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CGN Power Co., Ltd.*

中國廣核電力股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code : 1816)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2015

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended June 30, 2015 was RMB9,590,181,000, representing a decrease of 1.6% over the corresponding period in 2014.
- Profit before taxation for six months ended June 30, 2015 was RMB5,028,672,000, representing an increase of 40.0% over the corresponding period in 2014.
- Profit attributable to owners of the Company for the six months ended June 30, 2015 was RMB3,478,292,000, representing an increase of 36.1% over the corresponding period in 2014.
- Basic earnings per share attributable to owners of the Company for the six months ended June 30, 2015 was RMB0.077, representing a decrease of 9.4% over the corresponding period in 2014.
- The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2015 (the corresponding period in 2014: nil).

The board of directors (the “**Board**”) of CGN Power Co., Ltd. (the “**Company**”, “**we**” or “**us**”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended June 30, 2015 (the “**Period**” or the “**Reporting Period**”) together with the comparative figures for the corresponding period in 2014. This results announcement is prepared in accordance with International Accounting Standard 34 (“**IAS 34**”) “Interim Financial Reporting”, issued by the International Accounting Standards Board and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

* For identification purpose only

Overview

China's economy has entered into a new normal with the slowdown of its growth rate and the adjustment in the structure. In the first half of 2015, the electricity power supply and demand in China was generally on easing. Due to various factors such as the decline of industrial power consumption and the restructuring of industries, the power consumption within China reached approximately 2,662,400 GWh, representing an increase of 1.3% over the corresponding period in 2014.

In the first half of 2015, with our close attention to the changes of external environment and related policies, we focused on the operation and construction of each nuclear power unit based on the principle of "Safety First, Quality Foremost". With the strong support of the Company's Shareholders and through the concerted efforts of all employees, we achieved an annual on-grid power generation of 36,308.70 GWh, representing an increase of 19.20% over the corresponding period in 2014. Two new units (Yangjiang Unit 2 and Ningde Unit 3) commenced commercial operation on June 5, 2015 and June 10, 2015, respectively.

In respect of the development of new projects, we have also made some progress. In March 2015, the National Nuclear Safety Administration (the "NNSA") approved the construction of Hongyanhe Units 5 and 6, which became the first nuclear power project being approved in the PRC since 2014. In particular, Hongyanhe Unit 5 officially commenced construction on March 29, 2015.

Our acquisition of Taishan Nuclear Power Joint Venture Co., Ltd. ("**Taishan Nuclear**") has been successfully completed as scheduled, and we currently, directly and indirectly, hold 51% equity interest.

As at June 30, 2015, the Group operated and managed a total of 13 nuclear power generating units in operation with installed capacity of 13,799 MW and 10 nuclear power generating units under construction with installed capacity of 12,290 MW. Our nuclear power generating units in operation and under construction had a total installed capacity accounting for approximately 58.5% and 48.5% market share in the market of Mainland China, respectively.

FINANCIAL INFORMATION

The financial information set out below in this announcement is extracted from the Company's 2015 Interim Financial Report. Such financial information has been reviewed by the audit committee under the Board of the Company (the "Audit Committee") and Deloitte Touche Tohmatsu, the external auditor of the Company, and has been approved by the Board.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2015

	NOTES	Six months ended June 30	
		2015 RMB'000 (Unaudited)	2014 RMB'000 (Audited and restated)
Revenue	4	9,590,181	9,745,327
Less: Tax surcharge		172,740	121,286
Cost of sales and services		4,784,642	4,489,495
Gross profit		4,632,799	5,134,546
Other income	5	1,107,058	997,398
Loss arising from changes in fair value of derivative financial instruments		(60,761)	(107,478)
Selling and distribution expenses		(781)	(1,552)
Other expenses		(12,249)	(37,998)
Administrative expenses		(626,377)	(608,459)
Other gains and losses	6	1,288,337	(76,027)
Share of results of associates		(90,443)	(39,283)
Share of results of joint ventures		274,122	(154,797)
Finance costs	7	(1,483,033)	(1,515,168)
Profit before taxation		5,028,672	3,591,182
Taxation	8	(740,576)	(531,061)
Profit for the period	9	4,288,096	3,060,121

	NOTES	Six months ended June 30	
		2015 RMB'000 (Unaudited)	2014 RMB'000 (Audited and restated)
Other comprehensive (expenses) income:			
- Exchange differences arising on translation of a subsidiary		(7,547)	72,526
- Others		(3,149)	(1,685)
		<u>(10,696)</u>	<u>70,841</u>
Other comprehensive (expenses) income for the period, net of income tax		<u>(10,696)</u>	<u>70,841</u>
Total comprehensive income for the period		<u>4,277,400</u>	<u>3,130,962</u>
Profit for the period attributable to:			
Owners of the Company		3,478,292	2,555,752
Non-controlling interests		809,804	504,369
		<u>4,288,096</u>	<u>3,060,121</u>
Total comprehensive income attributable to:			
Owners of the Company		3,469,526	2,610,147
Non-controlling interests		807,874	520,815
		<u>4,277,400</u>	<u>3,130,962</u>
Earnings per share attributable to owners of the Company, basic and diluted (RMB)	10	<u>0.077</u>	<u>0.085</u>

Condensed Consolidated Statement of Financial Position

As at June 30, 2015

	NOTES	At June 30 2015 RMB'000 (Unaudited)	At December 31 2014 RMB'000 (Audited and restated)
NON-CURRENT ASSETS			
Property, plant and equipment		161,211,958	155,923,218
Intangible assets		1,258,328	1,134,763
Investment properties		665,025	697,278
Interests in associates		7,108,792	7,062,093
Interests in joint ventures		5,105,138	4,831,016
Available-for-sale investments		110,000	110,000
Deferred tax assets		135,109	125,239
Derivative financial instruments		18,225	18,137
Value-added tax recoverable		5,176,206	5,285,730
Prepaid lease payments		2,426,778	2,331,432
Deposits for property, plant and equipment		1,078,849	766,745
Other assets		12,143	12,143
		<u>184,306,551</u>	<u>178,297,794</u>
CURRENT ASSETS			
Inventories		10,512,196	9,346,453
Prepaid lease payments		63,567	63,007
Trade and bills receivables	11	2,997,733	2,345,547
Prepayments and other receivables	12	1,368,852	882,305
Amounts due from related parties		781,351	687,164
Loan to a fellow subsidiary		—	180,000
Derivative financial instruments		40,302	34,505
Restricted bank deposits		7,811	8,275
Cash and cash equivalents		8,824,610	26,962,549
Other deposits over three months		2,728,000	2,080,900
		<u>27,324,422</u>	<u>42,590,705</u>

	NOTES	At June 30 2015 RMB'000 (Unaudited)	At December 31 2014 RMB'000 (Audited and restated)
CURRENT LIABILITIES			
Trade and other payables	13	5,904,657	6,655,421
Amounts due to related parties	14	841,972	5,194,421
Loans from ultimate holding company	15	4,700,000	3,745,000
Loans from fellow subsidiaries	15	1,197,760	658,400
Payable to ultimate holding company	15	1,730,000	3,530,000
Income tax payable		233,091	441,994
Provisions		360,551	770,320
Bank borrowings - due within one year		6,201,589	7,338,137
Borrowings from a financial institution		953,683	—
Derivative financial instruments		143,244	135,022
		<u>22,266,547</u>	<u>28,468,715</u>
NET CURRENT ASSETS (LIABILITIES)		<u>5,057,875</u>	<u>14,121,990</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>189,364,426</u>	<u>192,419,784</u>
NON - CURRENT LIABILITIES			
Bank borrowings - due after one year		93,884,144	91,573,167
Notes payable		10,590,034	10,100,000
Deferred tax liabilities		1,958,704	1,695,069
Deferred income		777,421	766,030
Provisions		1,691,695	1,526,003
Derivative financial instruments		255,395	259,984
Borrowings from a financial institution		—	953,467
Loans from fellow subsidiaries	15	4,225,471	4,471,233
Payables to ultimate holding company	15	1,992,648	2,000,000
		<u>115,375,512</u>	<u>113,344,953</u>
NET ASSETS		<u><u>73,988,914</u></u>	<u><u>79,074,831</u></u>
Capital and reserves			
Paid-in/share capital	16	45,448,750	45,448,750
Reserves		<u>7,745,049</u>	<u>14,001,337</u>
Equity attributable to owners of the Company		53,193,799	59,450,087
Non-controlling interests		<u>20,795,115</u>	<u>19,624,744</u>
TOTAL EQUITY		<u><u>73,988,914</u></u>	<u><u>79,074,831</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was established in the PRC on March 25, 2014 (the “**date of establishment**”) as a joint stock company with limited liability under the Company Law of the PRC and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on December 10, 2014.

The parent and the ultimate holding company of the Company is China General Nuclear Power Corporation (“**CGNPC**”), a state-owned enterprise in the PRC controlled by the State-Owned Assets Supervision and Administration Commission of the State Council (the “**SASAC**”).

The respective addresses of the registered office and the principal place of business of the Company are Science & Technology Building No. 1001 Shangbuzhong Road, Shenzhen, Guangdong Province, the PRC.

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company and its principal subsidiaries.

2. BASIS OF PRESENTATION

The condensed consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” issued by the International Accounting Standards Board as well as the applicable disclosure requirements of Appendix 16 to the Listing Rules.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at revalued amounts or fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended December 31, 2014.

4. REVENUE AND SEGMENT INFORMATION

Revenue mainly represents revenue arising from sales of electricity derived from nuclear power plants.

An analysis of the Group's revenue for each reporting period is as follows:

	Six months ended June 30	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Audited and restated)
Sales of electricity	8,953,560	9,079,849
Service revenue	534,458	615,362
Sales of other goods	102,163	50,116
	<u>9,590,181</u>	<u>9,745,327</u>

Information reported to the Board, the chief operating decision makers (“CODM”) of the Group, for the purposes of resources allocation and assessment of performance should focus on the types of goods or services delivered or provided. During the Reporting Period, the Group derived substantially all of the revenue from sales of electricity generated by its nuclear power plants.

The CODM regularly review sales reports, electricity supply reports and construction progress reports. However, no discrete financial information is available for the various businesses respectively. For the purpose of allocating resources and assessing performance, the CODM regularly review the Group's revenue and Group's profit as a whole and as such, there is only one operating and reportable segment.

The segment revenue is the same as the Group's revenue. Segment profit is the Group's profit before taxation without taking into account of unrealized gain (loss) arising from changes in fair value of derivative financial instruments, share of results of the Group's associates and joint

ventures. This is the measure reported to the CODM for resources allocation and performance assessment. The reconciliation is as follows:

	Six months ended June 30	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Audited and restated)
Segment profit before taxation reported to the Board	4,842,689	3,941,971
Add: Unrealized gain (loss) arising from changes in fair value of derivative financial instruments	2,304	(156,709)
Add: Share of results of associates	(90,443)	(39,283)
Add: Share of results of joint ventures	274,122	(154,797)
Group's profit before taxation	<u>5,028,672</u>	<u>3,591,182</u>

Geographical information

As the Group's operations and non-current assets are all located in the PRC, no other geographical segment information is presented.

Information about major customers

Revenue from customers of each reporting period contributing over 10% of the total sales of the Group are as follows:

	Six months ended June 30	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Audited and restated)
Entities under control by the PRC Government ¹	7,525,998	7,566,403
Hong Kong Nuclear Investment Co., Ltd. ("HKNIC") ²	<u>1,964,536</u>	<u>1,962,905</u>

¹ revenue from sales of electricity, service revenue and other goods

² revenue from sales of electricity

Segment assets and liabilities

Information reported to Board of the Company for the purposes of resources allocation and performance assessment does not include any assets and liabilities. Accordingly, no segment assets and liabilities are presented.

5. OTHER INCOME

	Six months ended June 30	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Audited and restated)
Value-added tax refunds (note a)	834,922	893,100
Interest income from bank deposits	165,968	24,773
Interest income from fellow subsidiaries	80,965	66,145
Government grants		
– related to expenses items (note b)	9,229	2,869
– related to assets	15,496	10,041
Others	478	470
	<u>1,107,058</u>	<u>997,398</u>

Notes:

- (a) During the Reporting Period, 嶺澳核電有限公司Ling Ao Nuclear Power Co., Ltd. (“**Ling’ao Nuclear**”) and 嶺東核電有限公司Ling Dong Nuclear Power Co., Ltd. (“**Lingdong Nuclear**”), are entitled to the value-added tax refund of 75% for the first five years, 70% for the second five years and 55% for the third five years for their revenue from the sales of electricity to a grid company. The first revenue year of Ling’ao Nuclear and Lingdong Nuclear are 2002 and 2010 respectively. There were no conditions or limitations attached to these valued-added tax refunds.
- (b) The amounts represent incentives from various PRC government authorities in connection with the enterprise expansion support, technology advancement support and product development support for the six months ended June 30, 2015, which had no conditions imposed by the respective PRC government authorities.

6. OTHER GAINS AND LOSSES

	Six months ended June 30	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Audited and restated)
Net foreign exchange gain (loss)	1,290,241	(73,658)
Recognition of allowance for		
trade and other receivables	—	(2,209)
Loss on disposals of property, plant and equipment	(1,892)	(8,191)
Others	(12)	8,031
	<u>1,288,337</u>	<u>(76,027)</u>

7. FINANCE COSTS

	Six months ended June 30	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Audited and restated)
Interest on bank borrowings	2,690,611	2,757,433
Interest on borrowings from a financial institution	30,228	4,708
Interest on notes payable	210,028	210,364
Interest on loans from ultimate holding company	102,157	160,050
Interest on long term payables to ultimate holding company	134,129	134,856
Interest on loans from fellow subsidiaries	134,828	143,248
Interests relating to provision for nuclear power plant decommissioning	47,917	42,728
	<u>3,349,898</u>	<u>3,453,387</u>
Total interest expenses	3,349,898	3,453,387
Less: capitalized in construction in progress	(1,866,865)	(1,938,219)
	<u>1,483,033</u>	<u>1,515,168</u>
Total finance costs	<u>1,483,033</u>	<u>1,515,168</u>

Borrowing costs were capitalized to the construction of the nuclear power plants based on the effective interest rates of bank and other borrowings obtained for the construction work.

8. TAXATION

	Six months ended June 30	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Audited and restated)
Current tax:		
– PRC Enterprise Income Tax (“EIT”)	493,353	478,738
– Over-provision in prior years	(7,359)	(4,791)
Deferred taxation:		
– Current period	254,582	57,114
Taxation	<u>740,576</u>	<u>531,061</u>

PRC subsidiaries are subject to PRC EIT at 25%, except for the following subsidiaries which enjoyed certain tax exemption and relief.

中廣核檢測技術有限公司 CGN Inspection Technology Co., Ltd., 蘇州熱工研究院有限公司 Suzhou Nuclear Power Research Institute (“**Suzhou Institute**”), 中廣核(北京)仿真技術有限公司 China Nuclear Power (Beijing) Simulation Technology Corporation Ltd., 中科華核電技術研究院有限公司 China Nuclear Power Technology Research Institute, 廣東核電合營有限公司 Guangdong Nuclear Power Joint Venture Co., Ltd. (“**GNPJVC**”) and Ling’ao Nuclear were approved to enjoy the preferential tax rate of 15% in accordance with the relevant EIT laws and regulations for the six months ended June 30, 2015.

Lingdong Nuclear, being enterprise engaged in public infrastructure project, was entitled to tax holiday of three years followed by 50% exemption for the next three years commencing from 2010, which is the first revenue generating year. Pursuant to the Supplementary Notice of Tax Benefit Scheme in relation to Public Infrastructure Project 《關於公共基礎設施項目享受企業所得稅優惠政策問題的補充通知》 issued in July 2014, the tax authority clarified that the first year revenue of public infrastructure project should be based on individual reactor project instead of the legal entity as a whole. Since the first revenue generating year of second reactor project of Lingdong Nuclear commenced in 2011, the applicable tax rate for Lingdong Nuclear was 12.5% for the six months ended June 30, 2015.

陽江核電有限公司 Yangjiang Nuclear Power Co., Ltd. (“**Yangjiang Nuclear**”), being enterprise engaged in public infrastructure project, was entitled to tax holiday of three years followed by 50% exemption for the next three years commencing from 2014, which was the first revenue generating year of Yangjiang Nuclear’s first reactor.

9. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting):

	Six months ended June 30	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Audited and restated)
Directors' emoluments	2,342	1,064
Other staff costs:		
Salaries and other benefits	1,627,184	1,570,589
Retirement benefit scheme contributions	93,716	75,802
Total other staff costs	1,720,900	1,646,391
Less: Capitalized in construction in progress	(346,785)	(360,248)
Less: Capitalized in intangible assets	(23,700)	(66,648)
	1,350,415	1,219,495
Depreciation and amortization of:		
– Property, plant and equipment	1,480,492	1,344,752
Less: Capitalized in construction in progress	(119,891)	(35,566)
	1,360,601	1,309,186
– Intangible assets	60,071	27,310
– Investment properties	32,245	21,083
– Prepaid lease payments	31,784	31,184
Less: Capitalized in construction in progress	(16,477)	(17,918)
	15,307	13,266
	1,468,224	1,370,845
Recognition of allowance on:		
– Inventories	24,723	27,469
– Trade and other receivables	—	2,209
Cost of inventories recognized as expenses	3,916,052	3,541,991
Gross rental income from investment properties	(9,781)	(6,821)
Less: Direct operating expenses incurred for investment properties that generated rental income	47,037	23,510
	37,256	16,689

10. EARNINGS PER SHARE

The basic earnings per share is calculated based on the profit attributable to the owners of the Company and the weighted average number of ordinary shares for each reporting period.

	Six months ended June 30	
	2015	2014
	(Unaudited)	(Audited)
Profit attributable to the owners of the Company (RMB'000)	3,478,292	2,555,752
Weighted average number of ordinary shares (in million)	45,449	30,091
Basic earnings per share (RMB)	<u>0.077</u>	<u>0.085</u>

No diluted earnings per share is presented for the six months ended June 30, 2015 and 2014, since there was no potential ordinary shares in issue during both periods.

11. TRADE AND BILLS RECEIVABLES

	At June 30	At December 31
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Amounts due from third parties	1,983,786	1,755,982
Less: allowance of doubtful debts	(8,120)	(8,120)
	<u>1,975,666</u>	<u>1,747,862</u>
Amount due from ultimate holding company	4,371	9,523
Amounts due from joint ventures	171,148	101,318
Amounts due from associates	200,894	81,757
Amounts due from fellow subsidiaries	148,190	181,477
Amount due from a non-controlling shareholder with significant influence over the relevant subsidiary	492,811	218,612
Bills receivables	4,653	4,998
Total trade and bills receivables	<u>2,997,733</u>	<u>2,345,547</u>

The following is an analysis of trade receivables by age, net of allowance for doubtful debts presented based on the invoice date at the end of each reporting period:

	At June 30 2015 RMB'000 (Unaudited)	At December 31 2014 RMB'000 (Audited)
1 day to 30 days	2,800,937	2,104,219
31 days to 1 year	180,561	200,281
1 year to 2 years	14,636	34,367
2 years to 3 years	1,504	2,188
Over 3 years	95	4,492
	<u>2,997,733</u>	<u>2,345,547</u>

Trade receivables from third parties and bills receivables of the Group, as well as amount due from a non-controlling shareholder with significant influence on the relevant subsidiary, primarily represent receivables from grid companies. The credit terms granted to grid companies on the sales of electricity are 30 days. At June 30, 2015, except for an amount of RMB8,120,000 (December 31, 2014: RMB8,120,000) aged above one year which are past due and fully impaired as the recoverability is considered as unlikely, trade receivables amounting to approximately RMB1,975,666,000 (December 31, 2014: RMB1,747,862,000) are neither past due nor impaired and have good credit quality assessed by the management of the Group.

For other related parties, the Group has not granted any credit period and all the balances are past due but not impaired and aged within one year.

The Group pledged trade receivables from grid companies resulting from the pledge of tariff collection rights with carrying amount of approximately RMB1,835,961,000 (December 31, 2014: RMB1,191,128,000) to secure loan facilities granted to the Group as at the end of the reporting period.

12. PREPAYMENTS AND OTHER RECEIVABLES

	At June 30 2015 RMB'000 (Unaudited)	At December 31 2014 RMB'000 (Audited and restated)
Value-added tax recoverable	5,936,384	5,741,815
Prepayments to third parties for materials and consumable parts	426,337	236,028
Prepayments to fellow subsidiaries for services and materials	113,579	110,294
Others	68,758	79,898
	<u>6,545,058</u>	<u>6,168,035</u>
Analysed for financial reporting purpose:		
Non-current	5,176,206	5,285,730
Current	1,368,852	882,305
	<u>6,545,058</u>	<u>6,168,035</u>

13. TRADE AND OTHER PAYABLES

	At June 30 2015 RMB'000 (Unaudited)	At December 31 2014 RMB'000 (Audited and restated)
Amounts due to third parties	1,775,238	1,651,385
Amounts due to fellow subsidiaries	109,352	567,500
Receipts in advance from associates	40,540	534
Receipts in advance from fellow subsidiaries	6,832	6,181
Receipts in advance from a non-controlling shareholder with significant influence over the relevant subsidiary	—	25,062
Receipts in advance from third parties	10,345	12,691
	<u>1,942,307</u>	<u>2,263,353</u>
Total trade payables		

	At June 30 2015 RMB'000 (Unaudited)	At December 31 2014 RMB'000 (Audited and restated)
Construction payables to third parties	1,624,235	1,309,712
Construction payables to fellow subsidiaries	1,486,204	2,239,863
Construction payables to ultimate holding company	38,417	25,064
Construction payables to a non-controlling shareholder with significant influence over the relevant subsidiary	—	8,598
Value-added tax and other tax payables	308,258	292,791
Staff cost payables	98,872	31,203
Interest on notes payable	252,547	297,102
Other payables and accruals to third parties	153,817	187,735
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Total other payables	3,962,350	4,392,068
	<hr/>	<hr/>
	5,904,657	6,655,421
	<hr/>	<hr/>

The credit period on purchases of goods ranges from 180 days to 360 days. The Group has financial risk management policies in place to ensure all payables are settled within the credit frame.

Other payables mainly include payable for outstanding operating expenses. The balances are unsecured, interest-free and repayable on demand.

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	At June 30 2015 RMB'000 (Unaudited)	At December 31 2014 RMB'000 (Audited and restated)
Within 1 year	1,942,307	2,263,353

14. AMOUNTS DUE TO RELATED PARTIES

	At June 30 2015 RMB'000 (Unaudited)	At December 31 2014 RMB'000 (Audited and restated)
Dividend payable to ultimate holding company	72,942	3,138,582
Dividend payables to non-controlling shareholders	45,102	664,650
Dividend payable to Guangdong Hengjian Investment Holdings Co., Ltd. (" Hengjian Investment ")	8,571	368,812
Dividend payable to China National Nuclear Corporation (" CNNC ")	4,200	180,717
Dividend payable to H shareholders	27,911	—
Other payable to ultimate holding company	301,037	454,718
Other payables to fellow subsidiaries	45,869	50,602
Other payables to associates	336,340	336,340
	841,972	5,194,421

The amounts are unsecured, interest-free and repayable on demand.

15. LOANS FROM ULTIMATE HOLDING COMPANY/FELLOW SUBSIDIARIES/ PAYABLES TO ULTIMATE HOLDING COMPANY

During the Reporting Period, the Group obtained new loans from the ultimate holding company amounting to RMB2,729,000,000, carrying interest at floating rates ranged from 4.76% to 5.35% and are repayable over a period of 1 year.

During the Reporting Period, the Group obtained new loans from fellow subsidiaries amounting to RMB1,551,000,000, carrying interest at floating rates ranged from 4.59% to 5.60% and are repayable over a period from 3 months to 1 year.

16. PAID-IN/SHARE CAPITAL

The share capital at June 30, 2015 and at December 31, 2014 represents the registered and paid share capital of the Company.

Details of the movement of the number of shares comprising the domestic shares and H shares are shown as below:

	Domestic shares ‘000	H shares ‘000
Ordinary shares of RMB1.00 each		
Issue of shares at the date of establishment upon the Reorganization	27,904,643	—
Issue of shares for cash	7,395,357	—
Issue of shares upon listing of the Company’s shares on the Stock Exchange on December 10, 2014	—	8,825,000
Conversion of domestic shares into H shares	(1,014,875)	1,014,875
Issue of shares on the exercise of over-allotment option on December 22, 2014	—	1,323,750
At December 31, 2014 and June 30, 2015 (Unaudited)	<u>34,285,125</u>	<u>11,163,625</u>

The Company was established on March 25, 2014 and the registered share capital was RMB35,300,000,000 divided into 35,300,000,000 shares of RMB1.00 each.

On April 25, 2014, May 9, 2014 and June 5, 2014, a total of 7,395,356,630 shares of RMB1.00 each were issued to CGNPC, Hengjian Investment and CNNC at an aggregate consideration of approximately RMB10,124 million in cash.

On December 10, 2014, 8,825,000,000 H shares of RMB1.00 each of the Company were issued at a price of HK\$2.78 by way of global offering. On the same date, the Company's shares were listed on the Main Board of the Stock Exchange. The proceeds of HK\$11,163,753,000 (equivalent to RMB8,825,000,000) representing the par value of the shares of the Company, were credited to the Company's share capital. The remaining proceeds of approximately HK\$13,369,747,000 (equivalent to RMB10,540,522,000), before issuing expenses, were credited to capital reserve.

Pursuant to the approval by the relevant authority, the domestic shares of 1,014,875,000 were converted into H shares on a one-for-one basis in December 2014.

On December 22, 2014, 1,323,750,000 H shares of RMB1.00 each of the Company were issued at a price of HK\$2.78 pursuant to the exercise of over-allotment option. The proceeds of HK\$1,676,673,000 (equivalent to RMB1,323,750,000) representing the par value of the shares of the Company, were credited to the Company's share capital. The remaining proceeds of approximately HK\$2,003,352,000 (equivalent to RMB1,581,667,000), before issuing expenses, were credited to capital reserve.

17. DIVIDEND

Pursuant to the shareholders' resolution passed on September 17, 2014, the special dividend was declared in an amount equal to the retained earnings accrued during the period from March 25, 2014 (the date of establishment) to December 10, 2014 (the "**Listing Date**"), approximately RMB3,688,111,000 (representing approximately RMB0.10 per share), to the shareholders including CGNPC, Hengjian Investment and CNNC. The special dividend has been paid during the Reporting Period.

During the Reporting Period, a final dividend of RMB0.0025 per share in respect of the year ended December 31, 2014 was declared to the owners of the Company. The aggregate amount of the final dividend declared in the Reporting Period amounted to RMB113,624,000. The proposed final dividend in respect of the year ended December 31, 2014 was approved by the Company's shareholders at the 2014 annual general meeting convened on June 12, 2015.

The Board have proposed that no dividend will be paid in respect of the interim period.

18. ACQUISITION OF SUBSIDIARIES UNDER COMMON CONTROL

In October 2014, the Company entered into an equity transfer agreement with CGNPC, the ultimate holding company of the Group. Pursuant to the agreement, the Company agreed to acquire 60% of the equity interests in Taishan Nuclear Power Industry Investment Co., Ltd. (“**Taishan Investment**”) and 12.5% of the equity interests in Taishan Nuclear from CGNPC at a cash consideration of RMB9,700,196,000, which has been paid in full by the Company by April 30, 2015 (the “**Acquisition Date**”).

In accordance with the equity transfer agreement, the consideration is subject to an adjustment which equal to the Company’s acquisition equity interests’ share of change of net assets of Taishan Investment and Taishan Nuclear from March 31, 2014 up to the transaction completion date. As a result, part of the consideration paid in the amount of approximate RMB88,006,000 needs to be refunded by CGNPC to the Company pursuant to the equity transfer agreement. The Company recorded this refundable consideration as other receivables as at June 30, 2015. The final consideration of the acquisition amounts to approximate RMB9,612,190,000.

As the Company, Taishan Investment and Taishan Nuclear are under common control of CGNPC, the above acquisition has been recorded as business combination under common control. The assets and liabilities of Taishan Investment and Taishan Nuclear have been recognised at the carrying amounts recognised previously in CGNPC consolidated financial statements. The consolidated financial statements of the Group have been restated as if the combination had occurred prior to the start of the earliest period presented.

Recognised amounts of carrying value of identifiable assets acquired and liabilities as at the Acquisition Date are as follows:

Taishan Investment

	Carrying amount RMB’000
Non-current asset	
Investment in associate	11,696,723
Current asset	
Cash and cash equivalents	540
Current liability	
Amount due to ultimate holding company	(9,799)
Net assets	11,687,464

Taishan Nuclear

	Carrying amount RMB'000
Non-current assets	
Property, plant and equipment	64,007,520
Intangible assets	406,310
Value - added tax recoverable	2,711,950
Prepaid lease payments	778,017
Deposit for property, plant and equipment	41,374
Current assets	
Inventories	16,085
Prepaid lease payments	16,626
Other receivables	6,643
Amount due from related parties	145,497
Derivative financial instruments	3,094
Cash and cash equivalents	710,057
Current liabilities	
Other payables	(418,305)
Amounts due to related parties	(129,025)
Loan from a fellow subsidiary	(300,000)
Bank borrowings – due within one year	(3,962,787)
Derivative financial instruments	(22,868)
Non-current liabilities	
Deferred tax liabilities	(711,758)
Bank borrowings – due after one year	(37,232,284)
Loans from fellow subsidiaries	(1,210,777)
Deferred income	(53,707)
Notes payable	(2,100,000)
Derivative financial instruments	(41,320)
Net assets	22,660,342

Details of the restatement of the Group's consolidated financial statements are as follows:

	The Group RMB'000	Taishan Nuclear RMB'000	Taishan Investment RMB'000	Elimination RMB'000	The Group (as restated) RMB'000
Results of operations for the six months ended June 30, 2014:					
Net profit	3,089,574	(27,839)	(13,237)	11,623	3,060,121
Profit for the period attributable to:					
Owners of the Company	2,571,559	(19,487)	(7,943)	11,623	2,555,752
Non-controlling interests	518,015	(8,352)	(5,294)		504,369
Total comprehensive income attributable to:					
Owners of the Company	2,648,860	(19,487)	(7,943)	(11,283)	2,610,147
Non-controlling interests	534,461	(8,352)	(5,294)		520,815
Basic and diluted earnings per share (RMB)	0.085	—	—	—	0.085
Balance sheet as at January 1, 2014:					
Non-current assets	105,914,380	56,704,948	10,573,008	(13,003,331)	160,189,005
Current assets	21,760,791	2,144,466	578	(15,681)	23,890,154
Current liabilities	26,462,447	5,227,655	9,799	(15,681)	31,684,220
Non-current liabilities	69,520,891	32,620,818	—	(92,167)	102,049,542
Equity attributable to owners of the Company	23,051,721	21,000,941	10,563,787	(23,436,961)	31,179,488
Non-controlling interests	8,640,112	—	—	10,525,797	19,165,909
Balance sheet as at January 1, 2015:					
Non-current assets	114,776,179	65,890,780	11,029,815	(13,398,981)	178,297,794
Current assets	42,149,904	443,557	563	(3,319)	42,590,705
Current liabilities	23,559,373	4,902,862	9,799	(3,319)	28,468,715
Non-current liabilities	73,950,430	39,468,834	—	(74,311)	113,344,953
Equity attributable to owners of the Company	50,788,560	21,962,641	11,020,579	(24,321,693)	59,450,087
Non-controlling interests	8,627,720	—	—	10,997,024	19,624,744

Management Discussion & Analysis

(I) Industry Overview

On June 30, 2015, the PRC government officially published the program of Intended Nationally Determined Contributions/INDC, namely Reinforcing the Actions in Response to Climate Change-Intended Nationally Determined Contributions (《強化應對氣候變化行動—中國國家自主貢獻》), which clearly sets out the goal to tackle climate change in China by 2030. The document again specifies that the non-fossil energy will account for about 15% and 20% of one-time energy consumption in 2020 and 2030, respectively, as well as the requirement for safe and efficient development of nuclear power. According to the statistics issued by the National Energy Administration, in 2014, the PRC accelerated the development of clean energy and further optimized the energy structure. As a result, the non-fossil energy accounted for approximately 11% of one-time energy consumption, and there was large space for achieving the target in 2020 and 2030.

In recent years, the nuclear power projects in the PRC have been put into operation in a large scale, which lead to a rapid growth of nuclear power generation. However, the proportion of nuclear power in the domestic energy structure remains relatively low. The table below sets out the percentage of total installed generation capacity in the PRC by energy type as of December 31, 2014:

	Thermal power	Hydropower	Wind power	Solar power	Nuclear power
Percentage to installed capacity by energy type as of December 31, 2014 (%) (Note)	67.4	22.2	7.0	1.9	1.5

Note: The source is from Electric Power Industry Statistical Report 2014 (2014年電力工業運行簡況) published by China Electricity Council (the “CEC”)

In order to achieve the goal of energy structure adjustment and controlling air pollution, it is required to strengthen efforts to develop nuclear power in our country. We believe that, due to its advantages of low generation cost and high capacity and efficiency, the nuclear power shall be developed safely, stably and in a large scale.

China’s economy has entered into a new normal status with a slowdown in growth and adjustment in the structure. According to the statistics of the National Bureau of Statistical, the growth of gross domestic product (GDP) for the first half of 2015 is 7.0%. Affected by a decline in industrial power consumption, the industrial restructuring as well as the climate change, total power consumption increased by 1.3% year-on-year, representing a drop of 4.1% year-on-year in growth rate. In particular, however, nuclear power generation continued to grow as fast as before. According to the statistics, nationwide nuclear power generation in the first half of 2015 amounted to approximately 77,200 GWh,

representing an increase of 34.8% year-on-year, while on-grid nuclear power generation in the first half of 2015 was approximately 70,614 GWh, representing 2.65% of the total power consumption and a 33.92% year-on-year growth. In the first half of 2015, the national power generating equipment has been utilized for an aggregated number of 1,936 hours on average, representing a year-on-year decrease of 151 hours. Specifically, the national nuclear power generating equipment has been utilized for 3,456 hours on average, representing a year-on-year increase of 27 hours.

The national power supply and demand was loose in the first half of 2015. Particularly, supply capacity at the Northeast PRC and the Northwest PRC regions was more excessive, and supply and demand for the Central PRC was generally loose, while that for the Northern PRC, the Eastern PRC and the Southern PRC was generally balanced with somewhat excessive supply for certain provinces. In the first half of 2015, the Central PRC and the Northeast PRC regions recorded negative growth in power consumption with a decline of 0.3% and 2.0% year-on-year, respectively, which indicated relatively tough situation in the power market of the Northeast PRC region. CEC anticipated that the supply and demand relationship for the second half of 2015 will become looser in general.

Note: the above data was derived from the Report on the Analysis and Forecast of National Power Supply and Demand for the First Half of 2015 (《2015年上半年全國電力供需形勢分析預測報告》) and Briefings on the Operation of the Power Industry from January to June 2015 (《2015年1-6月份電力工業運行簡況》) of CEC

On March 15, 2015, the Central Committee of the Communist Party of China and the State Council issued Certain Opinions on the Further Reform of Power System (《關於進一步深化電力體制改革的若干意見》), which indicated the start of a new round of power system reform in our country. Four supporting documents, including Guiding Opinions on Improving Power Operation Regulation and Promoting Comprehensive Development of Clean Energies (《關於改善電力運行調節促進清潔能源多發滿發的指導意見》), published later by the National Development and Reform Commission (“NDRC”) successively, further specified the principles of preserving space for clean energy generating units to generate power with priority, and also required satisfaction of peak regulation demand while ensuring safety of the nuclear power. As the reform is progressing, a series of documents supporting the power reform will be published later.

The power system reform will bring profound impact on the power industry as a whole. We are of the opinion that, the power system reform presents opportunities as well as challenges to nuclear power enterprises as their management of electricity sales, cost control and risk control will be affected. We will accommodate the progress of reform by closely monitoring the development of policies auxiliary to the power reform and proactively supporting and advising on research of those policies, in addition to which, continuously enhancing our market-oriented operation and management capabilities.

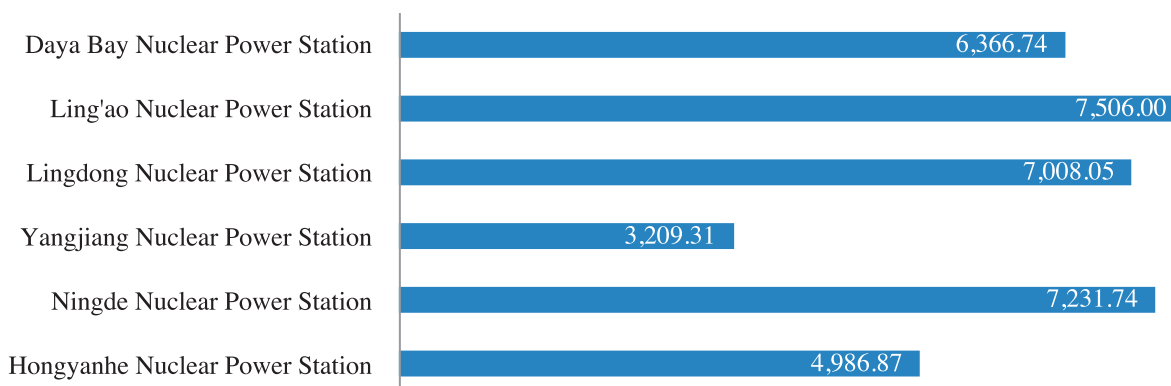
(II) Business Performance and Analysis

We consistently adhered to the basic principle of “Safety First, Quality Foremost”, and implemented specialized, standardized and centralized (“standardized, specialized and centralized”) management strategy, so as to ensure the safe and stable operations of each nuclear power generating unit in operation and the orderly progress of construction of the nuclear power units under construction. In the first half of 2015, the operation of nuclear power generating units in operation managed by us was in good condition, and 2 generating units under construction commenced commercial operations in advance. We hereby mainly report on the business performance of our nuclear power generating units in operation and under construction during the first half of 2015, and the work carried out by us in respect of human resources and social responsibilities.

1. Nuclear Power Generating Units in Operation

For the six months ended June 30, 2015, the 13 nuclear power generating units in operation we managed achieved a total on-grid power generation of 36,308.70 GWh, representing an increase of 19.20% over the corresponding period of 2014. Among which, nuclear power stations operated and managed by our subsidiaries (including Daya Bay Nuclear Power Station, Ling’ao Nuclear Power Station, Lingdong Nuclear Power Station and Yangjiang Nuclear Power Station), our joint ventures (including Ningde Nuclear Power Station) and our associates (including Hongyanhe Nuclear Power Station) recorded a decrease of 2.68%, an increase of 240.28% and an increase of 39.22% of total on-grid power generation, respectively over the corresponding period of 2014.

For the six months ended June 30, 2015, on-grid power generation figures (unit: GWh) of our nuclear power stations are as follows:



Safety Management

In the first half of 2015, as a result of upholding the belief in the importance of effective operation of the developed safety regulation system, we placed much emphasis on the nuclear safety culture construction and the improvement of the nuclear emergency response and handling mechanism so as to raise nuclear safety awareness of our staff and to strengthen their capability to handle and react in case of emergency. We ensure that our nuclear power stations are safely operating in an economical and reliable manner in the interests of social and public safety.

Nuclear Safety Culture Building

As at the end of 2014, NNSA, the National Energy Administration and the State Administration of Science, Technology and Industry for National Defence (“**SASTIND**”) jointly declared the Statement of Nuclear Safety Culture Policy (《核安全文化政策聲明》) (the “**Statement**”), which pointed out that “the core value of nuclear safety culture advocated by the PRC at the current stage is paying equal attention to development and safety, rights and obligations, independence and coordination as well as scratching the surface and getting to the root”, that “the nuclear safety culture shall be fostered and developed greatly to increase the level of nuclear safety” and that “the fostering of nuclear safety culture is a long term process and should be promoted on an on-going basis”. Our consistently upheld nuclear safety culture concept is fully in line with the requirements of these policies.

Currently, the number of nuclear power bases managed by us has increased to five, and as the new units were put into operation successively, most of the nuclear power bases need to manage both the nuclear power generating units in operation and nuclear power generating units under construction, which has increased the complexity and difficulty of safety management, and also increased the pressure of nuclear safety on us. The number of our new staff and new business partners has significantly increased due to the business development, and we need to help them understand the nuclear safety culture quickly, as well as help them to observe and implement relevant regulations and procedures. Meanwhile, we pay attention to the staff who have worked with the Company for a long time, so as to help them keep abreast of nuclear safety awareness. One of the key points we must focus on during the continuous implementation of nuclear safety culture building is how to ensure the nuclear safety concept is fully observed by all staff in their work.

To continue to enhance the safety culture of the Company, put the awareness and requirement of behaviors on safety into actions and strengthen the awareness of respect, compliance with regulations, responsibility and integrity, we have set 2015 as the Company’s “Year of Safety Culture” (安全文化年) and organized and launched a series of activities with the theme “To Respect Nuclear Safety and To Uphold the Red Line with Diligence” (敬畏核安全、勤勉守紅線) by integrating the requirement of “Implementation of Special Actions on the Promotion of Nuclear Safety Culture” (關於開展核安全文化宣貫推進專項行動) of NNSA. For the six months ended June 30, 2015, we have accomplished preliminarily reflection on safety events happened to us, compilation on environmental laws and regulations of safety and quality, and the preparation of the red line standard and penalty system for staff behavior on safety and quality.

- By conducting reflection activities on safety events at different levels to reflect if there exists the mentality of not being responsible for our business and if there are still loopholes in our management and control of business, and to formulate improvement plans on individual behavior and enhancement plans on management and control of business;
- We have accomplished preliminarily the “compilation on environmental laws and regulations of corporate safety and quality” (《公司安全質量環境法律法規彙編》), which covers the regulations and rules in the areas of safety, occupational safety, environment and emergencies, providing guidance and assistance to our development; and

- Each of the subsidiaries and affiliated companies has basically completed the preparation or improvement of the red line standard and penalty system for staff behavior on safety and quality and strengthened the awareness and behavior on “To Respect Nuclear Safety and To Uphold Nuclear Safety” (敬畏核安全,守護核安全) of each staff.

We have continuously tried different forms to amplify nuclear safety culture publicity campaigns, in order to promote the understanding and acceptance of the staff as to nuclear safety culture concept in a lively way. In accordance with the arrangement for “Year of Safety Culture” this year, we are conducting the solicitation activity of micro videos on implementation of nuclear safety culture, which themed as “To Uphold Nuclear Safety, Practice Individually” (守護核安全,踐行在身邊), encouraging the staff to observe and find good practice around and shoot it to share with the others.

Nuclear safety culture precautionary education is the education activity we carry out routinely every year, which is mainly delivered by all levels of management in the form of lectures in respect of the understanding on nuclear safety, cases analysis on important events and the requirements of the Company. We and our affiliates have successively initiated the nuclear safety culture precautionary education activities for this year.

Improvement of Nuclear Emergency Response Mechanism

We have implemented a comprehensive emergency response preparation and reaction system in all nuclear power stations managed by us, and organized different scales of drill in due course to ensure rapid response to accidents. However, with the successive commencement of new nuclear power generating units at each base area, we are required to enhance the emergency ability to respond to accidents of multiple units. The Company should establish an integrated emergency rescue system and relief materials safeguard system against nuclear accidents, as well as a unified mechanism for dealing with emergency issues and experience feedback system, to meet the development of the Company’s business and new requirements of the country for emergency management of nuclear accidents.*

- * On May 15, 2015, Li Ganjie, the deputy minister of the Ministry of Environmental Protection and the director of the NNSA, at the fourth forum of senior management of nuclear groups in respect of emergency response to nuclear accidents pointed out that, based on serious lessons from Japan’s Fukushima nuclear accident, it was an important step to establish an emergency rescue force at nuclear accident sites of nuclear power stations at the level of nuclear group companies.

We have established a nuclear emergency response and rescue center according to the “standardized, specialized and centralized” management strategy in the emergency management field, with aims to realize the overall management of various emergency response forces at each base area, establish the nuclear emergency response command and decision-making platform and command mechanism

interconnected to and shared by emergency response command center and other entities of the Company and each nuclear power station, and strengthen the Company's capacities of in-depth guidance, vigorous coordination and effective support for nuclear accidents, as well as comply with the latest requirements of regulatory authorities in respect of the Company's emergency response to nuclear accidents.

We have implemented the 24-hour emergency duty system for emergency organization personnel for years at each nuclear power station managed by us. Upon the establishment of the nuclear emergency response and rescue center, we have established the 24-hour emergency duty system for emergency organization personnel at the Company's level in response to the actual demand of the company management, taking full advantage of the interaction between the Company and each nuclear power station, deploying various resources within and outside the Company effectively and giving necessary guidance and support in accidents handling timely. Such system has become effective on April 1, 2015.

On June 26, 2015, under the organization of relevant national departments, we held a "Shendun-2015" national nuclear emergency joint drill together with joint drill inside and outside the nuclear power station prior to the first fuel loading of Taishan Nuclear, which was the first joint drill for nuclear accident emergency response at the national level after the release of the new version of National Nuclear Emergency Program (《國家核應急預案》). The National Coordinating Committee of Nuclear Accident Emergency Response, Guangdong provincial government and CGNPC (including us) engaged in this drill, being on behalf of emergency response organizations at all levels. During this drill, with the initiation of all the emergency response organizations of Taishan Nuclear, they adopted well-directed handling according to the status of the accident development and promptly reported to the relevant authorities of superior level, and accordingly, response actions were successively carried out. By way of the drill, we inspected the effectiveness of the Company's emergency response mechanism and the cooperativity with external enterprises, enhanced the nuclear emergency response level and accident handling ability, which achieved the expected goal of the drill. After the drill, we made a conclusion and rationalized the methods to improve some problems in a timely manner, formulated the subsequent improvement actions and plans afterwards.

Safety Performance

According to the International Nuclear Events Scale ("INES") (《國際核事件分級表》) set by the International Atomic Energy Agency, for the six months ended June 30, 2015, 3 incidents at level 0 in total occurred at the 13 nuclear power generating units we operated and managed. In the first half of 2015, we obtained all excellent safety evaluation for all the 25 safety inspections by the NNSA, the nuclear and radiation safety supervision stations and the China Atomic Energy Authority.

Incidents
(All are Level 0 Incidents)
For the six months ended June 30

Base Area or Nuclear Power Station	2015	2014
Daya Bay Base Area (including Daya Bay Nuclear Power Station, Ling'ao Nuclear Power Station and Lingdong Nuclear Power Station)	0	1
Yangjiang Nuclear Power Station	0	0
Ningde Nuclear Power Station	1	4
Hongyanhe Nuclear Power Station	2	0

Operation Performance

Capacity factor, load factor and average utilization hours are the three indicators continuously utilized by us to evaluate the utilization of the nuclear power generating units, which is an important factor affecting our overall results of operations and profitability.

In the first half of 2015, the mature units (nuclear power generating units that have completed operation through three fuel cycles) operated and managed by us had an average capacity factor of 83.71%, average load factor of 82.75% and average utilization hours of 3,594 hours, while these three indicators were 88.85%, 88.65%, 3,851 hours in the corresponding period of last year, respectively. This change was mainly due to the fact that 5 mature units had conducted outage in the first half of 2015. The new units (nuclear power generating units that have not completed operation through three fuel cycles after commercial operations, Yangjiang Unit 2 and Ningde Unit 3 commenced their commercial operations since June 2015, and the above two units are excluded from the below indicator data), had an average capacity factor of 70.75%, average load factor of 65.85% and average utilization hours of 2,861 hours, while these three indicators were 74.35%, 73.98% and 2,532 hours in the corresponding period of last year, respectively. This change was mainly due to the fact that Yangjiang Unit 1 had completed the first outage, and Hongyanhe Unit 2 had conducted a temporary deloading overhaul* in the first half of 2015.

* Due to the heating provision period in winter in Liaoning region, a temporary deloading overhaul was conducted for Hongyanhe Unit 2 in the first half of 2015 in line with the requirements of power grids. Accordingly, we adjusted our outage strategy, and advanced some overhaul projects of the first refueling outage which was scheduled to conduct for Hongyanhe Unit 2 to this period, which would shorten the time for the first refueling outage originally arranged for Hongyanhe Unit 2.

During the regular refueling period of the nuclear power stations, we mainly carry out preventive maintenance, corrective maintenance and related modifications projects, which are usually referred to as refueling outages by nuclear power stations. In addition, according to the technical requirements for operating nuclear power stations, we need to carry out inspection, testing and maintenance of major equipment every ten years. Such activities will be conducted during the refueling period of generating units, and this is usually referred to as 10-year outage by nuclear power stations.

In the first half of 2015, we carried out a total of seven refueling outages for the 13 nuclear power generating units in operation managed by us, including three 10-year outages or the first outages, which were equivalent to 10-year outages. In accordance with the “standardized, specialized and centralized” management strategy in outage area, we continuously optimized the management level of refueling outages, and with the cooperation and efforts of each party involved, the actual schedule of the first refueling outages for new generating units was shortened. For example, in respect of the first outage for Ningde Unit 2 carried out in the first half of 2015, its outage schedule was shortened by 24 days as compared to that of the first outage for Ningde Unit 1 completed in 2014, which was achieved based on the consolidation of the Group’s specialized technical forces and by reference to the experience feedback from the first outages for other nuclear power generating units. The total aggregate number of calendar days for refueling outages was 346 days in the first half of 2015.

The capacity factor and load factor of nuclear power generating units we operated and managed in the first half of 2015 are set out below:

Nuclear Power Stations	Capacity factor (%)		Load factor (%)	
	For the six months ended		For the six months ended	
	June 30		June 30	
	2015	2014	2015	2014
<i>From subsidiaries</i>				
Daya Bay Unit 1 ⁽¹⁾	57.33	99.95	57.86	100.71
Daya Bay Unit 2	97.32	99.95	98.01	100.55
Ling’ao Unit 1	99.91	80.76	99.26	79.93
Ling’ao Unit 2 ⁽²⁾	87.19	89.38	82.87	88.33
Lingdong Unit 1 ⁽³⁾	80.05	82.60	78.89	82.64
Lingdong Unit 2 ⁽⁴⁾	80.45	80.47	79.57	79.76
Yangjiang Unit 1 ⁽⁵⁾	58.59	99.97	58.79	100.09
Yangjiang Unit 2 ⁽⁶⁾	—	under construction	—	under construction
<i>From joint ventures</i>				
Ningde Unit 1 ⁽⁷⁾	99.93	19.55	98.09	19.48
Ningde Unit 2 ⁽⁸⁾	61.46	99.93	59.03	99.11
Ningde Unit 3 ⁽⁶⁾	—	under construction	—	under construction
<i>From associates</i>				
Hongyanhe Unit 1 ⁽⁹⁾	75.33	54.04	71.51	53.22
Hongyanhe Unit 2 ⁽¹⁰⁾	58.42	98.27	41.85	97.99

(1) Daya Bay Unit 1 completed a 10-year outage in the first half of 2015, while no refueling outage was conducted in the corresponding period last year.

(2) Ling’ao Unit 2 completed a refueling outage in the first half of 2015.

(3) Lingdong Unit 1 completed a refueling outage in the first half of 2015.

- (4) Lingdong Unit 2 completed a refueling outage in the first half of 2015.
- (5) Yangjiang Unit 1 completed the first outage after commencement of operation in the first half of 2015. The first outage was similar to a 10-year outage in nature.
- (6) Yangjiang Unit 2 and Ningde Unit 3 commenced their commercial operations in June 2015, and we started to collect statistics of their capacity factor and load factor in July.
- (7) No refueling outage was arranged for Ningde Unit 1 in the first half of 2015 but it had completed the first outage in the corresponding period last year. The first outage was similar to a 10-year outage in nature.
- (8) Ningde Unit 2 completed the first outage after commencement of operation in the first half of 2015. The first outage was similar to a 10-year outage in nature.
- (9) Hongyanhe Unit 1 completed a refueling outage in the first half of 2015 and the first outage in the corresponding period last year. The first outage was similar to a 10-year outage in nature.
- (10) Due to the heating provision period in winter in Liaoning, a temporary deloading was conducted for Hongyanhe Unit 2 in line with the requirements of power grids. Accordingly, we advanced some overhaul projects of the first refueling outage for Hongyanhe Unit 2 to such deloading period.

In accordance with the “standardized, specialized and centralized” management strategy in spare parts and components area and through comprehensive analysis, we planned to construct a central warehouse of strategic spare parts for nuclear power stations at the Daya Bay Base Area and the Yangjiang Nuclear Base Area. The central warehouse of strategic spare parts, once completed, will effectively resolve the problem that there was no space reserved for large strategic spare parts at each nuclear power station, and will achieve the unified management of the Company’s strategic spare parts. It can also reduce costs of spare parts for nuclear power stations and increase the reservation ratio of strategic spare parts. In addition, the central warehouse can ensure minimization of losses on nuclear power stations if, to which any significant and unexpected failure of equipment happened. We are currently carrying out the preparation work for the central warehouse of strategic spare parts.

In order to examine our operational level in the industry more comprehensively, identify our weaknesses and shortcomings, and improve and enhance our level of safe and stable operation in a target-oriented manner, we changed from 9 key performance indicators to all the 12 performance indicators of the Company in 2015 when compared with the benchmark of performance indicators for PWR set by the World Association of Nuclear Operators (“WANO”). For the six months ended June 30, 2015, when compared with the one-year value benchmark of 12 performance indicators for PWR set by WANO in 2014, among a total of 132 WANO performance indicators of our 11 nuclear power generating units in operation (Yangjiang Unit 2 and Ningde Unit 3 were put into commercial operations in early June, and excluded from the statistics in the Reporting Period), there were 105 indicators (79.5%) achieving the world’s top quartile level (advanced level), of which 95 indicators (72.0%) achieving the world’s top decile level (excellent level)*.

* Measuring by the 9 key performance indicators for PWR set by the WANO, our 11 nuclear power generating units in operation, which has 99 key performance indicators in aggregate, had 72 indicators reached the world’s top quartile level in the first half of 2015, increasing from 67 indicators in the corresponding period in 2014. They also had 62 indicators reaching the world’s top decile level in the first half of 2015, increasing from 57 indicators in the corresponding period in 2014.

Environmental Performance

In the first half of 2015, the radioactive waste management of the each nuclear power generating unit in operation managed by us has strictly complied with state laws and regulations, and has strictly met the standard requirement of the relevant technical specifications.

The following table sets forth the amounts and percentages of the various types of radioactive waste discharged at the nuclear power stations during the period as a percentage of the national standards:

	Daya Bay Base Area (including Daya Bay Nuclear Power Station, Ling'ao Nuclear Power Station and Lingdong Nuclear Power Station)		Yangjiang Nuclear Power Station		Ningde Nuclear Power Station		Hongyanhe Nuclear Power Station	
			For the six months ended 30 June					
	2015	2014	2015	2014	2015	2014	2015	2014
Amount of discharged liquid radioactive waste (radionuclides other than tritium) as a percentage of the national standards	0.32%	0.23%	0.28%	0.05%	0.17%	0.35%	0.20%	0.31%
Amount of discharged gas radioactive waste (inert gases) as a percentage of the national standards	0.19%	0.19%	0.05%	0.07%	0.21%	0.42%	0.06%	0.16%
Solid radioactive waste (cubic meters)	131.2	189.2	0	0	97.6	93.0	122.8	115.4
Results of environmental monitoring	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal

As a clean energy, nuclear power contributes to energy saving and emission reduction. In the first half of 2015, our cumulative on-grid nuclear power generation in effect represented a reduction of approximately 11.65 million tons of standard coal consumption and approximately 28.67 million tons of carbon dioxide emissions, with an equivalent effect of a 80 thousand hectare forest.

2. Nuclear Power Generating Units under Construction

The quality of nuclear power stations under construction is important for the safe and efficient operations of nuclear power stations after commencement of operation. We meticulously organize project construction to ensure the quality, pass the inspection of the NNSA at the major project nodes, and enter into the next phase of work after having confirmed our full compliance with the requirements. We continue to learn from the experience feedback deriving from the construction of other domestic and international nuclear power stations to improve the safety and quality of our project construction and lay a solid foundation for the safe and stable operation of nuclear power stations in the future.

On March 10, 2015, the construction of Hongyanhe Units 5 and 6 was approved by the NDRC. In particular, we commenced the construction of Hongyanhe Unit 5 on March 29, 2015. As of June 30, 2015, we managed 10 nuclear power generating units under construction with installed capacity of 12,290MW, of which 1 unit was in the grid connection phase, 4 units in the commissioning phase, 3 in the equipment installation phase, and 2 in the civil construction phase.

Nuclear Power Generating Units	Civil Construction Phase	Equipment Installation Phase	Commissioning Phase	Grid Connection Phase	Expected Time of Commencement of Operation
<i>From subsidiaries</i>					
Yangjiang Unit 3			√		First half of 2016
Yangjiang Unit 4		√			Second half of 2017
Yangjiang Unit 5		√			Second half of 2018
Yangjiang Unit 6	√				Second half of 2019
Taishan Unit 1			√		First half of 2016
Taishan Unit 2		√			Second half of 2016
<i>From joint ventures</i>					
Ningde Unit 4			√		Second half of 2016
<i>From associates</i>					
Hongyanhe Unit 3				√	Second half of 2015
Hongyanhe Unit 4			√		Second half of 2015
Hongyanhe Unit 5	√				Second half of 2020

Nuclear power generating units may be affected by various factors during the progress of construction, including, among others, delivery delays, increase in the cost of key equipment and materials, delay in obtaining regulatory approvals, permits or licenses, unexpected engineering, environmental or geological problems, change of localization ratio as well as the implementation of additional PRC regulatory and safety requirements for nuclear safety, the actual date of commencement of operation may deviate from such expected date. We will provide updated information in accordance with the relevant rules from time to time.

Yangjiang Unit 2 and Ningde Unit 3 were entering the grid connection stage in the early and middle of March 2015 successively and have been put into commercial operation in June 2015, ahead of the expected time of commencement of operation.

On August 19, 2014, the State Council issued the Opinions of the State Council on Certain Major Policies and Measures Recently Adopted in Support of Revitalizing the Northeast China (《國務院關於近期支持東北振興若干重大政策舉措的意見》), which regards the establishment of a diversified clean energy system as one of the most important revitalization measures. In the first half of 2015, the Northeast China Energy Regulatory Bureau of National Energy Administration prepared the Research Report Advice and Suggestions on Electric Power Planning in the Northeast China during “the 13th Five-Year Plan” Period (《東北區域「十三五」電力規劃意見建議研究報告》), which put forward a series of suggestions on the establishment of a diversified clean energy system to solve the problem of “local oversupply of electricity”. However, it will take some time to adjust the energy structure, and the people demand provision of heating in winter in the Northeast China, both of which have, to some extent, affected the scheduled grid connection and commercial operation of our nuclear power generating units. Hongyanhe Unit 3 and Unit 4 are expected to be put into commercial operation in the second half of the year (Hongyanhe Unit 3 has met the conditions for commercial operation on August 16, 2015). Facing the current tough external situation, we responded actively and organized a specialized work team together with Liaoning Hongyanhe Nuclear Power Co., Ltd. (“**Hongyanhe Nuclear**”) to follow closely the changes in power consumption in Liaoning province, and to cooperate with the State’s ministries and commissions, local governments and power grids in implementing such measures as promoting optimized power networks, external distribution of regional electricity, allocation of regional electricity and consumption of clean energies to ensure the two units will successfully begin operation.

Taishan Nuclear project, which had been acquired by us, was constructed by using the third generation technology - European pressurized water reactor type. As of the date of this announcement, there has been no nuclear power generating units which have adopted the third generation nuclear power technology that has been put into commercial operation. As Taishan Nuclear project is one of the world’s first nuclear power projects constructed by using the third generation technology, we do not have adequate external experience and feedback available for reference. Due to the new design, during the construction of Taishan Nuclear project, Taishan Nuclear is required to conduct more experimental verifications in respect of its design and equipment, which accordingly requires longer construction time.

In the first half of 2015, our nuclear island designer and supplier AREVA Group (“**AREVA**”) conducted a chemical and mechanical properties test on a reactor pressurizer vessel roof being similar to that of the France-based Flamanville unit 3, the result of which showed that the carbon concentration in an area was higher than the expected value, which may result in lower-than-expected mechanical toughness value. The involved forge piece of this pressurizer vessel roof was manufactured by an affiliated manufacturer of AREVA, so were the relevant forge pieces of the two units’ pressurizer vessels in Taishan Nuclear project. After learning of this information, we immediately required AREVA to fully re-examine the manufacturing process of relevant forge pieces used in Taishan Nuclear project under applicable regulations. We also re-examined the manufacturing process and found no non-compliance items. We have reported this matter to NNSA and maintained close communication. We are closely following up the development of similar foreign units and the further tests of AREVA, conducting analysis and evaluation work concerning this issue in the mean time.

Currently, Taishan Unit 1 is in the commissioning phase and Taishan Unit 2 is in the equipment installation phase. We have successfully overcome some problems in the construction of similar nuclear power units through continuously strengthening the cooperation with domestic and foreign partners on the basis of the communication and coordination mechanism at all levels. Subsequently, we will maintain a positive attitude and effective way in our work, and strengthen the control and management over the safety, quality, progress and investment of the project through the integration of all parties' resources to actively promote the smooth development of Taishan Nuclear project.

3. Human Resources

According to the human resources plan of the Company, during the Reporting Period, the Company recruited a total of 166 employees, and we had 10,998 employees (including those of our affiliates) as at June 30, 2015.

The Company's remuneration system maintained the policy in 2014. For the six months ended June 30, 2015, except that the remuneration of the external non-employee representative supervisor newly appointed by the Company was determined based on factors, such as corporate size and the industry therein, the remuneration standards and enforcement basis for other directors, supervisors and senior management remained the same over the corresponding period of 2014. On our annual general meeting of 2014 convened on June 12, 2015, the resolution on the Company's directors and supervisor's remuneration in 2015 was approved. In addition, the remuneration resolution for the Company's senior management was approved on the 7th meeting of the Board on March 18, 2015.

For the six months ended June 30, 2015, the aggregate remuneration of the Company's directors, supervisors and senior management amounted to RMB4.1 million, and the total staff costs was RMB1,723.2 million (excluding the associates and joint ventures).

We are highly concerned about the occupational health of our employees who involves in the work of nuclear power stations, including our contractors and other personnel who normally enter into our workplace to carry out relevant activities. We ensure employees' occupational health through various means such as promotion and training, proactive prevention, identification and management of the occupational hazard factors. The average individual radiation exposure index among our personnel (including the staff, contractors and other personnel) who enter into the control area to work at the nuclear power stations is lower than the national standard limit (20 mSv/year/person). The table below sets out information on the maximum individual radiation exposure index (Unit: mSv) among the personnel who enter into the control area to work in the first half of 2015 and 2014 at the nuclear power stations operated and managed by us:

	Six months ended June 30	
	2015	2014
Nuclear power stations/units		
Daya Bay Nuclear Power Station	7.08*	1.38
Ling'ao Nuclear Power Station	2.14	7.73
Lingdong Nuclear Power Station	5.13	3.39
Yangjiang Nuclear Power Station Units 1 and 2	6.71*	1.02
Ningde Nuclear Power Station Units 1, 2 and 3	7.18	5.94
Hongyanhe Nuclear Power Station		
Units 1 and 2	5.62	7.49

* The relatively higher level of personal radiation exposure index was primarily due to the longer time of outage arranged by these nuclear power stations during the Reporting Period.

4. Social Responsibility

We continued to enhance information disclosure and public communication, and improve the trust level in a transparent way between the Company and the community by insisting in the philosophy of “Serving the Public and Giving Back to Society” (服務公眾、回饋社會) and adhering to a highly responsible attitude to stakeholders, with an aim to promote the mutual improvement of the society and community.

Information Disclosure

In the first half of 2015, we convened 6 press conferences where we conducted systemic explanation on the safe operation of nuclear power stations, their engineering constructions and the fulfilment of social responsibility over the past year. Each of our nuclear power stations under operation will update their nuclear and radiation information published on the public web page, which contains the updated environmental data and operational data. This can ensure such information is available to the public. Our nuclear power stations have voluntarily disclosed all of the 3 operational incidents occurred in the first half of the year in the nuclear and radiation information published on their public web pages, all of which are at level 0.

We enhanced communications with governments at all levels and with social media. We maintained regular and normalized communication mechanism with SASAC, the National Energy Administration, SASTIND, NNSA and the provincial and municipal governments at all levels, and timely provided the governments with important information in respect of nuclear energy policy, safe operation and engineering construction. In addition, we also offered advice and suggestions on the nuclear power companies and the industry as well as the local coordinated development to promote the better integration between the development of nuclear power and local economic and social development, serving as a qualified consultants and assistants for the government. We established stable and efficient channels of communication with mainstream media, working with all kinds of media to report the development of nuclear power and other hotspot issues of public concern. This can objectively describe the development trend of nuclear power, its safety performance, significant progress of the project, and enhance the media understanding and support for the development of nuclear power.

Public Communication

In 2015, we further improved public communication mechanisms and tools for communities, carried out a variety of communication activities and continued to expand the depth and coverage of communication. For example, Hongyanhe Nuclear and Dalian Science and Technology Association(大連市科學技術協會) have jointly engaged 20 nuclear science lecturers to start “Hundreds of Campaigns to Popularize Scientific Knowledge about Nuclear Power in Communities” (百場核電科普進社區) for the year of 2015. We plan to organize 100 campaigns with a coverage of 10,000 residents. We held the second “Hongyanhe Cup” (紅沿河杯) nuclear power science knowledge competition with a coverage of over 6,800 students in 31 high schools. Daya Bay Nuclear Power Operations and Management Co., Ltd. (大亞灣核電運營管理有限責任公司) provided comprehensive training for more than 60 volunteers from families involved in nuclear power industry to form a public communication team and to carry out a series of communication activities for nuclear power stations, such as “The Public Experience Day” (公眾開放體驗日), “Volunteers Stepping into Schools and the Community” (志願者進校園、進社區), and “Telling The Story of Volunteers” (講述志願者故事). Fujian Ningde Nuclear Power Co., Ltd. (“**Ningde Nuclear**”) conducted the public service activity of “Practicing Green Living, Sharing A Bright Future” (踐行綠色生活、共享美好未來), which enabled the nuclear science teaching activities to be carried out together with the community environmental protection activities, thus establishing a clean, environmentally friendly image of neighbour. Each of the nuclear power stations under our operation and management further promoted the project of “Nuclear Science Stepping into the Classroom” (核電科普進課堂). Accordingly, more primary and secondary schools set up the nuclear science course so as to help teachers and students to learn nuclear knowledge and understand the importance of the development of clean energy.

Community Development

“A Nuclear Power Station for A City” (一座核電一座城). During the project construction and operation, we have at the same time focused on the community infrastructure construction, the improvement of the community environment, the creation of employment opportunities for local residents to improve the community’s living standards, the promotion of industrial tourism and localized procurement to build symbiotic community environment. For example, Hongyanhe Nuclear has enriched the form of services in surrounding community, gradually switching from the previous provision of material support such as increased employment opportunities and charity donation to the multi-dimensional and more extensive development and prosperity in respect of educational, medical, legal and other aspects, which could further strengthen the relationship between Hongyanhe Nuclear and its surrounding communities.

We have been enthusiastic about the development of social welfare undertakings, and continued to carry out various community outreach activities with a focus on poverty alleviation, special groups, education, cultural preservation. For example, in Qintou village adjacent to Taishan Nuclear, due to drought in Taishan during the year, the domestic water supply to the village could not be guaranteed, and all villagers' daily life was severely affected accordingly. In order to help the living of community villagers, Taishan Nuclear provided more than a thousand tonnes of water to a total of more than 2,000 villagers and outsiders. Suzhou Institute carried out a summer public welfare activity, namely "To Bring Cool to the Single Elderly Persons" (給孤寡老人送清涼), to send fans and other summer items to the single elderly persons in the surrounding communities.

(III) Financial Performance and Analysis

Financial statements reports are the transcripts of the Company's operations, reflecting the financial position, results of operation and cash flows of the Company. Our investment and operational strategies will affect our business performance, which in turn translates into the figures in our financial statements.

1. OVERVIEW OF FINANCIAL RESULTS AND POSITION

KEY FINANCIAL INDICATORS

Item	Six months ended June 30	
	2015	2014
Indicators of profitability		
EBITDA margin (%) ⁽¹⁾	82.1	65.8
Net profit margin (%) ⁽²⁾	44.7	31.4
Indicators of investment returns		
Return on equity (%) ⁽³⁾	5.6	5.7
Return on total assets (%) ⁽⁴⁾	2.0	1.6
Indicators of solvency		
Gearing ratio (%) ⁽⁵⁾	169.6	211.1
Debt to equity ratio (%) ⁽⁶⁾	154.0	194.8
Interest coverage ⁽⁷⁾	1.9	1.5

- (1) The sum of profit before taxation, finance expenses and depreciation of property, plant and equipment divided by revenue and multiplied by 100%.
- (2) Profit divided by revenue and multiplied by 100%.
- (3) Profit divided by total average equity (the arithmetic mean of the opening and closing balances) and multiplied by 100%.
- (4) Profit divided by total average assets (the arithmetic mean of the opening and closing balances) and multiplied by 100%.
- (5) Total debt (the total amount of bank and other borrowings) divided by total equity and multiplied by 100%.
- (6) Net debt (the total amount of bank and other borrowings less cash and cash equivalents and other bank deposits over three months) divided by total equity and multiplied by 100%.
- (7) Profit before interest and tax divided by interest expense.

FINANCIAL RESULTS

In the first half of 2015, profit attributable to owners of the Company increased by 36.1% to RMB3,478.3 million, primarily due to the increase of RMB1,363.9 million in exchange gains as compared with the corresponding period in the last year as a result of the effects arising from the change of exchange rates.

REVENUE

Six months ended June 30

	2015	2014	Movements	Percentage
	<i>RMB'000</i>	<i>RMB'000</i>	increase/ (decrease)	change increase/ (decrease)
			<i>RMB'000</i>	%
Sales of electricity	8,953,560	9,079,849	(126,289)	(1.4)
Service revenue	534,458	615,362	(80,904)	(13.1)
Sales of other goods	102,163	50,116	52,047	103.9
Total revenue	<u>9,590,181</u>	<u>9,745,327</u>	<u>(155,146)</u>	<u>(1.6)</u>

Our total revenue decreased by 1.6% from RMB9,745.3 million in the first half of 2014 to RMB9,590.2 million in the first half of 2015, among which revenue from sales of electricity decreased by 1.4% from RMB9,079.8 million in the first half of 2014 to RMB8,953.6 million in the first half of 2015, primarily due to the decrease in our subsidiaries' on-grid power generation in the first half of 2015 as compared with the first half of 2014 as a result of different outage schedules.

COST OF SALES AND SERVICES

Six months ended June 30

	2015	2014	Movements	Percentage
	RMB'000	RMB'000	increase/ (decrease)	change increase/ (decrease)
			RMB'000	%
Cost of nuclear fuel	1,299,859	1,350,067	(50,208)	(3.7)
Depreciation of property, plant and equipment	1,263,375	1,189,272	74,103	6.2
Spent fuel disposal fund	360,836	394,963	(34,127)	(8.6)
Others	1,860,572	1,555,193	305,379	19.6
Total cost of sales and services	4,784,642	4,489,495	295,147	6.6

Our cost of sales and services increased by 6.6% from RMB4,489.5 million in the first half of 2014 to RMB4,784.6 million in the first half of 2015, among which, other cost of sales and services increased by 19.6% from RMB1,555.2 million in the first half of 2014 to RMB1,860.6 million in the first half of 2015, primarily due to the increase in operation and maintenance cost in the first half of 2015 as compared with the first half of 2014 as a result of the different outage schedules, and the increase in staff cost in the first half of 2015 as compared with the first half of 2014 as a result of the increased number of nuclear power generating units under our management.

OTHER INCOME

Our other income increased by 11.0% from RMB997.4 million in the first half of 2014 to RMB1,107.1 million in the first half of 2015, primarily due to the increase in interest income from bank deposits by 570.0% from RMB24.8 million in the first half of 2014 to RMB166.0 million in the first half of 2015.

SHARE OF RESULTS OF ASSOCIATES

Our associates mainly include Hongyanhe Nuclear and 中廣核一期產業投資基金有限公司 CGN Industry Investment Fund Phase I Co., Ltd. ("CGN Fund Phase I"). Our share of loss of associates increased by 130.2% from RMB39.3 million in the first half of 2014 to RMB90.4 million in the first half of 2015, primarily due to the decrease in gross profit percentage of Hongyanhe Nuclear's sales of electricity by 3.2% in the first half of 2015 as compared with the first half of 2014 as a result of the effects arising from utilization hours.

SHARE OF RESULTS OF JOINT VENTURES

Our joint ventures mainly include Ningde Nuclear. For the six months ended June 30, 2015, our share of profit of joint ventures was RMB274.1 million, primarily due to the profit generated from the operation of two units at Ningde Nuclear Station. In the first half of 2014, our share of loss of joint ventures was RMB154.8 million, primarily due to the first outage repair schedule for Ningde Unit 1 in the first half of 2014.

FINANCE COSTS

Our finance costs decreased by 2.1% from RMB1,515.2 million in the first half of 2014 to RMB1,483.0 million in the first half of 2015, primarily due to the decreased interest on bank borrowings and borrowings from our ultimate controlling shareholder in the first half of 2015 as compared with the first half of 2014 as a result of the impact of interest rate reduction.

TAXATION

Taxation increased by 39.5% from RMB531.1 million in the first half of 2014 to RMB740.6 million in the first half of 2015, primarily due to the increase in our profit before taxation by 40.0% in the first half of 2015 as compared with the first half of 2014.

PROFIT FOR THE PERIOD

As a result of the foregoing, our profit for the Period increased by 40.1% from RMB3,060.1 million in the first half of 2014 to RMB4,288.1 million in the first half of 2015.

FINANCIAL POSITION

As at June 30, 2015, the Group's total assets amounted to RMB211,631.0 million, representing a decrease of RMB9,257.5 million or 4.2% from RMB220,888.5 million as of December 31, 2014. The Group's total liabilities amounted to RMB137,642.1 million, representing a decrease of RMB4,171.6 million or 2.9% from RMB141,813.7 million as of December 31, 2014. The Group's total equity amounted to RMB73,988.9 million, representing a decrease of RMB5,085.9 million or 6.4% from RMB79,074.8 million as of December 31, 2014, among which equity interest attributable to owners of the Company amounted to RMB53,193.8 million, representing a decrease of RMB6,256.3 million or 10.5% from RMB59,450.1 million as of December 31, 2014.

NET CURRENT ASSETS (LIABILITIES)

As at June 30, 2015, the Group's net current assets amounted to RMB5,057.9 million. As at December 31, 2014, the Group's net current assets amounted to RMB14,122.0 million. The change was primarily due to the Company's payment of RMB9,700.2 million for the acquisition of equity interest of Taishan Nuclear and Taishan Investment.

CURRENT ASSETS

	As at June 30, 2015 <i>RMB'000</i>	As at December 31, 2014 <i>RMB'000</i>	Movements increase/ (decrease) <i>RMB'000</i>	Percentage Change increase/ (decrease) %
Inventories	10,512,196	9,346,453	1,165,743	12.5
Trade and bills receivables	2,997,733	2,345,547	652,186	27.8
Prepayments and other receivables	1,368,852	882,305	486,547	55.1
Cash and cash equivalents	8,824,610	26,962,549	(18,137,939)	(67.3)
Other deposits over three months	2,728,000	2,080,900	647,100	31.1
Other current assets	893,031	972,951	(79,920)	(8.2)
Total current assets	<u>27,324,422</u>	<u>42,590,705</u>	<u>(15,266,283)</u>	<u>(35.8)</u>

The total current assets of the Group amounted to RMB27,324.4 million as of June 30, 2015, representing a decrease of RMB15,266.3 million or 35.8% from RMB42,590.7 million as of December 31, 2014, primarily due to (i) the Company's payment of RMB9,700.2 million for the acquisition of equity interest of Taishan Nuclear and Taishan Investment, (ii) the Company's payment of a special dividend of RMB3,688.1 million (an amount equal to the retained earnings accrued during the period from the date of establishment to the listing date) to its pre-listing shareholders, and (iii) our repayment of part of short-term debt.

CURRENT LIABILITIES

	As at June 30, 2015 <i>RMB'000</i>	As at December 31, 2014 <i>RMB'000</i>	Movements increase/ (decrease) <i>RMB'000</i>	Percentage Change increase/ (decrease) %
Trade and other payables	5,904,657	6,655,421	(750,764)	(11.3)
Amounts due to related parties	841,972	5,194,421	(4,352,449)	(83.8)
Loans from ultimate holding company	4,700,000	3,745,000	955,000	25.5
Loans from fellow subsidiaries	1,197,760	658,400	539,360	81.9
Payable to ultimate holding company	1,730,000	3,530,000	(1,800,000)	(51.0)
Bank borrowings	6,201,589	7,338,137	(1,136,548)	(15.5)
Other current liabilities	1,690,569	1,347,336	343,233	25.5
Total current liabilities	<u>22,266,547</u>	<u>28,468,715</u>	<u>(6,202,168)</u>	<u>(21.8)</u>

The current liabilities of the Group amounted to RMB22,266.5 million as of June 30, 2015, representing a decrease of RMB6,202.2 million or 21.8% from RMB28,468.7 million as of December 31, 2014, primarily due to the fact that (i) the Company paid a special dividend of RMB3,688.1 million to its pre-listing shareholders, (ii) the Company returned the principle amount of medium-term notes, amounting to RMB1,800.0 million, and (iii) we made payment for a provision for spent fuel management of RMB770.3 million in 2014.

NON-CURRENT ASSETS

	As at June 30, 2015 <i>RMB'000</i>	As at December 31, 2014 <i>RMB'000</i>	Movements increase/ (decrease) <i>RMB'000</i>	Percentage Change increase/ (decrease) %
Property, plant and equipment	161,211,958	155,923,218	5,288,740	3.4
Interests in associates	7,108,792	7,062,093	46,699	0.7
Interests in joint ventures	5,105,138	4,831,016	274,122	5.7
Value-added tax recoverable	5,176,206	5,285,730	(109,524)	(2.1)
Prepaid lease payments	2,426,778	2,331,432	95,346	4.1
Other non-current assets	3,277,679	2,864,305	413,374	14.4
Total non-current assets	<u>184,306,551</u>	<u>178,297,794</u>	<u>6,008,757</u>	<u>3.4</u>

The non-current assets of the Group amounted to RMB184,306.6 million as of June 30, 2015, representing an increase of RMB6,008.8 million or 3.4% from RMB178,297.8 million as of December 31, 2014, primarily due to we continued to construct Yangjiang Nuclear Power Station and Taishan Nuclear Power Station.

NON-CURRENT LIABILITIES

	As at June 30, 2015 <i>RMB'000</i>	As at December 31, 2014 <i>RMB'000</i>	Movements increase/ (decrease) <i>RMB'000</i>	Percentage Change increase/ (decrease) %
Borrowings and notes payable	104,474,178	101,673,167	2,801,011	2.8
Payables to ultimate holding company	1,992,648	2,000,000	(7,352)	(0.4)
Loans from fellow subsidiaries	4,225,471	4,471,233	(245,762)	(5.5)
Provision	1,691,695	1,526,003	165,692	10.9
Other non-current liabilities	2,991,520	3,674,550	(683,030)	(18.6)
Total non-current liabilities	<u>115,375,512</u>	<u>113,344,953</u>	<u>2,030,559</u>	<u>1.8</u>

The non-current liabilities of the Group amounted to RMB115,375.5 million as of June 30, 2015, representing an increase of RMB2,030.5 million or 1.8% from RMB113,345.0 million as of December 31, 2014, among which, borrowings and notes payable amounted to RMB104,474.2 million, representing an increase of RMB2,801.0 million or 2.8% from RMB101,673.2 million as of December 31, 2014, primary due to the increase of long-term borrowings of Yangjiang Nuclear and Taishan Nuclear.

TOTAL EQUITY

As at June 30, 2015, the Group's total equity amounted to RMB73,988.9 million, representing a decrease of RMB5,085.9 million or 6.4% from RMB79,074.8 million as of December 31, 2014, primarily due to the facts that: (i) we completed the final settlement procedures for the acquisition of 12.5% equity in Taishan Nuclear and 60% equity in Taishan Investment in April 2015 by us. Taishan Nuclear and Taishan Investment became our subsidiaries. The above acquisitions were recorded as business combinations under a common control and the Group's consolidated financial statements were restated as if the combinations had been made before the earliest period presented. In preparation of the Group's restated consolidated financial statements as of December 31, 2014, after the incorporation of assets and liabilities of Taishan Nuclear and Taishan Investment, adjustment was made to equity interest attributable to owners of the Company upon the increase of net assets as a result of the combinations. After the restatement, equity interest attributable to owners of the Company increased by RMB8,661.5 million than before. After the completion of the above acquisitions in the first half of 2015, equity interest attributable to owners of the Company at the end of the Reporting Period was reduced by the final acquisition consideration of RMB9,612.2 million in the first half of 2015; and (ii) the reduction was partly offset by the profit in the period of RMB4,288.1 million realized in the first half of 2015.

2. CAPITAL EXPENDITURE

The capital expenditure of the Group amounted to approximately RMB6,777.3 million in the first half of 2015, representing a decrease of RMB825.6 million or 10.9 % from RMB7,602.9 million in the first half of 2014. It was primarily used for the continuing construction of Yangjiang Nuclear Power Station and Taishan Nuclear Power Station. The capital mainly includes external funds, internal funds, bank borrowings, and borrowings from other financing sources.

3. MAJOR INVESTMENTS IN EQUITY

In the first half of 2015, the Group increased its capital in associates and joint ventures, among which RMB205.5million, RMB130.6million, RMB51.8 million and RMB82.8 million were made to Ningde Nuclear, Hongyanhe Nuclear, Jiangsu Baoyin Special Steel Pipe Co., Ltd. (江蘇寶銀特種鋼管有限責任公司) and CGN Fund Phase I respectively.

4. MATERIAL ACQUISITION AND DISPOSAL

Pursuant to the Equity Transfer Agreement entered into between CGNPC and us on October 30, 2014, we have proceeded with and finished acquisition from CGNPC 12.5% equity interest in Taishan Nuclear and 60% equity interest in Taishan Investment on April 30, representing an aggregate 41% equity interest in Taishan Nuclear (the “**Subject Equity**”), and the payment of acquisition consideration and final settlement procedures have been completed. As the Subject Equity was controlled by CGNPC before and after the acquisition, it is accounted for as a business combination under common control. After the acquisition, we held 51% equity interest in Taishan Nuclear in total, directly and indirectly.

Saved as disclosed above, the Group has no other material acquisition and material disposal in the first half of 2015.

5. USE OF PROCEEDS

The Company issued 10,148,750,000 H shares by way of global offering in December 2014 with net proceeds of RMB21,603.5 million from the offering after deducting various issuance costs. For the six months ended June 30, 2015, the Company has utilized RMB16,517.0 million of the net proceeds for the purposes as set out in the Prospectus, among which:

- RMB9,700.2 million was used for the acquisition of an additional 41% equity interest in total of Taishan Nuclear;
- RMB5,476.8 million was used as the related capital expenditure for nuclear power stations under construction;
- RMB10.0 million was used for research and development activities to promote the development and commercial application of nuclear power technology, and to ensure the safety, reliability and economical efficiency of nuclear power generation; and
- RMB1,330.0 million was used to supplement working capital.

6. DEBT RISK MANAGEMENT

In the first half of 2015, we maintained a good cooperation relationship with financial institutions, such as domestic and international banks, insurance companies, trust companies, and other debtors, so that we continued to receive sufficient debt financing support. As at June 30, 2015, we had undrawn bank credit line of approximately RMB50,000.0 million, bond limit available for public issue at any time of RMB5,000.0 million, cash and cash equivalents of RMB8,824.6 million, to ensure sufficient cash support for the Company’s operation, and mitigate the effect of cash flow movement.

At the same time, we have focused on and studied the exchange rate fluctuation risk for the Company’s stock of foreign currency debt, and are in the process of adopting debt hedging instruments, such as foreign currency forward contract, currency swap, and measures, such as foreign currency debt restructuring, to mitigate the impact of fluctuations in domestic and international financial markets on the Company’s operating costs, expected earnings and cash flow.

As at June 30, 2015, we had derivative financial assets of RMB58.5 million and derivative financial debts of RMB398.6 million.

7. CONTINGENCIES

EXTERNAL GUARANTEES

The Group confirmed that for the six months ended June 30, 2015, no external guarantees was provided.

PLEDGE OF ASSETS

As at June 30, 2015, the carrying value of the Group's assets pledged to banks and related parties was RMB21,087.5 million, which was used to secure loans for the Group. As at December 31, 2014, the carrying value of the Group's assets pledged to banks and related parties was RMB20,762.8 million.

As at June 30, 2015 and December 31, 2014, the rights for collection of electricity charges of Ling'ao Nuclear, Lingdong Nuclear, Yangjiang Nuclear and Taishan Nuclear were pledged to secure the banking facilities and loans from banks for such entities.

LEGAL PROCEEDINGS

The Group confirmed that there was no significant litigation, and the Board is not aware of any pending or threatened litigation against the Group which had or could have a material and adverse effect on the financial condition or operations of the Group for the six months ended June 30, 2015.

(IV) OUTLOOK FOR THE SECOND HALF OF THE YEAR

The Company strived to develop safety culture with leadership's exemplary actions, key personnel's exemplification and participation of all staff. According to the overall arrangement for "Year of Safety Culture" (安全文化年) of the Company, in the second half of 2015, we will continue to conduct and complete the activities in relation to the reflection on safety events happened to us, the nuclear safety culture precautionary education and the collection and selection of micro videos on implementation of nuclear safety culture, and prepare the Good Practices for Nuclear Safety Culture (《核安全文化良好實踐》) at each level. In addition, we will carry out assessment on the nuclear safety culture at each nuclear power station to identify deficiencies and make corresponding rectification, with a view of enhancing the safety culture of the Company.

For nuclear power generating units in operation, we will conduct fewer refueling outages for generating units in the second half of 2015, as compared to that for the first half of 2015, according to our annual outage schedule. We will grasp opportunities to maintain safe and stable operations of the nuclear power generating units in operation, and to increase utilization efficiency of those units for more on-grid power generation as compared to the first half of 2015 and achieve the stated goal as planned in 2015.

For nuclear power generating units under construction, in the second half of 2015, we will maintain communication and exchange with the peer to follow up and study good practices and experience feedback during the construction of similar nuclear power projects in a timely manner. In addition, on the basis of guaranteeing safety and quality, we will coordinate the allocation of resources to accommodate to the progress of each nuclear power generating unit under construction as scheduled.

For development of new projects, we will continue to keep an eye on the progress of CGNPC, our controlling shareholder, to develop domestic and overseas nuclear power projects, and will be active at studies on policies for developing new projects.

For financial management, the Company continues to uphold its prudence approach as always. Hedging instruments against foreign currency debts and risk precaution arrangements will be introduced in due course. Risk exposures will be reviewed regularly for consistent supervision and reporting and timely adjustments in response to expected market changes. Efforts will be made for minimizing impacts on the Company's operating costs, expected earnings and cash flow from domestic and international financial market fluctuations.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2015.

INTERIM DIVIDEND

Pursuant to the Company's dividend distribution policy, and based on the Company's detailed results of operation in the first half of 2015, the Board does not propose the payment of an interim dividend for the six months ended June 30, 2015 (corresponding period in 2014: nil).

EVENTS AFTER THE REPORTING PERIOD

For the period from June 30, 2015 to the date of this announcement, there is no occurrence of events that had a significant impact on the Group's operation, financial and trading prospects.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "**Stock Exchange Codes**") contained in Appendix 14 to the Listing Rules. The Board has approved and adopted the Corporate Governance Code of CGN Power Co., Ltd. (《中國廣核電力股份有限公司企業管治守則》) (First Edition) on November 18, 2014. For the six months ended June 30, 2015, the Company has complied with the all code provisions contained in the Stock Exchange Codes, except for one of the best recommended practices proposed in the Stock Exchange Codes (which is a listed company should announce and publish quarterly results report). We have adopted the approach of publishing business review and briefing on material events on a quarterly basis.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions of the Company by directors and supervisors of the Company. The Company has also formulated and adopted the Code for Securities Transactions by Directors and Specified Individuals (《董事及特定人士證券交易守則》) on terms no less exacting than those of the Model Code. According to the specific enquiry made to all directors and supervisors of the Company, all directors, supervisors and senior management of the Company have confirmed that they have strictly complied with the standards set out in the Model Code throughout the Reporting Period.

AUDIT COMMITTEE

The Company has established the Audit Committee in compliance with the requirements of Rule 3.21 of the Listing Rules and the Stock Exchange Codes with written terms of reference. The main responsibility of the Audit Committee is to assist the Board by provision of independent opinions on the financial reporting procedures, internal control and risk management systems of the Group, and to provide supervision on the auditing process and to fulfill all other duties and responsibilities designated by the Board. On the date of this announcement, the Audit Committee comprises one non-executive director (Mr. Zhuo Yuyun) and two independent non-executive directors (Mr. Na Xizhi and Mr. Francis Siu Wai Keung). Mr. Francis Siu Wai Keung, who possesses accounting qualification acted as the chairman of the Audit Committee.

The Audit Committee has reviewed, discussed with the management of the Company and confirmed the interim results for the six months ended June 30, 2015 of the Group, and the unaudited interim financial statement for the six months ended June 30, 2015 prepared in accordance with the IAS 34 “Interim Financial Reporting”.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (<http://www.cgnp.com.cn>) respectively.

The Company will dispatch to its shareholders in due course all the information required by the Listing Rules together with the 2015 interim report of the Company, which will also be published on the websites of the Company and the Stock Exchange.

By order of the Board
CGN Power Co., Ltd.*
Zhang Shanming
Chairman

The PRC, August 19, 2015

If there is any discrepancy between the English version and the Chinese version in respect of this announcement, the Chinese version shall prevail.

As at the date of this announcement, the Board of the Company comprises Mr. Gao Ligang as executive Director; Mr. Zhang Shanming, Mr. Zhang Weiqing, Mr. Shi Bing, Mr. Xiao Xue and Mr. Zhuo Yuyun as non-executive Directors; Mr. Na Xizhi, Mr. Hu Yiguang and Mr. Francis Siu Wai Keung as independent non-executive Directors.

* For identification purpose only