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

2021 Annual Results Announcement

0956.HK&600956.SH

March 2022

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Agenda

01 | 2021 Industries Overview

02 | 2021 Business Review

03 | 2021 Financial Highlights

04 | Business Outlook

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SECTION 1

2021 Annual Results & Industries Overview

Operating Environment for the Wind Power&Photovoltaic Industry

- **(1) Steady expansion of renewable energy installed capacity and continuous growth of power generation**

- According to the statistics published by NEA, the nationwide power consumption in 2021 was 8,312.8 billion kWh, representing an increase of 10.3% as compared with 2020, an increase of 14.7% as compared with 2019 and a two-year average increase of 7.1%.

- In 2021, the newly installed grid-connected capacity of wind power in China was 47.57 million KW, of which the newly installed capacity of onshore and offshore wind power was 30.67 million KW and 16.90 million KW respectively, and total installed capacity reached 328 million KW, representing an increase of 16.6% as compared with 2020. The newly installed photovoltaic capacity was 54.88 million KW, and total installed photovoltaic capacity reached 306 million KW, representing an increase of 20.9% as compared with 2020.

- In 2021, the wind power generation was 652.6 billion kWh, representing an increase of 40.5% as compared with 2020, with 2,246 hours of wind power utilization, representing an increase of 149 hours as compared with 2020. The annual photovoltaic power generation was 325.9 billion kWh, representing an increase of 25.1% as compared with 2020, with 1,163 hours of photovoltaic power utilization for the year, representing an increase of 3 hours as compared with 2020.

Operating Environment for the Wind Power&Photovoltaic Industry

- **(2) Utilization of renewable energy remained at a high level**
- In 2021, the utilization of renewable energy in China remained at a high level, of which, the wind power utilization rate was 96.9%, representing an increase of 0.4 percentage point as compared with 2020. The photovoltaic power utilization rate was 98%, generally remaining at the same level as the utilization rate in 2020.

Operating Environment for the Wind Power&Photovoltaic Industry

- **(3) In October 2021, the State Council issued the "Action Plan for Peak Carbon Emissions by 2030" (《2030年前碳達峰行動方案》)(the "Plan").**

- The Plan points out that the main objectives of the "14th Five-Year Plan" period are: to make significant progress in the adjustment and optimization of the industrial structure and energy structure, to significantly improve the efficiency of energy use in key industries, to strictly control the growth of coal consumption, to accelerate the construction of new power systems, to make new progress in the research and development of green and low-carbon technologies and promote their application, to promote green production and lifestyle, and to further improve the policy system conducive to green, low-carbon and circular development. By 2025, the proportion of non-fossil energy consumption will reach about 20%, energy consumption per unit of GDP will decrease by 13.5% compared to 2020, and carbon dioxide emissions per unit of GDP will decrease by 18% compared to 2020, laying a solid foundation for achieving carbon peaking.

- The Plan specifies the vigorous development of new energy. The large-scale and high-quality development of wind power and solar power eneration will be comprehensively promoted, and the construction of wind power and photovoltaic power generation bases will be accelerated with a parallel development of centralized and distributed forms. The innovation and upgrade of the intelligent photovoltaic industry and its special applications will be accelerated, the innovative "photovoltaic +" model and a diversified layout of photovoltaic power generation will be promoted. Insisting on development of both onshore and offshore projects, China will promote the coordinated and rapid development of wind power, improve the offshore wind power industry chain, and encourage the construction of offshore wind power bases. Solar thermal power generation will be actively developed, and wind, solar and thermal integrated renewable energy power generation bases will be established, with complementary regulation of solar thermal power generation and photovoltaic power generation and wind power. The renewable energy power consumption guarantee mechanism will be further improved. By 2030, the total installed capacity of wind power and solar power will reach more than 1.2 billion KW.

Operating Environment for the Wind Power&Photovoltaic Industry

- **(4)The "one-time solution to the historical gap in renewable energy subsidies" is an important measure to achieve the goal of carbon neutrality.**
- In the report on the 2021 Central and Local Draft Budgets reviewed at the Fifth Session of the 13th National People's Congress, it is proposed that budgetary expenditures of central government-managed funds for 2022 will reach RMB 807.134 billion, an increase of 98.8% over RMB 405.997 billion yuan in the 2021 budget document and 101.6% over RMB 400,331 billion in the implementation document. The increase in spending roughly matches the subsidy shortfall.
- The report calls for efforts to develop renewable energy and help address the funding shortfall in subsidies for renewable power generation.

Operating Environment for the Natural Gas Industry

- **(1) Steady growth of total demand for natural gas.**
- According to the statistics disclosed by the National Energy Administration and the NDRC, in 2021, 205.3 billion cubic meters of natural gas were produced, representing an increase of 8.2% as compared with 2020, an increase of 18.8% as compared with 2019 and a two-year average increase of 9.0%; 121.36 million tons of natural gas were imported, representing an increase of 19.9% as compared with 2020. In 2021, the national apparent consumption of natural gas amounted to 372.6 billion cubic meters, representing an increase of 12.7 % as compared with 2020.

Operating Environment for the Natural Gas Industry

- **（2）On 9 June 2021, NDRC issued the "Administrative Measures for the Price of Natural Gas Pipeline Transmission (Provisional)" (《天然氣管道運輸價格管理辦法（暫行）》) (the "Administrative Measures for Price") and the "Measures for the Supervision and Examination of Pricing Cost of Natural Gas Pipeline Transmission (Provisional)" (《天然氣管道運輸定價成本監審辦法（暫行）》) (the "Measures for Supervision and Examination of Cost").**

- The Administrative Measures for Price clarify the pricing principles, pricing methods and pricing procedures for cross-provincial natural gas pipeline transmission prices. The Measures stipulate that the cross-provincial natural gas pipeline transmission prices shall be set in accordance with the principle of "permitted cost plus reasonable return"; the cross-provincial natural gas pipelines are categorized into four price regions, with transmission rates being approved separately for each region; and the approved rate of return shall be adjusted dynamically.

- The Measures for Supervision and Examination of Cost clarify the scope and approval methods of pricing costs and specify the depreciation period of major fixed assets, further strengthening the supervision of pricing costs in the monopolistic industry. The extension of the depreciation and amortisation periods is in line with the characteristics of the industry and the actual use and economic life of the assets, which can reduce the current depreciation and amortization expense, and is conducive to reducing the level of current pipeline charges, which in turn will help reduce the cost of gas consumption.

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SECTION 2

2021 Business Review

2021 Operating Data Overview

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Wind Power

- Consolidated gross power generation increased by 36.31% to 13.469 billion kWh.
- Utilization hours increased by 81 hours to 2,501; availability rate was 97.94%, down 0.4 ppt. accumulative installed capacity under management of 5,869.45 MW
- Consolidated installed capacity was 5,673.85 MW, increased by 350MW yoy. Accumulative installed capacity under management of 5,869.45 MW. Commercial operation project capacity was 5,363.15MW, increased by 1,111MW yoy.
- The total designed capacity of projects under construction was 501 MW.
- Approved capacity increased by 565.8 MW, and the accumulative approved capacity of projects not yet commenced was 1,590.6 MW. Agreed wind power capacity increased by 5,100 MW and the accumulated agreed wind power capacity was 49,102.5 MW.

Natural Gas

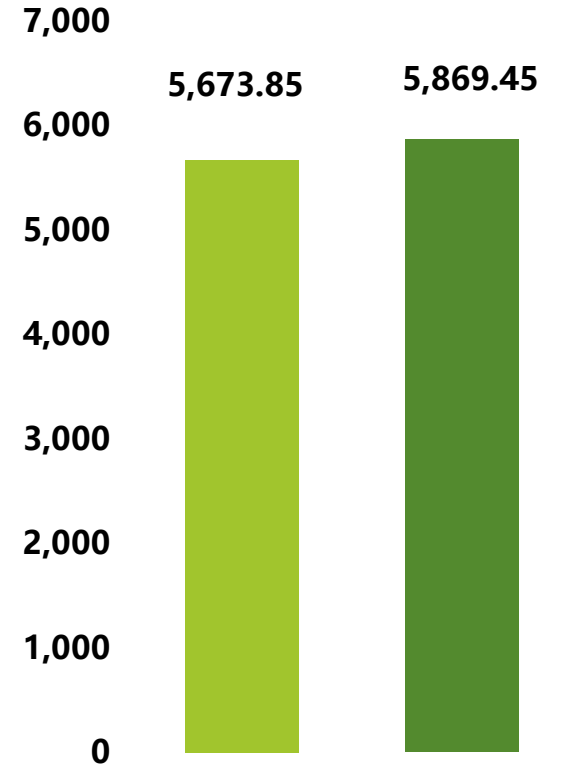
- Natural gas sales volume was 3.808 billion cubic meters, up 8.03% yoy.
- In 2021 Group operated pipeline increased by 1,102.98km to 7,604.75 km which includes 1,059.42 km of long-distance transmission pipeline and 6,545.33 km of city gas pipeline.
- The Group vigorously developed its terminal user and resulted in an increase of 50,082 customers from different categories. By the end of 2021, the Group had an aggregate of 480,936 customers.

Photovoltaic Power

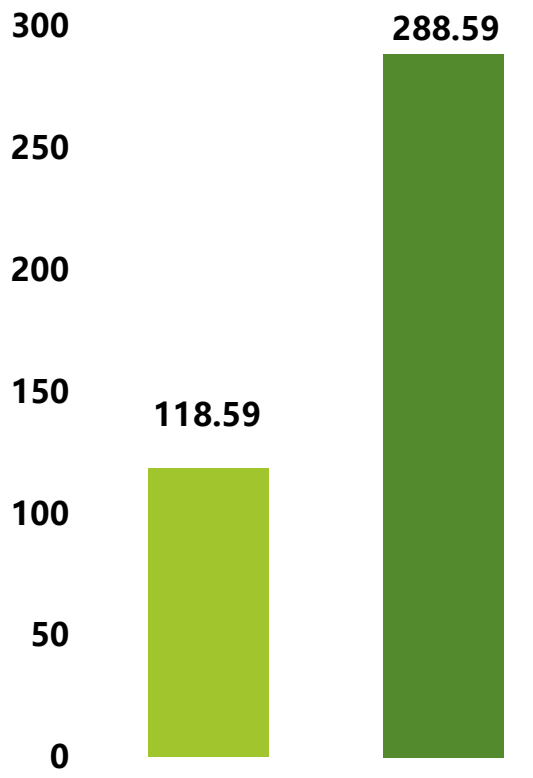
- Accumulated operating capacity was 118.59 MW and accumulated installed capacity under management of 288.59 MW.
- Power generation was 165 million kWh with 1,395 utilization hours.
- Approved capacity of photovoltaic projects increased 234.7 MW, and the accumulative approved capacity of projects not yet commenced was 494.7 MW.
- Aagreed capacity of photovoltaic projects increased by 4,850 MW and the accumulated agreed capacity of photovoltaic projects was 12,199 MW.

Wind Power Segment Review

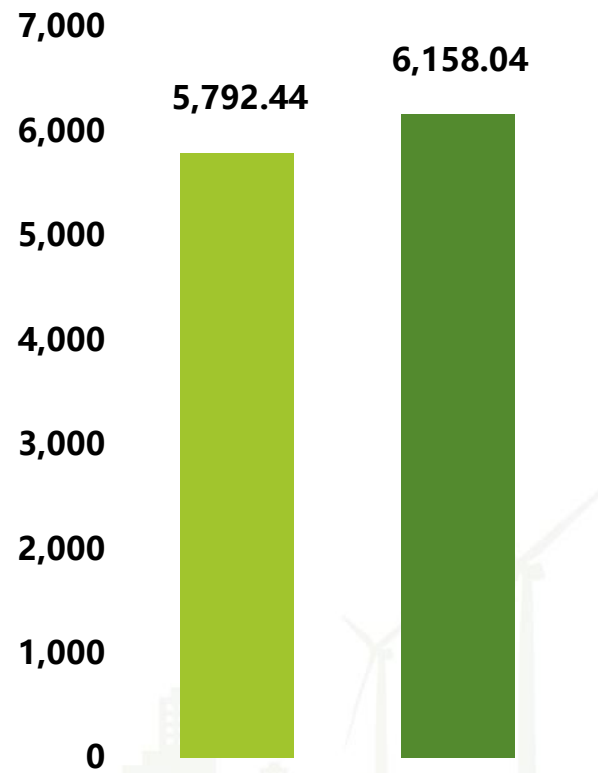
Wind Power Installed Capacity



Photovoltaic Installed Capacity



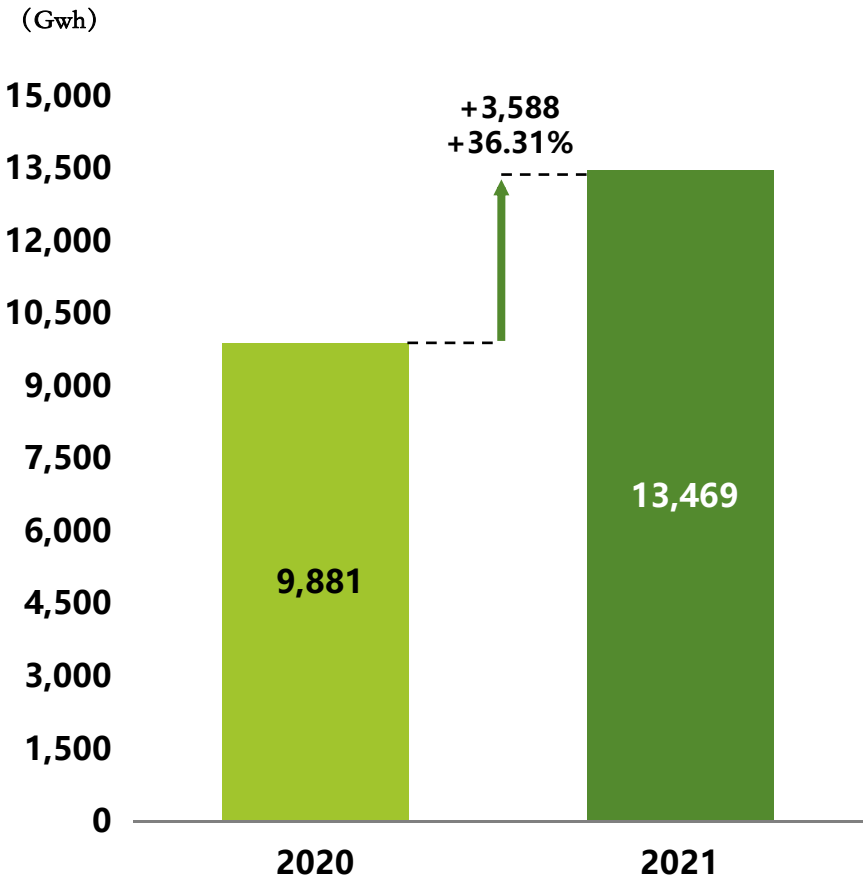
Total Installed Capacity of New Energy



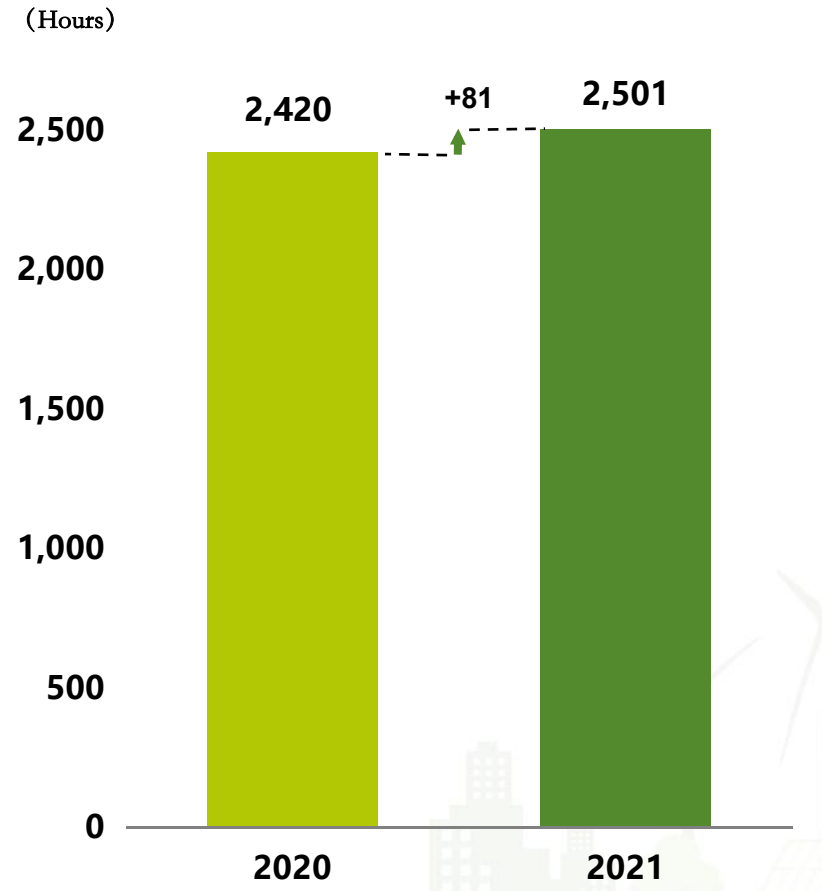
Consolidated installed capacity　　Managing installed capacity

Wind Power Segment Review (Con't)

Consolidated Gross Power Generation(1)



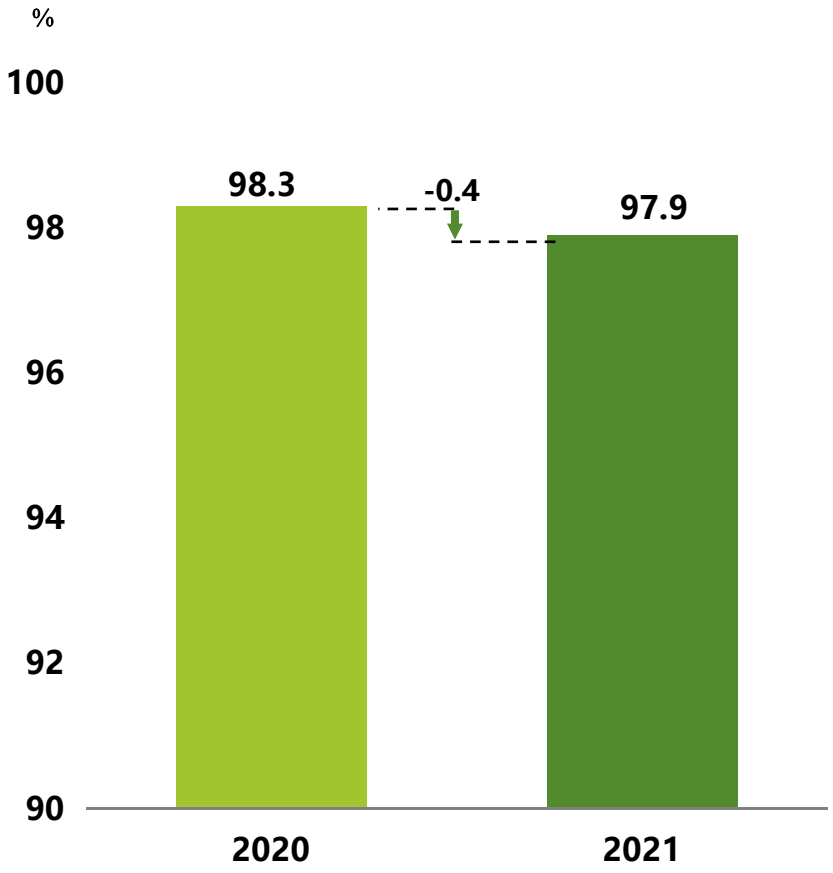
Average Utilization Hours



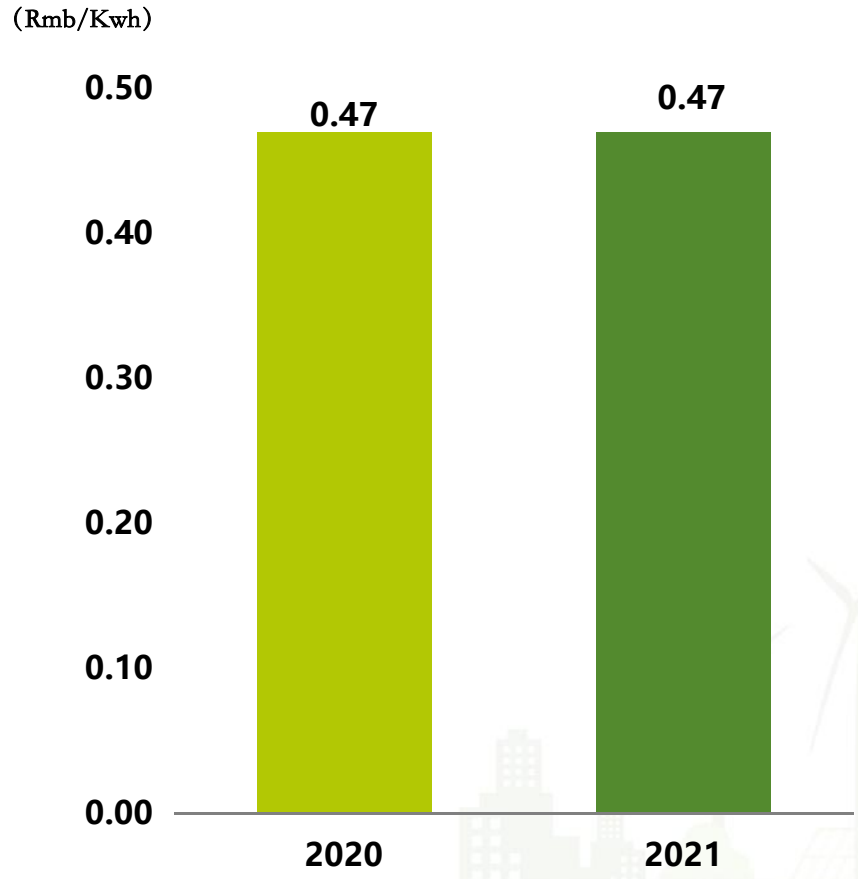
Notes
1.Including trial run period generations

Wind Power Segment Review (Con't)

Availability Factor (1)



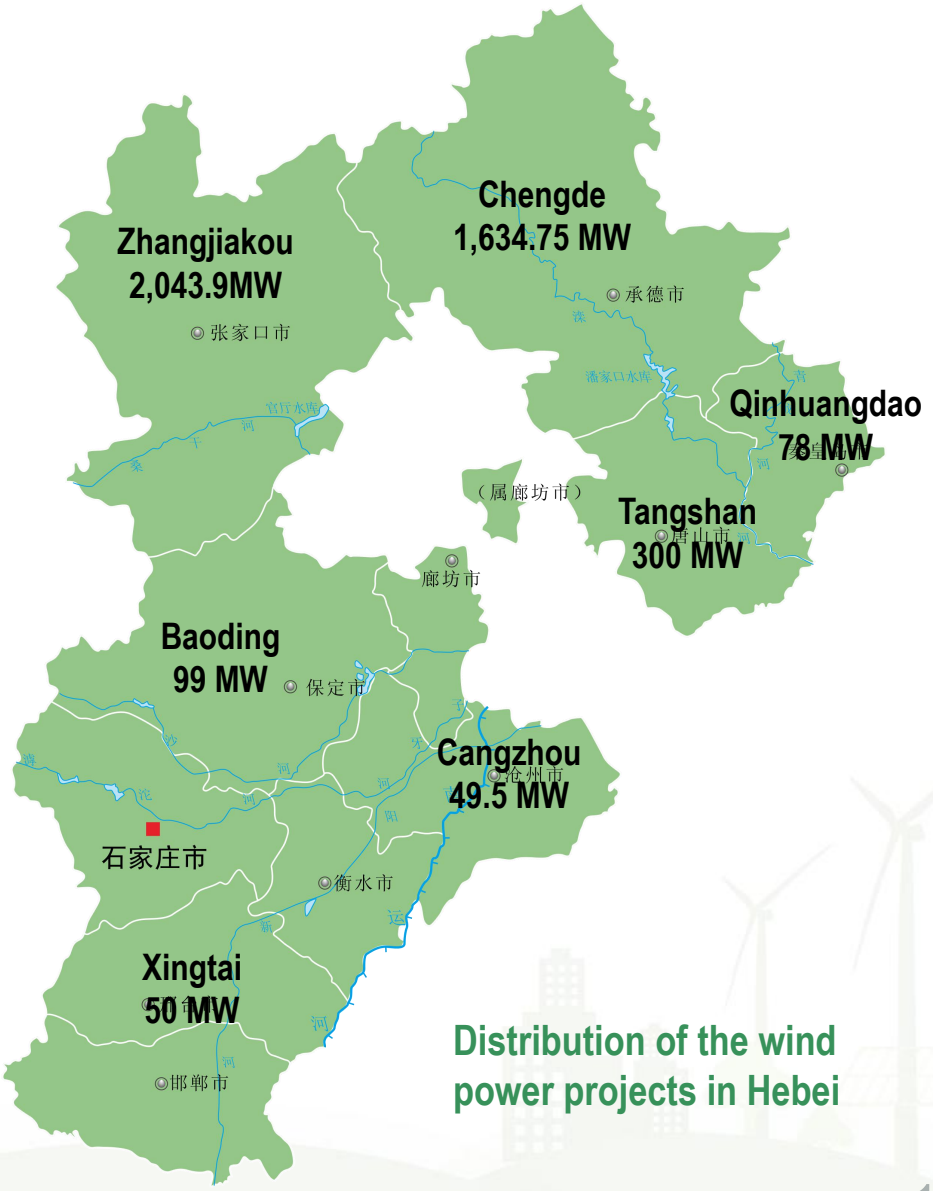
Average On-grid Tariff (VAT excluded)



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

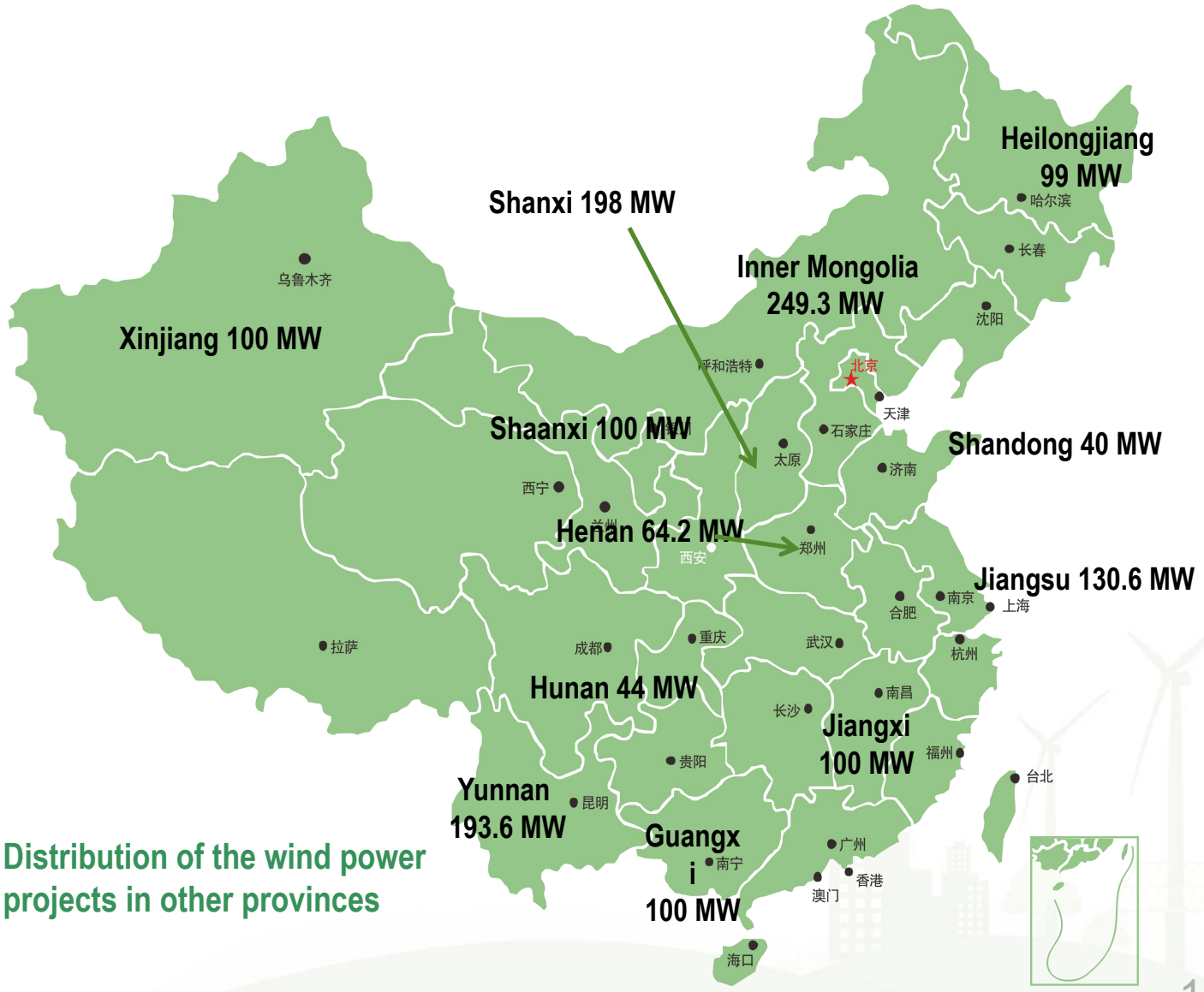
- In 2021, the Group's approved capacity increased by 565.8 MW, and the accumulative approved capacity of projects not yet commenced was 1,590.6 MW. The agreed wind power capacity increased by 5,100 MW and the accumulated agreed wind power capacity was 49,102.5 MW
- New consolidated installed capacity of wind power in 2021 was 350MW, of which 215.5 MW was installed within Hebei.
- Accumulative consolidated installed capacity in Hebei was 4,255.15MW, accounted 75% to the group.



Distribution of the wind power projects in Hebei

Wind Power Projects in Other Provinces

- In 2021, new consolidated installed capacity in other provinces was 134.5MW.
- By the end of 2021, accumulative consolidated installed capacity in other provinces was 1,418.7 MW, accounted 25% to the group.



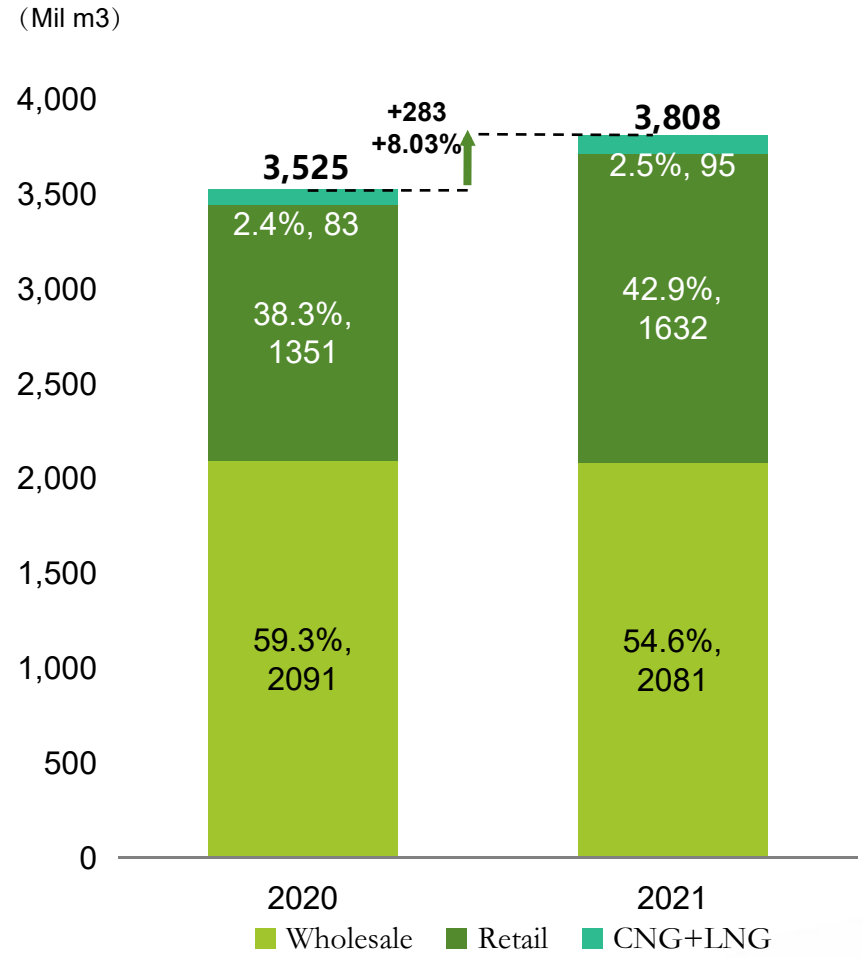
Distribution of the wind power projects in other provinces

Photovoltaic Projects

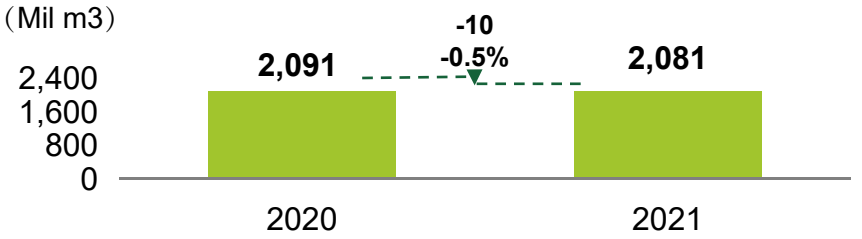
- The Group's approved capacity of photovoltaic projects increased 234.7 MW, and the accumulative approved capacity of projects not yet commenced was 494.7 MW.
- New photovoltaic power generation projects with capacity of 900 MW were included in the governmental development and construction plans.
- The agreed capacity of photovoltaic projects increased by 4,850 MW and the accumulated agreed capacity of photovoltaic projects was 12,199 MW.

Natural Gas Segment Review

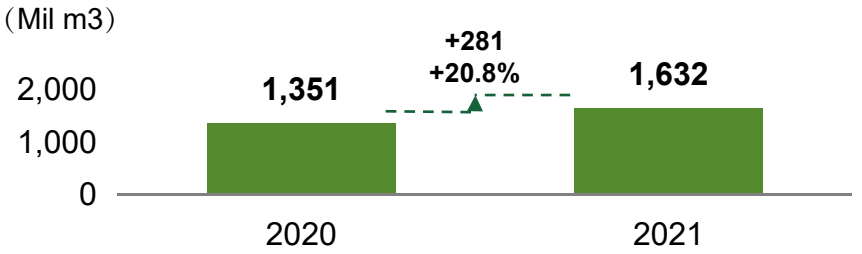
Gas Sales Volume



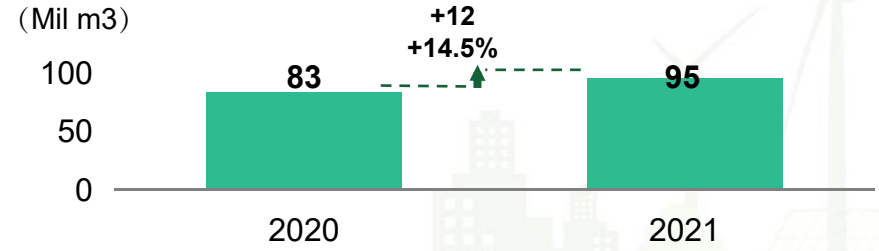
Wholesale



Retail

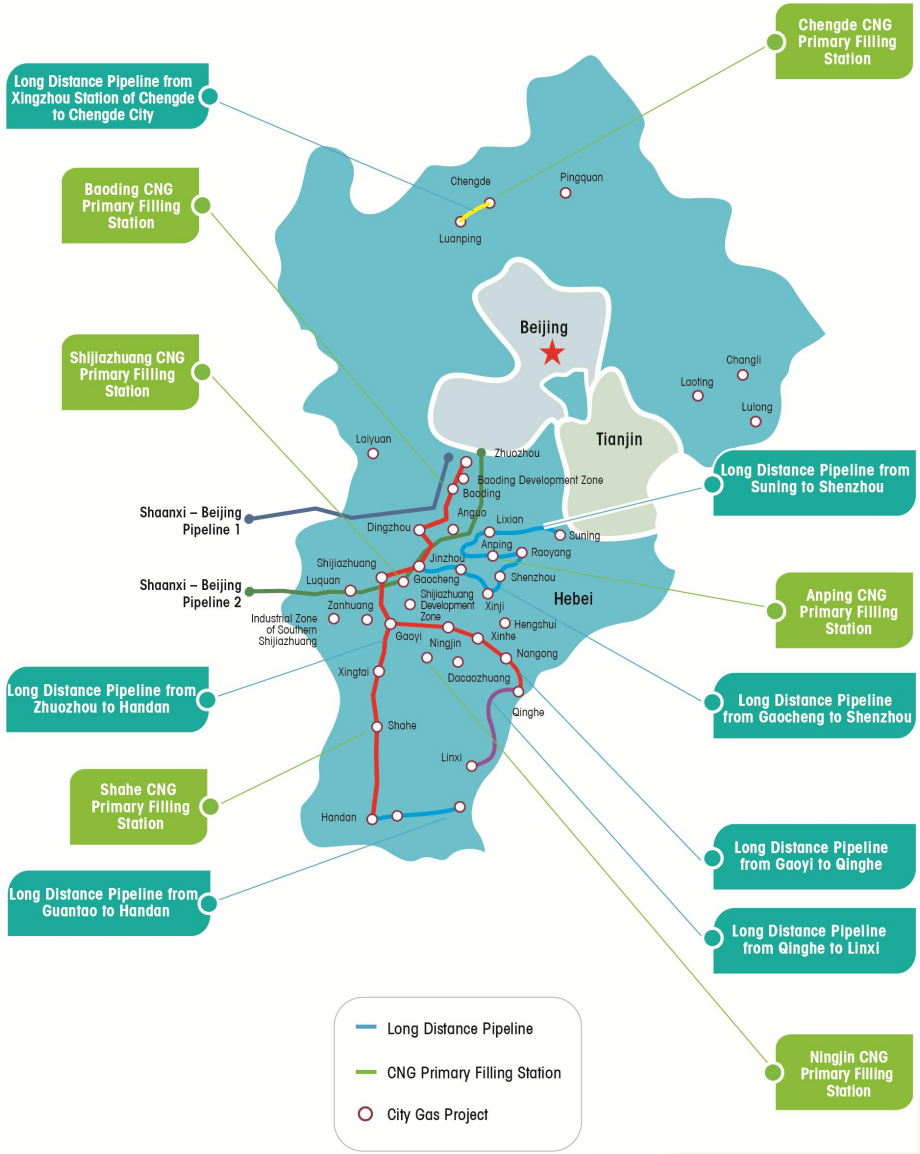


CNG+LNG



Natural Gas Segment Review (Con't)

Distribution of Natural Gas Projects

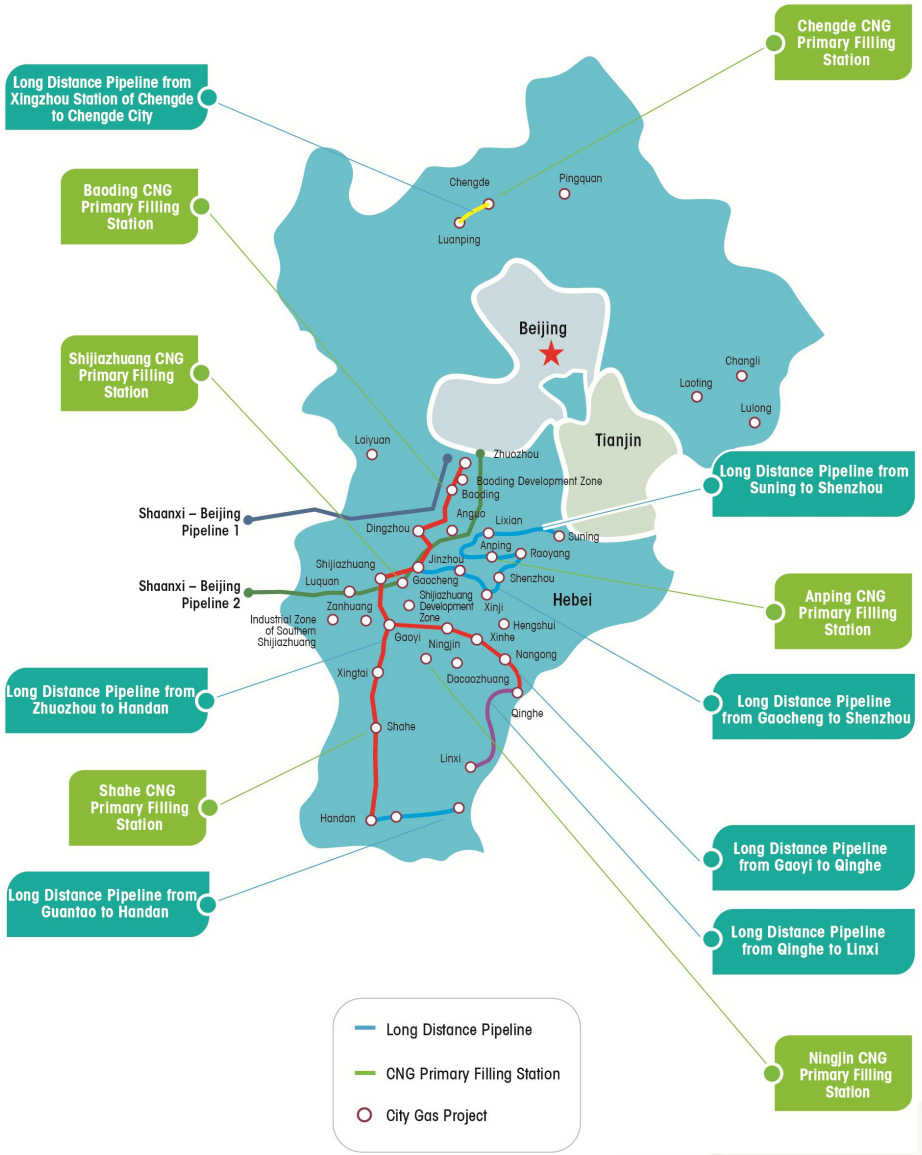


Actively promotion of the construction of infrastructural projects

- The Group's natural gas pipelines increased by 1,102.98 kilometers in 2021. As at 31 December 2021, the Group operated pipelines with a total of 7,604.75 kilometers, including 1,059.42 kilometers of long-distance transmission pipelines and 6,545.33 kilometers of city gas pipelines.
- During the Reporting Period, the Connection Line Project of Sinopec Erdos-Anping-Cangzhou Gas Pipeline and Beijing-Handan Gas Pipeline was completed and put into operation; the Zhuozhou-Yongqing Transmission Pipeline Project has met production conditions; the full line of the "Jingshihan" Dual Track Gas Pipeline Project was connected; the Shahe LNG Gas Storage Peak Capacity Project commenced construction; and the Zanhuang County Sub-high Pressure (Gate Station-County City) Natural Gas Pipeline Project completed 7 kilometers of line welding.

Natural Gas Segment Review (Con't)

Distribution of Natural Gas Projects



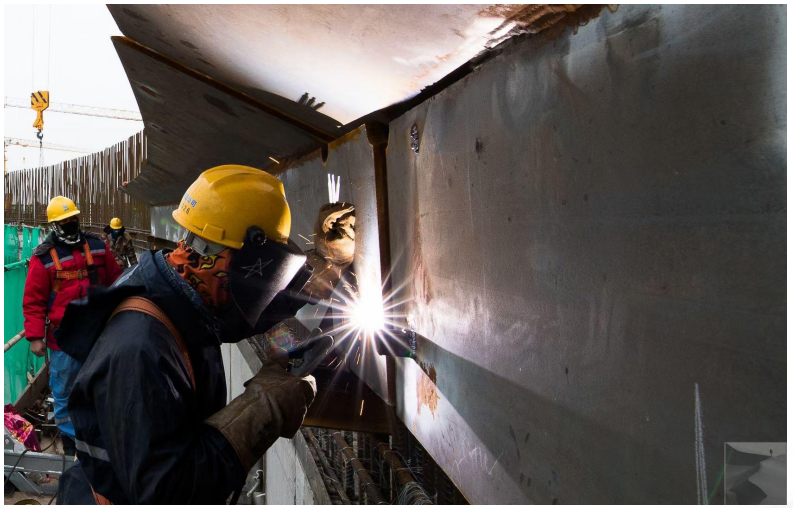
Continuous exploration of midstream and downstream natural gas markets

- Leveraging on its newly operating pipelines, the Group vigorously developed its end user base of natural gas and resulted in an increase of 50,082 customers. As at 31 December 2021, the Group had an aggregate of 480,936 customers.

- The Group steadily promoted the development of regional markets. Changes in some construction of the Luquan-Jingxing Gas Transmission Pipeline Project and the Coastal Gas Transmission Pipeline (Cangzhou section) have obtained the approvals from the Hebei Development and Reform Commission, and the Jinghan Pipline LNG Gas Storage Peak Capacity Station Project has obtain approval of the Xingtai Municipal Examination and Approval Bureau.

- The acquisition of 67% equity interests in Xingtai Tianhongxiang Gas Co., Ltd. was completed, obtaining a controlling operation in the southern area of the Xingtai Economic Development Zone. The Group entered into the equity transfer agreement for the acquisition of 80% equity interests in Shijiazhuang Jiecheng Natural Gas Trading Co., and it will obtain a controlling operation in a part of the Gaocheng District in Shijiazhuang.

Natural Gas Segment Review——TangShan LNG



- **Phase I:**

(1)Wharf construction:Completed box girder installation and bridge deck paving work;

(2)receiving station project: Completed the topping up of 4 storage tanks, completed 75% of the welding of inner tanks,and the installation unit has entered the site for steel structure installation;

- **Phase II**
- Completed construction of the pile foundations of 1#, 2#, 5# and 6# storage tanks, and completed construction of the bearing platform of 2# storage tank.

- **Outbound Pipelines Project**

The welding of the main body of the Tangshan LNG Terminal Outbound Pipelines Project (Caofeidian-Baodi section and Baodi-Yongqing section) was completed.

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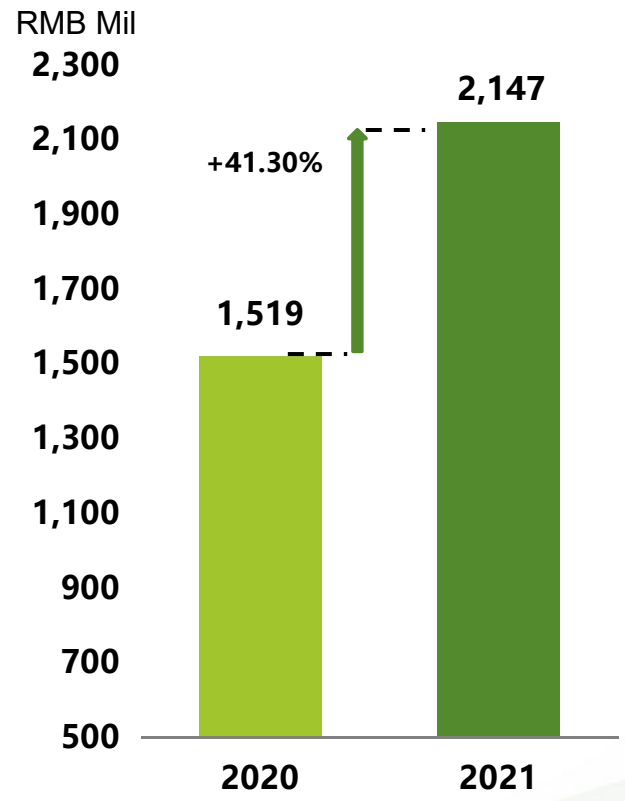
SECTION 3

2021 Financial Highlights

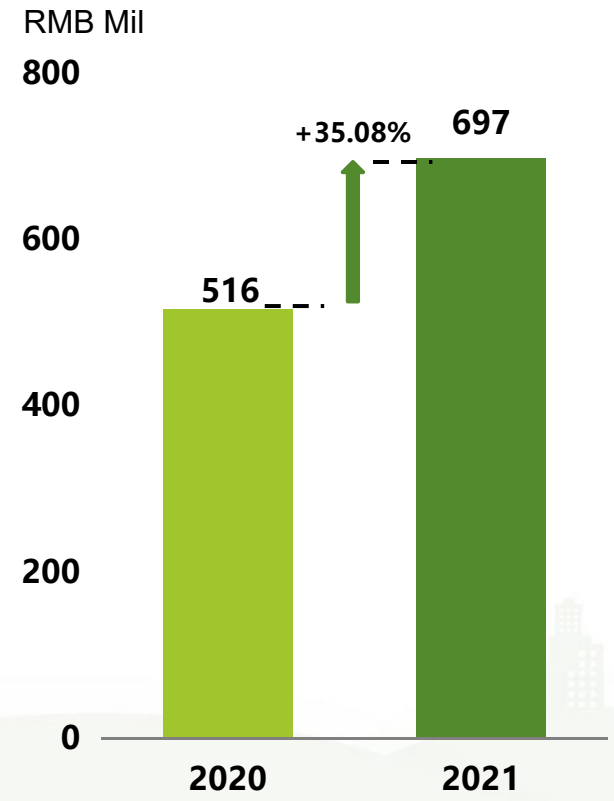
Results Highlights

- **Net Profit After Tax** of Wind and Photovoltaic power segment was RMB 2.147 billion, up 41.3% yoy.
- **Net Profit After Tax** of Natural Gas segment was RMB 697 million,up 35.08% yoy.

Net Profit After Tax of Wind and Photovoltaic Power Segment

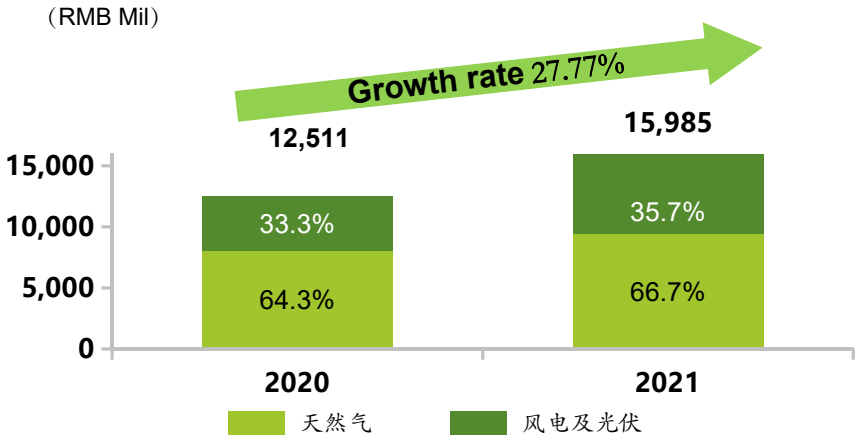


Net Profit After Tax of Natural Gas Segment

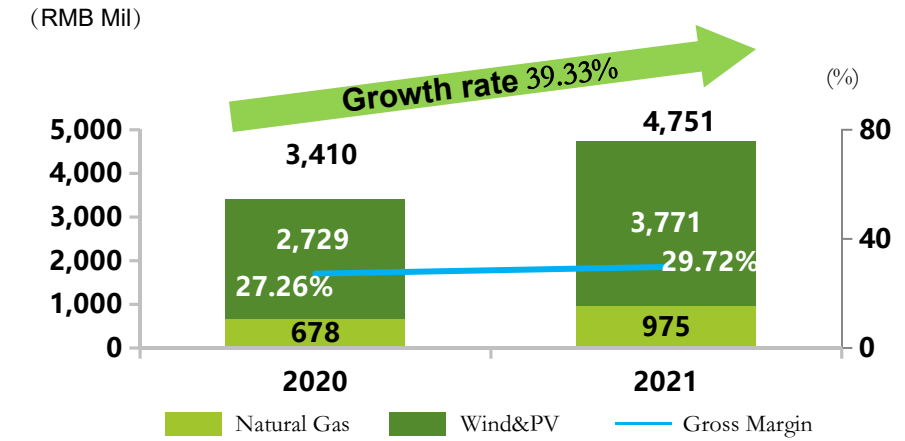


Group Financial Highlights

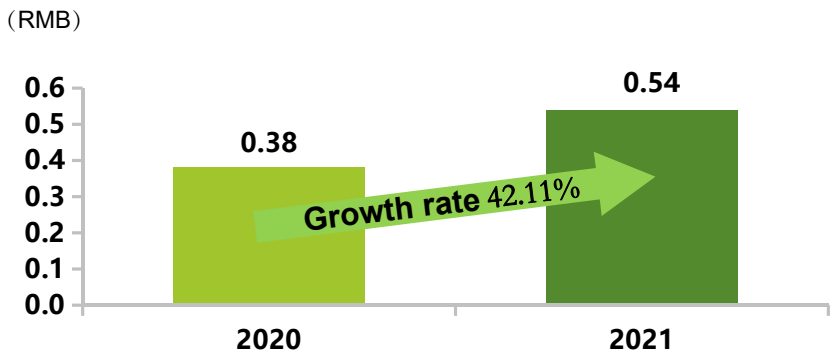
Revenue



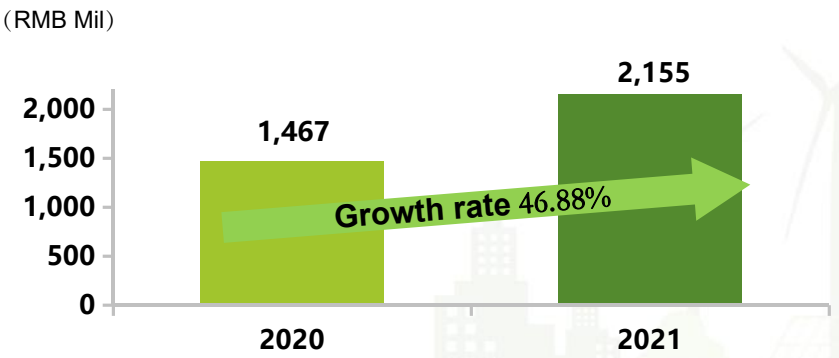
Gross Profit&Margin



EPS

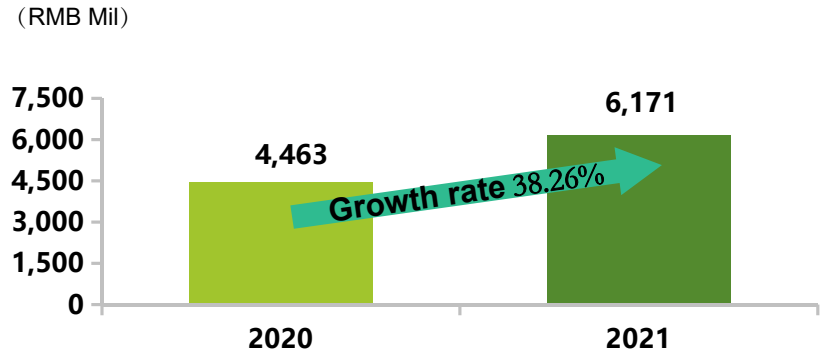


Recurring Net Profit

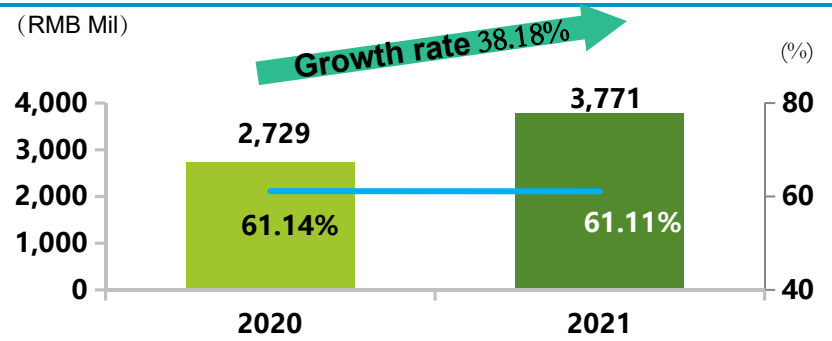


Wind and Photovoltaic Segment Financial Highlights

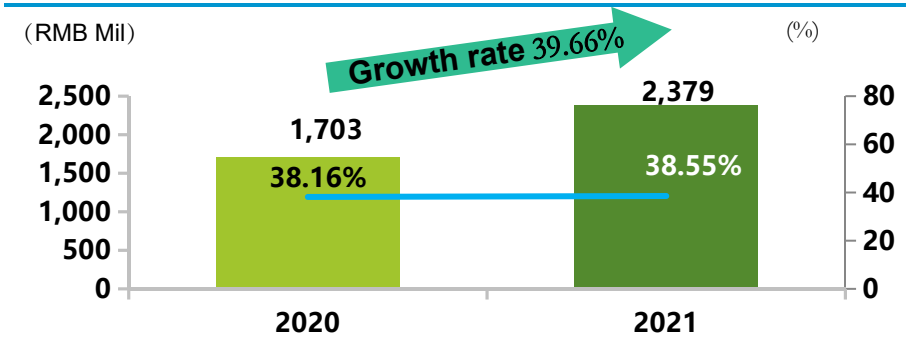
Revenue



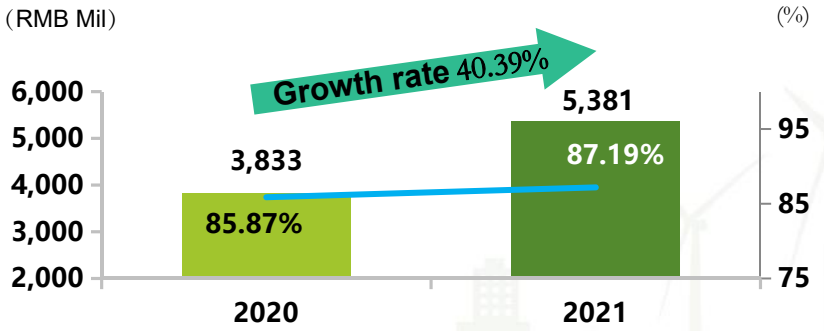
Gross Profit



Operating Profit

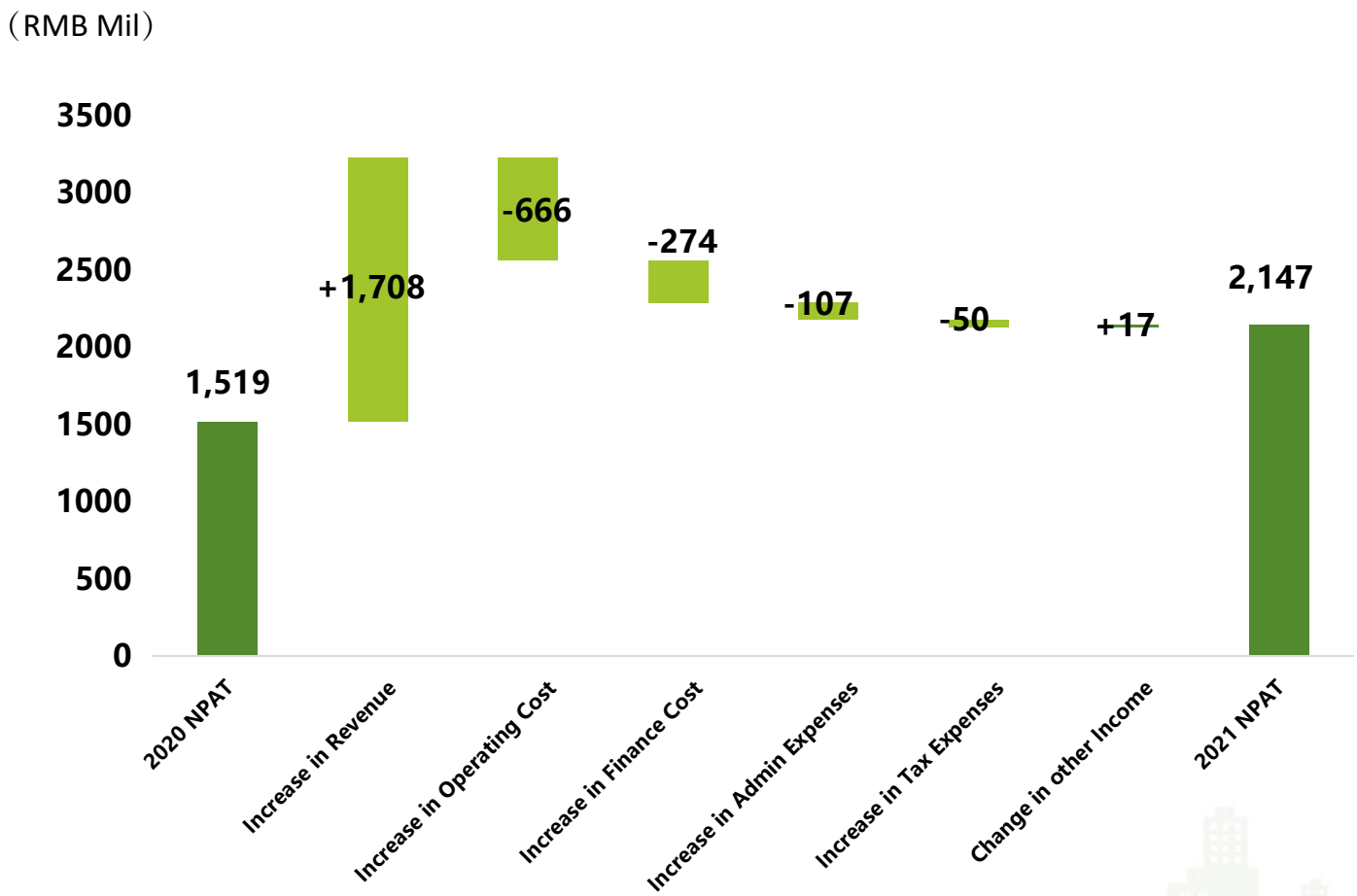


EBITDA (1)



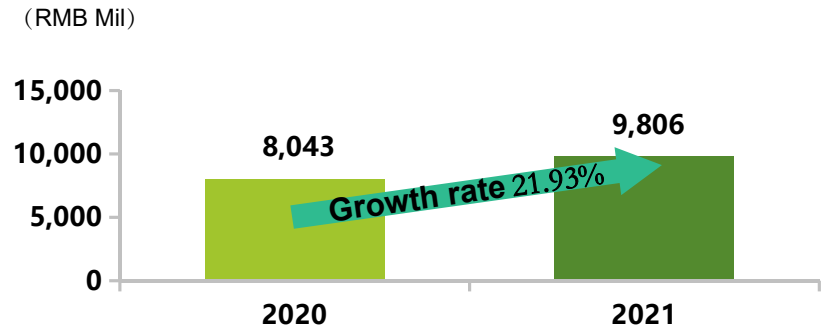
Note:
1. Including other revenue such as CER revenue, VAT refund, and bank interest income, excluding share of profit from associates

Wind and Photovoltaic Segment NPAT Analysis

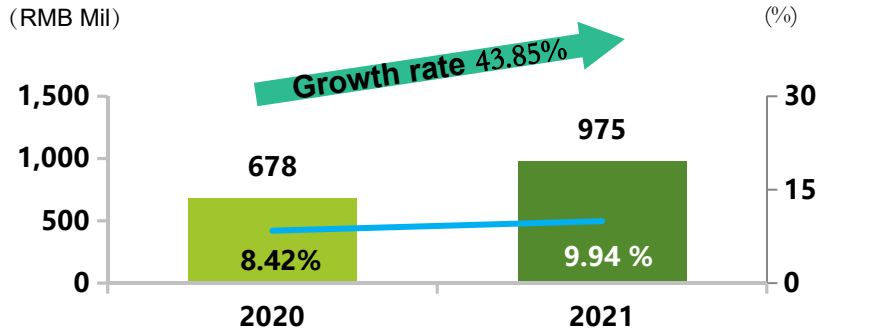


Natural Gas Segment Financial Highlights

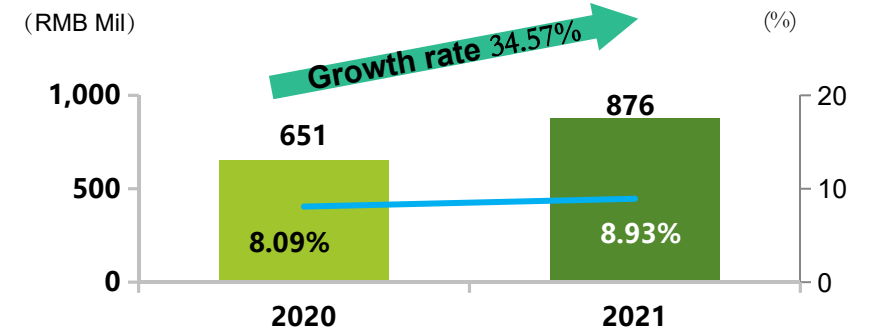
Revenue



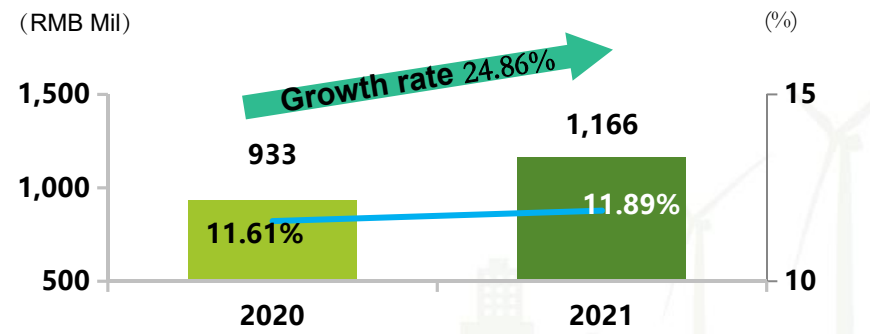
Gross Profit



Operating Profit

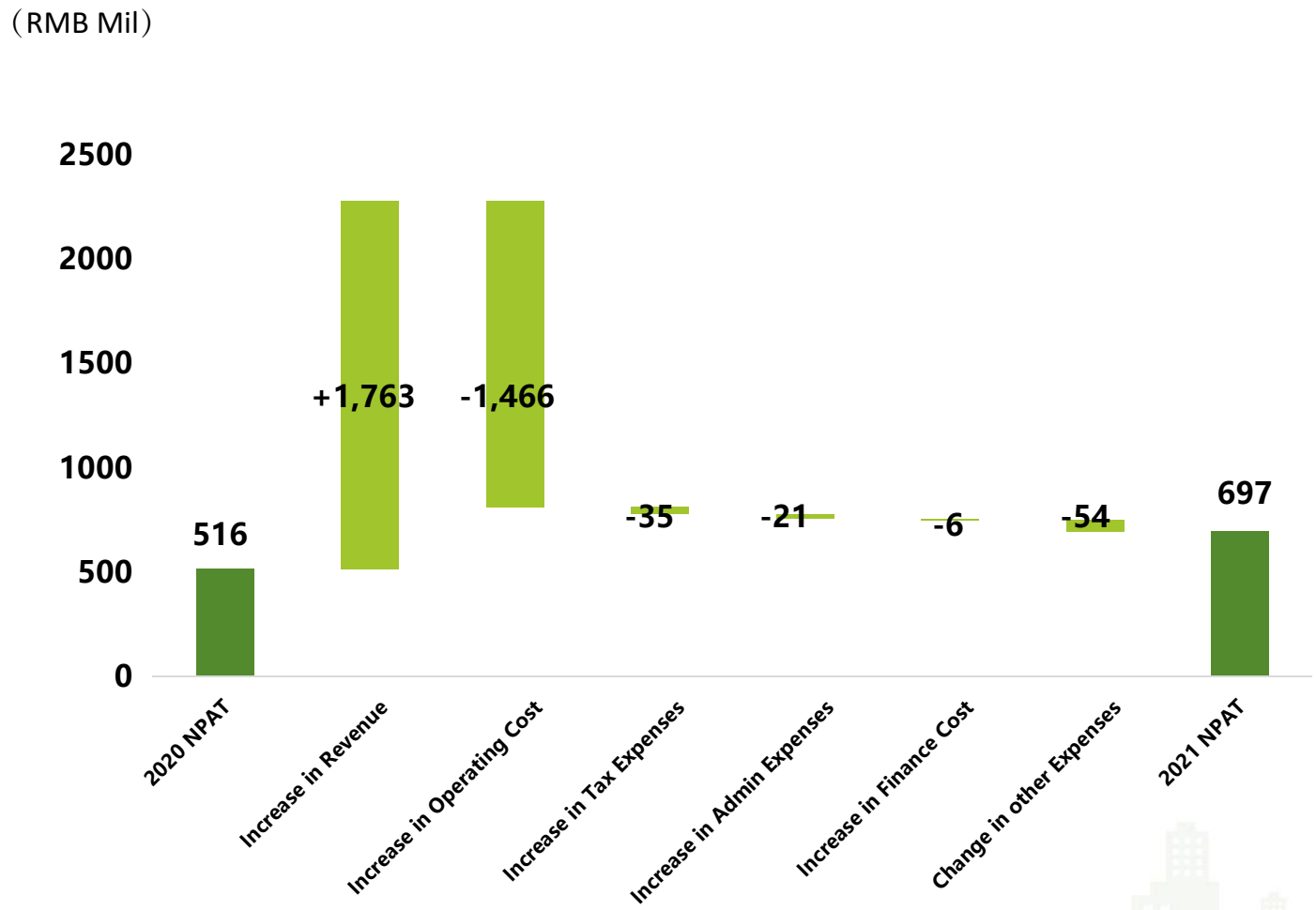


EBITDA (1)



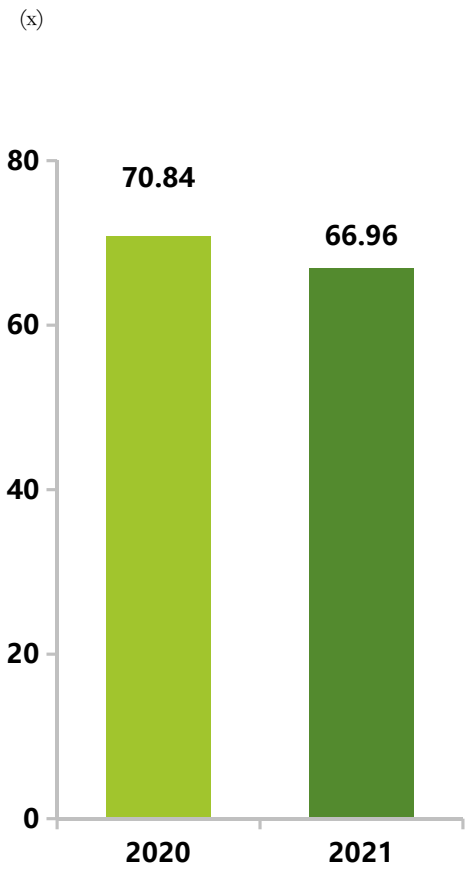
Note
1. Including other revenue, but excluding share of profit from associates

Natural Gas Segment NPAT Analysis

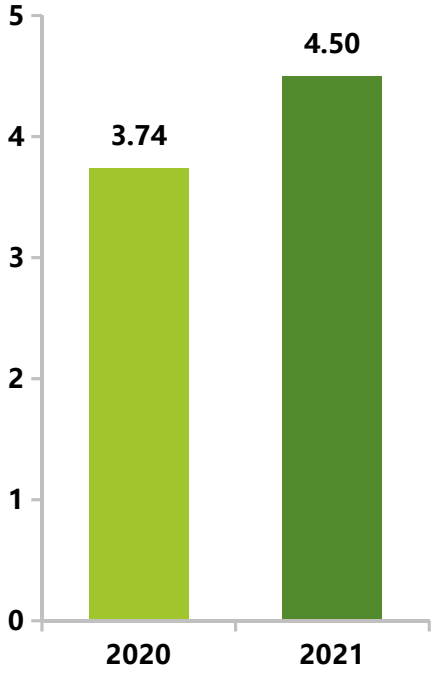


Capital Structure

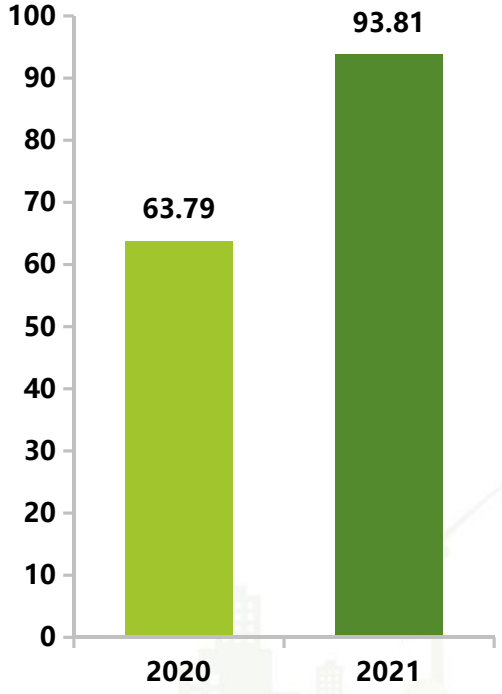
Total Liabilities / Total Assets



Interest Coverage (EBITDA/Finance Cost)



Current Ratio



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SECTION 4

Business Outlook

Development strategies of the Company

In respect of **new energy segment,** we will, by adhering to the principle of large-scale regional development, further broaden our development ideas, diversify our development models and keep a close eye on project deployment. During the 14th "Five-Year Plan" period, the Company will devote greater effort and diversify our measures to seize the market. We will emphasize on both quality and quantity when hoarding resources, with the aim to find the best quality resources and boost the risk resistance of projects. We strive to realize installed capacity of new energy of 10 million kWh by the end of the 14th "Five-Year Plan" period.

In respect of **natural gas segment,** we will seize the strategic opportunities derived from the national reform in natural gas segment and fully utilize our geographical advantages to enhance our relative strength in the clean energy business segment in the province. By expediting the development of upstream, midstream and downstream business, we will further strengthen our industrial chain expansion to allow their balanced and parallel development. In respect of upstream business, we will keep up the development pace of the Caofeidian LNG project to allow the project to put into operation and generate income as soon as possible. As for midstream business, we will adhere to the principle of "interconnection, interoperability and mutual protection" and, with respect to market demand, make progress in the interconnection and interoperability of pipeline networks within the province. With regard to downstream business, we will leverage on the strength of our existing pipeline network to expand urban gas projects within its coverage, thereby further unleashing the synergies between our pipeline resources and urban gas market. We strive to realize natural gas transmission volume of 8,300 million cubic meters by the end of the 14th "Five-Year Plan" period.

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Q&A