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**CGN Power Co., Ltd.\***

**中國廣核電力股份有限公司**

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

**(Stock Code : 1816)**

## **INSIDE INFORMATION**

### **OPERATION BRIEFINGS FOR THE FOURTH QUARTER OF 2017**

This announcement is made by CGN Power Co., Ltd.\* (the “**Company**”, together with its subsidiaries, collectively, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong).

#### **ON-GRID POWER GENERATION**

The board of directors of the Company (the “**Board**”) hereby announces that based on the statistics of the Company, the total on-grid power generation of the nuclear power generating units operated and managed by the Group from January to December 2017 amounted to approximately 137,734.87GWh, representing an increase of 19.16% over the corresponding period last year.

Details of the on-grid power generation in the year of 2017 are as follows:

Name of the nuclear power station	On-grid power generation from January to December 2017 (GWh) <sup>1</sup>	On-grid power generation from January to December 2016 (GWh) <sup>1</sup>	Corresponding change (%) <sup>1</sup>
<i>From subsidiaries</i>	<b>115,872.70</b>	<b>97,892.54</b>	<b>18.37</b>
Daya Bay Nuclear Power Station <sup>2</sup>	15,720.17	14,526.04	8.22
Ling'ao Nuclear Power Station <sup>3</sup>	14,741.28	15,222.19	-3.16
Lingdong Nuclear Power Station <sup>4</sup>	15,197.19	15,210.66	-0.09
Ningde Nuclear Power Station <sup>5</sup>	28,469.37	22,336.44	27.46
Yangjiang Nuclear Power Station <sup>6</sup>	29,962.65	21,583.11	38.82
Fangchenggang Nuclear Power Station <sup>7</sup>	11,782.05	9,014.11	30.71
<i>From associate</i>			
Hongyanhe Nuclear Power Station <sup>8</sup>	<u>21,862.17</u>	<u>17,691.03</u>	<u>23.58</u>
<b>Total<sup>1</sup></b>	<b><u><u>137,734.87</u></u></b>	<b><u><u>115,583.57</u></u></b>	<b><u><u>19.16</u></u></b>

Notes:

1. Figures in this announcement have been rounded.
2. Refueling outage of Daya Bay Nuclear Power Station in 2017 took less time in total than that in 2016.
3. The total time taken for refueling outage of Ling'ao Nuclear Power Station in 2016 and 2017 remained basically the same.
4. Refueling outage of Lingdong Nuclear Power Station in 2017 took more time in total than that in 2016.
5. Ningde Unit 4 commenced commercial operation on July 21, 2016. The total time taken for refueling outage of Ningde Nuclear Power Station in 2016 and 2017 remained basically the same.
6. Yangjiang Unit 4 commenced commercial operation on March 15, 2017. Refueling outage of Yangjiang Nuclear Power Station in 2017 took more time in total than that in 2016.

7. Fangchenggang Unit 2 commenced commercial operation on October 1, 2016. Refueling outage of Fangchenggang Nuclear Power Station in 2017 took more time in total than that in 2016.
8. Hongyanhe Unit 4 commenced commercial operation on June 8, 2016. Refueling outage of Hongyanhe Nuclear Power Station in 2017 took less time in total than that in 2016. Due to the winter heating period in northeastern China areas and the decrease in demand for electricity in such areas, temporary load shedding or reserve shutdown for some units of Hongyanhe Nuclear Power Station had been conducted during certain time period of 2017.

This announcement also contains a brief operation review of the Company for the fourth quarter of 2017 as follows:

## **STATUS OF OPERATION**

### ***Units in operation***

In the fourth quarter of 2017, the Group had conducted refueling outage of Daya Bay Unit 2, Lingdong Unit 2, Yangjiang Unit 2, Ningde Unit 3 and Unit 4, Hongyanhe Unit 1 and Fangchenggang Unit 2. As of December 31, 2017, other than the refueling outage of Ningde Unit 3 which was still being conducted as scheduled, refueling outage of the other 6 units had been completed successfully, laying a foundation for the nuclear power generating units to maintain good operating conditions during the upcoming fuel cycle period. In 2017, the Group implemented 13 refueling outages in total, 12 of which were completed as scheduled.

In the fourth quarter of 2017, the overall supply of electricity had easily met the demand for the country. Meanwhile, affected by factors such as festivals and holidays, temporary load shedding or reserve shutdown for some of our power generating units had been conducted in order to accommodate the request of the power grid.

### ***Units under construction***

As of December 31, 2017, we were constructing a total of 8 nuclear power units, among which 2 units were in the commissioning phase, 4 units were in the equipment installation phase and 2 units were in the civil construction phase.

As of December 31, 2017, Taishan Unit 1 completed its hot functional test. For details, please refer to the announcement of the Company dated December 29, 2017.

As of December 31, 2017, Yangjiang Unit 5 commenced its hot functional test, laying a solid foundation for the subsequent commercial operation of such unit.

The other units under construction of the Company are under steady progression as scheduled, they also satisfy the regulatory requirements with respect to safety and quality.

### **Miscellaneous**

After proactive communication among the Company, Yangjiang Nuclear Power Co., Ltd. (“**Yangjiang Nuclear**”), a subsidiary of the Group, and relevant authorities, Yangjiang Nuclear received a notice from Guangdong Provincial Development and Reform Commission in the fourth quarter of 2017 stating that the approved on-grid tariff for Yangjiang Unit 5 and Unit 6 of the Group shall be at RMB0.43/kWh (tax inclusive) and shall take effect retrospectively since the respective dates on which the generating units officially commenced commercial operation.

Reference is made to the announcement of the Company dated July 28, 2017, Fujian Ningde Nuclear Power Co., Ltd. (“**Ningde Nuclear**”), a subsidiary of the Group, received a circular from Fujian Provincial Price Bureau. Pursuant to 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, Fujian Provincial Price Bureau approved that the final on-grid tariffs for Ningde Unit 3 and Unit 4 of the Group shall be RMB0.4055/kWh (tax inclusive) and RMB0.3717/kWh (tax inclusive), respectively, which shall take effect retrospectively since the respective dates on which the generating units officially commenced commercial operation. After repeated communication with relevant authorities, Ningde Nuclear completed the related financial and accounting treatments in the fourth quarter of 2017 based on the aforementioned circular. Ningde Nuclear has become a subsidiary of the Group since January 1, 2017 and the Group indirectly holds 32.29% equity interest in Ningde Nuclear. After an initial assessment, the financial and accounting treatments of Ningde Nuclear will not have any material impact on the annual operating results of the Group.

Reference is made to the announcement of the Company dated December 12, 2017, the disposal of 17% equity interest in Yangjiang Nuclear was completed. The Company received a consideration of RMB5 billion for the disposal of the above equity interest. Pursuant to the relevant equity transfer agreement, a third party auditing organization which is recognized by both of the Group and CLP Nuclear Power (Yangjiang) Limited has been appointed to conduct specialized financial audit on Yangjiang Nuclear according to the PRC Accounting Standards for Business

Enterprises so that the transitional period settlement amount can be calculated based on the auditing report. Upon completion of the disposal, the Company directly and indirectly holds 61.20% equity interest in Yangjiang Nuclear in aggregate. Yangjiang Nuclear remains a subsidiary of the Company.

In order to further develop the financing channels for the Company's units under construction and improve the capital structure, the Company entered into an investment agreement with Shenzhen Guotong Clean Energy Partners Corporation (Limited Partnership) ("**Shenzhen Guotong**") on December 29, 2017, pursuant to which the Company and Shenzhen Guotong proposed to establish a joint venture to hold 61% equity interest in Guangxi Fangchenggang Nuclear Power Co., Ltd. ("**Fangchenggang Nuclear**"), a subsidiary of the Company. The registered capital of the joint venture, whose principal business will be investment in the construction of the projects of Fangchenggang Nuclear, shall be RMB30,000,000. The Company and Shenzhen Guotong shall hold 60% and 40% equity interests in the joint venture, respectively, and in turn the joint venture shall hold 61% equity interest in Fangchenggang Nuclear. Upon completion of the establishment of the joint venture, both the joint venture and Fangchenggang Nuclear will be subsidiaries of the Company and their financial results will be consolidated into the consolidated financial statements of the Group. The aforementioned agreement and the transactions contemplated thereunder do not constitute notifiable transactions for the Company under Chapter 14 of the Listing Rules or connected transactions for the Company under Chapter 14A thereof.

Shareholders of the Company and potential investors are reminded that the information provided above merely represents the operation performance of the Group's nuclear power stations, and is not a basis of reference or calculation of the revenue or profit generated or derived by the Group for the 12 months ended December 31, 2017. Accordingly, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

The PRC, January 12, 2018

*As at the date of this announcement, the Board of the Company comprises Mr. Gao Ligang as executive director; Mr. Zhang Shanming, Mr. Tan Jiansheng, Mr. Shi Bing, Ms. Zhong Huiling and Mr. Zhang Yong, as non-executive directors; Mr. Na Xizhi, Mr. Hu Yiguang and Mr. Francis Siu Wai Keung, as independent non-executive directors.*

*\* For identification purpose only*