

China Ming Yang Wind Power Group Limited

Q4 & FY 2014 Results Overview



April 7, 2015



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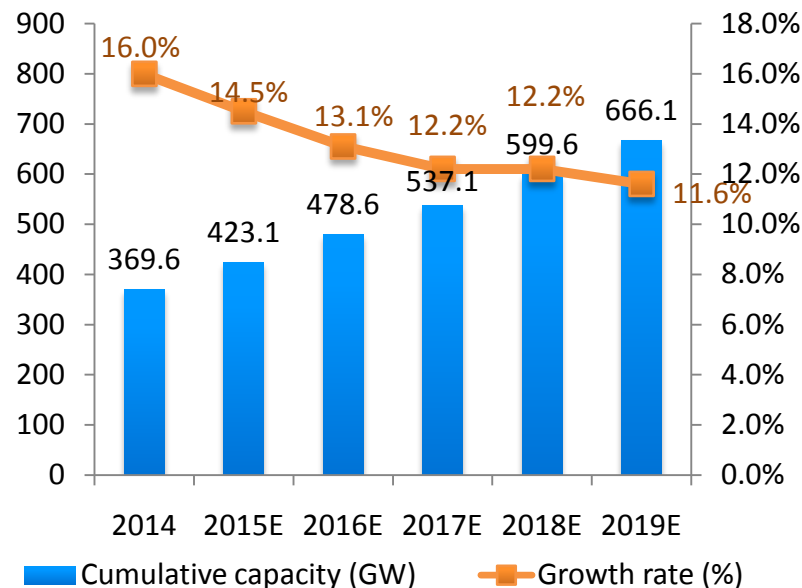
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Recovery in global wind power sector

2014: An exception year
Worldwide wind market **grew by 44%**

- Global annual installations reached **51GW**, up 44% yoy, exceeding GWEC's projection of 47GW and 50GW milestone
- Total cumulative installations stood at **369.6GW**
- Total investments in the wind energy sector reached a high of **US\$99.5b** during 2014, up 11% yoy
- Wind becomes a rapid maturing technology: **low-price, cost-stable, reliable**
- Growing concerns about climate change – COP 21 summit to be held in Paris in December 2015
- No evidence of negative impact from lower oil prices

Cumulative capacity to continue to enjoy
a double-digit growth



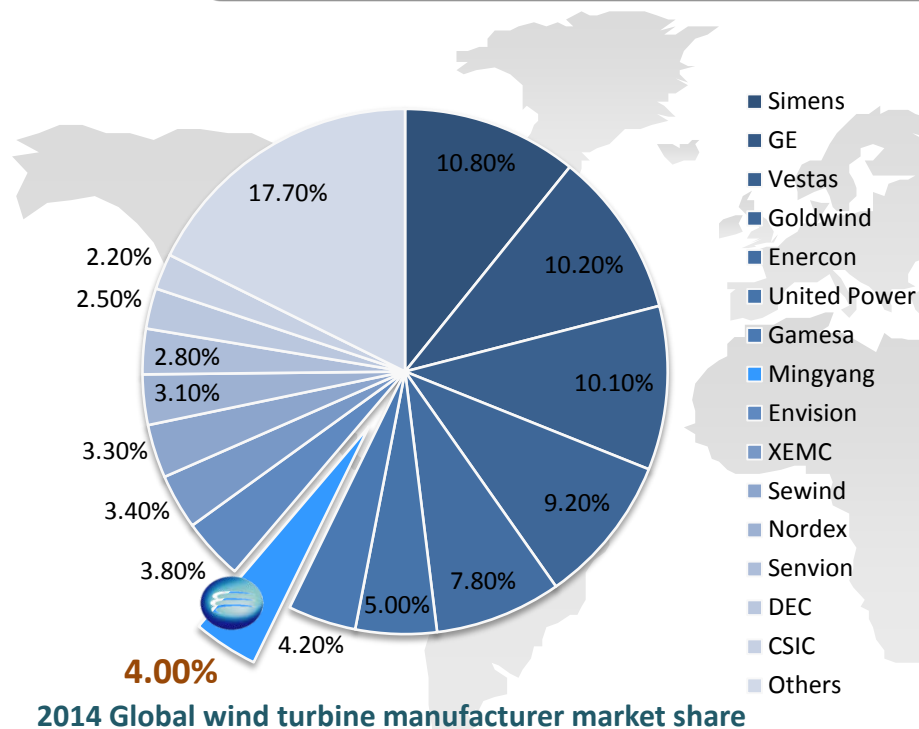
Global cumulative installed wind power capacity forecast

Increasing global market share in a growing sector

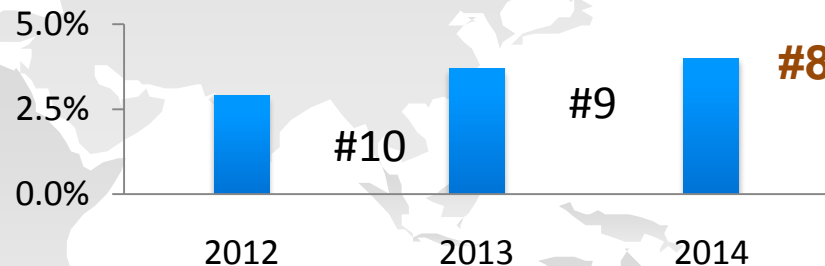


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Global market share based on total installations in 2014



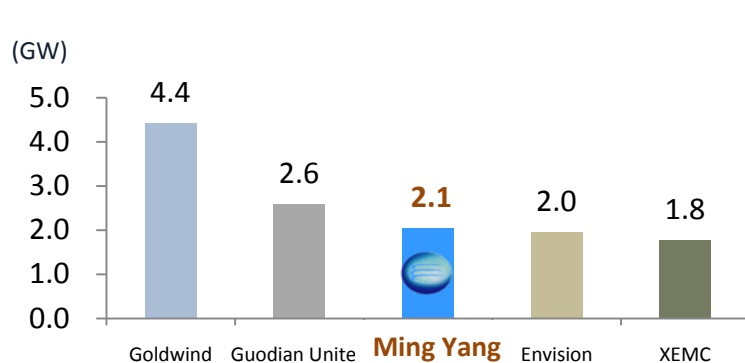
Global Market Share of MY 2014



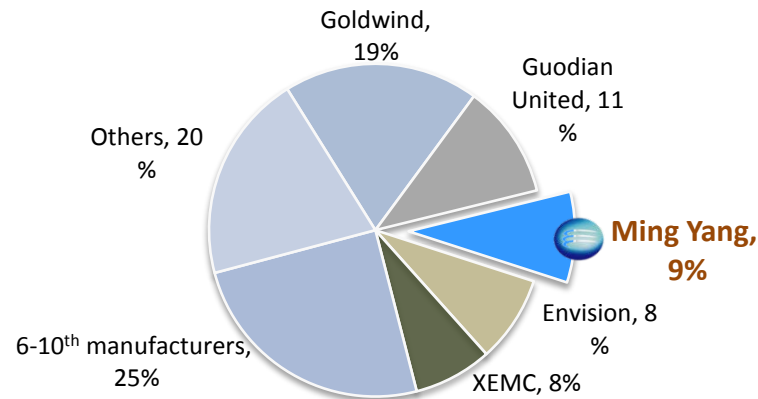
MY global ranking moved up from #9 to **#8**

#3 in China for two consecutive years

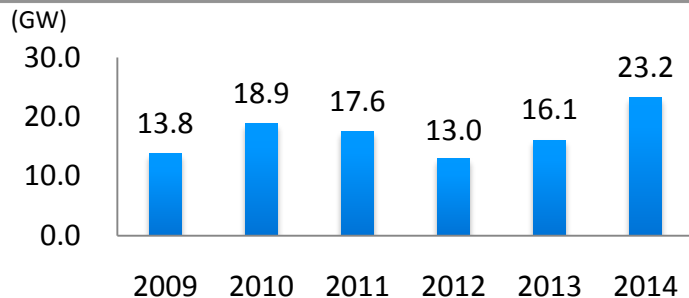
Market share based on 2014 new installations in China



Source: CWEA



China Annual Newly Installed Wind Energy Capacity and Roadmap 2050



Source: CWEA

		2020E	2030E	2050E
Basic Scenario	Total capacity	200GW	400GW	1TW
	New capacity / year	+17GW	+20GW	+30GW
Aggressive Scenario	Total capacity	300GW	1.2TW	2TW
	New capacity / year	+34GW	+90GW	+80GW

Source: Wind power scenarios, China Wind, Solar and Bioenergy Roadmap 2050

Industry highlights



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Strong macro environment with great market potential

- China's cumulative installed wind power capacity stood at 114.6 GW, **exceeding government target** of 100GW by 2015
- Cumulative grid-connected wind power capacity rose 26% to **96.37GW** → 13th five-year plan target: **200GW** by 2020
- New grid-connected capacity in 2014 hit a record **19.81 GW**, **up 23.1% yoy**, according to National Energy Administration
- Wind power generation now accounted for 2.78% of China's total power generation; 7% of total new capacity in 2014
- Oil price and gas price movements have **no significant impact** on China wind market

- Electricity reform guideline: local grid companies need to give **priority** to electricity from renewable sources → goal: **Improve curtailment rate**
- Central government plans to set quota for provincial and regional governments: by 2016 **at least 2-10%** of electricity consumption will come from non-hydro renewable energy
- Wind resource-rich areas along the "**New Silk Road**" to enjoy tremendous infrastructure construction financing support
- Benchmark wind power on-grid prices in certain regions cut by RMB0.02/kwh, **better than expected**; wind farm operators likely to install more capacity before the next adjustment in 2016
- "**Enlighten Silk Road Economic Belt with Clean Energy**" – an effort from Chairman Chuanwei Zhang to boost wind energy sector as a member of National People's Congress

Growing demand driven by Favorable policies

Financial performance highlights

2014 - a year of inflection points for MY

Revenue
¥5,872m

Gross profit
¥813m

Adj. EBITDA
¥521m

Net profit
¥354m

4Q 2014 – an excellent quarter with record revenue

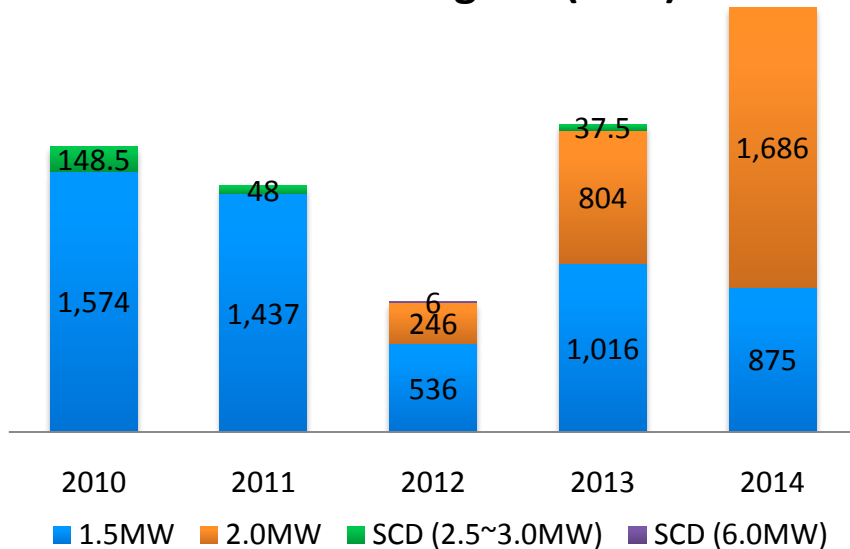
Revenue
¥1,996m

Gross profit
¥272m

Net profit
¥84m

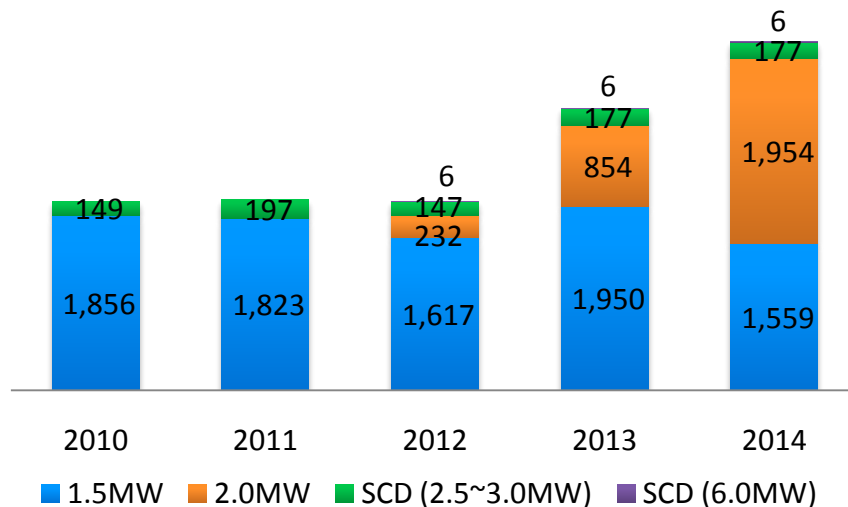
Operational performance

New orders signed (MW)



- Signed new orders **624MW** in 4Q 2014 and **2.5GW** during 2014
- Cumulative tender won **1.3GW** in 2014

Backlog overview (MW)

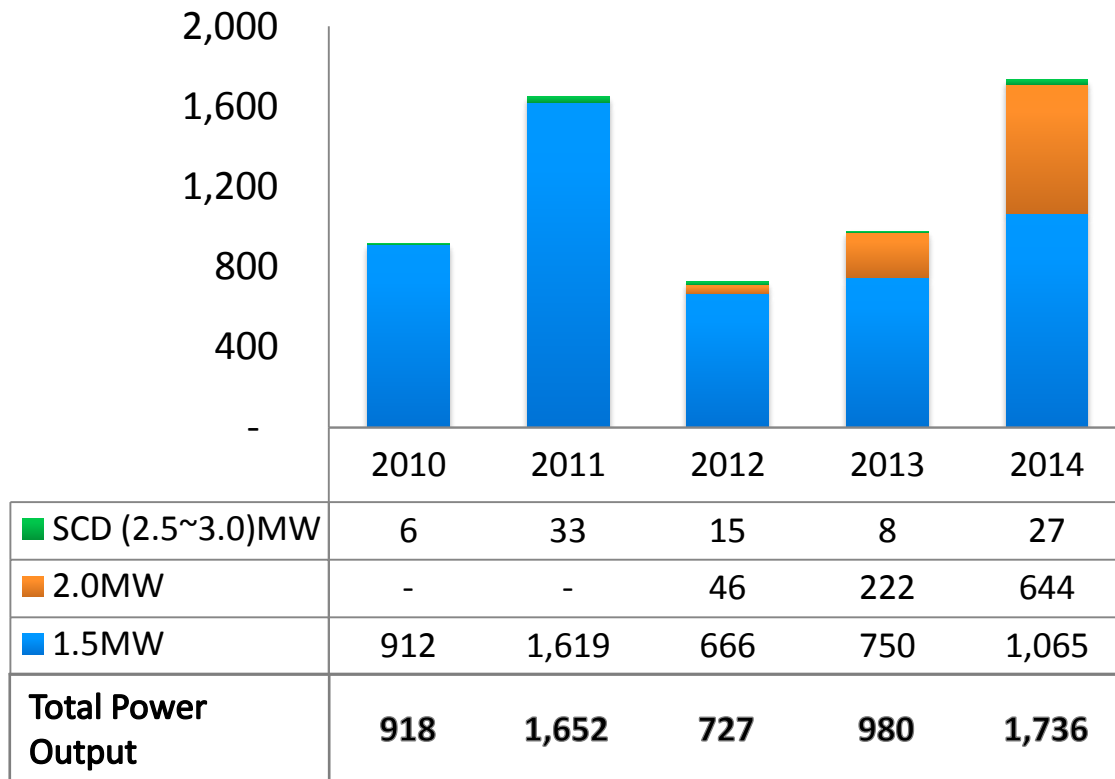


- Total backlog as at the end of 2014: **3.7GW**
- Increasing demand for 2.0MW products
- SCD well received by customers

Total signed order-backlog and tender won **5.0GW**

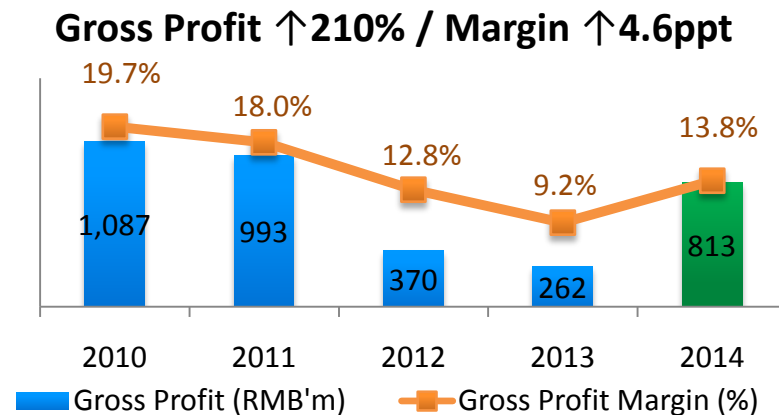
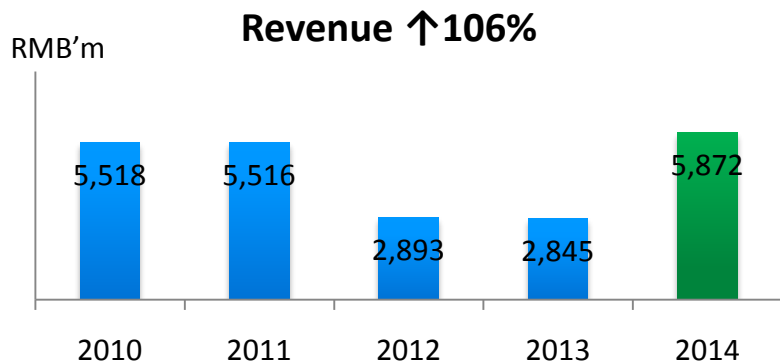
Strong recovery in sales volume

Sales Volume Delivered (MW)

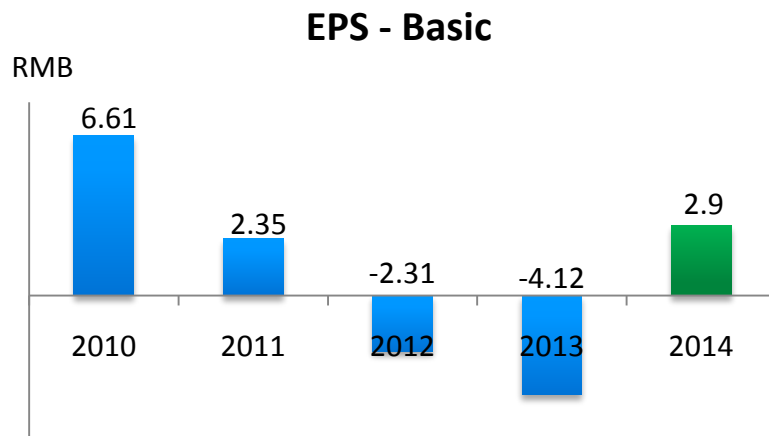
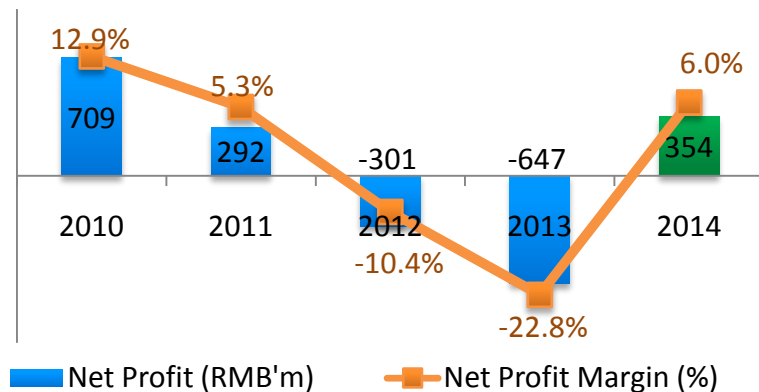


- Total volume increased **77%** to 1.7GW, a historical high
- Sales volume of 2.0MW products **almost tripled**, driven from strong customer need
- 6.0MW SCD began **commercial trial operation**, to provide future momentum

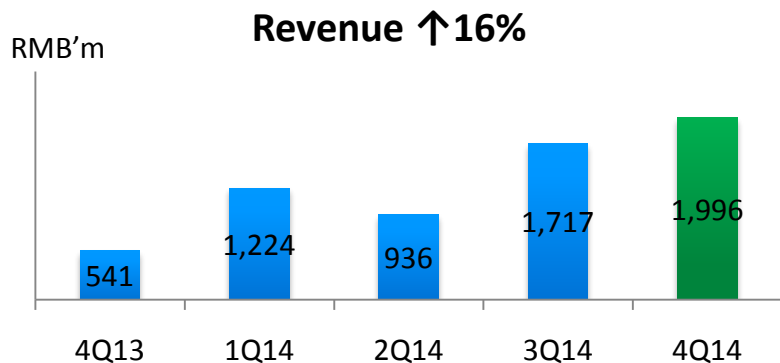
Yearly revenue and margin analysis



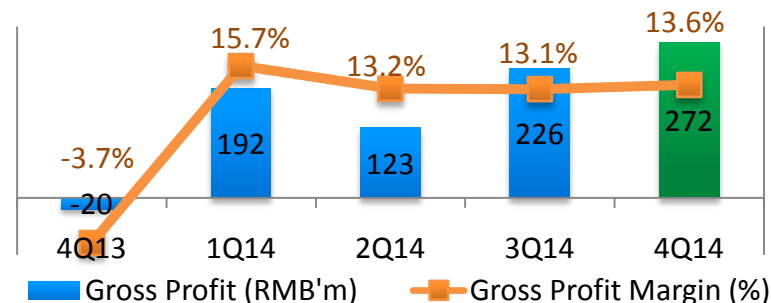
Returns to profit after two years of loss



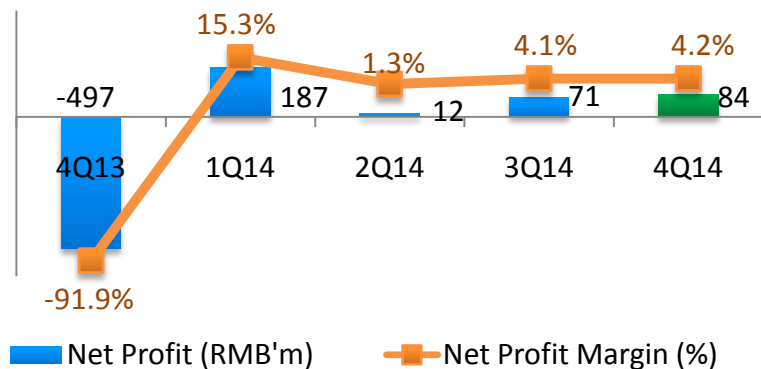
Quarterly revenue and margin analysis



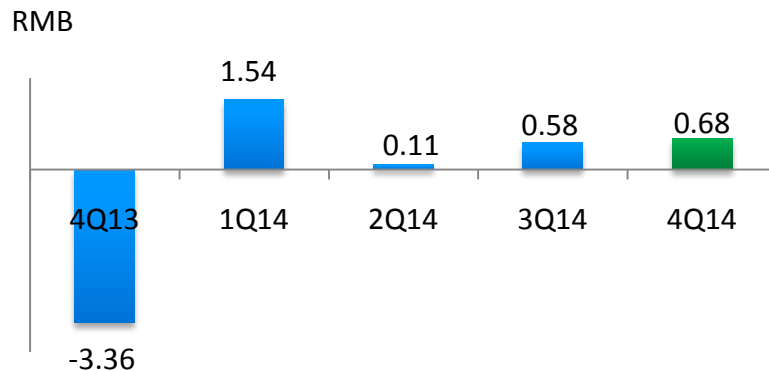
Gross Profit ↑20% / Margin ↑0.5ppt



Net Profit ↑18% / Margin ↑0.1ppt

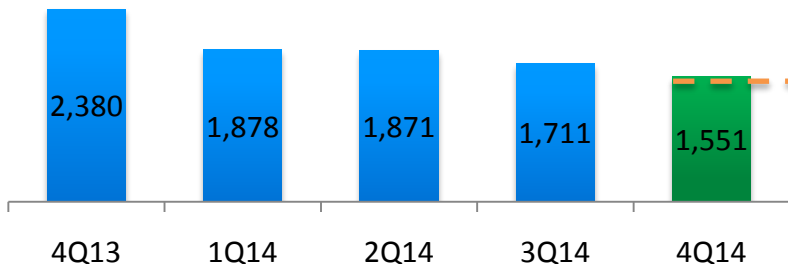


EPS - Basic

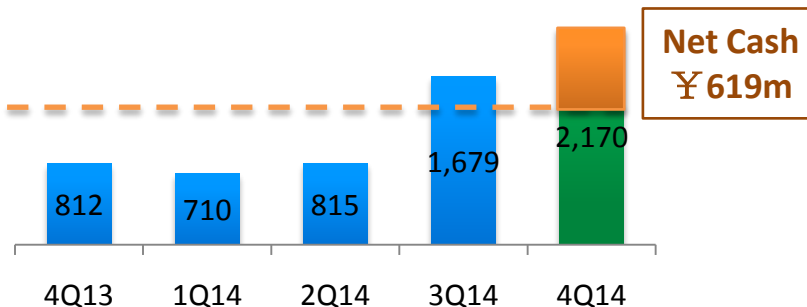


Financial indicators

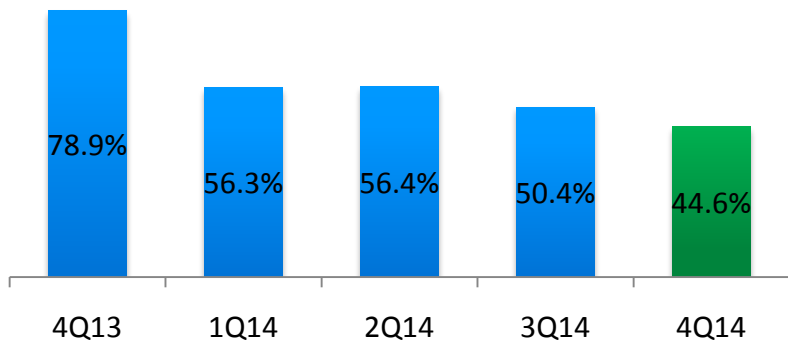
Debt (RMB'm)



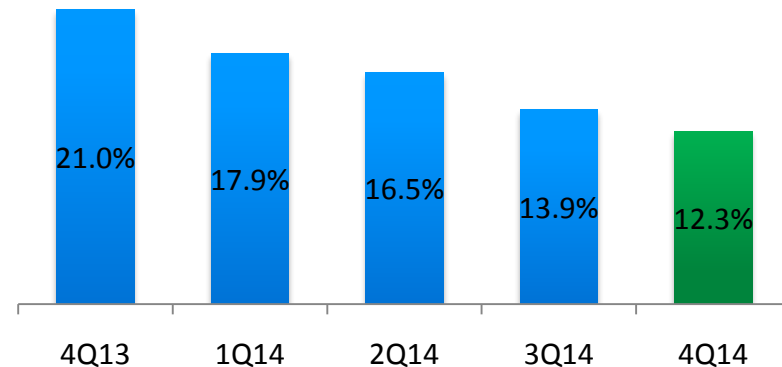
Cash and cash equivalents (RMB'm)



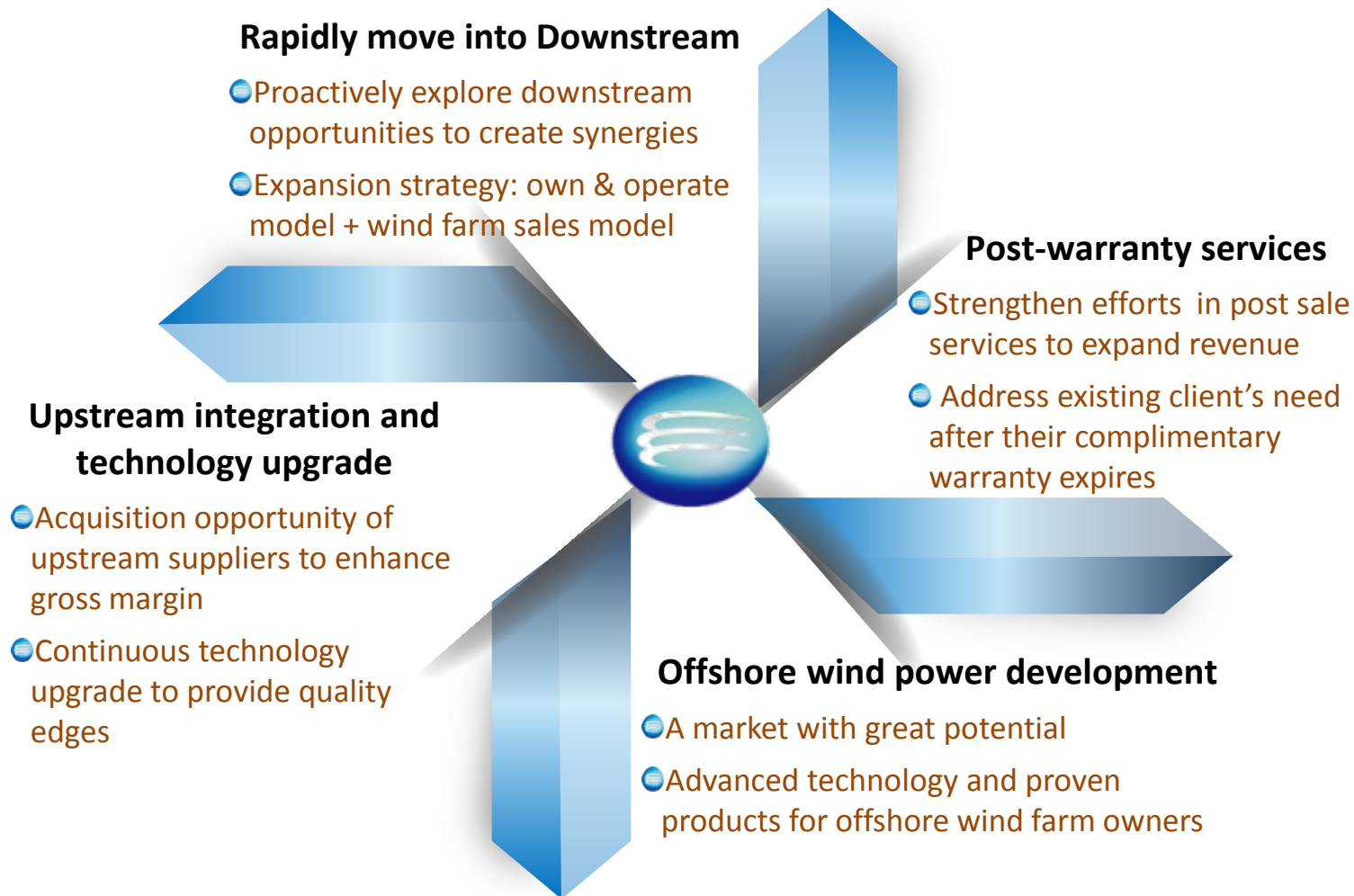
Debt to equity (%)



Debt to assets (%)



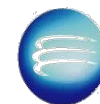
MY growth strategies



Appendix

SELECTED FINANCIAL INFORMATION

Income Statement Summary

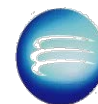


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	For the three months periods ended		
	<i>December 31,2013</i>	<i>December 31,2014</i>	<i>December 31,2014</i>
	RMB'000	RMB'000	USD'000
Revenue	541,189	1,995,988	321,695
Gross profit	(19,997)	271,943	43,829
Other income	19,190	9,722	1,567
Selling and distribution expenses	(83,966)	(79,153)	(12,757)
Administrative expenses	(410,762)	(99,024)	(15,960)
Research and development expenses	(36,217)	(23,229)	(3,744)
(Loss)/profit from operations	(531,752)	80,259	12,935
Net finance expenses	(30,084)	9,600	1,548
Gain on disposal of subsidiary	-	7,831	1,262
Share of loss of associates	(1,782)	(155)	(25)
(Loss)/profit before income tax	(563,618)	97,535	15,720
(Loss)/profit for the period	(496,888)	84,046	13,546

USD/RMB currency rate to translate RMB amounts into U.S. dollar amounts:6.2046

Balance Sheet Summary



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	As of December 31, 2013	As of December 31, 2014	
	RMB'000	RMB'000	USD'000
Assets			
Cash and cash equivalents	811,848	2,169,810	349,710
Trade and other receivables	5,145,319	5,530,166	891,301
Inventories	2,235,459	2,015,820	324,891
Property, plant and equipment	1,001,678	781,224	125,910
Intangible assets	195,816	76,426	12,318
Other assets	1,946,140	2,081,534	335,483
Total assets	11,336,260	12,654,980	2,039,613
Liabilities and Equity			
Trade and other payables	4,363,126	5,948,080	958,656
Short-term bank and other borrowings	1,283,055	551,450	88,878
Deferred revenue	817,596	741,313	119,478
Provisions	404,050	500,915	80,733
Other liabilities	1,453,113	1,435,069	231,291
Total Equity	3,015,320	3,478,153	560,577
Total equity and liabilities	11,336,260	12,654,980	2,039,613

USD/RMB currency rate to translate RMB amounts into U.S. dollar amounts:6.2046