
EDF has strengthened its position in China with two new energy service contracts.

During the official visit of the President of the French Republic to China, the EDF Chairman and Chief Executive, Jean-Bernard Lévy, signed two major energy service contracts. These agreements demonstrate the strengthening of the EDF Group position on the Chinese market.

The first contract concluded with the municipality of Sanya (700,000 inhabitants in the province of Hainan in the south of the country) covers design, construction and operation for thirty years of the network of chilled water (for air conditioning) and sanitation hot water production stations. The network will supply the touristic area under development, composed of around twenty hotels, shopping centres and a hospital, representing 3.4 million square metres of effective surface area. Based on high performance equipment combined with solar panels and a smart operating system, the network enables CO₂ emissions to be reduced by 20% compared to the use of individual systems, i.e. up to 70,000 tonnes of CO₂ less per year. It will be jointly operated with the local partner, Changfeng Energy (50%).

EDF has concluded a contract with the town of Lingbao (750,000 inhabitants in the province of Henan in the centre of the country) to build and operate a 35-MW biomass cogeneration plant for 30 years. The facility will supply electricity and heating for around 25,000 homes in the town. The municipality can definitively stop using individual coal-fired boilers right after the commissioning of the planned scheduled for 2019, thus reducing CO₂ by 150,000 tonnes per year. The plant will be supplied with tree residues, whose supply constitutes additional income for the region's farmers.

“With the aim of reducing its energy intensity by 15% by the year 2020, China represents an energy service market with high potential. The two new contracts consolidate the Group position in China and fit in with our strategy CAP 2030, which plans to triple EDF activity abroad in countries with high growth by the year 2030”, stated Jean-Bernard Lévy, the EDF Group Chairman and Chief Executive.

EDF operations in China

Operating in China for more than 30 years, the EDF Group works in several segments of the energy market:

- **Nuclear power:** within the framework of a joint venture with CGN, the Group has developed 2 EPRs on the site of Taishan. In 2017, hot functional testing was successfully performed on unit 1, to test the equipment at temperature and pressure levels similar to operating conditions. The expected commercial operation of the reactor will commence in 2018. Electromechanical assembly is being continued on unit 2, with start-up planned for 2019. EDF also provides support for the CGN Group with operation of its entire fleet.
- **Renewable energies:** in July 2016, EDF Énergies Nouvelles acquired a majority holding (80%) in the company UPC Asia Wind Management (AWM), which develops and builds wind power plants in China. The operation covers four plants in operation (66 MW net), one plant under construction (40 MW net) and an extensive portfolio of projects under development.

- **Energy services:** at the end of 2017, the Group was granted extension of its concession in the town of Sanmenxia (province of Henan), where EDF has been operating an optimised district heating network, based on recovery of heat from fossil-fuel power plants, in partnership with the Datang electricity company (35%) since 2016. After extension, the district heating network will supply 2 million square metres of town housing.
- **Fossil-fuel power plants:** EDF holds 49% of FZPC (joint venture with a subsidiary of Datang), which built and operates Fuzhou ultra-supercritical coal-fired power plant. This technology ensures better efficiency (~44% for Fuzhou) and limited environmental impact. Unit 1 was commissioned at the end of 2015 and unit 2 was commissioned in April 2016. EDF has holdings in two other companies operating fossil-fuel power plants.

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EDF SA
22-30, avenue de Wagram
75382 Paris cedex 08
Capital de 1 463 719 402 euros
552 081 317 R.C.S. Paris
www.edf.fr

CONTACTS

Press: 01 40 42 46 37

Analysts and investors: 01 40 42 40 38