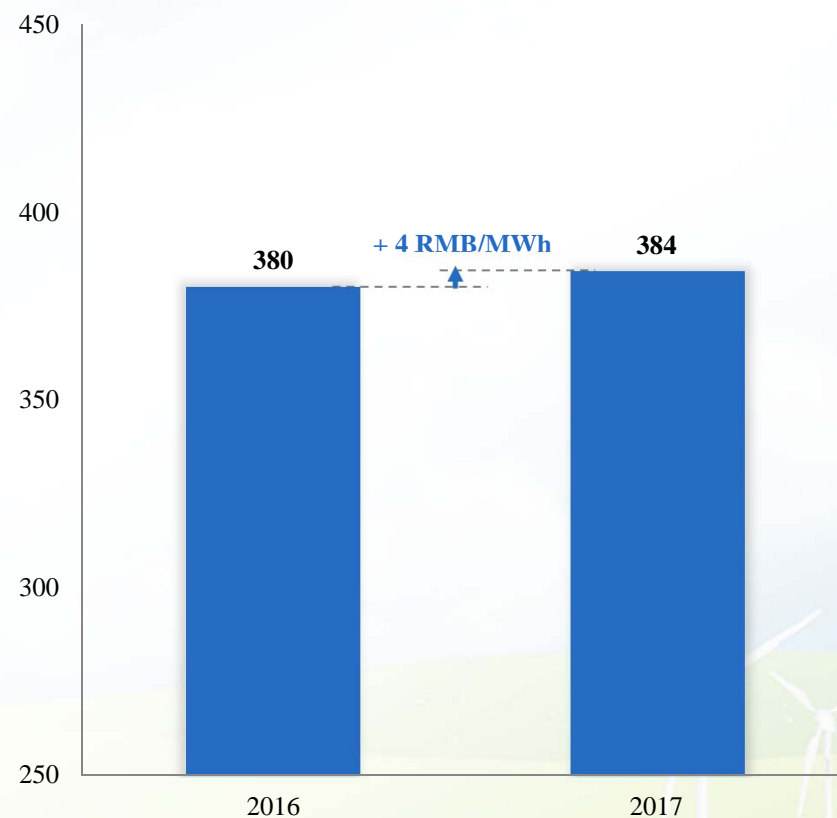
Average Wind Power On-grid Tariff (Inc. VAT)

(RMB/MWh)



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

(RMB/MWh)



Enhanced Capital Management by Implementing Various Measures and Intensified Leading Advantages in Capital Costs

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Maintained a Leading Position in respect of Capital Cost in the Industry

- Continued its intensified management and control of financings to raise the cash sweep ratio, and laid down an overall operation plan to optimize regional capital allocation and effectively lower capital costs
- Continued to intensified the management of fund plan so as to achieved accurate allocation of funds, reduce fund precipitation and repay loans in advance
- Used the fund plan coordination mechanism based on the headquarters' vertical management to strengthen the management of the fund plan and enhance capital utilization ratio on a continuous basis with a view to maximizing time value of capital, thus significantly reducing its financial expenses
- Kept a close watch on domestic and foreign capital markets to further expand financing channels and successfully obtained the approval for green company bonds and green enterprise bonds to expand financing varieties, in order to safeguard the fund with its best efforts
- As of the end of 2017, it successfully issued ultra short financing bonds for eight tranches, green company bonds for one tranches and perpetual medium term notes for one tranches, thus maintaining a leading position in capital costs throughout the year
- Leveraged financing advantages in bond market and received “Outstanding Issuer” and “Innovative Business” awards, thus building a good image for the enterprise

Driven by Innovation with a Focus on Achievements and Made Remarkable Progress in Various Wind Power Technologies

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- In 2017, the Group further enhanced the efforts in technological innovation and strengthened its role in technology management
 - 6 technology research topics were included in the 2018 Technology Project Guidelines of the original Guodian Group
 - 2 forward-looking research topics were included in the seed fund project of the original Guodian Group
 - 8 industry technical standards for operation and maintenance of wind power projects drafted by the Group have successfully passed expert review
 - 6 industry standards for wind power were officially promulgated by the NEA
 - The total number of intellectual property rights obtained in 2017 has almost doubled from that of the previous year, with addition of 10 patents
 - Received 20 technology awards in provincial, industrial and group level
- Adopted the construction scheme of “modular design and separable installation” and successfully installed the first offshore separable transformer station in the world, which represented a significant breakthrough in respect of critical technology for development of offshore wind power and offered a new technology option for the construction of offshore transformer station
 - Carried out and succeeded in the engineering practice of 220 kV single core high-voltage submarine cable in the rock seabed areas for the first time, which solved the technical bottleneck of transmission engineering, filled the domestic gap of such project, basically developed a set of technology in respect of exploration, design, construction, operation and maintenance for high-voltage transmission cables in rock seabed areas and laid a solid technological foundation for the large scale development of offshore wind farms
 - Successfully completed the world’s first “embedded” rock socketed single pile foundation construction and the accuracy of the verticality of pile was higher than the design requirements, thus achieving a significant breakthrough in the construction technology of rock socketed single pile
 - “Longyuan Zhenhua No. 3”, with a lifting capacity of 2,000 tons, is the world’s largest platform for offshore wind power construction and was officially launched. With the largest lifting capacity in the world, the platform is capable of satisfying the installation requirements of high-power offshore wind turbines



Reinforced Risk Management and Control and Steadily Expand Overseas Market

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- Focused on the countries along the “Belt and Road” Initiative and the key regions which are politically and economically stable and have sound legal system and huge development potential, and selected, analysed and assessed the potential investment opportunities for wind power in various countries, such as Central and Eastern Europe, Australia and North America. Focused on advancing the wind power greenfield projects in Poland, Serbia, Kazakhstan, Canada and other countries
- In 2017, Dufferin Wind Farm in Canada recorded total power generation of 280 million kWh. Proactively fulfilled its social responsibility and established close relationship with the community and the government where the project is located. Successfully completed power curve verification and noise monitoring, and all indicators were satisfied. Onsite monitoring in respect of the animal and plant monitoring has been successfully completed for the third year
- In November 2017, 244.5 MW wind farm project in De Aar, South Africa was put into operation successfully. The project is the first Chinese wind power project featuring investment, construction and operation in Africa, which is a breakthrough in the “Going-global” for the development of wind power project and self-manufacturing of wind power equipment, thus effectively facilitating the construction of “Belt and Road” Initiative. During the construction of the project, the Group, to the extent possible, engaged local contractors and purchased general equipment from local suppliers, so as to relieving local employment pressure. Meanwhile, the Group has formulated strict environmental protection strategy to promote clean and low-carbon development of local economy and actively fulfilled its social responsibility





Section 3

2017 Financial Performance

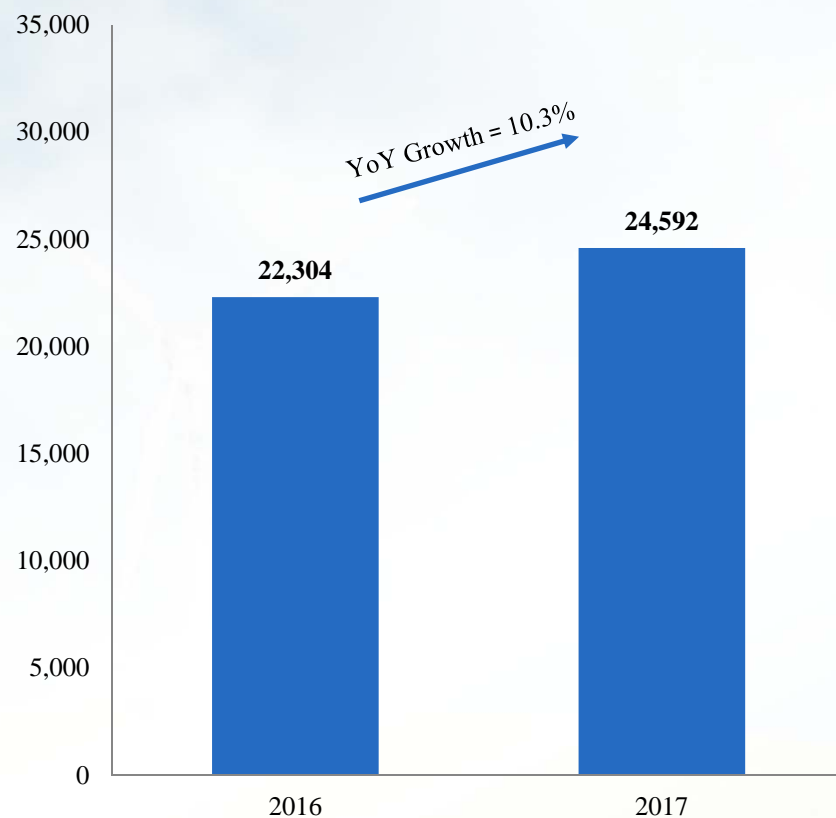
2017 Results Overview

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Revenue ⁽¹⁾

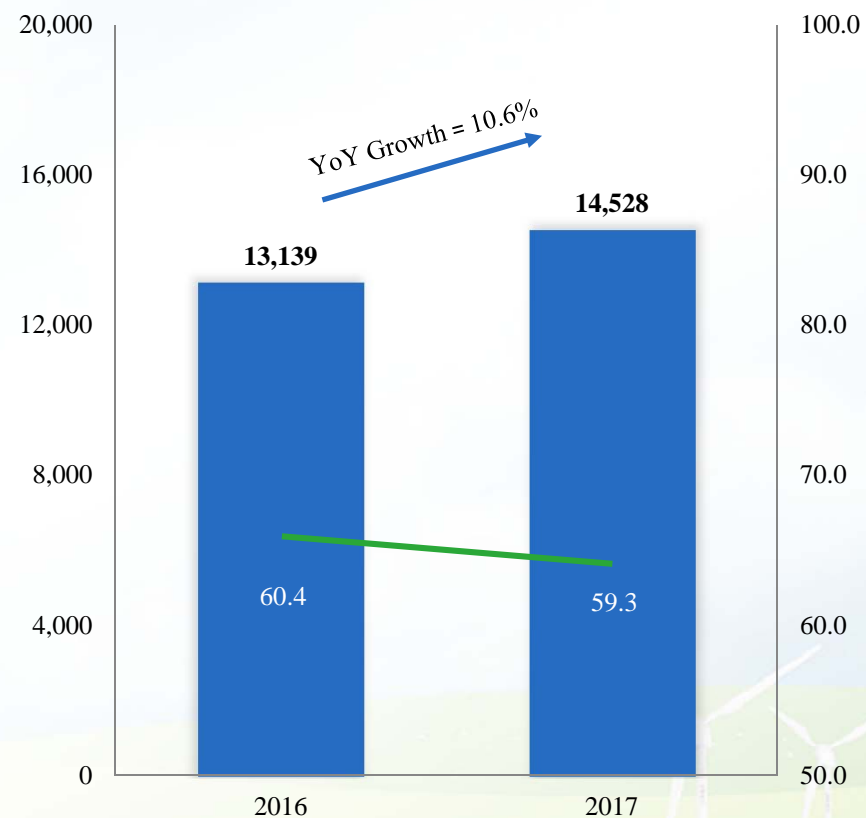
(RMB MM)



Adjusted EBITDA and EBITDA Margin ⁽²⁾

(RMB MM)

(%)



Notes:

1 Including concession construction revenue

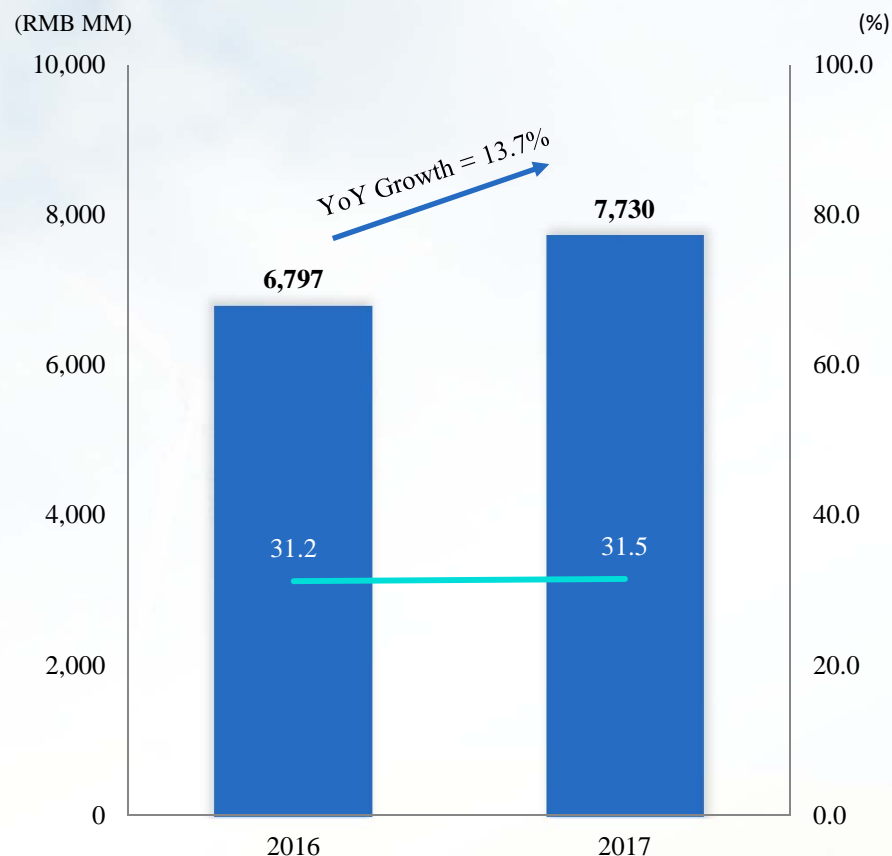
2 Adjusted EBITDA excludes other net income, adds back non-recurring impairments

2017 Results Overview (Cont.)

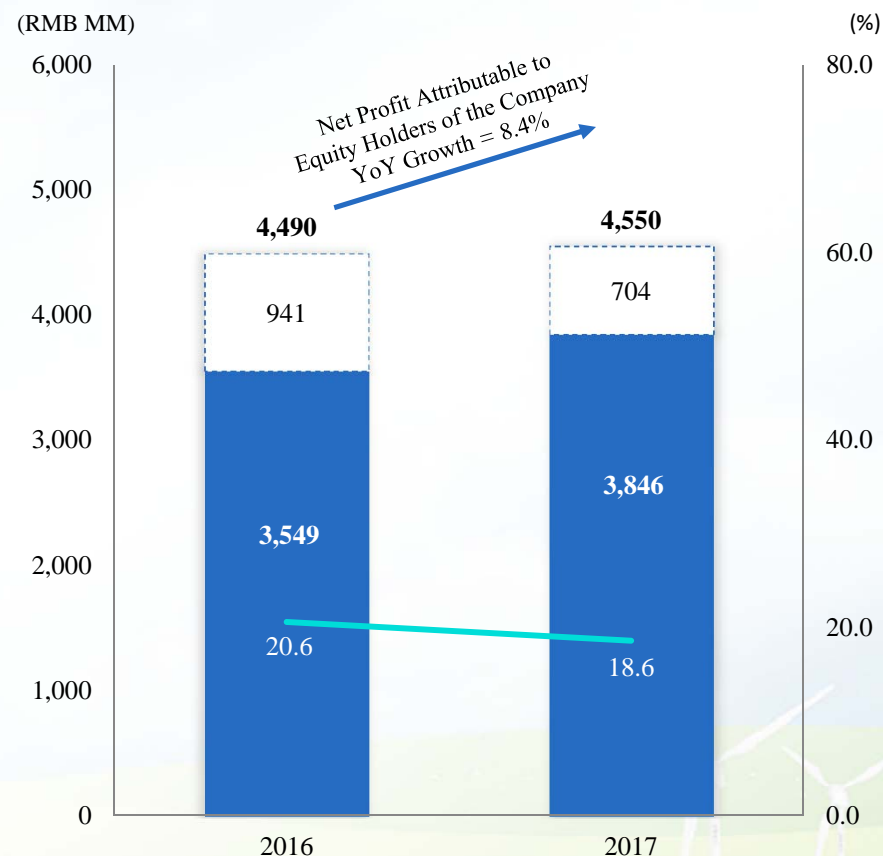
龍源電力集團股份有限公司

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

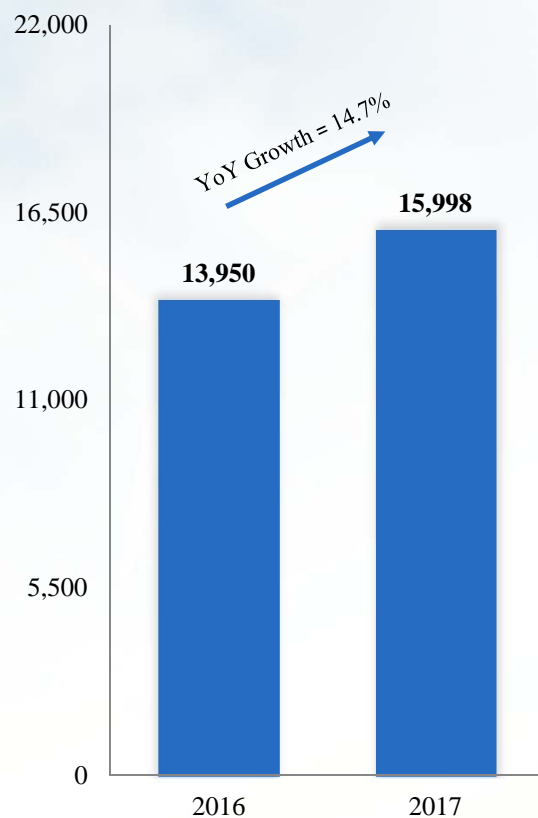
2017 Wind Power Business Results

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

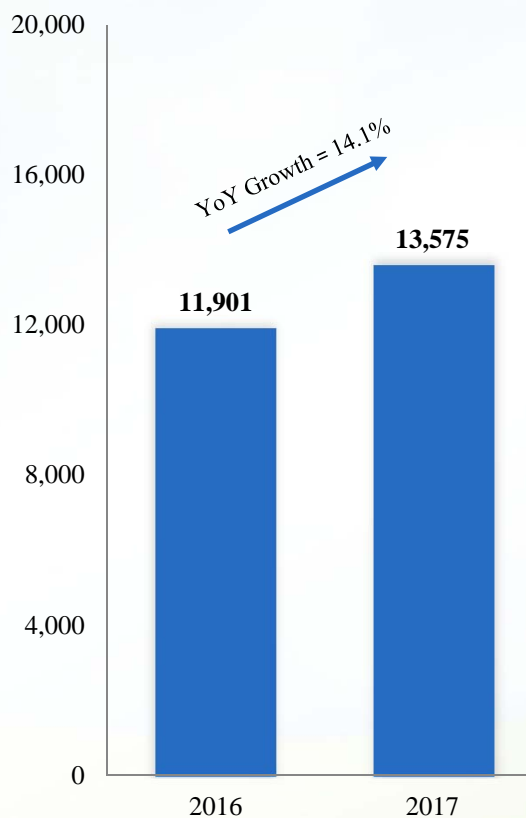
Revenue ⁽¹⁾

(RMB MM)



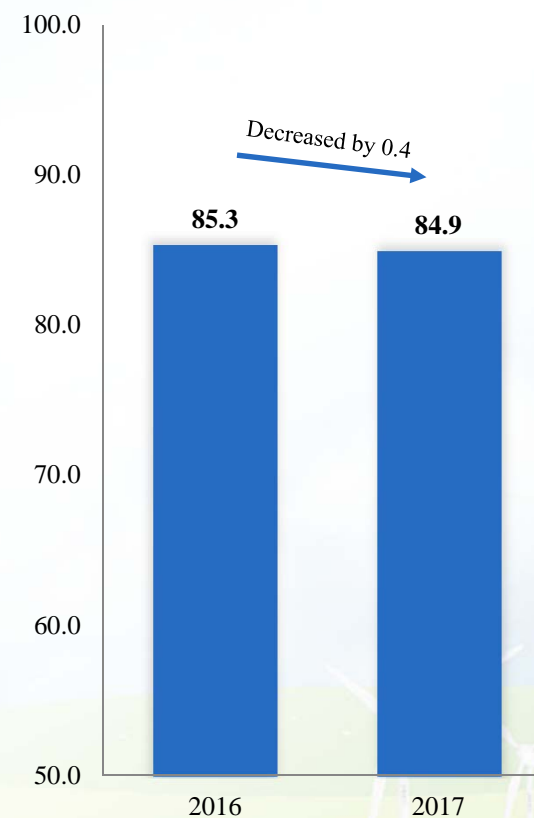
Adjusted EBITDA ⁽²⁾

(RMB MM)



Adjusted EBITDA Margin ⁽²⁾

(%)



Notes:

1 Revenue excludes concession construction revenue

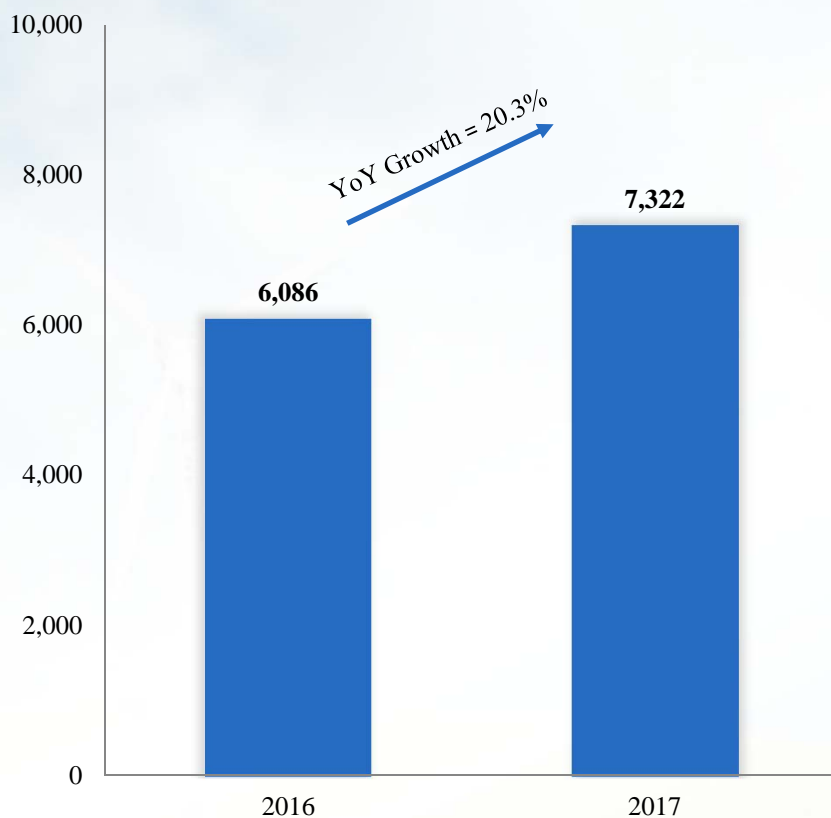
2 Adjusted EBITDA excludes other net income, adds back non-recurring impairments

2017 Wind Power Business Results (Cont.)

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

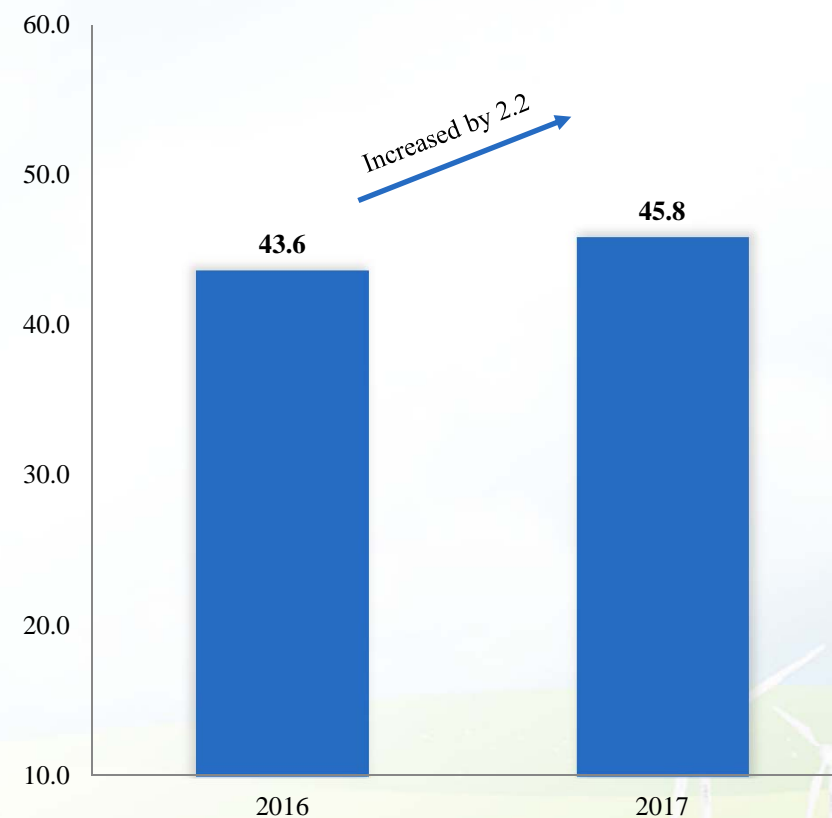
Adjusted Operating Profit ⁽¹⁾

(RMB MM)



Adjusted Operating Profit Margin ⁽¹⁾

(%)



Note:

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

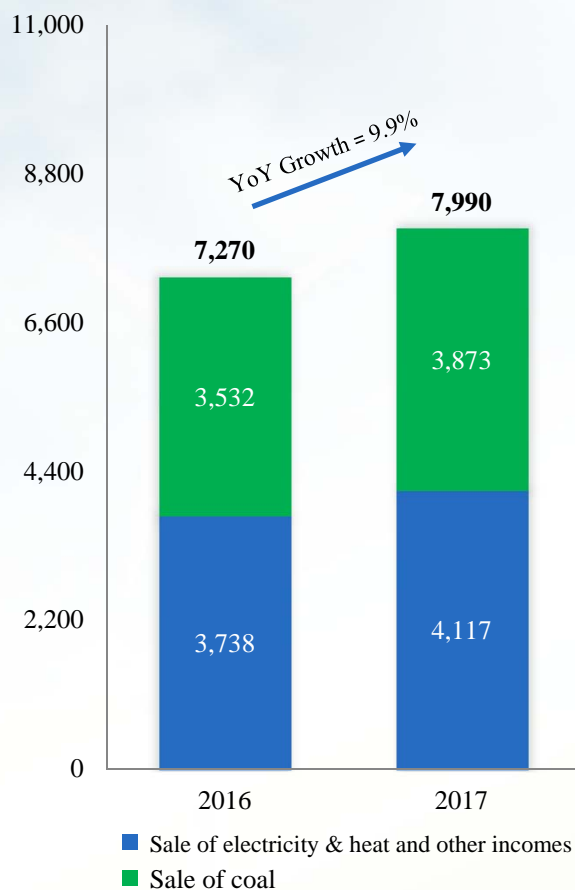
2017 Coal Power Business Results

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

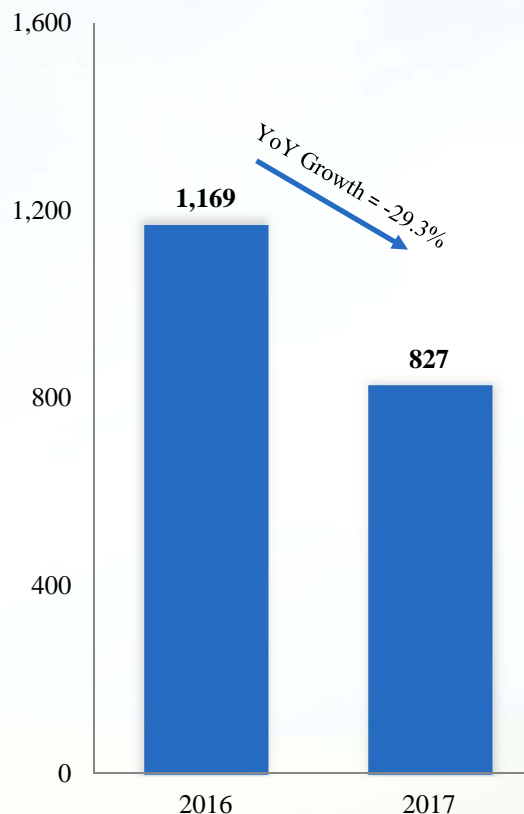
Revenue ⁽¹⁾

(RMB MM)



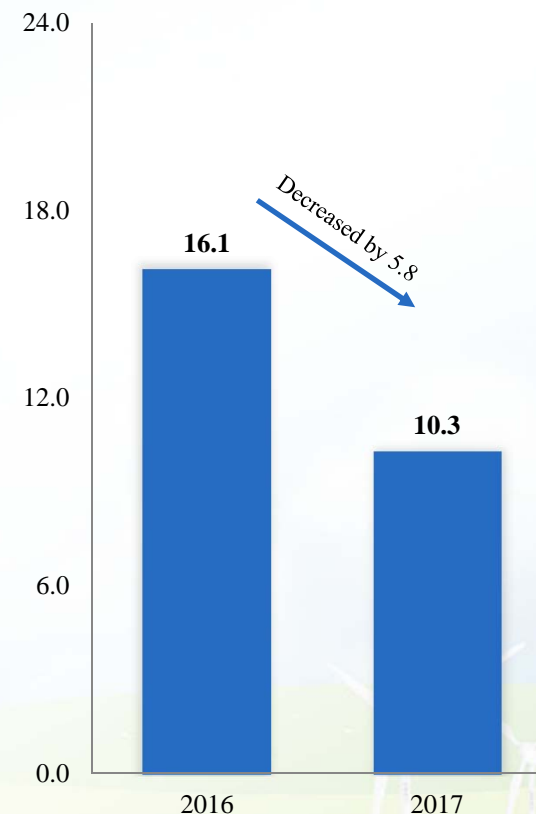
Adjusted EBITDA ⁽²⁾

(RMB MM)



Adjusted EBITDA Margin ⁽²⁾

(%)



Note:

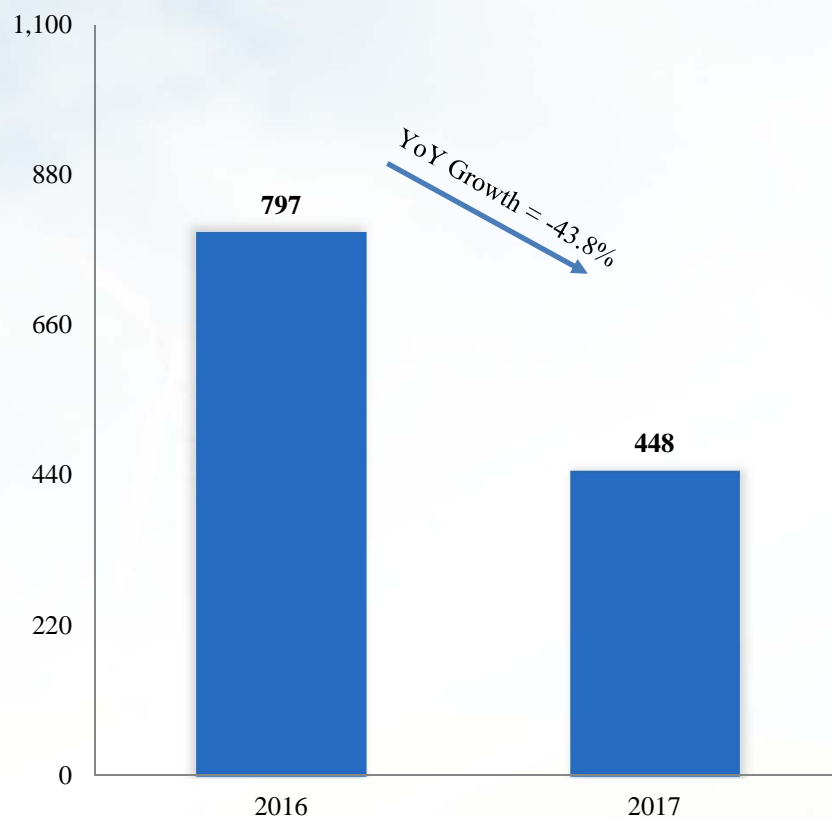
1 Adjusted EBITDA excludes other net income, adds back non-recurring impairments, includes coal sales

2017 Coal Power Business Results (Cont.)

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

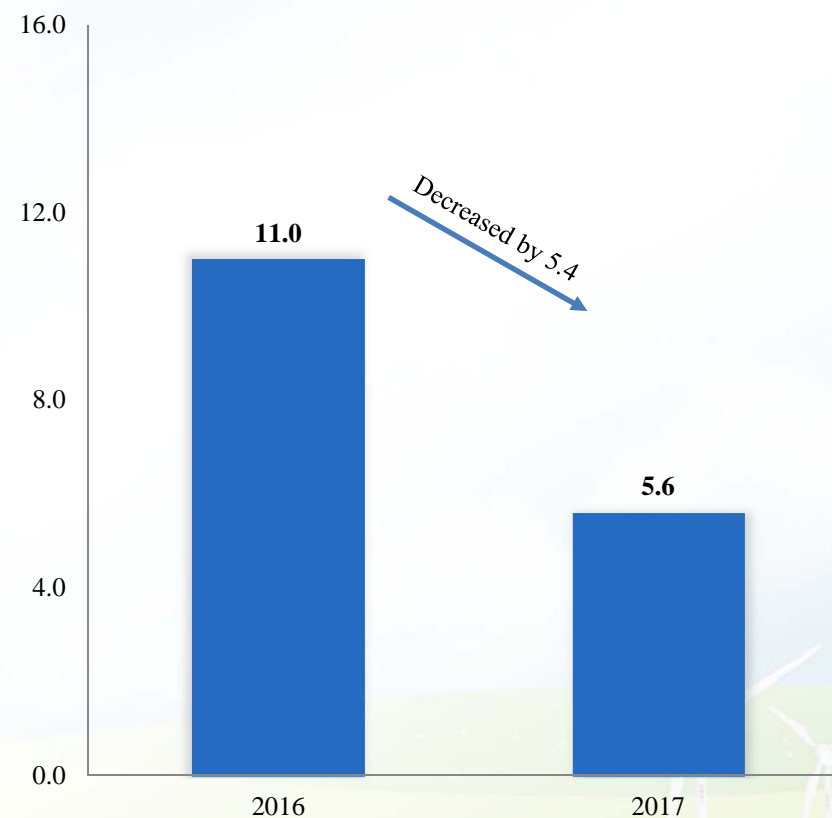
Adjusted Operating Profit ⁽¹⁾

(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

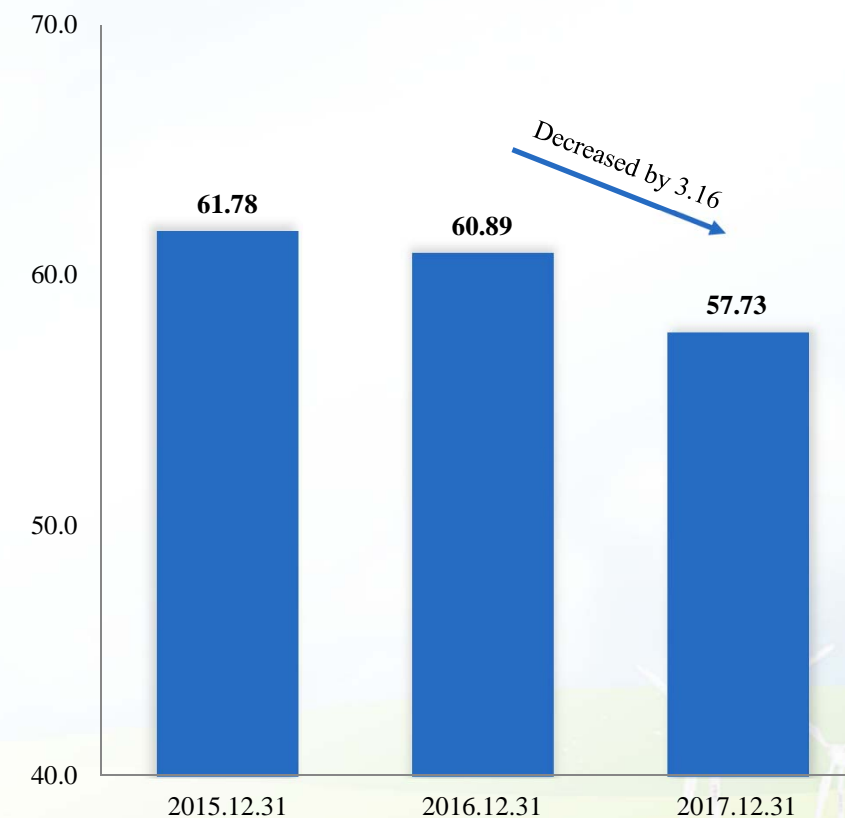
Key Data in Balance Sheet

(RMB MM)

	2017-12-31	2016-12-31	YoY
Bank Deposit and Cash	5,072	1,905	166.2%
Short-term Borrowings	35,774	44,472	-19.6%
Long-term Borrowings	41,620	31,327	32.9%
Total Liabilities	92,336	90,874	1.6%
Net Asset	53,299	47,787	11.5%
Total Asset	145,635	138,661	5.0%

Net Gearing ⁽¹⁾

(%)



Note:

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



Section 4

2018 Outlook

Outlook of the Company

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited

**Insist on being led by Party building and
further the cultivation of a clean Party culture in a pragmatic manner,
Advance the operation of the enterprise in compliance with laws and endeavor
to fully implement the running of Party in strict discipline**

**Committed to enhancing quality and efficiency in a comprehensive manner
and consolidate the foundation for safe production,
Strengthen asset operation and management and
continue to raise the operating level of stock assets**

**Uphold quality development concept and steadily develop quality resources,
Commence quality and premium construction
with a focus on enhancing the core competitiveness of the enterprise**

**Adhere to innovation-driven development and
innovate management system and mechanism,
Implement “enterprise prospers with help of talents” strategy
to expedite the development of world class construction**

**Insist on “building a long-lasting Longyuan” strategy
and create Longyuan characteristic enterprise culture,
Proactively fulfill social responsibility in an effort to
build Longyuan a harmonious and happy company**

Thank You

