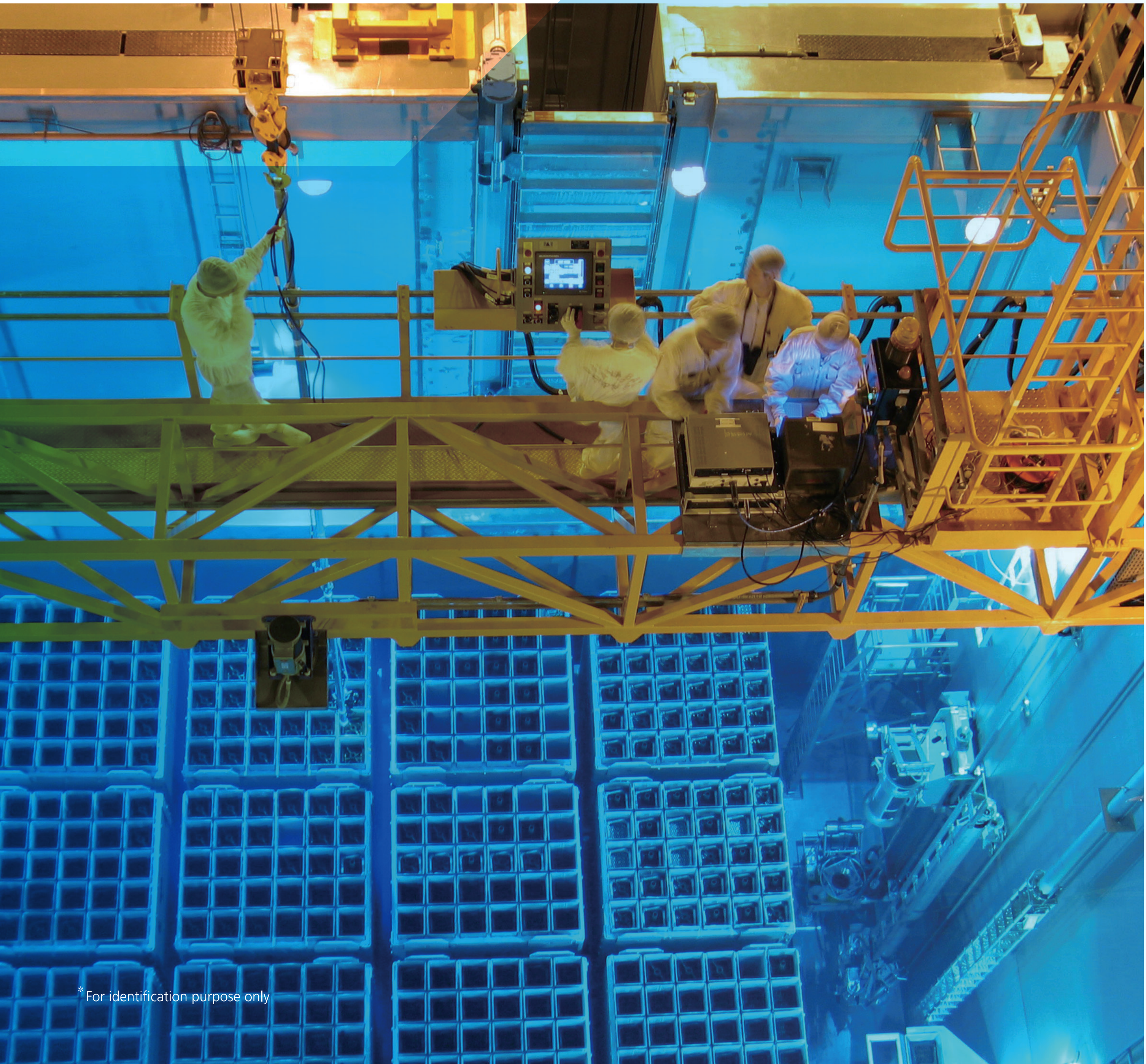
中國廣核電力股份有限公司
CGN Power Co., Ltd.*

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

Stock Code: 1816

2017 Interim Report



*For identification purpose only

Contents

Unless otherwise defined in this Interim Report, the terms used in this Interim Report shall have the same meanings as those defined in the 2016 Annual Report of the Company. This Interim Report has been prepared in Chinese and English respectively. In case of discrepancy, the Chinese version shall prevail, except for the report on review of condensed consolidated financial statements and the condensed consolidated financial statements and its notes prepared in accordance with International Accounting Standards, of which the English version shall prevail.

Summary of Interim Results

The Board of Directors (the "**Board**") of CGN Power Co., Ltd.* ("**CGN Power**", the "**Company**", "**we**" or "**us**") announces the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended June 30, 2017 (the "**Period**", the "**Reporting Period**" or the "**first half of 2017**") together with the comparative figures for the corresponding period in 2016.

For the six months ended June 30, 2017

Revenue
RMB million

21,408.594

Increase of 41.9% over the corresponding period in 2016 (as restated)

Profit for the Period attributable to owners of the Company
RMB million

6,089.133

Increase of 63.5% over the corresponding period in 2016 (as restated)

Profit for the period attributable to owners of the Company (excluding the effects of net foreign exchange gain/loss and gain on remeasurement of previously held interest in a joint venture becoming a subsidiary)
RMB million

4,872.293

Increase of 22.5% over the corresponding period in 2016 (as restated)

Dividend

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2017.

the corresponding period in 2016: nil

Summary of Interim Results

In the first half of 2017, China's economic growth accelerated, leading to an increase in the growth rate of power consumption in China. However, as the growth of installed capacity within China outpaced the growth of power consumption, the supply and demand of electricity in China was still on ease in general and the utilization hours of power generating facilities nationwide remained low. The national power system reform continued to proceed, the share of marketized electricity trading in each province gradually increased, and the trading mechanisms were further enhanced. Except for Guangdong Province and Hainan Province, nuclear power generating units in other parts of China participated in different levels of trading in their respective electricity markets.

We continued to adhere to the principle of "Safety First, Quality Foremost", ensured the safe and stable operation of all units in operation, actively dealt with the challenges brought by the external operational environment of the Company, improved sales of electricity and ensured a safe and orderly progression of all units under construction.

In respect of safety management, all units in operation of the Company maintained safe and stable operation and all units under construction complied with all regulatory requirements in respect of safety management. In the first half of 2017, no operational events of level 1 or above occurred in the nuclear power plants of the Company which were in operation.

In respect of operation and sales of electric power, through the collective efforts of all employees, in the first half of 2017, we achieved an on-grid power generation of 63,477.09 GWh, representing an increase of 23.68% over the corresponding period in 2016. Facing the differences in the electricity markets in different regions, each of our nuclear power bases adopted respective measures according to the strategy for sales of electricity of "striving for more shares of planned on-grid power generation and striving for better market power generation and tariff". According to the specific progress and arrangement of the electricity market reform in various regions, except for Guangdong Province, our nuclear power generating units in other provinces participated in different levels of trading in their respective local electricity markets. In the first half of 2017, average utilization hours of our units in operation was 3,223 hours, representing an increase of 30 hours over the corresponding period in 2016 and achieved the goal of the Company for the first half of the year.

In respect of construction, the work 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. After construction of almost 52 months, Yangjiang Unit 4 commenced commercial operation on March 15, 2017. As mentioned in the 2016 Annual Report, we conducted full assessment on the follow-up construction planning and relevant risks of our project in Taishan. The estimated time for commencement of commercial operation of Taishan Unit 1 and Taishan Unit 2 were adjusted to the second half of 2017 and the first half of 2018, respectively. The construction progresses of other nuclear units under construction of the Group remained normal.

As of June 30, 2017, the Group managed a total of 20 nuclear power generating units in operation, with a total installed capacity of 21,470 MW. The Group managed a total of eight nuclear power generating units under construction, with a total installed capacity of 10,270 MW. The total installed capacity of the units in operation and units under construction accounted for approximately 61.84% and 43.95% of the market share in the mainland China market, respectively.

Financial Highlights

Highlights of the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the six months Ended June 30	
	2017* RMB'000	2016 (Restated)** RMB'000
Revenue	21,408,594	15,083,103
Gross profit	10,382,538	7,416,944
Profit before taxation	8,825,206	4,777,537
Taxation	(1,019,331)	(294,313)
Profit for the period	7,805,875	4,483,224
Profit for the period attributable to:		
– Owners of the Company	6,089,133	3,724,949
– Non-controlling interests	1,716,742	758,275
Earnings per share attributable to owners of the Company		
– Basic (RMB)	0.134	0.082

Highlights of the Condensed Consolidated Statement of Financial Position

	At June 30, 2017 * RMB'000	At December 31, 2016 RMB'000
Total non-current assets	295,539,218	243,809,164
Total current assets	51,423,755	43,824,630
Total assets	346,962,973	287,633,794
Total current liabilities	70,060,787	65,167,663
Total non-current liabilities	183,637,887	140,567,458
Total liabilities	253,698,674	205,735,121
Equity attributable to owners of the Company	60,092,828	56,534,701
Non-controlling interests	33,171,471	25,363,972
Total equity	93,264,299	81,898,673

* Pursuant to the concert party agreement entered into between CGN Ninghe Investment Co., Ltd., (中廣核寧核投資有限公司) ("**CGN Ninghe Investment**"), a subsidiary of the Company, and Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司) ("**Datang Power**") in December 2016, Fujian Ningde Nuclear Power Co., Ltd. (福建寧德核電有限公司) ("**Ningde Nuclear**") has been changed from a joint venture of the Group to a subsidiary of the Group since January 1, 2017 and has been consolidated into the Group. The business combination is accounted for using the acquisition method and there is no need to restate the historic financial statistics of the Group.

** Since the Company acquired 61% equity interest in 廣西防城港核電有限公司 Guangxi Fangchenggang Nuclear Co., Ltd. ("**Fangchenggang Nuclear**"), 100% equity interest in 中廣核陸豐核電有限公司 CGN Lufeng Nuclear Power Co., Ltd. ("**Lufeng Nuclear**"), and 100% equity interest in 中廣核工程有限公司 CGN Engineering Co., Ltd. ("**CGN Engineering**") from the ultimate holding company China General Nuclear Power Corporation ("**CGNPC**") in 2016 (the "**2016 Acquisition**"), the financial figures for the six months ended June 30, 2016 in the condensed consolidated financial statements of the Group have been restated as if the combination had occurred prior to the start of the earliest period presented.

Shareholders' Value

The Board, the management and employees of the Company are responsible for increasing value for our shareholders. As such, the Company continues to maintain stable operational development and steady growth, we will take an active and transparent approach with integrity for a close communication with our shareholders and safeguard the shareholders' trust and confidence on the Company with rewards to them. On June 30, 2017, the Company had 4,078 registered shareholders, and the actual number of investors would be much higher if taking into account individual shareholders and institutional shareholders holding equity interests in the Company indirectly through intermediaries such as nominees, investment funds and the Central Clearing and Settlement System (CCASS), the Shanghai-Hong Kong Stock Connect and the Shenzhen Hong Kong Stock Connect.

Dividend Distribution

During the Reporting Period, a final dividend of RMB0.051 per share (tax inclusive) in respect of the year ended December 31, 2016 was declared to the owners of the Company amounting to approximately RMB2,317,845,000.00 in total, which was approved by the Company's shareholders at the 2016 annual general meeting convened on May 24, 2017. The Company has paid the dividend by July 31, 2017.

Pursuant to the Company's dividend distribution policy, and based on the Company's actual results of operation in the first half of 2017, the Board does not recommend the payment of an interim dividend for the six months ended June 30, 2017.

The Mechanism of Communication with Shareholders and Investors

Investor relations have always been highly regarded by the Company, the Board and our senior management. The Company has established the Investor Relations Management System of CGN Power Co., Ltd., the Information Disclosure Management System of CGN Power Co., Ltd. and other systems to regulate the management of investor relations through these systems. In the first half of 2017, the Company summarized its communication activities with shareholders and investors since its listing, further optimized the internal flow of the Company to promote efficiency and effect of its communication activities with shareholders and investors.

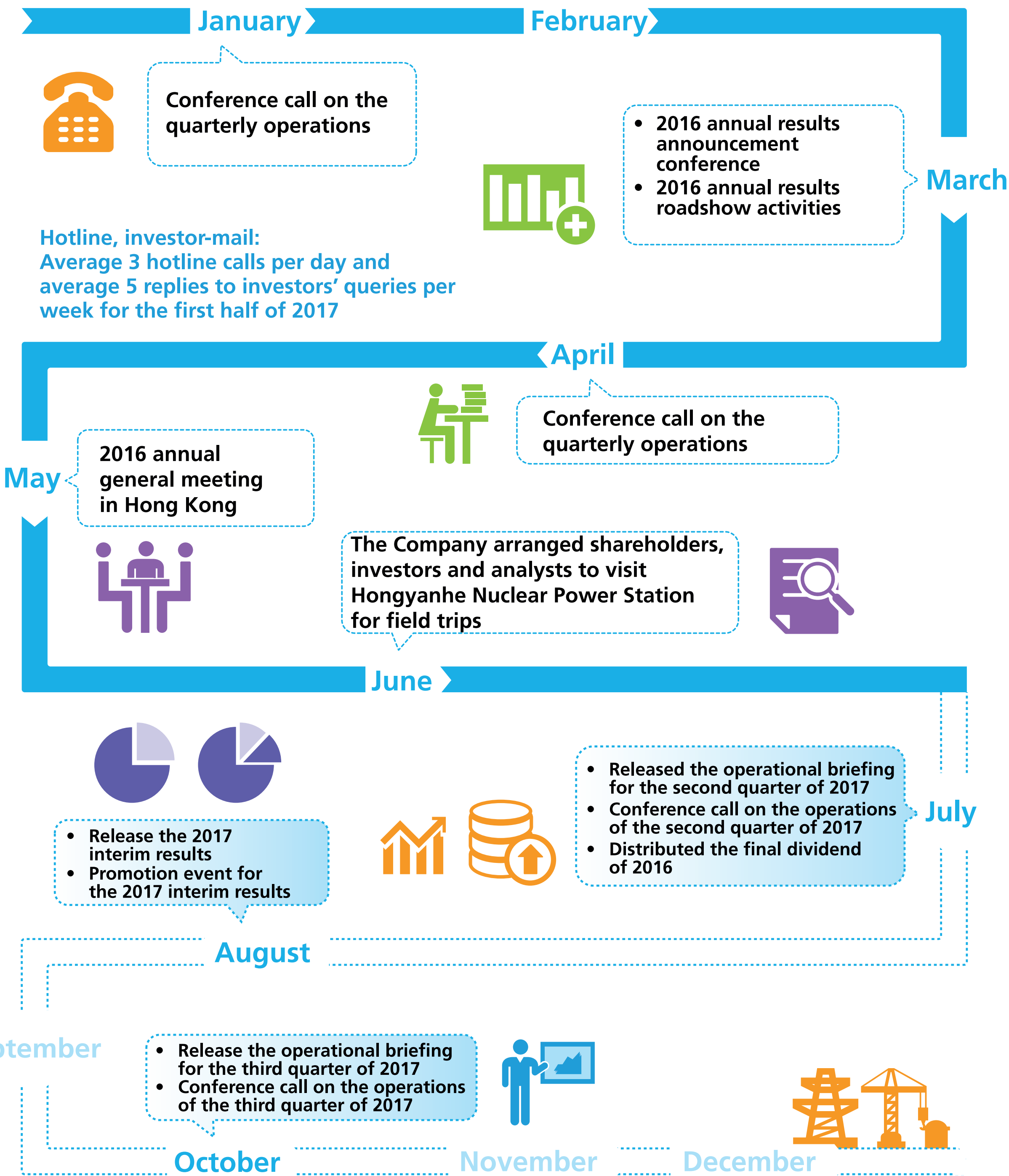
The Company continues to help our shareholders to understand the Company in a timely and comprehensive manner through smooth communication channels. Meanwhile, we value the views and feedback of shareholders and investors. We consider the advice and comments of shareholders and investors on the Company's development strategy, operation and other aspects and provide feedback to the Board, the management and relevant departments of the Company through briefings, special reports and other means, in order to achieve the alignment between the Company's business development and shareholders' value and to protect the interests of shareholders, thereby achieving an effective and smooth two-way communication.

Communications with Shareholders and Investors for the First Half of 2017 and Shareholders' Diary

To fully report our efforts and achievements in the environmental, social and governance areas to the shareholders, we have released the "Environmental, Social and Governance Report" (the "**ESG Report**") since 2016 as a mutual supplement and guidance with the annual reports of the Company. In 2017, we started to release the annual report and the ESG Report at the same time, allowing shareholders and investors to thoroughly understand the Company through these two reports.

According to the "Environmental, Social and Governance Reporting Guide" (the "**ESG Guide**") contained in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**"), we proactively disclosed all the information required under the ESG Guide in our "2016 ESG Report" published in this year, including the recommended disclosures, shareholders, investors and stakeholders would be able to fully understand our performance in safety, environmental, social and governance aspects through the ESG Report. The above reports are available on the websites of the Stock Exchange and our Company.

The Company mainly commenced the following communications activities:



Note: Any changes to the above timing shall be announced on the website of the Company.

Finance, Assets and Investment

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

(I) Financial Performance and Analysis

Impact of Restatement of Financial Data for the Six Months Ended June 30, 2016

The Company has completed the 2016 Acquisition in November 2016. As the Company, Fangchenggang Nuclear, Lufeng Nuclear and CGN Engineering are under common control of CGNPC, the above acquisitions have been recorded as a business combination under common control. The financial data for the six months ended June 30, 2016 in the consolidated financial statements of the Group has been restated as if the combination had occurred prior to the start of the earliest period presented. The following table sets forth the impact of the restatement on the key items included in the consolidated financial statements for the six months ended June 30, 2016:

	Six months ended June 30,		
	2016 (Restated) RMB' 000	2016 (Before restatement) RMB' 000	**Movements** increase/ (decrease) RMB' 000
Revenue	15,083,103	13,074,101	2,009,002
Net foreign exchange gains (losses)	(537,255)	(506,632)	(30,623)
Effects of net foreign exchange gains (losses) on profit for the period attributable to owners of the Company	(251,282)	(234,271)	(17,011)
Profit for the period attributable to owners of the Company, excluding the effects of net foreign exchange gains (losses)	3,976,231	3,831,999	144,232
Profit for the period attributable to owners of the Company	3,724,949	3,597,728	127,221

Key Financial Indicators

Item	Six months ended June 30, 2017	2016 (Restated)
Indicators of profitability		
EBITDA margin (%) [(1)]	72.2	60.2
Net profit margin (%) [(2)]	36.5	29.7
Indicators of investment returns		
Return on equity attributable to owners of the Company (%) [(3)]	10.4	6.0
Return on total assets (%) [(4)]	3.8	2.5
Indicators of solvency		
Interest coverage [(5)]	2.4	1.7

Item	June 30, 2017	31 December 2016
Indicators of solvency		
Asset-liability ratio (%) [(6)]	73.1	71.5
Debt to equity ratio (%) [(7)]	221.8	195.4

(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 capitalized interest.

(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%.

Finance, Assets and Investment

Financial Results and Analysis

	Six months ended June 30, 2017 RMB' 000	2016 (Restated) RMB' 000	Movements increase/ (decrease) RMB' 000	Percentage change increase/ (decrease) %
Revenue	**21,408,594**	15,083,103	6,325,491	41.9
Net foreign exchange gains (losses)	**(455,967)**	(537,255)	81,288	15.1
Gain on remeasurement of previously held interest in a joint venture becoming a subsidiary	**1,785,082**	—	1,785,082	N/A
Effects of net foreign exchange gains (losses) on profit for the period attributable to owners of the Company	**(217,553)**	(251,282)	33,729	13.4
Effects of gain on remeasurement of previously held interest in a joint venture becoming a subsidiary on profit for the period attributable to owners of the Company	**1,434,393**	—	1,434,393	N/A
Profit for the period attributable to owners of the Company, excluding the effects of net foreign exchange gains (losses) and gain on remeasurement of previously held interest in a joint venture becoming a subsidiary	**4,872,293**	3,976,231	896,062	22.5
Profit for the period attributable to owners of the Company	**6,089,133**	3,724,949	2,364,184	63.5

Revenue

	Six months ended June 30, 2017 RMB' 000	2016 (Restated) RMB' 000	Movements increase/ (decrease) RMB' 000	Percentage change increase/ (decrease) %
Sales of electricity(1)	**20,121,100**	13,558,233	6,562,867	48.4
Revenue from construction contracts and design projects	**888,821**	902,522	(13,701)	(1.5)
Revenue from technical and training service	**314,036**	357,089	(43,053)	(12.1)
Sales of equipment and other goods(2)	**84,637**	265,259	(180,622)	(68.1)
Total revenue	**21,408,594**	15,083,103	6,325,491	41.9

(1) The increase in revenue from sales of electricity was primarily due to the year-on-year increase of 51.05% in our subsidiaries' on-grid power generation, which in turn was mainly caused by the inclusion of Ningde Nuclear in the Group's consolidated financial statements since January 1, 2017, the commencement of commercial operations of Fangchenggang Unit 2 on October 1, 2016, the commencement of commercial operations of Yangjiang Unit 4 on March 15, 2017, and the different refuelling outage schedules for different generating units.

(2) The decrease in sales of equipment and other goods was primarily due to the fact that the amount for the corresponding period of 2016 included the revenue of China Techenergy Co., Ltd.* (北京廣利核系統工程有限公司), and the disposal of equity interest in such company was completed in the second half of 2016.

Cost of Sales and Services

	Six months ended June 30,		Movements	Percentage change
	2017	2016 (Restated)	**increase/ (decrease)**	**increase/ (decrease)**
	RMB'000	RMB'000	RMB'000	%
Cost of sales of electricity	**9,574,691**	6,192,302	3,382,389	54.6
of which:				
Cost of nuclear fuel[1]	**3,159,914**	1,991,046	1,168,868	58.7
Depreciation of property, plant and equipment[1]	**3,113,788**	1,948,054	1,165,734	59.8
Provision for spent fuel management[2]	**586,592**	490,159	96,433	19.7
Cost of construction and design contracts	**860,606**	791,094	69,512	8.8
Others	**312,954**	476,471	(163,517)	(34.3)
Total cost of sales and services	**10,748,251**	7,459,867	3,288,384	44.1

(1) The increase in cost of nuclear fuel and depreciation of property, plant and equipment was mainly due to the year-on-year increase of 51.05% in our subsidiaries' on-grid power generation, which in turn was caused by the inclusion of Ningde Nuclear in the Group's consolidated financial statements since January 1, 2017, the commencement of commercial operations of Fangchenggang Unit 2 on October 1, 2016, the commencement of commercial operations of Yangjiang Unit 4 on March 15, 2017, and the different refuelling outage schedules for different generating units.

(2) The increase in provision for spent fuel management was mainly due to the provision for spent fuel management for Lingdong Unit 2 which has completed 5 years of commercial operations in August 2016.

Finance, Assets and Investment

Other Income

	Six months ended June 30, 2017 RMB'000	2016 (Restated) RMB'000	Movements increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
Value-added tax refunds (1)	**979,745**	494,395	485,350	98.2
Interest income from bank deposits	**14,300**	38,424	(24,124)	(62.8)
Interest income from an associate	**80,386**	87,661	(7,275)	(8.3)
Government grants	**36,648**	32,214	4,434	13.8
Rental income	**8,017**	8,501	(484)	(5.7)
Total other income	**1,119,096**	661,195	457,901	69.3

(1) The increase in value-added tax refunds was mainly due to the inclusion of Ningde Nuclear in the Group's consolidated financial statements since January 1, 2017, and the fact that the process of value-added tax refunds was faster than that of the corresponding period in 2016 as affected by many factors.

Other Gains and Losses

	Six months ended June 30, 2017 RMB'000	2016 (Restated) RMB'000	Movements increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
Net foreign exchange gains (losses)(1)	**(455,967)**	(537,255)	81,288	15.1
Gain from disposal of a subsidiary(2)	**71,520**	—	71,520	N/A
Gain on remeasurement of previously held interest in a joint venture becoming a subsidiary(3)	**1,785,082**	—	1,785,082	N/A
Others	**183**	(3,915)	4,098	104.7
Total other gains and losses	**1,400,818**	(541,170)	1,941,988	358.8

(1) For the first half of 2017, net foreign exchange losses were RMB456.0 million and the impact on profit for the period attributable to owners of the Company was at loss of RMB217.6 million, mainly due to the fact that the exchange rate of Euro against RMB increased significantly. The exchange rate of Euro against RMB increased from 7.3068 at the end of 2016 to 7.7496 at the end of June 2017. For the corresponding period in 2016, net foreign exchange losses were RMB537.3 million and the impact on profit for the period attributable to owners of the Company was at loss of RMB251.3 million, mainly due to the significant appreciation of the exchange rate of Euro and USD against RMB, with the exchange rate of Euro against RMB increasing from 7.0952 at the end of 2015 to 7.3750 at the end of June 2016 and the exchange rate of USD against RMB increasing from 6.4936 at the end of 2015 to 6.6312 at the end of June 2016. During the first half of 2017, the global economy showed a trend of recovery with strong momentum of economic recovery in the Eurozone, and the risk factors were receding. Affected by the increase in interest rates in the domestic market of the PRC, the rate of RMB against USD stabilized and began to increase. However, attention is still required to the risk of fluctuation in exchange rates as the rate of RMB against Euro showed an overall trend of depreciation. The Company adhered to the established strategies and continued to adopt various measures to minimize the impact from the fluctuation in foreign exchange rates. As compared with the end of 2016, the balance of the Group's bank borrowings and other borrowings denominated in foreign currencies at the end of the Reporting Period decreased by RMB205.4 million in equivalent and its percentage in total bank borrowings and other borrowings decreased from 5.1% to 3.9%.

(2) The increase in gain from disposal of a subsidiary was mainly due to the completion of disposal of equity interest in 南京新蘇熱電有限公司 Nanjing Xinsu Thermoelectricity Co., Ltd. by the Group during the Reporting Period.

(3) The increase in gain on remeasurement of previously held interest in a joint venture becoming a subsidiary was mainly due to the fact that Ningde Nuclear began to be included in the Group's consolidated financial statements since January 1, 2017, and the difference between the fair value of the equity interest of Ningde Nuclear and the carrying amount of the equity interest of Ningde Nuclear accounted for as a joint venture was recognized as gain.

Share of Results of Associates

Our associates mainly include 遼寧紅沿河核電有限公司 Liaoning Hongyanhe Nuclear Power Co., Ltd. ("**Hongyanhe Nuclear**"), 中廣核一期產業投資基金有限公司 CGN Industry Investment Fund Phase I Co., Ltd. ("**CGN Fund Phase I**") and 中廣核財務有限責任公司 CGN Finance Co., Ltd. ("**CGN Finance**"). Our share of results of associates increased from RMB129.8 million (restated) in the corresponding period in 2016 to RMB253.6 million in the Reporting Period, primarily due to the increase in profit of Hongyanhe Nuclear for the period as compared with the corresponding period in 2016 resulting from the commencement of commercial operation of Hongyanhe Unit 4 on June 8, 2016.

Finance, Assets and Investment

Share of Results of Joint Ventures

As Ningde Nuclear has been changed from a joint venture to our subsidiary on January 1, 2017, our share of results of joint ventures decreased from RMB286.9 million (restated) in the corresponding period in 2016 to RMB3.3 million in the Reporting Period.

Finance Costs

Our finance costs increased by RMB1,120.0 million from RMB2,029.9 million (restated) in the corresponding period in 2016 to RMB3,149.9 million in the Reporting Period, primarily due to the inclusion of Ningde Nuclear in the Group's consolidated financial statements since January 1, 2017, and the fact that with the commencement of commercial operations of Fangchenggang Unit 2 on October 1, 2016 and the commencement of commercial operations of Yangjiang Unit 4 on March 15, 2017, the corresponding interests on borrowings ceased capitalization and were charged to finance costs directly since the date of commencement of commercial operation.

Taxation

Our taxation increased by RMB725.0 million from RMB294.3 million (restated) in the corresponding period in 2016 to RMB1,019.3 million in the Reporting Period, which was mainly due to the increase in profit before taxation and the fact that Ningde Unit 1 and Unit 2 and Yangjiang Unit 1 completed 3 years of commercial operations and began to be subject to EIT.

Financial Position

	At June 30, 2017 RMB' 000	At December 31, 2016 RMB' 000	**Movements increase/ (decrease) RMB' 000**	**Percentage Change increase/ (decrease) %**
Total assets	**346,962,973**	287,633,794	59,329,179	20.6
Total liabilities	**253,698,674**	205,735,121	47,963,553	23.3
Total equity	**93,264,299**	81,898,673	11,365,626	13.9
Equity attributable to owners of the Company	**60,092,828**	56,534,701	3,558,127	6.3

Current Assets

	At June 30, 2017 RMB'000	At December 31, 2016 RMB'000	Movements increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
Inventories[1]	**18,498,828**	13,137,983	5,360,845	40.8
Amounts due from customers for contract work[2]	**6,219,041**	5,300,838	918,203	17.3
Trade and bills receivables	**6,252,480**	5,735,493	516,987	9.0
Prepayments and other receivables[3]	**9,134,392**	7,360,943	1,773,449	24.1
Amounts due from related parties[4]	**1,038,641**	1,625,292	(586,651)	(36.1)
Other deposits over three months	**2,030,000**	2,047,000	(17,000)	(0.8)
Cash and cash equivalents	**8,125,851**	8,456,534	(330,683)	(3.9)
Other current assets	**124,522**	160,547	(36,025)	(22.4)
Total current assets	**51,423,755**	43,824,630	7,599,125	17.3

(1) The increase in inventories was mainly due to the inclusion of Ningde Nuclear in the Group's consolidated financial statements since January 1, 2017 and the increase in amount of purchase of nuclear fuel and spare parts resulting from the increase of generating units in operation.

(2) The increase in amounts due from customers for contract work was primarily due to the increase in outstanding payments of completed contract work from Hongyanhe Nuclear by CGN Engineering.

(3) The increase in prepayments and other receivables was mainly due to the inclusion of Ningde Nuclear in the Group's consolidated financial statements since January 1, 2017 and the increase in value-added tax recoverable within one year due to the commencement of operation of new generation units.

(4) The decrease in amounts due from related parties was mainly due to the Group's receipt of dividend payable by Ningde Nuclear amounting to RMB640.8 million during the Reporting Period.

Finance, Assets and Investment

Current Liabilities

	June 30, 2017 RMB'000	December 31, 2016 RMB'000	Movements increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
Trade and other payables (1)	**21,426,621**	19,294,867	2,131,754	11.0
Amounts due to customers for contract work	**402,928**	855,926	(452,998)	(52.9)
Amounts due to related parties	**7,888,696**	8,081,680	(192,984)	(2.4)
Loans from ultimate holding company	**800,000**	1,025,500	(225,500)	(22.0)
Loans from fellow subsidiaries	**3,840,003**	3,651,242	188,761	5.2
Loans from an associate (2)	**5,405,922**	3,945,435	1,460,487	37.0
Bank borrowings - due within one year (3)	**23,593,403**	20,806,759	2,786,644	13.4
Notes payable - due within one year	**5,500,000**	5,600,000	(100,000)	(1.8)
Other current liabilities	**1,203,214**	1,906,254	(703,040)	(36.9)
Total current liabilities	**70,060,787**	65,167,663	4,893,124	7.5

(1) The increase in trade and other payables was primarily due to the inclusion of Ningde Nuclear in the Group's consolidated financial statements since January 1, 2017 and the increase in operating activities such as purchase of raw materials and acceptance of services resulting from the increase in business scale of the Company.

(2) The increase in loans from an associate was mainly due to the increase in loans from CGN Finance provided to the Group.

(3) The increase in bank borrowings due within one year was mainly due to the inclusion of Ningde Nuclear in the Group's consolidated financial statements since January 1, 2017.

Non-Current Assets

	June 30, 2017 RMB'000	December 31, 2016 RMB'000	Movements increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
Property, plant and equipment (1)	270,535,615	216,509,163	54,026,452	25.0
Intangible assets	3,449,344	3,065,535	383,809	12.5
Goodwill	419,243	—	419,243	N/A
Interests in associates	8,038,888	7,837,967	200,921	2.6
Interests in joint ventures (2)	23,151	4,199,132	(4,175,981)	(99.4)
Deferred tax assets	1,422,827	1,687,249	(264,422)	(15.7)
Prepayments and value-added tax recoverable	6,870,303	6,277,564	592,739	9.4
Prepaid lease payments	3,440,352	2,959,611	480,741	16.2
Other non-current assets	1,339,495	1,272,943	66,552	5.2
Total non-current assets	295,539,218	243,809,164	51,730,054	21.2

(1) The increase in property, plant and equipment was mainly due to the inclusion of Ningde Nuclear in the Group's consolidated financial statements since January 1, 2017 and the Company's ongoing construction of Yangjiang Nuclear Power Station, Taishan Nuclear Power Station, Fangchengang Nuclear Power Station and other projects.

(2) The decrease in investment in joint ventures was mainly due to the change of Ningde Nuclear from a joint venture to a subsidiary of the Group since January 1, 2017.

Non-Current Liabilities

	June 30, 2017 RMB'000	December 31, 2016 RMB'000	Movements increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
Bank borrowings - due after one year (1)	**167,469,962**	124,482,040	42,987,922	34.5
Notes payable - due after one year	**7,494,715**	7,993,568	(498,853)	(6.2)
Provisions (2)	**3,100,171**	2,467,433	632,738	25.6
Loans from an associate	**2,908,320**	2,989,975	(81,655)	(2.7)
Other non-current liabilities	**2,664,719**	2,634,442	30,277	1.1
Total non-current liabilities	**183,637,887**	140,567,458	43,070,429	30.6

(1) The increase in bank borrowings due after one year was mainly due to the inclusion of Ningde Nuclear in the Group's consolidated financial statements since January 1, 2017.

(2) The increase in provisions was mainly due to the increase in provision for nuclear power units decommissioning resulting from the inclusion of Ningde Nuclear in the Group's consolidated financial statements since January 1, 2017 and the commencement of commercial operation of Yangjiang Unit 4.

Equity Attributable To Owners of The Company

As of June 30, 2017, equity attributable to owners of the Company amounted to RMB60,092.8 million, representing an increase of RMB3,558.1 million or 6.3% as compared with RMB56,534.7 million as of December 31, 2016, primarily due to (i) the decrease in equity attributable to the owners of the Company of RMB2,317.8 million as a result of the declaration of final dividends for the year 2016 during the Reporting Period; and (ii) the total comprehensive income attributable to owners of the Company amounted to RMB5,872.4 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, 2017.

Investment in Property, Plants and Equipment

For the six months ended June 30, 2017, the Group's investment in property, plants and equipment amounted to RMB8,266.9 million, representing a decrease of RMB1,690.8 million or 17.0% from RMB9,957.7 million (restated) in the first half of 2016, which was primarily due to the decrease in capital expenditure resulting from the commencement of commercial operation of Yangjiang Unit 4 and Fangchenggang Unit 2.

Major Investments in Equity

For the six months ended June 30, 2017, the Group increased its capital in CGN Fund Phase 1, an associate, by RMB39.6 million.

Material Acquisition and Disposal

During the six months ended June 30, 2017, 蘇州熱工研究院有限公司 Suzhou Nuclear Power Research Institute Co., Ltd., a wholly-owned subsidiary of the Company, completed the disposal of 90% equity interest in 南京新蘇熱電有限公司 Nanjing Xinsu Thermoelectricity Co., Ltd., an indirect subsidiary of the Group. Upon completion of the disposal, 南京新蘇熱電有限公司 Nanjing Xinsu Thermoelectricity Co., Ltd. ceased to be a subsidiary of the Group.

On November 30, 2016, the Company and 廣東核電投資有限公司 Guangdong Nuclear Investment Co., Ltd., a wholly-owned subsidiary of the Company, entered into a conditional equity transfer agreement with 中電核電（陽江）有限公司 CLP Nuclear Power (Yangjiang) Limited to transfer 17% equity interest in Yangjiang Nuclear to CLP Nuclear Power (Yangjiang) Limited. Upon completion of the disposal, Yangjiang Nuclear will remain as a subsidiary of the Group. As of June 30, 2017, such equity transfer agreement was still in the course of approval by the Ministry of Commerce of the PRC. As the conditions of such agreement were not yet fully satisfied, the equity transfer agreement has not taken effect and the transfer of equity interest has not been completed. The Company expected that the relevant approval and the transfer of equity interest would be completed in the next few months.

Saved for the disposal projects disclosed above, the Group had no other material acquisition or disposal for the six months ended June 30, 2017.

Finance, Assets and Investment

Use of Proceeds

The Company issued 10,148,750,000 H shares by way of global offering in December 2014 with net proceeds of approximately RMB21,603.5 million (in equivalent) from the offering after deducting various issuance costs. As of June 30, 2017, the Company had used RMB20,244.6 million of the net proceeds for the purposes as set out in the prospectus, representing 93.7% of the net proceeds from the offering.

Items	Movements RMB' 000
Net proceeds from the listing	21,603,535
Less: Proceeds used	20,244,576
Among which: Acquisition of 60% of the equity interest in Taishan Nuclear Power Industry Investment Co., Ltd. and 12.5% of the equity interest in Taishan Nuclear	9,700,196
Capital expenditure for nuclear power stations under construction	8,714,300
Research and development activities	496,680
Replenishment of working capital	1,333,400
Proceeds unused as of June 30, 2017	1,358,959

The remaining unused proceeds are intended to be used mainly for research and development activities and overseas market exploration. The proceeds intended to be used for research and development activities 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

During the first half of 2017, the global economy showed a trend of recovery with strong momentum of economic recovery in the Eurozone, and the risk factors were receding. US economy experienced moderate growth with recovery in household consumption and significant improvement in external demand, and the Federal Reserve increased the Federal Funds Rate for two times. China's gross domestic product (GDP) recorded a year-on-year growth of 6.9% with its economy operating within reasonable range in a more stable manner with favourable momentum, showing a positive pattern of steady growth, buoyant employment performance, stable commodity prices, increasing income and optimized structure. The People's Bank of China implemented sound monetary policies mainly through market operation. However, under the combined effect of financial deleveraging and adjustments to regulatory policies, tightening of credit scale and increasing market interest rates in China posed pressure on the scale and cost of corporate financing. In the first half of 2017, affected by the increase in interest rates in the domestic market of the PRC, the rate of RMB against USD stabilized and began to increase. However, attention is still required to the risk of fluctuation in exchange rates as the rate of RMB against Euro showed an overall trend of depreciation.

The Company ensured the capital safety and controlled the finance costs by various methods such as expanding the financing channels. 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 2017, we continued to improve diversified ways of financing, reasonable mix of currencies and term structures so as to provide stable and economical source of funding for the business development of the Company. As of June 30, 2017, the Group's total amount of debt financing was approximately RMB217,012.3 million with major financing channels including bank borrowings (approximately 88.0%), corporate bonds (approximately 3.9%), private placement notes (approximately 2.1%) and loans from CGNPC, fellow subsidiaries and associates (approximately 6.0%). 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 2017, the Company continued to strengthen the capital plan management and risk monitoring and control, actively expanded external financial channels, effectively implemented the debt restructuring for nuclear power projects, continuously optimized the loan terms and interest rate structures, and strived to minimize the impact of changes in the financial environment on the Company's operation.

Debt Risk Management

In recent years, 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 risks in exchange rate. In the first half of 2017, the Company adhered to the established strategies and continued to adopt relevant measures to minimize the impact from the fluctuation in foreign exchange rates. As compared with the end of 2016, the balance of the Group's bank borrowings and other borrowings denominated in foreign currencies at the end of the Reporting Period decreased by approximately RMB205.4 million in equivalent and its percentage in total bank borrowings and other borrowings decreased from 5.1% to 3.9%.

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, 2017, we had credits for unutilized general banking facilities of over RMB100,000.0 million, credits for notes being readily available for public offering of RMB7,000.0 million and cash and cash equivalents of RMB8,125.9 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 2017, China Chengxin International Credit Rating Co., Ltd. assessed the credit rating of the Company, and based on "the injection of power generation assets and the gradual commencement of operations of projects under construction", it concluded that "the power generation capacity of the Company will be further strengthened and the on-grid power generation will continue to increase with stronger profitability and cash generating ability" and maintained our AAA credit rating with stable outlook.

Finance, Assets and Investment

Contingencies

External Guarantees

The Group confirmed that, during the six months ended June 30, 2017, the Group had not provided any external guarantee.

Pledge of Assets

As of June 30, 2017, the Group's assets (mainly property, plant and equipment) of RMB19,741.5 million in carrying value were pledged to banks and related parties to secure loans for the Group. As of December 31, 2016, the carrying value of the Group's assets pledged to banks and related parties was RMB23,175.4 million.

As of June 30, 2017 and December 31, 2016, the electricity tariff collection rights of 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**"), Yangjiang Nuclear, Fangchenggang Nuclear, Ningde Nuclear and Taishan Nuclear were pledged to secure the facilities and loans from banks and related parties.

Legal Proceedings

The Group confirmed that, during the six months ended June 30, 2017, 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 2017. 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

It is proposed in the 13th Five-Year Plan and the 13th Five-Year Plan of Energy Development (《能源發展十三五規劃》) of China to promote safe and effective nuclear power development. With regard to China's nuclear development, a clear goal was stated in both documents. By 2020, it is expected that the installed nuclear power capacity will reach 58 GW and the installed nuclear power capacity under construction will exceed 30 GW. According to the statistics by China Electricity Council, as of June 30, 2017, the installed capacity of the nuclear power generating units which were in commercial operations in China was 34.73 GW. It is still far away from achieving the national nuclear development goal. We believe that as a safe and efficient clean energy, nuclear power should be greatly developed, contributing to the energy restructuring adjustment of China.

In the first half of 2017, China's economy showed a steady growth, employment improvement, consumer price stability and improvement of international balance of payments. The stability of economic growth was significantly enhanced. Meanwhile, the progress of supply-side reform was significant, achieving productivity enhancement and high rate of employment. Per capita income remained a high growth. According to the information published by the National Bureau of Statistics on July 17, 2017, the year-on-year growth of gross domestic product (GDP) for the first half of 2017 is 6.9%, representing an increase of 0.2 percentage points as compared with the corresponding period of last year. The economic growth maintained within the range between 6.7% and 6.9% for eight consecutive quarters. The national industrial capacity utilization rate was 76.4%, better than the same period last year. The recovery of economic growth led to the increase in the growth of power consumption in China. According to the Analysis and Forecast Report on National Supply and Demand of Electricity during the First Half of 2017 (《2017年上半年全國電力供需形勢分析預測報告》) issued by China Electricity Council, the power consumption within China increased by 6.3% over the corresponding period last year. The year-on-year increase in the installed capacity within China was 6.9%, which outpaced the growth of power consumption. Accordingly, the supply and demand of electricity in China was still on ease in general and the utilization hours of power generating facilities nationwide remained low.

In February 2017, the National Development and Reform Commission and the National Energy Administration jointly issued the Tentative Measures on Guaranteed Consumption of Nuclear Power (《保障核電安全消納暫行辦法》), concluded the basic principles for nuclear power consumption as "Ensuring Safety, Prioritizing On-grid, Guaranteeing Power Generation and Balancing Interests" to provide policy support for electricity consumption of nuclear power generating units. From January to June 2017, the average utilization hours of nuclear power was 3,406 hours, representing a year-on-year increase of 59 hours. We believe that the proportion of nuclear power in the national energy structure is still low. Nuclear power is a clean energy which is safe, economical and with a large energy density. Retaining its utilization rate at a relatively high level can help avoid waste from using of nuclear fuel in an inefficient way, thereby providing a safer, more stable and economical power supply for economic construction.

Pursuant to Several Opinions on Further Deepening the Reform of the Electric Power System (《關於進一步深化電力體制改革的若干意見》) issued by the Central Committee of the Communist Party of China and the State Council and relevant ancillary documents issued in March 2015, the national power system reform will proceed steadily. In the first half of 2017, the power system reform in China made steady progress. Except for Hainan Province, provincial electricity trading centers had been set up in 30 provinces, cities and autonomous regions in China. In the first half of 2017, the share in marketized electricity trading in each province gradually increased, electricity trading mechanisms were further enhanced with a gradual increase of power types participating in market trading. Except for Guangdong Province and Hainan Province, nuclear power generating units in other parts of China participated in different levels of trading in their respective electricity markets.

(II) Business Performance and Analysis

In the first half of 2017, we managed a total of 20 nuclear power generating units in operation and a total of eight nuclear power units under construction. 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 units in operation and under construction during the first half of 2017, 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 each stage of design, construction and operation of our nuclear power stations. Based on our experience in nuclear power operation over the years, we have established a mature safety management system. With the management taking the lead, "On-site Management Presence" and "Compliance with Procedures" activities, the Company enhanced the safety quality of all members and continuously improved the safety management level of the Company.

To promote "Putting Safety into Real Practice", in the first half of 2017, the Company published the Nuclear Safety Management Enhancement Action Plan (《核電安全管理提升行動方案》) (the "**Plan**"). It is proposed in the Plan the overall concept and target of nuclear safety management enhancement for the coming five years. The Company planned key enhancement activities in eight aspects. During the Reporting Period, through establishment of nuclear safety culture, enhancement in internal and external supervision and continuous establishment of a full-cycle feedback system, we strengthened the nuclear safety culture of our employees and enhanced the safety management level, so as to ensure the safe, economical and reliable operation of our nuclear power plants and to protect the safety of the society and public.

Emphasizing the Building of Nuclear Safety Culture

Over the years, the Company attached great importance to the building of safety culture centering on nuclear safety culture and emphasised the importance of management to take the lead. In 2016, the Company organized activities with the topic of "Solidifying and Strengthening the Foundation and Making Safety a Habit" and the "On-site Management Presence" activities. Through the efforts in last year, the safety management level of the Company continued to enhance along with the steady improvement of safety management results. To implement the long-term target of enhancing nuclear safety management, to strengthen the safety management awareness and to enhance the level of nuclear safety culture, on April 20, 2017, the Company organized forums and activities with the topic of "Strengthening Nuclear Safety Management and Thoroughly Eliminating Potential Nuclear Safety Hazard - Putting Safety into Real Practice". During the forums, responsible persons of various departments of the Company, responsible persons of the subsidiaries and associates of the Group and safety experts focused on "Enhancing Nuclear Safety Management" and conducted in-depth discussions on the issues in respect of safety management and efficient implementation. During the forums and activities, the management of each level made both personal and collective commitments on safety management to jointly promote constant enhancement of safety management of the Company.

We continued to organize the "On-site Management Presence" activities, requiring the management of each level to visit the working site to identify the safety hazards and management problems. They could efficiently solve the problems and share experiences concurrently, thereby further enhancing the overall safety management level of the Company. Meanwhile, with the focus on implementation of safety responsibilities, dissemination of law abiding culture and popularization of safety knowledge, together with the practice of safety operation, our nuclear power bases have commenced learning from videos of safety operation, safety skills competitions and other types of activities, continuously enhancing safety awareness of employees.

"Compliance with Procedures and Objection to Violations" has always been our safety management requirements. In 2016, we launched activities with the theme of "Complying with the Procedures for Safety". Awareness of complying with procedures of the staff was further enhanced. In the first half of 2017, we continued to hold the activities of "Compliance with Procedures and Objection to Violations". With the gradual enhancement and implementation of various actions and measures, the number of events resulted from procedural issues and non-compliance with procedures gradually decreased.

Enhancing Internal and External Supervisions

In the course of nuclear safety supervision and assessment, the Group adhered to the principle of independence between supervision and execution and carried out supervision and assessment in a fair and objective manner to ensure the effectiveness of supervision. In the first half of 2017, the Company emphasised on high-risk areas and key aspects and conducted 11 specific supervisions on safety and quality at the company level to timely identify common issues, important safety events and events with feedback value of our nuclear power stations as well as actively promoted good practice within the Group.

Apart from internal supervision, we also received independent supervision performed by the National Nuclear Safety Administration ("**NNSA**") and other authorities. In the first half of 2017, we received a total of seven safety inspections from NNSA and all of the inspection results complied with the regulatory requirements.

In the first half of 2017, Daya Bay Base, Yangjiang Nuclear Power Station, Hongyanhe Nuclear Power Station and Taishan Nuclear Power Station received joint specific supervisory inspection on nuclear safety management by the National Development and Reform Commission, the National Energy Administration, the Ministry of Environmental Protection and the State Administration on Science, Technology, and Industry for National Defense (collectively, the "**Four PRC State Ministries**"). The Board and the management attached great importance to this inspection. The Company actively collaborated with the inspection group in an honest and transparent, open-minded and humble manner during the process. The inspection group launched inspection on emergency protection, project management, quality management, operation technical specifications, nuclear and radiation safety and other aspects. In their opinions, each nuclear power station of the Company had an optimized organization with implementation of safety responsibilities and effective supervision systems, and the safety management remained in good condition and under control. The inspection group also stated the areas for improvement. In view of the improvements to be conducted, we have formulated specific rectification plans and have followed up on their implementation. In the second half of 2017, the Four PRC State Ministries will also conduct safety inspection on our other nuclear power stations.

Specific supervisory inspection on nuclear safety management by the Four PRC State Ministries

Continuously Establishing a Full-cycle Feedback System

The feedback system of nuclear power stations is an important component of the management of nuclear power stations, which can effectively prevent the recurrence of events and promote continuous improvement. The Company actively promotes the establishment of the full-cycle feedback system covering the design, construction, operation and decommissioning phases and refined the relevant mechanisms.

The Company has established a transparent event reporting system, requiring all staff to follow the Company's internal management system and actively report any deviation during daily operation. Therefore, deviations and hazards can be identified earlier and handled in a timely manner, thereby events which have a material effect on nuclear safety can be prevented.

In the short run, isolated equipment defects in industrial systems are subject to contingency, and so do operational events in the context of nuclear power station. The new operating units need certain time to identify the possible deviations and potential problems. The Company makes judgment on the level of operational event according to the International Nuclear and Radiological Event Scale (《國際核事件分級表》) (the "**INES**") set by the International Atomic Energy Agency ("**IAEA**"). In respect of the operational event occurred, we will immediately analyze, discuss and share the experience among all the nuclear power stations in a timely manner. In respect of abnormality happened in the past and deviations identified, the Company would analyse again according to the principles of the internal supervision and self-inspection activities. In respect of deviations and incidents, we adhere to the principle of "Honesty and Transparency" to report to the national regulatory authority, enhance analysis and reflection on the reasons, conduct feedback practice and safety culture re-education among all the staff of the Group to prevent recurrence of the incidents in other generating units and timely revise and refine our policies and procedures.

According to the INES set by IAEA, no operational events at level 1 or above occurred in the 20 nuclear generating units we operated and managed in the first half of 2017 and a total of 10 deviations without safety significance (below scale/Level 0) occurred:

	Number of Operational Events For the six months ended June 30,	
Base or Nuclear Power Station	**2017**	2016
Daya Bay Base (including Daya Bay Nuclear Power Station, Ling'ao Nuclear Power Station and Lingdong Nuclear Power Station)	0	3
Yangjiang Nuclear Power Station	2	4
Fangchenggang Nuclear Power Station	2	3
Ningde Nuclear Power Station	4	2
Hongyanhe Nuclear Power Station	2	3

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) defence-in-depth. Level 1 to Level 3 are termed as "incidents" and Level 4 to Level 7 are termed as "accidents". Events without safety significance are classified as "below scale/Level 0".

Nuclear Power Generating Units in Operation

For the six months ended June 30, 2017, our 20 nuclear power generating units in operation achieved a total on-grid power generation of 63,477.09 GWh, representing an increase of 23.68% over the corresponding period of 2016, 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, Ningde Nuclear Power Station, Yangjiang Nuclear Power Station and Fangchenggang Nuclear Power Station) and by our associates (including Hongyanhe Nuclear Power Station) recorded an increase of 23.20% and 26.78% of total on-grid power generation, respectively, over the corresponding period of 2016.

Business Performance and Analysis

On-grid power generation figures (unit: GWh) of our nuclear power stations are as follows:

Name of nuclear power station	For the six months ended June 30, 2017	2016	Change rate for the same period (%)
From subsidiaries[1]	*54,852.57*	*44,522.42*	*23.20*
Daya Bay Nuclear Power Station	8,284.82	7,271.16	13.94
Ling'ao Nuclear Power Station	7,097.99	7,878.81	-9.91
Lingdong Nuclear Power Station	7,182.29	6,984.05	2.84
Ningde Nuclear Power Station[2]	12,652.34	8,207.58	54.15
Yangjiang Nuclear Power Station	14,272.79	10,744.71	32.84
Fangchenggang Nuclear Power Station[3]	5,362.35	3,436.11	56.06
From associates			
Hongyanhe Nuclear Power Station	8,624.52	6,802.57	26.78

Notes:

1. Based on the consolidated financial statements, for the six months ended June 30, 2017, the on-grid power generation of the Group's subsidiaries was 54,852.57 GWh, representing an increase of 51.05% as compared with the corresponding period of 2016 (for the six months ended June 30, 2016, the on-grid power generation of the Group's subsidiaries (excluding Ningde Nuclear) was 36,314.84 GWh).

2. Ningde Nuclear has been changed from a joint venture of the Group to a subsidiary of the Group since January 1, 2017. Ningde Nuclear owns Ningde Nuclear Power Station. For the purpose of business comparison, the operating data of Ningde Nuclear for the corresponding period in 2016 is considered as the data of a subsidiary.

3. The Company completed the 2016 Acquisition on November 30, 2016 and Fangchenggang Nuclear has become a subsidiary of the Company. Fangchenggang Nuclear owns Fangchenggang Nuclear Power Station.

Operation Performance

Capacity factor, load factor and utilization hours are the three indicators normally used by us to evaluate the utilization of nuclear power generating units. They are mainly subject to the effects of refuelling outages for the generating units. According to the arrangements of the annual outage plan, there are certain differences between the duration of refuelling outages for different generating units, and refuelling outages may be implemented over to 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 generating unit. Meanwhile, load factor and utilization hours of nuclear power generating units are also under the influence of temporary operation at reduced load or shutdown resulting from the demand and supply conditions of the electricity market.

The details of the operation performance of the generating units we operated and managed in the first half of 2017 are as follows:

Nuclear power generating unit	Capacity factor (%) For the six months ended June 30,		Load factor (%) For the six months ended June 30,		Utilization hours (hours) For the six months ended June 30,	
	2017	2016	2017	2016	2017	2016
From subsidiaries[1]						
Daya Bay Unit 1	99.98	99.97	101.23	101.21	4,398	4,421
Daya Bay Unit 2[2]	99.99	74.72	101.00	75.41	4,388	3,294
Ling'ao Unit 1[3]	78.13	99.64	77.50	98.73	3,366	4,313
Ling'ao Unit 2	99.07	99.99	95.21	91.77	4,135	4,009
Lingdong Unit 1[4]	73.78	83.16	72.28	82.45	3,137	3,601
Lingdong Unit 2[5]	99.99	75.67	90.07	74.53	3,909	3,255
Yangjiang Unit 1	99.99	99.99	99.87	95.27	4,256	4,161
Yangjiang Unit 2[6]	99.99	55.79	92.52	56.04	4,019	2,448
Yangjiang Unit 3[7]	71.30	99.98	72.98	90.60	3,170	3,957
Yangjiang Unit 4[8]	99.97	Under construction	98.38	Under construction	4,274	Under construction
Fangchenggang Unit 1[9]	52.77	99.01	36.62	78.67	1,591	3,436
Fangchenggang Unit 2[10]	96.78	Under construction	86.16	Under construction	3,743	Under construction
Ningde Unit 1[11]	68.23	99.99	61.76	61.10	2,683	2,669
Ningde Unit 2	99.81	99.61	86.14	61.08	3,742	2,668
Ningde Unit 3	99.99	86.20	87.40	66.70	3,797	2,913
Ningde Unit 4[12]	99.80	Under construction	53.20	Under construction	2,311	Under construction
Average value	88.97	90.29	82.02	79.50	4,078	3,988
From associates						
Hongyanhe Unit 1	99.81	77.93	86.34	55.72	3,751	2,434
Hongyanhe Unit 2[13]	96.13	99.98	36.66	60.10	1,592	2,625
Hongyanhe Unit 3[14]	65.90	99.99	31.90	38.12	1,386	1,665
Hongyanhe Unit 4[15]	71.28	—	38.66	0.54	1,679	23
Average value	83.28	92.63	48.39	38.62	2,102	2,156
From subsidiaries and associates						
Average value	88.63	90.73	75.29	69.88	3,223	3,193

Business Performance and Analysis

Notes:

1. The Company completed the 2016 Acquisition in the second half of 2016. Fangchenggang Nuclear has become a subsidiary of the Company. Ningde Nuclear has been changed from a joint venture of the Group to a subsidiary of the Group since January 1, 2017. For the purpose of business comparison, the operating data of Ningde Nuclear for the corresponding period in 2016 is considered as the data of a subsidiary.

2. Daya Bay Unit 2 did not conduct any refuelling outage in the first half of 2017 and completed a refuelling outage in the same period of 2016.

3. Ling'ao Unit 1 completed a refuelling outage in the first half of 2017 and did not conduct any refuelling outage in the same period of 2016.

4. Lingdong Unit 1 completed a refuelling outage in the first half of 2017 and did not conduct any refuelling outage in the same period of 2016.

5. Lingdong Unit 2 did not conduct any refuelling outage in the first half of 2017 and completed a refuelling outage in the same period of 2016.

6. Yangjiang Unit 2 did not conduct any refuelling outage in the first half of 2017 and completed the first outage, with a duration similar to that of a 10-year outage, in the same period of 2016.

7. Yangjiang Unit 3 completed the first outage (an outage commenced in November 2016 and conducted over to the next year), with a duration similar to that of a 10-year outage, in the first half of 2017 and did not conduct any refuelling outage in the same period of 2016.

8. Yangjiang Unit 4 commenced its commercial operation on March 15, 2017.

9. Fangchenggang Unit 1 completed the first outage, with a duration similar to that of a 10-year outage, in the first half of 2017 and did not conduct any refueling outage in the same period of 2016.

10. Fangchenggang Unit 2 commenced its commercial operation on October 1, 2016.

11. Ningde Unit 1 completed a refuelling outage in the first half of 2017 and did not conduct any refuelling outage in the same period of 2016.

12. Ningde Unit 4 commenced its commercial operation on July 21, 2016.

13. Hongyanhe Unit 2 completed a refuelling outage in the first half of 2017 and did not conduct any refuelling outage in the same period of 2016.

14. Hongyanhe Unit 3 completed the first outage, with a duration being similar to that of a 10-year outage, in the first half of 2017 and did not conduct any refuelling outage in the same period of 2016.

15. Hongyanhe Unit 4 commenced its commercial operation on June 8, 2016, therefore, relevant data for the same period of 2016 was recalculated. According to the requirements for indicators calculation by World Association of Nuclear Operators ("**WANO**"), since Hongyanhe Unit 4 did not operate for one quarter during the first half of 2016, it was excluded from the calculation of capacity factor in 2016.

On-site inspection of equipment by operating staff

Based on the design of pressurised water reactor (the "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 the safety and economic considerations for nuclear power stations into account, nuclear power operators often make use of the refuelling period to intensively conduct preventive and corrective maintenance projects as well as various modifications projects, and this is usually referred to as refuelling outage by nuclear power stations. The refuelling intervals 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 10 years. Such activities will be conducted during the refuelling period of generating 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 generating units conducted in the next 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 with selectivity based on the requirements of the respective nuclear power station preventive maintenance guidelines and in-service inspection guidelines as well as the experience on the operation of generating units to secure the safety of the units, to improve the operating performance of the equipment, and to 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 work, refuelling outage intervals of nuclear power generating units are not fixed at every 12 or 18 months. In order to ensure the safe operation of the generating units, we usually take local power load fluctuations into account and communicate with local power grid companies to reasonably arrange the refuelling outage plans for generating units. As the needs for inspection and maintenance projects are different, the duration of each refuelling outage is not identical. More inspection items are a required for the first and 10-year outage, resulting in a longer inspection period as compared to that of a regular refuelling outage. According to the specific operating conditions of each generating unit, we continue to enhance and develop targeted refuelling outage 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 of safety.

In the first half of 2017, we completed six refuelling outages for 20 nuclear power generating units in operation, including the refuelling outage for Ningde Unit 1 which was completed on July 1, 2017. Among the six refuelling outages completed, three were first outages. In the first half of 2017, the total number of calendar days for refuelling outages was approximately 316 days.

In 2017, we placed our focus on carrying out the implementation plan of lean management strategy and continuously promoted "Specialization, Centralization and Standardization" of management. In the first half of the year, the Group and its associates identified the annual target of lean management and explained improvement actions to each level of personnel. Based on their own business characteristics, each department also reflected on lean management in respect of the practices in organization and operation and construction of nuclear power plants, exerted more efforts in respect of inventory optimization, outsourcing business management, cost management of major projects and other aspects, and effectively controlled the construction costs of units under construction as well as the operation and maintenance costs of power units in operation. In order to implement the strategy of lean management and learn from the experience of other outstanding enterprises, in the first half of 2017, the Company organized external research for the management and allowed employees at all levels to study the research results, thereby raising the awareness of all employees of lean management through various methods.

We continued to compare benchmarks with international peers. For the six months ended June 30, 2017, the comparison with the one-year benchmark value of the 12 performance indicators for the PWR set by WANO in 2016 is as follows:

	For the six months ended 30 June,	
	2017	2016
Number of units	**20**	16*
Number of indicators in total (number of units X12)	**240**	192
Including:		
Number of indicators ranked top 1/4 in the world (Proportion)	**199 (82.92%)**	156 (81.25%)
Number of indicators ranked top 1/10 in the world (Proportion)	**193 (80.42%)**	137 (71.35%)

* We completed the 2016 Acquisition in the second half of 2016. As such, the number of units in the first half of 2016 included Fangchenggang Unit 1 which commenced commercial operation on January 1, 2016. According to the calculation rules of WANO, the performance indicators of generating units in operation for less than one quarter are excluded from the calculation. Therefore, the number of units in the first half of 2016 did not include Hongyanhe Unit 4 which commenced commercial operation on June 8, 2016.

Environmental Performance

In the first half of 2017, the radioactive waste management of each nuclear power generating unit in operation we operated and managed has strictly complied with national laws and regulations, and has met the standards 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 PRC 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		Fangchenggang Nuclear Power Station		Ningde Nuclear Power Station		Hongyanhe Nuclear Power Station	
	For the six months ended June 30,									
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Amount of discharged liquid radioactive waste (radionuclides other than tritium) as a percentage of the national standards	0.22%	0.10%	0.17%	0.18%	0.34%	0.033%	0.15%	0.10%	0.12%	0.15%
Amount of discharged gas radioactive waste (inert gases) as a percentage of the national standards	0.23%	0.08%	0.14%	0.27%	0.19%	0.144%	0.17%	0.06%	0.07%	0.12%
Solid radioactive waste (cubic meters)	99.6	109.8	18.4	6.0	55	6.8	57.2	71.2	149.6	68.8
Results of environmental monitoring	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal

As a clean energy, nuclear power contributes to energy saving and emission reduction. In the first half of 2017, our cumulative on-grid nuclear power generation in effect represented a reduction of approximately 20.34 million tons of standard coal consumption, approximately 49.65 million tons of carbon dioxide emissions and approximately 0.31 million tons of nitrogen oxide emissions, with an equivalent effect of approximately 0.138 million hectares of forest area.

Nuclear Power Generating Units under Construction

The quality of nuclear power stations under construction is of utmost importance 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 construction quality and major construction milestones subject to the inspection of NNSA, we would first go through the inspection by NNSA and after our full compliance with the requirements having been confirmed, we would then enter into the next phase of work. We constantly learn 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 generating units after commencement of commercial operations.

Yangjiang Unit 4 completed the grid connection for power generation on January 8, 2017 and commenced commercial operation on March 15, 2017. The on-grid tariff for Yangjiang Unit 4 was RMB0.43/kWh (tax inclusive).

As of June 30, 2017, among our eight nuclear power generating units under construction, one was in the commissioning phase, four were in the equipment installation phase and three were in the civil construction phase.

Nuclear Power Generating Units	Civil Construction Phase[1]	Equipment Installation Phase[2]	Commissioning Phase[3]	Grid Connection Phase[4]	Expected Time of Commencement of Operation
From subsidiaries					
Yangjiang Unit 5		√			Second half of 2018
Yangjiang Unit 6		√			Second half of 2019
Taishan Unit 1			√		Second half of 2017
Taishan Unit 2		√			First half of 2018
Fangchenggang Unit 3	√				2022
Fangchenggang Unit 4	√				2022
From associates					
Hongyanhe Unit 5		√			Second half of 2020
Hongyanhe Unit 6	√				2021

1 "Civil construction" refers to activities within the construction phase, particularly the construction of various buildings and structures in accordance with the applicable blueprints.

2 "Equipment installation" refers to the entire process of placing and installing equipment in right positions and equipment integration during the construction phase.

3 "Commissioning" refers to the process of operating the installed systems and equipment and confirming whether their performance fulfils the requirements of their design and the applicable standards. During this phase, NNSA will issue an Approval for First Fuel Loading in Nuclear Power Plant (《核電廠首次裝料批准書》) which allows the first fuel loading in a nuclear power generating unit for carrying out commissioning and trial runs of nuclear reactors.

4 "Grid connection" refers to the connection of a power generating unit's electricity transmission circuit to the electricity grid, and indicates that the power generating unit has the ability to transmit electricity from its internal systems.

As the date of commencement of operation may be affected by various factors including, among others, delivery delays, increase in the cost of key equipment and materials, delays in obtaining regulatory approvals, permits or licenses, unexpected engineering, environmental or geological problems, change of localisation ratio as well as the implementation of additional PRC regulatory and safety requirements for nuclear safety, the actual date of commencement of operation may be different from the expected date. We will disclose the updated information pursuant to the relevant requirements from time to time.

Taishan Unit 1 is in the commissioning phase, and Unit 2 is in the installation phase. Taishan Unit 1 completed the inspection by relevant national regulatory authorities on April 1, 2017 and entered into the critical stage of the hot functional test (the "**Hot Test**"). As of the date of this report, Taishan Unit 1 completed the first reactor tests (such as Safety Injection System Test) of the EPR nuclear power generating unit and large-scale specific tests (such as Non-nuclear Turning Test of Turbines) in the Hot Test period. Currently, analysis on the test results in relation to the Hot Test is being conducted. Taishan Unit 2 is under steady progress as planned.

Note: The Hot Test is the last overall performance testing before the first loading of nuclear fuel. The test covers the whole pressure and temperature range for reactors from no operation to normal operation. Testing on every actual condition is carried out to test the functioning and responsiveness of the main system and equipment with regular testing and operation procedures. As one of the important systems for ensuring the nuclear safety of the nuclear power generating units, the Safety Injection System mainly serves to control the reactivity of nuclear reactor under emergency situation.

Hongyanhe Unit 5 completed dome lifting of reactor plant on April 12, 2017 and entered into the equipment installation phase.

Equipment installation by engineering staff

Business Performance and Analysis

Sales of Electricity

In the first half of 2017, the electric power supply and demand in China was generally on ease and the situation had not improved significantly. The growth of demand for power consumption of certain provinces where the Company's nuclear power generating units are located was slow. In order to guarantee the overall economic benefit of the Company, the Company upheld the sales strategy of "Striving for More Shares of Planned On-grid Power Generation and Striving for Better Market Power Generation and Tariff". 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 departments of provinces where our nuclear power generating units are located and pushing forward the implementation of the Tentative Measures on Guaranteed Consumption of Nuclear Power (《保障核電安全消納暫行辦法》);

- actively communicating with relevant national and local departments, stabilizing tariff rate of nuclear power generating units in operation and striving for better on-grid tariff for new units in operation;

- actively communicating with power grid companies and other external departments to strive for more shares of planned on-grid power generation; and

- keeping close track of and understanding the progress of power reform, actively studying and analyzing types of transactions in the electricity market, pushing for market transaction plans in accordance with the characteristics of nuclear technology and expanding the market space of electricity consumption for nuclear power generating units to achieve more market on-grid power generation. In the first half of 2017, the proportion of market power generation by our nuclear power generating units in operation was around 13%.

In the first half of 2017, through the efforts of the Company and its nuclear power bases, our on-grid power generation of nuclear power units in operation increased by 23.68% as compared with the corresponding period of last year while the average utilization hours increased by 30 hours.

Human Resources

According to the human resources plan of the Company, during the Reporting Period, the Company recruited 123 new employees, and we had 19,966 employees (including those of our affiliates) as of June 30, 2017.

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 hazards.

The average individual radiation exposure index among our personnel (including staff, contractors and other personnel) who entered 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 entered into the control area to work in the first half of 2017 and that of 2016 at the nuclear power stations operated and managed by us:

	For the six months ended June 30,	
Nuclear Power Stations/Units	2017	2016
Daya Bay Nuclear Power Station	0.86	4.50
Ling'ao Nuclear Power Station	5.56	1.81
Lingdong Nuclear Power Station	4.92	6.83
Yangjiang Nuclear Power Station Units 1, 2, 3 and 4	5.76	6.55
Fangchenggang Nuclear Power Station Units 1 and 2	4.64	0.10
Ningde Nuclear Power Station Units 1, 2, 3 and 4	6.41	4.11
Hongyanhe Nuclear Power Station Units 1, 2, 3 and 4	7.80	3.15

Note: The changes in information are primarily due to the differences in outage schedules and maintenance projects during the Reporting Period as well as the changes in the number of units. The Company completed the 2016 Acquisition in the second half of 2016 and Fangchenggang Nuclear has become a subsidiary of the Company. Fangchenggang Nuclear owns Fangchenggang Nuclear Power Station.

Social Responsibility

With the philosophy of "Openness and Transparency", we continue 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 push forward the development of community industry to address the actual difficulties of community and establish harmonious "Neighborhood" relationships.

Voluntary Information Disclosure

In the first half of 2017, we and all nuclear power bases convened seven press conferences, introducing the annual business operation of the Company and all nuclear power bases and the nuclear power technology of HPR1000 (華龍一號) to the society. 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 has the right to access to the operational information of nuclear power stations and nuclear safety information. In the first half of 2017, no operational events at level 1 or above under the INES occurred, and a total of 10 deviations without safety significance (below scale/Level 0 of INES) occurred, all of which were voluntarily disclosed.

The Company maintained regular and normalized communication mechanism with the State-Owned Assets Supervision and Administration Commission of the State Council, the National Energy Administration, the State Administration for Science, Technology and Industry for National Defense, the National Nuclear Safety Administration and the provincial and municipal governments at all levels. Since mass media is one of the important channels for the Company's disclosure of its related information, we take the initiative to invite domestic and foreign media to visit our nuclear power bases every year. Management also communicates regularly with the media to assist them to understand the knowledge of nuclear power, the operation of nuclear power industry and the Company.

On April 24, 2017, we arranged a number of journalists from the Hong Kong media including Hong Kong Economic Journal and Economic Information & Agency to visit Daya Bay Base, including the nuclear power popular science exhibition hall, viewing terrace and training facilities. Board secretary and the journalists had thorough discussions on their concerned issues. The journalists gained further understanding on the safety and the cleanness of nuclear power and experienced the transparency of the Company through the on-site experience.

Transparent Public Communication

In the first half of 2017, we continued to take the initiative to "Invite the Public In" and communicate with the public face to face. We actively reached out to campuses, cities, communities for interactive exchanges in order to draw public support for nuclear power projects with transparency and sincerity. For example, CGN Engineering invited over 40 students of the Shenzhen University to visit our living area, materials piers, viewing terrace and other areas of Daya Bay Base. They had experienced the spectacular scenery of natural harmony.

Business Performance and Analysis

Ningde Nuclear was more involved in the Fuzhou University together with Fujian Provincial Department of Environmental Protection and held seminars on popular science of clean energy and popular science of advocacy of green living. Ningde Nuclear and Fujian Provincial Department of Environmental Protection conducted interesting interaction with the teachers and students with abundant tips on nuclear power and environmental protection. The young volunteers of Yangjiang Nuclear reached out to the surrounding communities and promoted to the locals the brand culture of clean and environment-friendly, safe and efficient nuclear power and the life concept of energy conservation and environmental protection.

Win-win Community Development

We increased investments in community development to help improve the livelihood of the locals, normalized the launch of social and community activities and develop with community together. For example, on April 27, 2017, Taishan Nuclear organized four cooperative corporations in Taishan Base to hold two on-site job fairs in Chixi town for the locals there and nearby.

In mid-June 2017, Fangchenggang Nuclear successively organized two fundraising activities in order to subsidise the poverty-stricken students in Longhuai Village Center Primary School in Lingyun County. Our staff actively participated in the activities and donated money. All the proceeds from the fundraising activities were used for subsidising the poor students to continue with their studies and the school to improve its school conditions, and for purchasing students' stationery and sports supplies etc.

Business Performance and Analysis

(III) Outlook for the Second Half of the Year

China's economic development has entered into a period of new norm. With the intensified implementation of power system reform, the proportion of clean energy consumption gradually increased. With the new prospect of the steady progress of "Belt and Road" energy cooperation, the Company is still facing a complex external market environment where opportunities co-exist with challenges. We will adhere to the nuclear safety culture of "Honesty and Transparency", the basic principle of "Safety First, Quality Foremost, Pursuit of Excellence" and the core value of "Doing Things Right in One Go". We will keep track of the specific development of electricity market reform in different regions and strive for the implementation of national and local policies which support and protect the nuclear power industry. Meanwhile, we will maintain safe and stable operation of the generating units in operation, formulate strategies for power generation, optimize the model of sales of electricity, enhance on-grid power generation for the second half of 2017 and strive to ensure overall cost effectiveness.

For the second half of 2017, we mainly plan to undertake the following tasks:

- We will strive to maintain safe and stable operation of generating units in operation. We plan to implement seven refuelling outages for the units for the second half of 2017, one of which will be conducted over to the next year;
- We will actively promote the implementation of the Tentative Measures on Guaranteed Consumption of Nuclear Power (《保障核電安全消納暫行辦法》) in different regions, take the initiative to adapt to changes in the situation of the electricity market and ensure planned power generation while actively participating in electricity market transactions according to the situation of regional electricity market to increase the utilization of our power plants;
- We will push forward the construction of the units under construction according to the plan with insurance of safety and quality and we will strive to be qualified for commercial operation of Taishan Unit 1 in the end of the year;
- We will promote the lean management solidly, strengthen the co-ordination and synergy of internal resources and effectively control the construction cost of units under construction and operation and maintenance costs of generating units in operation; and
- We will closely follow the change of domestic and international economic and financial environment, adhere to the principle of prudence at all times, 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 operation from domestic and international financial market fluctuations.

Corporate Governance

Compliance with Requirements of Appendix 14 to the Listing Rules

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) (the "**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 which are higher 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 two of the recommended best practices proposed in the Stock Exchange Codes (namely a listed company should announce and publish quarterly results report and a listed company should disclose details of any remuneration payable to members of senior management, on an individual and named basis, in its annual reports). For the terms that a listed company should announce and publish quarterly results report, we published quarterly operation briefings on a quarterly basis and quarterly financial statements for the domestic market in accordance with the requirements of the 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 provided explanations on their discrepancies with the International Accounting Standards where appropriate. We plan to disclose details of the remuneration payable to members of senior management in the annual reports of the Company from 2017 onwards.

During the Reporting Period, the Company held one annual general meeting, three regular Board meetings, one extraordinary Board meeting and three meetings of the supervisory committee of the Company (the "**Supervisory Committee**").

According to the Articles of Association, the terms of office of directors (the "**Directors**") and supervisors of the Company (the "**Supervisors**") shall be three years, Directors and Supervisors must retire by rotation at least once every three years and may be re-elected for continuous appointment. The tenure of the first session of the Board and the Supervisory Committee expired on March 23, 2017. Upon the listing on the Stock Exchange, the Company has formulated the Board Diversity Policy, to enable the shareholders who are entitled to recommend candidates for appointment of directors to fully consider the requirements of board diversity, thereby striving to establish a Board comprising of members with diverse backgrounds. As such, the Company decided to postpone the election matters of the second session of the Board and the Supervisory Committee to the shareholders' meeting held on May 24, 2017. After the sixteenth meeting of the first session of the Board and the thirteenth meeting of the first session of the Supervisory Committee, Directors of the first session of the Board and Supervisors of the Supervisory Committee continued to perform their duties until the second session of the Board and the Supervisory Committee were elected at the annual general meeting. In accordance with the Listing Rules and the internal governance procedures, the Company had carefully planned and organized the election preparation relating to the new session of the Board and the Supervisory Committee. Upon recommendation by shareholders, qualification review and consideration of the nomination committee of the Company and approval by the Board, the Company submitted the resolutions on re-election and appointment of Directors and Supervisors to the 2016 annual general meeting for approval and the second session of the Board and the Supervisory Committee were formed on May 24, 2017 upon appointment.

Corporate Governance

The 2016 annual general meeting was held on May 24, 2017 in Hong Kong. The Board presented the Company's 2016 operation results and operation results for the first quarter of 2017 and prospects for 2017 to all shareholders attended the meeting and responded to questions on issues concerned by shareholders.

Compliance with Domestic Regulatory Requirements

For the six months ended June 30, 2017, the corporate governance practices of the Company were in compliance with the laws and regulations of the PRC, the relevant regulatory requirements of the China Securities Regulatory Commission and the Stock Exchange, and will continue to comply with the updated laws and regulations. The Company, its Directors, Supervisors and senior management were not subject to any administrative penalties, notice of criticism or reprimand.

Amendments to Documents of Governance such as Articles of Association

During the Reporting Period, there is no amendment to documents of governance of the Company such as the Articles of Association.

Changes in Directors, Supervisors and Senior Management

As of June 30, 2017, the list of names of the Board, Supervisory Committee and senior management of the Company are as follows:

Board of Directors

Non-executive Directors	Executive Director	Independent Non-executive Directors
Mr. Zhang Shanming (Chairman of Board)	Mr. Gao Ligang	Mr. Na Xizhi
Mr. Tan Jiansheng		Mr. Hu Yiguang
Mr. Shi Bing		Mr. Francis Siu Wai Keung
Ms. Zhong Huiling		
Mr. Zhang Yong		

Supervisory Committee

Non-employee representative Supervisors	Employee representative Supervisors
Mr. Chen Sui (Chairman)	Mr. Cai Zihua
Mr. Yang Lanhe	Mr. Wang Hongxin
Mr. Chen Rongzhen	

Senior Management

President	Vice President	Board Secretary
Mr. Gao Ligang	Mr. Su Shengbing	Mr. Wei Qiyan

Corporate Governance

Members of the second session of the Board and members of the second session of the Supervisory Committee were elected in the 2016 annual general meeting. Mr. Zhang Shanming was elected as the Chairman of the Board of the Company in the first meeting of the second session of the Board. Mr. Chen Sui was elected as the Chairman of the Supervisory Committee of the Company in the first meeting of the second session of the Supervisory Committee. Ms. Zhong Huiling was elected as a non-executive Director of the second session of the Board of the Company which further strengthened the diversity of members of the Board. There were no material changes in the information of the Board, Supervisory Committee and senior management of the Company as compared with the contents as set out in the 2016 Annual Report and the circular of 2016 annual general meeting dated April 7, 2017 except for the following changes:

- Mr. Tan Jiansheng, Ms. Zhong Huiling and Mr. Zhang Yong were elected as non-executive Directors in the 2016 annual general meeting, with effect from May 24, 2017;
- Mr. Xiao Xue and Mr. Zhuo Yuyun retired as the non-executive Directors of the Board after the 2016 annual general meeting due to changes in work and expiration of their terms of office, with effect from May 24, 2017;
- Mr. Chen Sui was elected as the non-employee representative Supervisor in the 2016 annual general meeting and as the chairman of the Supervisory Committee in the first meeting of the second session of the Supervisory Committee, with effect from May 24, 2017; and
- Mr. Pan Yinsheng retired as the non-employee representative Supervisor after the 2016 annual general meeting due to changes in work and expiration of his term of office, with effect from May 24, 2017.

Save as disclosed above, the Company has had no change of personnel situation regarding the Directors, Supervisors and senior management of the Company as of the date of this report. Meanwhile, Directors, Supervisors and senior management of the Company have confirmed that there is no required disclosure of information pursuant to Rules 13.51B (1) of the Listing Rules.

Compliance with Appendix 10 to the Listing Rules by Directors and Supervisors

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. 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 enquiries made to all Directors and Supervisors, all Directors and Supervisors have confirmed that they had strictly complied with the standards set out in the Model Code and the Code for Securities Transactions by Directors and Specified Individuals of the Company throughout the Reporting Period.

Internal Control

The Company has been continuously improving the development of an internal control system and promoting workflow of business activities. Control measures were implemented at the corresponding risk points in the internal control workflow.

For the six months ended June 30, 2017, the general issues discovered in the internal control evaluation and internal audit of the Company for 2016 had been rectified as planned. At the same time, the Company had conducted various supervision activities such as management auditing and accountability audit in accordance with the auditing plans for 2017. No material issues which may affect shareholders were discovered.

Details of the standards, procedures and effectiveness of the internal control system of the Company were set out on pages 121 to 124 of the 2016 Annual Report.

Audit and Risk Management Committee

The Company has established the audit and risk management committee (the "**Audit and Risk Management Committee**") in compliance with the requirements of Rule 3.21 of the Listing Rules and the amendments to the Stock Exchange Codes with written terms of reference. On May 24, 2017, the second session of the Board appointed a new session of the Audit and Risk Management Committee, which comprises one non-executive Director (Mr. Zhang Yong) and two independent non-executive Directors (Mr. Na Xizhi and Mr. Francis Siu Wai Keung). Mr. Francis Siu Wai Keung, who possesses accounting qualification, acts as the chairman of the Audit and Risk Management Committee.

On August 22, 2017, the Audit and Risk Management Committee reviewed and confirmed the interim results announcement for the six months ended June 30, 2017 of the Group, this report and the unaudited interim financial statements for the six months ended June 30, 2017 prepared in accordance with the IAS 34 "Interim Financial Reporting".

Changes in Remuneration

The remuneration policy and system of the Company did not change as compared with that of last year. As of June 30, 2017, the remuneration standards and implementation basis for Directors, Supervisors and senior management of the Company remained the same as those in the corresponding period of 2016. In the 2016 annual general meeting of the Company convened on May 24, 2017, the resolutions on the Directors' and Supervisors' remuneration in 2017 were approved, including the remuneration plans for Directors of the first session of the Board and Supervisors of the first session of the Supervisory Committee from January 1, 2017 to the date of the 2016 annual general meeting as well as the remuneration plans for Directors of the second session of the Board and Supervisors of the second session of the Supervisory Committee from the date of the 2016 annual general meeting to December 31, 2017. In addition, the resolution on the remuneration of the Company's senior management in 2017 was approved on the seventeenth meeting of the first session of the Board on March 15, 2017.

For the six months ended June 30, 2017, the aggregate remuneration of the Directors, Supervisors and senior management of the Company is as follows:

	Fees RMB'000	Salaries, other allowances and discretionary bonus RMB'000	Pension scheme contribution* RMB'000	Total RMB'000
Directors	800	186	43	1,029
Supervisors	150	1,725	107	1,982
Senior management	—	1,152	77	1,229

* The Company contributes a certain proportion of the salaries of all the staff for their basic pension insurance according to the national and local regulations on pensions, and the staff will collect their pension according the local polices upon retirement. In addition, the Company has also launched a corporation pension plan. According to the plan, the Company will contribute an amount of not exceeding 5% of the individual contracted remuneration per month and the individuals will contribute an amount of not exceeding one-third of the contribution from the Company, and the staff can collect such pension from their individual accounts every month upon retirement. Other than this, the Company has no other responsibility for the pension scheme of the staff.

For the six months ended June 30, 2017, remuneration of Directors, Supervisors and senior management in aggregate amounted to RMB4.24 million and the total staff costs amounted to RMB3,875 million (excluding associates).

Share Capital

As of June 30, 2017, the registered share capital of the Company was RMB45,448,750,000, divided into 45,448,750,000 shares (with a nominal value of RMB1.00 each), comprising 34,285,125,000 domestic shares and 11,163,625,000 H shares, representing approximately 75.44% and 24.56% of the registered share capital, respectively.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2017.

Interests

Interest of Directors, Supervisors and chief executive officer

As recorded in the register required by Section 352 of Part XV of the Securities and Futures Ordinance of Hong Kong, none of the Directors, Supervisors and chief executive officer of the Company held any interest/short position in the shares, underlying shares and debentures of the Company and its associated corporations as of June 30, 2017.

Interest of shareholders required to be disclosed under Securities and Futures Ordinance of Hong Kong

Pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance of Hong Kong, the interest/short position held by the following persons (other than Directors, Supervisors and chief executive officer of the Company) in the shares and underlying shares of the Company as of June 30, 2017 are set out in the table below.

Aggregate long positions in the shares and underlying shares of the Company

The Company has been notified by the following shareholders of the interests held in the shares of the Company (other than equity derivatives under share options, call warrants or convertible bonds) as of June 30, 2017 as follows:

Shareholders	Capacity as holder of shares	Number and class of the shares of the Company held	Approximate % of the relevant share classes	Approximate % of the issued shares of the Company
CGNPC	Beneficial owner/ interest of controlled corporation	29,176,641,375 domestic shares	85.10%	64.20%
Guangdong Hengjian Investment Holdings Co., Ltd.	Beneficial owner/ interest of controlled corporation	3,428,512,500 domestic shares	10.00%	7.54%
National Council for Social Security Fund	Beneficial owner	1,034,998,409 H shares	9.27%	2.28%
BlackRock, Inc.	Interest of controlled corporation	576,940,315[1] H shares	5.17%	1.27%

(1) Among which 137,000 H shares were held by share capital derivatives.

Aggregate short positions in the shares and underlying shares of the Company

The Company has been notified of the following short positions being held by the below shareholder in the shares and underlying shares of the Company as of June 30, 2017:

Shareholder	Capacity as holder of shares	Number and class of the shares of the Company held	Approximate % of the relevant share classes	Approximate % of the issued shares of the Company
BlackRock, Inc.	Interest of controlled corporation	37,347,000 [(1)] H shares	0.33%	0.08%

(1) Among which 3,425,000 H shares were held by share capital derivatives.

Interests of Other Persons

As of June 30, 2017, the Company has not been notified of any persons other than the above shareholders who had interests or short positions in the shares or underlying shares of the Company, under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance of Hong Kong.

Events after the Reporting Period

In July 2017, Ningde Nuclear received the Circular on Adjustment of On-grid Tariffs of Nuclear Power by Fujian Provincial Price Bureau (《福建省物價局關於調整核電上網電價的通知》) (the "**Circular**"). Pursuant to the Circular, adjustments shall be made to the on-grid tariffs of nuclear power in Fujian Province in accordance with the Circular on Relevant Issues Concerning Improving the On-grid Tariff Mechanism for Nuclear Power (《關於完善核電上網電價機制問題的通知》)promulgated by the National Development and Reform Commission in 2013. The on-grid tariffs for Ningde Unit 1 and Unit 2 of the Group remain unchanged at RMB0.43/kWh (tax inclusive), while the on-grid tariffs for Ningde Unit 3 and Unit 4 have been adjusted to RMB0.4055/kWh (tax inclusive) and RMB0.3717/kWh (tax inclusive), respectively. The above tariff adjustments shall take effect retrospectively since the respective dates on which the generating units commenced commercial operation.

In 2015, Fujian Provincial Price Bureau tentatively approved that the on-grid tariffs for Ningde Unit 3 and Unit 4 shall be RMB0.43/kWh (tax inclusive). The Circular officially approved the on-grid tariffs for Ningde Unit 3 and Unit 4. These are irrelevant to the adjustment of the national benchmark tariff for nuclear power. After receiving the Circular, the Company and Ningde Nuclear have been actively communicating with the relevant government authorities on the ways of implementation of the above tariff adjustments. We will strive to reduce the impact of the tariff adjustments on the overall operating results of the Company.

Report on Review of Condensed Consolidated Financial Statements

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF CGN POWER CO., LTD.
中國廣核電力股份有限公司
(Established in the People's Republic of China with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of 中國廣核電力股份有限公司CGN Power Co., Ltd. (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 50 to 112, which comprise the condensed consolidated statement of financial position as at June 30, 2017, and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting" issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
August 28, 2017

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2017

	NOTES	Six months ended June 30 2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited and restated)
Revenue	4	**21,408,594**	15,083,103
Less: Tax surcharge		**(277,805)**	(206,292)
Cost of sales and services		**(10,748,251)**	(7,459,867)
Gross profit		**10,382,538**	7,416,944
Other income	5	**1,119,096**	661,195
Net gain arising from changes in fair value of derivative financial instruments		**35,160**	62,480
Selling and distribution expenses		**(40,322)**	(48,428)
Other expenses		**(196,108)**	(256,233)
Administrative expenses		**(982,955)**	(904,043)
Other gains and losses	6	**1,400,818**	(541,170)
Share of results of associates		**253,573**	129,819
Share of results of joint ventures		**3,320**	286,880
Finance costs	7	**(3,149,914)**	(2,029,907)
Profit before taxation	8	**8,825,206**	4,777,537
Taxation	9	**(1,019,331)**	(294,313)
Profit for the period		**7,805,875**	4,483,224
Other comprehensive (expenses) income:			
Items that may be reclassified subsequently to profit or loss			
– Exchange differences arising on translation of a subsidiary		**(158,612)**	133,188
– Share of other comprehensive expenses of associates		**(94,331)**	(154,759)
– Others		**(3,558)**	1,183
Other comprehensive expenses for the period, net of income tax		**(256,501)**	(20,388)
Total comprehensive income for the period		**7,549,374**	4,462,836

	NOTES	Six months ended June 30 2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited and restated)
Profit for the period attributable to:			
Owners of the Company		**6,089,133**	3,724,949
Non-controlling interests		**1,716,742**	758,275
		7,805,875	4,483,224
Total comprehensive income attributable to:			
Owners of the Company		**5,872,400**	3,670,081
Non-controlling interests		**1,676,974**	792,755
		7,549,374	4,462,836
Earnings per share attributable to owners of the Company, basic (RMB)	11	**0.134**	0.082

Condensed Consolidated Statement of Financial Position

As at June 30, 2017

	NOTES	June 30, 2017 RMB'000 (Unaudited)	December 31, 2016 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	**270,535,615**	216,509,163
Intangible assets	13	**3,449,344**	3,065,535
Investment properties		**246,073**	320,333
Goodwill	27	**419,243**	—
Interests in associates	14	**8,038,888**	7,837,967
Interests in joint ventures	15	**23,151**	4,199,132
Available-for-sale investments		**195,310**	195,310
Deferred tax assets	16	**1,422,827**	1,687,249
Derivative financial instruments	26	**1,334**	1,416
Prepayments and value-added tax recoverable	20	**6,870,303**	6,277,564
Prepaid lease payments	17	**3,440,352**	2,959,611
Deposits for property, plant and equipment		**896,778**	755,884
		295,539,218	243,809,164

	NOTES	June 30, 2017 RMB'000 (Unaudited)	December 31, 2016 RMB'000 (Audited)
CURRENT ASSETS			
Inventories	18	**18,498,828**	13,137,983
Amounts due from customers for contract work		**6,219,041**	5,300,838
Prepaid lease payments	17	**108,766**	85,649
Trade and bills receivables	19	**6,252,480**	5,735,493
Prepayments and other receivables	20	**9,134,392**	7,360,943
Amounts due from related parties	21	**1,038,641**	1,625,292
Derivative financial instruments	26	**7,135**	12,521
Restricted bank deposits		**8,621**	6,400
Other deposits over three months		**2,030,000**	2,047,000
Cash and cash equivalents		**8,125,851**	8,456,534
		51,423,755	43,768,653
Assets classified as held for sale		**—**	55,977
		51,423,755	43,824,630

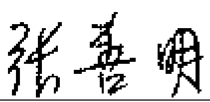
Condensed Consolidated Statement of Financial Position

As at June 30, 2017

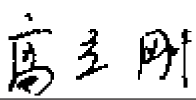
	NOTES	June 30, 2017 RMB'000 (Unaudited)	December 31, 2016 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and other payables	22	21,426,621	19,294,867
Amounts due to customers for contract work		402,928	855,926
Amounts due to related parties	23	7,888,696	8,081,680
Loans from ultimate holding company	24	800,000	1,025,500
Loans from fellow subsidiaries	24	3,840,003	3,651,242
Loans from an associate	24	5,405,922	3,945,435
Income tax payable		479,681	630,519
Provisions		583,884	1,060,000
Bank borrowings - due within one year	25	23,593,403	20,806,759
Notes payable - due within one year		5,500,000	5,600,000
Derivative financial instruments	26	139,649	215,036
		70,060,787	65,166,964
Liabilities directly associated with assets classified as held for sale		—	699
		70,060,787	65,167,663
NET CURRENT LIABILITIES		(18,637,032)	(21,343,033)
TOTAL ASSETS LESS CURRENT LIABILITIES		276,902,186	222,466,131

	NOTES	June 30, 2017 RMB'000 (Unaudited)	December 31, 2016 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Bank borrowings - due after one year	25	**167,469,962**	124,482,040
Notes payable - due after one year		**7,494,715**	7,993,568
Deferred tax liabilities	16	**1,652,783**	1,615,117
Deferred income		**980,335**	984,873
Provisions		**3,100,171**	2,467,433
Derivative financial instruments	26	**1,949**	5,744
Loans from an associate	24	**2,908,320**	2,989,975
Staff cost payables	33	**29,652**	28,708
		183,637,887	140,567,458
NET ASSETS		**93,264,299**	81,898,673
CAPTITAL AND RESERVES			
Share capital		**45,448,750**	45,448,750
Reserves		**14,644,078**	11,085,951
Equity attributable to owners of the Company		**60,092,828**	56,534,701
Non-controlling interests		**33,171,471**	25,363,972
TOTAL EQUITY		**93,264,299**	81,898,673

The condensed consolidated financial statements on pages 50 to 112 were approved and authorised for issue by the board of directors on August 28, 2017 and are signed on its behalf by:



DIRECTOR



DIRECTOR

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2017

	Attributable to owners of the Company								
	Share capital RMB'000	Capital reserve RMB'000 (notes a and e)	Statutory surplus reserves RMB'000 (notes b and c)	Translation reserve RMB'000	Other reserves RMB'000 (note d)	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At January 1, 2016, as previously stated (Audited)	45,448,750	—	2,767,867	(1,695,066)	—	10,115,398	56,636,949	22,072,824	78,709,773
Effect of business combination of entities under common control (note 2)	—	5,698,516	470,939	(1,652)	330,791	(2,280,127)	4,218,467	2,391,393	6,609,860
At January 1, 2016 (Audited and restated)	45,448,750	5,698,516	3,238,806	(1,696,718)	330,791	7,835,271	60,855,416	24,464,217	85,319,633
Profit for the period	—	—	—	—	—	3,724,949	3,724,949	758,275	4,483,224
Other comprehensive income (expenses) for the period	—	—	—	99,891	(154,759)	—	(54,868)	34,480	(20,388)
Total comprehensive income (expenses) for the period	—	—	—	99,891	(154,759)	3,724,949	3,670,081	792,755	4,462,836
Capital injections	—	—	—	—	—	—	—	963,373	963,373
Dividend declared (note 10)	—	—	—	—	—	(1,908,814)	(1,908,814)	(187,412)	(2,096,226)
Appropriation of specific reserve	—	—	47,122	—	—	(47,122)	—	—	—
Utilization of specific reserve	—	—	(44,969)	—	—	44,969	—	—	—
At June 30, 2016 (Unaudited and restated)	45,448,750	5,698,516	3,240,959	(1,596,827)	176,032	9,649,253	62,616,683	26,032,933	88,649,616

	Attributable to owners of the Company								
	Share capital RMB'000	Capital reserve RMB'000 (notes a and e)	Statutory surplus reserves RMB'000 (notes b and c)	Translation reserve RMB'000	Other reserves RMB'000 (note d)	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At January 1, 2017 (Audited)	45,448,750	—	1,993,043	(1,322,938)	178,677	10,237,169	56,534,701	25,363,972	81,898,673
Profit for the period	—	—	—	—	—	6,089,133	6,089,133	1,716,742	7,805,875
Other comprehensive expenses for the period	—	—	—	(118,959)	(97,774)	—	(216,733)	(39,768)	(256,501)
Total comprehensive (expenses) income for the period	—	—	—	(118,959)	(97,774)	6,089,133	5,872,400	1,676,974	7,549,374
Capital injections	—	—	—	—	—	—	—	216,200	216,200
Disposal of a subsidiary (note 28)	—	—	—	—	—	—	—	(4,677)	(4,677)
Acquisition of a subsidiary (note 27)	—	—	—	—	—	—	—	6,509,513	6,509,513
Dividend declared (note 10)	—	—	—	—	—	(2,317,845)	(2,317,845)	(590,511)	(2,908,356)
Appropriation of specific reserve	—	—	43,127	—	—	(43,127)	—	—	—
Utilization of specific reserve	—	—	(29,762)	—	—	29,762	—	—	—
Share of other changes in net assets of an associate	—	—	—	—	3,572	—	3,572	—	3,572
At June 30, 2017 (Unaudited)	45,448,750	—	2,006,408	(1,441,897)	84,475	13,995,092	60,092,828	33,171,471	93,264,299

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2017

Notes:

(a) Capital reserve

Capital reserve of the Group included deemed contribution from (distribution to) the ultimate holding company in relation to the nuclear power assets and liabilities transferred from the ultimate holding company to the Group before the completion of reorganization of the ultimate holding company (the "Reorganization"), the effects from change in Group's ownership interest in subsidiaries without loss of control as well as that from Reorganization, and capital injection from owners of the Company in excess of paid-in share capital and issued ordinary shares deducted by share issue cost.

(b) General reserve

As stipulated by the relevant laws in the People's Republic of China (the "PRC"), entities in PRC are required to maintain a statutory surplus reserve. The statutory surplus reserve is 10% of profit after taxation of the entities according to the PRC statutory financial statements. The appropriation may cease to apply if the balance of the statutory surplus reserve has reached 50% of the PRC entities registered capital. The surplus reserve can be used to make up losses, or for conversion into capital, or for other usage according to the relevant rules in PRC. The PRC subsidiaries may, upon the approval by a resolution of the owners, convert their surplus reserves into capital in proportion to their then existing capital contribution.

(c) Specific reserve

Pursuant to the relevant PRC regulations for construction companies, the Group's subsidiary, 中廣核工程有限公司 China Nuclear Power Engineering Co., Ltd. ("CGN Engineering") is required to set aside an amount to maintenance, improvement and other similar funds. The funds can be used for maintenance and improvements of safety at the construction sites, and are not available for distribution to owners of the subsidiaries.

(d) Other reserves

The amounts mainly represent the reserves shared by the Group in respect of its proportional sharing of the available-for-sale investment reserve of its associate.

(e) As stipulated by the relevant rules in PRC, for the acquisition under common control, if the consideration of the acquisition exceeds the capital reserve balance, the shortfall should be firstly deducted from the statutory surplus reserve, and then retained earnings if statutory surplus reserve is not sufficient to cover the shortfall. Details of acquisition of entities under common controls are set out in note 2.

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2017

	Six months ended June 30	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
Operating activities		
Profit before taxation	8,825,206	4,777,537
(Gain) loss arising from changes in fair value of cash settled share based payment	(1,889)	1,763
Provisions for nuclear power operation	595,809	498,023
Depreciation of property, plant and equipment	3,289,039	2,153,782
Amortization of prepaid lease payments	45,717	24,223
Depreciation of investment properties	9,368	12,457
Amortization of intangible assets	131,407	85,600
Finance costs	3,149,914	2,029,907
Reversal of allowance for trade and other receivables	(2,111)	—
Allowance for inventories	274	—
Loss on disposals of property, plant and equipment	1,524	6,507
Gain from disposal of a subsidiary	(71,520)	—
Gain on remeasurement of previously held interest in a joint venture becoming a subsidiary	(1,785,082)	—
Net unrealized fair value change in derivative financial instruments	(70,948)	(54,399)
Government grant related to assets	(25,727)	(24,456)
Interest income	(94,686)	(126,085)
Share of results of joint ventures	(3,320)	(286,880)
Share of results of associates	(253,573)	(129,819)
Unrealized net exchange loss	442,548	444,638

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2017

	Six months ended June 30	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
Operating cash flows before movements in working capital	**14,181,950**	9,412,798
(Increase) decrease in inventories	**(623,485)**	289,976
Decrease in trade and other receivables	**1,488,815**	1,774,687
Increase (decrease) in trade and other payables	**1,228,244**	(558,562)
Increase in amounts due from customers for contract work	**(918,203)**	(981,158)
(Decrease) Increase in amounts due to customers for contract work	**(452,998)**	621,764
Decrease in nuclear power provision	**(1,062,707)**	(834,998)
(Decrease) increase in derivative financial liabilities, net	**(899)**	74
Cash generated from operations	**13,840,717**	9,724,581
Income tax paid	**(1,026,968)**	(1,147,852)
Net cash generated from operating activities	**12,813,749**	8,576,729

	Six months ended June 30	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
Investing activities		
Interests received	55,155	126,085
Deposits paid and purchase of property, plant and equipment	(8,254,278)	(8,416,079)
Addition to purchase of investment properties	—	(920)
Addition to intangible assets	(221,951)	(174,196)
Addition to prepaid lease payments	(1,859)	(55,350)
Proceeds from disposals of property, plant and equipment	3,131	10,200
Government grants received	21,189	18,501
Placement of deposits with original maturity over three months	(160,000)	(575,360)
Withdrawal of deposits with original maturity over three months	177,000	1,296,553
Placement of restricted bank deposits	(14,493)	(13,505)
Withdrawal of restricted bank deposits	12,272	15,272
Repayments of entrusted loans receivable	—	60,000
Capital contributions to associates	(39,600)	(391,847)
Capital contributions to a joint venture	—	(282,815)
Dividends received from an associate	15,992	2,213
Dividends received from a joint venture	—	571,184
Dividends received from available-for-sale investments	7,217	—
Proceeds of consideration receivable from disposal of a subsidiary	—	70,000
Net cash inflow on acquisition of a subsidiary (note 27)	108,552	—
Advance to related parties	(206,834)	(269,883)
Repayment from related parties	176,671	63,891
Payment to CGNPC on acquisition of subsidiaries (notes 2 and 23)	(2,400,000)	—
Net cash used in investing activities	(10,721,836)	(7,946,056)

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2017

	Six months ended June 30	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
Financing activities		
Capital injections from non-controlling interests	216,200	963,373
Interest paid	(4,723,002)	(3,882,322)
Loans from an associate	11,054,000	9,312,749
Repayments of loans from an associate	(10,632,612)	(10,501,650)
Loans from fellow subsidiaries	690,007	—
Repayments of loans from fellow subsidiaries	(501,246)	(1,241,129)
Loans from ultimate holding company	—	330,000
Repayments of loans from ultimate holding company	(225,500)	(1,200,000)
Proceeds from bank borrowings	19,593,523	20,802,559
Repayments of bank borrowings	(15,728,128)	(12,103,760)
Proceeds from issuing notes payable	—	1,700,000
Repayments of notes payable	(600,000)	(1,500,000)
Dividends paid to non-controlling shareholders	(1,730,589)	(998,581)
Advance from related parties	462,897	743,555
Repayment to related parties	(270,528)	(252,162)
Net cash generated (used in) from financing activities	(2,394,978)	2,172,632
Net (decrease) increase in cash and cash equivalents	(303,065)	2,803,305
Cash and cash equivalents at the beginning of the period	8,456,534	11,381,296
Effects of exchange rate changes	(27,618)	8,527
Cash and cash equivalents at the end of the period	8,125,851	14,193,128

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2017

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 address of the principal place of business and the registered office of the Company is 18/F, South Tower, CGN Building, No.2002 Shennan Road, Futian District, Shenzhen, Guangdong Province, the PRC.

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

2. BASIS OF PRESENTATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting issued by the International Accounting Standards Board ("IASB") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Merger accounting for business combination involving entities under common control

In September 2016, the Company entered into an equity transfer agreement with CGNPC, the ultimate holding company of the Group. Pursuant to the agreement, the Company acquired 61% equity interest in 廣西防城港核電有限公司 Guangxi Fangchenggang Nuclear Power Co., Ltd. ("Fangchenggang Nuclear"), 100% equity interest in 中廣核陸豐核電有限公司 CGN Lufeng Nuclear Power Co., Ltd. ("Lufeng Nuclear"), and 100% equity interest in CGN Engineering and its subsidiaries (collectively referred to as the "Acquired Companies") from CGNPC at a cash consideration of RMB8,536,330,000 after making adjustment based on net assets' value of the Acquired Companies on acquisition date to the consideration. RMB3,000,000,000 has been paid by the Company in 2016, RMB2,400,000,000 has been paid during the six months ended June 30, 2017 and the remaining consideration of RMB3,136,330,000 is included in the other payables to CGNPC as at June 30, 2017 (December 31, 2016: RMB5,536,330,000). Fangchenggang Nuclear and Lufeng Nuclear are engaged in nuclear power generation and sales of nuclear electricity. CGN Engineering is engaged in investment holding and provision of construction and maintenance services for nuclear power plant and other construction projects. The transaction was completed on November 30, 2016.

2. BASIS OF PRESENTATION (Continued)

Merger accounting for business combination involving entities under common control (Continued)

As the Company and the Acquired Companies are under common control of CGNPC, the above acquisition has constituted a business combination under common control. The assets and liabilities of the Acquired Companies have been recognized in the consolidated financial statements of the Group at the carrying amounts recognized previously in CGNPC's consolidated financial statements. The condensed consolidated financial statements of the Group have been restated as if the combination had occurred prior to the start of the earliest period presented.

The effect of restatements described above on the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended June 30, 2016 by line items is as follows:

	The Group RMB'000	The Acquired Companies RMB'000	Elimination RMB'000	The Group (as restated) RMB'000
Profit for the period	4,288,145	323,920	(128,841)	4,483,224
Profit for the period attributable to:				
Owners of the Company	3,597,728	250,126	(122,905)	3,724,949
Non-controlling interests	690,417	73,794	(5,936)	758,275
Total comprehensive income attributable to:				
Owners of the Company	3,697,619	95,367	(122,905)	3,670,081
Non-controlling interests	724,897	73,794	(5,936)	792,755
Earnings per share attributable to owners of the Company, basic	0.079			0.082

The effects of restatements described above on the Group's consolidated statement of financial position as at December 31, 2015 and 2016 have been disclosed in note 2 in the Group's annual financial statements for the year ended December 31, 2016.

The effects of restatements described above on the Group's cash flow for the period ended June 30, 2016 are as follows:

	Six months ended June 30, 2016 RMB'000
Increase in net cash generated from operating activities	800,953
Increase in net cash used in investing activities	(1,145,679)
Increase in net cash generated from financing activities	2,157,496
Increase in cash and cash equivalents at the end of the period	6,016,921

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 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, 2017 are the same as those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2016.

Business combinations other than involving entities under common control

Business combinations other than involving entities under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

Business combinations other than involving entities under common control (Continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

In the current interim period, the Group has applied, for the first time, the following amendments to IFRSs issued by the IASB that are mandatorily effective for the current interim period:

Amendments to IAS 7	Disclosure initiative
Amendments to IAS 12	Recognition of deferred tax assets for unrealized losses
Amendments to IFRS 12	As part of the Annual Improvements to IFRSs 2014-2016 Cycle

The application of the above amendments to IFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements, but the application is expected to have impact on disclosures in the consolidated financial statements for the year ending December 31, 2017.

4. REVENUE AND SEGMENT INFORMATION

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

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

	Six months ended June 30,	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
Sales of electricity	**20,121,100**	13,558,233
Revenue from construction contracts and design projects	**888,821**	902,522
Revenue from technical and training service	**314,036**	357,089
Sales of equipment and other goods	**84,637**	265,259
	21,408,594	15,083,103

Information reported to the board of directors of the Company, 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.

The Group had a single reportable segment for sales of electricity derived from nuclear power plant under IFRS 8 for the six months ended June 30, 2016. In November 2016, the Group had acquired the Acquired Companies from CGNPC which are under common control and the reportable segments have been changed to two segments, namely (i) nuclear power operation and sales of electricity and related technical services segment and (ii) engineering construction and technical services segment since then. Comparatives have been restated accordingly.

4. REVENUE AND SEGMENT INFORMATION (Continued)

The CODM regularly review sales reports, electricity supply reports and construction progress reports. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the group companies is identified as an operating segment in accordance with IFRS 8, which represents a strategic business unit that offers products and services which are subject to risks and returns that are different from another operating segment. When the group companies are operating in similar business model with similar target group of customers, the group companies are aggregated as a reporting segment. Summarized details of the reportable segments are as follows:

(i) the nuclear power operation and sales of electricity and related technical services segment which mainly generates revenue from sales of electricity through nuclear power operation; and

(ii) the engineering construction and technical services segment which generates revenue from construction of nuclear power plants and design projects, technical and training service, sales of equipment and other goods.

The accounting policies of the operating segments are the same as the Group's accounting policies. The segment revenue is the same as the Group's revenue. Segment profit is the Group's profit before taxation without taking into account of unrealized gain 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.

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results

The following table presents revenue and results by reportable segments.

	Six months ended June 30, 2017 (Unaudited)				
	Nuclear power operation and sales of electricity and related technical services segment RMB'000	Engineering construction and technical services segment RMB'000	Subtotal RMB'000	Elimination RMB'000	Total RMB'000
Revenue					
External sales	20,478,511	930,083	21,408,594	—	21,408,594
Inter-segment sales	160,035	4,099,921	4,259,956	(4,259,956)	—
Segment revenue	20,638,546	5,030,004	25,668,550	(4,259,956)	21,408,594
Segment profit before taxation reported to the CODM	8,607,448	17,162	8,624,610	(127,245)	8,497,365
Add: Net unrealized gain arising from changes in fair value of derivative financial instruments	70,948	—	70,948	—	70,948
Add: Share of results of associates	105,060	121,853	226,913	26,660	253,573
Add: Share of results of a joint venture	3,320	—	3,320	—	3,320
Group's profit before taxation	8,786,776	139,015	8,925,791	(100,585)	8,825,206

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

	Six months ended June 30, 2016 (Unaudited and restated)				
	Nuclear power operation and sales of electricity and related technical services segment	Engineering construction and technical services segment	Subtotal	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue					
External sales	13,963,669	1,119,434	15,083,103	—	15,083,103
Inter-segment sales	224,582	4,119,928	4,344,510	(4,344,510)	—
Segment revenue	14,188,251	5,239,362	19,427,613	(4,344,510)	15,083,103
Segment profit before taxation reported to the CODM	4,417,715	115,916	4,533,631	(227,192)	4,306,439
Add: Net unrealized gain arising from changes in fair value of derivative financial instruments	54,399	—	54,399	—	54,399
Add: Share of results of associates	(18,062)	124,580	106,518	23,301	129,819
Add: Share of results of joint ventures	270,568	—	270,568	16,312	286,880
Group's profit before taxation	4,724,620	240,496	4,965,116	(187,579)	4,777,537

Inter-segment sales are charged at prevailing government-prescribed price and government-guided price, market prices.

4. REVENUE AND SEGMENT INFORMATION (Continued)

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 the corresponding periods contributing over 10% of the total sales of the Group are as follows:

	Six months ended June 30,	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
Entities under control by the PRC Government (excluding entities under control by CGNPC, a joint venture and an associate)[1]	**17,332,982**	11,263,743
Entities under control by CGNPC[2]	**350,747**	208,738
A joint venture[2]	**—**	358,556
An associate[2]	**731,493**	629,393
Hong Kong Nuclear Investment Co., Ltd.[1]	**2,788,118**	2,294,490

1 revenue from sales of electricity to power grids (note 32(c)) and revenue from a non-controlling shareholder with significant influence over the relevant subsidiary (note 32(a)), from nuclear power operation and sales of electricity and related technical services segment

2 revenue from construction contracts and design projects, technical and training service, and sales of equipment and other goods to related parties (note 32(a)) from the both segments

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Segment assets		
Nuclear power operation and sales of electricity and related technical services segment	**328,555,902**	265,001,229
Engineering construction and technical services segment	**22,561,535**	22,580,130
Total segment assets	**351,117,437**	287,581,359
Unallocated assets	**8,070,508**	12,051,036
Elimination	**(12,224,972)**	(11,998,601)
Total assets	**346,962,973**	287,633,794
Segment liabilities		
Nuclear power operation and sales of electricity and related technical services segment	**243,116,127**	194,384,795
Engineering construction and technical services segment	**21,796,251**	20,975,863
Total segment liabilities	**264,912,378**	215,360,658
Unallocated liabilities	**141,598**	220,780
Elimination	**(11,355,302)**	(9,846,317)
Total liabilities	**253,698,674**	205,735,121

5. OTHER INCOME

	Six months ended June 30,	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
Value-added tax refunds (note a)	**979,745**	494,395
Interest income from bank deposits	**14,300**	38,424
Interest income from an associate	**80,386**	87,661
Rental income	**8,017**	8,501
Government grants		
– related to expenses items (note b)	**10,921**	7,758
– related to assets	**25,727**	24,456
	1,119,096	661,195

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"), 陽江核電有限公司Yangjiang Nuclear Power Co., Ltd. ("Yangjiang Nuclear"), Fangchenggang Nuclear and 福建寧德核電有限公司Fujian Ningde Nuclear Power Co., Ltd. ("Ningde 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 operation. There were no conditions or limitations attached to these valued-added tax refunds. Value-added tax refunds are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them (if applicable) and that the refunds will be received.

(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, 2017, which had no conditions imposed by the respective PRC government authorities.

6. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
Net foreign exchange losses	**(455,967)**	(537,255)
Loss on disposals of property, plant and equipment	**(1,524)**	(6,507)
Gain from disposal of a subsidiary (note 28)	**71,520**	—
Gain on remeasurement of previously held interest in a joint venture becoming a subsidiary (note 27)	**1,785,082**	—
Reversal of allowance for trade and other receivables	**2,111**	—
Others	**(404)**	2,592
	1,400,818	(541,170)

7. FINANCE COSTS

	Six months ended June 30,	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
Interest on bank borrowings	**4,285,587**	3,263,053
Interest on notes payable	**321,377**	352,999
Interest on loans from ultimate holding company	**107,203**	36,775
Interest on long term payables to ultimate holding company	**—**	62,632
Interest on loans from fellow subsidiaries	**69,930**	85,350
Interest on loans from an associate	**151,193**	156,040
Interests relating to provision for nuclear power plant decommissioning	**90,502**	64,098
Total interest expenses	**5,025,792**	4,020,947
Less: capitalized in construction in progress	**(1,875,878)**	(1,991,040)
Total finance costs	**3,149,914**	2,029,907

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. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging (crediting):

	Six months ended June 30,	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
Directors' emoluments	**1,029**	1,026
Supervisors' emoluments	**1,982**	1,472
Other staff costs:		
Salaries and other benefits	**3,636,742**	3,386,734
Retirement benefit scheme contributions	**235,074**	212,416
Total staff costs	**3,874,827**	3,601,648
Less: Capitalized in construction in progress	**(1,398,475)**	(1,512,688)
Less: Capitalized in intangible assets	**(71,582)**	(99,977)
	2,404,770	1,988,983
Depreciation and amortization of:		
Property, plant and equipment	**3,378,906**	2,282,204
Less: Capitalized in construction in progress	**(89,867)**	(128,422)
	3,289,039	2,153,782
Prepaid lease payments	**54,383**	42,548
Less: Capitalized in construction in progress	**(8,666)**	(18,325)
	45,717	24,223
Intangible assets	**131,407**	85,600
Investment properties	**9,368**	12,457
	3,475,531	2,276,062

8. PROFIT BEFORE TAXATION (Continued)

	Six months ended June 30,	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
Allowance on inventories	**274**	—
Cost of generating electricity recognized as expenses	**8,978,882**	5,694,279
Unrealized gain arising from fair value change in financial assets and liabilities at fair value through profit and loss	**(70,948)**	(54,399)
Realized loss (gain) arising from financial assets and liabilities at fair value through profit and loss	**35,788**	(8,081)
Gross rental income from investment properties	**(8,017)**	(8,501)
Less: Direct operating expenses including depreciation of investment properties and expenses incurred for generating rental income	**15,082**	23,034
	7,065	14,533
Research and development expenses	**196,108**	256,233
Provision for spent fuel management (included in cost of sales)	**586,592**	490,159
Provision for low and medium level radioactive waste management (included in cost of sales)	**9,217**	7,864
Operating lease rentals in respect of rented premises	**156,630**	81,018

9. TAXATION

	Six months ended June 30,	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
PRC Enterprise Income Tax ("EIT")		
– Current year	**845,106**	691,535
– Under (over) provision in prior years	**13,975**	(12,156)
	859,081	679,379
Deferred taxation (note 16)	**160,250**	(385,066)
Taxation	**1,019,331**	294,313

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

深圳中廣核工程設計有限公司 China Nuclear Power Design Co., Ltd. (Shenzhen), 中廣核(北京)仿真技術有限公司 China Nuclear Power (Beijing) Simulation Technology Corporation Ltd., 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., 中廣核研究院有限公司China Nuclear Power Technology Research Institute, Ling'ao Nuclear and CGN Engineering 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, 2017 and 2016.

Lingdong Nuclear, Yangjiang Nuclear, Fangchenggang Nuclear, 台山核電合營有限公司 Taishan Nuclear Power Joint Venture Co., Ltd. ("Taishan Nuclear"), Lufeng Nuclear and Ningde Nuclear, being enterprises 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 these public infrastructures 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.

9. TAXATION (Continued)

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% for the six months ended June 30, 2017 and 2016 while the applicable tax rate for the second reactor project was 12.5% for the six months ended June 30, 2016 and 25% for the six months ended June 30, 2017.

The first revenue generating year of four reactor projects of Yangjiang Nuclear commenced in 2014, 2015, 2016 and 2017 respectively. The applicable tax rate for Yangjiang Nuclear's first reactor project was 12.5% for the six months ended June 30, 2017 while it was tax exempted for the six months ended June 30, 2016. The other three reactor projects were tax exempted for the six months ended June 30, 2017 and 2016.

The first revenue generating year of two reactor projects of Fangchenggang Nuclear commenced in 2016. Therefore, Fangchenggang Nuclear was tax exempted for the six months ended June 30, 2017 and 2016.

The first revenue generating year of four reactor projects of Ningde Nuclear commenced in 2013, 2014, 2015 and 2016 respectively. The applicable tax rate for Ningde Nuclear's first two reactor projects was 12.5% for the six months ended June 30, 2017 while the other two reactor projects were tax exempted for the six months ended June 30, 2017.

Taishan Nuclear and Lufeng Nuclear have not yet commenced generating electricity nor earned profit at June 30, 2017.

Details of the deferred taxation are set out in note 16.

10. DIVIDEND

A final dividend of RMB0.042 per share in respect of the year ended December 31, 2015 amounting to approximately RMB1,908,814,000 in total was approved by the shareholders in the 2015 annual general meeting on May 27, 2016. The Company has paid the dividend by July 31, 2016.

During the reporting period, a final dividend of RMB0.051 per share in respect of the year ended December 31, 2016 was declared to the owners of the Company amounting to approximately RMB2,317,845,000 in total, which was approved by the Company's shareholders at the 2016 annual general meeting convened on May 24, 2017. The Company has paid the dividend by July 31, 2017.

The Board does not recommend the payment of interim dividend for the six months ended June 30, 2017.

11. 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.

	Six months ended June 30,	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
Profit for the period attributable to the owners of the Company (RMB'000)	**6,089,133**	3,724,949
Number of ordinary shares (in million)	**45,449**	45,449
Basic earnings per share (RMB)	**0.134**	0.082

No diluted earnings per share is presented for the six months ended June 30, 2017 and 2016, since there is no potential ordinary shares in issue during both periods.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2017, the Group acquired items of property, plant and equipment of approximately RMB8,266,850,000 (Six months ended June 30, 2016: RMB9,957,700,000) to expand its operations. The additions for the six months period ended June 30, 2017 mainly included RMB20,194,000 (Six months ended June 30, 2016: RMB159,619,000) in buildings, RMB85,707,000 (Six months ended June 30, 2016: RMB296,788,000) in nuclear facilities, RMB16,400,000 (Six months ended June 30, 2016: RMB7,439,000) in plant and machinery, RMB6,420,000 (Six months ended June 30, 2016: RMB5,672,000) in motor vehicles, RMB60,299,000 (Six months ended June 30, 2016: RMB81,918,000) in office and electronic equipment and RMB8,077,830,000 (Six months ended June 30, 2016: RMB9,406,264,000) in construction in progress. During the six months ended June 30, 2017, investment properties with carrying amounts in aggregate of RMB64,747,000 (Six months ended June 30, 2016: RMB342,666,000) were transferred into property, plant and equipment upon commencement of owner occupancy. The Group disposed with an aggregate carrying amount of RMB4,655,000 (Six months ended June 30, 2016: RMB16,707,000) for cash proceeds of RMB3,131,000 (Six months ended June 30, 2016: RMB10,200,000), resulting in a loss on disposal of RMB1,524,000 (Six months ended June 30, 2016: RMB6,507,000). During the six months ended June 30, 2017, the Group acquired property, plant and equipment amounting to RMB49,169,352,000 at the date of acquisition of Ningde Nuclear (note 27), which included RMB10,692,445,000 of buildings, RMB38,037,557,000 of nuclear facilities, RMB11,560,000 of motor vehicles, RMB73,655,000 of office and electronic equipment and RMB354,135,000 of construction in progress.

As at June 30, 2017, the Group pledged property, plant and equipment with carrying amount of approximately RMB16,826,171,000 (December 31, 2016: RMB17,059,177,000) to secure loan facilities granted to the Group. Details of pledge of assets are set out in note 31.

As at June 30, 2017, buildings with carrying amount of approximately RMB7,075,049,000 (December 31, 2016: RMB6,941,557,000) are without property certificates. The Group is in the process of obtaining the property certificates.

13. INTANGIBLE ASSETS

Intangible assets mainly represent AP1000 and related technology with carrying amounts of approximately RMB634,324,000 (December 31, 2016: RMB556,699,000), fuel reloading technology with carrying amounts of approximately RMB302,564,000 (December 31, 2016: RMB189,366,000), other nuclear power technology with carrying amounts of approximately RMB1,041,780,000 (December 31, 2016: RMB981,662,000), facilitation and related costs with carrying amounts of approximately RMB1,416,144,000 (December 31, 2016: RMB1,273,638,000), and others with carrying amounts of approximately RMB54,532,000 (December 31, 2016: RMB64,170,000).

During the six months ended June 30, 2017, the Group acquired items of intangible assets of approximately RMB221,951,000 (Six months ended June 30, 2016: RMB174,196,000) to expand its operations. The additions for the six months period ended June 30, 2017 mainly included RMB82,876,000 (Six months ended June 30, 2016: RMB18,795,000) in AP1000 and related technology, RMB7,550,000 (Six months ended June 30, 2016: RMB1,713,000) in fuel reloading technology, RMB60,118,000 (Six months ended June 30, 2016: RMB97,605,000) in other nuclear power technology, RMB71,407,000 (Six months ended June 30, 2016: RMB56,083,000) in facilitation and related costs. During the six months ended June 30, 2017, the Group acquired intangible assets amounting to RMB293,265,000 at the date of acquisition of Ningde Nuclear (note 27).

14. INTERESTS IN ASSOCIATES

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Unlisted cost of interests in associates	**8,374,517**	8,334,917
Share of post-acquisition profits and other comprehensive income, net of dividends received	**(335,629)**	(496,950)
	8,038,888	7,837,967

15. INTERESTS IN JOINT VENTURES

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Unlisted cost of interests in joint ventures	**16,320**	5,157,974
Share of post-acquisition profits, net of dividends received	**6,831**	(958,842)
	23,151	4,199,132

Note:

The Group obtained effective control over Ningde Nuclear on January 1, 2017 and has accounted for such transaction using acquisition method in accordance with IFRS 3. The financial results of Ningde Nuclear have been consolidated in the Group's consolidated financial statements since the date the Group obtained effective control. Details are disclosed in note 27.

16. 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 RMB'000	Receipt in advance RMB'000	Net Exchange difference of gains arising from borrowings RMB'000	Fair value adjustments of net assets of an acquired subsidiary RMB'000	Derivative financial instruments RMB'000	Accelerated depreciation on property, plant and equipment RMB'000	Deferred income RMB'000	Allowance on inventories and impairment of property, plant and equipment RMB'000	Others RMB'000	Total RMB'000
At January 1 2016 (Audited)	1,429,887	1,251	(597,345)	–	10,706	(1,293,118)	26,969	1,965	8,572	(411,113)
Credit (charge) to profit or loss	70,250	91	99,373	–	(2,199)	218,661	356	(95)	(1,371)	385,066
Exchange differences	–	–	–	–	–	(2,594)	–	–	–	(2,594)
At June 30, 2016 (Unaudited and restated)	1,500,137	1,342	(497,972)	–	8,507	(1,077,051)	27,325	1,870	7,201	(28,641)
Credit (charge) to profit or loss	101,025	6,886	(19,584)	–	1,277	65,235	(2,377)	11,944	3,387	167,793
Eliminated on disposal of a subsidiary	–	–	–	–	–	–	–	(3,836)	–	(3,836)
Exchange differences	–	–	–	–	–	(63,126)	–	–	–	(63,126)
Reclassified as held for sale	–	–	–	–	–	–	–	–	(58)	(58)
At December 31, 2016 (Audited)	1,601,162	8,228	(517,556)	–	9,784	(1,074,942)	24,948	9,978	10,530	72,132
Credit (charge) to profit or loss	(254,168)	(5,922)	90,843	3,283	(3,188)	8,803	1,923	–	(1,824)	(160,250)
Exchange differences	–	–	–	–	–	23,770	–	–	–	23,770
Acquisition of a subsidiary (note 27)	–	–	–	(165,608)	–	–	–	–	–	(165,608)
At June 30, 2017 (Unaudited)	1,346,994	2,306	(426,713)	(162,325)	6,596	(1,042,369)	26,871	9,978	8,706	(229,956)

16. DEFERRED TAXATION (Continued)

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

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Deferred tax assets	**1,422,827**	1,687,249
Deferred tax liabilities	**(1,652,783)**	(1,615,117)
	(229,956)	72,132

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

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Tax losses	**2,658,126**	2,083,681

16. DEFERRED TAXATION (Continued)

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:

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
2017	7,793	7,858
2018	3,884	4,212
2019	723,815	723,815
2020	837,043	837,043
2021	510,753	510,753
2022	574,838	—
	2,658,126	2,083,681

17. PREPAID LEASE PAYMENTS

During the six months period ended June 30, 2017, the Group acquired prepaid lease payments of approximately RMB1,859,000 (Six months ended June 30, 2016: RMB55,350,000) to expand its buildings. The Group had no disposal of the prepaid lease payment for six months ended June 30, 2017 and 2016. During the six months ended June 30, 2017, the Group recognized prepaid lease payments amounting to RMB559,516,000 at the date of acquisition of Ningde Nuclear (note 27).

At June 30, 2017, the Group pledged leasehold land with carrying amount of RMB115,174,000 (December 31, 2016: RMB116,929,000) to secure loan facilities. Details of pledge of assets are set out in note 31.

At June 30, 2017, the Group is still in the process of obtaining the land use right certificate with carrying amount of Nil (December 31, 2016: RMB60,378,000).

18. INVENTORIES

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Nuclear fuel	**14,297,418**	10,392,515
Materials and consumable parts	**4,195,190**	2,744,893
Others	**6,220**	575
	18,498,828	13,137,983

19. TRADE AND BILLS RECEIVABLES

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Amounts due from third parties	3,812,820	3,002,320
Less: allowance of doubtful debts	(10,076)	(12,381)
	3,802,744	2,989,939
Amount due from ultimate holding company	50,108	10,027
Amounts due from a joint venture	—	572,617
Amounts due from associates	1,539,893	1,149,944
Amounts due from fellow subsidiaries	94,441	259,733
Amount due from associates of CGNPC	211,410	203,843
Amount due from a non-controlling shareholder with significant influence over the relevant subsidiary	544,077	538,550
Bills receivables	9,807	10,840
Total trade and bills receivables	6,252,480	5,735,493

19. TRADE AND BILLS RECEIVABLES (Continued)

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

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
1 day to 30 days	**4,148,678**	3,629,857
31 days to 1 year	**1,467,975**	1,479,394
1 year to 2 years	**50,789**	49,852
2 years to 3 years	**288,818**	515,369
Over 3 years	**296,220**	61,021
	6,252,480	5,735,493

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, 2017, except for an amount of RMB10,076,000 (December 31, 2016: RMB12,381,000) 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 RMB3,802,744,000 (December 31, 2016: RMB2,989,939,000) and the amount due from a non-controlling shareholder with significant influence over the relevant subsidiary of RMB544,077,000 (December 31, 2016: RMB538,550,000) 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 granted different credit periods according to the contracts and all the balances are neither past due nor impaired.

The Group pledged trade receivables from grid companies resulting from the pledge of tariff collection rights with carrying amount of approximately RMB2,791,520,000 (December 31, 2016: RMB1,803,953,000) to secure loan facilities granted to the Group as at the end of the reporting period. Details of pledge of assets are set out in note 31.

20. PREPAYMENTS AND OTHER RECEIVABLES

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Value-added tax recoverable	**9,445,455**	7,960,297
Prepayments to third parties for materials and consumable parts	**5,064,210**	4,535,916
Prepayments to fellow subsidiaries for nuclear and other materials	**719,627**	548,626
Prepayments to an associate for materials	**549,681**	470,688
Prepayments for rental expenses	**18,829**	19,482
Others	**206,893**	103,498
	16,004,695	13,638,507
Analyzed for financial reporting purpose:		
Non-current (note)	**6,870,303**	6,277,564
Current	**9,134,392**	7,360,943
	16,004,695	13,638,507

Note: The amount represents value-added tax, which arose from the purchases of equipment and was 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 value-added tax payable arising from the Group's revenue.

21. AMOUNTS DUE FROM RELATED PARTIES

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Other receivables from ultimate holding company	**597,913**	570,786
Other receivables from fellow subsidiaries	**75,068**	73,065
Other receivables from associates	**235,460**	193,568
Other receivables from a joint venture	**—**	875
Dividend receivable from a joint venture	**—**	640,806
Dividend receivable from an associate	**—**	15,992
Dividend receivable from a former subsidiary (note ii)	**130,200**	130,200
	1,038,641	1,625,292

Note:

(i) In the opinion of the management, the above balances are unsecured, non-trade nature, interest-free and expected to be settled within one year from the end of the respective period.

(ii) The amount is due from 北京廣利核系統工程有限公司 China Techenergy Co., Ltd. which was disposed of by the Group in October 2016.

22. TRADE AND OTHER PAYABLES

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Amounts due to third parties	**4,183,006**	3,366,347
Amounts due to fellow subsidiaries	**825,573**	619,173
Total trade payables	**5,008,579**	3,985,520
Receipts in advance from ultimate holding company	**—**	1,416
Receipts in advance from a joint venture	**—**	118,236
Receipts in advance from associates	**3,713,975**	2,388,069
Receipts in advance from fellow subsidiaries	**24,383**	23,992
Receipts in advance from third parties	**65,292**	51,236
Total receipts in advance	**3,803,650**	2,582,949
Construction payables to third parties	**9,879,722**	10,061,704
Construction payables to fellow subsidiaries	**198,637**	244,280
Construction payables to ultimate holding company	**40,907**	34,532
Construction payables to associates	**198,169**	224,411
Construction payables to a joint venture	**6,489**	7,013
Value-added tax and other tax payables	**1,509,669**	1,369,020
Staff cost payables	**84,404**	50,438
Interest on notes payable	**302,506**	228,925
Consideration receipt in advance for assets held for sale (note 28)	**—**	127,200
Other payables and accruals to third parties	**393,889**	378,875
Total other payables	**12,614,392**	12,726,398
	21,426,621	19,294,867

22. TRADE AND OTHER PAYABLES (Continued)

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

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

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

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Within 1 year	**5,008,579**	3,985,520

23. AMOUNTS DUE TO RELATED PARTIES

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Dividend payable to ultimate holding company	**1,488,009**	—
Dividend payable to Guangdong Hengjian Investment Holdings Co., Ltd., a non-controlling shareholder of the Company	**174,854**	—
Dividend payable to China National Nuclear Corporation, a non-controlling shareholder of the Company	**85,679**	—
Dividends payable to H shareholders	**561,346**	—
Dividends payable to non-controlling shareholders of the subsidiaries	**1,338,887**	1,734,707
Other payable to ultimate holding company	**3,647,064**	5,996,661
Other payable to a non-controlling shareholder with significant influence over the relevant subsidiary	**488,161**	224,250
Other payables to fellow subsidiaries	**70,618**	94,790
Other payables to associates	**34,078**	30,443
Other payables to a joint venture	**—**	829
	7,888,696	8,081,680

Saved as the amount of RMB3,136,330,000 payable to ultimate holding company for the acquisition of the Acquired Companies as at June 30, 2017 (December 31, 2016: RMB5,536,330,000)which is payable within one year, the remaining amounts are unsecured, interest-free and repayable on demand.

24. LOANS FROM ULTIMATE HOLDING COMPANY/AN ASSOCIATE/FELLOW SUBSIDIARIES

During the six months ended June 30, 2017, the Group has not raised new loans (six months ended June 30, 2016: raised new loans of RMB330,000,000) from the ultimate holding company, and the Group repaid loans from the ultimate holding company amounting to RMB225,500,000 (six months ended June 30, 2016: RMB1,200,000,000).

During the six months ended June 30, 2017, the Group obtained new loans from an associate amounting to RMB11,054,000,000 (six months ended June 30, 2016: RMB9,312,749,000). All the newly raised loans from an associate carry interest at floating rates ranging from 3.92% to 4.86% per annum and are repayable over a period of 1 month to 20 years. Except for RMB50,603,000 which is secured by trade receivables from grid companies, the other newly raised loans from an associate are unsecured. In addition, the Group repaid loans from an associate amounting to RMB10,632,612,000 (six months ended June 30, 2016: RMB10,501,650,000) during the six months ended June 30, 2017. During the six months ended June 30, 2017, the Group assumed loans from an associate amounting to RMB1,000,000,000 at the date of acquisition of Ningde Nuclear (note 27).

During the six months ended June 30, 2017, the Group obtained new loans from fellow subsidiaries amounting to RMB690,007,000 (six months ended June 30, 2016: Nil). The new raised loans from fellow subsidiaries carry interest at floating rates ranging from 3.92% to 4.75% per annum and are unsecured and repayable within 1 year. In addition, the Group repaid loans from fellow subsidiaries amounting to RMB501,246,000 (six months ended June 30, 2016: RMB1,241,129,000) during the six months ended June 30, 2017.

25. BANK BORROWINGS

During the six months ended June 30, 2017, the Group obtained new bank borrowings amounting to RMB19,593,523,000 (six months ended June 30, 2016: RMB20,802,559,000) of which RMB11,264,753,000 (six months ended June 30, 2016: RMB12,622,639,000) is secured by property, plant and equipment, and trade receivables representing tariff collection rights. The new bank borrowings carry interest at floating rates ranged from 0.05% to 4.86% per annum and are repayable over a period of 6 months to 25 years. In addition, the Group repaid bank borrowings amounting to RMB15,728,128,000 (six months ended June 30, 2016: RMB12,103,760,000) during the six months ended June 30, 2017. During the six months ended June 30, 2017, the Group assumed bank borrowings amounting to RMB41,343,000,000 at the date of acquisition of Ningde Nuclear (note 27).

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The Group's derivative financial instruments are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets/liabilities	Fair value as at				Fair value hierarchy	Valuation technique and key inputs
	At June 30, 2017		At December 31, 2016			
	Assets RMB'000 (Unaudited)	Liabilities RMB'000 (Unaudited)	Assets RMB'000 (Audited)	Liabilities RMB'000 (Audited)		
Foreign currency forward contracts	7,965	33,299	13,816	99,044	Level 2	Discounted Cash Flow Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward exchange rates, discounted at a rate that reflects the credit risk of various counterparties

Financial assets/liabilities	Fair value as at At June 30, 2017 Assets RMB'000 (Unaudited)	At June 30, 2017 Liabilities RMB'000 (Unaudited)	At December 31, 2016 Assets RMB'000 (Audited)	At December 31, 2016 Liabilities RMB'000 (Audited)	Fair value hierarchy	Valuation technique and key inputs
Currency swap contracts	504	5,174	107	21,437	Level 2	Discounted Cash Flow Future cash flows are estimated based on exchange rates at the end of the reporting period and contract exchange rates, discounted at a rate that reflects the credit risk of various counterparties Monte Carlo Simulation Model Black Scholes Model Key inputs are U.S. swap for 2-30 years, Swap rate, CNY-denominated interest rate, price volatility, risk free rate, contract exchange rates
Interest rate swap contracts	—	103,125	14	100,299	Level 2	Discounted Cash Flow Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties Monte Carlo Simulation Model Black Scholes Model Key inputs are U.S. swap for 2-30 years, Swap rate, CNY-denominated interest rate, price volatility, risk free rate, contract interest rates
Total	8,469	141,598	13,937	220,780		

There was no transfer among level 1, 2, and 3 during both periods.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the condensed consolidated financial statements approximate their fair values.

27. BUSINESS COMBINATIONS OTHER THAN INVOLVING ENTITIES UNDER COMMON CONTROL

The Group's subsidiary, 中廣核寧核投資有限公司 CGN Ninghe Investment Co., Ltd. ("CGN Ninghe Investment") held 46% equity interest in Ningde Nuclear as a joint venture as at December 31, 2016. Ningde Nuclear is engaged in nuclear power generation and sales of nuclear electricity.

CGN Ninghe Investment entered into an agreement with 大唐國際發電股份有限公司Datang International Power Generation Co., Ltd. ("Datang Power") in December 2016, to act in concert over the decisions directing the relevant activities of Ningde Nuclear, of which Datang Power will vote in same direction with CGN Ninghe Investment during the shareholders' meetings and board of directors' meetings of Ningde Nuclear. Accordingly, the Group has the ability to direct the relevant activities of Ningde Nuclear. The agreement is effective on January 1, 2017 which is considered as the date of acquisition and the Group obtained effective control over Ningde Nuclear since then.

The business combination is achieved without the transfer of consideration and has been accounted for using the acquisition method. The amount of goodwill arising as a result of the business combination was approximately RMB419,243,000.

Acquisition-related costs have been excluded from the cost of acquisition.

After the business combination, Ningde Nuclear is included in the nuclear power operation and sales of electricity and related technical services segment.

27. BUSINESS COMBINATIONS OTHER THAN INVOLVING ENTITIES UNDER COMMON CONTROL (Continued)

Assets and liabilities recognized at the date of acquisition

	RMB'000
NON-CURRENT ASSETS	
Property, plant and equipment	49,169,352
Intangible assets	293,265
Derivative financial instruments	2,945
Prepayments and value-added tax recoverable	1,086,861
Prepaid lease payments	545,131
Deposits for property, plant and equipment	309,387
	51,406,941
CURRENT ASSETS	
Inventories	4,794,378
Prepaid lease payments	14,385
Trade receivables (note)	1,445,840
Prepayments and other receivables	892,383
Amounts due from the Group	829
Cash and cash equivalents	108,552
	7,256,367

27. BUSINESS COMBINATIONS OTHER THAN INVOLVING ENTITIES UNDER COMMON CONTROL (Continued)

Assets and liabilities recognized at the date of acquisition (Continued)

	RMB'000
CURRENT LIABILITIES	
Trade and other payables	2,216,608
Amounts due to the Group	641,681
Amounts due to other related parties	756,330
Loans from an associate	1,000,000
Income tax payable	17,049
Bank borrowings - due within one year	3,354,294
Derivative financial instruments	1,078
	7,987,040
NON-CURRENT LIABILITIES	
Bank borrowings - due after one year	37,988,706
Deferred tax liabilities (note 16)	165,608
Provisions	464,468
Staff cost payables	2,833
	38,621,615
	12,054,653

Assets and liabilities of Ningde Nuclear recognized at the date of acquisition was remeasured at fair value. The fair value is estimated by an independent and professionally qualified valuer using asset based approach.

Note:

The trade receivables acquired with an aggregate fair value of RMB1,445,840,000 have gross contractual amounts of RMB1,445,840,000. The best estimate at acquisition date of contractual cash flows not expected to be collected was nil.

27. BUSINESS COMBINATIONS OTHER THAN INVOLVING ENTITIES UNDER COMMON CONTROL (Continued)

Goodwill arising on acquisition

	RMB'000
Consideration paid	—
Fair value of previously equity interest held as interest in a joint venture	5,964,383
Plus: non-controlling interests (54%)	6,509,513
Less: fair value of identifiable net assets acquired (100%)	(12,054,653)
Goodwill arising on acquisition	419,243

Net cash inflow arising on acquisition

	RMB'000
Cash consideration	—
Less: cash and cash equivalents acquired	(108,552)
Net cash inflow arising on acquisition	108,552

Goodwill arose on the acquisition of Ningde Nuclear because the cost of the combination included a control premium. In addition, the goodwill included amounts in relation to expected synergies, revenue growth, future market development and the assembled workforce for Ningde Nuclear. These benefits could not be separately recognized from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2017

27. BUSINESS COMBINATIONS OTHER THAN INVOLVING ENTITIES UNDER COMMON CONTROL (Continued)

Non-controlling interests

The non-controlling interest (54%) in Ningde Nuclear recognized at the acquisition date was measured by reference to the proportionate share of recognized amounts of net assets of Ningde Nuclear and amounted to RMB6,509,513,000.

Fair value of equity interest previously held in Ningde Nuclear as at acquisition date

The fair value of Ningde Nuclear, an unlisted company, was estimated by an independent and professionally qualified valuer using present value techniques. The fair value is determined using income approach based on expected cash flows generated by Ningde Nuclear. The calculation uses cash flow projection of Ningde Nuclear from the perspective of market participants, covering a 40-year period at a discount rate of 7.8% per annum. Other key assumptions for the expected cash flows related to the estimation of cash inflows/outflows which include expected sales and gross profit margin. Cash flows and discount rates reflect assumptions that market participants could use when pricing the relevant equity interest.

As at January 1, 2017, the fair value of previously equity interest in Ningde Nuclear held as interest in a joint venture was RMB5,964,383,000, while the book value of previously equity interest in Ningde Nuclear held as interest in a joint venture was RMB4,179,301,000, the difference of RMB1,785,082,000 had been recognized as a gain on remeasurement of previously held interest in a joint venture becoming a subsidiary and included in the "other gain and losses" line item in the condensed consolidated statement of profit or loss and other comprehensive income.

Impact of acquisition on the revenue and results of the Group

The acquisition of Ningde Nuclear had been completed on January 1, 2017. During the six months ended June 30, 2017, Ningde Nuclear contributed approximately RMB4,364,419,000 to the Group's revenue and Ningde Nuclear's profit in aggregate for the period from the date of acquisition to June 30, 2017 is approximately RMB1,085,335,000.

28. DISPOSAL OF A SUBSIDIARY

In December 2016, Suzhou Nuclear Power Research Institute Co., Ltd., a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party, 深圳市集泰實業發展有限公司Shenzhen Jitai Industry Development Co., Ltd., to dispose of all of its 90% equity interest in 南京新蘇熱電有限公司Nanjing Xinsu Thermoelectricity Co., Ltd. ("Nanjing Xinsu") at the consideration of RMB127,200,000. Nanjing Xinsu is engaged in steam supply and services. As at December 31, 2016, the consideration has been received in advance as other payable (note 22) and the assets and liabilities of Nanjing Xinsu have been reclassified as assets classified as held for sale and liabilities directly associated with assets classified as held for sale as at December 31, 2016. The disposal has been completed on January 20, 2017.

Assets and liabilities of Nanjing Xinsu at the date of disposal were as follows:

	RMB'000
Property, plant and equipment	8,550
Intangible assets	616
Other assets	12,143
Deferred tax assets	58
Prepaid lease payments	4,645
Prepayments and other receivables	234
Amounts due from related parties	139
Cash and cash equivalents	33,222
Trade and other payables	(699)
Net assets disposed of	58,908
Consideration, net of transaction cost	125,751
Non-controlling interests	4,677
Gain on disposal	71,520

29. CAPITAL COMMITMENTS

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Capital expenditure in respect of acquisition and construction of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	**4,865,103**	4,563,779

The Group's share of the capital commitments made jointly with the other venture relating to its joint venture, Ningde Nuclear, is as follows:

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Capital expenditure in respect of acquisition and construction of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements (note)	**—**	1,295,850

Note:

The Group's share of the capital commitments relating to Ningde Nuclear as at June 30, 2017 has been included in the Group's capital commitments.

30. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of each reporting period, the Group had commitments for future minimum lease payments under non-cancelable operating leases which fall due as follows:

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Within one year	**257,175**	177,615
In the second to fifth years inclusive	**574,589**	406,156
Over five years	**238,011**	154,749
	1,069,775	738,520

Operating lease payments represent fixed rentals payable by the Group for certain of its office premises. Lease of rented premises are negotiated with fixed lease term for 1 to 17 years.

The Group as lessor

During the six months ended June 30, 2017, rental income earned by the Group from its investment property for approximately RMB8,017,000 (Six months ended June 30,2016: RMB8,501,000).

All of the properties leased out have committed tenants for 1 to 11 years without termination options granted to tenants.

30. OPERATING LEASE COMMITMENTS (Continued)

The Group as lessor (Continued)

At the end of each reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Within one year	**51,658**	11,751
In the second to fifth years inclusive	**78,931**	22,883
Over five years	**19,689**	13,078
	150,278	47,712

31. PLEDGE OF ASSETS

At the end of each reporting period, the assets with following carrying amounts were pledged to banks and related parties to secure loans from banks and related parties granted to the Group:

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Property, plant and equipment	**16,826,171**	17,059,177
Trade receivables from grid companies	**2,791,520**	1,803,953
Prepaid lease payments	**115,174**	116,929
Bank deposits	**8,621**	6,400
Investment in an associate	**—**	4,188,965
	19,741,486	23,175,424

At the end of each reporting period, trade receivables from grid companies of Lingdong Nuclear, Yangjiang Nuclear, Taishan Nuclear, Ling'ao Nuclear, Fangchenggang Nuclear and Ningde Nuclear were pledged to secure the banking facilities, loans from banks and related parties.

As at December 31, 2016, the equity interest in the associate, Liaoning Hongyanhe Nuclear Power Co., Ltd. ("Hongyanhe Nuclear") was pledged to secure Hongyanhe Nuclear's banking facilities, loans from banks and related parties. During the six months ended June 30, 2017, the pledge over the equity interest in Hongyanhe Nuclear has been released according to the pledge contract.

32. RELATED PARTY TRANSACTIONS

(a) Significant related party transactions

Save as disclosed elsewhere in the condensed consolidated financial statements, the Group entered into the following transactions with related parties during each reporting period:

	Six months ended June 30,	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
Revenue of construction income from fellow subsidiaries*	**273,576**	159,713
Revenue of construction income from a joint venture*	**—**	177,807
Revenue of construction income from an associate*	**571,389**	489,510
Revenue of construction income from ultimate holding company*	**12,668**	36,559
Sales of equipment and other goods to fellow subsidiaries*	**—**	4,245
Sales of equipment and other goods to a joint venture*	**—**	27,590
Sales of equipment and other goods to an associate*	**1,752**	23,656
Sales of electricity to a non-controlling shareholder with significant influence over the relevant subsidiary	**2,788,118**	2,294,490
Technical and training service revenue from fellow subsidiaries*	**12,660**	8,221
Technical and training service revenue from ultimate holding company*	**51,843**	—
Technical and training service revenue from a joint venture*	**—**	153,159
Technical and training service revenue from an associate*	**158,352**	116,227
Purchase of nuclear fuel from a fellow subsidiary	**2,519,721**	296,887
Construction cost payable to and acquisition of property, plant and equipment from fellow subsidiaries	**139,234**	58,926
Purchase of goods or rendering of service from ultimate holding company	**7,377**	20,915
Purchase of goods or rendering of service from fellow subsidiaries	**667,134**	322,648
Purchase of goods or rendering of service from associates	**3,604**	—
Rental income from fellow subsidiaries	**1,509**	901
Rental income from associates	**237**	—

32. RELATED PARTY TRANSACTIONS (Continued)

(a) Significant related party transactions (Continued)

* Represented revenue from related parties which are also under control by the PRC Government amounting to RMB1,082,240,000 (Six months ended June 30, 2016:RMB1,196,687,000) in aggregate for the six months ended June 30, 2017.

(b) Compensation of key management personnel

The remuneration of key management (including directors and supervisors) during each reporting period were as follows:

	Six months ended June 30,	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term benefits	**4,013**	3,947
Post-employment benefits	**227**	222
	4,240	4,169

The remuneration of key management is determined having regard to the performance of individuals and market trends.

32. RELATED PARTY TRANSACTIONS (Continued)

(c) Significant transactions with other government-related entities

The Group is ultimately controlled by the PRC government and the Group operates in an economic environment predominated by the entities controlled, jointly controlled or significantly influenced by the PRC government ("government-related entities").

In addition to transactions and balances with the ultimate holding company, fellow subsidiaries, associates, joint ventures and non-controlling shareholders with significant influence over the subsidiaries disclosed in note 32(a) and elsewhere in the condensed consolidated financial statements, significant related party transactions and balances conducted with other government-related entities in the normal course of businesses of the Group for each reporting period are as follows:

	Six months ended June 30,	
	2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited and restated)
Sales of electricity	**17,332,982**	11,263,743
Contributions to a spent fuel treatment and disposal fund	**586,592**	490,159

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Trade receivables	**3,423,240**	2,551,941

The transactions conducted with government-related entities are based on terms as set out in the underlying agreements, based on statutory rates or market prices or actual cost incurred, or as mutually agreed.

The Group has entered into various transactions, including deposits placements, borrowings (other than notes payable) and other general banking facilities, with banks and financial institution which are government-related entities. Thus, the related interest income and expenses are with government-related entities.

33. CASH-SETTLED SHARE-BASED PAYMENT

The Group has set up an H-share Appreciation Rights Scheme ("**SAR**") for its core staff who exert significant impact on the Company's strategic target, including certain Directors, senior management (excluding independent non-executive Directors and external Directors) and core technical and management staff of the Company who have exerted direct influence on the overall results and sustainable development of the Company ("**Incentive Recipients**"). SAR was approved at the annual general meeting of the Company on June 12, 2015. Supervisors of the Company are not Incentive Recipients. The initial implementation plan of the SAR was approved by the board of the directors of the Company on November 5, 2015. Pursuant to the Scheme, 218,880,000 units of SAR were granted to Incentive Recipients of the Group at the exercise price of HKD3.50 per unit. Each unit of SAR is notionally linked to one H Share and represents the rights conferred on the relevant Incentive Recipients to receive in cash stipulated earnings from the increase in market value of the relevant H share. However, no H Shares will actually be issued to any Incentive Recipients. One third of the total number of SAR are exercisable from December 19, 2016, one third of the total number of SAR are exercisable from December 18, 2017 and the remaining one third of the total number of SAR are exercisable from December 17, 2018. The SARs will have exercisable periods of 3 years after the exercisable date. In addition, the exercise of SAR is also subject to the performance condition of the Group and Incentive Recipients.

The estimated fair value of the SAR is approximately RMB43,196,000 (December 31, 2016: RMB48,992,000), which was calculated using Black-Scholes pricing model. The inputs into the model were as follows:

	SAR June 30, 2017	SAR December 31, 2016
Fair value at measurement date (in HKD)	**0.15 - 0.28**	0.19 - 0.31
Share price (in HKD)	**2.18**	2.13
Exercise price (in HKD)	**3.50**	3.50
Expected volatility	**37.36 - 37.60%**	37.36 - 37.60%
Expected life	**2.46 - 4.46 years**	2.96 - 4.96 years
Expected dividend yield	**2.643%**	2.338%
Risk-free interest rate	**0.813 - 1.020%**	1.273 - 1.553%

33. CASH-SETTLED SHARE-BASED PAYMENT (Continued)

Expected volatility was determined with reference to the historical volatility of the Company's and other listed electricity generation companies' share prices. The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability, exercised restrictions and behavioural considerations.

At June 30, 2017, the Group has recorded liabilities of RMB29,652,000 (December 31, 2016: RMB28,708,000). The Group recognized a total gain of RMB1,889,000 for the six months ended June 30, 2017 (Six months ended June 30, 2016: a total expense of RMB1,763,000) in relation to SAR approved by the Group.

The table below discloses movement of the Company's SAR held by the Group's employees:

	Number of SAR '000
Outstanding as at January 1, 2017	218,880
Addition for the acquisition of a subsidiary	21,600
Forfeited during the period	(27,360)
Outstanding as at June 30, 2017	213,120

34. EVENT AFTER THE REPORTING PERIOD

In July, 2017, Ningde Nuclear received and Fujian Provincial Price Bureau announced the Circular on Adjustment of On-grid Tariffs of Nuclear (Min Jia Shang [2017] No.179)《福建省物價局關於調整核電上網電價的通知》(閩價商[2017]179號) (the "Circular"). Pursuant to the Circular, adjustment shall be made to the on-grid tariffs of nuclear power in Fujian Province in accordance with the Circular on Relevant Issues Concerning Improving the On-grid Tariff Mechanism for Nuclear Power《關於完善核電上網電價機制問題的通知》 promulgated by the National Development and Reform Commission in 2013. The on-grid tariffs for Ningde Unit 1 and Unit 2 of the Group shall remain unchanged at RMB0.43/kWh (tax inclusive), while the on-grid tariffs for Ningde Unit 3 and Unit 4 shall be adjusted to RMB0.4055/kWh (tax inclusive) and RMB0.3717/kWh (tax inclusive), respectively. The above tariff adjustments shall take effect retrospectively since the respective dates on which the generating units commenced commercial operation.

The Group is in the process of assessing the impacts on the Group's operation results as a result of the above tariff adjustments and is actively communicating with relevant government authorities on the ways of implementation of the tariff adjustments.

Differences in Accounting Information between the PRC Accounting Standards for Business Enterprises and IFRSs

The differences between the profit attributable to owners of the Company and the equity attributable to owners of the Company in the consolidated financial statements of the financial report disclosed by the Group in accordance with the PRC Accounting Standards for Business Enterprises and IFRSs are as follows:

	Profit attributable to owners of the Company		Equity attributable to owners of the Company	
	For the six months ended June 30, 2017 RMB'000	For the six months ended June 30, 2016 RMB'000 (Restated)	**June 30, 2017 RMB'000**	December 31, 2016 RMB'000
In accordance with the PRC Accounting Standards for Business Enterprises	**6,237,567**	3,907,387	**59,183,552**	55,463,627
Items and amounts adjusted in accordance with the IFRSs:				
Capitalisation adjustment for foreign exchange gains of foreign currency borrowings (a)	**(161,799)**	(184,591)	**909,276**	1,071,074
Safe production expenses (b)	**13,365**	2,153	**—**	—
In accordance with the IFRSs	**6,089,133**	3,724,949	**60,092,828**	56,534,701

The reasons for the differences are described below:

(a) In accordance with the PRC Accounting Standards for Business Enterprises, the exchange differences of the principal and interest of foreign currency borrowings should be capitalised and accounted for as the costs of the assets eligible for capitalisation. In accordance with the IFRSs, only the part of the exchange differences arising from the interest expense adjustment for foreign currency borrowings can be capitalised, the rest is accounted for through profit or loss for the period.

(b) Pursuant to the relevant PRC regulations for construction companies, the Group's subsidiary, CGN Engineering, is required to reserve an amount for maintenance, improvement and other similar funds. The funds can be used for maintenance and improvement of safety at the construction sites, and are not available for distribution to owners of the subsidiaries. The funds can be accounted for through profit or loss in accordance with the PRC Accounting Standards. In accordance with the IFRSs, only funds utilized can be accounted for through profit and loss.

Company Information

Other Information

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Joint Company Secretaries

Mr. Wei Qiyan
Ms. Mok Ming Wai

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H Share Registrar

Computershare Hong Kong Investor Services Limited
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Stock Name and Stock Code of the Company

Stock Name: CGN Power
Stock Code: HKSE1816

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Collection of the Interim Report

This report will be published on the website of the Company (www.cgnp.com.cn) on August 28, 2017 and posted to shareholders who have elected to receive corporate communications from the Company in printed form on August 29, 2017.

Those Shareholders who (a) received our 2017 Interim Report electronically and would like to receive a printed copy or vice versa; or (b) received a printed copy of our 2017 Interim Report in either English or Chinese language only and would like to receive a printed copy of the other language version or to receive printed copies of both language versions in the future, are requested to write to the Company or the Company's Registrar.

Shareholders may at any time change their choice of the language version or means of receipt of the Company's corporate communications free of charge by notice in writing to the Company or the Company's Registrar.

CGN Power

A world-class nuclear power supplier and service provider with international competitiveness

本中期報告以環保紙張印製。
This Interim Report is printed on environmentally friendly paper.