

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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, 2016**

### **FINANCIAL HIGHLIGHTS**

- Revenue of the Group for the six months ended June 30, 2016 was RMB13,074,101,000, representing an increase of 36.3% over the corresponding period in 2015.
- Profit for the period attributable to owners of the Company for the six months ended June 30, 2016 was RMB3,597,728,000, representing an increase of 3.4% over the corresponding period in 2015.
- Profit for the period attributable to owners of the Company (excluding the impacts of net foreign exchange gain/loss) for the six months ended June 30, 2016 was RMB3,831,999,000, representing an increase of 35.6% over the corresponding period in 2015.
- The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2016 (the corresponding period in 2015: 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, 2016 (the “**Period**” or the “**Reporting Period**”) together with the comparative figures for the corresponding period in 2015. 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

In the first half of 2016, China's economic development has entered into a period of new normal and the growth in the demand for the energy and electricity has slowed down. The supply and demand of electricity of China was on ease in general and the utilization hours of power generating facilities nationwide remained low. With the acceleration of the progress of power system reform, a number of national and provincial electricity trading centers have been set up and certain electricity trading centers have conducted a certain amount of electricity market transactions.

We continued to focus on the operation and construction of each nuclear power generating unit based on the principle of "Safety First, Quality Foremost" and actively dealt with the challenges brought by the external environment of the Company.

In respect of safety management, all operating units of the Company maintained safe and stable operation and all units under construction complied with all regulatory requirements. In the first half of 2016, no operation incidents of level 1 or above occurred in the nuclear power plants of the Company.

In respect of production and sale of electric power, through the collective efforts of all employees, we strived to ensure the supply of electricity as planned while actively achieving more market power generating with regard to the market conditions. We achieved an on-grid power generation of 47,885.98 GWh in the first half of 2016, representing an increase of 31.89% over the corresponding period in 2015. Yangjiang Unit 3 commenced commercial operations on January 1, 2016.

In respect of construction, the works on all our units under construction progressed orderly. We controlled, supervised and managed the safety, quality, progress, investment, technology and environment of the units under construction, to ensure the safety and quality of the units under construction and their compliance with all regulatory requirements. Having regard to the regional power market conditions and the production planning arrangements, the expected time for Hongyanhe Unit 4 to commence commercial operations has been adjusted from the first half of 2016 to the second half of 2016. The progresses of other units under construction of the Group are normal. On July 21, 2016, Ningde Unit 4 has met the conditions of commercial operations.

As of June 30, 2016, the Group managed 16 nuclear power generating operating units (including Fangchenggang Unit 1 entrusted to our management by the controlling shareholder), with a total installed capacity of 17,090 MW, among which Fangchenggang Unit 1 commenced its commercial operations on January 1, 2016. The Group managed 12 nuclear power generating units under construction (including the 3 nuclear power generating units entrusted to our management by the controlling shareholder), with total installed capacity of 14,650 MW. The total installed capacity of the operating units and units under construction accounted for approximately 59.79% and 49.71% of the market share in Mainland China.

## FINANCIAL INFORMATION

The financial information set out below in this announcement is extracted from the Company's 2016 Interim Financial Report. Such financial information has been reviewed by the audit and risk management committee of the Board of the Company (the "Audit and Risk Management Committee") and Deloitte Touche Tohmatsu, the external auditor of the Company, and has been approved by the Board.

For more detailed analysis on changes of important data contained in the Financial information, please refer to "Finance, Assets and Investment" of this announcement.

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2016

		For the six months ended June 30,	
	NOTES	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Revenue	4	13,074,101	9,590,181
Less: Tax surcharge		(188,812)	(172,740)
Cost of sales and services		(6,271,695)	(4,784,642)
Gross profit		6,613,594	4,632,799
Other income	5	612,894	1,107,058
Net gain (loss) arising from changes in fair value of derivative financial instruments		62,183	(60,761)
Selling and distribution expenses		(946)	(781)
Other expenses		(142,890)	(12,249)
Administrative expenses		(692,601)	(626,377)
Other gains and losses	6	(511,948)	1,288,337
Share of results of associates		(18,062)	(90,443)
Share of results of joint ventures		270,568	274,122
Finance costs	7	(1,590,032)	(1,483,033)
Profit before taxation		4,602,760	5,028,672
Taxation	8	(314,615)	(740,576)
Profit for the period	9	4,288,145	4,288,096

		<b>For the six months ended June 30,</b>	
	NOTE	<b>2016</b>	2015
		<b>RMB'000</b>	RMB'000
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Other comprehensive income (expenses):			
Items that may be reclassified subsequently to profit or loss			
– Exchange differences arising on translation of a subsidiary		<b>133,188</b>	(7,547)
– Others		<b>1,183</b>	(3,149)
		<hr/>	<hr/>
Other comprehensive income (expenses) for the period, net of income tax		<b>134,371</b>	(10,696)
		<hr/>	<hr/>
Total comprehensive income for the period		<b>4,422,516</b>	4,277,400
		<hr/> <hr/>	<hr/> <hr/>
Profit for the period attributable to:			
Owners of the Company		<b>3,597,728</b>	3,478,292
Non-controlling interests		<b>690,417</b>	809,804
		<hr/>	<hr/>
		<b>4,288,145</b>	4,288,096
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income attributable to:			
Owners of the Company		<b>3,697,619</b>	3,469,526
Non-controlling interests		<b>724,897</b>	807,874
		<hr/>	<hr/>
		<b>4,422,516</b>	4,277,400
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share attributable to owners of the Company, basic (RMB)	10	<b>0.079</b>	0.077
		<hr/> <hr/>	<hr/> <hr/>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2016

	NOTES	June 30, 2016 RMB'000 (Unaudited)	December 31, 2015 RMB'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		173,832,745	168,646,965
Intangible assets		1,218,738	1,254,208
Investment properties		298,468	652,050
Interests in associates		7,172,290	6,978,505
Interests in joint ventures		5,451,888	4,898,505
Available-for-sale investments		110,000	110,000
Deferred tax assets	11	155,879	133,855
Derivative financial instruments		4,189	8,346
Value-added tax recoverable		5,004,910	4,787,229
Prepaid lease payments		2,425,057	2,399,814
Deposits for property, plant and equipment		1,031,180	1,068,143
Other assets		12,143	12,143
		<b>196,717,487</b>	<b>190,949,763</b>
<b>CURRENT ASSETS</b>			
Inventories		10,416,322	10,790,294
Prepaid lease payments		65,660	65,743
Trade and bills receivables	12	3,217,125	3,538,964
Prepayments and other receivables	13	1,597,419	1,806,624
Amounts due from related parties		910,912	1,301,686
Derivative financial instruments		15,360	22,682
Restricted bank deposits		4,674	9,151
Cash and cash equivalents		8,176,207	7,178,593
Other deposits over three months		2,110,000	2,137,858
		<b>26,513,679</b>	<b>26,851,595</b>

	NOTES	June 30, 2016 RMB'000 (Unaudited)	December 31, 2015 RMB'000 (Audited)
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	6,608,373	8,025,225
Amounts due to related parties	15	2,558,538	1,469,899
Loans from ultimate holding company	16	800,000	2,000,000
Loans from fellow subsidiaries	16	1,514,400	1,581,400
Payable to ultimate holding company	16	1,999,416	1,995,921
Income tax payable		273,360	628,302
Provisions		489,217	834,864
Bank borrowings - due within one year		4,841,770	7,537,358
Notes payable - due within one year		1,600,000	1,000,000
Derivative financial instruments		196,480	218,013
		<u>20,881,554</u>	<u>25,290,982</u>
<b>NET CURRENT ASSETS</b>		<u>5,632,125</u>	<u>1,560,613</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>202,349,612</u>	<u>192,510,376</u>
<b>NON-CURRENT LIABILITIES</b>			
Bank borrowings - due after one year		101,150,174	94,289,466
Notes payable - due after one year		12,192,160	11,091,066
Deferred tax liabilities	11	1,603,536	1,911,902
Deferred income		817,870	825,279
Provisions		1,936,718	1,755,732
Derivative financial instruments		96,660	140,634
Loans from fellow subsidiaries	16	2,525,170	3,775,834
Staff cost payables		12,453	10,690
		<u>120,334,741</u>	<u>113,800,603</u>
<b>NET ASSETS</b>		<u>82,014,871</u>	<u>78,709,773</u>
<b>CAPTITAL AND RESERVES</b>			
Paid-in/share capital		45,448,750	45,448,750
Reserves		12,977,004	11,188,199
		<u>58,425,754</u>	<u>56,636,949</u>
Equity attributable to owners of the Company		58,425,754	56,636,949
Non-controlling interests		23,589,117	22,072,824
		<u>82,014,871</u>	<u>78,709,773</u>
<b>TOTAL EQUITY</b>		<u>82,014,871</u>	<u>78,709,773</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2016

## 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 18/F, South Tower, CGN Building, No. 2002, Shennan Road, Futian District, Shenzhen. The Company completed the registration of change in its registered address with the Administration for Industry and Commerce on June 14, 2016.

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.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2016 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended December 31, 2015.

In the current interim period, the Group has applied, for the first time, the following amendments to International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”) that are relevant for the preparation of the Group’s condensed consolidated financial instruments:

Amendment to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to IAS 1	Disclosure Initiative
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle

The application of the above amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

#### 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:

	<b>For the six months ended June 30,</b>	
	<b>2016</b>	2015
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Sales of electricity	<b>12,357,210</b>	8,953,560
Technical and training service revenue	<b>620,030</b>	534,458
Sales of equipment and other goods	<b>96,861</b>	102,163
	<b><u>13,074,101</u></b>	<u>9,590,181</u>

Information reported to the Board, being the chief operating decision makers ("CODM") of the Group, for the purposes of resources allocation and assessment of performance focuses on the types of goods or services delivered or provided. During each 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 types of goods and services respectively. For the purpose of allocating resources and assessing performance, the CODM regularly review the Group's revenue and the 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 net unrealized gain 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:

	<b>For the six months ended June 30,</b>	
	<b>2016</b>	2015
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Segment profit before taxation reported to the board of directors	<b>4,296,152</b>	4,842,689
Add: Net unrealized gain arising from changes in fair value of derivative financial instruments	<b>54,102</b>	2,304
Add: Share of results of associates	<b>(18,062)</b>	(90,443)
Add: Share of results of joint ventures	<b>270,568</b>	274,122
Group's profit before taxation	<b><u>4,602,760</u></b>	<u>5,028,672</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:

	<b>For the six months ended June 30,</b>	
	<b>2016</b>	2015
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Entities under control by the PRC Government <sup>1</sup>	<b>10,655,494</b>	7,525,998
Hong Kong Nuclear Investment Co., Ltd. ("HKNIC") <sup>2</sup>	<b><u>2,294,490</u></b>	<u>1,964,536</u>

<sup>1</sup> revenue from sales of electricity to a power grid as well as revenue from technical and training service, sales of equipment and other goods to related parties

<sup>2</sup> revenue from sales of electricity

## Segment assets and liabilities

For the purpose of allocating resources and assessing performance, the CODM regularly review the Group's revenue and the Group's profit as a whole and as such, there is only one operating and reportable segment. Accordingly, no segment assets and liabilities are presented.

## 5. OTHER INCOME

	For the six months ended June 30,	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Value-added tax refunds (note a)	482,448	834,922
Interest income from bank deposits	36,668	165,968
Interest income from fellow subsidiaries	67,870	80,965
Government grants		
– related to expenses items (note b)	7,078	9,229
– related to assets	18,830	15,496
Others	—	478
	<u>612,894</u>	<u>1,107,058</u>

Notes:

- (a) 嶺澳核電有限公司 Ling Ao Nuclear Power Co., Ltd. (“**Ling’ao Nuclear**”), 嶺東核電有限公司 Ling Dong Nuclear Power Co., Ltd. (“**Lingdong Nuclear**”), and 陽江核電有限公司 Yangjiang Nuclear Power Co., Ltd. (“**Yangjiang Nuclear**”), subsidiaries of the Company, are entitled to the value-added tax refund for the first 15 years for their revenue from the sales of electricity since the second month of commencement of reactor projects' commercial operations. There were no conditions or limitations attached to these valued-added tax refunds. Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them (if applicable) and that the grants will be received. Details of the analysis of value-added tax refunds are set out in the section headed “Other Income” in “Finance, Assets and Investment” of this announcement.
- (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, 2016, which had no conditions imposed by the respective PRC government authorities.

## 6. OTHER GAINS AND LOSSES

	For the six months ended June 30,	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Net foreign exchange (loss) gain (note)	(506,632)	1,290,241
Loss on disposals of property, plant and equipment	(6,299)	(1,892)
Others	983	(12)
	<u>(511,948)</u>	<u>1,288,337</u>

Note: Net foreign exchange (loss) gain results mainly from the translation of different currency rates (at the end of the period with rates on different trading days or the rates at the beginning of the year) on monetary assets and monetary liabilities denominated in currencies other than the functional currencies.

## 7. FINANCE COSTS

	For the six months ended June 30,	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Interest on bank borrowings	2,463,450	2,690,611
Interest on borrowings from a financial institution	—	30,228
Interest on notes payable	310,003	210,028
Interest on loans from ultimate holding company	16,203	102,157
Interest on long term payables to ultimate holding company	62,632	134,129
Interest on loans from fellow subsidiaries	119,479	134,828
Interests relating to provision for nuclear power plant decommissioning	58,105	47,917
Total interest expenses	3,029,872	3,349,898
Less: capitalized in construction in progress	(1,439,840)	(1,866,865)
Total finance costs	<u>1,590,032</u>	<u>1,483,033</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

	For the six months ended June 30,	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Current taxation (note a)	647,599	485,994
Deferred taxation (note b)	(332,984)	254,582
Taxation	<u>314,615</u>	<u>740,576</u>

### Notes:

- (a) The Company and its subsidiaries are subject to PRC Enterprise Income Tax (“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, 廣東核電合營有限公司 Guangdong Nuclear Power Joint Venture Co, Ltd. (“GNPJVC”), 中廣核研究院有限公司 China Nuclear Power Technology Research Institute (“CNPRI”) 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, 2016 and 2015.

Pursuant to the relevant laws and regulations in the PRC, 中廣核(北京)仿真技術有限公司 China Nuclear Power (Beijing) Simulation Technology Corporation Ltd. (“CNPSTC”) was approved to enjoy the preferential tax rate of 15% in accordance with the relevant EIT laws and regulations from November 11, 2013. Therefore, the applicable tax rate for CNPSTC was 15% for the six months ended June 30, 2016 and 2015.

Lingdong Nuclear and Yangjiang Nuclear, being enterprise engaged in public infrastructure project, were entitled to tax holiday of three years for EIT followed by 50% exemption for the next three years commencing from their 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 for those public infrastructure projects which were approved as a whole and constructed at batches, the first revenue generating year of public infrastructure project should be based on each batch (such as individual reactor project) instead of the legal entity as a whole.

The first revenue generating year of two reactor projects of Lingdong Nuclear commenced in 2010 and 2011 respectively. The applicable tax rate for Lingdong Nuclear’s first reactor project was 25% and the applicable tax rate for the second reactor project was 12.5% for the six months ended June 30, 2016.

The first revenue generating year of three reactor projects of Yangjiang Nuclear commenced in 2014, 2015 and 2016 respectively. Therefore, Yangjiang Nuclear is tax exempted for the six months ended June 30, 2016 and 2015.

台山核電合營有限公司 Taishan Nuclear Power Joint Venture Co., Ltd. (“Taishan Nuclear”), being enterprise engaged in public infrastructure project but not yet commenced generating electricity nor earned profit at June 30, 2016, was entitled to tax holiday of three years for EIT followed by 50% exemption for the next three years commencing from its first revenue generating year.

- (b) Details of the deferred taxation are set out in note 11.

## 9. PROFIT FOR THE PERIOD

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

	<b>For the six months ended June 30,</b>	
	<b>2016</b>	<b>2015</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Directors' emoluments (including the supervisors' emoluments)	<b>2,498</b>	2,342
Other staff costs:		
Salaries and other benefits	<b>1,829,419</b>	1,627,184
Retirement benefit scheme contributions	<b>109,650</b>	93,716
	<hr/>	<hr/>
Total staff costs	<b>1,941,567</b>	1,723,242
Less: Capitalized in construction in progress	<b>(317,756)</b>	(346,785)
Less: Capitalized in intangible assets	<b>(34,457)</b>	(23,700)
	<hr/>	<hr/>
	<b>1,589,354</b>	1,352,757
	<hr/>	<hr/>
Depreciation and amortization of:		
– Property, plant and equipment	<b>1,938,551</b>	1,480,492
Less: Capitalized in construction in progress	<b>(79,967)</b>	(119,891)
	<hr/>	<hr/>
	<b>1,858,584</b>	1,360,601
	<hr/>	<hr/>
– Prepaid lease payments	<b>32,830</b>	31,784
Less: Capitalized in construction in progress	<b>(17,725)</b>	(16,477)
	<hr/>	<hr/>
	<b>15,105</b>	15,307
	<hr/>	<hr/>
– Intangible assets	<b>56,119</b>	60,071
– Investment properties	<b>12,201</b>	32,245
	<hr/>	<hr/>
	<b>1,942,009</b>	1,468,224
	<hr/>	<hr/>
Allowance on inventories	—	24,723
Cost of generating electricity recognized as expenses	<b>5,216,899</b>	3,916,052
Gross rental income from investment properties	<b>(6,039)</b>	(9,781)
Less: Direct operating expenses including depreciation of investment properties and expenses incurred for generating rental income	<b>19,210</b>	47,037
	<hr/>	<hr/>
	<b>13,171</b>	37,256
	<hr/>	<hr/>
Research and development expenses	<b>142,890</b>	12,249
Provision for spent fuel management (included in cost of sales)	<b>490,159</b>	360,836
Provision for low and medium level radioactive waste management (included in cost of sales)	<b>6,964</b>	6,525
Operating lease rentals in respect of rented premises	<b>39,153</b>	10,442
	<hr/>	<hr/>

## 10. EARNINGS PER SHARE

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

	<b>For the six months ended June 30,</b>	
	<b>2016</b>	2015
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Profit for the period attributable to the owners of the Company (RMB'000)	<b>3,597,728</b>	3,478,292
Number of ordinary shares (in million)	<b>45,449</b>	45,449
Basic earnings per share (RMB)	<b><u>0.079</u></b>	<u>0.077</u>

No diluted earnings per share is presented for the six months ended June 30, 2016 and 2015, since there is no potential ordinary shares in issue during both periods.

## 11. DEFERRED TAXATION

The following are the major deferred tax assets (liabilities) recognized and movements thereon during each reporting period:

Deferred tax assets (liabilities)	Unrealized profit	Receipt in advance	Exchange difference arising from borrowings	Derivative financial instruments	Accelerated depreciation on property, plant and equipment	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2015 (Audited)	116,491	3,258	(510,240)	(2,222)	(1,182,607)	5,490	(1,569,830)
Credit (charge) to profit or loss	8,449	(57)	(230,482)	2,063	(36,033)	1,478	(254,582)
Exchange differences	—	—	—	—	817	—	817
At June 30, 2015 (Unaudited)	<u>124,940</u>	<u>3,201</u>	<u>(740,722)</u>	<u>(159)</u>	<u>(1,217,823)</u>	<u>6,968</u>	<u>(1,823,595)</u>
Credit (charge) to profit or loss	(7,564)	(1,950)	121,938	10,865	(18,131)	(2,446)	102,712
Exchange differences	—	—	—	—	(57,164)	—	(57,164)
At December 31, 2015 (Audited)	117,376	1,251	(618,784)	10,706	(1,293,118)	4,522	(1,778,047)
Credit (charge) to profit or loss	24,355	91	92,299	(2,199)	218,661	(223)	332,984
Exchange differences	—	—	—	—	(2,594)	—	(2,594)
At June 30, 2016 (Unaudited)	<u>141,731</u>	<u>1,342</u>	<u>(526,485)</u>	<u>8,507</u>	<u>(1,077,051)</u>	<u>4,299</u>	<u>(1,447,657)</u>

The following is the analysis of the deferred tax balances for financial reporting purposes:

	<b>At June 30, 2016 RMB'000 (Unaudited)</b>	<b>At December 31, 2015 RMB'000 (Audited)</b>
Deferred tax assets	<b>155,879</b>	133,855
Deferred tax liabilities	<b>(1,603,536)</b>	(1,911,902)
	<b><u>(1,447,657)</u></b>	<b><u>(1,778,047)</u></b>

Details of tax losses not recognized at the end of each reporting period are set out below:

	<b>At June 30, 2016 RMB'000 (Unaudited)</b>	<b>At December 31, 2015 RMB'000 (Audited)</b>
Tax losses	<b><u>1,677,744</u></b>	<b><u>1,639,715</u></b>

No deferred tax asset has been recognized in respect of the tax loss due to the unpredictability of future profit stream for relevant subsidiaries. Included in unrecognized tax losses are losses that will expire as the following:

	<b>At June 30, 2016 RMB'000 (Unaudited)</b>	<b>At December 31, 2015 RMB'000 (Audited)</b>
2016	7,728	7,795
2017	8,124	8,124
2018	4,237	4,325
2019	683,656	808,800
2020	810,667	810,671
2021	163,332	—
	<u>1,677,744</u>	<u>1,639,715</u>

## 12. TRADE AND BILLS RECEIVABLES

	<b>At June 30, 2016 RMB'000 (Unaudited)</b>	<b>At December 31, 2015 RMB'000 (Audited)</b>
Amounts due from third parties	2,104,788	2,430,836
Less: allowance of doubtful debts	(8,058)	(8,058)
	<u>2,096,730</u>	<u>2,422,778</u>
Amount due from ultimate holding company	3,953	7,568
Amounts due from joint ventures	164,226	111,974
Amounts due from associates	148,120	290,377
Amounts due from fellow subsidiaries	257,536	261,040
Amount due from a non-controlling shareholder with significant influence over the relevant subsidiary	539,960	445,177
Bills receivables	6,600	50
Total trade and bills receivables	<u>3,217,125</u>	<u>3,538,964</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:

	<b>At June 30,</b>	At December 31,
	<b>2016</b>	2015
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
1 day to 30 days	<b>2,662,883</b>	3,070,857
31 days to 1 year	<b>497,845</b>	427,392
1 year to 2 years	<b>36,696</b>	32,090
2 years to 3 years	<b>18,787</b>	5,485
Over 3 years	<b>914</b>	3,140
	<b><u>3,217,125</u></b>	<u>3,538,964</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, 2016, except for an amount of RMB8,058,000 (December 31, 2015: RMB8,058,000) aged above one year which are past due and fully impaired as the recoverability is considered as unlikely, trade receivables due from third parties amounting to approximately RMB2,096,730,000 (December 31, 2015: RMB2,422,778,000) 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 RMB1,336,609,000 (December 31, 2015: RMB2,057,145,000) to secure loan facilities granted to the Group as at the end of the reporting period.

### 13. PREPAYMENTS AND OTHER RECEIVABLES

	<b>At June 30,</b> <b>2016</b> <b>RMB'000</b> <b>(Unaudited)</b>	At December 31, 2015 RMB'000 (Audited)
Value-added tax recoverable	<b>5,803,387</b>	5,883,041
Prepayments to third parties for materials and consumable parts	<b>698,436</b>	545,323
Prepayments to fellow subsidiaries for nuclear materials	<b>44,830</b>	116,166
Others	<b>55,676</b>	49,323
	<b><u>6,602,329</u></b>	<b><u>6,593,853</u></b>
Analyzed for financial reporting purpose:		
Non-current (note)	<b>5,004,910</b>	4,787,229
Current	<b>1,597,419</b>	1,806,624
	<b><u>6,602,329</u></b>	<b><u>6,593,853</u></b>

Note: The amount represents value-added tax, which arose from the purchases of equipment and not expected to be utilized within one year from the end of the respective reporting period. The value-added tax is expected to be utilized in offsetting the valueadded tax payable arising from the Group's revenue.

#### 14. TRADE AND OTHER PAYABLES

	<b>At June 30,</b> <b>2016</b> <b>RMB'000</b> <b>(Unaudited)</b>	At December 31, 2015 RMB'000 (Audited)
Amounts due to third parties	<b>1,697,646</b>	2,024,991
Amounts due to fellow subsidiaries	<b>274,071</b>	826,998
Receipts in advance from a joint venture	<b>500</b>	500
Receipts in advance from fellow subsidiaries	<b>46,978</b>	10,495
Receipts in advance from third parties	<b>14,634</b>	19,646
	<hr/>	<hr/>
Total trade payables	<b>2,033,829</b>	2,882,630
	<hr/>	<hr/>
Construction payables to third parties	<b>1,578,298</b>	1,694,328
Construction payables to fellow subsidiaries	<b>2,112,156</b>	2,735,524
Construction payables to ultimate holding company	<b>58,374</b>	38,417
Value-added tax and other tax payables	<b>320,506</b>	374,828
Staff cost payables	<b>96,980</b>	33,873
Interest on notes payable	<b>292,922</b>	181,700
Other payables and accruals to third parties	<b>115,308</b>	83,925
	<hr/>	<hr/>
Total other payables	<b>4,574,544</b>	5,142,595
	<hr/>	<hr/>
	<b>6,608,373</b>	8,025,225
	<hr/> <hr/>	<hr/> <hr/>

The credit period on purchases of goods ranges from 180 days to 1 year. 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:

	<b>At June 30,</b> <b>2016</b> <b>RMB'000</b> <b>(Unaudited)</b>	At December 31, 2015 RMB'000 (Audited)
Within 1 year	<u><b>2,033,829</b></u>	<u>2,882,630</u>

#### 15. AMOUNTS DUE TO RELATED PARTIES

	<b>At June 30,</b> <b>2016</b> <b>RMB'000</b> <b>(Unaudited)</b>	At December 31, 2015 RMB'000 (Audited)
Dividend payable to ultimate holding company	<b>1,225,419</b>	—
Dividend payable to Guangdong Hengjian Investment Holding Co., Ltd.	<b>143,998</b>	—
Dividend payable to China National Nuclear Corporation	<b>70,559</b>	—
Dividends payable to H shareholders	<b>474,836</b>	—
Dividends payable to non-controlling shareholders over the subsidiaries	<b>427,907</b>	1,249,276
Other payable to ultimate holding company	<b>208,420</b>	206,899
Other payables to fellow subsidiaries	<b>7,399</b>	13,724
	<u><b>2,558,538</b></u>	<u>1,469,899</u>

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

#### 16. LOANS FROM ULTIMATE HOLDING COMPANY/FELLOW SUBSIDIARIES/PAYABLE TO ULTIMATE HOLDING COMPANY

During the six months ended June 30, 2016, the Group has not raised new loans (six months ended June 30, 2015: raised new loans of RMB2,729,000,000) from the ultimate holding company, and the Group repaid loans from the ultimate holding company amounting to RMB1,200,000,000 (six months ended June 30, 2015: RMB3,574,000,000).

During the six months ended June 30, 2016, the Group obtained new loans from fellow subsidiaries amounting to RMB7,468,760,000 (six months ended June 30, 2015: RMB1,551,000,000). The new raised loans from fellow subsidiaries carry interest at floating rates ranging from 3.92% to 4.35% per annum and are unsecured and repayable within 1 year. In addition, the Group repaid loans from fellow subsidiaries amounting to RMB8,787,553,000 (six months ended June 30, 2015: RMB1,256,648,000) during the six months ended June 30, 2016.

## **17. DIVIDEND**

A final dividend of RMB0.0025 per share in respect of the year ended December 31, 2014 amounting to approximately RMB113,625,000 in total was approved by the shareholders in the 2014 annual general meeting on June 12, 2015. The Company has paid the dividend by July 31, 2015.

During the interim period, a final dividend of RMB0.042 per share in respect of the year ended December 31, 2015 was declared to the owners of the Company amounting to approximately RMB1,908,814,000 in total, which was approved by the Company's shareholders at the 2015 annual general meeting convened on May 27, 2016. The Company has paid the dividend by July 31, 2016.

The Board does not recommend the payment of interim dividend for the six months ended June 30, 2016.

## Finance, Assets and Investment

### (I) Financial Performance and Analysis

Our investment and operational strategies affect our business performance, which in turn translate into the finance data combined in our financial statements.

#### KEY FINANCIAL INDICATORS

Item	For the six months ended June 30,	
	2016	2015
<b>Indicators of profitability</b>		
EBITDA margin (%) <sup>(1)</sup>	62.2	83.2
Net profit margin (%) <sup>(2)</sup>	32.8	44.7
<b>Indicators of investment returns</b>		
Return on equity attributable to owners of the Company (%) <sup>(3)</sup>	6.3	6.2
Return on total assets (%) <sup>(4)</sup>	2.8	3.0
<b>Indicators of solvency</b>		
Interest coverage <sup>(5)</sup>	2.0	1.9
	At	At
	June 30,	December 31,
Item	2016	2015
<b>Indicators of solvency</b>		
Asset-liability ratio (%) <sup>(6)</sup>	63.3	63.9
Debt to equity ratio (%) <sup>(7)</sup>	141.8	144.8

(1) The sum of profit before taxation, finance costs, depreciation and amortization divided by revenue and multiplied by 100%.

(2) Profit for the period divided by revenue and multiplied by 100%.

(3) Profit for the period attributable to owners of the Company divided by average equity attributable to owners of the Company (the arithmetic mean of the opening and closing balances) and multiplied by 100%.

(4) The sum of profit before taxation and finance costs divided by the average sum of current assets and non-current assets (the arithmetic mean of the opening and closing balances) and multiplied by 100%.

(5) The sum of profit before taxation and finance costs divided by the sum of finance costs and interest expenses capitalized in construction in progress.

(6) The sum of current liabilities and non-current liabilities divided by the sum of current assets and non-current assets and multiplied by 100%.

(7) Net debt (the total amount of bank and other borrowings less cash and cash equivalents and other deposits over three months) divided by total equity and multiplied by 100%.

## FINANCIAL RESULTS AND ANALYSIS

	For the six months ended June 30,		Movements increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
	2016 RMB'000	2015 RMB'000		
Revenue	<b>13,074,101</b>	9,590,181	3,483,920	36.3
Net foreign exchange (loss) gain	<b>(506,632)</b>	1,290,241	(1,796,873)	(139.3)
Effects of net foreign exchange (loss) gain on profit for the period attributable to owners of the Company	<b>(234,271)</b>	652,437	(886,708)	(135.9)
Profit for the period attributable to owners of the Company (net of effects of net foreign exchange gain/loss)	<b>3,831,999</b>	2,825,855	1,006,144	35.6
Profit for the period attributable to owners of the Company	<b><u>3,597,728</u></b>	<u>3,478,292</u>	<u>119,436</u>	<u>3.4</u>

### REVENUE

	For the six months ended June 30,		Movements increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
	2016 RMB'000	2015 RMB'000		
Sales of electricity <sup>(1)</sup>	<b>12,357,210</b>	8,953,560	3,403,650	38.0
Technical and training service revenue	<b>620,030</b>	534,458	85,572	16.0
Sales of equipment and other goods	<b>96,861</b>	102,163	(5,302)	(5.2)
Total revenue	<b><u>13,074,101</u></b>	<u>9,590,181</u>	<u>3,483,920</u>	<u>36.3</u>

- (1) The increase in revenue from sales of electricity was primarily due to the year-on-year increase of 36.48% in our subsidiaries' on-grid power generation, which in turn was mainly caused by the commencement of commercial operations of Yangjiang Unit 2 and Yangjiang Unit 3 on June 5, 2015 and January 1, 2016 respectively, and different refuelling outage schedules for generating units in different years.

## ***COST OF SALES AND SERVICES***

	<b>For the six months ended June 30,</b>		<b>Movements</b>	<b>Percentage change</b>
	<b>2016</b>	2015	<b>increase/ (decrease)</b>	<b>increase/ (decrease)</b>
	<b>RMB'000</b>	RMB'000	RMB'000	%
Cost of nuclear fuel <sup>(1)</sup>	<b>1,790,605</b>	1,299,859	490,746	37.8
Depreciation of property, plant and equipment <sup>(2)</sup>	<b>1,742,629</b>	1,263,375	479,254	37.9
Provision for spent fuel management <sup>(3)</sup>	<b>490,159</b>	360,836	129,323	35.8
Others <sup>(4)</sup>	<b>2,248,302</b>	1,860,572	387,730	20.8
Total cost of sales and services	<b><u>6,271,695</u></b>	<u>4,784,642</u>	<u>1,487,053</u>	<u>31.1</u>

- (1) The increase in cost of nuclear fuel was primarily due to the increase of 36.48% in our subsidiaries' on-grid power generation during the reporting period as compared to the same period in 2015.
- (2) The increase in depreciation of property, plant and equipment was primarily due to the depreciation costs incurred by Yangjiang Unit 2 and Yangjiang Unit 3 which commenced commercial operations on June 5, 2015 and January 1, 2016 respectively.
- (3) The increase in provision for spent fuel management was primarily due to the addition in provision for spent fuel management for Lingdong Unit 1 which has completed 5 years of commercial operations in September 2015.
- (4) The increase in other cost of sales and services was primarily due to the increase in staff cost and operation and maintenance cost included in profit or loss after commencement of operation of new units.



## ***OTHER INCOME***

	<b>For the six months ended June 30,</b>		<b>Movements</b>	<b>Percentage change</b>
	<b>2016</b>	2015	<b>increase/ (decrease)</b>	<b>increase/ (decrease)</b>
	<b>RMB'000</b>	RMB'000	RMB'000	%
Value-added tax refunds <sup>(1)</sup>	<b>482,448</b>	834,922	(352,474)	(42.2)
Interest income from bank deposits <sup>(2)</sup>	<b>36,668</b>	165,968	(129,300)	(77.9)
Interest income from fellow subsidiaries	<b>67,870</b>	80,965	(13,095)	(16.2)
Others	<b>25,908</b>	25,203	705	2.8
Total other income	<b><u>612,894</u></b>	<u>1,107,058</u>	<u>(494,164)</u>	<u>(44.6)</u>

- (1) Value-added tax refunds are recognized upon receipt. The decrease in value-added tax refunds was mainly due to the fact that the process of value-added tax refunds in the first half of 2016 was slower than that in the same period of 2015 as affected by many factors.
- (2) The decrease in interest income from bank deposits was mainly due to the significant decrease in cash and cash equivalents in the first half 2016 as compared to the same period of 2015 with the gradual use of proceeds.

## **OTHER GAINS AND LOSSES**

	<b>For the six months ended June 30,</b>		<b>Movements</b>	<b>Percentage change</b>
	<b>2016</b>	2015	<b>increase/ (decrease)</b>	<b>increase/ (decrease)</b>
	<b>RMB'000</b>	RMB'000	RMB'000	%
Net foreign exchange (loss) gain	<b>(506,632)</b>	1,290,241	(1,796,873)	(139.3)
Others	<b>(5,316)</b>	(1,904)	(3,412)	(179.2)
Total other gains and losses	<b><u>(511,948)</u></b>	<u>1,288,337</u>	<u>(1,800,285)</u>	<u>(139.7)</u>

Our other gains and losses decreased from the gains of RMB1,288.3 million in the same period of 2015 to the losses of RMB511.9 million in the current period, which was mainly due to the decrease in net foreign exchange (loss) gain. We held some debts denominated in foreign currency, most of which were held by Taishan Nuclear, for purchasing equipment, spare parts and relevant services for nuclear power projects from overseas markets and hence, fluctuation in exchange rate of RMB against foreign currencies will affect our profits. In respect of our foreign exchange risk management, the Company has always aimed at cost control instead of profit making. In the first half of 2016, net foreign exchange (loss) gain was at loss of RMB506.6 million and the impact on profit for the period attributable to owners of the Company was at loss of RMB234.3 million, mainly due to the exchange rate of Euro and USD against RMB appreciated significantly. The exchange rate of Euro against RMB appreciated from 7.0952 at the end of December 2015 to 7.3750 at the end of June 2016. The exchange rate of USD against RMB appreciated from 6.4936 at the end of December 2015 to 6.6312 at the end of June 2016. In the same period of 2015, net foreign exchange (loss) gain was at gain of RMB1,290.2 million and the impact on profit for the period attributable to owners of the Company was at gain of RMB652.4 million, mainly due to the significant depreciation of the exchange rate of Euro against RMB, with depreciation from 7.4556 at the end of December 2014 to 6.8699 at the end of June 2015. In the first half of 2016, the prospects for global economic recovery remains uncertain, the market expectations for USD rate hike are constantly changing and the Brexit incident continued to develop, which is expected to have a significant impact on the world pattern and economic development in the future and therefore further exacerbates the fluctuations of RMB exchange rate. Facing the complex financial market environments, the Company adhered to the established policy and continued to take measures including forward transactions, debt replacement and early repayment, etc. to reduce the impact of exchange rate fluctuation. As compared with the end of 2015, the balance of the Group's bank borrowings and other borrowings denominated in foreign currencies at the end of the Reporting Period decreased by RMB3,351.1 million in equivalent and its percentage in total bank borrowings and other borrowings decreased from 11.9% to 9.0%.

## ***SHARE OF RESULTS OF ASSOCIATES***

Our associates mainly include Liaoning Hongyanhe Nuclear Power Co., Ltd. (“**Hongyanhe Nuclear**”) and CGN Industry Investment Fund Phase I Co., Ltd. (“**CGN Fund Phase I**”). Our share of losses of associates decreased from RMB90.4 million in the same period of 2015 to RMB18.1 million in the current period, primarily due to the decrease in the losses of Hongyanhe Nuclear for the current period over the same period of 2015 as affected by factors of the value-added tax refunds.

## ***SHARE OF RESULTS OF JOINT VENTURES***

Our joint ventures mainly include Fujian Ningde Nuclear Power Co., Ltd. (“**Ningde Nuclear**”). Our share of results of joint ventures decreased from RMB274.1 million in the same period of 2015 to RMB270.6 million in the current period, primarily due to the temporary operation at reduced load or shutting down for standby by Ningde Nuclear in line with the requirements of the power grid.

## ***FINANCE COSTS***

Our finance costs increased from RMB1,483.0 million in the same period of 2015 to RMB1,590.0 million in the current period, primarily due to the reason that since the commencement of commercial operations of Yangjiang Unit 2 and Yangjiang Unit 3 on June 5, 2015 and January 1, 2016, respectively, the corresponding interests on borrowings ceased capitalization and were charged to finance costs directly.

## **FINANCIAL POSITION**

	<b>June 30, 2016 RMB'000</b>	<b>December 31, 2015 RMB'000</b>	<b>Movements increase/ (decrease) RMB'000</b>	<b>Percentage change increase/ (decrease) %</b>
Total assets	<b>223,231,166</b>	217,801,358	5,429,808	2.5
Total liabilities	<b>141,216,295</b>	139,091,585	2,124,710	1.5
Total equity	<b>82,014,871</b>	78,709,773	3,305,098	4.2
Equity attributable to owners of the Company	<b><u>58,425,754</u></b>	<u>56,636,949</u>	<u>1,788,805</u>	<u>3.2</u>

## ***NET CURRENT ASSETS***

As of June 30, 2016, the Group's net current assets amounted to RMB5,632.1 million, representing an increase of RMB4,071.5 million or 260.9% as compared with RMB1,560.6 million as of December 31, 2015 and the main reasons for the changes have been set out in the sections headed "Current Assets" and "Current Liabilities" in this announcement.

## ***CURRENT ASSETS***

	<b>June 30, 2016 RMB'000</b>	<b>December 31, 2015 RMB'000</b>	<b>Movements increase/ (decrease) RMB'000</b>	<b>Percentage change increase/ (decrease) %</b>
Inventories	<b>10,416,322</b>	10,790,294	(373,972)	(3.5)
Trade and bills receivables <sup>(1)</sup>	<b>3,217,125</b>	3,538,964	(321,839)	(9.1)
Prepayments and other receivables	<b>1,597,419</b>	1,806,624	(209,205)	(11.6)
Cash and cash equivalents	<b>8,176,207</b>	7,178,593	997,614	13.9
Other deposits over three months	<b>2,110,000</b>	2,137,858	(27,858)	(1.3)
Other current assets <sup>(2)</sup>	<b>996,606</b>	1,399,262	(402,656)	(28.8)
Total current assets	<b><u>26,513,679</u></b>	<b><u>26,851,595</u></b>	<b><u>(337,916)</u></b>	<b><u>(1.3)</u></b>

- (1) The decrease in trade and bills receivables was primarily due to decrease in tariff receivable.
- (2) The decrease in other current assets was primarily due to the receipt of dividends of RMB571.2 million from Ningde Nuclear for 2015 in the first half of 2016.

## CURRENT LIABILITIES

	June 30, 2016 RMB'000	December 31, 2015 RMB'000	Movements increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
Trade and other payables <sup>(1)</sup>	6,608,373	8,025,225	(1,416,852)	(17.7)
Amounts due to related parties <sup>(2)</sup>	2,558,538	1,469,899	1,088,639	74.1
Loans from ultimate holding company <sup>(3)</sup>	800,000	2,000,000	(1,200,000)	(60.0)
Loans from fellow subsidiaries	1,514,400	1,581,400	(67,000)	(4.2)
Payable to ultimate holding company	1,999,416	1,995,921	3,495	0.2
Bank borrowings - due within one year <sup>(4)</sup>	4,841,770	7,537,358	(2,695,588)	(35.8)
Notes payable - due within one year <sup>(5)</sup>	1,600,000	1,000,000	600,000	60.0
Other current liabilities <sup>(6)</sup>	959,057	1,681,179	(722,122)	(43.0)
<b>Total current liabilities</b>	<b>20,881,554</b>	<b>25,290,982</b>	<b>(4,409,428)</b>	<b>(17.4)</b>

- (1) The decrease in trade and other payables was primarily due to the decrease in payables for nuclear fuel and construction of nuclear power station.
- (2) The increase in amounts due to related parties was primarily due to (i) increase in dividends payable to the shareholders of the Company of RMB1,908.8 million pursuant to the resolution regarding the payment of final dividends for the year ended December 31, 2015 approved at the 2015 annual general meeting; and (ii) decrease in dividends payable to the non-controlling shareholders of our subsidiaries of RMB821.4 million during the Reporting Period.
- (3) The decrease in loans from ultimate holding company was primarily due to the repayment of loans from ultimate holding company of RMB1,200.0 million by the Group during the first half of 2016.
- (4) The decrease in bank borrowings due within one year was mainly due to our repayment of part of short-term debts.
- (5) The increase in notes payable due within one year was primarily due to the reason that RMB600.0 million, being the principal of private placement note of our subsidiary Taishan Nuclear, will be due within one year.
- (6) The decrease in other current liabilities of RMB722.1 million primarily included the decrease in income tax payable of RMB354.9 million and the decrease in provisions for spent fuel management of RMB345.6 million.

## ***NON-CURRENT ASSETS***

	<b>June 30, 2016 RMB'000</b>	<b>December 31, 2015 RMB'000</b>	<b>Movements increase/ (decrease) RMB'000</b>	<b>Percentage change increase/ (decrease) %</b>
Property, plant and equipment <sup>(1)</sup>	<b>173,832,745</b>	168,646,965	5,185,780	3.1
Interests in associates <sup>(2)</sup>	<b>7,172,290</b>	6,978,505	193,785	2.8
Interests in joint ventures <sup>(3)</sup>	<b>5,451,888</b>	4,898,505	553,383	11.3
Value-added tax recoverable <sup>(4)</sup>	<b>5,004,910</b>	4,787,229	217,681	4.5
Prepaid lease payments	<b>2,425,057</b>	2,399,814	25,243	1.1
Other non-current assets <sup>(5)</sup>	<b>2,830,597</b>	3,238,745	(408,148)	(12.6)
<b>Total non-current assets</b>	<b><u>196,717,487</u></b>	<b><u>190,949,763</u></b>	<b><u>5,767,724</u></b>	<b><u>3.0</u></b>

- (1) The increase in property, plant and equipment was primarily due to the reason that we continued to construct Yangjiang Nuclear Power Station and Taishan Nuclear Power Station.
- (2) The increase in interests in associates was mainly due to the capital injection to associates.
- (3) The increase in interests in joint ventures was mainly due to the capital injection to a joint venture and the increase in share of the results of joint ventures.
- (4) The increase in value-added tax recoverable was mainly due to the continuing construction of Yangjiang Nuclear Power Station and Taishan Nuclear Power Station.
- (5) The decrease in other non-current assets was mainly due to the transfer of part of the investment properties held by the Group to property, plant and equipment as a result of the use of relevant properties by the Group.

## ***NON-CURRENT LIABILITIES***

	<b>June 30, 2016 RMB'000</b>	<b>December 31, 2015 RMB'000</b>	<b>Movements increase/ (decrease) RMB'000</b>	<b>Percentage change increase/ (decrease) %</b>
Borrowings and notes payable <sup>(1)</sup>	<b>113,342,334</b>	105,380,532	7,961,802	7.6
Provisions	<b>1,936,718</b>	1,755,732	180,986	10.3
Loans from fellow subsidiaries <sup>(2)</sup>	<b>2,525,170</b>	3,775,834	(1,250,664)	(33.1)
Other non-current liabilities	<b>2,530,519</b>	2,888,505	(357,986)	(12.4)
<b>Total non-current liabilities</b>	<b><u>120,334,741</u></b>	<b><u>113,800,603</u></b>	<b><u>6,534,138</u></b>	<b><u>5.7</u></b>

(1) The increase in borrowings and notes payable was primarily due to the increase in long-term borrowings and notes payable by Yangjiang Nuclear and Taishan Nuclear in order to meet the funding requirements for construction of nuclear power projects.

(2) The decrease in loans from fellow subsidiaries was primarily due to the repayment of part of the loans.

## ***EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY***

As of June 30, 2016, equity attributable to owners of the Company amounted to RMB58,425.8 million, representing an increase of RMB1,788.9 million or 3.2% as compared with RMB56,636.9 million as of December 31, 2015, primarily due to (i) the decrease in equity attributable to the owners of the Company of RMB1,908.8 million as a result of the declaration of final dividends for the year ended December 31, 2015 during the Reporting Period; and (ii) the total comprehensive income attributable to owners of the Company amounted to RMB3,697.6 million during the Reporting Period.

## **(II) ASSETS AND INVESTMENT**

The Group was mainly engaged in the investment in construction of nuclear power generating units, technical improvement in the nuclear power stations in operation, and research and development of technologies related to nuclear power for the six months ended June 30, 2016.

## **INVESTMENT IN PROPERTY, PLANTS AND EQUIPMENT**

For the six months ended June 30, 2016, our investment in property, plants and equipment amounted to approximately RMB6,695.9 million, representing a decrease of RMB81.4 million or 1.2% from RMB6,777.3 million in the first half of 2015, which was primarily used for the continuing construction of Yangjiang Nuclear Power Station and Taishan Nuclear Power Station.

## **MAJOR INVESTMENTS IN EQUITY**

For the six months ended June 30, 2016, the Group increased its capital in some joint ventures and associates, of which amounts of RMB282.8 million, RMB137.9 million and RMB73.9 million were made to Ningde Nuclear, Hongyanhe Nuclear and CGN Fund Phase I respectively.

## **MATERIAL ACQUISITION AND DISPOSAL**

As of March 14, 2016, the Board has considered and approved the transfer of Nigang Road property from GNPJVC (a non-wholly owned subsidiary of the Company) to CGN Services Group Co., Ltd. (“**CGN Services Group**”) (a wholly-owned subsidiary of CGNPC). The consideration for the property to be transferred will be approximately RMB116.6 million. As of June 30, 2016, GNPJVC has officially entered into the property transfer agreement with CGN Services Group and completed the payment of land premium with relevant formalities for the transfer in the process.

Saved for the disposal project disclosed above, the Group had no other material acquisition or disposal for the six months ended June 30, 2016.

## **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 (in equivalent) from the offering after deducting various issuance costs. As of June 30, 2016, the Company had used RMB19,853.7 million of the net proceeds for the purposes as set out in the prospectus, representing 91.9% of the net proceeds from the offering.



<b>Items</b>	<b>Movements</b>
	RMB'000
Net proceeds from the listing	21,603,535
Less: Proceeds used	19,853,676
Among which: Acquisition of 60% of the equity interests in Taishan Nuclear Power Industry Investment Co., Ltd. and 12.5% of the equity interests in Taishan Nuclear	9,700,196
Capital expenditure for nuclear power stations under construction	8,714,300
Research and development activities	109,180
Replenishment of working capital	1,330,000
Proceeds unused as of June 30, 2016	<u>1,749,859</u>

Note: CGNPC refunded part of the paid consideration of RMB88.0 million to the Company in accordance with the equity transfer agreement. The final consideration of the acquisition was approximately RMB9,612.2 million.

The remaining unused proceeds have been intended to be used mainly for research and development activities and overseas market exploration, which are being progressively used according to the annual research and development plan of the Company. As the Company has not carried out any overseas projects, the proceeds intended to be used for overseas market exploration remain unused.

## **EXTERNAL FINANCING ENVIRONMENT**

In the first half of 2016, the global economy was volatile with frequent occurrence of risk incidents. Brexit caused significant impacts on the economy of the European Union and even the global economy. The rate hike cycle of the Federal Reserve caused significant uncertainty to the current global economy. The negative effect caused by the volatility in international politics and economy will severely dampen the recovery of global economy.

With the background of global economic turmoil, the economic growth of China is facing the challenge of a period of new normal. The Chinese government strived to achieve a balance among continuous growth, risk prevention and facilitating transformation. In 2016, the People's Bank of China stopped the interest rate cut, eased the monetary conditions and supplemented the supply of liquidity by lowering the deposit reserve ratio and the interest rate of medium-term lending facility. Such measures produced positive effects to improve the investors' expectation, stabilize the stock market and support the development of real economy. In the first half of 2016, the exchange rates of RMB against USD and Euro saw a general trend of depreciation. As such, the risk of exchange rate fluctuation should be closely monitored.

The Company optimized its debt structure and lowered the financing cost through methods such as issuance of bonds under the market conditions of low interest rate. In addition, the Company also reduced its exposure to foreign exchange risk associated with debts denominated in foreign currencies in accordance with its established strategy in order to prevent the risk from significant fluctuation in foreign exchange market.

## **DEBT FINANCING**

In the first half of 2016, we continued to improve diversified ways of financing, reasonable mix of currencies and term structure so as to provide stable and economical source of funding for the business development of the Company. As of June 30, 2016, the Group's total amount of debt financing was approximately RMB126,623.1 million with major financing channels including bank borrowings (approximately 83.7%), corporate bonds (approximately 6.7%), medium-term notes (approximately 1.6%), short-term debentures (approximately 0.8%), private placement notes (approximately 3.4%) and loans from CGNPC and fellow subsidiaries (approximately 3.8%). We maintain a debt structure mainly comprising RMB-denominated and long-term debts, which not only satisfies our operational characteristics of focusing on nuclear power projects, but also effectively prevents liquidity risks and systematic exchange rate risks.

In the first half of 2016, we strived to optimize our debt structure by direct financing such as issuance of bonds based on the change in external financing environment:

- In January 2016, Yangjiang Nuclear, the subsidiary of the Company, issued a three-year private placement note for raising an amount of RMB500.0 million.
- In March 2016, Yangjiang Nuclear, the subsidiary of the Company, issued a three-year private placement note for raising an amount of RMB500.0 million.
- In June 2016, Yangjiang Nuclear, the subsidiary of the Company, issued a three-year private placement note for raising an amount of RMB700.0 million.
- In May 2016, the shareholders' general meeting approved the Company to register the ultra-short-term debentures with an aggregate registered amount of RMB5,000.0 million with the National Association of Financial Market Institutional Investors.

## **DEBT AND EXCHANGE RATE RISK MANAGEMENT**

In 2015, we proactively eliminated our exposure to foreign exchange risk associated with debts denominated in foreign currencies by stages and in batches through various measures including forward transactions, debts replacement and early repayment, and actively changed our financing methods for foreign business contracts to exercise control over new debts denominated in foreign currencies, thereby effectively reducing the impact of major risk in exchange rate. In the first half of 2016, the prospects for global economic recovery remains uncertain, the market expectations for USD rate hike are constantly changing and the Brexit incident continued to develop, which is expected to have a significant impact on the world pattern and economic development in the future and therefore further exacerbates the fluctuations of RMB exchange rate. Facing the complex financial market environments, the Company adhered to the established policy and continued to take measures including forward transactions, debt replacement and early repayment, etc. to reduce the impact of exchange rate fluctuation. As compared with the end 2015, the balance of the Group's bank borrowings and other borrowings denominated in foreign currencies at the end of the Reporting Period decreased by RMB3,351.1 million in equivalent and its percentage in total bank borrowings and other borrowings decreased from 11.9% to 9.0%.

To manage liquidity risks, we monitor and maintain our cash and cash equivalents as well as the level of unutilized banking facilities. As of June 30, 2016, we had credits for unutilized general banking facilities of approximately RMB63,564.0 million, credits for notes being readily available for public offering of RMB4,000 million and cash and cash equivalents of RMB8,176.2 million, which can provide sufficient cash support for the operation of the Company and reduce the impact from cash flow fluctuation.

## **CREDIT RATING**

In June 2016, China Chengxin International Credit Rating Co., Ltd. assessed the credit rating of the Company, and given “the gradual commencement of operations of the nuclear power generating units under construction and the smooth progress of the projects under construction”, it concluded that the Company would “enjoy steady growth in the nuclear power generation capacity in the future and the generating capability would further be strengthened with stronger profitability and smooth financing channels” and maintained our AAA credit rating with stable outlook.

## **CONTINGENCIES**

### ***EXTERNAL GUARANTEES***

During the six months ended June 30, 2016, the Group had not provided any external guarantee.

## ***RESTRICTED ASSETS***

As of June 30, 2016, the Group's assets (mainly property, plant and equipment) of RMB23,557.0 million in carrying value were restricted to banks and related parties to secure loans for the Group. As of December 31, 2015, the carrying value of the Group's assets restricted to banks and related parties was RMB24,543.1 million.

As of June 30, 2016 and December 31, 2015, the electricity tariff collection rights of Ling'ao Nuclear, Lingdong Nuclear, Yangjiang Nuclear and Taishan Nuclear were pledged to secure the banking facilities, loans from banks and related parties.

As of June 30, 2016 and December 31, 2015, the Group's equity interest in Hongyanhe Nuclear was pledged to secure the banking facilities and loans for Hongyanhe Nuclear from banks and related parties.

## ***LEGAL PROCEEDINGS***

During the six months ended June 30, 2016, there was no significant litigation against the Group, and the Board was not aware of any pending or threatened litigation against the Group which had or could have a material and adverse effect on the financial conditions or operations of the Group.

## ***INVESTMENT DIRECTION***

Based on the strategies and business development needs of the Company, the Company will finance the construction of nuclear power stations under construction according to investment schedules, continue to fund the technology improvement in nuclear power stations in operation, make continuous investment in the research, development and innovation of technologies, and fund the acquisitions of contingent assets in the second half of 2016. In addition, the Company will also carry out relevant investment activities at appropriate time by exercising its rights to acquire retained businesses as set out in the non-competition deed entered into between the Company and CGNPC, thereby laying a solid foundation for the Company's future development.

## **Business Performance and Analysis**

### **(I) INDUSTRY OVERVIEW**

China's economy growth model has entered into a period of new normal, shifting from a high growth to a medium-high growth. According to the information published by the National Bureau of Statistics on July 15, 2016, the year-on-year growth of gross domestic product (GDP) for the first half of 2016 is 6.7%, and the supply-side structural reform and transformation and upgrading progressed steadily. With respect to industrial structure, the tertiary industries maintained a relatively rapid development. In the first half of 2016, the tertiary industries accounted for 54.1% of GDP, representing an increase of 1.8% as compared with the corresponding period of last year.

The Chinese economy has proceeded into its critical stage of structural adjustment and transformation and upgrading. The real economy faced challenges and a downside pressure. According to the Briefings on the Operation of the Power Industry from January to June in 2016 issued by China Electricity Council, the power consumption within China reached approximately 2,775,900 GWh in the first half of 2016, representing an increase of 2.7% over the corresponding period in 2015; the growth of installed capacity within China maintained rapid, and significantly outpaced the growth of power consumption; the supply and demand of electricity of China was on ease in general and the utilization hours of power generating facilities nationwide remained low.

We believe that, in order to fulfil the Chinese government's commitment to address climate change, China has to devote more efforts in developing clean energies such as nuclear power. The 4th session of the 12th National People's Congress adopted the Outline of the 13th Five-Year (2016-2020) Development Plan for National Economic and Social Development of the People's Republic of China (the "**13th Five-Year Plan**") on March 16, 2016. The 13th Five-Year Plan clearly unequivocally called for the promotion of low-carbon and circular economy, and the safe and efficient development of nuclear power.

In recent years, the nuclear power projects in China have been put into operation in a large scale, which lead to a rapid growth of nuclear power installed capacity. However, the proportion of nuclear power in the overall domestic energy structure remains relatively low. According to the statistics of the Nuclear Power Operation Information in China from January to June 2016 issued by the China Nuclear Energy Association, the installed capacity of the nuclear power generating units in commercial operations in China from January to June 2016 was 28.60 GW, accounting for 1.88% of the total installed capacity in China; the accumulated amount of power generated was 95,389 GWh, accounting for 3.46% of the accumulated amount of power generated nationwide. We believe that the stable and large-scaled development of nuclear power, as a safe, efficient and clean source of energy with low generation cost and high capacity, will contribute to the adjustments to the energy structure of China.

In the first half of 2016, the power system reform in China has made significant progress. Various provinces and cities became pilot areas of reform and introduced reforms to their local electricity power systems. Meanwhile, national and provincial electricity trading center had also been set up. Some provincial electricity trading centers, such as those in Guangdong and Guangxi, have conducted a certain amount of electricity market transactions. Power system reform will be accelerated.

We believe that nuclear power, as a clean energy, is presented with development opportunities during the adjustment process of China's energy structure. Meanwhile, our external market will be more complicated as a result of the acceleration of the power system reform. In response, we will proactively strengthen the internal and external management of the Company, so as to grasp business opportunities and tackle challenges.

## **(II) BUSINESS PERFORMANCE AND ANALYSIS**

In the first half of 2016, we managed 16 nuclear power generating operating units and 12 nuclear power units under construction (including Fangchenggang Nuclear Power Project, which was entrusted to our management by our controlling shareholder). The nuclear power generating units in operation managed by us operated safely and stably, and the construction of the nuclear power units under construction progressed orderly. In this report, we focus on the business performance of our nuclear power generating operating units and under construction (excluding the nuclear power projects entrusted to our management by our controlling shareholder) during the first half of 2016, and our work in respect of human resources and social responsibilities.

### **Safety Management**

We always adhere to the principles of “Nuclear Safety is Paramount” and “Safety First”. These principles apply to various stages of design, construction and operation of the nuclear power stations. We maintain an effective nuclear safety management system. Activities under various themes were organized for our staff in order to promote nuclear safety awareness and enhance capabilities to respond to nuclear emergencies. We continued to improve and enhance our safety management by organizing nuclear emergency drills and benchmarking with external units to ensure that our nuclear power stations are operating in a safe, economical and reliable manner, with an ultimate goal of protecting our employees, the society and environment from radiation hazard.

According to the improvement action plan stipulated by WANO after the Fukushima nuclear incident, WANO will conduct a Corporate Peer Review (“**CPR**”) over all Category-1 member companies all over the world before January 2018, with aims to identify areas for improvement in regard to enhancement of safety and reliability of power stations across the member companies and to identify good practices which will assist other operators to improve their nuclear safety. Being a member company of WANO, we received the CPR by WANO from 13 to 23 in June 2016. The review team conducted reviews in accordance with the latest standard issued by WANO in March 2013, based on 87 specifications in seven areas. In the course of the review, we actively collaborated with the experts in a transparent, open-minded and humble manner during the process, and the review was completed smoothly. The review team has given high recognition to the organization of the review activities and acknowledged the systems of nuclear emergency management and production management meetings across the Company. The review team considers these two activities as strength of the Company which would be promoted to other nuclear power operators. The review team also identified five areas of improvement to the Company. The Board and the operational management of the Company attach high importance to the review, and have swiftly organized and formulated corresponding improvement plans on the issues identified in order to enhance the overall nuclear safety performance targets of the Company.

To strengthen the Company’s leadership of nuclear safety management over all power stations and enhance the overall nuclear safety standard, the Company set up the nuclear safety committee (the “**Nuclear Safety Committee**”) in the first half of 2016. The Nuclear Safety Committee has commenced operation and the chairman is the President of the Company. The Nuclear Safety Committee is a deliberative and decision-making body at the Company’s level regarding to significant policy and systems on nuclear safety management and significant issues of nuclear safety for multiple bases. It is also a command platform at the Company’s level regarding to nuclear safety management. The Nuclear Safety Committee meets every quarter, and mainly carries out the following work:

- to oversee and assess the status of nuclear safety of the Company;
- to approve the policies and systems on nuclear safety management of the Company;
- to consider and make decisions on common nuclear safety issues concerning all power stations;  
and
- to consider analyses on causes of significant issues of nuclear safety management and to arrange corrective actions.



In addition, we carry out nuclear safety education regularly every year. The management of different levels gives lectures based on the production and management of nuclear power stations and experience of peers at home and abroad to raise nuclear safety awareness and safety skills of the staff. We also continued forming safety promotion team. We divided the safety promotion team into four groups, namely operation, maintenance, on-site non-operational work and off-site work, where each group focuses on certain areas for safety quality assessment such as document recording, team activities, training and promotion, hazard identification, self-assessment and feedback, measured by performance indicators on safety and quality, thereby enhancing the sense of proactive participation among front-line staff in safety and quality and hence improving our safety management.

In order to examine the emergency readiness of the Company and each nuclear power station, we organize emergency drills of different types as planned. On March 26, 2016, Ningde Nuclear Power Station conducted an on-site comprehensive emergency drill with 200 participants. All nuclear emergency response teams reacted timely, which reflected the effectiveness of emergency organization system and emergency responsiveness. On May 22, 2016, Hongyanhe Nuclear Power Station Units 3 and 4 conducted an on-site specific emergency drill of severe incidents and earthquakes at Hongyanhe Nuclear Power Station. The drills effectively inspected the responsiveness of Hongyanhe Units 3 and 4 towards severe incidents and the application and operation of contingency plans specific to earthquakes, further fortifying the safeguards of Hongyanhe Nuclear Power Station. We shared our experience with all power stations of the Company regarding issues and good practices identified in the course of these drills.

The Company strives to create an atmosphere of persistent focus on safety. We actively promote awareness on “Honesty and Transparency” and “Compliance with Procedures” to staff and continuously enhance awareness on safety throughout the Company. All power stations of the Company have been operating safely and in stable conditions for years. With an aim to continuously enhance safety, the Company encourages management of all levels to find out safety hazards or issues at the site of production with the on-site staff, and to analyze, resolve and share the relevant experience timely, so as to prevent similar events and identify common issues as soon as possible.

Isolated equipment defects occur in industrial systems, and so are operation incidents in the context of nuclear power plants. The new operating units in Yangjiang Nuclear Power Station, Ningde Nuclear Power Station and Hongyanhe Nuclear Power Station need certain time to identify the possible deviations and potential problems. As compared to the same period of 2015, in the first half of 2016, there was an increase on the number of operation incidents occurred to the power stations of the Company. In respect of operation incidents that occurred, we will immediately analyze, discuss and share the experience among all nuclear power stations in a timely manner. The Company might discover certain deviations and would identify in accordance with the principles during the internal supervision and self-inspection activities. In respect of situations re-identified as incidents, we will always initiate reporting to the national regulatory authorities based on the principle of integrity and transparency, and to further analyze the reasons and to reflect, in order to share the experience with all members within the Group and further enhance safety awareness.



**Operation Incidents**  
**For the six months ended**  
**June 30, 2016**

<b>Base or Nuclear Power Station</b>	<b>2016</b>	<b>2015</b>
Daya Bay Base (including Daya Bay Nuclear Power Station, Ling'ao Nuclear Power Station and Lingdong Nuclear Power Station)	<b>3</b>	<b>0</b>
Yangjiang Nuclear Power Station	<b>4</b>	<b>1</b>
Ningde Nuclear Power Station	<b>2</b>	<b>1</b>
Hongyanhe Nuclear Power Station	<b>3</b>	<b>2</b>

According to the International Nuclear Events Scale (“**INES**”) of the International Atomic Energy Agency, for the six months ended June 30, 2016, a total of 12 operation incidents occurred at our 15 nuclear power generating units and all of the incidents are at level 0.

Note: Nuclear incidents are classified into seven levels in the INES according to their impact on (i) people and the environment, (ii) radiological barriers and control, and (iii) defense-in-depth. Level 1 to Level 3 are referred to as “Incidents,” while Level 4 to Level 7 are referred to as “Accidents.” Level 0 nuclear incidents have no safety significance.

In the first half of 2016, we obtained good ratings in all the 11 safety inspections by the National Nuclear Security Administration (“**NNSA**”), the Nuclear and Radiation Safety Supervision Stations and the China Atomic Energy Authority.

**Nuclear Power Generating Operating Units**

For the six months ended June 30, 2016, our 15 nuclear power generating operating units achieved a total on-grid power generation of 47,885.98 GWh, representing an increase of 31.89% over the corresponding period of 2015, 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 an increase of 36.48%, 13.49% and 36.35% of total on-grid power generation, respectively, over the corresponding period of 2015.

For the six months ended June 30, 2016, on-grid power generation figures (unit: GWh) of our nuclear power stations are as follows:

	<b>For the six months ended June 30, 2016</b>	For the six months ended June 30, 2015	Change rate for the same period (%)
<b>Name of nuclear power station</b>			
<b><i>From subsidiaries</i></b>	<b><i>32,878.73</i></b>	<i>24,090.10</i>	<i>36.48</i>
Daya Bay Nuclear Power Station	7,271.16	6,366.74	14.21
Ling'ao Nuclear Power Station	7,878.81	7,506.00	4.97
Lingdong Nuclear Power Station	6,984.05	7,008.05	-0.34
Yangjiang Nuclear Power Station	10,744.71	3,209.31	234.80
<b><i>From joint ventures</i></b>			
Ningde Nuclear Power Station	8,207.58	7,231.74	13.49
<b><i>From associates</i></b>			
Hongyanhe Nuclear Power Station	6,799.67	4,986.87	36.35

### **Operation Performance**

Capacity factor, load factor and average usage 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. They are mainly subject to the effects of refuelling outages for the units. According to the arrangements of the annual outage plan, there are certain differences between the duration of refuelling outages for different units, and refuelling outages may be implemented over the next year, resulting in small differences between the duration of outages in different years with respect to the same type of refuelling outage for the same type of unit.

In the first half of 2016, we had 15 nuclear power generating operating units, with an average capacity factor of 90.17%, an average load factor of 73.92% and average utilization hours of 3,229 hours, as compared with that of 77.82%, 75.07% and 3,279 hours in the corresponding period of last year respectively. The reason for the changes was mainly due to that fact that the time for the unit being temporarily shut down for standby or temporarily operating at reduced load in the first half of 2016 is more than that of same period of 2015.

Based on the design of pressurized water reactor (“PWR”) nuclear power stations, the nuclear reactor of each unit in operation must be shut down and refuelled after a certain period of time. Taking into account of the safety and economic considerations of nuclear power stations, nuclear power operators often make use of the refuelling period to intensively conduct preventive and corrective maintenance projects as well as partly modifications projects, and this is usually referred to as refuelling outage by nuclear power stations. The refuelling cycle of our nuclear power stations are generally 12 to 18 months. According to the technical requirements for the operation of nuclear power stations, inspection, testing and maintenance for major equipment are required every ten years. Such activities will be conducted during the refuelling period of units, and this is usually referred to as 10-year outage by nuclear power stations. In addition to the refuelling outage and 10-year outage, the refuelling outage of new units conducted in the following year after commencement of operation is usually referred to as the first outage.

During the outage period, we carry out inspection, maintenance and modifications for equipment case by case based on the requirements of nuclear power station preventive maintenance guidelines and in-service inspection guidelines as well as the experience on the operation of the units to secure the safety of the units, improve the operating performance of the equipment, and ensure that the units would maintain good operating conditions in the next cycle according to the design requirements.

Considering the economic factors and arrangements for related works, refuelling outages period of nuclear power generating units are not fixed to every 12 to 18 months. In order to ensure the safe operation of the units, we usually take local power load fluctuations into account and communicate with local power grid companies to rationalize the refuelling outage plans for the units. As the needs for inspection and maintenance projects are different, the duration of each refuelling outage is not identical. More inspection items are required for the first and 10-year outage, resulting in a longer inspection period compared to that of regular refuelling outage. According to the specific operating conditions of each unit, we continue to improve and develop specific refuelling outage implementation plans, reasonably arrange inspection and maintenance projects, and actively adopt advanced technology to improve the efficiency of inspection and maintenance, in order to have good control over the duration of each refuelling outage on the premise of ensuring the quality and safety.

In the first half of 2016, we carried out a total of five refuelling outages for our 15 nuclear power generating operating units, including one 10-year outage or the first outage, being equivalent to 10-year outage. The first outage of Ningde Unit 3 commenced in the first half of the year and was finished on August 15, 2016. The aggregate number of calendar days for refuelling outages was 254 days in the first half of 2016.

The details of the operation performance of units operated and managed by us in the first half of 2016 are as follows:

	Capacity factor (%)		Load factor (%)		Utilization hours (hours)	
	For the six months ended		For the six months ended		For the six months ended	
	June 30, 2016	2015	30 June, 2016	2015	30 June, 2016	2015
<b>Nuclear power station</b>						
<i>From subsidiaries</i>						
Daya Bay Unit 1 <sup>1</sup>	<b>99.97</b>	57.33	<b>101.21</b>	57.86	<b>4,421</b>	2,527
Daya Bay Unit 2 <sup>2</sup>	<b>74.72</b>	97.32	<b>75.41</b>	98.01	<b>3,294</b>	4,281
Ling'ao Unit 1	<b>99.64</b>	99.91	<b>98.73</b>	99.26	<b>4,313</b>	4,336
Ling'ao Unit 2 <sup>3</sup>	<b>99.99</b>	87.19	<b>91.77</b>	82.87	<b>4,009</b>	3,620
Lingdong Unit 1	<b>83.16</b>	80.05	<b>82.45</b>	78.89	<b>3,601</b>	3,446
Lingdong Unit 2 <sup>4</sup>	<b>75.67</b>	80.45	<b>74.53</b>	79.57	<b>3,255</b>	3,476
Yangjiang Unit 1 <sup>5</sup>	<b>99.99</b>	58.59	<b>95.27</b>	58.79	<b>4,161</b>	2,568
Yangjiang Unit 2 <sup>6</sup>	<b>55.79</b>	—	<b>56.04</b>	—	<b>2,448</b>	—
Yangjiang Unit 3 <sup>6</sup>	<b>99.98</b>	under construction	<b>90.60</b>	under construction	<b>3,957</b>	under construction
<i>From joint ventures</i>						
Ningde Unit 1 <sup>7</sup>	<b>99.99</b>	99.93	<b>61.10</b>	98.09	<b>2,669</b>	4,285
Ningde Unit 2 <sup>8</sup>	<b>99.61</b>	61.46	<b>61.08</b>	59.03	<b>2,668</b>	2,578
Ningde Unit 3 <sup>6</sup>	<b>86.20</b>	—	<b>66.70</b>	—	<b>2,913</b>	—
<i>From associates</i>						
Hongyanhe Unit 1 <sup>9</sup>	<b>77.93</b>	75.33	<b>55.72</b>	71.51	<b>2,434</b>	3,124
Hongyanhe Unit 2 <sup>10</sup>	<b>99.98</b>	58.42	<b>60.10</b>	41.85	<b>2,625</b>	1,828
Hongyanhe Unit 3 <sup>11</sup>	<b>99.99</b>	under construction	<b>38.12</b>	under construction	<b>1,665</b>	under construction

*Notes:*

1. Daya Bay Unit 1 did not conduct any refuelling outage in the first half of 2016 and completed a 10-year outage in the same period of 2015.
2. Daya Bay Unit 2 completed a refuelling outage in the first half of 2016 and did not conduct any refuelling outage in the same period of 2015.
3. Ling'ao Unit 2 did not conduct any refuelling outage in the first half of 2016 and completed a refuelling outage in the same period of 2015.
4. Lingdong Unit 2 completed a refuelling outage in the first half of 2016 with outage duration longer than the same period of 2015.

5. Yangjiang Unit 1 did not conduct any refuelling outage in the first half of 2016 and completed the first outage after commencement of operation, being similar to that of a 10-year outage, in the same period of 2015.
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 2015. Yangjiang Unit 2 completed the first outage after commencement of operation, being similar to that of a 10-year outage, in the first half of 2016. Yangjiang Unit 3 commenced its commercial operations in January 2016.
7. Ningde Unit 1 temporarily operated at reduced load or was shut down for standby during some periods in the first half of 2016 in line with the requirements of power grid.
8. Ningde Unit 2 did not conduct any refuelling outage in the first half of 2016 and completed the first outage in the same period of 2015. The first outage was similar to a 10-year outage in nature. Ningde Unit 2 has undergone temporary operation at reduced load or being shut down for standby in line with the requirements of power grid for certain time in the first half of 2016.
9. The time for Hongyanhe Unit 1 temporarily operating at reduced load or being shut down for standby in the first half of 2016 is more than that of the corresponding period in 2015 in line with the requirements of power grid.
10. Hongyanhe Unit 2 has undergone temporary operation at reduced load or being shut down for standby in line with the requirements of power grid for certain time in the first half of 2016. Due to the heating provision period in winter in Liaoning, a temporary operation at reduced load was conducted in the first half of 2015 for Hongyanhe Unit 2 in line with the requirements of power grid.
11. Hongyanhe Unit 3 commenced its commercial operations in August 2015. Hongyanhe Unit 3 has undergone temporary operation at reduced load or being shut down for standby in line with the requirements of power grid for certain time in the first half of 2016.

The Company continues to promote “Specialization, Centralization of Standardization” as its management strategy. Here we focus on the purposes and key elements of our standardization management. Standardization is a pillar in the Company’s management strategy and could enhance the efficiency in the Company’s multi-base management.

As for safety, standardization is beneficial to the reinforcement of safety across different stations, provision of feedback, promotion of best practices and enhancements to technical capabilities of our power plants. As for efficiency, standardization enables new bases to rapidly replicate good practices. The learning curve for new power stations are shortened and the level of operational management of new operating units improves continuously.

The Company formulated an operation standardization scheme and established the OPST (organization, procedures and processes, skills and knowledge and tools of systems) model for key areas so as to realize four “Unified”, i.e. unified organization and management systems, unified skill standards and procedure and process system, unified training systems for qualifications and authorizations, and unified operation management tools.

- Standardization of organization structures is a pillar of operation standardization, and is important for us to rapidly replicate our organization capabilities and enhance our core capabilities.
- Standardization of procedure and process is also key to our standardization management strategy, while implementation and promotion of standardized management procedures, operation and maintenance procedures and business procedures from major parts of our standardized management.

- Improvement of power station performance and business development require improvement of skills. For the purpose of standardizing training procedures and job specifications at power stations, the Company asserted control over key business procedures and training guidelines. Through the above measures, the Company standardized training and authorizations of staff, with an aim to strengthen technical capabilities of our staff and fulfill qualification requirements.
- Advanced technology and tools facilitate and enhance the benefits of standardization management. Amid the material development of information technology and the knowledge-based society, the Company focuses on the construction of intelligence and informatization, so that we could deliver our capabilities through our systems and database. This would in turn enable us to create value and revenue, and to connect stations within the Company and enable development as a whole.

We continued to benchmark with international peers. For the six months ended June 30, 2016, when compared with the one-year benchmark value of 12 performance indicators for PWR set by WANO in 2015, among a total of 180 WANO performance indicators of our 15 nuclear power generating operating units, there were 147 indicators (81.7%) achieving the world's top 1/4 level, of which 128 indicators (71.1%) achieving the world's top 1/10 level. For the same period of the previous year, among a total of 132 WANO performance indicators of our 11 nuclear power generating operating units, there were 105 indicators (79.5%) achieving the world's top 1/4 level, of which 95 indicators (72.0%) achieving the world's top 1/10 level.

## Environmental Performance

In the first half of 2016, the radioactive waste management of each nuclear power generating unit in operation managed by us has strictly complied with national 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 for the period indicated as a percentage of the national standards. The amounts of all of the radioactive substances discharged by all of our nuclear power stations were below the applicable national limits.

	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,							
	2016	2015	2016	2015	2016	2015	2016	2015
Amount of discharged liquid radioactive waste (radionuclides other than tritium) as a percentage of the national standards	<b>0.10%</b>	0.32%	<b>0.18%</b>	0.28%	<b>0.10%</b>	0.17%	<b>0.15%</b>	0.20%
Amount of discharged gas radioactive waste (inert gases) as a percentage of the national standards	<b>0.08%</b>	0.19%	<b>0.27%</b>	0.05%	<b>0.06%</b>	0.21%	<b>0.12%</b>	0.06%
Solid radioactive waste (cubic meters)	<b>109.8</b>	131.2	<b>6.0</b>	0	<b>71.2</b>	97.6	<b>68.8</b>	122.8
Results of environmental monitoring	<b>Normal</b>	Normal	<b>Normal</b>	Normal	<b>Normal</b>	Normal	<b>Normal</b>	Normal

As a clean energy, nuclear power contributes to energy saving and emission reduction. In the first half of 2016, our cumulative on-grid nuclear power generation in effect represented a reduction of approximately 15.08 million tons of standard coal consumption, approximately 39.52 million tons of carbon dioxide emissions and approximately 0.11 million tons of nitrogen oxide emissions, with an equivalent effect of a 0.11 million hectare of forest area.

## 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 in strict compliance with the requirements of relevant laws and regulations. For all the major construction milestones being required to pass the inspection of NNSA, we would pass the inspection of the NNSA, and enter into the next phase of work after having confirmed our full compliance with the requirements. We learnt from the feedback from the construction of other domestic and international nuclear power stations to continue improving the safety and quality of project construction and lay a solid foundation for the safe and stable operation of nuclear power stations after commencement of commercial operations.

Nuclear Power Generating Units	Civil Construction Phase	Equipment Installation Phase	Commissioning Phase	Grid Connection Phase	Expected Time of Commencement of Operation
<b><i>From subsidiaries</i></b>					
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 2017
Taishan Unit 2		√			Second half of 2017
<b><i>From joint ventures</i></b>					
Ningde Unit 4				√	Second half of 2016
<b><i>From associates</i></b>					
Hongyanhe Unit 4				√	Second half of 2016
Hongyanhe Unit 5	√				Second half of 2020
Hongyanhe Unit 6	√				2021

As of June 30, 2016, among our nine nuclear power generating units under construction, two were in the grid connection phase, two were in the commissioning phase, three were the equipment installation phase and two were in the civil construction phase.

Nuclear power generating units may be affected by various factors in the course of construction, including delivery delays, increase in the cost of key equipment and materials, delay in obtaining regulatory approvals, permits or licenses, unexpected engineering, environmental or geographical problems, change of localization ratio as well as the implementation of additional Chinese 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 3 has commenced commercial operations on January 1, 2016. Yangjiang Unit 4 completed the cold functional test\* on May 10, 2016, laying a solid foundation for subsequent commercial operations of the unit.

Taishan Unit 1 is in the commissioning phase, and Unit 2 is in the equipment installation phase. Taishan Unit 1 completed the cold functional test on January 27, 2016. On June 24, 2016, Taishan Unit 1 completed the containment pressure test and the results complied with the design criteria. The containment is the third barrier for the reactors. The containment pressure test is to test the sealability and structural intensity of the containment. The containment pressure test is one of the preconditions for fuel loading.

Ningde Unit 4 commenced the grid connection for power generation on March 29, 2016, and completed all commissioning work on July 21, 2016. It had met the conditions for commercial operations and we started to calculate its on-grid power generation.

According to the local power market conditions and the production plan arrangement, we rescheduled the expected time for Hongyanhe Unit 4 meeting the conditions for commercial operations from the first half of 2016 to the second half of 2016.

### **Sales of Electricity**

In the first half of 2016, the electric power supply and demand in China was generally on ease. The growth of demand for power consumption of certain provinces where the Company's nuclear power generating units located was slow. Certain units operated at reduced load or went on standby temporarily. In order to enhance on-grid nuclear power generation and guarantee the overall economic benefit of the Company, the Company took major measures on the sales of electricity including:

- keeping track of the implementation of national and local policies, actively communicating with relevant governmental departments at national and local levels to provide advice and recommendations for the formulation of policies related to the development of nuclear power;
- actively communicating with the relevant local government departments, power grid and other external departments to achieve reasonable shares of planned on-grid power generation and track the implementation during the process;
- actively researching and being engaged in distribution of electricity out of the region to expand the market space of electricity consumption for nuclear power generating units and increase the on-grid power generation to the largest extent; and
- closely following up and engaging in the progress of power reform as well as researching and participating in the electricity power market trading as appropriate to achieve more market on-grid power generation.

\* The cold functional test is the first integrated commissioning test after the commencement of system commissioning phase of a unit, which mainly includes the functional tests on the reactor coolant system and related systems and the pressurizing tests on the high-pressure boundary of the reactor coolant system and related systems in order to test the installation quality of the primary loop.

## Human Resources

According to the human resources plan of the Company, during the Reporting Period, the Company recruited a total of 315 employees, and we had 11,812 employees (including those of our affiliates) as of June 30, 2016.

We pay close attention to the occupational health of our employees who participate in the work of nuclear power stations, including our contractors and other personnel who 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.

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 2016 and that of 2015 at the nuclear power stations operated and managed by us:

<b>Nuclear Power Stations / Units</b>	<b>For the six months ended June 30,</b>	
	<b>2016</b>	<b>2015</b>
Daya Bay Nuclear Power Station	<b>4.50</b>	7.08
Ling'ao Nuclear Power Station	<b>1.81</b>	2.14
Lingdong Nuclear Power Station	<b>6.83</b>	5.13
Yangjiang Nuclear Power Station Units 1, 2 and 3	<b>6.55</b>	6.71
Ningde Nuclear Power Station Units 1, 2 and 3	<b>4.11</b>	7.18
Hongyanhe Nuclear Power Station Units 1, 2 and 3	<b>3.15</b>	5.62

*Note:* The change in information is primarily due to the differences in outage schedule and maintenance projects during the Reporting Period as well as the changes in the number of units.

## Social Responsibility

With the philosophy of "Open and Transparent", we continued to conduct public communication, promotion of scientific knowledge and other activities so as to enhance the transparency of corporate operation. While we promote our own development, we also actively advance the development of community industry to address the actual difficulties of community and establish harmonious "Neighborhood".

## **Voluntary Information Disclosure**

In the first half of 2016, we convened 6 press conferences. Through various channels such as portal websites and social media, we disclosed nuclear safety information and environmental monitoring information in a timely manner to ensure that the general public have the right to access the operational information of nuclear power stations and nuclear safety information. In the first half of the year, we voluntarily disclosed a total of 12 operation incidents, all of which are at level 0.

We enhanced communications with governments at all levels and with social media. Apart from regular and normalized communication mechanism with SASAC, the National Energy Administration, the State Administration for Science, Technology and Industry for National Defense, NNSA and the provincial and municipal governments at all levels, we also enhanced communications with governments and the general public of Hong Kong and Macau. In the first half of 2016, as invited by the Macau government, our chairman, president and technicians attended the seminar of Introduction to the Nuclear Policy of the State and Nuclear Development of Guangdong in Macau. Our technicians also attended the seminar of Introduction to the Development CGN Power Co., Ltd. and the Progress of Construction of Taishan Nuclear Power Station jointly organized by the Government Information Bureau and the Secretariat for Security of Macau Special Administrative Region. We provide comprehensive answers to questions and address social concern.

## **Transparent Public Communication**

In the first half of 2016, we continued to carry out “Face-to-Face” communication activities in communities, cities and campuses with an active and open attitude so as to gain public recognition through transparency and sincerity. For example, scientific knowledge about Hongyanhe nuclear power stepped out from communities surrounding the nuclear station to the urban areas of Dalian for lectures of scientific knowledge about nuclear power. On the eve of June 4, 2016, being the World Environment Day, volunteers of Ningde Nuclear worked with Fujian Radiation Environment Monitoring Center and Fuding Education Bureau to conduct a lively and interesting public lecture in Fuding No.17 Middle School. 15 families were invited to Daya Bay Base by Daya Bay Nuclear Power Operations and Management Co., Ltd to experience a unique journey of scientific knowledge and paternity. Multimedia display boards and 3D models with sound and light are installed to illustrate the history, current situation and future of nuclear power development and allow the families to have more concrete and rational understanding towards nuclear power stations.

## **Win-win Community Development**

While promoting our own development, we also actively assist with the development and advancement of community and engage in social and community activities and contribute to the society through actions and love. For example, on the eve of the Chinese Lunar New Year, the employees of Yangjiang Nuclear paid a visit to Yun Bo Village of Dong Ping Town and Na Qin Village and Sha Zui Village of Bei Tu Town to give out gifts for 188 families in need and show loving care for their living conditions and difficulties. On the eve of International Children’s Day, hundreds of employees of Taishan Nuclear helped and supported single parent children in poverty in surrounding communities, providing subsidy of over RMB30,000 to 93 students.

### **(III) Outlook for the Second Half of the Year**

The Company is still facing a complex external market environment. Apart from closely following the reform progress of electricity market and the promulgation of the 13th Five-Year Plan for the nuclear power and striving to obtain the support from national and local policies, we will maintain safe and stable operation of the units, formulate strategies for power generation, optimize the model of sales of electricity, enhance on-grid power generation and strive to ensure overall economic interest.

For the second half of 2016, we mainly plan to undertake the following tasks:

- On the basis of safety and quality, we will push ahead with construction of the units as scheduled. In addition to Ningde Unit 4 which had met the conditions for commercial operations on July 21, 2016, Hongyanhe Unit 4 and Fangchenggang Unit 2 as entrusted by the controlling shareholder will commence commercial operations in the second half of 2016.
- Based on the operation conditions of the units, outage plan and electricity market conditions, we plan to implement 7 refuelling outages for the units, one of which will be implemented over the next year. We will strive to maintain safe and stable operation of nuclear power generating operating units; and based on regional electricity market conditions, to properly participate in the electricity power market trading and to increase utilization efficiency of those units, so as to enhance the Company's overall economic benefits.
- We will enhance internal resources allocation and coordination, optimize procedural control and incentive mechanism and control the operational cost of operating units and the construction cost of units under construction.
- We will actively follow up with the 13th Five-Year Plan for nuclear power, keep track of the approval of new nuclear power projects and acquire the retained business of the controlling shareholder as and when appropriate.
- As for financial management, the Company continues to uphold its prudent approach to manage the risk of foreign currency debts, regularly review risk exposures for consistent supervision and reporting and timely adjust policies in response to market changes. Efforts will be made for minimizing impacts on the Company's 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, 2016.

## **Interim dividend**

Pursuant to the Company's dividend distribution policy, and based on the Company's actual results of operation in the first half of 2016, the Board does not recommend the payment of an interim dividend for the six months ended June 30, 2016.

## **Subsequent Events**

From June 30, 2016 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 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. (First Edition) ("**Corporate Governance Code**") on November 18, 2014. Based on the changes to Board committees and the revision of the Stock Exchange Codes in relation to risk management and internal control, the Board approved the revision of the Corporate Governance Code on January 6, 2016. After such revision, the Corporate Governance Code covers the basic requirements of the Stock Exchange Codes and stipulates standards better than the recommended best practices in various aspects. During the Reporting Period, the Company complied with all the code provisions contained in the Stock Exchange Codes, except for the one of the recommended best practices proposed in the Stock Exchange Codes (namely a listed company should announce and publish quarterly results report). Nonetheless, we publish quarterly operation briefings on a quarterly basis and we publish quarterly financial statements for the domestic market in accordance with the requirements of mainland China's bond market and also made overseas regulatory announcements on the website of the Stock Exchange simultaneously to disclose the quarterly financial conditions based on the China Accounting Standards, and provide explanations on their discrepancies with the International Accounting Standards where appropriate.

## **Compliance with 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 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 and Risk Management Committee**

The Company has established the audit committee (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. Pursuant to the latest revisions of the Stock Exchange Codes in relation to risk management and internal control, the name of the committee has been changed from Audit Committee to audit and risk management committee of the Board (the “**Audit and Risk Management Committee**”) and the Terms of Reference for the Audit Committee under the Board of Directors of CGN Power Co., Ltd. has been revised. After such revision, the Terms of Reference for the Audit and Risk Management Committee of the Board of Directors of CGN Power Co., Ltd. provides for the duties of the Audit and Risk Management Committee and stipulates its function of risk management and internal control. As at the date of this announcement, the Audit and Risk Management 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 and Risk Management Committee.

On August 22, 2016, the Audit and Risk Management Committee had reviewed and confirmed the interim result announcement for the six months ended June 30, 2016 of the Group, 2016 interim report and the unaudited interim financial statements for the six months ended June 30, 2016 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 2016 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 24, 2016

*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. 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*