

中广核  CGN

Stock Code: 1816

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)

2019 Interim Report



* For identification purpose only

CGN Power Co., Ltd. (“CGN Power”, the “Company”, “our Company” or “We”) was established on March 25, 2014 and listed on the Main Board of The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) on December 10, 2014. CGN Power is the sole platform for nuclear power generation of China General Nuclear Power Corporation (“CGNPC”). The Company is committed to providing nuclear power and energy supply that are safe and effective, stable and reliable, clean and low-carbon, as well as related nuclear power professional services.



In this report, we will present the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended June 30, 2019 (the “Period”, the “Reporting Period” or the “first half of 2019”) together with the comparative figures for the corresponding period in 2018, and summarize the progress in implementing our development strategy (“2019 Interim Report” or “this report”).

Unless otherwise defined in this report, the terms used in this report shall have the same meanings as those defined in the 2018 Annual Report of the Company. This report has been prepared in Chinese and English respectively. In case of discrepancy, the Chinese version shall prevail.



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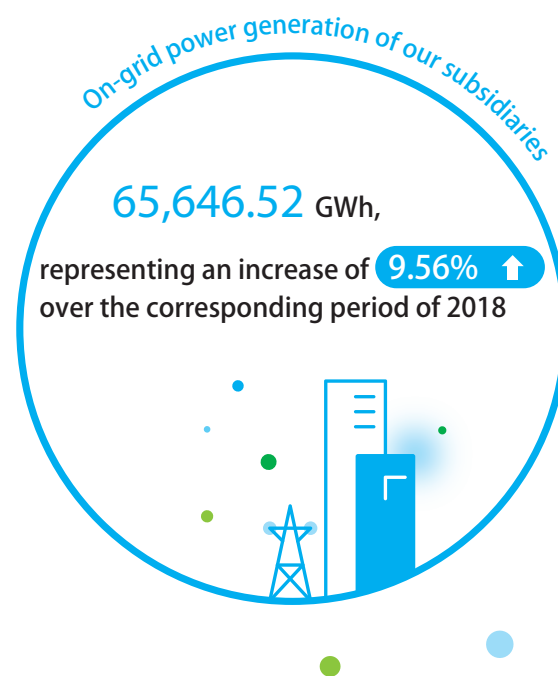
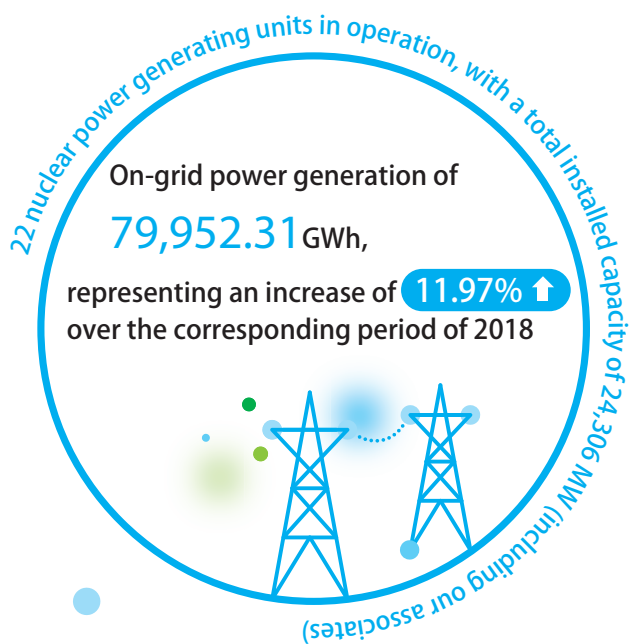
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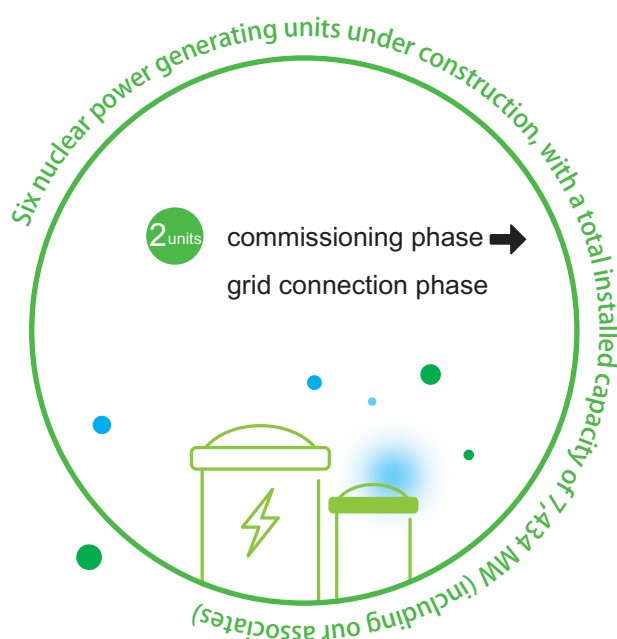
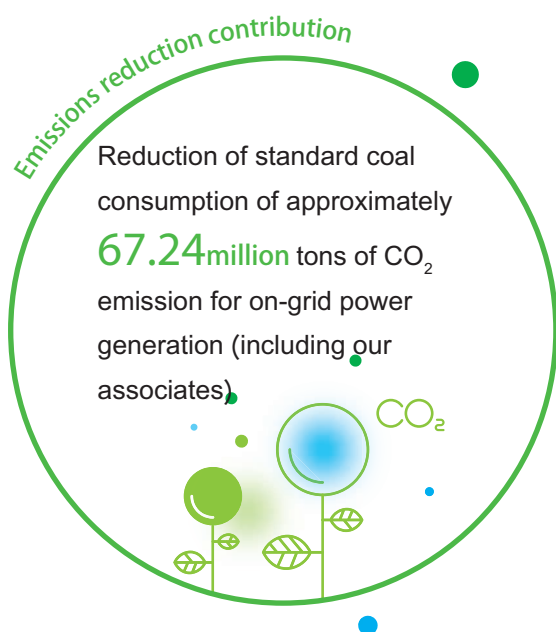
Summary of Interim Results

In the first half of 2019, the overall economy in the People's Republic of China (the "PRC") continued to operate within an appropriate range and remained stable, with continuing general stability and steady development progress. However, the increase in the scale of the PRC's installed power generation capacity was greater than the increase in electricity consumption in the PRC. The power supply and demand throughout the country was generally at ease. The pace of the national power system reform accelerated, and the share of electricity traded in each provincial market further expanded.

We adhere to our basic principle of "Safety First, Quality Foremost, Pursuit of Excellence", strive to commit safe and stable operation of all units in operation, ensure safe and orderly progression of all units under construction, and actively deal with the challenges and opportunities brought by changes in the external environment of the Company.

For the six months ended June 30, 2019





Operation results



Revenue

RMB **26,522.68** million, increase of **15.3%** ↑ over the corresponding period of 2018

Net profit attributable to shareholders of the parent company

RMB **5,022.58** million, increase of **10.0%** ↑ over the corresponding period of 2018 (restated)

Net profit attributable to shareholders of the parent company (excluding the effect of non-recurring gains or losses)

RMB **4,814.10** million, increase of **6.1%** ↑ over the corresponding period of 2018 (restated)

Note: For details of non-recurring profit and loss, please refer to the Supplementary Information of this report (Page 217).

Financial Highlights

Highlights of consolidated statement of profit or loss and other comprehensive income

	For the six months ended June 30,	
	2019	2018 Restated ¹
Operating revenue	26,522,681,415.95	23,010,404,277.65
Operating costs	14,830,818,161.70	12,594,829,709.46
Total profit	8,369,618,725.66	7,822,900,624.53
Net profit	7,425,559,314.79	7,022,824,387.05
Net profit attributable to shareholders of the parent company	5,022,584,904.83	4,566,356,980.23
Non-controlling interests	2,402,974,409.96	2,456,467,406.82

Highlights of consolidated statement of financial position

	At June 30, 2019	At December 31, 2018
Total current assets	51,685,405,110.54	55,387,916,293.85
Total non-current assets	318,062,861,491.96	313,167,754,066.43
Total assets	369,748,266,602.50	368,555,670,360.28
Total current liabilities	65,310,451,147.85	60,625,091,431.14
Total non-current liabilities	189,621,628,887.12	194,804,928,821.93
Total liabilities	254,932,080,034.97	255,430,020,253.07
Total equity attributable to shareholders of the parent company	72,926,354,057.57	71,114,915,512.70
Non-controlling interests	41,889,832,509.96	42,010,734,594.51
Total shareholders' equity	114,816,186,567.53	113,125,650,107.21
Total liabilities and shareholders' equity	369,748,266,602.50	368,555,670,360.28

1 In 2018, based on the practical experience, the Group continued to refine and improve the management on receivables, and revised the method of making bad debt provision for receivables in accordance with the relevant requirements under the China Accounting Standards for Business Enterprises ("CASBE") from a more cautious perspective with reference to the practices of A-share listed companies in the same industry while adopting the retrospective restatement method.

Shareholder Value

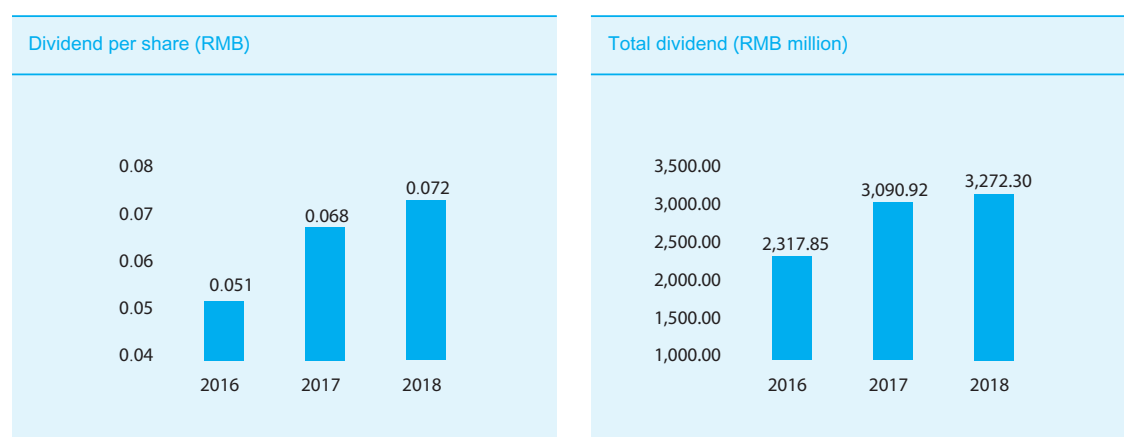
The Board, the management and employees of the Company are responsible for increasing the value for our shareholders. As such, the Company will continue to maintain stable operational development with steady growth, and we will take an active and transparent approach with integrity for maintaining a close communication with our shareholders and safeguard the shareholders' trust and confidence on the Company with rewards to them.

On June 30, 2019, CGN Power had 3,748 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 Hong Kong 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 RMB0.072 per share (tax inclusive) was declared to all shareholders of the Company, in respect of the year ended December 31, 2018, amounting to RMB3,272,296,962.43 (tax inclusive), which was approved by the shareholders at the 2019 first extraordinary general meeting convened on April 23, 2019. The Company has paid the dividend by May 31, 2019.

Pursuant to the Company's dividend distribution policy, payment of an interim dividend for the six months ended June 30, 2019 is not recommended.



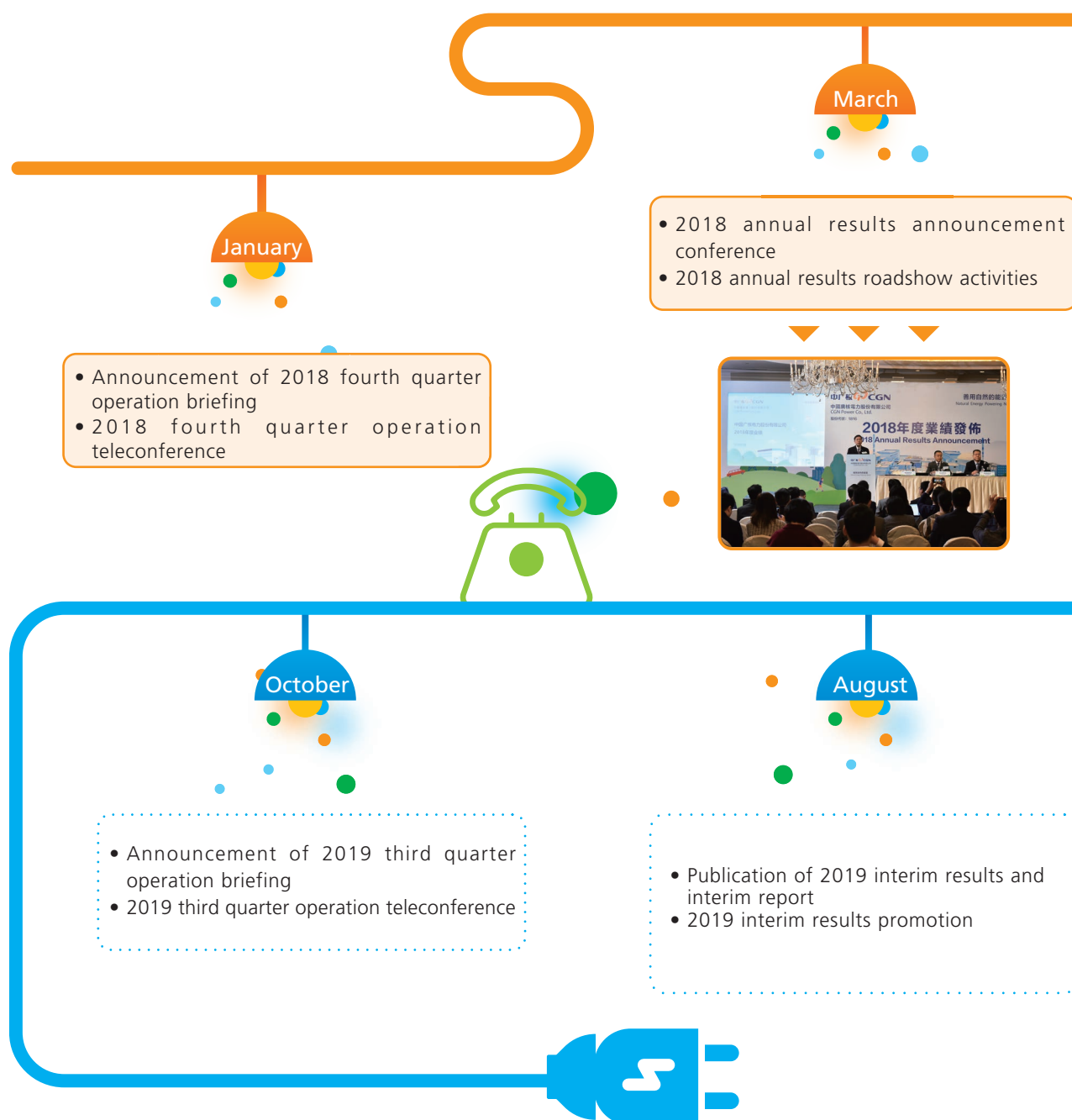
From 2016 to 2018, the Company achieved steady growth in dividend per share, with a compound annual growth rate of 18.82%.

When considering the dividend distribution ratio in the future, we will take into consideration the business performance of the Company for the year, the future development strategies of the Company and other factors, provided that it shall not be lower than 33% of the distributable net profits for the year. The Company intends to provide its shareholders with steady and growing dividend return by maintaining a reasonable increase in dividend per share for the two financial years of 2019 and 2020 based on the annual dividend per share for 2018 (subject to approval at the general meeting of the relevant financial year).

Shareholder Value

Communications with Shareholders and Investors for the First Half of 2019 and Shareholders' Diary of 2019

The Company maintained active communication with shareholders and investors through various channels such as general meeting, results roadshow, quarterly teleconference, reverse roadshow, investors hotline and mailbox.



Note: Any changes to the above dates will be announced on the website of the Company.



- Announcement of 2019 first quarter operation briefing
- 2019 first quarter operation teleconference
- First extraordinary general meeting of 2019, the first H share class meeting of 2019 and the first domestic share class meeting of 2019
- Publication of 2018 Annual Report and ESG Report



- 2018 AGM held in Hong Kong
- Distribution of 2018 final dividend



- Announcement of 2019 second quarter operation briefing
- 2019 second quarter operation teleconference

Finance, Assets and Investments

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

Financial Performance and Analysis

Key Financial Indicators

Item	For the six months ended June 30,	
	2019	2018 (Restated)
Indicators of profitability		
EBITDA margin (%) ⁽¹⁾	62.3	62.9
Net profit margin (%) ⁽²⁾	28.0	30.5
Indicators of investment returns		
Return on equity (excluding non-controlling interests) (%) ⁽³⁾	7.0	6.9
Return on total assets (%) ⁽⁴⁾	3.2	3.0
Indicators of solvency		
Interest coverage ⁽⁵⁾	2.4	2.2

Item	June 30,	December 31,
	2019	2018
Indicators of solvency		
Asset-liability ratio (%) ⁽⁶⁾	68.9	69.3
Debt to equity ratio (%) ⁽⁷⁾	183.3	183.5

Notes:

- (1) EBITDA margin = (total profit + interest expenses recognized in profit or loss + depreciation and amortization)/operating revenue * 100%
- (2) Net profit margin = net profit/operating revenue * 100%
- (3) Return on equity (excluding non-controlling interests) = net profit attributable to shareholders of the parent company/average equity attributable to shareholders of the parent company (the arithmetic mean of the opening and closing balances) * 100%
- (4) Return on total assets = (total profit + interest expenses recognized in profit or loss)/average total assets (the arithmetic mean of the opening and closing balances) * 100%
- (5) Interest coverage = (total profit + interest expenses recognized in profit or loss)/(interest expenses recognized in profit or loss + interest expenses capitalized)
- (6) Asset-liability ratio = total liabilities/total assets * 100%
- (7) Debt to equity ratio = net debt (the total amount of bank and other borrowings less cash and cash equivalents and other deposits over three months)/total shareholders' equity * 100%

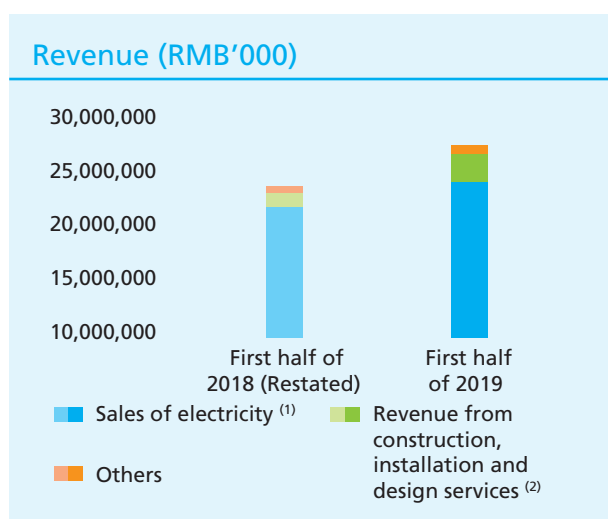
Financial Results Analysis

	For the six months ended June 30,			
	2019 RMB'000	2018 RMB'000 (Restated)	Fluctuations increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
Revenue from principal operations	26,433,432.33	22,940,222.59	3,493,209.74	15.2
Cost of principal operations	14,759,234.17	12,565,819.06	2,193,415.11	17.5
Finance costs ⁽¹⁾	3,616,099.42	2,858,016.80	758,082.62	26.5
Other gains ⁽²⁾	1,407,113.21	1,055,992.89	351,120.32	33.3
Investments income ⁽³⁾	639,744.28	342,029.05	297,715.23	87.0
Including: Income from investment in associates and joint ventures ⁽⁴⁾	471,868.92	342,408.33	129,460.59	37.8
Non-recurring gains or losses ⁽⁵⁾	253,588.67	36,512.47	217,076.20	594.5
Net profit attributable to shareholders of the parent company	5,022,584.90	4,566,356.98	456,227.92	10.0
Net profit attributable to shareholders of the parent company (excluding the effects of non-recurring gains or losses)	4,814,095.07	4,538,234.35	275,860.72	6.1

Finance, Assets and Investments

- (1) The increase in finance costs was primarily due to the fact that we ceased to capitalize interest expenses and included such expenses in finance costs as a result of the commencement of commercial operation of Yangjiang Unit 5 and Taishan Unit 1 in July 2018 and December 2018, respectively.
- (2) Other gains mainly comprise value-added tax refunds and other government grants.
- (3) The increase in investment income was primarily due to the gains of RMB143.1 million from the disposal of Shanghai Engineering Science & Technology Co., Ltd (上海中廣核工程科技有限公司) (“**Shanghai Company**”), being our subsidiary, by China Nuclear Power Engineering Co., Ltd. (中廣核工程有限公司) (“**CGN Engineering**”), and the increase in investment income from CGN Finance Co., Ltd. (中廣核財務有限責任公司), being our associate.
- (4) The increase in income from investments in associates and joint ventures was primarily due to the increase in investment income from CGN Finance Co., Ltd. (中廣核財務有限責任公司), being our associate.
- (5) The increase in non-recurring gains or losses was primarily due to the gains of RMB143.1 million from the disposal of Shanghai Company, being our subsidiary, by CGN Engineering, and the increase in government grants (excluding those closely related to the Company’s business and for fixed or quantitative purposes in accordance with national uniform standards) received in excess of RMB61.3 million in the corresponding period of previous year.

Revenue from Principal Operations



- (1) The increase in revenue from sales of electricity was primarily due to the commencement of commercial operation of Yangjiang Unit 5 and Taishan Unit 1 in July 2018 and December 2018, respectively.
- (2) The increase in revenue from construction, installation and design services was primarily due to the increase in the construction volume of Hongyanhe Units 5 and 6, Huizhou Nuclear Power Station and the 250MW wind power engineering, procurement and construction (“**EPC**”) project in Mengzi Laozhai, Honghe Prefecture, Yunnan Province of CGN Engineering.

Cost of Principal Operations

	For the six months ended June 30,			Percentage change increase/ (decrease) %
	2019 RMB'000	2018 RMB'000	Fluctuations increase/ (decrease) RMB'000	
Cost of sales of electricity	11,752,612.16	10,806,404.48	946,207.68	8.8
Of which: Cost of nuclear fuel ⁽¹⁾	3,572,453.54	3,390,015.39	182,438.15	5.4
Depreciation of fixed assets ⁽²⁾	4,073,987.70	3,326,807.81	747,179.89	22.5
Provision for spent fuel management ⁽³⁾	746,336.85	620,267.79	126,069.06	20.3
Construction, installation and design services ⁽⁴⁾	2,413,844.53	1,322,552.85	1,091,291.68	82.5
Other costs	592,777.48	436,861.73	155,915.75	35.7
Total cost of principal operations	14,759,234.17	12,565,819.06	2,193,415.11	17.5

- (1) The increase in cost of nuclear fuel was primarily due to the commencement of commercial operation of Yangjiang Unit 5 and Taishan Unit 1 in July 2018 and December 2018, respectively.
- (2) The increase in depreciation of fixed assets was primarily due to the commencement of commercial operation of Yangjiang Unit 5 and Taishan Unit 1 in July 2018 and December 2018, respectively.
- (3) The increase in provision for spent fuel management was primarily due to the commencement of provision and payment for spent fuel management as Yangjiang Unit 1 and Ningde Unit 2 commenced commercial operation for five years in March 2019 and May 2019, respectively.
- (4) The increase in cost of construction, installation and design services was primarily due to the increase in the construction volume of Hongyanhe Units 5 and 6, Huizhou Nuclear Power Station and the 250MW wind power EPC project in Mengzi Laozhai, Honghe Prefecture, Yunnan Province of CGN Engineering.

Finance, Assets and Investments

Financial Position

The major assets, inventories, receivables, payables and borrowings of the Company are shown in the table below. Details of the financial position are set out in the notes to the consolidated financial statements.

	June 30, 2019 RMB'000	December 31, 2018 RMB'000 (Restated)	Fluctuations increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
Bank and other borrowings ⁽¹⁾	223,715,710.98	222,716,755.82	998,955.16	0.4
Receivables ⁽²⁾	14,388,616.67	15,707,244.35	(1,318,627.68)	(8.4)
Payables ⁽³⁾	21,186,532.43	22,963,401.85	(1,776,869.42)	(7.7)
Inventories	20,940,762.02	21,372,255.36	(431,493.34)	(2.0)
Fixed assets and intangible assets ⁽⁴⁾	211,528,890.10	215,570,003.03	(4,041,112.93)	(1.9)

- (1) Bank and other borrowings comprise short-term loans, long-term loans, bonds payable, and long-term loans and bonds payable due within one year.
- (2) Receivables comprise bills receivable, accounts receivable, prepayments, contract assets and other receivables.
- (3) Payables comprise bills payable, accounts payable, receipts in advance, contract liabilities and other payables. The decrease in payables was primarily due to the decrease in bills payable, and the decrease in other accounts payable after the payment for spent fuel management.
- (4) The decrease in fixed assets and intangible assets was primarily due to the decrease in net fixed assets as a result of the provision of depreciation of fixed assets.

Cash Flow Analysis

In the first half of 2019, the Company's cash flow position was better than the corresponding period of previous year, in which the net inflow of cash from operating activities increased by RMB612.3 million as compared with the corresponding period of 2018, mainly because the income increased as compared with the corresponding period of 2018. The net outflow of cash from investment activities decreased by RMB320.5 million as compared with the corresponding period of 2018, mainly due to the increase of approximately RMB708.3 million in the cash received from the disposal of Shanghai Company, being our subsidiary. The net outflow of cash from financing activities increased by RMB7,039.0 million as compared with the corresponding period of 2018, mainly due to the decrease of RMB3,026.8 million in the amount of equity financing as compared with the corresponding period of 2018, and the increase of RMB3,272.3 million in cash outflow for dividend as compared with the corresponding period of previous year as the Company paid dividends in May in 2019 but paid dividends in July in 2018.



	For the six months ended June 30,			
	2019 RMB'000	2018 RMB'000	Fluctuations increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
Net cash flows from operating activities	14,819,994.23	14,207,679.28	612,314.95	4.3
Net cash flows from investment activities	(7,711,427.65)	(8,031,915.27)	320,487.62	(4.0)
Net cash flows from financing activities	(9,130,602.83)	(2,091,600.58)	(7,039,002.25)	336.5

Finance, Assets and Investments

Assets and Investments

The Group was mainly engaged in the investment in construction of nuclear power generating units, technical improvement in the NPPs in operation, and research and development of technologies relating to nuclear power for the six months ended June 30, 2019.

Investment in Fixed Assets

For the six months ended June 30, 2019, the Group's investment in fixed assets amounted to approximately RMB7,744.4 million, representing a decrease of RMB584.7 million or 7.0% from RMB8,329.1 million in the corresponding period in 2018.

Major Investments in Equity

For the six months ended June 30, 2019, the Group its capital investment in associates by RMB278.3 million, of which RMB240.6 million and RMB37.7 million were made to Liaoning Hongyanhe Nuclear Power Co., Ltd. (遼寧紅沿河核電有限公司) (“**Hongyanhe Nuclear**”) and CGN Industry Investment Fund Phase I Co., Ltd (中廣核一期產業投資基金有限公司), respectively.

Major Acquisition and Disposal

On January 4, 2019, CGN Engineering entered into the equity transfer agreement with CGNPC. Pursuant to the equity transfer agreement, CGN Engineering should sell 100% equity interests in Shanghai Company held by it to CGNPC at a consideration for the equity transfer of approximately RMB719.6 million. The formalities for the equity transfer were completed on January 31, 2019.

Saved for the above-mentioned matters, the Group had no other material acquisition or disposal for the six months ended June 30, 2019.

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, 2019, the Company had used RMB20,545.6 million of the net proceeds for the purposes as set out in the prospectus, representing 95.1% of the net proceeds from the offering.

Items	Movements RMB'000
Net proceeds from the listing	21,603,535
Less: Proceeds used	20,545,606
Among which: Acquisition of 60% equity interest in Taishan Nuclear Power Industry Investment Co., Ltd (台山核電產業投資有限公司) and 12.5% equity interest in Taishan Nuclear Power Joint Venture Co., Ltd. (台山核電合營有限公司) (“Taishan Nuclear”)	9,700,196
Capital expenditure for NPPs under construction	8,714,300
Research and development activities	797,710
Replenishment of working capital	1,333,400
Proceeds unused as at June 30, 2019	1,057,929

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, and are expected to be fully used within this year. As the Company has not carried out any overseas project, the proceeds intended to be used for overseas market exploration remain unused and will be arranged according to the Company's needs of business development.

Finance, Assets and Investments

External Financing Environment

In the first half of 2019, the global economic growth slowed down with increasing uncertainties and instability. The Eurozone economy faced risks from issues such as trade tensions, Brexit and the Italian deficit. The momentum of economic growth in the United States weakened. With the marginal decline in the effect of tax reduction and the intensified pressure on fiscal revenue and expenditure, investment and production are expected to decline. The PRC's gross domestic product (GDP) recorded a year-on-year growth of 6.3%. The economy sustained healthy and high-quality development in general. However, it was noted that the internal and external environment of the PRC's economic development were still complicated and severe with certain downward pressure. In the first half of 2019, interest rates in the domestic market were at low level, and the financing costs of the Company remained stable. The RMB exchange rate fluctuates in both directions, and exchange rate risks still need attention.

In the first half of 2019, the Company comprehensively strengthened the organization, coordination, support and risk monitoring of financing, making full use of internal and external financing channels, ensuring capital security and controlling financing costs. At the same time, we continuously monitored foreign currency debt exchange rate exposure and prevented the risk of exchange rate fluctuations.

Equity Financing

With reference to the Company's needs for business development, through equity financing, we consolidated the long-term capital of the Company. The overall capital structure of the Company was optimized according to changes in the external environment. The ability to resist the risk of fluctuations in the external economic and financial environment was consolidated and enhanced, which promoted the sustainable development of the Company's business. For those projects with high capital expenditure and good earnings forecasts, we will prudently consider the use of equity financing to balance the risks and to enhance shareholders' value.

We plan to conduct an initial public offering of RMB-denominated ordinary shares (the "A Share(s)") for no more than 10% of the total share capital of the Company in the PRC. The funds raised will be used for the construction of Yangjiang Units 5 and 6 and Fangchenggang Units 3 and 4 as well as replenishing the working capital of the Company taking into account the actual circumstances on fund-raising. Upon the approval from the Board and general meeting, we submitted application materials including the A Share offering prospectus to the China Securities Regulatory Commission ("CSRC") for the purpose of A Share offering, received a notice of acceptance in respect thereof issued by the CSRC on June 22, 2018, and received an approval on A Share offering from the CSRC on July 26, 2019. After completion of fund-raising, our financial strength will be effectively improved, the finance costs will be reduced appropriately and the financial support capacity for the development of nuclear power projects will be further enhanced. For details, please refer to the relevant announcements published by the Company in February, April and June 2018, and April, May, July and August 2019 and the relevant circulars published by the Company in March 2018 and March 2019.

Debt Financing

In the first half of 2019, we continued to improve diversified ways of financing, reasonable mix of currencies and term structure so as to provide stable and economical source of funding for the business development of the Company. As of June 30, 2019, the Group's total borrowings amounted to RMB223,715.7 million with major financing channels including bank borrowings (approximately 90.3%), bond financing (approximately 4.8%), entrusted loans and insurance debt, etc. We maintained a debt structure mainly comprising RMB-denominated and long-term debts, which not only satisfied our operational characteristics of focusing on nuclear power projects, but also effectively prevented liquidity risks and systematic exchange rate risks.

In the first half of 2019, the Company paid continuous attention to the changes in financial market, timely issued mid-term notes, facilitated the adjustments in bank borrowing interest rates, optimized the debt structure and financing costs, and strived to reduce the impact of changes in the financial environment on the Company's operations.

Debt Risk Management

In recent years, we proactively eliminated our exposure to risk on foreign exchange rate 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 reduced the impact of major risks in exchange rate. In the first half of 2019, the Company adhered to the established strategies and continued to adopt relevant measures to minimize the impact from the fluctuation in RMB exchange rates. As compared with the end of 2018, the Group's total bank borrowings denominated in foreign currencies slightly decreased at the end of the Reporting Period.

To manage liquidity risks, we monitored and maintained our cash and cash equivalents as well as the level of unutilized banking facilities. As of June 30, 2019, we had credits for unutilized general banking facilities of RMB136,621.6 million, credits for ultra-short-term financing notes being readily available for public offering of RMB1,000.0 million, credit for mid-term financing notes being readily available for public offering of RMB4,500.0 million and cash at bank and in hand of RMB13,670.4 million, for the provision of sufficient cash support for the operation of the Company and the reduction in the impact from cash flow fluctuation.

Credit Rating

In June 2019, China Chengxin International Credit Rating Co., Ltd. (中誠信國際信用評級有限責任公司) assessed the credit rating of the Company, and based on the reasons that "the Company's projects under construction are being put into operation and the operations of nuclear power generating units in operation are stable", 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 Investments

Contingencies

External Guarantees

The Group confirmed that, for the six months ended June 30, 2019, the Group had not provided any external guarantee.

Assets with Restricted Ownership

As at June 30, 2019, the Group's assets pledged to banks and related parties or with restricted ownership due to other reasons amounted to RMB18,842.8 million in carrying value, which secured loans for the Group. As at December 31, 2018, the carrying value of the Group's assets pledged to banks and related parties or with restricted ownership due to other reasons was RMB19,674.0 million.

As at June 30, 2019 and December 31, 2018, the electricity tariff collection rights of Ling'ao Nuclear Power Co., Ltd. (嶺澳核電有限公司), Lingdong Nuclear Power Co., Ltd. (嶺東核電有限公司), Yangjiang Nuclear Power Co., Ltd. (陽江核電有限公司) ("Yangjiang Nuclear"), Guangxi Fangchenggang Nuclear Power Co., Ltd. (廣西防城港核電有限公司) ("Fangchenggang Nuclear"), Fujian Ningde Nuclear Power Co., Ltd. (福建寧德核電有限公司) ("Ningde Nuclear") and Taishan Nuclear were pledged to secure the facilities and loans from banks and related parties to these entities.

Legal Proceedings

The Group confirmed that, for the six months ended June 30, 2019, 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 NPPs under construction according to its investment schedules, continue to fund the technological improvement in NPPs in operation to enhance operation, make continuous investment in the research, development and innovation of technologies, and fund the acquisitions of contingent assets in the second half of 2019. 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 with CGNPC, thereby laying a solid foundation for the Company's future development.

Business Performance and Outlook

Industry Overview



On February 18, 2019, the Central Committee of the Communist Party of the PRC and the State Council published the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (《粵港澳大灣區發展規劃綱要》), which mentioned the construction of a clean, low-carbon, safe and efficient energy supply system, including “safe and efficient development of nuclear power”. In February 2019, the China Electricity Council (the “CEC”) prepared and published the Mid-term Assessment and Optimization of the 13th Five-Year Plan for Electricity Development (《電力發展「十三五」規劃中期評估及優化》) based on the 13th Five-Year Plan for Electricity Development (《電力發展「十三五」規劃》) jointly published by the National Development and Reform Commission (the “NDRC”) and the National Energy Administration, making recommendations with respect to electric development optimization, including “In order to ensure power supply, the PRC, at the state level, should determine its development route of nuclear power as soon as possible and accelerate the construction of NPPs in coastal and inland areas”. On June 26, 2019, Liu Baohua, the deputy director of the National Energy Administration, pointed out at the International Symposium on Nuclear Energy Development and Public Communication that, nuclear power, as a clean, efficient and stable energy source, is an important means of ensuring energy security and reducing carbon emissions in order to cope with climate change. He also stated that, due to the current difficulties in energy transformation, development of nuclear power remained being an important choice for various countries. On July 25, 2019, the National Energy Administration convened a press conference to analyze the energy situation in the first half of the year and highlighted that the PRC’s clean and low-carbon energy transformation was further advanced and three nuclear power projects were newly approved in the first half of 2019. The approval of which indicated that the guidelines and the trend for the safe and efficient development of nuclear power in the country remained unchanged.

In the first half of 2019, the overall economy in the PRC continued to operate within an appropriate range and remained stable, with general stability and continuing steady development progress. According to the Briefings on the Operation of the Power Industry from January to June in 2019 (《2019年1-6月份電力工業運行簡況》) issued by the CEC, in the first half of 2019, the electricity consumption in the PRC increased by 5.0% over the corresponding period of previous year. Meanwhile, the PRC’s installed power generation capacity increased by 5.7% over the corresponding period of previous year. The national average utilization hours of power generating units was 1,834 hours, representing a year-on-year decrease of 24 hours. In our opinion, the balance between supply and demand of the power supply in the PRC remained loose in general.

On January 15, 2019, the National Energy Administration, in response to a reporter’s question in respect of the Action Plan on Clean Energy Consumption (2018-2020) (《清潔能源消納行動計劃(2018-2020年)》) (the “Action Plan”) promulgated in November 2018, emphasized that one of the targets of the Action Plan was the realization of nuclear power offtake under the condition of securing nuclear safety, while at the same time, the Action Plan also expressed that other types of clean energy such as hydropower also played a vital role in the overall deployment of national clean energy consumption. In the first half of 2019, since there was a relatively large amount of precipitation, nuclear power offtake was affected according to the grid arrangement.

Meanwhile, the pace of the national power system reform accelerated, and the share of electricity traded in each provincial market further expanded, gradually improving the power trading system. We actively communicated with local governments, power grids and other units to strive for more shares of planned on-grid power generation. At the same time, we closely monitored the industry and market dynamics, realizing an increase in on-grid power generation by ways of striving for more shares of planned on-grid power generation, developing incremental markets, and expanding cross-province electricity export quota, etc.

Business Performance and Outlook

Business performance and analysis

In the first half of 2019, we managed 22 nuclear power generating units in operation and six nuclear power generating units under construction. The operation of nuclear power generating units in operation managed by us were safe and stable, and the construction of the nuclear power generating units under construction progressed orderly. We hereby report primarily on the business performance of our nuclear power generating units in operation and under construction during the first half of 2019, and our work in respect of human resources and social responsibilities.

Safety management

Safety is crucial to any company. We always adhere to the concept of “Nuclear Safety is Paramount” and our basic principle of “Safety First, Quality Foremost, Pursuit of Excellence”, and apply them to various stages of the design, construction, operation and decommissioning of the NPPs. Based on our experience in nuclear power operation over the years, we have established a mature safety management system.

In May 2019, we initiated the safety management leadership conference for the fourth consecutive year. With a theme of “Safety Management Improvement”, we constantly strengthened the safety awareness of management at all levels through ways such as precautionary education and panel discussion. The Company launched series of activities such as “On-site Management”, “Observing Nuclear Safety from Compliance with Procedures” and “Formulating and Implementing Code of Conduct for Key Positions” so as to enhance the nuclear safety culture awareness among all employees based on a top-down approach. At the same time, we actively advocated, nurtured and disseminated the nuclear safety culture by organizing safe production month activity, safety management knowledge contests and other activities, to encourage participation and continuously enhance the nuclear safety culture among all employees.

By actively participating in international peer review to absorb external experience, we identified our own deficiencies and made improvements, so as to continuously enhance the Company’s safety management. At the invitation of us, the World Association of Nuclear Operators (the “WANO”) conducted a Corporate Peer Review (the “CPR”) on the Company in 2016. In May 2019, we accepted WANO’s CPR Follow-up Visit. As assessed and confirmed by the review experts, all Areas for Improvement proposed by the review team in 2016 have been improved, and the improvement results were highly recognized.

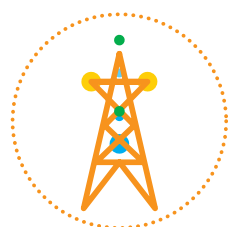
In the first half of 2019, according to the International Nuclear and Radiological Event Scale (《國際核事件分級表》) (the “INES”) set by the International Atomic Energy Agency, no nuclear incident at level 1^{note} or above occurred in NPPs we operated and managed in the first half of 2019, maintaining our all-time good safety record of no nuclear incident at level 2 or above.

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 “incident,” while Level 4 to Level 7 are termed to as “accidents.” Events below scale are deviations without safety significance.



Nuclear power generating units in operation

For the six months ended June 30, 2019, we had 22 nuclear power generating units in operation. The on-grid power generation figures (unit: GWh) of our NPPs are as follows:



On-grid power generation of subsidiaries increased by **9.56%**

Name of NPP	For the six months ended		Change rate for the same period (%)
	2019	2018	
From subsidiaries			
Daya Bay NPP	7,659.88	7,340.11	4.36
Ling'ao NPP	6,643.73	6,464.06	2.78
Lingdong NPP	7,245.91	8,352.30	-13.25
Ningde NPP	12,637.64	15,387.46	-17.87
Yangjiang NPP	18,620.89	14,384.24	29.45
Fangchenggang NPP	7,277.10	7,989.30	-8.91
		Under	
Taishan NPP ^{Note}	5,561.38	construction	N/A
Subsidiaries, total	65,646.52	59,917.46	9.56
From associates			
Hongyanhe NPP	14,305.79	11,487.65	24.53
Subsidiaries and associates, total	79,952.31	71,405.11	11.97

Note: Taishan Unit 1 commenced commercial operation on December 13, 2018.

In the first half of 2019, the Company actively promoted effective implementation of relevant national policies in various provinces, strengthened communications with local governments and local power grid enterprises, and actively strived for planned power and market power, developed incremental markets, and participated in cross-regional power transmission. With our efforts, the aggregated on-grid electricity generation of the Group and its associates increased by 11.97% in the first half of 2019 as compared with the corresponding period of 2018. For details of the sales of electricity, please refer to section headed "Sales of Electricity" in this report.

Operation Performance

Capacity factor, load factor and utilization hours are the three indicators adopted by us to evaluate the utilization of nuclear power generating units. They are mainly subject to the effects of refueling outages for the generating units. According to the arrangements of the annual outage plan, there are minor differences between the duration of refueling outages for different generating units, and refueling outages may be implemented over to the following year. For the same type of refueling outage for the same type of generating unit, there may be small differences between the duration of outages in different years. Meanwhile, load factor and utilization hours of nuclear power generating units are also influenced by temporary operation at reduced load of the generating units or shutdown of the generating units resulting from the demand and supply conditions in the electricity market.

Business Performance and Outlook

The details of the operation performance of generating units we operated and managed in the first half of 2019 are as follows:

	Capacity factor (%)		Load factor (%)		Utilization hours (hours)	
	For the six months ended		For the six months ended		For the six months ended	
	June 30,		June 30,		June 30,	
	2019	2018	2019	2018	2019	2018
Nuclear power generating unit						
<i>From subsidiaries</i>						
Daya Bay Unit 1 ¹	99.96	78.35	101.65	79.22	4,417	3,442
Daya Bay Unit 2 ²	84.60	99.45	85.85	100.63	3,730	4,372
Ling'ao Unit 1 ³	99.98	75.35	92.04	74.20	3,997	3,222
Ling'ao Unit 2 ⁴	74.05	84.06	69.48	83.18	3,017	3,612
Lingdong Unit 1 ⁵	99.99	99.97	89.87	98.02	3,901	4,254
Lingdong Unit 2 ⁶	78.73	96.66	73.79	90.23	3,203	3,916
Yangjiang Unit 1 ⁷	99.98	76.29	100.76	75.67	4,373	3,287
Yangjiang Unit 2 ⁸	80.38	99.99	74.10	100.30	3,259	4,357
Yangjiang Unit 3 ⁹	99.98	83.49	94.11	82.60	4,094	3,588
Yangjiang Unit 4 ¹⁰	99.97	65.70	75.92	65.63	3,311	2,851
Yangjiang Unit 5 ¹¹	81.87	Under construction	73.31	Under construction	3,216	Under construction
Fangchenggang Unit 1	99.56	99.20	94.34	90.56	4,098	3,934
Fangchenggang Unit 2 ¹²	84.17	99.97	70.30	89.85	3,054	3,903
Ningde Unit 1 ¹³	96.60	99.99	83.89	94.98	3,644	4,126
Ningde Unit 2 ¹⁴	99.99	80.13	67.65	78.41	2,939	3,406
Ningde Unit 3 ¹⁵	83.15	84.97	69.96	82.50	3,039	3,584
Ningde Unit 4 ¹⁶	81.71	99.99	66.72	90.60	2,898	3,936
Taishan Unit 1 ¹⁷	82.78	Under construction	78.14	Under construction	3,394	Under construction
<i>From associates</i>						
Hongyanhe Unit 1 ¹⁸	80.44	99.98	79.62	94.51	3,459	4,105
Hongyanhe Unit 2 ¹⁹	83.01	79.51	79.45	70.60	3,452	3,067
Hongyanhe Unit 3 ²⁰	85.05	82.21	82.17	44.16	3,570	1,918
Hongyanhe Unit 4 ²¹	99.62	99.95	72.32	44.73	3,142	1,943
<i>From subsidiaries and associates</i>						
Average	89.80	89.26	80.56	81.53	3,501	3,534

Notes:

1. Daya Bay Unit 1 did not conduct any refueling outage in the first half of 2019 and completed a refueling outage for the corresponding period of previous year.
2. Daya Bay Unit 2 completed a refueling outage in the first half of 2019 and did not conduct any refueling outage for the corresponding period of previous year.
3. Ling'ao Unit 1 did not conduct any refueling outage in the first half of 2019 and completed a refueling outage for the corresponding period of previous year.
4. Ling'ao Unit 2 completed a refueling outage in the first half of 2019, and the refueling outage duration and the time of temporary operation at reduced load or shutdown at the request of power grids was longer in the first half of 2019 as compared with the corresponding period of previous year.
5. Lingdong Unit 1 had a longer time of temporary operation at reduced load at the request of power grids in the first half of 2019 as compared with the corresponding period of previous year.
6. Lingdong Unit 2 completed a refueling outage in the first half of 2019 and did not conduct any refueling outage for the corresponding period of previous year.
7. Yangjiang Unit 1 did not conduct any refueling outage in the first half of 2019 and completed a refueling outage for the corresponding period of previous year.
8. Yangjiang Unit 2 completed a refueling outage in the first half of 2019 and did not conduct any refueling outage for the corresponding period of previous year, and the time of temporary operation at reduced load or shutdown at the request of power grids was longer in the first half of 2019 as compared with the corresponding period of previous year.
9. Yangjiang Unit 3 did not conduct any refueling outage in the first half of 2019 and completed a refueling outage for the corresponding period of previous year.
10. Yangjiang Unit 4 did not conduct any refueling outage in the first half of 2019. It completed the initial outage for the corresponding period of previous year and its duration was longer, being similar to that of a 10-year outage.
11. Yangjiang Unit 5 commenced commercial operation on July 12, 2018.
12. Fangchenggang Unit 2 completed a refueling outage in the first half of 2019 and did not conduct any refueling outage for the corresponding period of previous year, and the time of temporary operation at reduced load or shutdown at the request of power grids was longer in the first half of 2019 as compared with the corresponding period of previous year.
13. Ningde Unit 1, subject to the weather conditions and at the request of power grids, had a longer time of temporary operation at reduced load or shutdown as compared with the corresponding period of previous year.
14. Ningde Unit 2 did not conduct any refueling outage in the first half of 2019 and completed a refueling outage for the corresponding period of previous year. Subject to the weather conditions and at the request of power grids, it had a longer time of temporary operation at reduced load or shutdown as compared with the corresponding period of previous year.
15. Ningde Unit 3 completed a refueling outage in the first half of 2019 and refueling outage duration was longer as compared with the corresponding period of previous year. Subject to the weather conditions and at the request of power grids, it had a longer time of temporary operation at reduced load or shutdown as compared with the corresponding period of previous year.
16. Ningde Unit 4 completed a refueling outage in the first half of 2019 and did not conduct any refueling outage for the corresponding period of previous year. Subject to the weather conditions and at the request of power grids, it had a longer time of temporary operation at reduced load or shutdown as compared with the corresponding period of previous year.
17. Taishan Unit 1 commenced commercial operation on December 13, 2018, and completed a minor repair works in the first half of 2019.
18. Hongyanhe Unit 1 completed a refueling outage in the first half of 2019 and did not conduct any refueling outage for the corresponding period of previous year, and the time of temporary operation at reduced load or shutdown at the request of power grids was longer as compared with the corresponding period of previous year.
19. Hongyanhe Unit 2 completed a refueling outage in the first half of 2019. Refueling outage duration was longer in the first half of 2019 as compared with the corresponding period of previous year.
20. Hongyanhe Unit 3 completed a refueling outage in the first half of 2019. Refueling outage duration was shorter as compared with the corresponding period of previous year, and the time of temporary operation at reduced load or shutdown at the request of power grids was shorter as compared with the corresponding period of previous year.
21. Hongyanhe Unit 4, at the request of power grids, had a shorter time of temporary operation at reduced load or shutdown in the first half of 2019 as compared with the corresponding period of previous year.

Business Performance and Outlook

Based on the design of pressurised water reactor (the “PWR”) NPPs, the nuclear reactor of each unit in operation must be shut down and refuelled after a certain period of time. The refuelling intervals of our NPPs are generally 12 or 18 months.



Considering the economic factors and arrangements for related works, refueling outages intervals of nuclear power generating units are not fixed to 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 rationalize the refueling outage plans for generating units. As the needs for inspection and maintenance projects are different, the duration of each refueling outage is not identical. More inspection items are required for the initial and ten-year outages, resulting in a longer inspection period compared to that of regular refueling outages. According to the specific operating conditions of each generating unit, we continue to enhance and develop targeted refueling 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 effective control over the duration of each refueling outage on the premise of ensuring the quality of safety.

In the first half of 2019, we completed 11 refueling outages for 22 nuclear power generating units in operation, one of which was the refueling outage of Ningde Unit 1 carried out at the end of 2018. The total number of calendar days for refueling outages in the first half of 2019 was approximately 344 days.



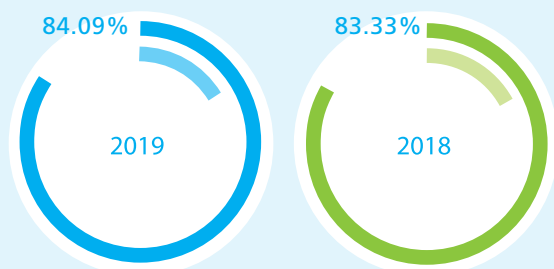
Business Performance and Outlook



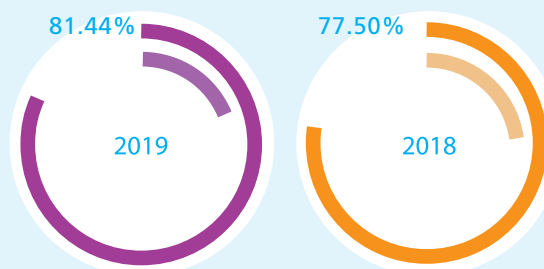
“Pursuit of Excellence” is one of the basic principles of the Company. In order to discover our inadequacies and make continuous improvements, we continue to implement benchmarking with international peers. When compared with the one-year benchmark value of the 12 performance indicators for the PWR set by the WANO, for our nuclear power generating units, the ratio of performance indicators achieving the world’s top 1/4 level and top 1/10 level remained at a high level. The following table indicates the comparison of our nuclear power generating units for the six months ended June 30, 2019 and the one-year benchmark value of the 12 performance indicators for the PWR set by WANO in 2018:

	For the six months ended June 30,	
	2019	2018
Number of units	22	20
Total number of indicators	264	240
Including:		
Number of indicators ranked top 1/4 level in the world	222	200
Number of indicators ranked top 1/10 level in the world	215	186

Percentage (%) of indicators ranked top 1/4 level in the world



Percentage (%) of indicators ranked top 1/10 level in the world



Environmental Performance

In the first half of 2019, the radioactive waste management of each nuclear power generating unit in operation operated and managed by us has strictly complied with the 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 NPPs for the periods indicated as a percentage of the national standards. The total amounts of radioactive discharge from our NPPs were far below the applicable national limits.

	For the six months ended June 30,											
	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		Taishan Nuclear Power Station		Hongyanhe Nuclear Power Station	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Discharged liquid radioactive waste (radionuclides other than tritium) as a percentage of the national standards	0.15%	0.20%	0.19%	0.18%	0.19%	0.17%	0.14%	0.16%	1.30%	Under construction	0.11%	0.12%
Discharged gas radioactive waste (inert gases) as a percentage of the national standards	0.22%	0.23%	0.17%	0.12%	0.15%	0.21%	0.14%	0.15%	0.70%	Under construction	0.07%	0.13%
Solid radioactive waste (cubic meters)	74.0	98.4	28	3.4	42.3	20.1	65.6	57.2	0	Under construction	64.4	108.8
Results of environmental monitoring	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	N/A	Normal	Normal

Nuclear power is a clean energy source that contributes to energy saving and emissions reduction in the society. In the first half of 2019, our on-grid nuclear power generation in effect represented a reduction of approximately 24.5214 million tons of standard coal consumption, approximately 67.2399 million tons of CO₂ emissions, with an equivalent effect of planting a forest of approximately 179,900 hectares.

Business Performance and Outlook

Nuclear Power Generating Units under Construction

The quality of NPPs under construction is important for the safe and efficient operations of NPPs requirements of relevant laws and regulations. We meticulously organize project construction in strict compliance with the requirements of relevant laws and regulations. For all the major construction milestones being required to pass the inspection of the national regulatory authority, we would enter into the next phase of work only after passing the inspection of the national regulatory authority which confirmed our full compliance with the requirements. We also attach importance to learning from experience feedbacks of domestic and foreign NPPs construction, and improving the safety and quality of our construction work.



As of June 30, 2019, among our six nuclear power generating units that were under construction, two were in the grid connection phase^{Note}, three units were in the equipment installation phase and one unit was in the civil construction phase.

Note: Yangjiang Unit 6 was qualified for commercial operation on July 24, 2019.

We control, supervise and manage safety, quality, progress, investment, technology and environment of our construction projects, so as to ensure that the projects under construction comply with various regulatory requirements and facilitate safe, stable and economical operation of the units after commencement of commercial operation.



Grid
connection
as
scheduled

Nuclear Power Generating Units	Civil Construction Phase ¹	Equipment Installation Phase ²	Commissioning Phase ³	Grid Connection Phase ⁴	Estimated Time of Commencement of Operation
<i>From subsidiaries</i>					
Yangjiang Unit 6				√	July 24, 2019
Taishan Unit 2				Entered into grid connection phase on June 23, 2019	2019
Fangchenggang Unit 3		√			2022
Fangchenggang Unit 4	√				2022
<i>From associates</i>					
Hongyanhe Unit 5		√			Second half of 2020
Hongyanhe Unit 6		√			2021

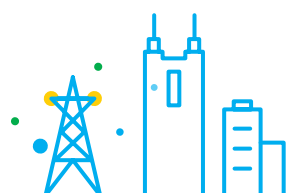
Notes:

- 1 "Civil construction" phase refers to the process from the First Concrete Day ("FCD") to the proper roof installation of the main plant of the nuclear reactor.
- 2 "Equipment installation" phase refers to the process from the installation of nuclear island equipment upon the roof installation of the main plant of the nuclear reactor to the nuclear island main system meeting the conditions to conduct cold function tests.
- 3 "Equipment commissioning" phase refers to the process of conducting cold function tests for nuclear island main system and commencing joint commissioning for the power plant.
- 4 "Grid connection" phase refers to the commissioning of generators upon the first grid connection with the power grid, demonstrating that the power generating units are capable for power generation.

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

Sales of Electricity

The supply and demand for electricity in the PRC was generally at ease in the first half of 2019. As the economic development condition of each province differed, the supply and demand for electricity in some provinces where our nuclear power generating units are located varied. In light of the complex power market situation, the Company adopted the power sales strategy of “striving for more shares of planned on-grid power generation, striving for better market power generation and power tariff, striving for development and utilization of incremental market and striving for more shares in power transmission across provinces and regions” in the first half of 2019, taking positive steps to address the impact of increase in precipitation and other factors. By implementing these strategies, the power generation plan of the Company for the first half of the year was basically completed, the overall economic benefits of the Company were guaranteed.



Guangdong province

In the first half of 2019, the electricity consumption of Guangdong province increased by **3.31%** over the corresponding period of previous year. The Company's nuclear power generating units in Guangdong province continued to participate in electricity market in the “full capacity power generation with favourable tariff” model in 2019, recording a year-on-year increase of **25.15%** in on-grid power generation.



Fujian province

In the first half of 2019, the electricity consumption of Fujian province increased by **1.19%** over the corresponding period of previous year. In the first half of 2019, under the influence of climate conditions and as requested by power grids, Ningde Nuclear recorded a year-on-year increase in the duration of reduced load, and a year-on-year decrease of **17.87%** in on-grid power generation.

Business Performance and Outlook



Guangxi Zhuang Autonomous Region

In the first half of 2019, the electricity consumption of Guangxi Zhuang Autonomous Region increased by **10.90%** over the corresponding period of previous year. In the first half of 2019, Fangchenggang Nuclear actively developed the incremental market, and obtained market-based power generation targets that surpassed the corresponding period of previous year. At the same time, under the influence of climate conditions and as requested by power grids, the duration of reduced load increased over the corresponding period of previous year, and a year-on-year decrease of **8.91%** was recorded in on-grid power generation.



Liaoning province

In the first half of 2019, the electricity consumption of Liaoning province increased by **4.92%** over the corresponding period of previous year. With proactive market expansion, Hongyanhe Nuclear entered into larger transactions within the province, and recorded a year-on-year increase in the trading volume of bilateral trades in the province and a year-on-year increase of **24.53%** in the on-grid power generation.

In the first half of 2019, our nuclear power generating units in operation achieved an on-grid power generation of 79,952.31 GWh, representing a year-on-year increase of 11.97%. Excluding Guangdong province, market-based power generation volume of nuclear power generating units accounted for approximately 57.62% of the total on-grid power generation. Taking into consideration the model adopted by the nuclear power generating units in Guangdong province, being “full capacity power generation with favourable tariff”, the market-based power generation volume of our 22 nuclear power units in operation accounted for approximately 33.24% of the total on-grid power generation.

While striving to increase on-grid power generation, we also paid close attention to the on-grid tariffs of operating units. On March 20, 2019, the trial on-grid tariffs for the first batch of third-generation nuclear power projects were approved by the NDRC, including the following: (i) the trial on-grid tariffs under the planned power generation of Taishan Unit 1 and Unit 2 shall be at RMB0.4350/kWh (tax inclusive) and shall take effect from the date of commencement of commercial operation to the end of 2021; and (ii) on the basis of ensuring safety, the power generation plan in the relevant provinces shall be arranged in accordance with the principle of full capacity. Power generation within the utilization hours in the project design shall be executed in accordance with the government tariffs while power generation beyond the utilization hours shall be executed in accordance with the market tariffs. For details, please refer to the announcement of the Company dated March 28, 2019.

The NDRC issued the Notice on Lowering General Industrial and Commercial Electricity Prices (《關於降低一般工商業電價的通知》) on May 15, 2019. Pursuant to the above-mentioned notice, the nuclear power on-grid tariffs approved by the NDRC (except for the third-generation nuclear power units) were be adjusted by the provincial pricing authorities after considering the factors that the VAT rate is reduced and became effective from July 1, 2019. Therefore, this adjustment will not affect Taishan Units 1 and 2 of the Group. For details, please refer to the announcement of the Company dated May 24, 2019. As of June 30, 2019, the provinces where our nuclear power generating units in operation are located adjusted their nuclear power tax inclusive on-grid tariff, which became effective from July 1, 2019. The table below shows the adjusted on-grid tariff (including VAT) of nuclear power generation units in operation under the power sales plan.

Nuclear Power Generating Units	Clients	On-grid Tariffs (VAT included) (RMB/kWh)
Daya Bay Unit 1	Guangdong Power Grid Co., Ltd.	0.4056
Daya Bay Unit 2	Guangdong Power Grid Co., Ltd.	0.4056
Ling'ao Unit 1	Guangdong Power Grid Co., Ltd.	0.4143
Ling'ao Unit 2	Guangdong Power Grid Co., Ltd.	0.4143
Lingdong Unit 1	Guangdong Power Grid Co., Ltd.	0.4153
Lingdong Unit 2	Guangdong Power Grid Co., Ltd.	0.4153
Yangjiang Unit 1	Guangdong Power Grid Co., Ltd.	0.4153
Yangjiang Unit 2	Guangdong Power Grid Co., Ltd.	0.4153
Yangjiang Unit 3	Guangdong Power Grid Co., Ltd.	0.4153
Yangjiang Unit 4	Guangdong Power Grid Co., Ltd.	0.4153
Yangjiang Unit 5	Guangdong Power Grid Co., Ltd.	0.4153
Fangchenggang Unit 1	Guangxi Power Grid Co., Ltd.	0.4063
Fangchenggang Unit 2	Guangxi Power Grid Co., Ltd.	0.4063
Ningde Unit 1	Fujian Electric Power Co., Ltd.	0.4153
Ningde Unit 2	Fujian Electric Power Co., Ltd.	0.4153
Ningde Unit 3	Fujian Electric Power Co., Ltd.	0.3916
Ningde Unit 4	Fujian Electric Power Co., Ltd.	0.3590
Taishan Unit 1	Guangdong Power Grid Co., Ltd.	0.4350
Hongyanhe Unit 1	Liaoning Electric Power Co., Ltd.	0.3823
Hongyanhe Unit 2	Liaoning Electric Power Co., Ltd.	0.3823
Hongyanhe Unit 3	Liaoning Electric Power Co., Ltd.	0.3823
Hongyanhe Unit 4	Liaoning Electric Power Co., Ltd.	0.3823

Note: Yangjiang Unit 6 was qualified for commercial operation on July 24, 2019. The tax inclusive on-grid tariff of Yangjiang Unit 6 is the same as that of other units at Yangjiang Nuclear.

Business Performance and Outlook

Human resources

According to the human resources plan of the Company, as of June 30, 2019, we had a total of 18,430 employees (excluding our associates and joint ventures).

We pay close attention to the occupational health of our employees who carry out in the work in our NPPs, 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 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 NPPs 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 2019 and that of 2018 at NPPs operated and managed by us:

NPP/Unit	For the six months ended	
	June 30,	
	2019	2018
Daya Bay NPP	4.21	4.85
Ling'ao NPP	5.74	10.26
Lingdong NPP	5.81	0.96
Yangjiang NPP Units 1, 2, 3, 4 and 5	7.58	7.96
Fangchenggang NPP Units 1 and 2	3.98	0.38
Ningde NPP	6.73	4.34
Taishan NPP Unit 1	1.01	N/A
Hongyanhe NPP Units 1, 2, 3 and 4	7.36	5.18

Note: The changes in data are primarily due to the differences in outage schedules and maintenance projects during the Reporting Period.

Social Responsibilities

We constantly explore and improve our transparent communication mechanism and develop innovative communication means of communication. We strive to build interactive relationship with mutual - trust with various sectors of the society and with the public, and support sustainable development of surrounding communities with our abilities.

Proactive Disclosure of Information

Each of the nuclear power bases managed by us has established its public information platform on nuclear and radiation safety. The information made available to the public includes regular operating data, such as capacity factor, radiation protection, industrial safety, level 1 fire risk incidents, three wastes control and monitoring of the environment, and operational incidents. Any operational incident above level 1 occurring at a nuclear power generating unit in operation must be published on such public information platform within two working days.

Each of the nuclear power bases managed by us has established its own websites and social media platforms such as the official WeChat account for delivering the operational information of various nuclear power bases proactively. The Company arranges regular press conferences, interviews and site visits by invitation, theme activities and distribution of publications to provide NPPs' related information to the main industry regulatory departments and the media, and takes public inquiries through hotlines, facsimile and e-mail. In the first half of 2019, the Company and our NPPs convened nine press conferences.



Business Performance and Outlook

Transparent Public Communication

We adhere to transparent communication, and constantly explore the open and transparent communication mechanisms. We actively promote nuclear power knowledge in cities, schools and communities to help the public to understand all aspects of nuclear power in order to enhance the public confidence in nuclear power.



In April 2019, Ningde Nuclear launched a public communication campaign themed as “Walking with the Charm of Tea”, inviting the public, online celebrities and media representatives to visit the Ningde Nuclear Power Base and experience the fun of picking white tea leaves and making tea with their own hands in the nuclear tea garden. Through the activities, all parties fully experienced the harmonious coexistence of the nuclear power base and the surrounding environment.

In May 2019, a 20-member delegation consisting of well-known Weibo key opinion leaders, famous science fiction writers, environmental organizations and public representatives experienced and carried out a comprehensive in-depth study on the biodiversity of Daya Bay Nuclear Power Base and surrounding waters. All parties engaging in the event were impressed by the biodiversity conservation results at the Daya Bay Nuclear Power Base, who further expressed their recognition of the concept of ecological nuclear power.



In June 2019, more than 20 teachers and students from the School of Resources, Environment and Materials of Guangxi University were invited to Fangchenggang Nuclear Power Base to learn and experience the environmental protection work of NPPs through lectures, laboratory visits and hands-on exercises. The event closely integrated environmental protection with nuclear power knowledge promotion, which enhanced the understanding of nuclear power among university teachers and students and deepened the recognition on nuclear power in the society.

Win-win Community Development

We uphold the vision of “boosting the economy and benefiting the people there in which we conduct a construction project”. We actively promote community development and at the same time, we achieve our corporate development plan by building a harmonic relationship with the surroundings. We actively respond to the national policy of targeted poverty alleviation, using our own advantages to help designated counties and villages to develop the characteristic industries to improve the lives of local residents, aiming at helping the villagers to alleviate poverty and set out on a road to prosperity.



In the first half of 2019, Yangjiang Nuclear actively responded to the call of Guangdong province to revitalize villages (崆峒村), and provided strong support on the construction of Kongtong Village. By helping Kongtong Village (崆峒村) to upgrade and renovate the main roads in the village, and solving the living difficulties of poor households in respect of medical care, education and housing, the villagers could get rid of poverty and become better off.

In January 2019, the seven party branches of the Hongyanhe Nuclear visited the seven villages built by the counterparts of Hongyanhe Town and extended our new year blessings to villagers. Hongyanhe Nuclear organized young volunteers to visit poor families and offered gifts to them to help them with the preparation for the Spring Festival.



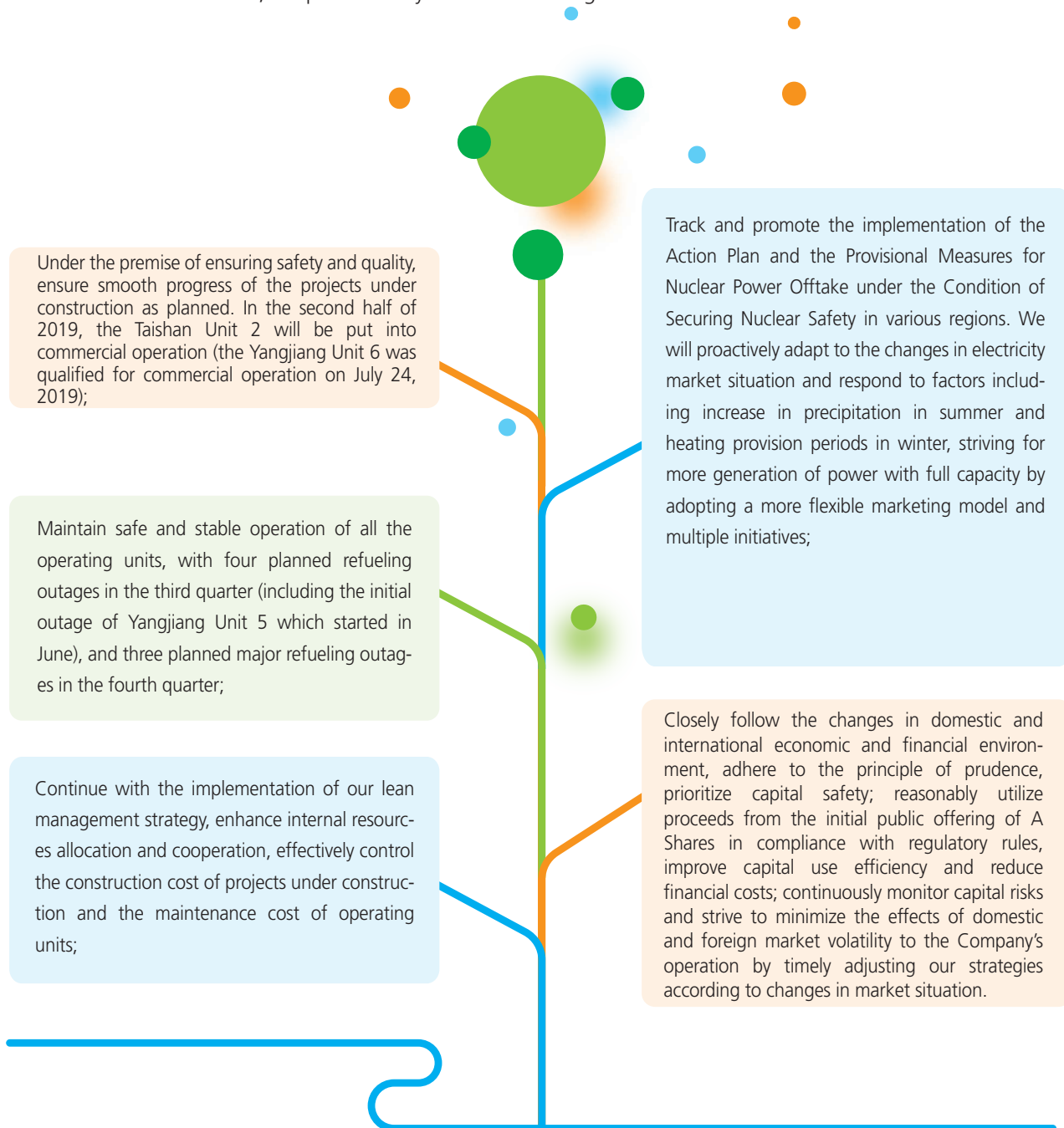
In May 2019, 15 “Egret Class” volunteers from the CGN Engineering went to Lingyun County Second Secondary School (凌雲縣第二中學), the targeted poverty alleviation unit, to carry out the “Egret Flying, Hualong Escort” one-on-one student caring activity with the “Special Minority Egret Class”

Business Performance and Outlook

Outlook for the Second Half of the Year

In the first half of 2019, the Company basically completed its power plan for the first half of the year through active communications with local governments and power grid enterprises. In the second half of 2019, we will maintain safe and stable operation of all the generating units in operation, ensure smooth progress of the generating units under construction, formulate power generating strategy, seize market opportunities, strive to increase on-grid power generation and guarantee overall economic benefits.

In the second half of 2019, we plan to carry out the following initiatives:



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 approved and adopted the Corporate Governance Code of CGN Power Co., Ltd. (First Edition) (the “**Corporate Governance Code of the Company**”) on November 18, 2014. Pursuant to the latest revision of the Stock Exchange Codes and the Procedural Rules of Board of Directors of the Company, the Board approved the revision of the Corporate Governance Code of the Company on January 6, 2016. On November 14, 2018, the Board approved the second revision of the Corporate Governance Code of the Company, which mainly considered and reflected the proposed revision requirements of the Stock Exchange Codes, primarily including the assessment on the independence of independent Directors and their discloseable information. Following such revisions, the Corporate Governance Code of the Company 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 one of the recommended best practices proposed in the Stock Exchange Codes (namely a listed company should announce and publish quarterly results report). For the term 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 PRC’s bond market, and published overseas regulatory announcements on the website of the Hong Kong Stock Exchange simultaneously to disclose the quarterly financial conditions based on the PRC Accounting Standards.

During the Reporting Period, the Company held one annual general meeting, one extraordinary general meeting, one H share class meeting, one domestic share class meeting, three regular Board meetings, two extraordinary Board meetings and three meetings of the supervisory committee.

On April 23, 2019, the Company held the first extraordinary general meeting of 2019, the first H share class meeting of 2019 and the first domestic share class meeting of 2019 in Hong Kong. Resolutions relating to the extension of validity period of the plan for the A Share offering and the profit distribution plan for 2018 were considered and approved at the meetings, and we responded to questions on the A Share offering and profit distribution concerned by the shareholders.

The 2018 annual general meeting was held on May 29, 2019 in Hong Kong. The Board presented the Company’s 2018 operation results and, operation results for the first quarter of 2019 and prospects to all shareholders attended the meeting and responded to questions on issues concerned by shareholders.

Corporate Governance



Compliance with Domestic Regulatory Requirements

For the six months ended June 30, 2019, the corporate governance practices of the Company were in compliance with the laws and regulations of the PRC, the relevant regulatory requirements of CSRC and the Hong Kong 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 was no amendment to documents of governance of the Company including the articles of association of the Company.

Changes in Directors, Supervisors and Senior Management

As of June 30, 2019, the list of names of the board, supervisory committee and senior management of the Company are as follows:

The Board

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	Employee representative
Mr. Chen Sui (Chairman)	Ms. Zhu Hui
Mr. Yang Lanhe	Mr. Wang Hongxin
Mr. Chen Rongzhen	

Senior management

President	Vice president	Chief financial officer	Board secretary
Mr. Gao Ligang	Mr. Su Shengbing	Mr. Yin Engang	Mr. Jiang Dajin
	Mr. Jiang Dajin		
	Mr. Chen Yingjian		

Corporate Governance

Due to changes in work commitments, Mr. Cai Zihua resigned as the employee representative supervisor of the second session of the supervisory committee of the Company, and Ms. Zhu Hui was elected to be the employee representative supervisor of the second session of the supervisory committee of the Company at the employee representative meeting, with effect from March 8, 2019.

Ms. Zhu Hui, born in 1971, was appointed as an employee representative supervisor of the Company in March 2019. She has a master degree and is a senior accountant. Ms. Zhu has more than 20 years of experience in financial management. She served as the deputy director (presiding over the work) and director of the finance department of CNPRI from June 2007 to December 2009, as accounting management senior manager of the finance department of CGNPC from December 2009 to August 2011, as deputy director of financial sharing center (presiding over the work) of CGNPC from August 2011 to May 2014, as deputy director (presiding over the work) and director of financial sharing center of the Company from May 2014 to August 2018. She has been the director of the audit department of the Company since August 2018. She has been a supervisor of CGNPC Uranium Resources Co., Ltd. and a supervisor of CGN Capital Holdings Co., Ltd (中廣核資本控股有限公司) since October 2018.

Save as disclosed above, the Company has had no change of personnel situation regarding the directors (“**Directors**”), supervisors (“**Supervisors**”) and senior management of the Company as of the date of this report. Meanwhile, the 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. The above changes of the personal information of the employee representative Supervisor have been updated on the website of the Company.

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

The Company has formulated and adopted the Code for Securities Transactions by Directors and Specified Individuals, the provisions of which are no less stringent than the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules. After making specific enquiries, all the Directors, Supervisors and senior management of the Company have confirmed that they have complied with the two codes mentioned above 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, 2019, the general issues discovered in the internal control evaluation and internal audit of the Company for 2018 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 2019. 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 120 to 123 of the 2018 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 the date of this report, the Audit and Risk Management Committee 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 15, 2019, the Audit and Risk Management Committee reviewed and confirmed the interim results announcement for the six months ended June 30, 2019 of the Group, 2019 Interim Report and the unaudited interim financial statements for the six months ended June 30, 2019 prepared in accordance with the Accounting Standards for Business Enterprises No. 32 - Interim Financial Report promulgated by the Ministry of Finance of the PRC.

Corporate Governance

Changes in Remuneration

The remuneration policy and system of the Company did not change as compared with that of previous year. As of June 30, 2019, 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 2018. In the 2018 annual general meeting of the Company convened on May 29, 2019, the resolutions on the Directors' and Supervisors' remuneration in 2019 were approved. The resolution on the remuneration of the Company's senior management in 2019 was approved at the tenth meeting of the second session of the Board on March 12, 2019.

For the six months ended June 30, 2019, the aggregate remuneration of the Directors, Supervisors and senior management of the Company is as follows:

	Salaries, other allowances and discretionary bonus	Pension scheme* contribution	Total	
	Fees RMB'000	RMB'000	RMB'000	RMB'000
Directors	800	253	44.7	1,097.7
Supervisors	150	2,590	75.5	2,815.5
Senior management	—	10,072	169	10,241

* 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, 2019, remuneration of Directors, Supervisors and senior management of the Company in aggregate amounted to RMB14.15 million and the total staff costs amounted to RMB178.83 million (excluding associates).

Share Capital

As of June 30, 2019, 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, 2019.

Interests

Interest of Directors, Supervisors and chief executive officer

As recorded in the register required by Section 352 of Part XV of the Hong Kong Securities and Futures Ordinance, 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, 2019.

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

Pursuant to Divisions 2 and 3 of Part XV of the Hong Kong Securities and Futures Ordinance, 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, 2019 are set out in the table below.

Corporate Governance

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, 2019 as follows:

Shareholders	Capacity as holder of shares	Number and class of the shares of the Company held	Approximate	Approximate
			% of the relevant share classes	% 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 Holding Co., Ltd. (廣東恒健投資控股有限公司)	Beneficial owner/ interest of controlled corporation	3,428,512,500 domestic shares	10.00%	7.54%
National Council for Social Security Fund	Beneficial owner	1,014,875,000 H shares	9.09%	2.23%
BlackRock, Inc.	Interest of controlled corporation	682,145,611 H shares ⁽¹⁾	6.11%	1.50%
Citigroup Inc.	Interest of controlled corporation/ person having a security interest in shares/approved lending agent	657,862,872 H shares ⁽²⁾	5.89%	1.45%

(1) Among which 6,736,000 H shares were held through equity derivatives.

(2) Among which 21,187,000 H shares were held through equity derivatives.

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

The Company has been notified by the following shareholders of the short positions in the shares of the Company as of June 30, 2019 as follows:

Shareholders	Capacity as holder of shares	Number and class of the shares of the Company held	Approximate	Approximate
			% of the relevant share classes	% of the issued shares of the Company
BlackRock, Inc.	Interest of controlled corporation	109,970,000 H shares ⁽¹⁾	0.99%	0.24%
Citigroup Inc.	Interest of controlled corporation	26,891,122 H shares ⁽²⁾	0.24%	0.06%

(1) Among which 33,773,000 H shares were held through equity derivatives.

(2) Among which 1,525,000 H shares were held through equity derivatives.

Interests of Other Persons

As of June 30, 2019, 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 Hong Kong Securities and Futures Ordinance.

Events after the Reporting Period

The CSRC notified the Company officially in writing on July 26, 2019 and announced on the same day that the A Share offering of the Company has been approved. The number of shares to be issued in respect of the A Share offering with a valid period of 12 months from the date of approval will be no more than 5,049,861,100 A Shares. For details, please refer to the relevant announcements of the Company dated July and August 2019.

The Company will complete the A Share offering at an issue price of RMB2.49 per share by August 2019.

Report Review

De Shi Bao (Yue) Zi (19) No. R00043

To the Shareholders of 中國廣核電力股份有限公司CGN Power Co., Ltd.:

We have reviewed the accompanying financial statements of 中國廣核電力股份有限公司CGN Power Co., Ltd., which comprise the consolidated statement of financial position and the statement of financial position of the parent company as at June 30, 2019, and the consolidated statement of profit or loss and other comprehensive income and the statement of profit or loss and other comprehensive income of the parent company, the consolidated cash flow statement and the cash flow statement of the parent company, and the consolidated statement of changes in shareholders' equity and statement of changes in shareholders' equity of the parent company for the period from January 1 to June 30, 2019, as well as the notes to the financial statements. The management of CGN Power Co., Ltd. are responsible for the preparation of these financial statements. Our responsibility is to issue a review report on these financial statements based on our review.

We conducted our review in accordance with Review Standard for Chinese Certified Public Accountants No. 2101-Review of Financial Statements. The standard requires us to plan and conduct a review to obtain limited assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of entity's relevant personnel and performing analytical procedures on the financial data. A review provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared in accordance with the Accounting Standards for Business Enterprises, or cannot, in all material respects, give a fair presentation on CGN Power Co., Ltd.'s consolidated financial position and the financial position of the parent company as at June 30, 2019, or the consolidated results of operation and cash flows and the results of operations and cash flows of the parent company for the period from January 1 to June 30, 2019.

Deloitte Touche Tohmatsu Certified
Public Accountants LLP
Shanghai, China

Chinese Certified Public Accountants
(The engagement partner)
Yang Yumin

Chinese Certified Public Accountants
Zhang Yehua

August 21, 2019

Consolidated Statement of Financial Position

As at June 30, 2019

Unit: RMB

Item	NOTES	June 30, 2019	December 31, 2018 (Restated)
Assets			
Current assets:			
Cash at bank and in hand	(V)1	13,670,370,469.20	15,596,386,387.95
Derivative financial assets	(V)2	1,318,236.38	4,753,642.10
Bills receivable	(V)3	2,694,869.00	18,433,532.76
Accounts receivable	(V)4	5,082,765,847.99	6,630,947,443.89
Prepayments	(V)5	5,753,020,456.96	5,128,948,753.87
Other receivables	(V)6	167,019,637.53	519,127,589.11
Inventories	(V)7	20,940,762,023.59	21,372,255,356.38
Contract assets	(V)8	3,383,115,862.57	3,409,787,026.47
Non-current assets due within one year	(V)9	2,919,623.30	3,659,033.86
Other current assets	(V)10	2,681,418,084.02	2,703,617,527.46
Total current assets		51,685,405,110.54	55,387,916,293.85
Non-current assets:			
Long-term equity investments	(V)11	10,919,997,059.52	10,203,023,176.92
Other investment in equity instruments	(V)12	453,512,600.00	422,689,500.00
Other non-current financial assets	(V)13	452,701.09	812,257.18
Investment properties	(V)14	196,819,032.78	210,346,041.36
Fixed assets	(V)15	206,807,815,748.62	210,850,206,582.15
Construction in progress	(V)16	81,675,235,327.55	74,624,722,113.05
Right-of-use assets	(V)17	1,125,347,607.48	
Intangible assets	(V)18	4,721,074,352.71	4,719,796,447.25
Development costs	(V)19	2,130,647,159.52	1,962,455,756.90
Goodwill	(V)20	419,242,673.32	419,242,673.32
Long-term deferred expenses	(V)21	1,655,795,332.24	1,734,658,492.05
Deferred tax assets	(V)22	1,802,814,660.73	1,774,868,398.17
Other non-current assets	(V)23	6,154,107,236.40	6,244,932,628.08
Total non-current assets		318,062,861,491.96	313,167,754,066.43
Total assets		369,748,266,602.50	368,555,670,360.28

The notes form an integral part of these financial statements.

The financial statements from p. 45 to 218 were signed by the following responsible persons:

Zhang Shanming
Legal Representative
(Director)

Gao Ligang
Director

Yin Engang
Chief Financial Officer

Cheng Chao
Head of the
Accounting Department

Consolidated Statement of Financial Position

As at June 30, 2019

Unit: RMB

Item	NOTES	June 30, 2019	December 31, 2018 (Restated)
Liabilities and shareholders' equity			
Current liabilities:			
Short-term loans	(V)24	18,454,860,979.68	16,366,742,257.35
Derivative financial liabilities	(V)25	3,458,613.45	2,724,971.67
Bills payable	(V)26	1,224,781,903.98	2,260,164,887.24
Accounts payable	(V)27	15,130,725,763.23	15,986,899,682.85
Receipts in advance	(V)28	—	2,058,361.07
Contract liabilities	(V)29	1,059,128,214.83	835,799,748.43
Employee benefits payable	(V)30	104,542,914.39	42,616,433.80
Taxes payable	(V)31	993,112,299.95	1,431,294,200.96
Other payables	(V)32	3,771,896,543.01	3,878,479,167.43
Non-current liabilities due within one year	(V)33	24,232,837,750.37	18,853,766,355.93
Other current liabilities	(V)34	335,106,164.96	964,545,364.41
Total current liabilities		65,310,451,147.85	60,625,091,431.14
Non-current liabilities:			
Long-term loans	(V)35	174,440,560,531.98	179,639,946,139.80
Bonds payable	(V)36	7,488,032,453.45	8,488,044,399.25
Including: Preference shares		—	—
Perpetual bonds		—	—
Lease liabilities	(V)37	764,053,316.38	—
Long-term employee benefits payable	(V)38	141,558,673.12	102,267,273.40
Provisions	(V)39	4,137,856,032.15	4,001,531,754.01
Deferred income	(V)40	1,445,255,232.72	1,395,854,838.75
Deferred tax liabilities	(V)22	1,204,312,647.32	1,177,284,416.72
Total non-current liabilities		189,621,628,887.12	194,804,928,821.93
Total liabilities		254,932,080,034.97	255,430,020,253.07
Shareholders' equity:			
Share capital	(V)41	45,448,750,000.00	45,448,750,000.00
Capital reserve	(V)42	3,353,146,382.15	3,350,519,181.82
Other comprehensive income	(V)43	749,740,284.01	699,854,140.51
Specific reserve	(V)44	205,776,952.04	197,139,693.40
Surplus reserve	(V)45	3,341,495,665.44	3,341,495,665.44
Retained earnings	(V)46	19,827,444,773.93	18,077,156,831.53
Total equity attributable to shareholders of the parent company		72,926,354,057.57	71,114,915,512.70
Non-controlling interests		41,889,832,509.96	42,010,734,594.51
Total shareholders' equity		114,816,186,567.53	113,125,650,107.21
Total liabilities and shareholders' equity		369,748,266,602.50	368,555,670,360.28

The notes form an integral part of these financial statements.

Statement of Financial Position of Parent Company

As at June 30, 2019

Unit: RMB

Item	NOTES	June 30, 2019	December 31, 2018 (Restated)
Assets			
Current Assets:			
Cash at bank and in hand		9,371,417,011.30	9,741,247,550.24
Accounts receivable	(XV)1	607,921,134.87	691,807,188.60
Prepayments		13,807,294.11	12,051,211.58
Other receivables	(XV)2	2,772,682,248.30	1,234,738,858.24
Non-current assets due within one year		600,000,000.00	4,000,000,000.00
Other current assets	(XV)3	4,895,599,017.59	5,904,124,692.57
Total current assets		18,261,426,706.17	21,583,969,501.23
Non-current assets:			
Debt investments	(XV)4	8,383,500,000.00	6,088,000,000.00
Long-term equity investments	(XV)5	78,366,579,042.45	78,003,718,957.43
Fixed assets		42,005,552.04	37,287,554.98
Construction in progress		51,002,758.99	60,323,650.73
Right-of-use assets		152,248,089.47	—
Intangible assets		236,550,608.45	240,506,543.32
Development costs		1,056,644,436.19	773,743,861.01
Other non-current assets		38,885,359.23	39,060,484.23
Total non-current assets		88,327,415,846.82	85,242,641,051.70
Total assets		106,588,842,552.99	106,826,610,552.93
Liabilities and shareholders' equity			
Current liabilities:			
Short-term loans	(XV)6	8,740,143,415.46	9,612,506,721.28
Accounts payable		616,805,594.99	429,277,843.18
Contract liabilities		17,319,240.27	4,384,800.02
Employee benefits payable		9,821,704.50	2,544,490.66
Taxes payable		2,743,207.56	5,322,716.15
Other payables		42,972,978.49	41,028,621.80
Non-current liabilities due within one year		2,761,315,285.88	165,565,753.43
Total current liabilities		12,191,121,427.15	10,260,630,946.52
Non-current liabilities:			
Bonds payable	(XV)7	7,488,032,453.45	8,488,044,399.25
Including: Preference shares		—	—
Perpetual bonds		—	—
Lease liabilities		84,215,815.65	—
Long-term employee benefits payable		12,427,230.93	8,355,898.21
Deferred income		500,000.00	—
Total non-current liabilities		7,585,175,500.03	8,496,400,297.46
Total liabilities		19,776,296,927.18	18,757,031,243.98

The notes form an integral part of these financial statements.

Statement of Financial Position of Parent Company

As at June 30, 2019

Item	NOTES	June 30, 2019	December 31, 2018 (Restated)
Shareholders' equity:			
Share capital		45,448,750,000.00	45,448,750,000.00
Capital reserve		24,441,698,121.44	24,441,698,121.44
Surplus reserve		2,929,804,225.34	2,929,804,225.34
Retained earnings		13,992,293,279.03	15,249,326,962.17
Total shareholders' equity		86,812,545,625.81	88,069,579,308.95
Total liabilities and shareholders' equity		106,588,842,552.99	106,826,610,552.93

The notes form an integral part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period from January 1 to June 30, 2019

Unit: RMB

Item	NOTES	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018 (restated)
I. Operating revenue	(V)47	26,522,681,415.95	23,010,404,277.65
Less: Operating costs	(V)47	14,830,818,161.70	12,594,829,709.46
Tax surcharge	(V)48	344,075,328.82	276,234,100.45
Selling expenses	(V)49	31,739,099.64	44,796,932.03
Administrative expenses	(V)50	1,198,120,648.68	966,538,180.85
Research and development expenses	(V)51	226,852,303.25	170,280,688.73
Finance costs	(V)52	3,616,099,418.28	2,858,016,798.98
Including: Interest expenses		3,585,332,064.10	2,876,797,408.03
Interest income		143,774,488.12	127,507,961.21
Add: Other gains	(V)53	1,407,113,207.22	1,055,992,888.53
Investment income	(V)54	639,744,281.63	342,029,045.75
Including: Income from investment in associates and joint ventures		471,868,923.58	342,408,334.97
Gain on derecognition of financial assets measured at amortized cost		—	—
Gains (losses) from changes in fair value	(V)55	(2,868,860.54)	10,617,979.72
Impairment losses, net of reversal	(V)56	53,496,065.42	340,111,227.54
Asset impairment gains (losses)		—	—
Gains (losses) from disposal of assets	(V)57	—	(19,023.30)
II. Operating profit		8,372,461,149.31	7,848,439,985.39
Add: Non-operating income	(V)58	5,526,018.57	3,405,718.05
Less: Non-operating expenses	(V)59	8,368,442.22	28,945,078.91
III. Total profit		8,369,618,725.66	7,822,900,624.53
Less: Income tax expenses	(V)60	944,059,410.87	800,076,237.48
IV. Net profit		7,425,559,314.79	7,022,824,387.05
(I) Classified by continuity of operations			
1. Net profit from continuing operations		7,425,559,314.79	7,022,824,387.05
2. Net profit from discontinued operations		—	—
(II) Classified by ownership			
1. Net profit attributable to shareholders of the parent company		5,022,584,904.83	4,566,356,980.23
2. Non-controlling interests		2,402,974,409.96	2,456,467,406.82

The notes form an integral part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period from January 1 to June 30, 2019

Item	NOTES	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018 (restated)
V. Other comprehensive income, net of tax	(V)62	57,706,479.66	40,411,030.20
Other comprehensive income attributable to shareholders of the parent company, net of tax		49,886,143.50	33,771,101.03
(I) Other comprehensive income that will not be reclassified to profit or loss		26,478,010.00	12,637,188.53
1. Change arising from remeasurement of defined benefit plan		278,375.00	(2,220,625.00)
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		—	66,639,133.53
3. Change in fair value of investment in other equity instruments		26,199,635.00	(51,781,320.00)
(II) Other comprehensive income that may be reclassified to profit or loss		23,408,133.50	21,133,912.50
1. Other comprehensive income that can be transferred to profit or loss under the equity method		—	946,000.00
2. Translation differences arising from translation of foreign currency financial statements		23,408,133.50	20,187,912.50
Other comprehensive income attributable to non-controlling interests, net of tax		7,820,336.16	6,639,929.17
VI. Total comprehensive income		7,483,265,794.45	7,063,235,417.25
Total comprehensive income attributable to shareholders of the parent company		5,072,471,048.33	4,600,128,081.26
Total comprehensive income attributable to non-controlling interests		2,410,794,746.12	2,463,107,335.99
VII. Earnings per share			
(I) Basic earnings per share		0.111	0.100
(II) Diluted earnings per share		N/A	N/A

The notes form an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income of Parent Company

For the period from January 1 to June 30, 2019

Unit: RMB

Item	NOTES	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018 (restated)
I. Operating revenue	(XV)8	255,734,884.46	239,227,034.98
Less: Operating costs	(XV)8	198,403,364.94	201,293,705.91
Taxes and surcharges		336,016.50	157,505.60
Administrative expenses		266,355,557.70	228,350,940.92
Research and development expenses		7,992,257.14	2,952,309.56
Finance costs		239,441,987.59	143,413,407.57
Including: Interest expenses		280,573,852.87	193,429,768.30
Interest income		62,009,013.57	56,286,686.92
Add: Other gains		—	—
Investment income	(XV)9	2,451,538,932.75	2,310,827,430.28
Including: Income from investment in associates and joint ventures		137,979,337.02	140,949,818.14
Gain on derecognition of financial assets measured at amortized cost		—	—
Gains (losses) from changes in fair value		(375,084.35)	2,367,510.53
Impairment losses, net of reversal		20,927,930.82	(2,007,179.30)
Asset impairment gains (losses)		—	—
II. Operating profit		2,015,297,479.81	1,974,246,926.93
Add: Non-operating income		10,000.08	10,000.90
Less: Non-operating expenses		44,200.60	1,443,266.51
III. Total profit		2,015,263,279.29	1,972,813,661.32
Less: Income tax expenses		—	190,806,317.42
IV. Net profit		2,015,263,279.29	1,782,007,343.90
(I) Net profit from continuing operations		2,015,263,279.29	1,782,007,343.90
(II) Net profit from discontinued operations		—	—
V. Other comprehensive income, net of tax		—	66,639,133.53
(I) Other comprehensive income that will not be reclassified to profit or loss		—	66,639,133.53
1. Other comprehensive income that cannot be transferred to profit or loss under the equity method		—	66,639,133.53
(II) Other comprehensive income that may be reclassified to profit or loss		—	—
VI. Total comprehensive income		2,015,263,279.29	1,848,646,477.43

The notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the period from January 1 to June 30, 2019

Unit: RMB

Item	NOTES	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018
I. Cash flows from operating activities:			
Cash received from the sales of goods and rendering of services		31,602,509,703.53	27,967,144,061.37
Tax rebate received		1,383,672,851.68	1,006,306,309.56
Other cash received relating to operating activities	(V)63(1)	832,294,246.12	827,002,144.50
Sub-total of cash inflow from operating activities		33,818,476,801.33	29,800,452,515.43
Cash payments for goods purchased and services received		10,967,020,643.26	9,272,035,729.74
Cash payments to and on behalf of employees		3,377,030,459.26	2,691,784,887.50
Payments of various types of taxes		3,648,026,443.07	2,787,967,775.24
Other cash payments relating to operating activities	(V)63(2)	1,006,405,022.89	840,984,841.24
Sub-total of cash outflow from operating activities		18,998,482,568.48	15,592,773,233.72
Net cash flows from operating activities	(V)64(1)	14,819,994,232.85	14,207,679,281.71
II. Cash flows from investing activities:			
Cash received from disposal of investments		16,256,683.50	—
Cash received from investment income		133,519,478.07	19,382,970.59
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		381,421.49	496,782.73
Net cash received from disposal of subsidiaries and other business entities	(V)64(2)	708,306,825.20	—
Other cash received relating to investing activities	(V)63(3)	921,038,040.45	821,326,371.52
Sub-total of cash inflow from investing activities		1,779,502,448.71	841,206,124.84
Cash paid to purchase and construct fixed assets, intangible assets and other long-term assets		8,322,790,236.72	8,078,051,507.29
Cash paid for investments		278,001,720.33	258,213,150.00
Net cash paid for acquisition of subsidiaries and other business		—	232,680,500.00
Other cash paid relating to investing activities	(V)63(4)	890,138,142.88	304,176,238.60
Sub-total of cash outflow from investing activities		9,490,930,099.93	8,873,121,395.89
Net cash flow from investing activities		(7,711,427,651.22)	(8,031,915,271.05)

The notes form an integral part of these financial statements.

Item	NOTES	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018
III. Cash flows from financing activities:			
Cash receipts from capital contributions		57,469,252.00	3,084,284,166.00
Including: Cash receipts from capital contributions by minority shareholders of subsidiaries		57,469,252.00	3,084,284,166.00
Cash received from borrowings		31,479,634,472.94	23,039,312,226.10
Other cash received relating to financing activities	(V)63(5)	789,004,579.36	421,902,000.00
Sub-total of cash inflow from financing activities		32,326,108,304.30	26,545,498,392.10
Cash repayments of borrowings		30,374,713,228.22	21,850,945,741.62
Cash payments for distribution of dividends or profits or settlement of interest expenses		10,453,496,755.07	6,776,070,136.63
Including: Payments for distribution of dividends or profits to minority shareholders of subsidiaries		2,222,894,135.36	1,779,021,999.06
Other cash payments relating to financing activities	(V)63(6)	628,501,154.39	10,083,089.62
Sub-total of cash outflow from financing activities		41,456,711,137.68	28,637,098,967.87
Net cash flow from financing activities		(9,130,602,833.38)	(2,091,600,575.77)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(8,889,693.51)	(37,543,252.07)
V. Net increase (decrease) in cash and cash equivalents		(2,030,925,945.26)	4,046,620,182.82
Add: Opening balance of cash and cash equivalents	(V)64(3)	11,637,718,842.72	10,352,460,227.68
VI. Closing balance of cash and cash equivalents	(V)64(3)	9,606,792,897.46	14,399,080,410.50

The notes form an integral part of these financial statements.

Statement of Cash Flows of Parent Company

For the period from January 1 to June 30, 2019

Unit: RMB

Item	NOTES	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018
I. Cash flows from operating activities:			
Cash received from the sales of goods and rendering of services		369,010,524.15	178,536,010.08
Other cash received relating to operating activities		56,026,176.53	48,955,491.65
Sub-total of cash inflow from operating activities		425,036,700.68	227,491,501.73
Cash payments for goods purchased and services received		153,623,371.41	96,074,293.32
Cash payments to and on behalf of employees		225,491,289.45	177,984,962.99
Payments of various types of taxes		336,016.50	157,505.60
Other cash payments relating to operating activities		129,665,903.75	66,057,640.43
Sub-total of cash outflow from operating activities		509,116,581.11	340,274,402.34
Net cash flows from operating activities	(XV)10	(84,079,880.43)	(112,782,900.61)
II. Cash flows from investing activities:			
Cash received from disposal of investments		9,072,359,863.08	5,348,000,000.00
Cash received from investment income		580,323,869.25	1,230,359,318.12
Other cash received relating to investing activities		500,000,000.00	100,000,000.00
Sub-total of cash inflow from investing activities		10,152,683,732.33	6,678,359,318.12
Cash paid to purchase and construct fixed assets, intangible assets and other long-term assets		69,034,247.24	129,931,830.08
Cash paid for investments		6,955,380,748.00	7,327,650,684.00
Net cash paid for acquisition of subsidiaries and other business		—	232,680,500.00
Other cash paid relating to investing activities		500,503,892.36	100,352,950.00
Sub-total of cash outflow from investing activities		7,524,918,887.60	7,790,615,964.08
Net cash flow from investing activities		2,627,764,844.73	(1,112,256,645.96)
III. Cash flows from financing activities:			
Cash received from borrowings		3,788,055,792.02	9,511,605,042.83
Sub-total of cash inflow from financing activities		3,788,055,792.02	9,511,605,042.83
Cash repayments of borrowings		3,163,102,180.86	1,970,777,733.59
Cash payments for distribution of dividends or profits or settlement of interest expenses		3,546,526,208.09	167,951,999.45
Other cash payments relating to financing activities		644,445.00	212,250.00
Sub-total of cash outflow from financing activities		6,710,272,833.95	2,138,941,983.04
Net cash flow from financing activities		(2,922,217,041.93)	7,372,663,059.79
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
		(575,614.09)	12,933,796.80
V. Net increase (decrease) in cash and cash equivalents			
		(379,107,691.72)	6,160,557,310.02
Add: Opening balance of cash and cash equivalents	(XV)10	8,180,127,897.47	7,101,335,054.79
VI. Closing balance of cash and cash equivalents	(XV)10	7,801,020,205.75	13,261,892,364.81

The notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the period from January 1 to June 30, 2019

Unit: RMB

Item	For the period from January 1 to June 30, 2019							
	Attributable to shareholders of the Parent Company							Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Non-controlling interests	
I. Balance at December 31, 2018 and January 1, 2019	45,448,750,000.00	3,350,519,181.82	699,854,140.51	197,139,693.40	3,341,495,665.44	18,077,156,831.53	42,010,734,594.51	113,125,650,107.21
II. Changes in the current period	—	2,627,200.33	49,886,143.50	8,637,258.64	—	1,750,287,942.40	(120,902,084.55)	1,690,536,460.32
(I) Total comprehensive income	—	—	49,886,143.50	—	—	5,022,584,904.83	2,410,794,746.12	7,483,265,794.45
(II) Shareholders' contributions and reduction in capital	—	2,627,200.33	—	—	—	—	57,469,252.00	60,096,452.33
1. Contributions in ordinary shares from shareholders	—	—	—	—	—	—	57,469,252.00	57,469,252.00
2. Business combination under common control	—	—	—	—	—	—	—	—
3. Others	—	2,627,200.33	—	—	—	—	—	2,627,200.33
(III) Profit distribution	—	—	—	—	—	(3,272,296,962.43)	(2,589,166,082.67)	(5,861,463,045.10)
1. Transfer to surplus reserve	—	—	—	—	—	—	—	—
2. Distribution to shareholders	—	—	—	—	—	(3,272,296,962.43)	(2,589,166,082.67)	(5,861,463,045.10)
(IV) Transfer of shareholders' equity	—	—	—	—	—	—	—	—
1. Other comprehensive income transferred to retained profits	—	—	—	—	—	—	—	—
(V) Specific reserve	—	—	—	8,637,258.64	—	—	—	8,637,258.64
1. Transfer to specific reserve in the period	—	—	—	36,118,231.68	—	—	—	36,118,231.68
2. Amount utilized in the period	—	—	—	(27,480,973.04)	—	—	—	(27,480,973.04)
III. Balance as at June 30, 2019	45,448,750,000.00	3,353,146,382.15	749,740,284.01	205,776,952.04	3,341,495,665.44	19,827,444,773.93	41,889,832,509.96	114,816,186,567.53

The notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the period from January 1 to June 30, 2019

Unit: RMB

Item	For the period from January 1 to June 30, 2018 (restated)							Total shareholders' equity
	Attributable to shareholders of the Parent Company						Non-controlling interests	
	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings		
I. Balance at December 31, 2017	45,448,750,000.00	3,084,215,773.99	403,233,865.89	131,413,773.45	2,712,118,338.94	13,139,256,274.10	36,107,886,568.35	101,026,874,594.72
Add: Changes in accounting policies	—	—	340,031,798.65	—	—	57,900,771.93	—	397,932,570.58
Business combination under common control	—	230,000,000.00	—	—	317,537.01	(859,816.88)	—	229,457,720.13
Others	—	—	—	—	(108,941.11)	(299,866,423.47)	(57,146,727.96)	(357,122,092.54)
II. Balance at January 1, 2018	45,448,750,000.00	3,314,215,773.99	743,265,664.54	131,413,773.45	2,712,326,934.84	12,896,430,805.68	36,050,739,840.39	101,297,142,792.89
III. Changes in the current period	—	(61,943,673.22)	(164,007,575.58)	14,537,691.19	19,777,867.66	1,653,841,218.20	4,158,085,984.40	5,620,291,512.65
(I) Total comprehensive income	—	—	33,771,101.03	—	—	4,566,356,980.23	2,463,107,335.99	7,063,235,417.25
(II) Shareholders' contributions and reduction in capital	—	(61,943,673.22)	—	—	—	—	2,723,386,977.51	2,661,443,304.29
1. Contributions in ordinary shares from shareholders	—	—	—	—	—	—	44,343,465.21	44,343,465.21
2. Business combination under common control	—	(235,016,544.31)	—	—	—	—	—	(235,016,544.31)
3. Others	—	173,072,871.09	—	—	—	—	2,679,043,512.30	2,852,116,383.39
(III) Profit distribution	—	—	—	—	—	(3,090,516,570.98)	(1,028,408,329.10)	(4,118,924,900.08)
1. Transfer to surplus reserve	—	—	—	—	—	—	—	—
2. Distribution to shareholders	—	—	—	—	—	(3,090,516,570.98)	(1,028,408,329.10)	(4,118,924,900.08)
(IV) Transfer of shareholders' equity	—	—	(197,778,676.61)	—	19,777,867.66	178,000,808.95	—	—
1. Other comprehensive income transferred to retained profits	—	—	(197,778,676.61)	—	19,777,867.66	178,000,808.95	—	—
(V) Specific reserve	—	—	—	14,537,691.19	—	—	—	14,537,691.19
1. Transfer to specific reserve in the period	—	—	—	64,615,924.20	—	—	—	64,615,924.20
2. Amount utilized in the period	—	—	—	(50,078,233.01)	—	—	—	(50,078,233.01)
IV. Balance at June 30, 2018	45,448,750,000.00	3,252,272,100.77	579,258,088.96	145,951,464.64	2,732,104,802.50	14,550,272,023.88	40,208,825,824.79	106,917,434,305.54

The notes form an integral part of these financial statements.

Statement of Changes in Equity of Parent Company

For the period from January 1 to June 30, 2019

Unit: RMB

Item	For the period from January 1 to June 30, 2019					Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	
I. Balance at December 31, 2018 and January 1, 2019	45,448,750,000.00	24,441,698,121.44	—	2,929,804,225.34	15,249,326,962.17	88,069,579,308.95
II. Changes in the current period	—	—	—	—	(1,257,033,683.14)	(1,257,033,683.14)
(I) Total comprehensive income	—	—	—	—	2,015,263,279.29	2,015,263,279.29
(II) Shareholders' contributions and reduction in capital	—	—	—	—	—	—
1. Business combination under common control	—	—	—	—	—	—
(III) Profit distribution	—	—	—	—	(3,272,296,962.43)	(3,272,296,962.43)
1. Transfer to surplus reserve	—	—	—	—	—	—
2. Distribution to shareholders	—	—	—	—	(3,272,296,962.43)	(3,272,296,962.43)
(IV) Transfer of shareholders' equity	—	—	—	—	—	—
1. Other comprehensive income transferred to retained profits	—	—	—	—	—	—
III. Balance at June 30, 2019	45,448,750,000.00	24,441,698,121.44	—	2,929,804,225.34	13,992,293,279.03	86,812,545,625.81

Unit: RMB

Item	For the period from January 1 to June 30, 2018 (restated)					Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	
I. Balance at December 31, 2017	45,448,750,000.00	24,441,727,207.50	—	2,300,744,435.85	12,678,305,427.76	84,869,527,071.11
Add: Changes in accounting policies	—	—	131,139,543.08	—	—	131,139,543.08
Others	—	—	—	(108,941.11)	(980,470.06)	(1,089,411.17)
II. Balance at January 1, 2018	45,448,750,000.00	24,441,727,207.50	131,139,543.08	2,300,635,494.74	12,677,324,957.70	84,999,577,203.02
III. Changes in the current period	—	(29,119.33)	(131,139,543.08)	19,777,867.66	(1,130,508,418.13)	(1,241,899,212.88)
(I) Total comprehensive income	—	—	66,639,133.53	—	1,782,007,343.90	1,848,646,477.43
(II) Shareholders' contributions and reduction in capital	—	(29,119.33)	—	—	—	(29,119.33)
1. Business combination under common control	—	(29,119.33)	—	—	—	(29,119.33)
(III) Profit distribution	—	—	—	—	(3,090,516,570.98)	(3,090,516,570.98)
1. Transfer to surplus reserve	—	—	—	—	—	—
2. Distribution to shareholders	—	—	—	—	(3,090,516,570.98)	(3,090,516,570.98)
(IV) Transfer of shareholders' equity	—	—	(197,778,676.61)	19,777,867.66	178,000,808.95	—
1. Other comprehensive income transferred to retained profits	—	—	(197,778,676.61)	19,777,867.66	178,000,808.95	—
IV. Balance at June 30, 2018	45,448,750,000.00	24,441,698,088.17	—	2,320,413,362.40	11,546,816,539.57	83,757,677,990.14

The notes form an integral part of these financial statements.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(I) COMPANY OVERVIEW

CGN Power Co., Ltd. (the "Company") is a joint stock company jointly established by 中國廣核集團有限公司China General Nuclear Power Corporation ("CGNPC"), as the main promoter by way of contribution with equity of 11 companies involved in the development, investment, operation and research and development of nuclear power plants as well as certain assets and liabilities in respect of the above businesses (the "Business Contribution"), together with other promoters by way of cash contribution in accordance with relevant provisions under PRC laws and administrative regulations, with approvals from the State-Owned Assets Supervision and Administration Commission of the State Council (the "SASAC") through the Reply on the Matters Related to the Main Business Restructuring and Listing of China General Nuclear Power Corporation (Guo Zi Gai Ge [2013] No. 1005) (國資改革[2013]1005號《關於中國廣核集團有限公司核電主業改制並上市有關事項的批覆》) dated December 4, 2013 and the Reply on the Establishment of CGN Power Co., Ltd. (Guo Zi Gai Ge [2014] No. 123) (國資改革[2014]123號《關於設立中國廣核電力股份有限公司的批覆》) dated March 14, 2014. The Company was incorporated in Shenzhen, Guangdong Province on March 25, 2014, and obtained the business license (No. 440301109037551) issued by the State Administration of Industry and Commerce.

Upon establishment, the Company's total share capital was RMB35,300,000,000.00, which was valued by 北京中企華資產評估有限責任公司(Beijing China Enterprise Appraisals Co., Ltd.), with final approval by the SASAC through the Reply on the Approval of the Asset Valuation Results to the Main Business Restructuring and Listing Project of China General Nuclear Power Corporation (Guo Zi Chan Quan [2014] No. 108) (《關於中國廣核集團有限公司核電主業改制並上市項目資產評估結果核准的批覆》(國資產權[2014]108號)). CGNPC contributed RMB43,017,097,508.00, including valuation of the Business Contribution at RMB40,425,171,692.47 and cash contribution of RMB2,591,925,815.53, translating into 30,040,300,000 shares of the Company at a ratio of 69.83%, representing 85.10% of the total shares; Guangdong Hengjian Investment Holding Co., Ltd. contributed RMB5,054,888,074.00, translating into 3,530,000,000 at a ratio of 69.83%, representing 10.00% of the total shares; and China National Nuclear Corporation (formerly 中國核工業集團公司China National Nuclear Corporation) ("CNNC") contributed RMB2,476,895,156.00, translating into 1,729,700,000 at a ratio of 69.83%, representing 4.90% of the total shares.

As approved by the Reply on the Approval to Issue Overseas Listed Foreign Share of CGN Power Co., Ltd. (Zheng Jian Xu Ke [2014] No. 1165) (《關於核准中國廣核電力股份有限公司發行境外上市外資股的批覆》(證監許可[2014]1165號)) issued by China Securities Regulatory Commission on November 3, 2014, and the Letter of Consent for Listing issued by the Stock Exchange of Hong Kong Limited on December 9, 2014, the Company publicly issued overseas listed foreign shares (H shares) in December 2014 and was listed on the Main Board of the Stock Exchange of Hong Kong Limited, with an initial offering size of 8,825,000,000 overseas listed foreign shares (H shares), and 1,323,750,000 shares issued and allotted due to the exercise of over-allotment option with a nominal value of RMB1.00 per share and an issuance price of HK\$2.78 per share. Under the PRC regulations related to the disposal of state-owned shares, CGNPC, Guangdong Hengjian Investment Holding Co., Ltd. and CNNC are required to transfer the amount of domestic shares equivalent to 10% of offer shares to the National Council for Social Security Fund ("NCSSF"), totaling 1,014,875,000 shares. Upon the listing of the Company, shares held by NCSSF were translated into H shares amounting to 1,014,875,000 shares on a one-for-one basis.

The headquarters of the Company is located in Shenzhen, Guangdong Province. The parent of the Company is CGNPC. The ultimate beneficial owner of the Company is the SASAC.

The scope of business of the Company and its subsidiaries (the "Group") mainly includes: production and supply of electricity and heat generated mainly from nuclear energy, and provision of related professional technical services; disposal of nuclear wastes; organization and implementation of the construction and management for nuclear power plants engineering projects; organization of the operation, repair and related businesses for nuclear power plants; organization of the design development and scientific research for nuclear power plants; and engagement in related investment, import and export businesses.

(I) COMPANY OVERVIEW (Continued)

For the scope of consolidated financial statements, please refer to Note (VII) "INTEREST IN OTHER ENTITIES". For the changes in the scope of consolidated financial statements, please refer to Note (VI) "CHANGES IN CONSOLIDATION SCOPE".

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation

The Group adopts the Accounting Standards for Business Enterprises and relevant requirements promulgated by the Ministry of Finance, and discloses relevant financial information in accordance with the Rules on the Preparation and Report of Information Disclosure for Companies Publicly Issuing Securities No. 15 – General Requirements for Financial Reports (Revised in 2014). In addition, the financial statements also include information disclosure according to the relevant requirements under the Hong Kong Companies Ordinance and the Listing Rules of the Stock Exchange.

Basis of accounting and principle of measurement

The Group's financial statements have been prepared on an accrual basis. Except for certain financial instruments which are measured at fair value, the financial statements are prepared under the historical cost convention. In the event that impairment of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.

Under historical cost method, the amount of assets was measured at the fair value of cash or cash equivalents or consideration paid at the time of purchase. Liabilities were measured at the amount of money or assets and liabilities due to the current obligations actually received, or a present obligation of the contract amount, or the measurement of cash or cash equivalents in accordance with daily activities to repay the debts of the amount expected to be paid.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Whether fair value is observable or measured by valuation techniques, the measurement and disclosure in these financial statements were all based on it.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than the Level 1 inputs, that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern

The Group has evaluated its ability of going concern for the next 12 month since June 30, 2019. There is no indication of major events that may affect the ability of going concern. Thus, the financial statements have been prepared under the assumption of going concern.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Statement of compliance

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely reflect consolidated and the parent company's financial position of the Company as at June 30, 2019 and consolidated and the parent company's operating results and cash flows for the period from January 1 to June 30, 2019.

2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e. from January 1 to December 31.

3. Operating cycle

Operating cycle refers to period from assets purchased for production to cash or cash equivalents realized.

4. Functional currency

Apart from the functional currency of the primary economic environment of 廣東核電合營有限公司 Guangdong Nuclear Power Joint Venture Co, Ltd. ("GNPJVC"), a subsidiary of the Company, being USD, the functional currency of the primary economic environment that the Company and its other subsidiaries operate in is RMB. The Company adopts RMB to prepare the financial statements.

5. The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

Business combinations are classified into business combination under common control and not under common control.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

5. The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control (Continued)

5.1 Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities obtained in the business combination are recognized at their carrying amounts at the date of merger as recorded by the party being combined. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination and/or aggregate face values of the shares issued is adjusted to the share premium in the capital reserves. If the share premium in the capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained profits.

Costs that are directly attributable to the combination are charged to profit or loss when incurred.

5.2 Business combinations not involving enterprises under common control and goodwill

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The combination costs shall be the fair value of the assets paid, the liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for the control over the acquiree. For business combinations not involving enterprises under common control realized step by step through multiple transactions, the cost of combination is the sum of the consideration paid at the acquisition date and the fair value at the acquisition date of the acquirer's previously held interest in the acquiree. The overhead for the business combination of the combining party, including the expenses for audit, legal services, assessment, and other administrative expenses, shall be recorded in profit or loss for the period when incurred.

Identifiable assets, liabilities and contingent liabilities of acquiree qualifying for the conditions of recognition acquired by the acquirer in business combination are measured at fair value on the acquisition date.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

5.2 Business combinations not involving enterprises under common control and goodwill *(Continued)*

For the difference that the combination cost is larger than the portion of fair value of net identifiable assets of acquiree acquired in combination, it is recognized as goodwill as an asset, and initially measured at cost. For those with combination cost lower than the portion of fair value of net identifiable assets of acquiree acquired in combination, re-verification is first carried out on the measurement of the fair value of all identifiable assets, liabilities and contingent liabilities as well as the combination cost. For those with combination cost still lower than the portion of fair value of net identifiable assets of acquiree acquired in combination after re-verification, they are credited to profit or loss for the period.

Goodwill occurred as a result of business combination shall be recognized separately in the consolidated financial statements and measured at cost less accumulated impairment losses.

6. Basis for preparation of consolidated financial statements

The scope of consolidated financial statements is determined on the basis of control. Control is achieved when the investor has power over the investee; is exposed, or has rights to receive variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. Once the relevant facts and situation changed that altered the elements define control, the Group shall reevaluate control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination involving enterprises not under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the accounting policies and accounting periods consistently set out by the Company.

The effects of all intra-group transactions between the Company and subsidiaries and among the subsidiaries are eliminated on consolidation

The portion of subsidiaries' equity that is not attributable to the parent company is treated as non-controlling interests and presented as "non-controlling interests" in the consolidated statement of financial position within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to non-controlling interests is presented as "non-controlling interests" in the consolidated statement of profit or loss and other comprehensive income below the "net profit" line item.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

6. Basis for preparation of consolidated financial statements (Continued)

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount is still allocated against non-controlling interests.

Acquisition of non-controlling interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts attributable to owners' of the parent company and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

Where equity interests in an acquiree are acquired in stages through multiple transactions ultimately constituting a business combination not involving entities under common control, the acquirer determines if these transactions are considered to be "a bundled transaction". If yes, these transactions are accounted for as a single transaction where control is obtained. If no, these transactions are accounted for as multiple transactions where control is obtained at the acquisition date; In this case, the acquirer remeasures its previously-held equity interests in the acquiree at their fair value on the acquisition date and recognizes any differences between such fair value and carrying amounts in profit or loss for the period. Where equity interests in an acquiree held before the acquisition date involve changes in other comprehensive income or changes in other owners' equity under equity method, they are transferred to income for the period that the acquisition date belongs to.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between the aggregate of the consideration received on disposal and the fair value of any retained interest(s) and the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognized as investment income in the period in which control is lost, and at the same time adjusted against goodwill. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

7. Classification of joint arrangements and accounting treatment for joint ventures

There are two types of joint arrangements – joint operations and joint ventures. The type of joint arrangements is determined based on the rights and obligations of joint operators to the joint arrangements by considering the factors, such as the structure, the legal form of the arrangements, and the contractual terms, etc. A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement.

The Group adopts the equity method to account the investment in joint ventures. For details, please refer to Note (III) 14.3.2. "Long-term equity investments accounted for using the equity method".

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

8. Standards for determining cash and cash equivalents

Cash comprises cash in hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Translation of transactions and financial statements denominated in foreign currencies

9.1 Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of the transaction.

At the statement of financial position date, foreign currency monetary items are translated using the spot exchange rates at the statement of financial position date. Exchange differences arising from the differences between the spot exchange rates prevailing at the statement of financial position date and those on initial recognition or at the previous statement of financial position date are recognized in profit or loss for the period, except that (1) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period; (2) exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting.

Foreign currency non-monetary items measured at historical cost are translated into the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognized in profit and loss or as other comprehensive income.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

9. Translation of transactions and financial statements denominated in foreign currencies (Continued)

9.2 Translation of financial statements denominated in foreign currencies

For the purpose of preparing the consolidated financial statements, financial statements with USD as the functional currency are translated from the foreign currency into RMB using the following method: assets and liabilities on the statement of financial position are translated at the spot exchange rate prevailing at the statement of financial position date; equity items are translated at the spot exchange rate of transaction date; all items in the statement of profit or loss and other comprehensive income as well as items reflecting the distribution of profits are translated at exchange rates that approximate the actual spot exchange rates on the dates of the transactions; the difference between the translated assets and the aggregate of liabilities and shareholders' equity items is recognized as other comprehensive income and included in shareholders' equity.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at an exchange rate which approximates the spot exchange rate on the date of the cash flows. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the cash flow statement as "effect of exchange rate changes on cash and cash equivalents".

The opening balances and the comparative figures of previous year are presented at the translated amounts in the previous year's financial statements.

On disposal of the Group's entire interest in a foreign operation, or upon a loss of control over a foreign operation due to disposal of certain interest in it or other reasons, the Group transfers the accumulated exchange differences arising on translation of financial statements of this foreign operation attributable to the owners' equity of the parent company and presented under shareholders' equity, to profit or loss in the period in which the disposal occurs.

In case of a disposal or other reason that results in a reduction in the proportional interest held but does not result in losing control over a foreign operation, the proportionate share of accumulated exchange differences arising on translation of financial statements are re-attributed to non-controlling interests and are not recognized in profit and loss. For partial disposals of equity interests in foreign operations which are associates or joint ventures, the proportionate share of the accumulated exchange differences arising on translation of financial statements of foreign operations is reclassified to profit or loss.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

10. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

For financial assets purchased and sold in regular way, the assets to be received or liabilities to be assumed are recognized on the transaction date, or disposed assets are derecognized on the transaction.

The financial assets and liabilities were initially recognized at fair value. For the financial assets and liabilities measured at fair value through profit or loss ("FVTPL"), related transaction expenses are charged to the profit or loss, for other financial assets and liabilities, related transaction expenses are included in the initial recognized amount. When initially recognized by the Group according to the Accounting Standards for Business Enterprises No.14 – Revenue" (the "New Standards for Revenue"), accounts receivable that do not contain a significant financing component or for which the financing component in the contract within 1 year is not considered are initially recognized at the transaction price defined under the revenue standard.

The effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over each accounting period.

The effective interest rate is the rate that exactly discounts estimated future cash flow through the expected life of the financial asset or financial liability to the book balance of a financial asset or to the amortized cost of a financial liability. In determining the effective interest rate, expected cash flow is estimated after taking into account all contract terms of financial assets or financial liabilities, including early repayment, extension, call option or other similar options, without considering expected credit loss.

The amortized cost of financial assets or financial liabilities is calculated by deducting repaid principal amount from initially recognized amount of the financial assets or financial liabilities, adding or subtracting the accumulated amortization amount which is the amortized difference between the initial recognition amount and the amount at the expiry date using the effective interest rate method, then further deducting the accumulated impairment of loss (only applicable to financial assets).

10.1 Classification, recognition and measurement of financial assets

Subsequent to initial recognition, the Group's financial assets of various categories are subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or FVTPL.

If contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows, such asset is classified into financial asset measured at amortized cost. Such financial asset mainly includes cash at bank and in hand, bills receivable and accounts receivable, and other receivables, etc.

If contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows and sell the financial asset, such asset is classified into financial asset measured at FVTOCI. Such financial asset is presented as other debt investments. The debt investments due within 1 year (inclusive) from the statement of financial position date are presented in non-current assets due within one year; other debt investments due within 1 year (inclusive) when they are acquired are presented in other current assets.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instruments (Continued)

10.1 Classification, recognition and measurement of financial assets (Continued)

Apart from the derivative financial assets presented in financial assets held for trading, financial assets at FVTPL includes financial assets at FVTPL and those designated as at FVTPL. The assets due more than 1 year and expected to be held for more than 1 year are presented in other non-current financial assets.

- Both financial assets fail to qualify as at amortized cost, and those classified as at FVTOCI are classified into financial assets at FVTPL.
- On initial recognition, the Group may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch and includes mixed contract conditions of embedded derivatives.

On initial recognition, the Group may, on the basis of individual financial asset, irrevocably designate equity instrument investments not held for trading (excluding contingent considerations) recognized in business combination not under common control as financial assets at FVTOCI. Such financial assets are stated as investment in other equity instruments.

If a financial asset meets one of the following conditions, it is considered that such asset is held by the Group for trading:

- The purpose of obtaining such financial asset is mainly for selling in the near future.
- Such financial asset is part of the identifiable financial instrument portfolio that is centrally managed at initial recognition, and there is objective evidence that short-term profit model exists in the near future.
- Such financial asset is a derivative, except for derivatives that meet the definition given in the financial guarantee contract and derivatives that are designated as effective hedging instruments.

10.1.1 Financial assets at amortized cost

Financial assets at amortized cost adopt the effective interest rate method and subsequently measured at amortized cost. Impairment or gains or losses arising from derecognition is recognized in profit or loss.

The Group adopts the effective interest rate method to recognize interest income for financial assets at amortized cost. Interest income is calculated by the carrying amount of financial assets multiplied by effective interest rate, with the following exception:

- a purchased or originated credit-impaired ("POCI") financial asset, whose interest income is calculated since initial recognition by applying the credit-adjusted effective interest rate to its amortized cost.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

10. Financial instruments *(Continued)*

10.1 Classification, recognition and measurement of financial assets *(Continued)*

10.1.2 Financial assets at FVTOCI

Except for impairment losses or gains of financial assets classified as measured at FVTOCI, and interest income and exchange gains or losses calculated at effective interest rate recognized in profit or loss, the changes in fair value of the financial asset are recognized in the other comprehensive income. The amount of the financial assets included in profit or loss for each period shall be equal to the amount it has been measured at amortized cost and included in profit or loss for each period. When the financial assets are derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in profit or loss.

After designating equity instrument investments not held for trading as financial assets at FVTOCI, changes in fair value of such financial assets are recognized in other comprehensive income. Upon derecognition, accumulated gains or losses previously recognized in other comprehensive income shall be transferred and included in retained earnings. In the duration of holding such equity instrument investments not held for trading, when the Group's right to receive dividends is established, economic benefits related to dividends are likely to flow into the Group, and the amount of dividends may be reliably measured, dividend income shall be calculated and recognized in profit or loss.

10.1.3 Financial assets at FVTPL

Financial assets at FVTPL shall be subsequently measured at fair value. Relevant gains or loss as well as dividends and interest income related to such financial assets shall be recognized in profit or loss.

10.2 Impairment of financial instruments

For financial assets measured at amortized cost, financial assets classified as measured at FVTOCI and contract assets, impairment shall be accounted for on the basis of expected credit loss and loss impairment shall be recognized, etc.

The Group makes a loss allowance against amount of expected credit losses equal to the whole life of the contract assets or accounts receivable that exclude significant financing component or do not consider the financing component in the contract within one year arising from transactions adopting the New Standards for Revenue.

As for other financial instruments, other than purchased or POCI financial assets, the Group assesses the changes in credit risk of such financial instruments since the initial recognition at each statement of financial position date. If the credit risk of such financial instrument has significantly increased since initial recognition, the Group shall make loss allowance equivalent to the amount of expected credit loss during its whole life; if the credit risk of such financial instrument has not significantly increased since initial recognition, the Group shall make loss allowance equivalent to the amount of expected credit loss for the next 12 months. Apart from financial assets classified as measured at FVTOCI, increase or reversal of credit loss allowance are recognized in profit or loss as impairment losses or gains. The Group recognizes the credit loss allowance of financial assets classified as measured at FVTOCI, while allowance losses or gains are recognized in profit or loss, without deducting its carrying amount stated in the statement of financial position.

The Group has makes a loss allowance against amount of expected credit losses equal to the whole life in the prior accounting period. However, at the statement of financial position date, the credit risk on a financial instrument has not increased significantly since initial recognition; the Group will measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. Reversed amount of loss allowance arising from such circumstances shall be included in profit or loss as impairment gains.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instruments (Continued)

10.2 Impairment of financial instruments (Continued)

The Group will make use of reasonable and supportable forward-looking information that is available to determine whether credit risk has increased significantly since initial recognition through comparing the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

10.2.1 Significant increase of credit risk

The Group will take the following factors into consideration when assessing whether credit risk has increased significantly:

- (1) Significant changes in internal price index due to changes in credit risk.
- (2) If existing financial instruments are originated or released on the date of statement of financial position as new financial instruments, significant changes in the interest rate or other terms of such financial instruments, such as in stricter contract terms, increase in collateral, or higher returns, etc.
- (3) Significant changes in external market indicators of credit risk for a particular financial instrument or similar financial instruments with the same expected life. These indicators include credit spread, credit default swap prices against the borrower, the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost and other market information related to the borrower, such as changes in the price of a borrower's debt and equity instruments.
- (4) Actual or expected significant changes in external credit rating of the financial instruments.
- (5) An actual or expected internal credit rating downgrade for the borrower.
- (6) Adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
- (7) An actual or expected significant change in the operating results of the borrower.
- (8) Significant increases in credit risk on other financial instruments of the same borrower.
- (9) Significant adverse change in the regulatory, economic, or technological environment of the borrower.
- (10) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the borrower's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of a default occurring.
- (11) Significant changes in circumstances expected to reduce the borrower's economic incentive to make scheduled contractual payments.
- (12) Expected changes in the loan contracts including an expected breach of contract that may lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the financial instrument.
- (13) Significant changes in the expected performance and behavior of the borrower.
- (14) Changes in the Group's credit management approach in relation to the financial instrument.

Regardless if the above assessment indicates any significant changes in credit risk, if contractual payment of a financial instrument is over due by 30 days (inclusive), it is considered that the credit risk of such instrument has significantly increased.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instruments (Continued)

10.2 Impairment of financial instruments (Continued)

10.2.2 Credit-impaired financial assets

When the Group expected occurrence of one or more events which may cause adverse impact on future cash flows of a financial asset, the financial asset will become a credit-impaired financial asset. Objective evidence that a financial asset is impaired includes the following observable events:

- (1) Significant financial difficulty of the issuer or obligor;
- (2) A breach of contract by the borrower, such as a default or delinquency in interest or principal payments;
- (3) The creditor, for economic or legal reasons relating to the borrower's financial difficulty, granting a concession to the borrower, which would not be made under any other circumstances.
- (4) It becoming probable that the borrower will enter bankruptcy or other financial reorganizations;
- (5) The disappearance of an active market for that financial asset because of financial difficulties of the issuer or the borrower;
- (6) Purchase or originate a financial asset with a large scale of discount, which reflects facts of credit loss incurred.

The Group considers that a default event has occurred when internal advice or externally obtained information indicates that financial instrument debtor is unable to fully repay the creditors including the Group, without consideration of any guarantees obtained by the Group.

Regardless of the results of the above assessment, the Group considers that a default event related to the financial instrument has occurred when contractual payment for such instrument is overdue by 90 days (inclusive).

10.2.3 Determination of expected credit loss

The Group uses a provision matrix to determine the expected credit losses for relevant financial instruments based on a collective basis of accounts receivable and contract assets. The Group classifies financial instruments into different groups based on common risk characteristics. The common risk characteristics adopted by the Group include: types of financial instrument, credit risk ratings, remaining contract terms and industry in which the debtor operates, etc.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive.

The factors reflected in methods of measurement of expected credit losses of financial instruments include an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; time value of money; reasonable and supportable information about past events, current conditions and forecasts on future economic status at statement of financial position date without unnecessary additional costs or efforts.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instruments (Continued)

10.2 Impairment of financial instruments (Continued)

10.2.4 Write-down of financial assets

When the Group will no longer reasonably expect that the contractual cash flows of financial assets can be collected in aggregate or in part, the Group will directly write down the carrying amount of the financial asset. Such write-down constitutes derecognition of relevant financial assets.

10.3 Transfer of financial assets

The Group derecognizes a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, it recognizes the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes an associated liability. The Group measures relevant liabilities as follows:

- For the transferred financial asset measure at amortized cost, the carrying amount of relevant liabilities equals to carrying amount of the continuously-involved transferred financial asset less amortized cost of rights retained by the Group (if the Group retains relevant right due to transfer of financial assets) plus amortized costs of the obligation assumed by the Group (if the Group retains relevant right due to transfer of financial assets), relevant liabilities shall not be designated as financial liabilities at FVTPL.
- For the transferred financial asset measure at fair value, the carrying amount of relevant liabilities equals to carrying amount of the continuously-involved transferred financial asset less fair value of rights retained by the Group (if the Group retains relevant right due to transfer of financial assets) plus fair value of the obligation assumed by the Group (if the Group retains relevant right due to transfer of financial assets), the fair value of the right and obligation is fair value measured on stand-alone basis.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between the carrying amount of the financial asset transferred on the date of derecognition and the derecognition-related part of the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized in other comprehensive income, is recognized in profit or loss. If the financial assets transferred by the Group are equity instrument not held for trading designated as financial assets at FVTOCI, cumulative gain or loss that has been recognized in other comprehensive income should be transferred from other comprehensive income to retained earnings.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

10. Financial instruments *(Continued)*

10.3 Transfer of financial assets *(Continued)*

If a part of the transferred financial asset qualifies for derecognition, the carrying amount of the transferred financial asset is allocated between the part that continues to be recognized and the part that is continuously involved, based on the respective fair values of those parts on transfer date. The difference between the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income and the carrying amount allocated to the part derecognized on derecognition date; and, is recognized in profit or loss. If the financial asset transferred by the Group are designated as equity instrument investment not held for trading at FVTOCI, cumulative gains or losses previously recognized in other comprehensive income are transferred to retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group will continuously recognize the transferred financial asset in its entirety. Considerations received due to transfer of assets shall be recognized as a liability upon receipts.

10.4 Classification of financial liabilities and equity instruments

Financial instruments or its constituent parts issued by the Group are classified into financial liabilities or equity instruments on the basis of the contractual arrangements and the economic substance not only its legal form, together with the definition of financial liability and equity instruments.

10.4.1 Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instruments (Continued)

10.4 Classification of financial liabilities and equity instruments (Continued)

10.4.1 Classification, recognition and measurement of financial liabilities (Continued)

10.4.1.1 Financial liabilities at FVTPL

Financial liabilities at FVTPL consist of financial liabilities held for trading (including derivatives included in financial liabilities) and those designated as at FVTPL. Other than derivative financial liabilities to be set out separately, financial liabilities at FVTOCI are stated as financial liabilities held for trading.

If a financial liability meets one of the following conditions, it is considered that such liability is held by the Group for trading:

- The financial liability was acquired principally for the purpose of repurchasing in near future.
- The financial liability is part of a portfolio of identifiable financial instruments upon initial recognition, and there is objective evidence that a recent actual pattern of short-term profit-making exists.
- The financial liability is a derivative instrument, except for derivatives meeting the definition of financial guarantee contract, or designated as an effective hedging instrument.

A financial liability may be designated as measured at FVTPL upon initial recognition when one of the following conditions is satisfied: (1) such designation can eliminate or significantly reduce accounting mismatches; (2) conduct management and performance evaluation on groups of financial liabilities or groups of financial assets and financial liabilities on a fair value basis, in accordance with the Group's formally documented risk management or investment strategy, and report to key management personnel on that basis; or (3) qualified mixed financial instrument with embedded derivatives.

Financial liabilities held for trading are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any dividend or interest expenses paid on the financial liabilities are recognized in profit or loss.

In the event that the Group and its counterparty modify or renegotiate the contract does not result in derecognition of a financial liability subsequently measured at amortized cost but result in changes in contractual cash flows, the Group will recalculate the carrying amount of the financial liability, with relevant gain or loss recognized in profit or loss. The Group will determine carrying amount of the financial liability based on the present value of renegotiated or modified contractual cash flows discounted at the financial liability's original effective interest rate. For all costs or expenses arising from modification or renegotiation of the contract, the Group will adjust the modified carrying amount of the financial liability and make amortization during the remaining term of the modified financial liability.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

10. Financial instruments *(Continued)*

10.4 Classification of financial liabilities and equity instruments *(Continued)*

10.4.1 Classification, recognition and measurement of financial liabilities *(Continued)*

10.4.1.2 Other financial liabilities

Other financial liabilities, except for financial liabilities arising from transfer of financial assets does not satisfy derecognition criteria or continue involvement of transferred financial assets, are subsequently measured at amortized cost, with gain or loss arising from derecognition or amortization recognized in profit or loss.

In the event that the Group and its counterparty modify or renegotiate the contract does not result in derecognition of a financial liability subsequently measured at amortized cost but result in changes in contractual cash flows, the Group will recalculate the carrying amount of the financial liability, with relevant gain or loss recognized in profit or loss. The Group will determine carrying amount of the financial liability based on the present value of renegotiated or modified contractual cash flows discounted at the financial liability's original effective interest rate. For all costs or expenses arising from modification or renegotiation of the contract, the Group will adjust the modified carrying amount of the financial liability and make amortization during the remaining term of the modified financial liability.

10.4.2 Derecognition of financial liabilities

The Group derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

10.4.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognized as changes of equity. Change of fair value of equity instruments is not recognized by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognizes the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect total amount of shareholders' equity.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instruments (Continued)

10.5 Derivatives and embedded derivatives

Derivative financial instruments include foreign currency forward contracts, currency swap contracts, interest rate swap contracts, etc. Derivatives are initially measured at fair value on the date of signing of such contracts, and subsequently measured at fair value.

For mixed contracts consisting of derivatives and host contracts, if host contracts are financial assets, instead of separating embedded derivative instruments from the mixed contract, the Group shall assess the mixed contract as a whole in applying the accounting standards for financial asset classification.

When the host contract in the hybrid is not a financial asset while also meeting the following conditions, the Group shall separate the embedded derivative instrument from the hybrid, which is accounted for as an individual derivative financial instrument.

- (1) The economic characteristics and risks of the embedded derivative are not closely related to the host contract.
- (2) A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.
- (3) The hybrid is not measured at FVTPL.

Where embedded derivative instrument is separated from the hybrid, the Group makes accounting treatment for the host contract according to applicable accounting standards. If the fair value of embedded derivative instrument cannot be reliably measured based on its terms and conditions, the fair value of the embedded derivative instrument shall be determined by the difference between the fair value of the hybrid and the fair value of the host contract. After applying the above method, if the fair value of the embedded derivative instrument still cannot be independently measured on the date of acquisition or the subsequent statement of financial position date, the Group shall designate the hybrid as a whole as a financial instrument measured at FVTPL.

10.6 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the statement of financial position. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the statement of financial position and shall not be offset.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Receivables

11.1 Receivables for which bad debt provision is individually assessed:

Reason for individual provision for bad debts	If there exists evidence that the credit risk of certain individual receivable is significant, bad debt provision is individually assessed for such receivable.
Method for bad debt provision	To be impaired individually, and the difference between the present value of the estimated future cash flows and its carrying amount is used for bad debt provision.

11.2 Receivables for which bad debt provision is collectively assessed on a portfolio basis by credit risk characteristics:

Other than receivables for which bad debt provision is individually assessed, receivables are grouped based on the similarities and relevance of the credit risk characteristics. Such credit risks usually reflect the repayment capacity of debtors under the contract terms of such assets, and relate to the future cash flow measurement of the examined assets. The basis for determination and method of determining provision for bad debt of each portfolio are as follows:

Name of portfolio	Basis of determining the portfolio
Portfolio 1	Amount from debtors simultaneously having a long-term cooperation history, no history of bad debt and sound state of operation.
Portfolio 2	Receivables other than Portfolio 1.

Bad debt provision of above portfolios is made using aging analysis:

Aging	Portfolio 1	Portfolio 2
Within 1 year	0.30%	0.30%
1 to 2 years	5%	10%
2 to 3 years	20%	30%
3 to 4 years	30%	50%
4 to 5 years	50%	80%
Over 5 years	100%	100%

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

12. Inventories

12.1 Classification of inventories

The Group's inventories mainly include raw materials, inventories arising from construction contracts, nuclear fuel, spare parts, products in stock, consigned processing materials, materials in transit and turnover materials. Inventories are initially measured at cost. Inventory costs include procurement costs, processing costs and other expenses incurred to enable the inventories to reach the present site and working condition.

12.2 Valuation method of inventories upon delivery

Upon delivery of inventories, actual cost of nuclear fuel is calculated using the specific identification method based on the number of refueling batches, and included in the production cost by installments at the current and the next refueling period based on the on-grid power generation. Actual cost of other inventories are calculated using the weighted average method or specific identification method.

Turnover materials are materials that can be reused many times and still be remained in original condition after gradual transfer of their value but are not recognized as fixed assets, including packaging materials, low-value and short-lived consumables and other turnover materials. Packaging materials, low-value and short-lived consumables and other turnover materials are amortized by one-time write-off.

12.3 Recognition of net realizable value of inventories and provision for inventory impairment

At the statement of financial position date, inventories are calculated at the lower of cost and net realizable value. Provision for inventory impairment is made when the net realizable value is lower than the cost. Net realizable value represents the estimated selling price of inventories minus cost estimated to incur upon completion, estimated selling costs and relevant taxes during normal course of business. The net realizable value of inventory is determined based on the actual evidences obtained while the objectives of inventories holding and the impact of post statement of financial position date event are also considered.

Provision for decline in value of inventories is made based on the excess of cost of inventory over its net realizable value on an item-by-item basis.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

12.4 Inventory count system

The inventory count system shall be on a perpetual basis.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

13. Held-for-sale assets

When the Group recovers the book value of a non-current asset or disposal group mainly by selling (including the exchange of non-monetary assets with commercial substance) rather than using such non-current asset or disposal group on a continuous basis, the non-current asset or disposal group is classified as held-for-sale.

Non-current assets or disposal groups classified as held-for-sale shall satisfy the following conditions:

- (1) according to the practice of selling such assets or disposal groups in similar transactions, they can be sold immediately in the current condition;
- (2) the sale is highly likely, that is, the Group has made a decision on a sale plan and obtained a definite purchase commitment, and the sale is expected to be completed within one year.

Where the Group has lost control of a subsidiary due to reasons such as disposal of investment in a subsidiary regardless of the Group retaining part of equity investment after the disposal, upon the investment in subsidiary intended to be disposed of satisfying the conditions for classification as held-for-sale, the investment in subsidiary will be generally classified as held-for-sale in the parent's separate financial statements, and all assets and liabilities of the subsidiary is classified as held-for-sale in the consolidated financial statements.

The Group measures held-for-sale non-current assets or disposal groups at the lower of the net amount of the book value and fair value minus the cost of sale. If the book value is higher than the fair value minus the selling expenses, the book value shall be written down to the net amount after the fair value minus the selling expenses. The amount written down shall be recognized as asset impairment loss, and shall be included in the current profit or loss, and the provision for impairment of held-for-sale shall be made. If the net increase of the fair value of the held-for-sale non-current assets minus the selling expenses on subsequent statement of financial position date, the amount previously written down shall be recovered, and the amount of asset impairment loss recognized after being classified as held-for-sale shall be reversed, and the amount reversed shall be included in the current profit or loss.

Held-for-sale non-current assets or those in the disposal group are not depreciated or amortized, and the interest and other expenses on liabilities in the held-for-sale disposal group continue to be recognized.

The equity investment in associates or joint ventures is classified as held-for-sale assets in whole or in part, and the portion classified as held-for-sale shall be no longer measured under the equity method from the date of being classified as held-for-sale.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

14. Long-term equity investments

14.1 Judgement criterion of determining joint control or significant influence over the investee

Control exists when the investor has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of an enterprise, except to control or joint control the formulation of such policies together with other parties. In determining whether there is control or significant influence over the investee, potential voting right factors (such as the convertible corporate bonds for the period and the exercisable stock warrants for the period of the investee and other invested units held) were taken into account.

14.2 Determination of initial investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the shareholders' equity of the acquiree at the date of combination in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed is adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings. If the consideration of the combination is satisfied by the issue of equity securities, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the shareholders' equity of the acquiree in the consolidated financial statements of the ultimate controlling party. The aggregate face value of the shares issued is accounted for as share capital. The difference between the initial investment cost and the aggregate face value of the shares issued is adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings.

For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost of the long-term equity investment is the cost of acquisition at the date of combination. For a business combination realized by more than one transactions and ultimately not under common control, different accounting methods are adopted by the criteria of whether those transactions are classified as "a bundle of transactions" or not. If yes, all transactions are deemed as one transaction getting control of the acquirer and are dealt with the relevant accounting method. If no, the Company regards the sum of carrying value of the equity investment of the acquirer plus added cost of investment as the initial cost of investment. For such carrying value of the equity investment, if it is accounted by method of equity, then the relevant other comprehensive income is not accounted for the period.

The intermediary fees incurred by the absorbing party or acquirer such as audit, legal, valuation and consulting fees, etc. and other related administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

14. Long-term equity investments *(Continued)*

14.2 Determination of initial investment cost *(Continued)*

The long-term equity investment acquired otherwise than through a business combination is initially measured at cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously-held equity investments determined in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, and the additional investment cost.

14.3 Method for subsequent measurement and profit or loss recognition

14.3.1 Long-term equity investments accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the financial statements of the parent company. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognized in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

14.3.2 Long-term Equity Investment Calculated According to the Equity Method

Except for all or part of the investment in associates and joint ventures classified as assets held for sale, the Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence; a joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognized in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

14. Long-term equity investments (Continued)

14.3 Method for subsequent measurement and profit or loss recognition (Continued)

14.3.2 Long-term Equity Investment Calculated According to the Equity Method (Continued)

Under the equity method, the Group recognizes its share of the net profit or loss and other comprehensive income made by the investee as investment income and other comprehensive income respectively, and adjust the carrying amount of the long-term equity investment accordingly; the carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is distributed to the Group; the share of the changes in owners' equity of the investee other than those arising from net profit or loss, other comprehensive income and profit distribution are recognized in the capital reserve and the carrying amount of the long-term equity investment is adjusted accordingly. The Group recognizes its share of the investee's net profit or loss after making appropriate adjustments based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date. Where the accounting policies and accounting period adopted by the investee are not consistent with those of the Group, the Group shall adjust the financial statements of the investee to conform to its own accounting policies and accounting period, and recognize investment income and other comprehensive income based on the adjusted financial statements.

For the Group's transactions with its associates and joint ventures where assets contributed or sold does not constitute a business, unrealized intra-group profits or losses are recognized as investment income or loss to the extent that those attributable to the Group's proportionate share of interest are eliminated. However, unrealized losses resulting from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated.

If the assets transfer made by the Group is classified as a business transaction, fair value of the asset transferred are recognized as initial cost of the additional long-term equity investment, and the difference between initial cost of investment and carrying value of asset transferred are taken in full amount into the current profit or loss, if the investor obtained long-term equity investment but not control over the investee. If the disposal of assets made by the Group is classified as a business transaction, the difference between consideration of assets sold and carrying value of the asset are taken in full amount into the current profit or loss. If assets purchased from associates and joint ventures are classified as business transactions, then full amount of profit or loss relating to the transaction are recognized, according to the requirements under the Accounting Standards for Business Enterprise No. 20 – Business Combination.

The Group discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the investee is reduced to zero, except to the extent that the Group has an obligation to assume additional losses, in which case, the expected liability shall be recognized at the obligation to be assumed and be included in investment loss incurred during the current periods. Where net profits are subsequently made by the investee, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

14. Long-term equity investments *(Continued)*

14.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognized in profit or loss for the period. For long-term equity investments accounted for using the equity method, if the remaining interest after disposal is still accounted for using the equity method, other comprehensive income previously recognized for using the equity method is accounted for on the same basis as would have been required if the investee had directly disposed of related assets or liabilities, and transferred to profit or loss for the period on a pro rata basis; owners' equity recognized due to changes in other owners' equity of the investee (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period on a pro rata basis. For long-term equity investments accounted for using the cost method, if the remaining interest after disposal is still accounted for using the cost method, other comprehensive income previously recognized for using the equity method or in accordance with the standards for the recognition and measurement of financial instruments before obtaining the control over the investee, is accounted for on the same basis as would have been required if the investee had directly disposed of related assets or liabilities, and transferred to profit or loss for the period on a pro rata basis; changes in other owners' equity in the investee's net assets recognized under the equity method (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period on a pro rata basis.

For the remaining share equity after partial disposal which causes the Group to lose full control over the investee, equity method will be used to account and adjust for the remaining share equity as if they are accounted by the same method upon acquisition, if such equity enables the Group to exercise joint control or significant influences over the investee. If not, the difference between the fair value upon the date of losing control and the carrying value will be taken into the current profit or loss, according to the regulations of financial instrument recognition and measurement. For the other comprehensive income recognized by equity method or by financial instruments recognition and measurement before the Group takes control of the investee, the same basis the investee while disposing relative asset or liability will be adopted for accounting when the Group loses control over the investee, changes to shareholders' equity in the net asset of investee recognized by equity method, other than net profit or loss, other comprehensive income and profit distribution will be carried forward to the current profit or loss. Meanwhile, other comprehensive income and other shareholders' equity will be carried proportionately if the remaining share equity is accounted by equity method; and will be carried in full amount if the remaining share equity is accounted by financial instrument recognition and measurement.

The remaining share equity after partial disposal that causes the Group to lose joint control or significant influences over the investee are accounted by financial instrument recognition and measurement, difference between the fair value of such equity upon the date of losing control or significant influence and the carrying value will be taken into the current profit or loss. Other comprehensive income recognized using equity method for the previous share equity investment will be accounted using the same basis as the investee while disposing relative asset or liability, full amount of shareholders' equity recognized by other change to shareholders' equity other than net profit or loss, other comprehensive income or profit distribution will be taken into return on investment for the period when equity method stops being adopted.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

15. Investment properties

Investment property refers to real estate held to earn rentals or for capital appreciation, or both, including leased land use rights, land use rights held and provided for transferring after appreciation and leased buildings, etc.

Investment property is initially measured at cost. Subsequent expenditures related to an investment property shall be included in cost of investment property only when the economic benefits associated with the asset will likely flow to the Group and its cost can be measured reliably. All other subsequent expenditures shall be included in profit or loss for the current period when incurred.

The Group adopts cost method for subsequent measurement of investment property, which is depreciated or amortized using the same policy as that for buildings and land use rights. An investment property is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The useful life, estimated net residual value rate and annual depreciation rate of each category of investment property are as follows:

Category	Useful life	Estimated net residual value rate	Annual depreciation rate
Buildings and structures	20-50 years	5%	1.90%-4.75%

When an investment property is sold, transferred, retired or damaged, the amount of proceeds on disposal of the property net of the carrying amount and related taxes is recognized in profit or loss for the current period.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

16. Fixed assets

16.1 Conditions for recognition of fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and have a useful life of more than one accounting period. Fixed assets are only recognized when their related economic benefits are likely to flow to the Group and their cost can be reliably measured. Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered.

A fixed asset that is ready for its intended use but before the final account for completed project is stated at cost and depreciated based on estimated value, which will be adjusted based on actual cost upon the final account for completed project without adjustment to the depreciation already made.

Nuclear power plant decommissioning cost is recognized in the initial cost of fixed assets based on the discounted amount of the expected decommissioning expense. Two-third of the initial nuclear fueling costs as necessary expenses before the nuclear power plant is ready for its intended use are recognized in the construction cost of the nuclear power plant, and its depreciation is provided under the same method as the nuclear power plant. The remaining initial nuclear fueling costs are recognized in the inventory, and are included in the production cost by installments at the period between the initial fueling and the next refueling based on the on-grid power generation.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile, the carrying amount of the replaced part is derecognized. Other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

16.2 Method for depreciation of different fixed assets

Fixed assets of the Group include nuclear power facilities and non-nuclear power facilities.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

16. Fixed assets (Continued)

16.2 Method for depreciation of different fixed assets (Continued)

16.2.1 Method for depreciation of nuclear power facilities

Method for classification and depreciation, estimated useful life and estimated net residual value of nuclear power facilities are as follows:

Except for the decommissioning costs of nuclear power facilities that is separately accounted for, other nuclear power facilities are classified into two categories, the nuclear islands, regular islands and auxiliary systems, as well as machinery, electricity, instruments, buildings and structures. Nuclear power facilities are depreciated using the units of production method, except for the buildings and structures that are depreciated using the straight-line method, since the month subsequent to the one in which it is ready for intended use. The net residual value rate of regular islands and auxiliary system machineries is 5%, and the net residual value rate of other fixed-assets categorized as nuclear power facilities is zero.

The estimated useful lives of the nuclear power facilities of the Group are as follows:

Category	Nuclear islands	Regular islands	Auxiliary systems
Machinery	30-60 years	20-30 years	20-30 years
Electricity	15-20 years	15-20 years	15-20 years
Instruments	10-15 years	10-15 years	10-15 years
Buildings	40/60 years	30 years	30 years
Structures	25-60 years	25 years	25 years
Decommissioning costs of nuclear power facilities	40/60 years	N/A	N/A

Calculations of depreciation by the units of production method are as follow:

Current depreciation rate=current actual on-grid power generation ÷ (current actual on-grid power generation + estimated on-grid power generation during remaining depreciation period)

Current depreciation amount=[cost of fixed assets as at the end of the period x (1 – estimated net residual value rate) – depreciated amount as at the beginning of the period – provision of fixed assets impairment] x current depreciation rate

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

16. Fixed assets (Continued)

16.2 Method for depreciation of different fixed assets (Continued)

16.2.2 Method for depreciation of non-nuclear power facilities

Non-nuclear power facilities are depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The useful life, estimated net residual value rate and annual depreciation rate of fixed assets of non-nuclear power facilities as follows:

Category	Useful life	Estimated net residual value rate	Annual depreciation rate
Building and structure for administration purpose	20-50 years	5%	1.90%-4.75%
Machinery and equipment	5-15 years	5%	6.33%-19%
Transportation vehicles	5 years	5%	19%
Electronic equipment and office facilities	5 years	5%	19%
Vessels	25 years	5%	3.8%

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the stage and in the condition expected at the end of its useful life.

16.3 Other explanations

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the current period.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and account for any change as a change in an accounting estimate.

17. Construction in progress

Construction in progress is measured based on the actual cost, including all expenditures incurred for construction projects, capitalized borrowing costs for the construction in progress before it is ready for its intended use, and other related expenses during the construction period. A construction in progress is not depreciated and is transferred to fixed assets when it is ready for its intended use.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

18. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. If construction or production of assets qualifying capitalization is interrupted abnormally for a continuous period of more than 3 months, the capitalization of borrowing costs should be ceased until the assets resume construction or production. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings. During the capitalization period, exchange differences related to a specific-purpose borrowing denominated in foreign currency are all capitalized. Exchange differences in connection with general-purpose borrowings are recognized in profit or loss in the period in which they are incurred.

19. Intangible assets

19.1 Intangible assets

Intangible assets include land use rights, software, patent rights, non-patented technology and sea area use rights, etc.

An intangible asset is measured initially at cost. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortized over its estimated useful life using the straight-line method. An intangible asset with an indefinite useful life is not amortized. The amortization method, years of useful life and net residual value are as follows:

Category	Amortization method	Useful life
Land use rights	Straight-line method	20-50 years
Computer software	Straight-line method	5-10 years
Patent rights	Straight-line method	10 years
Non-patented technology	Straight-line method	10 years
Sea area use rights	Straight-line method	50 years
Others	Straight-line method	10-22 years

The estimated net residual values of intangible assets are zero. The Group shall review the finite useful life of an intangible asset and the amortization method applied at the end of the period and make adjustments when necessary.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

19. Intangible assets *(Continued)*

19.2 Internal research and development expenditure

Expenditure arising from the research phase is accounted for in profit or loss for the current period when incurred.

Expenses incurred during the development stage that satisfy the following conditions are recognized as intangible assets, while those that do not satisfy the following conditions are accounted for in the profit or loss for the current period:

- (1) it is technically feasible that the intangible asset can be used or sold upon completion;
- (2) there is intention to complete the intangible asset for use or sale;
- (3) the intangible asset can produce economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset;
- (4) there is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset;
- (5) the expenses attributable to the development stage of the intangible asset can be measured reliably.

If the expenses incurred during the research stage and the development stage cannot be distinguished separately, all research and development expenses incurred are accounted for in the profit or loss for the current period.

20. Impairment of long-term assets

The Group assesses at each statement of financial position date whether there is any indication that any long-term equity investments, investment properties, fixed assets, construction in progress, right-of-use assets and intangible assets with a finite useful life may be impaired. If there is any evidence indicating that an asset may be impaired, recoverable amount shall be estimated for the individual asset. The intangible assets with infinite useful life and intangible assets that are not ready for intended use are tested for impairment yearly, regardless of any indication of impairment.

The recoverable amount should be estimated of the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the asset group to which the asset belongs. The recoverable amount of an asset is determined at the higher of the net amount after deducting the disposal expenses from the assets' fair value and the current value of the assets' estimated future cash flow.

If the recoverable amount of an asset is less than its carrying amount, a provision for impairment loss of the asset will be made for the reduction and is charged to profit or loss for the current period.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

20. Impairment of long-term assets (Continued)

Goodwill is tested for impairment yearly. When conducting the impairment test for goodwill, the test is conducted through combination with its related asset group or portfolio of asset group. That is, the carrying amount of goodwill is reasonably allocated to the related asset group or each of asset group expected to benefit from the synergies of the combination from the acquisition date. If the recoverable amount of asset group or portfolio of asset group containing the allocated goodwill is lower than its carrying value, relevant impairment loss is recognized. The amount of impairment loss is first written-down and allocated to the carrying amount of the goodwill of that asset group or portfolio of asset group, and is then written down to the carrying value of all other types of assets proportionally according to the weighting of the carrying value of all other types of assets other than goodwill within asset group or portfolio of asset group.

When recognizing the impairment loss of contractual costs related assets, other assets in relation to contractual costs that are recognized pursuant to other relevant corporate accounting standards shall take priority. For contractual costs related assets, the Group shall make provisions and recognize an impairment loss to the extent that the carrying amount of an asset exceeds: (1) the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates; (2) the estimated costs that relate to providing those goods or services.

Except for the impairment loss of contractual costs, an impairment loss once recognized shall not be reversed in a subsequent period. The Group shall, after the impairment of contractual costs has been provided, recognized in profit or loss a reversal of the impairment loss previously recognized when the impairment conditions no longer exist or have improved. However, the increased carrying amount of the asset shall not exceed the carrying amount that would have been determined if no impairment loss had been recognized previously.

21. Long-term deferred expenses

Long-term deferred expenses are expenses which have incurred but shall be amortized over the current year and subsequent years of more than one year. Long-term deferred expenses are amortized evenly over the estimated benefit period.

22. Employee benefits

22.1 Accounting treatment of short-term employee benefits

In the accounting period in which employees have rendered services, the Group shall recognize the short-term employee benefits that actually occurred as liability, and charged to profit or loss for the current period or cost of relevant assets. The Group shall recognize the amount of employee welfare that actually occurred and charged to profit or loss for the current period or cost of relevant assets. If the employee welfare expense is non-monetary welfare, it shall be measured according to its fair value.

During the accounting periods which employees rendered service, the Group makes contribution to medical insurance, work-related injury insurance, maternity insurance and other social security contributions and housing provident fund, and extracts for labour union funds and employees' education expenses as stipulated. Based on the required accrual basis and proportions in order to determine the appropriate amount of employee benefits, such employee benefits shall be recognized as corresponding liabilities, and charged to profit or loss during current period or cost of relevant assets.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

22. Employee benefits *(Continued)*

22.2 Accounting treatment of post-employment benefits

Post-employment benefits are classified into defined contribution plans and defined benefit plans.

For defined contribution plans, during the accounting periods which employees rendered service, the contribution payable to the plans shall be recognized as liability in profit or loss or as relevant asset cost.

For defined benefit plans, the Group assigns the welfare obligation generated from the defined benefit plans to the period of rendering services using the formula determined by the projected unit credit method, and includes it in the current profit or loss or related asset costs. Employee benefit costs generated from the defined benefit plans are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest of net liabilities or net assets of defined benefit plans (including interest income of planned assets, interest expenses of defined benefit plan liabilities and effect of asset ceiling); and
- Remeasurement of changes in net liabilities or net assets of defined benefit plans.

Service cost and net interest of net liabilities or net assets of defined benefit plans are included in the current profit or loss or related asset costs. Remeasurement of changes in net liabilities or net assets of defined benefit plans (including actuarial gains or losses, return on plan assets excluding the amount included in the net interest of net liabilities or net assets of defined benefit plans, and changes to the asset ceiling excluding the amount included in the net interest of net liabilities or net assets of defined benefit plans) is included in other comprehensive income.

Deficit or surplus generated from the present value of the obligation of defined benefit plan less the fair value of defined benefit plan asset is recognized as a net liability or a net asset of defined benefit plan.

22.3 Accounting treatment of termination benefits

When the Group provides termination benefits to employees, employee benefit liabilities are recognized for termination benefits, with a corresponding charge to the profit or loss for the period at the earlier of: when the Group cannot unilaterally withdraw the offer of termination benefits because of the termination plan or a curtailment proposal; or when the Group recognizes costs or expenses related to restructuring that involves the payment of termination benefits.

22.4 Accounting treatment of other long-term benefits

For other long-term benefits, when meeting the determined conditions for withdrawal and deposit plan, the Group will conduct accounting treatment according to the determined withdrawal and deposit plan. For net liabilities and net assets of other long-term benefits apart from the above, the Group will conduct accounting treatment according to the determined benefit plan. As at the end of the reporting period, employee welfare cost of other long-term employee welfare are recognized as service cost, net interest of net liabilities or net assets of other long-term employee welfare and remeasurement of changes in net liabilities or assets of other long-term employee welfare, and the total amount of which is recognized in profit or loss or as relevant asset cost.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

23. Provisions

Provisions are recognized when the Group has a present obligation related to a contingency, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the best estimate of provision is determined by discounting the related future cash outflows.

Where all or some of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received, and the amount of reimbursement recognized does not exceed the carrying amount of the provision.

The Group's provisions shall primarily consist of provision for nuclear power plant decommissioning and provision for low and medium level radioactive waste management.

23.1 Provision for nuclear power plant decommissioning

Provision for nuclear power plant decommissioning is the expenses expected to be incurred in the process of the Group putting nuclear reactor systems out of service safely and permanently when they reach the end of their service lives, in order to ensure staff, the public and surrounding ecological environment being not subject to the hazards of the remaining radioactive substance and other potential risks. Provision for nuclear power plant decommissioning is estimated on the basis of best estimate, and the discounted amount shall be included in the initial cost of fixed assets.

23.2 Provision for low and medium level radioactive waste management

Provision for low and medium level radioactive waste management is the expenses expected to be incurred in respect of disposal of long-lived low and intermediate level radioactive waste and short-lived low and intermediate level radioactive waste from nuclear power plant. Provision for low and medium level radioactive waste management shall be made on the basis of best estimate by adopting the accrual-basis principle.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

24. Share-based payment

The share-based payments of the Group are transactions that grant equity instruments or assume equity-instrument based liabilities for receiving services rendered by employees. The share-based payments of the Company are cash-settled share-based payments.

24.1 Cash-settled share-based payments

Cash-settled share-based payment is measured at the fair value of liabilities determined on the basis of shares or other equity instruments of the Group. As to a cash-settled share-based payment, if the right may be exercised immediately after the grant, relevant costs and expenses shall be included on the date of the grant, and the liabilities shall be increased accordingly. On each statement of financial position date within the vesting period, the services obtained in the current period shall, based on the best estimate of the information about the exercisable right, be included in the relevant costs or expenses and the corresponding liabilities at the fair value of the liability undertaken by the Group. Fair value of the liabilities are remeasured and the changes are stated in profit or loss on each statement of financial position date and settlement date before settlement of relevant liabilities.

24.2 Accounting treatment of the implementation, modification and termination of share-based payments

If fair value of the granted equity instrument is increased by the Group's modifications to the share-based payment plans, the increase in fair value shall be accordingly recognized in the increase in service obtained. If the quantity of the granted equity instruments is increased by such modifications, the increase in fair value shall be accordingly recognized in the increase in service obtained. Increase in the fair value of equity instrument is the difference between such fair value on the date of modification before and after the modification. If aggregate fair value of share-based payments are reduced by the modification, or that terms and conditions of share-based plan is otherwise modified to the disadvantage of the employees, it is considered that such modification never took place and accounting treatment shall continue to be made for services obtained, unless the granted equity instrument is partially or entirely cancelled by the Group.

During the vesting period, where the granted equity instrument is cancelled, the Group shall accelerate the exercise of rights thereunder, recognizing the outstanding amount for the remainder of the vesting period in profit or loss, while recognizing capital reserve. If employees or other parties can choose to fulfil the non-vesting conditions but have not fulfilled them during the pending period, then the equity-settled share-based payments are dealt with as cancelled.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

25. Safe production expenses

Safe production expenses are provided by 中廣核工程有限公司China Nuclear Power Engineering Co., Ltd. (“CGN Engineering”), a subsidiary of the Company, under the Measures on the Withholding and Usage of Safety Production Fees of Enterprises (Cai Qi [2012] No.16) (財企[2012]16號《企業安全生產費用提取和使用管理辦法》) jointly issued by the Ministry of Finance and the State Administration of Work Safety on February 14, 2012, recognized in the costs of relevant products or profit or loss and transferred into specific reserves. When such safe production expenses are applied and related to revenue expenditures, specific reserve is directly offset. Where fixed assets are formed from the provision of safe production expenses, expenditure incurred under the collection of items “construction in progress” are recognized as fixed assets when completed safety projects reaching the working condition for its intended use. Meanwhile, specific reserves are written down based on costs of fixed assets formed, and accumulated depreciation of the same amount shall be recognized. No further provision for depreciation shall be made for such fixed assets in subsequent periods.

26. Revenue recognition

The Group’s revenue sources mainly include the following businesses:

- (1) sales of electricity;
- (2) construction, installation and design services;
- (3) provision of labour services;
- (4) sales of goods and others.

When the Group has implemented the performance obligation in the contract, namely, when the customer acquires controls over relevant goods or services, revenues will be recognized as per transaction prices allocated to such performance obligation. Performance obligation represents the Group’s commitment to transfer distinct goods or services to the customer in the contract. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer.

For performance obligations to be satisfied over time, the Group recognizes revenue over time by measuring the progress towards completion if one of the following criteria are met: (1) the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs; (2) the Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; (3) the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

26. Revenue recognition *(Continued)*

For performance obligations to be satisfied at a certain point in time, the Group recognizes revenue at the time of acquiring control of such goods. In judging if the customer has acquired control of the goods, the Group takes into consideration: (1) the Group has a present right to payment for the goods, as in the customer has a present obligation to payment for the goods; (2) the Group has transferred the legal ownership of the good to the customer, as in the customer has acquired the legal ownership of the good; (3) the Group has transferred physical possession of the good to the customer, as in the customer is in possession of the physical good; (4) the Group has transferred the major risks and rewards of the ownership of the good to the customer, as in the customer has acquired the major risks and rewards of the ownership of the good to the customer; (5) the customer has accepted the good; and (6) other indications that the customer has acquired control of the good.

For each performance obligation satisfied over time, the Group recognizes revenue over time by measuring the progress towards completion, except when progress cannot be reasonably determined. In determination of the progress towards completion in satisfying such obligations, the Group adopts the input method or output method based on the nature of business. When the performance progress cannot be determined, the Group is expected to be reimbursed for the costs already incurred and recognize the revenue based on the costs already incurred until the performance progress can be reasonably determined.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is conditioned on factors other than passage of time. For details on accounting policies in respect of impairment of contract assets, please refer to Note (III) 10.2 "Impairment of financial instruments". The Group shall present any unconditional (i.e. if only the passage of time is required before payment of that consideration is due) rights to consideration separately as a receivable. A contract liability is an Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. The contractual assets and liabilities under the same contract shall be shown on a net basis.

For sales with quality assurance clause, if an individual service is rendered to the customer under such clause beyond providing the customer with goods or services meeting the established criteria, the quality assurance clause shall constitute a single performance obligation. Otherwise, accounting treatments shall be made according to the quality assurance liability under the Accounting Standards for Business Enterprises No.13 – Contingencies.

The Group judges its status as the main responsible party or proxy in a transaction based on whether the Group had control over the good or service prior to transferring to the customer. Where the Group had control over the good or service prior to transferring to the customer, the Group is the main responsible party, and total received or receivable consideration shall be recognized as revenue; otherwise, the Group is the proxy, and the commission or fee expected to receive shall be recognized as revenue, which is determined by deducting net payable to other parties from the total received or receivable consideration.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

26. Revenue recognition (Continued)

For receipt in advance from customers for the provision of good or service, the amount shall initially be recognized as liability, and converted into revenue when relevant performance obligations are satisfied. When it is unnecessary for the Group to return the receipt in advance and the customer may forfeit all or part of his/her contractual rights, and that the Group is entitled to the amount in respect of the contractual rights forfeited by the customer, such amount shall be recognized as revenue in proportion to the pattern of rights exercised by the customer. Otherwise, the Group only recognizes such balance of the above liability as revenue when it becomes highly unlikely that customers would demand the fulfilling of the remaining performance obligation.

26.1 Revenue from sales of electricity

Revenue from sales of electricity is the primary component of revenue from sales of goods of the Group. Revenue is recognized when electricity of the Group is transferred to the grids stipulated in the electricity sales contracts, as in when the customer acquires control of the electricity.

26.2 Revenue from construction, installation and design services

The Group adopts the input method to appropriately determine the progress to completion of satisfying performance obligation for construction, installation and design services. Input method is a way to determine the progress to satisfying the performance obligation based on the Group's input, for which the Group adopts costs incurred as the indicator of input. Revenue is recognized at the amount calculated by total transaction price under the contract at the date of statement of financial position multiplied by progress in satisfying the performance obligation, and further deducting recognized revenue from prior accounting periods. When progress cannot be reasonably determined and the incurred costs is expected to be compensated, revenue is recognized according to costs already incurred until the reasonable determination of progress becomes practicable.

26.3 Provision of labour service

The Group adopts the output method to appropriately determine the progress to completion of satisfying performance obligation for the provision of labour services. Output method is a way to determine the progress to satisfying the performance obligation based on the value of goods transferred to the customer, for which the Group adopts milestones reached as the indicator of output. Revenue is recognized at the amount calculated by total transaction price under the contract at the date of statement of financial position multiplied by progress in satisfying the performance obligation, and further deducting recognized revenue from prior accounting periods. If the result of labour transaction cannot be reliably estimated, labour revenue is recognized at labour costs already incurred or that which can be compensated, and the labour costs incurred shall be stated as current expense. Labour costs already incurred not expected to be compensated shall not be recognized as revenue.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

27. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. Government grants are recognized when prescribed conditions are satisfied and they will be received without uncertainties.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government subsidy is a non-monetary asset, it should be measured at its fair value. If its fair value cannot be obtained in a reliable way, it should be measured at its nominal amount. Government grants measured at nominal amount are directly recognized in profit or loss.

27.1 Determination basis and accounting treatment of government grants related to assets

Government grants of the Group primarily include project subsidies for research and development of small reactor and nuclear main pump operation and maintenance technology and test verification platform construction. As such government grants constitute long-term assets, they are considered as government grants related to assets.

A government grant related to an asset is recognized as deferred income, and evenly amortized to current profit or loss over the useful life of the related asset.

27.2 Determination basis and accounting treatment of government grants related to income

Government grants of the Group primarily include value-added tax ("VAT") refunds. As refunds do not constitute long-term assets, they are considered government grants related to income.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the period in which the related costs or loss are recognized. If the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the current period. If the nature of the government grants are difficult to differentiate, such grants are wholly classified under government grants related to income.

A government grant related to Group's business activities, is recognized as other income based on the substance of economic activities. A government grant non-related to the Group's business activities, is recognized as non-operating income.

For the repayment of a government grant already recognized, if there is any balance of related deferred income, the repayment shall be written-off against the book balance of deferred income, and any excess shall be recognized in profit or loss for the period.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

28. Deferred tax assets/deferred tax liabilities

Income tax expenses include current income tax and deferred income tax.

28.1 Current income tax

At the statement of financial position date, current income tax liabilities (or assets) for the current and prior periods shall be measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

28.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the statement of financial position liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

At the statement of financial position date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized or the liability is settled.

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in shareholders' equity, in which case they are recognized in other comprehensive income or in shareholders' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the statement of financial position date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

28. Deferred tax assets/deferred tax liabilities *(Continued)*

28.3 Offsetting of income tax

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities of the Group are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

29. Leases

A contract is a lease or includes a lease when a party to a contract that transfers the right to control the use of one or more identified assets for a certain period of time in exchange for consideration. In order to determine whether the right to control the use of the identified assets within a certain period of time has been transferred in the contract, the Group assesses whether the customers in the contract are entitled to substantially all economic benefits arising from the use of the identified assets and have the right to dominate the use of identified assets during the period of use.

29.1 Accounting treatment of leases when the Group is a lessee

29.1.1 Recognition and initial measurement

On the commencement date of the lease term, the Group shall recognize the right-of-use assets and the lease liabilities for the lease, except for the short-term leases and leases of low value assets that are recognized using the simplified approach.

The right-of-use assets are initially measured at cost. The lease liabilities are initially measured at the present value of the lease payments that have not been paid on the commencement date of the lease term. In calculating the present value of the lease payments, the Group uses the lease interest rate as the discount rate. If the lease interest rate cannot be determined, the incremental borrowing rate shall be used as the discount rate.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

29. Leases (Continued)

29.1 Accounting treatment of leases when the Group is a lessee (Continued)

29.1.2 Subsequent measurement

After the commencement date of the lease term, the Group shall subsequently measure the right-of-use assets at cost, and make depreciation provisions for the right-of-use assets with reference to the depreciation requirements of the Accounting Standards for Business Enterprises No. 4 – Fixed Assets. If the Group can reasonably determine that a lease will transfer ownership of the asset to the Group by the end of the lease term, related assets are depreciated over their useful life. If there is no reasonable certainty that the Group can determine that a lease will transfer ownership of the asset to the Group by the end of the lease term, related assets are depreciated over the shorter of the lease term and useful life.

The Group should calculate the interest expenses of the lease liabilities of each period during the lease term according to a fixed periodic interest rate and include them in current profit or loss or relevant asset costs when incurred.

29.1.3 Short-term leases and leases of low value assets

A short-term lease refers to the lease with a lease term of no more than 12 months from the commencement date of the lease term. A lease that includes a purchase option is not a short-term lease.

A low-value asset lease refers to a lease with a lower value when the single leased asset is a new asset. If the Group subleases or expects to sublease the leased assets, the original lease is not a low-value asset lease.

For short-term leases and leases of low value assets, the recognition of right-of-use assets and leased liabilities is optional. If such assets and liabilities are recognized, the Group shall recognize the lease payments for short-term leases and leases of low-value assets in current profit or loss or related asset costs during each period of the lease term using the straight-line method.

29.2 The Group as lessor under operating leases

During each period of the lease term, the Group recognizes the lease payments from operating leases as rental income using the straight-line method. The initial direct expenses incurred by the Group in relation to the operating leases are capitalized and allocated in the current profit or loss by instalments during the lease term on the same basis as the recognition of rental income.

For fixed assets of operating lease assets, the Group adopts the depreciation policy of similar assets to measure depreciation. For other operating lease assets, the Group adopts a systematic and reasonable method on amortization according to the applicable accounting standards for the assets. The variable lease payments received by the Group in connection with the operating leases that are not included in the lease payments are recognized in profit or loss in the period in which they are incurred.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

30. Changes in significant accounting policies and accounting estimates

30.1 Changes in accounting policies

From January 1, 2019, the Group commenced the adoption of the Accounting Standards for Business Enterprises No. 21 – Leases (Cai Kuai [2018] No. 35) (the “New Standards for Leases”) 《企業會計準則第21號 – 租賃》(財會[2018]35號)), which was revised by the Ministry of Finance in 2018, and the Accounting Standards for Business Enterprises No. 7 – Exchange of Non-monetary Assets (Cai Kuai [2019] No. 8, the “New Standards for Exchange of Non-monetary Assets”) 《企業會計準則第7號 – 非貨幣性資產交換》(財會[2019]8號)) and the Accounting Standards for Business Enterprises No. 12 – Debt Restructuring (Cai Kuai [2019] No. 9, the “New Standards for Debt Restructuring”) 《企業會計準則第12號 – 債務重組》(財會[2019]9號)), which were both revised by the Ministry of Finance in 2019. Besides, the financial statements have been prepared in accordance with the Notice of the Revised Format of Financial Statements for General Business Enterprises for 2019 (Cai Kuai [2019] No. 6, the “Cai Kuai No. 6 Document”) 《關於修訂印發2019年度一般企業財務報表格式的通知》(財會[2019]6號)) issued by the Ministry of Finance on April 30, 2019.

30.1.1 New Standards for Leases

The New Standards for Leases cancelled the differentiation of a lessee’s financing lease and operating lease, requiring recognition of right-of-use assets and lease liabilities of all leases, with recognition of depreciation and interest expense respectively, except for those using simplified approach to account for short-term leases or leases of low-valued assets. For lessors, the New Standards for Leases followed the original accounting rules for leases. When adopting the New Standards for Leases, the Group adjusted the retained earnings and the amounts of other related items in the financial statement at the beginning of the year of the initial adoption of the New Standards for Leases based on the cumulative affected amounts on the date of initial adoption of the New Standards for Leases, without adjusting the information of the comparable period.

For operating leases subsisting prior to the date of initial adoption, the Group as lessees shall measure lease liabilities on the date of initial adoption based on remaining lease payments discounted to present value using the incremental borrowing rate for lessees prevailing on the date of initial adoption, and where the amount of each lease is equivalent to the amount of lease liabilities, necessary adjustments are made based on rental prepayments for the measurement of right-of-use assets. For details of the accounting policies adopted by the Group on leases recognition and measurement, please see Note (III) 29 “Leases”.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Changes in significant accounting policies and accounting estimates (Continued)

30.1 Changes in accounting policies (Continued)

30.1.1 New Standards for Leases (Continued)

The impacts of the adoption of the New Standards for Leases on relevant items on the consolidated statement of financial position as at January 1, 2019 are as follows:

				Unit: RMB
Item	December 31, 2018	Reclassification	Remeasurement	January 1, 2019
Assets:				
Prepayments	5,128,948,753.87	(39,725,475.46)	—	5,089,223,278.41
Other receivables	519,127,589.11	(363,594.11)	—	518,763,995.00
Right-of-use assets	—	97,704,700.97	1,104,430,773.00	1,202,135,473.97
Long-term deferred expenses	1,734,658,492.05	(57,615,631.40)	—	1,677,042,860.65
Liabilities:				
Non-current liabilities due				
within one year	18,853,766,355.93	—	277,947,496.13	19,131,713,852.06
Lease liabilities	—	—	826,483,276.87	826,483,276.87

The reconciliation between the outstanding minimum lease payments of operating lease as at December 31, 2018 and the lease liabilities as at January 1, 2019 is as follows:

		Unit: RMB
Item	Amount	
December 31, 2018		
Total minimum lease payments under non-cancellable operating leases		1,457,241,881.25
Less: Short-term leases, low-value asset leases, and leases completed		
within 12 months after the date of initial adoption		42,213,096.76
Effect of VAT		67,382,323.07
Discounted amount after the date of initial adoption (Note)		1,104,430,773.00
Lease liabilities		1,104,430,773.00
Including: Non-current liabilities due within one year		277,947,496.13
Lease liabilities		826,483,276.87

Note: When including lease liabilities in the statement of financial position on the date of initial adoption, the Group adopted a weighted average incremental borrowing rate of 4.66%.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Changes in significant accounting policies and accounting estimates (Continued)

30.1 Changes in accounting policies (Continued)

30.1.2 New Standards for Exchange of Non-monetary Assets

The New Standards for Exchange of Non-monetary Assets revised the definition of exchange of non-monetary assets, clarified the scope of application of the standard, stipulated the timing of recognition of exchange of non-monetary assets, and refined the accounting treatment of exchange of non-monetary assets. The implementation of the New Standards for Exchange of Non-monetary Assets has no significant impact on the current financial statements of the Group.

30.1.3 New Standards for Debt Restructuring

The New Standards for Debt Restructuring revised the definition of debt restructuring, clarified the scope of application of the standard, revised the accounting treatment of debt restructuring, and simplified the disclosure requirements for debt restructuring. The implementation of the New Standards for Debt Restructuring has no significant impact on the current financial statements of the Group.

30.1.4 Cai Kuai No.6 Document

The Group prepared the 2019 interim financial statements in accordance with the Cai Kuai No. 6 Document promulgated by the Ministry of Finance on April 30, 2019. The Cai Kuai No. 6 Document revised the reporting items in the statement of financial position and the statement of profit or loss and other comprehensive income by adding new line items of "bills receivable", "accounts receivable", "receivables financing", "right-of-use assets", "bills payable", "accounts payable", "lease liabilities" and "specific reserve", eliminating the line items of "bills receivable and accounts receivable" and "bills payable and accounts payable"; revising the reporting contents of the interest receivable and interest payable under the line items of "other receivables" and "other payables", such that the interest receivable and interest payable only reflect the interests for relevant financial instruments which are due and receivable or payable but are not received or paid on the statement of financial position date. The interest of financial instruments calculated based on the effective interest rate method should be included in the carrying amounts of corresponding financial instruments. Meanwhile, the Cai Kuai No. 6 Document also revised the reporting contents of items "interest income" and "other gains" under the line items of "research and development expenses", "administrative expenses" and "finance costs", adding the line item of "including: income from derecognition of financial assets measured at amortized cost" under the item of "investment income" for reporting, and adjusted the location for reporting certain items in the statement of profit or loss and other comprehensive income. In addition, the government grants actually received, whether they are related to assets or related to income, shall be listed under the "cash received from other operating activities" in the cash flow statement. For the changes to the above-mentioned reporting items, the Group adopted the retrospective adjustment method for accounting treatment and restated the financial statements for the comparable period.

(IV) TAXATION

1. Main tax categories and tax rates

	Taxation basis	Tax rate
VAT	(Note 1)	3%, 5%, 6%, 9%, 10%, 11%, 13%, 16%, 17%
Education surcharges	Paid-in VAT and business tax	3%
Local education surcharges	Paid-in VAT and business tax	2%
Urban maintenance and construction tax	Paid-in VAT and business tax	1%, 5%, 7%
Real estate tax	Tax basis under relevant tax law (Note 2)	1.2% or 12%
Enterprise income tax	Taxable income	25%, 20%, 15%

Note 1: VAT payable is output tax minus deductible input tax, and the output tax is calculated based on sales and VAT tax rate as determined by relevant tax law.

The revenue from sales of electricity of the subsidiaries of the Company, namely Guangdong Nuclear Power Investment Co., Ltd. (“GNIC”), GNPJVC, Yangxi Nuclear Power Limited (陽西核電有限公司), Fujian Ningde Nuclear Power Co., Ltd. (福建寧德核電有限公司) (“Ningde Nuclear”), Ling’ao Nuclear Power Co., Ltd. (嶺澳核電有限公司) (“Ling’ao Nuclear”), Lingdong Nuclear Power Co., Ltd. (嶺東核電有限公司) (“Lingdong Nuclear”), Yangjiang Nuclear Power Co., Ltd. (陽江核電有限公司) (“Yangjiang Nuclear”), Taishan Nuclear Power Joint Venture Co., Ltd. (台山核電合營有限公司) (“Taishan Nuclear”), Guangxi Fangchenggang Nuclear Power Co., Ltd. (廣西防城港核電有限公司) (“Fangchenggang Nuclear”) and CGN Power Sales Co., Ltd. (中廣核電力銷售有限公司) (“Power Sales Company”), was subject to VAT. The revenue from overhaul service of a subsidiary of the Company, CGN Nuclear Power Operations Limited Company (中廣核核電運營有限公司) (“CGN Operations”), was subject to VAT. The revenue from sales of goods or equipment of the subsidiaries of the Company, namely China Nuclear Power Technology Research Institute (中廣核研究院有限公司), Suzhou Nuclear Power Research Institute (蘇州熱工研究院有限公司) (“SNPRI”), China Nuclear Power (Beijing) Simulation Technology Corporation Ltd. (中廣核(北京)仿真技術有限公司) (“CNPSTC”), CGN Engineering, China Nuclear Power Design Co., Ltd. (Shenzhen) (深圳中廣核工程設計有限公司) (“CGN Design”), GNPJVC, Ningde Nuclear, Ling’ao Nuclear, Lingdong Nuclear, Yangjiang Nuclear, Taishan Nuclear, Fangchenggang Nuclear, CGN Inspection Technology Co., Ltd. (中廣核檢測技術有限公司) (the “Inspection Company”), China Nuclear Power (Shenzhen) Radiation Monitoring Technology Co., Ltd. (中廣核(深圳)輻射監測技術有限公司), Worldwide Engineering CGNPC AREVA Nuclear Co., Ltd. (中珺國際核能工程有限公司) and CGN Import & Export Co., Ltd. (中廣核電進出口有限公司) was subject to VAT. The VAT tax rate for the period from January 1 to April 30, 2018 was 17%. The VAT tax rate for the period from May 1, 2018 to March 31, 2019 was 16%. The VAT tax rate for the period from April 1 to June 30, 2019 was 13%.

Revenue from newspaper and magazine publication of SNPRI, a subsidiary of the Company, was subject to VAT. The VAT tax rate for the period from January 1 to April 30, 2018 was 11%. The VAT tax rate for the period from May 1, 2018 to March 31, 2019 was 10%. The VAT tax rate for the period from April 1 to June 30, 2019 was 9%.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(IV) TAXATION (Continued)

1. Main tax categories and tax rates (Continued)

Note 1: (Continued)

Revenue from the production and supply of thermal power of Hebei Zhongzhuang Clean Thermal Energy Co., Ltd. (河北中莊清潔熱能有限公司), a subsidiary of the Company, was subject to VAT. The VAT tax rate for the period from January 1, 2018 to March 31, 2019 was 10%. The VAT tax rate for the period from April 1 to June 30, 2019 was 9%.

Revenue from technical service of the subsidiaries of the Company, namely CNPRI, CNPSTC, SNPRI, China Nuclear Power (Shenzhen) Radiation Monitoring Technology Co., Ltd. (中廣核(深圳)輻射監測技術有限公司), Inspection Company, CGN Engineering, CGN Design, Worldwide Engineering CGNPC AREVA Nuclear Co., Ltd. (中法國際核能工程有限公司), Guangdong Daya Bay Nuclear Power Environment Protection Co., Ltd. (廣東大亞灣核電環保有限公司) and China Nuclear Power Operations Co., Ltd. (中廣核核電運營有限公司) was subject to VAT at 6%.

From January 1, 2018 to April 30, 2018, revenue from construction contracts of CGN Engineering, a subsidiary of the Company, was subject to levy rate at 3% or tax rate at 11% (which was changed to 10% from May 1, 2018 and further changed to 9% from April 1, 2019) instead of business tax at 3% or 5%. Entrusted loan interest income of the subsidiaries of the Company, namely Fangchenggang Nuclear, SNPRI, GNIC, China Nuclear Power (Shenzhen) Radiation Monitoring Technology Co., Ltd. (中廣核(深圳)輻射監測技術有限公司), the Inspection Company and GNPJVC, was subject to VAT at 6%. Entrusted loan interest income of Guangxi Fangchenggang CGN Nuclear Power Industry Investment Co., Ltd. (廣西防城港中廣核核電產業投資有限公司) ("Fangchenggang Investment"), a subsidiary of the Company, was subject to VAT at 3% for entrusted loan as a small taxpayer from February 28, 2018 (the date of establishment), and was then subject to VAT at 6% for entrusted loan as a general taxpayer from January 1, 2019. The real estate rental income of the subsidiaries of the Company, namely the Inspection Company, CNIC, Ling'ao Nuclear, GNPJVC, Lingdong Nuclear, SNPRI, Inspection Company, China Nuclear Power Technology Research Institute (中廣核研究院有限公司) and CGN Engineering, was subject to VAT at 5% using a simple tax computation method. Training income of the subsidiaries of the Company, namely Daya Bay Nuclear Power Operations and Management Co., Ltd. (大亞灣核電運營管理有限責任公司) ("DNMC") and China Nuclear Power Operations Co., Ltd. (中廣核核電運營有限公司) was subject to VAT at 6%.

Revenue from the labour dispatch service of DNMC, a subsidiary of the Company, was subject to VAT at 5% using a simple tax computation method.

The Company's subsidiaries, namely Taishan Nuclear Power Industry Investment Co., Ltd. (台山核電產業投資有限公司) ("Taishan Investment"), CGN Ninghe Investment Co., Ltd. (中廣核寧核投資有限公司) and CGN Nuclear Power Investment Co., Ltd. (中廣核核電投資有限公司), were subject to VAT at 3% of taxable income of small-scale taxpayers under the tax law.

Note 2: Self-occupied properties are subject to tax at 1.2% per year, with real estate residual value after a one-time deduction of 10%-30% depletion as tax basis; while leased properties are subject to tax at 12% per year, with the full year lease income as tax basis.

(IV) TAXATION (Continued)

2. Tax preference

VAT “levy first, refund later” policy

Pursuant to the Circular on Relevant Issues Concerning Taxation in Nuclear Power Industry (Cai Shui [2008] No. 38) 《關於核電行業稅收政策有關問題的通知》(財稅[2008]38號)) issued by the Ministry of Finance and State Administration of Taxation, sales of electrical products of the Company’s subsidiaries, namely Ling’ao Nuclear, Lingdong Nuclear, Yangjiang Nuclear, Fangchenggang Nuclear, Ningde Nuclear and Taishan Nuclear, were entitled to the VAT “levy first, refund later” policy within 15 years from the second month to the commencement of commercial production of their power generating units, with the refund ratio gradually decreasing in three phases. Within 5 years from the second month to the commencement of commercial production, refund ratio is 75% of deposited tax; between 6 to 10 years from the second month to the commencement of commercial production, refund ratio is 70% of deposited tax; and between 11 to 15 years from the second month to the commencement of commercial production, refund ratio is 55% of deposited tax. After 15 years from the second month to the commencement of commercial production, the “levy first, refund later” policy is no longer applicable.

Investment tax preferential policy for public infrastructure projects

Pursuant to the Notice on the Execution of the Catalogue of Public Infrastructure Projects Entitled for Tax Benefit (Cai Shui [2008] No. 46) 《財政部、國家稅務總局關於執行公共基礎設施項目企業所得稅優惠目錄有關問題的通知》(財稅[2008]46號)) issued by the Ministry of Finance and the State Administration of Taxation and the Supplementary Notice of Tax Benefit Scheme in relation to Public Infrastructure Project (Cai Shui [2014] No. 55) 《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》(財稅[2014]55號)), as Yangjiang Nuclear, Fangchenggang Nuclear, Ningde Nuclear, Taishan Nuclear and CGN Lufeng Nuclear Power Co., Ltd. (中廣核陸豐核電有限公司) (“Lufeng Nuclear”) fall under the Tax Benefit Scheme in relation to the Investment in and Operation of Key Public Infrastructure Projects Supported by the State, these subsidiaries were entitled to EIT exemption for three years followed by 50% exemption for the next three years commencing from their first revenue generating year.

Yangjiang Unit 1 and Unit 2 were subject to EIT at 12.5% for the periods from January 1 to June 30, 2018 and from January 1 to June 30, 2019; Unit 3 was entitled to EIT exemption for the period from January 1 to June 30, 2018, and was subject to EIT at 12.5% for the period from January 1 to June 30, 2019; Unit 4 and Unit 5 were entitled to EIT exemption for the periods from January 1 to June 30, 2018 and from January 1 to June 30, 2019.

Fangchenggang Unit 1 and Unit 2 were entitled to EIT exemption for the period from January 1 to June 30, 2018, and was subject to EIT at 7.5% for the period from January 1 to June 30, 2019.

Ningde Unit 1 was subject to EIT at 12.5% for the period from January 1 to June 30, 2018, and was subject to EIT at 25% for the period from January 1 to June 30, 2019; Unit 2 and Unit 3 were subject to EIT at 12.5% for the periods from January 1 to June 30, 2018 and from January 1 to June 30, 2019; and Unit 4 was entitled to EIT exemption for the period from January 1 to June 30, 2018, and was subject to EIT at 12.5% for the period from January 1 to June 30, 2019.

Taishan Unit 1 commenced commercial production in December 2018 and was entitled to EIT exemption for the period from January 1 to June 30, 2019.

As at June 30, 2019, Lufeng Nuclear had not yet generated operating revenue.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(IV) TAXATION (Continued)

2. Tax preference (Continued)

Preferential tax policy for high-tech enterprises

On June 19, 2015, GNPJVC was recognized as a high-tech enterprise, and obtained a High-Tech Enterprise Certificate 《高新技術企業證書》 (GR201544200288) with a validity of three years. On October 16, 2018, GNPJVC was again recognized as a national high-tech enterprise, and obtained a High-Tech Enterprise Certificate 《高新技術企業證書》 (GR201844202215) with a validity of three years. GNPJVC paid EIT at 15% for the periods from January 1 to June 30, 2018 and from January 1 to June 30, 2019.

On November 21, 2016, Ling'ao Nuclear was recognized as a national high-tech enterprise, and obtained a High-Tech Enterprise Certificate 《高新技術企業證書》 (GR201644201738) with a validity of three years. Ling'ao Nuclear paid EIT at 15% for the period from January 1 to June 30, 2018 and prepaid EIT at 15% for the period from January 1 to June 30, 2019.

On December 1, 2017, Lingdong Nuclear was recognized as a high-tech enterprise, and obtained a High-Tech Enterprise Certificate 《高新技術企業證書》 (GR201744205073) with a validity of three years. Lingdong Nuclear paid EIT at 15% for the periods from January 1 to June 30, 2018 and from January 1 to June 30, 2019.

On October 31, 2017, CNPRI was again recognized as a national high-tech enterprise, and obtained a High-Tech Enterprise Certificate 《高新技術企業證書》 (GR201744203194) with a validity of three years. CNPRI paid EIT at 15% for the periods from January 1 to June 30, 2018 and from January 1 to June 30, 2019.

On December 22, 2016, CNPSTC was recognized as a national high-tech enterprise, and obtained a High-Tech Enterprise Certificate 《高新技術企業證書》 (GR201611006000) with a validity of three years. CNPSTC paid EIT at 15% for the period from January 1 to June 30, 2018 and prepaid EIT at 15% for the period from January 1 to June 30, 2019.

On November 17, 2017, SNPRI was recognized as a national high-tech enterprise, and obtained a High-Tech Enterprise Certificate 《高新技術企業證書》 (GR201732000370) with a validity of three years. SNPRI paid EIT at 15% for the periods from January 1 to June 30, 2018 and from January 1 to June 30, 2019.

On October 31, 2017, the Inspection Company was recognized as a national high-tech enterprise, and obtained a High-Tech Enterprise Certificate 《高新技術企業證書》 (GR201744203105) with a validity of three years. The Inspection Company paid EIT at 15% for the periods from January 1 to June 30, 2018 and from January 1 to June 30, 2019.

On August 17, 2017, China Nuclear Power (Shenzhen) Radiation Monitoring Technology Co., Ltd. (中廣核(深圳)輻射監測技術有限公司), a subsidiary of the Company, was recognized as a national high-tech enterprise, and obtained a High-Tech Enterprise Certificate 《高新技術企業證書》 (GR201744200760) with a validity of three years. China Nuclear Power (Shenzhen) Radiation Monitoring Technology Co., Ltd. (中廣核(深圳)輻射監測技術有限公司) paid EIT at 15% for the periods from January 1 to June 30, 2018 and from January 1 to June 30, 2019.

(IV) TAXATION (Continued)

2. Tax preference (Continued)

Preferential tax policy for high-tech enterprises (Continued)

On November 21, 2016, CGN Engineering was recognized as a national high-tech enterprise, and obtained a High-Tech Enterprise Certificate 《高新技術企業證書》 (GR201644203168) with a validity of three years. CGN Engineering paid EIT at 15% for the period from January 1 to June 30, 2018 and prepaid EIT at 15% for the period from January 1 to June 30, 2019.

On November 2, 2015, CGN Design was recognized as a national high-tech enterprise, and obtained a High-Tech Enterprise Certificate 《高新技術企業證書》 (GF201544201487) with a validity of three years. On November 9, 2018, CGN Design was again recognized as a national high-tech enterprise, obtaining a High-Tech Enterprise Certificate 《高新技術企業證書》 (GR201844203078) with a validity of three years. CGN Design paid EIT at 15% for the periods from January 1 to June 30, 2018 and from January 1 to June 30, 2019.

Other preferential tax policies

Pursuant to the Notice of the Ministry of Finance and State Administration of Taxation on Implementation of Preferential Enterprise Income Tax Policies (Cai Shui [2009] No. 69) 《財政部、國家稅務總局關於執行企業所得稅優惠政策若干問題的通知》(財稅[2009]69號)) and the Notice of the State Administration of Taxation on Issues concerning Enterprise Income Tax in Further Implementing the Western Development Strategy (SAT [2012] No.12) 《國家稅務總局關於深入實施西部大開發戰略有關企業所得稅問題的公告》(國家稅務總局公告2012年第12號)), as Fangchenggang Nuclear simultaneously met the conditions of the western development tax preferential policy, and those for investment of public infrastructure projects, therefore it was entitled to both tax preferential policies with EIT exemption for the period from January 1 to June 30, 2018 and subject to EIT at 7.5% for the period from January 1 to June 30, 2019.

Pursuant to the Notice on Issues Concerning the Implementation of the Catalog of Enterprise Income Tax Preference for Equipment Specialized for Environmental Protection, the Catalog of Enterprise Income Tax Preference for Equipment Specialized for Energy and Water Conservation and the Catalog of Enterprise Income Tax Preference for Equipment Specialized for Production Safety (Cai Shui [2008] No. 48) 《關於執行環境保護專用設備企業所得稅優惠目錄、節能節水專用設備企業所得稅優惠目錄和安全生產專用設備企業所得稅優惠目錄有關問題的通知》(財稅[2008]48號)), equipment purchased and put into actual service by Ningde Nuclear specialized for environmental protection, energy and water conservation and production safety may offset EIT payable of the current year by 10% of the specialized equipment investment. If tax payable of the current year is insufficient for the offset, the amount may be carried down to subsequent years not exceeding five taxable years.

Pursuant to the PRC Enterprise Income Tax Law and the Notice on Preferential Enterprise Income Tax Policies for Small Profit-making Enterprises (Cai Shui [2015] No. 34) 《關於小型微利企業所得稅優惠政策的通知》(財稅2015]34號)), CGN Ocean Power Co., Ltd. (中廣核海洋能源有限公司) ("Ocean Power") was qualified as a small profit-making enterprise fitting the criteria, and it was therefore subject to EIT at 20% for the periods from January 1 to June 30, 2018 and from January 1 to June 30, 2019.

Pursuant to the PRC Enterprise Income Tax Law and the Notice on Preferential Enterprise Income Tax Policies for Small Profit-making Enterprises (Cai Shui [2015] No. 34) 《關於小型微利企業所得稅優惠政策的通知》(財稅2015]34號)), CGN Hebei Thermal Power Co., Ltd. (中廣核河北熱電有限公司) ("Hebei Thermal Power") was qualified as a small profit-making enterprise, and it was therefore subject to EIT at 20% for the periods from January 1 to June 30, 2018 and January 1 to June 30, 2019.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(IV) TAXATION (Continued)

2. Tax preference (Continued)

Other preferential tax policies (Continued)

Pursuant to the PRC Enterprise Income Tax Law and the Notice on Preferential Enterprise Income Tax Policies for Small Profit-making Enterprises (Cai Shui [2015] No. 34) 《關於小型微利企業所得稅優惠政策的通知》([財稅2015]34 號)), Sansha Advanced Energy Co., Ltd. (三沙先進能源有限公司) was qualified as a small profit-making enterprise fitting the criteria, and it was therefore subject to EIT at 20% for the periods from August 31 (the date of establishment of the company) to December 31, 2018 and from January 1 to June 30, 2019.

Pursuant to the Notice of the Ministry of Finance on Taxation Issues Concerning Imported Equipment for Third-generation Nuclear Power Projects (Cai Guan Shui [2013] No. 15) 《財政部關於三代核電項目進口設備有關稅收問題的通知》(財關稅[2013]15號)), the tariff and import value-added tax on imported equipment for the first phase nuclear power project of Taishan Nuclear were uniformly reduced to 56% of the tax payable prior to the project completion acceptance.

Pursuant to the Notice on Further Promulgation of Various Policies in order to Encouraging the Development of Software and Integrated Circuit Industries (Guo Fa [2011] No. 4) 《關於印發進一步鼓勵軟件產業和集成電路產業發展若干政策的通知》(國發[2011]4號)) issued by the State Council and the Notice on Value-Added Tax Policy of Software Products (Cai Shui [2011] No. 100) 《關於軟件產品增值稅政策的通知》(財稅[2011]100 號)) issued by the Ministry of Finance and the State Administration of Taxation, sales revenue of software products developed by CNPSTC by itself is subject to VAT at the statutory rate of 17% (tax rate was changed to 16% from May 1, 2018), and the portion exceeding 3% of actual tax burden is entitled to the “immediate levy and return” policy.

Pursuant to the Notice on Levy of and Exemption from Urban Land Use Tax for Land of Nuclear Power Station (Cai Shui [2007] No. 124) 《關於核電站用地徵免城鎮土地使用稅的通知》(財稅[2007]124號)) issued by the Ministry of Finance and the State Administration of Taxation, other than nuclear islands, regular islands, auxiliary plants, land for communication facilities (excluding land for underground lines) and living and office land, other land for nuclear power stations are exempt from urban land use tax. Taxable land of nuclear power stations is subject to half of the urban land use tax during infrastructure construction period.

(V) Notes to Items in the Consolidated Financial Statements

1. Cash at bank and in hand

Unit: RMB

Item	June 30, 2019	December 31, 2018
Cash in hand:	7,277.67	5,812.41
RMB	3,740.00	2,280.00
HKD	7.44	7.41
USD	3,409.85	3,404.15
EUR	120.38	120.85
Cash at bank:	13,236,287,319.84	15,177,713,030.31
RMB	11,311,855,350.29	12,001,959,297.89
HKD	8,665,810.26	8,670,746.13
USD	1,782,855,523.22	3,066,799,498.05
EUR	116,735,375.40	82,074,177.76
GBP	16,152,546.06	18,187,416.22
ZAR	22,714.61	21,894.26
Other cash at bank and in hand:	7,541,912.46	30,217,919.80
RMB	7,541,912.46	30,217,919.80
Interest receivable for time deposits	426,533,959.23	388,449,625.43
Less: Bad debt provisions	–	–
Carrying value	426,533,959.23	388,449,625.43
Total	13,670,370,469.20	15,596,386,387.95
Include: Total amount deposited overseas	1,148,122,431.27	1,097,805,361.03

As at June 30, 2019 and December 31, 2018, in the other cash at bank and in hand as mentioned above, the Group, as a supplier, deposited guarantee deposits in banks in accordance to the supply and sales contracts amounted to RMB7,541,912.46 and RMB30,217,919.80 respectively, and their uses were restricted.

As at June 30, 2019 and December 31, 2018, the Group's fixed deposits of more than three months amounted to RMB3,629,501,700.05 and RMB3,540,000,000.00 respectively. The corresponding interest receivable for time deposits amounted to RMB426,533,959.23 and RMB388,449,625.43 respectively.

As at June 30, 2019 and December 31, 2018, the Group had no restricted balances such as mortgages or pledges, as well as those deposited overseas with restricted repatriation.

2. Derivative financial assets

Unit: RMB

Item	June 30, 2019	December 31, 2018
Derivative financial assets	1,318,236.38	4,753,642.10

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

3. Bills receivable

- (1) Bills receivable disclosed by category

Unit: RMB

Item	June 30, 2019	December 31, 2018
Bank acceptance bills	2,644,869.00	18,433,532.76
Commercial acceptance bills	50,000.00	-
Total	2,694,869.00	18,433,532.76

- (2) All of the bills receivable are due within one year, and the aging are counted starting from the date when bills receivable are recognized.
- (3) As at June 30, 2019 and December 31, 2018, the Group had no pledged bills receivable.
- (4) As at June 30, 2019 and December 31, 2018, the Group had no bills receivable which were endorsed and discounted but outstanding at the statement of financial position date.
- (5) As at June 30, 2019 and December 31, 2018, the Group had no bills transferred to accounts receivable due to non-performance of the issuers.

4. Accounts receivable

(a) Accounts receivable disclosed by category

Unit: RMB

Item	June 30, 2019	December 31, 2018
Accounts receivable arising from contracts with customers	5,197,802,277.63	6,751,528,146.34
Including: Group 1	4,777,447,826.91	6,249,212,682.38
Group 2	337,270,054.87	417,994,768.11
Accounts receivable for which provision for bad debts has been individually made	83,084,395.85	84,320,695.85
Less: Bad debt provisions	115,036,429.64	120,580,702.45
Including: Group 1	16,979,486.38	22,967,372.36
Group 2	14,972,547.41	13,292,634.24
Accounts receivable for which provision for bad debts has been individually made	83,084,395.85	84,320,695.85
Carrying value	5,082,765,847.99	6,630,947,443.89

(V) Notes to Items in the Consolidated Financial Statements (Continued)

4. Accounts receivable (Continued)

(a) Accounts receivable disclosed by category (Continued)

As part of the credit risk management, the Group uses the age of accounts receivable to assess the impairment loss by grouping of accounts receivable with the same risk characteristics, and the aging data reflects the solvency of such customers when the accounts receivable become due. The credit risk and expected credit loss of each group of accounts receivable are as follows:

Group 1:

Unit: RMB

Aging	June 30, 2019				December 31, 2018			
	Expected average loss rate	Carrying balance	Bad debt provision	Carrying value	Expected average loss rate	Carrying balance	Bad debt provision	Carrying value
Less than 1 year	0.30%	4,749,348,026.28	12,690,764.46	4,736,657,261.82	0.30%	6,206,957,852.57	18,680,010.40	6,188,277,842.17
1 – 2 years	5.00%	13,516,339.37	662,042.01	12,854,297.36	5.00%	27,766,996.20	1,388,349.81	26,378,646.39
2 – 3 years	20.00%	7,512,493.39	1,502,498.68	6,009,994.71	20.00%	14,473,379.27	2,894,675.85	11,578,703.42
3 – 4 years	30.00%	7,056,513.53	2,116,954.06	4,939,559.47	30.00%	14,454.34	4,336.30	10,118.04
4 – 5 years	50.00%	14,454.34	7,227.17	7,227.17	50.00%	-	-	-
Total		4,777,447,826.91	16,979,486.38	4,760,468,340.53		6,249,212,682.38	22,967,372.36	6,226,245,310.02

Group 2:

Unit: RMB

Aging	June 30, 2019				December 31, 2018			
	Expected average loss rate	Carrying balance	Bad debt provision	Carrying value	Expected average loss rate	Carrying balance	Bad debt provision	Carrying value
Less than 1 year	0.30%	288,762,097.83	894,873.15	287,867,224.68	0.30%	372,626,834.11	1,117,768.49	371,509,065.62
1 – 2 years	10.00%	22,987,641.02	1,489,493.17	21,498,147.85	10.00%	23,679,042.99	2,367,904.30	21,311,138.69
2 – 3 years	30.00%	9,326,710.98	2,798,013.29	6,528,697.69	30.00%	15,557,407.02	4,667,222.11	10,890,184.91
3 – 4 years	50.00%	12,688,674.51	6,344,337.27	6,344,337.24	50.00%	1,706,689.31	853,344.66	853,344.65
4 – 5 years	80.00%	295,500.00	236,400.00	59,100.00	80.00%	692,000.00	553,600.00	138,400.00
More than 5 years	100.00%	3,209,430.53	3,209,430.53	-	100.00%	3,732,794.68	3,732,794.68	-
Total		337,270,054.87	14,972,547.41	322,297,507.46		417,994,768.11	13,292,634.24	404,702,133.87

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

4. Accounts receivable (Continued)

(a) Accounts receivable disclosed by category (Continued)

Accounts receivable for which provision for bad debts has been individually made

Unit: RMB

Aging	June 30, 2019				December 31, 2018			
	Expected average loss rate	Carrying balance	Bad debt provision	Carrying value	Expected average loss rate	Carrying balance	Bad debt provision	Carrying value
2 - 3 years	100.00%	74,259,091.80	74,259,091.80	-	100.00%	75,495,391.80	75,495,391.80	-
3 - 4 years	100.00%	-	-	-	100.00%	3,400,000.00	3,400,000.00	-
4 - 5 years	100.00%	8,500,000.00	8,500,000.00	-	100.00%	5,100,000.00	5,100,000.00	-
More than 5 years	100.00%	325,304.05	325,304.05	-	100.00%	325,304.05	325,304.05	-
Total		83,084,395.85	83,084,395.85	-		84,320,695.85	84,320,695.85	-

The ageing analysis of accounts receivable is counted starting from the date when revenue are recognized.

(b) Changes in provisions for bad debts of accounts receivable

Unit: RMB

Item	During the period from January 1 to June 30, 2019		
	Expected credit losses during the whole life (no credit impairment occurred)	Expected credit losses during the whole life (credit impairment occurred)	Total
January 1, 2019	36,260,006.60	84,320,695.85	120,580,702.45
Provisions for expected credit losses for the period	-	-	-
Reversal of expected credit losses for the period	4,303,906.06	1,236,300.00	5,540,206.06
Write-offs for the period	-	-	-
Bad debt provisions reduced due to disposal of subsidiaries within the scope of consolidation for the period	112,249.07	-	112,249.07
Impact of changes in exchange rates	108,182.32	-	108,182.32
June 30, 2019	31,952,033.79	83,084,395.85	115,036,429.64

(V) Notes to Items in the Consolidated Financial Statements (Continued)

4. Accounts receivable (Continued)

(c) Top five debtors with the largest balances of accounts receivable

June 30, 2019

Unit: RMB

Name of entity	Carrying balance	Percentage to total accounts receivable (%)	Balance of provisions for bad debts at end of the period
Guangdong Power Grid Co., Ltd. (廣東電網有限責任公司)	2,580,136,736.85	49.64	6,172,212.57
Fujian Electric Power Co., Ltd. (國網福建省電力有限公司)	719,560,547.13	13.84	2,193,986.16
Hong Kong Nuclear Investment Co. Ltd. ("HKNIC") (香港核電投資有限公司)	587,530,849.78	11.30	1,356,006.97
Guangxi Power Grid Co., Ltd. (廣西電網有限責任公司)	434,573,600.19	8.36	1,303,720.80
Liaoning Hongyanhe Nuclear Power Co., Ltd. (遼寧紅沿河核電有限公司) ("Hongyanhe Nuclear")	165,266,741.72	3.18	779,355.02
Total	4,487,068,475.67	86.32	11,805,281.52

December 31, 2018

Unit: RMB

Name of entity	Carrying balance	Percentage to total accounts receivable (%)	Balance of provisions for bad debts at end of the year
Guangdong Power Grid Co., Ltd. (廣東電網有限責任公司)	3,549,360,763.92	52.57	10,648,025.58
Fujian Electric Power Co., Ltd. (國網福建省電力有限公司)	709,256,387.61	10.51	2,127,769.16
Guangxi Power Grid Co., Ltd. (廣西電網有限責任公司)	546,981,863.78	8.10	1,640,945.59
HKNIC	453,284,714.66	6.71	1,359,913.24
Fujian Ningde Second Nuclear Power Co., Ltd. (福建寧德第二核電有限公司) ("Ningde Second Nuclear")	240,963,816.30	3.57	722,891.45
Total	5,499,847,546.27	81.46	16,499,545.02

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

5. Prepayments

(1) Prepayments by aging

Unit: RMB

Aging	June 30, 2019		December 31, 2018	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	1,965,877,932.86	34.17	1,268,797,506.25	24.74
1 to 2 years	776,940,347.99	13.50	979,563,571.88	19.10
2 to 3 years	994,295,760.87	17.28	1,021,677,185.33	19.92
More than 3 years	2,015,906,415.24	35.05	1,858,910,490.41	36.24
Total	5,753,020,456.96	100.00	5,128,948,753.87	100.00

Description of the reasons for the non-timely settlement of prepayments aged over 1 year and in significant amount:
Prepayments aged over 1 year are mainly payments for construction projects, which have not yet been settled with the other party due to the long cycle of the projects.

(2) Top five entities with the largest balances of prepayments

June 30, 2019

Unit: RMB

Name of entity	Amount	Percentage to total prepayments (%)
China Construction Second Engineering Bureau Ltd.	634,418,951.50	11.03
Dongfang Electric Corporation Limited	549,364,340.68	9.55
China Nuclear Industry 23 Construction Co., Ltd.	493,118,104.78	8.57
Energy China NEPC (中國能源建設集團東北電力第一工程有限公司)	235,379,999.76	4.09
CGNPC Uranium Resources Co., Ltd.	179,911,167.41	3.13
Total	2,092,192,564.13	36.37

December 31, 2018

Unit: RMB

Name of entity	Amount	Percentage to total prepayments (%)
Dongfang Electric Corporation Limited	628,178,174.19	12.25
China Nuclear Industry 23 Construction Co., Ltd.	489,700,390.67	9.55
China Construction Second Engineering Bureau Ltd.	484,709,307.89	9.45
Energy China NEPC (中國能源建設集團東北電力第一工程有限公司)	242,212,503.03	4.72
CGNPC Uranium Resources Co., Ltd.	179,911,167.41	3.51
Total	2,024,711,543.19	39.48

(V) Notes to Items in the Consolidated Financial Statements (Continued)

6. Other receivables

(1) Total other receivables

Item	Unit: RMB	
	June 30, 2019	December 31, 2018
Interest receivable	–	–
Dividends receivable	89,923,718.83	146,023,234.13
Other receivables	77,095,918.70	373,104,354.98
Total	167,019,637.53	519,127,589.11

(2) Interest receivable

As at June 30, 2019 and December 31, 2018, the Group had no overdue interest.

(3) Dividends receivable

Investee	Unit: RMB	
	June 30, 2019	December 31, 2018
China Nuclear Industry Huaxing Construction Co., Ltd. (中國核工業華興建設有限公司)	68,954,241.70	46,460,441.70
China Nuclear Industry 23 Construction Co., Ltd.	25,711,300.00	–
China Techenergy Co., Ltd. (“Techenergy”)	–	130,200,000.00
Total	94,665,541.70	176,660,441.70
Less: Bad debt provisions	4,741,822.87	30,637,207.57
Carrying value	89,923,718.83	146,023,234.13

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

6. Other receivables (Continued)

(4) Other receivables

(a) Other receivables disclosed by category

Unit: RMB

Item	June 30, 2019				December 31, 2018			
	Expected credit losses within 12 months	Expected credit losses during the whole life (no credit impairment occurred)	Expected credit losses during the whole life (credit impairment occurred)	Total	Expected credit losses within 12 months	Expected credit losses during the whole life (no credit impairment occurred)	Expected credit losses during the whole life (credit impairment occurred)	Total
Group 1	10,681,332.98	23,335,310.94	-	34,016,643.92	1,737,832.69	23,602,171.38	-	25,340,004.07
Group 2	33,451,066.06	46,808,475.11	-	80,259,541.17	155,165,862.66	252,026,729.44	-	407,192,592.10
Other receivables for which bad debt provision is individually assessed	-	-	410,836.47	410,836.47	-	-	410,836.47	410,836.47
Carrying balance	44,132,399.04	70,143,786.05	410,836.47	114,687,021.56	156,903,695.35	275,628,900.82	410,836.47	432,943,432.64
Bad debt provisions	132,397.20	37,047,869.19	410,836.47	37,591,102.86	470,711.09	58,957,530.10	410,836.47	59,839,077.66

(b) Changes in bad debt provisions for other receivables

Unit: RMB

Item	During the period from January 1, 2019 to June 30, 2019			
	Expected credit losses within 12 months	Expected credit losses during the whole life (no credit impairment occurred)	Expected credit losses during the whole life (credit impairment occurred)	Total
January 1, 2019	470,711.09	58,957,530.10	410,836.47	59,839,077.66
Provisions for expected credit losses for the period	-	-	-	-
Reversal of expected credit losses for the period	345,950.31	21,575,681.29	-	21,921,631.60
Bad debt provisions reduced due to disposal of subsidiaries within the scope of consolidation for the period	-	-	-	-
Impact of changes in exchange rates	7,636.42	(333,979.62)	-	(326,343.20)
June 30, 2019	132,397.20	37,047,869.19	410,836.47	37,591,102.86

(V) Notes to Items in the Consolidated Financial Statements (Continued)

6. Other receivables (Continued)

(4) Other receivables (Continued)

(c) Top five debtors with the largest balances of other accounts receivable

June 30, 2019

Unit: RMB

Name of entity	Nature	Amount	Aging	Percentage to total other receivables (%)	Balance of provisions for bad debts at end of the period
CGN Services Group Co., Ltd. (中廣核服務集團有限公司) ("CGN Services Group")	Related party receivables	22,335,310.94	Within 1 year, more than 5 years	19.48	22,335,310.94
Shenzhen Branch of the People's Insurance Company (Group) of China Ltd.	Insurance compensation receivables	12,908,162.29	Within 1 year	11.26	1,290,657.28
CGNPC	Related party receivables	9,577,157.28	Within 1 year	8.35	28,731.47
Office of the Financial Ombudsman of the Ministry of Finance in Shenzhen	Transportation fee for spent nuclear fuel	8,419,842.89	1 to 2 years, 2 to 3 years	7.34	25,259.53
Guangxi GI Cultural Tourism Investment Co., Ltd. (廣西廣投文化旅遊投資有限公司)	Deposit	3,760,000.00	1 to 2 years	3.28	376,000.00
Total		57,000,473.40		49.71	24,055,959.22

December 31, 2018

Unit: RMB

Name of entity	Nature	Amount	Aging	Percentage to total other receivables (%)	Balance of provisions for bad debts at end of the year
CLP Nuclear Power (Yangjiang) Limited	Related party receivables	300,843,139.00	Within 1 year, 1 to 2 years	69.49	21,501,436.13
CGN Services Group	Related party receivables	23,235,907.50	Within 1 year, 1 to 2 years, more than 5 years	5.37	22,350,555.17
Beijing Ric Nuclear Instrument Joint Venture Co., Ltd. (北京中法瑞克核儀器有限公司)	Related party receivables	16,228,478.58	Within 1 year	3.75	48,685.44
Shenzhen Branch of the People's Insurance Company (Group) of China Ltd.	Insurance compensation receivables	12,906,523.92	Within 1 year	2.98	38,719.57
Office of the Financial Ombudsman of the Ministry of Finance in Shenzhen	Transportation fee for spent nuclear fuel	6,532,244.79	1 to 2 years, 2 to 3 years	1.51	2,097,725.06
Total		359,746,293.79		83.10	46,037,121.37

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

6. Other receivables (Continued)

(4) Other receivables (Continued)

(d) Other receivables by nature

Unit: RMB

Nature of other receivables	June 30, 2019	December 31, 2018
Related party payments	34,017,329.60	343,340,694.50
Employee borrowings and petty cash fund	21,007,064.20	35,011,086.15
Others	59,662,627.76	54,591,651.99
Total	114,687,021.56	432,943,432.64

7. Inventories

(1) Inventories by category

Unit: RMB

Item	June 30, 2019			December 31, 2018		
	Carrying balance	Provision for decline in value	Carrying value	Carrying balance	Provision for decline in value	Carrying value
Nuclear fuel	6,635,979,706.20	-	6,635,979,706.20	5,629,968,019.93	-	5,629,968,019.93
Spare parts	4,785,200,621.64	538,938,416.95	4,246,262,204.69	4,675,746,210.60	541,552,231.16	4,134,193,979.44
Goods on hand	2,377,262.44	-	2,377,262.44	686,808.96	-	686,808.96
Consigned processing materials	9,885,224,003.78	-	9,885,224,003.78	11,505,325,235.70	-	11,505,325,235.70
Materials in transit	225,527,572.99	112,851,427.35	112,676,145.64	170,981,191.28	112,851,427.35	58,129,763.93
Raw materials	54,583,659.27	-	54,583,659.27	42,650,099.00	-	42,650,099.00
Turnover materials	3,659,041.57	-	3,659,041.57	1,301,449.42	-	1,301,449.42
Total	21,592,551,867.89	651,789,844.30	20,940,762,023.59	22,026,659,014.89	654,403,658.51	21,372,255,356.38

(V) Notes to Items in the Consolidated Financial Statements (Continued)

7. Inventories (Continued)

(2) Provision for decline in value of inventories

Unit: RMB

Inventory categories	Additions during the year			Deductions during the year			June 30, 2019
	January 1, 2019	Provision	Impact of foreign currency translation	Reversal or write-off	Decrease due to disposal of subsidiaries	Classified as held-for-sale	
Spare parts	541,552,231.16	-	366,655.96	2,980,470.17	-	-	538,938,416.95
Materials in transit	112,851,427.35	-	-	-	-	-	112,851,427.35
Total	654,403,658.51	-	366,655.96	2,980,470.17	-	-	651,789,844.30

(3) Description of the inventory balance containing the capitalized borrowing costs

One-third of the initial nuclear fueling costs is recognized in the inventory, and is included in the production cost by installments at the period between the initial fueling and the next refueling based on the on-grid power generation. As at June 30, 2019 and December 31, 2018, the capitalized borrowing costs included in the initial nuclear fueling costs in the Group's inventory amounted to RMB13,893,736.43 and RMB32,753,983.48 respectively.

8. Contract assets

(1) Presentation of contract assets

Unit: RMB

Item	June 30, 2019			December 31, 2018		
	Carrying balance	Impairment provision	Carrying value	Carrying balance	Impairment provision	Carrying value
Completed but unsettled assets resulting from construction contracts	3,377,948,338.85	10,031,062.58	3,367,917,276.27	3,406,637,671.84	10,060,627.59	3,396,577,044.25
Guarantee deposits	16,156,150.53	957,564.23	15,198,586.30	14,276,824.50	1,066,842.28	13,209,982.22
Total	3,394,104,489.38	10,988,626.81	3,383,115,862.57	3,420,914,496.34	11,127,469.87	3,409,787,026.47

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

8. Contract assets (Continued)

(1) Presentation of contract assets (Continued)

Unit: RMB

Item	During the period from January 1 to June 30, 2019		Total
	Expected credit losses during the whole life (no credit impairment occurred)	Expected credit losses during the whole life (credit impairment occurred)	
January 1, 2019	11,127,469.87	–	11,127,469.87
Provisions for expected credit losses for the period	–	–	–
Reversal for the period	138,843.06	–	138,843.06
June 30, 2019	10,988,626.81	–	10,988,626.81

(2) Qualitative and quantitative analysis of contract assets

The amount associated with construction contracts is the project balance that should be delivered to the customer under the construction contract that CGN Engineering receives from the customer's payment based on a series of performance-based milestones. The Group firstly recognizes the completed construction as a contract asset and reclassifies the recognized contract assets to accounts receivable upon receipt of payment from the customer.

9. Non-current assets due within one year

Unit: RMB

Item	June 30, 2019	December 31, 2018
Derivative financial instruments	2,692,665.04	3,649,503.86
Others	226,958.26	9,530.00
Total	2,919,623.30	3,659,033.86

10. Other current assets

Unit: RMB

Item	June 30, 2019	December 31, 2018
VAT retained at the end of the period	2,678,560,308.03	2,701,364,945.88
Others	2,857,775.99	2,252,581.58
Total	2,681,418,084.02	2,703,617,527.46

(V) Notes to Items in the Consolidated Financial Statements (Continued)

11. Long-term equity investments

During the period from January 1 to June 30, 2019

Unit: RMB

Investee	Balance at January 1, 2019	Additional investment	Reduce investment	Investment gains/ losses recognized under the equity method	Changes in the current year				Closing balance of impairment provisions	
					Adjustment of other comprehensive gains	Changes in other equity	Declared cash dividends or profits	Impairment provision		
									Balance at June 30, 2019	
Associates										
Hongyanhe Nuclear	6,146,082,661.65	240,635,700.00	-	199,038,866.53	-	-	-	-	6,585,757,228.18	-
Ningde Second Nuclear	161,078,000.00	-	-	-	-	-	-	-	161,078,000.00	-
CGN Industry										
Investment Fund										
Phase I Co., Ltd (中廣核一期產業投資基金有限公司)										
("CGN Fund Phase I")	2,316,725,067.42	37,714,300.00	-	137,979,337.02	-	-	-	-	2,492,418,704.44	-
China Nuclear										
Industry 23.										
Construction Co., Ltd.	416,394,488.95	-	-	38,271,487.70	-	2,627,200.87	25,711,300.00	-	431,581,877.52	-
CGN Finance Co., Ltd.										
(中廣核財務有限責任公司) ("CGN Finance")	1,130,149,538.02	-	-	86,131,713.45	-	-	-	-	1,216,281,251.47	-
CIECC Engineering										
Company Limited (中誠工程有限公司)	32,593,420.88	-	-	286,577.03	-	-	-	-	32,879,997.91	-
Total	10,203,023,176.92	278,350,000.00	-	461,707,981.73	-	2,627,200.87	25,711,300.00	-	10,919,997,059.52	-

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

12. Other investment in equity instruments

(1) Other investment in equity instruments

Unit: RMB

Investee	June 30, 2019	December 31, 2018	Reasons for the specified classification	Dividends recognized for the period from January 1 to June 30, 2019
Chinergy Co., Ltd. (中核能源科技有限公司)	110,000,000.00	110,000,000.00	Not intended to hold for recent sale or short-term profit	–
China Nuclear Industry Huaxing Construction Co., Ltd. (中國核工業華興建設有限公司)	343,512,600.00	312,689,500.00	Not intended to hold for recent sale or short-term profit	22,493,800.00
Total	453,512,600.00	422,689,500.00		22,493,800.00

(2) Investment in other equity instruments measured at fair value

Unit: RMB

Item	June 30, 2019	December 31, 2018
Cost of equity instruments	255,580,350.00	195,310,350.00
Additional investment during the period/year	–	60,270,000.00
Fair value	453,512,600.00	422,689,500.00
Accumulated change in fair value recognized in other comprehensive income	197,932,250.00	167,109,150.00

13. Other non-current financial assets

Unit: RMB

Item	June 30, 2019	December 31, 2018
Derivative financial instruments	452,701.09	812,257.18

(V) Notes to Items in the Consolidated Financial Statements (Continued)

14. Investment properties

(1) Investment properties measured at cost

Unit: RMB

Item	Buildings and structures
During the period from January 1 to June 30, 2019	
I. Original carrying value	
1. Opening balance	348,032,270.85
2. Additions during the period	16,546.29
(1) Impact of foreign currency translation	16,546.29
3. Deductions during the period	880,715.83
(1) Investment properties transferred to self-use properties	880,715.83
4. Closing balance	347,168,101.31
II. Accumulated depreciation and accumulated amortization	
1. Opening balance	137,686,229.49
2. Additions during the period	13,160,644.32
(1) Provisions	13,151,462.10
(2) Impact of foreign currency translation	9,182.22
3. Deductions during the period	497,805.28
(1) Investment properties transferred to self-use properties	497,805.28
4. Closing balance	150,349,068.53
III. Impairment provisions	
1. Opening balance	-
2. Additions during the period	-
3. Deductions during the period	-
4. Closing balance	-
IV. Carrying value	
1. Closing carrying value	196,819,032.78
2. Opening carrying value	210,346,041.36

(2) As at June 30, 2019 and December 31, 2018, the Group had no investment properties without proper title certificates.

(3) Undiscounted future lease receipts after the statement of financial position date

Unit: RMB

Maturity analysis of undiscounted operating future lease receipts	June 30, 2019
The first year after the statement of financial position date	7,573,556.45
The second year after the statement of financial position date	4,430,223.44
The third year after the statement of financial position date	2,861,687.77
The fourth year after the statement of financial position date	2,818,830.63
The fifth year after the statement of financial position date	2,709,354.44
After the sixth year after the statement of financial position date	10,807,088.05
Total	31,200,740.78

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

15. Fixed assets

(1) Fixed assets

Unit: RMB

Item	Buildings and structures	Machinery and equipment	Transportation vehicles	Electronic and office equipment	Cost of nuclear power plant decommissioning	Vessels	Total
During the period from January 1 to June 30, 2019							
I. Original carrying value							
1. Opening balance	61,974,415,696.37	208,285,151,654.98	159,801,260.76	2,572,750,531.67	2,202,232,878.45	-	275,194,352,022.23
2. Additions during the period	92,920,499.95	177,059,654.75	2,630,985.79	44,677,968.69	301,502.53	420,164,851.04	737,755,462.75
(1) Acquisition	9,426,917.12	64,222,471.50	2,221,300.96	22,415,422.98	-	-	98,286,112.56
(2) Transfer from construction in progress	74,456,931.86	74,235,120.42	410,219.69	22,116,669.33	-	420,164,851.04	591,383,792.34
(3) Transfer from development costs	-	-	-	-	-	-	-
(4) Investment properties transferred to self-use properties	880,715.83	-	-	-	-	-	880,715.83
(5) Impact of foreign currency translation	8,155,935.14	38,602,062.83	(534.86)	145,876.38	301,502.53	-	47,204,842.02
3. Deductions during the period	527,567,376.78	40,192,370.24	1,278,492.55	56,850,896.42	-	-	625,889,135.99
(1) Disposal	1,523,761.25	40,192,370.24	1,278,492.55	26,468,598.99	-	-	69,463,223.03
(2) Decrease from the disposal of subsidiaries	526,043,615.53	-	-	30,382,297.43	-	-	556,425,912.96
4. Closing balance	61,539,768,819.54	208,422,018,939.49	161,153,754.00	2,560,577,603.94	2,202,534,380.98	420,164,851.04	275,306,218,348.99
II. Accumulated depreciation							
1. Opening balance	11,958,390,613.06	50,188,286,869.98	108,907,765.08	1,765,771,715.08	311,163,394.43	-	64,332,520,357.63
2. Additions for the period	936,795,274.77	3,214,313,459.35	7,484,407.86	112,744,990.82	25,116,303.31	-	4,296,454,436.11
(1) Provisions	928,532,414.99	3,179,044,207.01	7,484,827.20	112,605,119.02	24,890,762.70	-	4,252,557,330.92
(2) Investment properties transferred to self-use properties	497,805.28	-	-	-	-	-	497,805.28
(3) Impact of foreign currency translation	7,765,054.50	35,269,252.34	(419.34)	139,871.80	225,540.61	-	43,399,299.91

(V) Notes to Items in the Consolidated Financial Statements (Continued)

15. Fixed assets (Continued)

(1) Fixed assets (Continued)

Item	Buildings and structures	Machinery and equipment	Transportation vehicles	Electronic and office equipment	Cost of nuclear power plant decommissioning	Vessels	Total
During the period from January 1 to June 30, 2019 (Continued)							
3. Deductions during							
the period	57,332,572.86	30,955,608.90	1,252,552.68	52,664,511.79	-	-	142,205,246.23
(1) Disposal	525,152.37	30,955,608.90	1,252,552.68	24,208,587.96	-	-	56,941,901.91
(2) Decrease from the disposal of subsidiaries	56,807,420.49	-	-	28,455,923.83	-	-	85,263,344.32
4. Closing balance	12,837,853,314.97	53,371,644,720.43	115,139,620.26	1,825,852,194.11	336,279,697.74	-	68,486,769,547.51
III. Impairment provisions							
1. Opening balance	-	11,625,082.45	-	-	-	-	11,625,082.45
2. Additions during the period	-	7,970.41	-	-	-	-	7,970.41
(1) Impact of foreign currency translation	-	7,970.41	-	-	-	-	7,970.41
3. Closing balance	-	11,633,052.86	-	-	-	-	11,633,052.86
IV. Carrying value							
1. Closing carrying value	48,701,915,504.57	155,038,741,166.20	46,014,133.74	734,725,409.83	1,866,254,683.24	420,164,851.04	206,807,815,748.62
2. Opening carrying value	50,016,025,083.31	158,085,239,702.55	50,893,495.68	806,978,816.59	1,891,069,484.02	-	210,850,206,582.15

(2) As at June 30, 2019 and December 31, 2018, the Group had no temporarily idle fixed assets.

(3) As at June 30, 2019 and December 31, 2018, the Group had no fixed assets under financial leases.

(4) As at June 30, 2019 and December 31, 2018, the Group had no fixed assets under operating leases.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

15. Fixed assets (Continued)

(5) Fixed assets without proper title certificates:

As at June 30, 2019 and December 31, 2018, the net value of the properties held by the Group for which the application of title certificates was still in progress amounted to RMB6,160,634,337.44 and RMB6,538,322,061.97 respectively.

16. Construction in progress

(1) Construction in progress

Unit: RMB

Name of project	June 30, 2019			December 31, 2018		
	Carrying balance	Impairment provision	Carrying value	Carrying balance	Impairment provision	Carrying value
Yangjiang Nuclear project	8,457,685,521.92	-	8,457,685,521.92	7,455,936,462.12	-	7,455,936,462.12
Lufeng Nuclear project	16,314,064,184.05	-	16,314,064,184.05	15,834,583,812.79	-	15,834,583,812.79
Fangchenggang Nuclear Phase I Project	309,125,324.98	-	309,125,324.98	311,742,443.04	-	311,742,443.04
Fangchenggang Nuclear Phase II Project	15,421,885,956.27	-	15,421,885,956.27	12,509,637,399.87	-	12,509,637,399.87
Taishan Nuclear project	38,881,683,058.20	-	38,881,683,058.20	36,794,864,039.66	-	36,794,864,039.66
Ningde Nuclear project	203,719,209.28	-	203,719,209.28	56,720,887.82	-	56,720,887.82
Others	2,087,072,072.85	-	2,087,072,072.85	1,661,237,067.75	-	1,661,237,067.75
Total	81,675,235,327.55	-	81,675,235,327.55	74,624,722,113.05	-	74,624,722,113.05

(V) Notes to Items in the Consolidated Financial Statements (Continued)

16. Construction in progress (Continued)

(2) Changes in major construction in progress

During the period from January 1 to June 30, 2019

Unit: RMB

Name of project	Budget amount	January 1, 2019	Additions during the period	Transfer to fixed assets	Transfer to intangible assets	June 30, 2019	Proportion of investment to budget (%)	Project progress (%)	Accumulated capitalized interest	Including: capitalized interest for the period	Ratio of capitalized interest amount for Sources of fund
Yangjiang Nuclear project	77,532,140,000.00	7,455,936,462.12	1,083,005,833.36	81,256,773.56	-	8,457,685,521.92	94.54	99.84	9,152,060,442.80	175,304,042.24	4.35
Lufeng Nuclear project (Note)	15,834,583,812.79	479,480,371.26	-	-	-	16,314,064,184.05	-	-	2,392,375,238.61	292,643,135.54	4.95
Fangchenggang Nuclear Phase I Project	28,756,050,000.00	311,742,443.04	3,556,232.73	6,173,350.79	-	309,125,324.98	100.01	100.00	4,372,947,377.63	-	-
Fangchenggang Nuclear Phase II Project	37,489,790,000.00	12,509,637,399.87	2,912,248,556.40	-	-	15,421,885,956.27	39.56	39.56	1,122,851,386.36	275,547,363.94	4.64
Tabian Nuclear project	85,812,910,000.00	36,794,864,039.66	2,089,542,007.63	2,722,989.09	-	38,881,683,058.20	99.33	99.33	16,629,944,255.46	602,147,119.21	4.44
Total	72,906,764,157.48	6,567,833,001.38	90,153,113.44	79,384,444,045.42	-	33,670,178,700.86	1,345,641,660.93				

Note: According to the approval letter in relation to the launch of preliminary work of Lufeng Phase I from the NDRC 《國家發改委辦公廳關於同意廣東陸豐核電一期工程前期工作的函》, Lufeng nuclear launch the preliminary work of Lufeng Nuclear project (Lufeng Phase I), but has not been approved yet, and no investment budget at present.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

16. Construction in progress (Continued)

(3) Provisions for construction in progress

During the period from January 1 to June 30, 2019

Unit: RMB		
Name of project	Provision	Reason for provision
Nil	–	N/A

17. Right-of-use assets

(1) Right-of-use assets

Unit: RMB	
Item	Buildings and structures
During the period from January 1 to June 30, 2019	
I. Original carrying value	
1. January 1, 2019	1,202,135,473.97
2. Additions during the period	56,290,135.46
(1) Increase in additions	56,290,135.46
3. Deductions during the period	4,580,553.19
(1) Decrease from the disposal of subsidiaries	4,580,553.19
4. June 30, 2019	1,253,845,056.24
II. Accumulated depreciation	
1. January 1, 2019	–
2. Additions for the period	128,497,448.76
(1) Provisions	128,497,448.76
3. Deductions during the period	–
(1) Decrease from the disposal of subsidiaries	–
4. June 30, 2019	128,497,448.76
III. Impairment provisions	
1. January 1, 2019	–
2. Additions during the period	–
3. Deductions during the period	–
4. June 30, 2019	–
IV. Carrying value	
1. June 30, 2019	1,125,347,607.48
2. January 1, 2019	1,202,135,473.97

(V) Notes to Items in the Consolidated Financial Statements (Continued)

17. Right-of-use assets (Continued)

(2) Amounts recognized in profit or loss

	Unit: RMB
	During the period from January 1 to June 30, 2019
Buildings and structures	
Depreciation expense of right-of-use assets (note 1)	127,627,931.49
Interest expense on the lease liabilities (note 2)	29,737,733.31
Short-term lease expenses	16,021,692.43
Leases expenses of low-value assets	–
Variable lease payments not included in lease liabilities (note 3)	–
Revenue from subleasing right-of-use assets	–

Note 1: During the period from January 1 to June 30, 2019, the capitalized depreciation expense of right-of-use assets amounted to RMB869,517.27.

Note 2: During the period from January 1 to June 30, 2019, the capitalized interest expense on the lease liabilities amounted to RMB78,531.45.

Note 3: During the period from January 1 to June 30, 2019, there were no variable lease payments not included in lease liabilities.

(3) During the period from January 1 to June 30, 2019, the total cash outflow of the Group's leases amounted to RMB102,387,964.59.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

18. Intangible assets

(1) Intangible assets

Unit: RMB

Item	Land use rights	Computer software	Patent rights	Non-patented technology	Sea area use right	Others	Total
During the period from January 1 to June 30, 2019							
I. Original carrying value							
1. Opening balance	4,066,663,269.94	1,800,013,128.31	579,011,600.93	531,929,426.20	263,676,952.00	92,804,022.62	7,334,098,400.00
2. Additions during the period	630,275.12	77,349,644.20	89,363,813.62	74,067,342.20	-	-	241,411,075.14
(1) Acquisition	-	33,912,853.16	-	-	-	-	33,912,853.16
(2) Transfer from construction in progress	-	7,201,141.45	-	-	-	-	7,201,141.45
(3) Transfer from development cost	-	35,894,359.29	89,363,813.62	74,067,342.20	199,325,515.11	-	-
(4) Impact of foreign currency translation	630,275.12	341,290.30	-	-	-	-	971,565.42
3. Deductions during the period	40,210,600.00	18,936.84	-	-	-	-	40,229,536.84
(1) Decrease from the disposal of subsidiaries	40,210,600.00	18,936.84	-	-	-	-	40,229,536.84
(2) Disposal during the period	-	-	-	-	-	-	-
4. Closing balance	4,027,082,945.06	1,877,343,835.67	668,375,414.55	605,996,768.40	263,676,952.00	92,804,022.62	7,535,279,938.30
II. Accumulated amortization							
1. Opening balance	830,775,693.22	1,392,917,292.19	149,005,267.13	195,363,899.19	16,459,421.34	29,780,379.68	2,614,301,952.75
2. Additions during the period	50,491,686.57	80,582,954.52	38,615,230.39	30,964,454.73	2,649,343.32	5,197,161.89	208,500,831.42
(1) Provisions	50,003,930.02	80,239,680.54	38,615,230.39	30,964,454.73	2,649,343.32	5,197,161.89	207,669,800.89
(2) Impact of foreign currency translation	487,756.55	343,273.98	-	-	-	-	831,030.53
3. Deductions during the period	8,578,261.74	18,936.84	-	-	-	-	8,597,198.58
(1) Decrease from the disposal of subsidiaries	8,578,261.74	18,936.84	-	-	-	-	8,597,198.58
(2) Disposal during the period	-	-	-	-	-	-	-
4. Closing balance	872,689,118.05	1,473,481,309.87	187,620,497.52	226,328,353.92	19,108,764.66	34,977,541.57	2,814,205,585.59
III. Impairment provision							
1. Opening balance	-	-	-	-	-	-	-
2. Additions during the period	-	-	-	-	-	-	-
3. Deductions during the period	-	-	-	-	-	-	-
4. Closing balance	-	-	-	-	-	-	-
IV. Carrying amount							
1. Closing carrying value	3,154,393,827.01	403,862,525.80	480,754,917.03	379,668,414.48	244,568,187.34	57,826,481.05	4,721,074,352.71
2. Opening carrying value	3,235,887,576.72	407,095,836.12	430,006,333.80	336,565,527.01	247,217,530.66	63,023,642.94	4,719,796,447.25

(V) Notes to Items in the Consolidated Financial Statements (Continued)

18. Intangible assets (Continued)

(1) Intangible assets (Continued)

As at June 30, 2019 and December 31, 2018, the Group's intangible assets from internal research and development accounted for 16.16% and 13.88% of the balance of intangible assets respectively.

(2) Right-of-use assets without proper title certificates

As at June 30, 2019 and December 31, 2018, the Group had no right-of-use assets without proper title certificates.

19. Development cost

During the period from January 1 to June 30, 2019

Unit: RMB

Item	January 1, 2019	Additions during the period	Deductions during the period			June 30, 2019
			Transfer to intangible asset during the period	Transfer to fixed assets during the period	Transfer to profit or loss during the period	
AP1000	302,016,904.15	27,736,412.60	21,952,017.30	-	-	307,801,299.45
HPR/ACPR 1000	631,847,645.57	115,781,567.54	134,410,824.62	-	-	613,218,388.49
Small reactors	259,433,963.07	193,427,309.17	-	-	-	452,861,272.24
Others	769,157,244.11	34,719,227.74	42,962,673.19	-	4,147,599.32	756,766,199.34
Total	1,962,455,756.90	371,664,517.05	199,325,515.11	-	4,147,599.32	2,130,647,159.52

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

20. Goodwill

(1) Original carrying value of goodwill

During the period from January 1 to June 30, 2019

Unit: RMB

Item	January 1, 2019	Additions during the period From business combinations	Deductions during the period Disposal	June 30, 2019
China Daya Bay Nuclear Power Technology Research Institute Co., Ltd. (中國大亞灣核電技術研究院有限公司)	7,048,000.00	–	–	7,048,000.00
Ningde Nuclear	419,242,673.32	–	–	419,242,673.32
Total	426,290,673.32	–	–	426,290,673.32

(2) Impairment provision for goodwill

During the period from January 1 to June 30, 2019

Unit: RMB

Name of investee or matters generating goodwill	January 1, 2019	Additions during the period Provisions	Deductions during the period Disposal	June 30, 2019
China Daya Bay Nuclear Power Technology Research Institute Co., Ltd. (中國大亞灣核電技術研究院有限公司)	7,048,000.00	–	–	7,048,000.00

(V) Notes to Items in the Consolidated Financial Statements (Continued)

21. Long-term deferred expenses

During the period from January 1 to June 30, 2019

Unit: RMB

Item	December 31, 2018	Accounting policy changes	January 1, 2019	Increase during the period	Amortization for the period	Impact of foreign currency translation	June 30, 2019
Nuclear power production preparation staff training fee (Note 1)	1,154,731,271.29	-	1,154,731,271.29	53,734,158.78	53,423,755.80	-	1,155,041,674.27
Emergency passages (Note 2)	407,432,450.30	-	407,432,450.30	-	395,019,998.36	-	395,019,998.36
Others	172,494,770.46	(57,615,631.40)	114,879,139.06	5,256,056.57	14,401,314.52	(221.50)	105,733,659.61
Total	1,734,658,492.05	(57,615,631.40)	1,677,042,860.65	58,990,215.35	80,237,522.26	(221.50)	1,655,795,332.24

Note 1: The expenses incurred during the training of nuclear power production preparation staff shall be accounted as long-term deferred expenses of the Group, and shall be amortized according to the remaining working years as stipulated in the labor contract or training agreement from the conclusion of the training, and recognized in the cost of the related assets or profit or loss for the period.

Note 2: The emergency passages were constructed under funding by Ling'ao Nuclear, Lingdong Nuclear, Yangjiang Nuclear, Fangchenggang Nuclear and Ningde Nuclear. It was accounted as long-term deferred expenses by the Group, amortized based on the estimated useful life from the date of completion and recognized in cost of the related assets or the profit or loss for the period.

22. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets after offset and corresponding deductible temporary differences after offset

Unit: RMB

Item	June 30, 2019		December 31, 2018	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Unrealized profit arising from internal transactions	7,002,643,948.23	1,750,660,987.06	6,878,832,451.99	1,719,708,113.00
Provisions for bad debts	47,004,278.46	6,880,765.50	62,781,908.18	9,225,121.78
Receipts in advance	-	-	252,032.32	37,804.85
Deferred income	65,246,501.87	9,755,287.78	131,504,510.29	19,693,989.04
Others	230,191,240.17	35,517,620.39	162,602,795.36	26,203,369.50
Total	7,345,085,968.73	1,802,814,660.73	7,235,973,698.14	1,774,868,398.17

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

22. Deferred tax assets/deferred tax liabilities (Continued)

(2) Deferred tax liabilities after offset and corresponding taxable temporary differences after offset

Unit: RMB

Item	June 30, 2019		December 31, 2018	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Depreciation of fixed assets	3,971,139,099.50	1,037,128,473.91	3,884,587,923.17	1,015,437,210.55
Revaluation gain of assets for business combinations involving entities not under common control	534,029,730.59	133,507,432.65	550,904,565.92	137,726,141.48
Others	134,706,963.04	33,676,740.76	96,484,258.76	24,121,064.69
Total	4,639,875,793.13	1,204,312,647.32	4,531,976,747.85	1,177,284,416.72

(3) Unrecognized deferred tax assets

Unit: RMB

Item	June 30, 2019	December 31, 2018
Deductible temporary differences	169,427,024.10	155,120,298.46
Deductible losses	1,183,318,834.66	770,888,501.76
Total	1,352,745,858.76	926,008,800.22

Note: As it is uncertain for the Company and certain subsidiaries to obtain sufficient taxable income in the future, the above deductible temporary differences and deductible losses are not recognized as deferred tax assets.

(V) Notes to Items in the Consolidated Financial Statements (Continued)

22. Deferred tax assets/deferred tax liabilities (Continued)

(4) Deductible losses of unrecognized deferred tax assets due in the following years

Unit: RMB

Year	June 30, 2019	December 31, 2018
2019	13,870,113.18	18,775,391.00
2020	154,877,480.70	155,735,394.34
2021	360,160,618.75	360,465,359.47
2022	81,544,208.96	82,210,303.10
2023	152,667,205.05	153,702,053.85
2024	420,199,208.02	–
Total	1,183,318,834.66	770,888,501.76

23. Other non-current assets

Unit: RMB

Item	June 30, 2019	December 31, 2018
VAT retained at the end of the period	5,236,210,355.41	5,413,386,886.24
Prepayment for engineering equipment	840,740,358.40	754,406,748.13
Prepayment for land purchase	11,957,964.00	11,957,964.00
Others	65,198,558.59	65,181,029.71
Total	6,154,107,236.40	6,244,932,628.08

Note: The prepayment for land purchase is the land prepayment to the Fangchenggang Land Resources Bureau by Fangchenggang Nuclear.

24. Short-term loans

(1) Short-term loans by category

Unit: RMB

Item	June 30, 2019	December 31, 2018
Credit loans	18,386,286,612.74	16,296,240,042.13
Short-term loans interest payable	68,574,366.94	70,502,215.22
Total	18,454,860,979.68	16,366,742,257.35

(2) As at June 30, 2019 and December 31, 2018, the Group had no overdue and unsettled short-term loans.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

25. Derivative financial liabilities

Unit: RMB

Item	June 30, 2019	December 31, 2018
Derivative financial instruments	3,458,613.45	2,724,971.67

26. Bills payable

(1) Bills payable by category

Unit: RMB

Item	June 30, 2019	December 31, 2018
Commercial acceptance bills	87,169,893.59	104,438,140.29
Bank acceptance bills	1,137,612,010.39	2,155,726,746.95
Total	1,224,781,903.98	2,260,164,887.24

As at June 30, 2019 and December 31, 2018, the Group had no overdue and unsettled bills payable.

27. Accounts payable

(1) Accounts payable by aging

Unit: RMB

Aging	June 30, 2019	December 31, 2018
Less than 1 year	12,857,625,077.39	13,578,695,513.73
1 – 2 years	876,893,778.13	1,047,166,567.09
2 – 3 years	363,375,267.72	893,219,613.47
More than 3 years	1,032,831,639.99	467,817,988.56
Total	15,130,725,763.23	15,986,899,682.85

The ageing analysis of accounts payable is counted starting from the date when purchase are recognized.

(V) Notes to Items in the Consolidated Financial Statements (Continued)

27. Accounts payable (Continued)

(2) Accounts payable aged over one year with significant amount

June 30, 2019

Unit: RMB

Name of creditors	Amount	Reason for outstanding or not transfer
Shanghai Electric Group Co., Ltd. (上海電氣集團股份有限公司)	232,374,430.92	Not yet settled
Nanfang Ventilator Co., Ltd.(南方風機股份有限公司)	86,049,425.32	Not yet settled
Shanghai First Machine Tool Works Co., Ltd. (上海第一機床廠有限公司)	69,443,606.53	Not yet settled
Shenyang Blower Works Nuclear Pump Co., Ltd. (瀋陽鼓風機集團核電泵業有限公司)	50,849,479.24	Not yet settled
Total	438,716,942.01	

December 31, 2018

Unit: RMB

Name of creditors	Amount	Reason for outstanding or not transfer
Shanghai Electric Group Co., Ltd. (上海電氣集團股份有限公司)	204,324,653.20	Not yet settled
Shanghai First Machine Tool Works Co., Ltd. (上海第一機床廠有限公司)	83,498,856.79	Not yet settled
Nanfang Ventilator Co., Ltd. (南方風機股份有限公司)	48,951,514.52	Not yet settled
Dalian Baoyuan Nuclear Equipment Co., Ltd. (大連寶原核設備有限公司)	30,824,661.55	Not yet settled
Total	367,599,686.06	

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

28. Receipts in advance

(1) Receipts in advance

Unit: RMB		
Item	June 30, 2019	December 31, 2018
Insurance payment	–	2,058,361.07
Total	–	2,058,361.07

(2) Receipts in advance aged over one year with significant amount

As at June 30, 2019 and December 31, 2018, the Group had no receipts in advance aged over one year with significant amount.

29. Contract liabilities

(1) Contract liabilities

Unit: RMB		
Item	June 30, 2019	December 31, 2018
Settled payments of uncompleted construction, installation and design service contracts	988,967,525.55	751,679,055.21
Payments of sales, technical services and construction, installation and design services received in advance	70,160,689.28	84,120,693.22
Total	1,059,128,214.83	835,799,748.43

(2) The contract liabilities before the offset of the contract assets and contract liabilities at the beginning of 2019 was RMB1,381,172,830.45, and the amount of income recognized in the book value of the contract liabilities in the beginning of the period from January 1 to June 30, 2019 was RMB250,869,070.91, including contract liabilities arising from settled payments of uncompleted construction, installation and design service contracts of RMB184,868,636.86 and payments of sales, technical services and construction, installation and design services received in advance of RMB66,000,434.05.

(V) Notes to Items in the Consolidated Financial Statements (Continued)

29. Contract liabilities (Continued)

(3) Qualitative and quantitative analysis of contract liabilities

The contract liabilities associated with the construction, installation and design service contracts are the balances payable to the customer under the contract under construction. The balance is generated when a specific milestone payment exceeds the revenue recognized as a result of the performance.

For sales revenue, it is recognized when the control right of the product is transferred to the customer. When the customer purchases a product and prepays to the Group, the Group recognizes the transaction price received as the contract liabilities until the control right of the product is transferred to the customer.

Service-related revenue is recognized over a period of time, although the customer has paid in advance for partial or full service payments. The Group recognizes the contract liabilities when it initially receives the service payment and transfers it to revenue during the service period.

(4) Amounts settled but uncompleted arising from construction contracts at the end of the period

Unit: RMB

Item	June 30, 2019	December 31, 2018
Accumulated costs incurred	5,666,216,965.43	2,257,330,016.12
Accumulated gross profit recognized	–	–
Less: Expected losses	–	–
Amounts settled	6,655,184,490.98	3,009,009,071.33
Amounts settled but uncompleted arising from construction contracts	988,967,525.55	751,679,055.21

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

30. Employee benefits payable

(1) Employee benefits payable

During the period from January 1 to June 30, 2019

Unit: RMB

Item	January 1, 2019	Increase during the period	Decrease during the period	June 30, 2019
I. Short-term employee benefits payable	40,208,203.79	4,005,761,550.39	3,945,331,619.09	100,638,135.09
II. Post-employment benefits – defined contribution plan	2,408,230.01	414,906,348.16	413,409,798.87	3,904,779.30
III. Dismissal benefits	–	301,799.00	301,799.00	–
IV. Others	–	5,833,748.33	5,833,748.33	–
Total	42,616,433.80	4,426,803,445.88	4,364,876,965.29	104,542,914.39

(2) Short-term employee benefits

During the period from January 1 to June 30, 2019

Unit: RMB

Item	January 1, 2019	Increase during the period	Decrease during the period	June 30, 2019
1. Salaries, bonuses, allowances and subsidies	92,508.46	3,049,987,695.43	3,018,030,885.61	32,049,318.28
2. Staff welfare	–	392,702,615.52	392,702,615.52	–
3. Social insurance premiums	509,744.22	183,008,643.07	172,420,197.18	11,098,190.11
Including: Basic medical insurance	393,797.44	105,550,935.09	104,997,979.71	946,752.82
Supplementary medical insurance	–	60,563,026.98	50,633,026.98	9,930,000.00
Work-related injury insurance	41,901.13	6,096,207.23	6,053,709.55	84,398.81
Maternity insurance	74,045.65	10,759,372.25	10,696,379.42	137,038.48
Others	–	39,101.52	39,101.52	–
4. Housing provident funds	4,150,457.38	255,991,589.67	254,442,110.13	5,699,936.92
5. Labor union expenditures and employees' education expenses	33,936,777.73	62,848,437.60	60,666,032.32	36,119,183.01
6. Other short-term employee benefits	1,518,716.00	61,222,569.10	47,069,778.33	15,671,506.77
Total	40,208,203.79	4,005,761,550.39	3,945,331,619.09	100,638,135.09

(V) Notes to Items in the Consolidated Financial Statements (Continued)

30. Employee benefits payable (Continued)

(3) Defined contribution plan

During the period from January 1 to June 30, 2019

Unit: RMB

Item	January 1, 2019	Increase during the period	Decrease during the period	June 30, 2019
1. Basic pension insurance	1,128,075.23	287,649,857.22	286,001,940.63	2,775,991.82
2. Unemployment insurance	42,816.92	4,078,397.33	4,070,117.63	51,096.62
3. Corporate annuity contribution	1,237,337.86	123,178,093.61	123,337,740.61	1,077,690.86
Total	2,408,230.01	414,906,348.16	413,409,798.87	3,904,779.30

Other explanations:

The Group participates in pension insurance and unemployment insurance schemes established by the government as required, pursuant to which, the Group contributes a stipulated proportion to pension insurance and unemployment insurance schemes respectively. Other than the above, the Group has no further payment responsibility. The corresponding expenses are recognized in profit or loss for the period or the cost of related assets when incurred.

From January 1 to June 30, 2019, the Group shall pay a total of RMB287,649,857.22 and RMB4,078,397.33 to the pension insurance and unemployment insurance schemes respectively. As at June 30, 2019, the balance of the pension insurance premiums and unemployment insurance premiums payable by the Group was RMB2,775,991.82 and RMB51,096.62, respectively, which were paid after the statement of financial position date.

31. Taxes payable

Unit: RMB

Item	June 30, 2019	December 31, 2018
VAT	305,367,186.09	459,915,223.09
Urban maintenance and construction tax	37,619,184.31	35,722,236.84
Enterprise income tax	566,167,147.58	818,786,799.34
Withholding individual income tax	21,606,981.43	79,117,001.48
Real estate tax	31,163,287.66	6,462,219.38
Duty stamp	1,059,148.86	1,899,677.90
Education surcharges	26,953,730.33	25,630,240.87
Others	3,175,633.69	3,760,802.06
Total	993,112,299.95	1,431,294,200.96

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

32. Other payables

(1) Total other payables

Unit: RMB

Item	June 30, 2019	December 31, 2018
Interest payable	–	–
Dividends payable	1,329,158,452.93	968,903,753.94
Other payables	2,442,738,090.08	2,909,575,413.49
Total	3,771,896,543.01	3,878,479,167.43

(2) Interest payable

As at June 30, 2019 and December 31, 2018, the Group had no unpaid overdue interest.

(3) Dividends payable

Unit: RMB

Name of entities	June 30, 2019	December 31, 2018
Guangdong Energy Group Co., Ltd.	491,054,216.20	–
CLP Nuclear Power (Yangjiang) Limited	491,054,216.20	–
CGN Fund Phase I	338,939,548.85	136,740,753.94
TECNATOM, S.A.	3,335,359.23	–
Guangdong Electric Power Design Institute of China Energy Engineering Group	4,775,112.45	–
HKNIC	–	832,163,000.00
Total	1,329,158,452.93	968,903,753.94

Note: As at June 30, 2019 and December 31, 2018, the Group had no dividends payable for more than 1 year.

(4) Other payables

(a) Other payables by nature

Unit: RMB

Item	June 30, 2019	December 31, 2018
Spent fuel management fund	746,828,366.78	1,332,687,588.66
Related party payments	1,172,105,167.78	1,155,810,728.47
Others	523,804,555.52	421,077,096.36
Total	2,442,738,090.08	2,909,575,413.49

(V) Notes to Items in the Consolidated Financial Statements (Continued)

32. Other payables (Continued)

(4) Other payables (Continued)

(b) Other payables aged over one year with significant amount

Unit: RMB

Item	June 30, 2019	December 31, 2018	Reason for outstanding or not transfer
CGNPC	68,132,711.45	63,251,842.25	Not yet settled
Guangxi GI Energy Co., Ltd. (廣西廣投能源有限公司)	421,902,000.00	–	Not yet settled
Guangxi Investment Group Co., Ltd. (廣西投資集團有限公司)	–	488,161,440.00	Not yet settled
Total	490,034,711.45	551,413,282.25	

33. Non-current liabilities due within one year

Unit: RMB

Item	June 30, 2019	December 31, 2018
Long-term loans due within one year	20,101,403,644.01	15,792,525,241.13
Long-term loans interest payable	334,612,797.63	331,672,129.46
Bonds payable due within one year	3,299,427,736.10	2,500,000,000.00
Bonds payable interests payable	182,940,000.01	226,984,986.30
Post-employment benefit scheme liabilities due within one year	2,477,769.04	2,583,999.04
Lease liabilities due within one year	311,975,803.58	
Total	24,232,837,750.37	18,853,766,355.93

34. Other current liabilities

Unit: RMB

Item	June 30, 2019	December 31, 2018
Pending output tax	335,106,164.96	964,545,364.41

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

35. Long-term loans

(1) Long-term loans by category

Unit: RMB		
Item	June 30, 2019	December 31, 2018
Credit loans	27,142,036,138.36	28,575,767,074.65
Guaranteed loans (Note 1)	6,000,000,000.00	6,000,000,000.00
Pledged loans (Note 2)	160,664,427,293.99	160,675,985,135.51
Secured loans (Note 3)	735,500,743.64	180,719,170.77
Total	194,541,964,175.99	195,432,471,380.93
Less: Long-term loans due within one year	20,101,403,644.01	15,792,525,241.13
Long-term loans due after one year	174,440,560,531.98	179,639,946,139.80

Notes for classification of long-term loans:

Note 1: In August 2012, GNIC, a subsidiary of the Company, entered into the "Taiping Asset – CGN Power Project Debt Investment Plan Investment Contract" (《太平資產-中廣核電項目債權投資計劃投資合同》) with Taiping Asset Management Co., Ltd. (太平資產管理有限公司) pursuant to which Taiping Asset Management Co., Ltd. initiated the establishment of "Taiping Asset – CGN Power Project Debt Investment Plan" with the actual investment proceeds of RMB3 billion. The proceeds were invested in GNIC in the form of debts, and were used in the construction of nuclear power projects of Taishan Nuclear and Yangjiang Nuclear under GNIC. CGNPC provides a full unconditional irrevocable joint and several liability guarantee for all the obligations of GNIC under such contract to Taiping Asset Management Co., Ltd.. As at June 30, 2019, the loan had not expired.

In November 2015, Lufeng Nuclear, a subsidiary of the Company, entered into a contract with China Development Bank Financial Leasing Co., Ltd. (國銀金融租賃有限公司) for capital financing, and the principal received was RMB500,000,000.00. In 2016, Lufeng Nuclear received the principal amounting to RMB300,000,000.00. In October 2017, Lufeng Nuclear and China Development Bank Financial Leasing Co., Ltd. entered into a supplementary contract to increase the financing amount to RMB3,000,000,000.00 on the basis of the above contract. CGNPC provided Lufeng Nuclear with a joint and several liability guarantee for all debts under the above contract with all its legal assets. As at June 30, 2019 and December 31, 2018, the balance of outstanding loans of Lufeng Nuclear was RMB3,000,000,000.00 and RMB3,000,000,000.00, respectively.

Note 2: Pledged loans are pledged by the Group with its interests under agreements of electricity sales, insurance contracts and equity interest held. For details of the pledge of the Group, please refer to Note (V)65.

Note 3: Secured loans are secured by the Company's subsidiaries SNPRI, CGN Engineering and CNPRI with land use rights and buildings. For details, please refer to Note (V)65.

The range of annual interest rate of the above loans:

	Period from January 1 to June 30, 2019	Period from January 1 to June 30, 2018
Range of annual interest rate of the above loans	0.37%-5.30%	1.00%-6.35%

(V) Notes to Items in the Consolidated Financial Statements (Continued)

36. Bonds payable

(1) Bonds payable

Unit: RMB

Category	June 30, 2019	December 31, 2018
Long-term bonds	4,499,427,736.10	4,498,219,043.17
Mid-term notes (Note)	5,488,032,453.45	3,989,825,356.08
Private placement financing instruments	800,000,000.00	2,500,000,000.00
Total	10,787,460,189.55	10,988,044,399.25
Less: Bonds payable due within one year	3,299,427,736.10	2,500,000,000.00
Bonds payable due after one year	7,488,032,453.45	8,488,044,399.25

Note: On January 21, 2019, April 24, 2018, April 24, 2018, August 21, 2018, and October 17, 2018, the Group issued medium term notes, namely 19 CGN Power MTN001, 18 CGN Power MTN001, MTN002, MTN003 and MTN004, with the face value of RMB1,500,000,000.00, RMB1,000,000,000.00, RMB1,000,000,000.00, RMB1,000,000,000.00 and RMB1,000,000,000.00, respectively, and the issuance expenses amounted to RMB16,500,000.00. The bonds will mature on January 2022, April 2021, April 2021, August 2021 and October 2021, respectively.

(2) Changes in bonds payable

During the period from January 1 to June 30, 2019

Unit: RMB

Name of Bonds	Face value	Issue date	Term	Issue amount	January 1, 2019	Issue during the year	Accrued interest based on the face value	Amortization of premiums or discounts	Repayment during the period	June 30, 2019
07 CGN Debt	2,000,000,000.00	20/12/2007	15 years	2,000,000,000.00	2,000,000,000.00	-	58,515,068.49	-	-	2,000,000,000.00
10 CGN Debt	2,500,000,000.00	12/05/2010	10 years	2,500,000,000.00	2,498,219,043.17	-	57,027,397.26	1,208,692.93	-	2,499,427,736.10
18 CGN Power MTN001	1,000,000,000.00	24/04/2018	3 years	1,000,000,000.00	997,653,176.38	-	23,306,849.32	485,780.03	-	998,138,956.41
18 CGN Power MTN002	1,000,000,000.00	24/04/2018	3 years	1,000,000,000.00	997,653,371.34	-	23,257,260.27	485,892.80	-	998,139,264.14
18 CGN Power MTN003	1,000,000,000.00	21/08/2018	3 years	1,000,000,000.00	997,341,123.56	-	21,025,753.42	479,640.74	-	997,820,764.30
18 CGN Power MTN004	1,000,000,000.00	17/10/2018	3 years	1,000,000,000.00	997,177,684.80	-	19,984,383.56	612,957.24	-	997,790,642.04
19 CGN Power MTN001	1,500,000,000.00	21/01/2019	3 years	1,500,000,000.00	-	1,495,500,000.00	23,157,534.26	642,826.56	-	1,496,142,826.56
16 Yangjiang Nuclear Power PPN001	500,000,000.00	20/01/2016	3 years	500,000,000.00	500,000,000.00	-	989,041.10	-	500,000,000.00	-
16 Yangjiang Nuclear Power PPN002	500,000,000.00	01/03/2016	3 years	500,000,000.00	500,000,000.00	-	3,030,821.92	-	500,000,000.00	-
16 Yangjiang Nuclear Power PPN003	700,000,000.00	17/06/2016	3 years	700,000,000.00	700,000,000.00	-	12,490,684.93	-	700,000,000.00	-
16 Yangjiang Nuclear Power PPN004	800,000,000.00	19/07/2016	3 years	800,000,000.00	800,000,000.00	-	14,043,616.44	-	-	800,000,000.00
Total	12,500,000,000.00	-	-	12,500,000,000.00	10,988,044,399.25	1,495,500,000.00	256,828,410.97	3,915,790.30	1,700,000,000.00	10,787,460,189.55
Less: Bonds payable due within one year	-	-	-	-	2,500,000,000.00	-	-	-	-	3,299,427,736.10
Bonds payable due after one year	-	-	-	-	8,488,044,399.25	-	-	-	-	7,488,032,453.45

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

37. Lease liabilities

(1) Lease liabilities

Item	Unit: RMB	
	June 30, 2019	December 31, 2018
Lease liabilities	1,076,029,119.96	
Less: Lease liabilities due within one year	311,975,803.58	
Lease liabilities due after one year	764,053,316.38	

(2) Term of lease liabilities

Item	Unit: RMB
	June 30, 2019
Minimum lease payments under non-cancelable operating leases which fall due as follows:	
First year upon the statement of financial position date	311,975,803.58
Second year upon the statement of financial position date	290,437,700.86
Third year upon the statement of financial position date	157,327,637.60
Every year thereafter	555,915,725.66
Total	1,315,656,867.70

38. Long-term employee benefits payable

(1) Long-term employee benefits payable

Item	Unit: RMB	
	June 30, 2019	December 31, 2018
Post-employment benefits – net liabilities of defined contribution plan	43,191,951.57	43,122,999.04
Cash-settled share-based payment	100,844,490.59	61,728,273.40
Total	144,036,442.16	104,851,272.44
Less: Liabilities of post-employment benefits due within one year	2,477,769.04	2,583,999.04
Net amount	141,558,673.12	102,267,273.40

(V) Notes to Items in the Consolidated Financial Statements (Continued)

38. Long-term employee benefits payable (Continued)

(2) Changes in defined benefit plan

The present value of obligations under the defined benefit plan:

Item	Unit: RMB During the period from January 1 to June 30, 2019
I. Opening balance	43,122,999.04
II. Defined benefit cost included in profit or loss	2,082,000.00
1. Past service cost	1,336,000.00
2. Net interest	746,000.00
III. Defined benefit cost included in other comprehensive income	(296,000.00)
1. Actuarial gains	(296,000.00)
IV. Other changes	(1,717,047.47)
1. Paid benefits	(1,717,047.47)
V. Closing balance	43,191,951.57

Other explanation:

The Group provides supplementary retirement benefit plans for some resigned and retired employees. According to the plan, the supplementary retirement benefits paid by the Group include nursing recuperation fees, holiday fees, travel expenses, medical examination and vaccination fees and annually paid supplementary medical insurance in accordance with policies, and the benefits will be paid until their death.

The Group engaged Mercer Consulting (China) Co., Ltd. to estimate the present value of the retirement benefit plan obligations above in an actuarial manner based on the expected cumulative welfare unit method. The plan estimates future cash outflows based on inflation and mortality assumptions and determines its present value at a discount rate. The discount rate is determined according to the government bond market yield rate corresponding to the planned duration on the statement of financial position date and the evaluation date of the defined benefit plan obligation and currency. The Group recognizes its liabilities based on the actuarial results. The relevant actuarial gains or losses are recognized in other comprehensive income and will not be reversed to profit or loss in subsequent accounting periods. Past service costs are recognized through profit or loss for the current period in which the plan is revised. The net interest is determined by multiplying the defined benefit plan net liabilities or net assets by the appropriate discount rate.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

39. Provisions

Unit: RMB

Item	June 30, 2019	December 31, 2018	Reason
Provision for nuclear power plant decommissioning	3,808,610,830.67	3,689,783,017.22	Note 1
Provision for low and medium level radioactive waste disposal	328,429,889.28	310,281,961.52	Note 2
Others	815,312.20	1,466,775.27	
Total	4,137,856,032.15	4,001,531,754.01	

Note 1: It is the discounted value of the best estimate of the expected cost of processing the nuclear power facilities decommissioning of the Group.

Note 2: It is the best estimate of the expected disposal cost of long-term and short-term low and medium level radioactive waste generated by nuclear power plants.

40. Deferred income

Unit: RMB

Item	January 1, 2019	Increase during the period	Amortization for the period	Other changes	June 30, 2019
Government grants	1,395,854,838.75	129,677,790.87	70,798,745.03	(9,478,651.87)	1,445,255,232.72

Projects related to government grants:

Unit: RMB

Item	January 1, 2019	Increase in grant during the period	Amount recognized in other gains for the period	Other changes	June 30, 2019	Related to asset/ related to income
Special fund for infrastructure expenses of nuclear power equipment proprietary project from the Ministry of Finance	70,395,000.00	-	2,746,500.00	-	67,648,500.00	Related to asset
Grant for the R&D and test verification platform construction project of small reactor and nuclear main pump operation and maintenance technology	74,620,000.00	-	-	-	74,620,000.00	Related to asset
Grant for Energy Independent Innovation Project by Ministry of Finance in 2011	41,601,000.00	-	5,943,000.00	-	35,658,000.00	Related to asset
R&D and test center of inaccessible equipment in nuclear power plant containment	6,000,000.00	-	6,000,000.00	-	-	Related to asset
Grant for Daya Bay spent fuel storage facility renovation project	321,165,845.23	64,096,988.15	-	1,372,738.40	386,635,571.78	Related to asset
Experimental Study on Critical Heat Flux of Shanghai Nuclear Engineering Research and Design Institute	62,427,800.00	-	-	-	62,427,800.00	Related to asset
Other government grants related to income	265,777,618.83	22,481,123.67	18,799,798.85	(944,000.00)	268,514,943.65	Related to income
Other government grants related to asset	553,867,574.69	43,099,679.05	37,309,446.18	(9,907,390.27)	549,750,417.29	Related to asset
Total	1,395,854,838.75	129,677,790.87	70,798,745.03	(9,478,651.87)	1,445,255,232.72	

(V) Notes to Items in the Consolidated Financial Statements (Continued)

41. Share Capital

During the period from January 1 to June 30, 2019

Unit: RMB

Name of company	January 1, 2019	Changes in the current year				Subtotal	June 30, 2019
		Issuance of new shares	Bonus shares	Transfer from capital reserves	Others		
Domestic shares	34,285,125,000.00	-	-	-	-	-	34,285,125,000.00
Including: CGNPC	29,176,641,375.00	-	-	-	-	-	29,176,641,375.00
Guangdong Hengjian Investment Holdings Co., Ltd. (廣東恒健投資控股有限公司)	3,428,512,500.00	-	-	-	-	-	3,428,512,500.00
CNNC	1,679,971,125.00	-	-	-	-	-	1,679,971,125.00
Overseas listed foreign shares (H shares)	11,163,625,000.00	-	-	-	-	-	11,163,625,000.00
Total	45,448,750,000.00	-	-	-	-	-	45,448,750,000.00

The above share capital was verified by the Capital Verification Reports issued by Deloitte Touche Tohmatsu Certified Public Accountants LLP, namely De Shi Bao (Yan) Zi (15) No.0003 and De Shi Bao (Yan) Zi (15) No.0004.

42. Capital reserve

During the period from January 1 to June 30, 2019

Unit: RMB

Item	January 1, 2019	Increase during the period	Decrease during the period	June 30, 2019
Share premium	25,510,597,306.64	-	-	25,510,597,306.64
– Share capital contributed by owners	29,254,190,663.74	-	-	29,254,190,663.74
– Business combination involving entities under common control	(4,009,274,475.26)	-	-	(4,009,274,475.26)
– Others	265,681,118.16	-	-	265,681,118.16
Restructuring valuation adjustment	(27,701,479,836.62)	-	-	(27,701,479,836.62)
Other capital reserve	5,541,401,711.80	2,627,200.33	-	5,544,028,912.13
Total	3,350,519,181.82	2,627,200.33	-	3,353,146,382.15

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

43. Other comprehensive income

Unit: RMB

Item	Amount incurred for the year/period							Balance at June 30, 2019
	Balance at January 1, 2019	Incurring amount before income tax for the period	Less: Transferring other comprehensive income recorded in the previous period into current profit of loss	Less: Income tax expenses	Attributable to the shareholders of parent company, after-tax	Attributable to minority shareholders, after-tax	Less: Other comprehensive income transferred to retained earnings	
I. Other comprehensive income that will not be reclassified to profit or loss	128,294,902.50	31,119,100.00	-	4,623,465.00	26,478,010.00	17,625.00	-	154,772,912.50
1. Change arising from remeasurement of defined benefit plan	(13,747,875.00)	296,000.00	-	-	278,375.00	17,625.00	-	(13,469,500.00)
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method	-	-	-	-	-	-	-	-
3. Change in fair value of investment in other equity instruments	142,042,777.50	30,823,100.00	-	4,623,465.00	26,199,635.00	-	-	168,242,412.50
II. Other comprehensive income that may be reclassified to profit or loss	571,559,238.01	31,210,844.66	-	-	23,408,133.50	7,802,711.16	-	594,967,371.51
1. Other comprehensive income that can be transferred to profit or loss under the equity method	4,126,573.52	-	-	-	-	-	-	4,126,573.52
2. Translation differences arising from translation of foreign currency financial statements	567,432,664.49	31,210,844.66	-	-	23,408,133.50	7,802,711.16	-	590,840,797.99
Total other comprehensive income	699,854,140.51	62,329,944.66	-	4,623,465.00	49,886,143.50	7,820,336.16	-	749,740,284.01

(V) Notes to Items in the Consolidated Financial Statements (Continued)

44. Specific reserve

During the period from January 1 to June 30, 2019

Unit: RMB

Item	January 1, 2019	Increase during the year	Decrease during the year	June 30, 2019
Safe production expenses	197,139,693.40	36,118,231.68	(27,480,973.04)	205,776,952.04

45. Surplus reserve

During the period from January 1 to June 30, 2019

Unit: RMB

Item	January 1, 2019	Transfer to surplus reserve during the period	Decrease during the period	June 30, 2019
Statutory surplus reserves	3,341,495,665.44	-	-	3,341,495,665.44

46. Retained earnings

Unit: RMB

Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Retained earnings before the adjustment at the beginning of the year	18,077,156,831.53	13,139,256,274.10
Business combination involving entities under common control (Note 1)	-	(859,816.88)
Changes in accounting policies (Note 2)	-	57,900,771.93
Others	-	(299,866,423.47)
Retained earnings after the adjustment at the beginning of the period	18,077,156,831.53	12,896,430,805.68
Add: Net profit attributable to shareholders of the parent company for the period	5,022,584,904.83	4,566,356,980.23
Less: Appropriation of statutory surplus reserves	-	-
Distributable profits for shareholders	23,099,741,736.36	17,462,787,785.91
Less: Profits payable	3,272,296,962.43	3,090,516,570.98
Add: Other comprehensive income transferred to retained earnings	-	178,000,808.95
Retained earnings at the end of the period (Note 3)	19,827,444,773.93	14,550,272,023.88

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

46. Retained earnings (Continued)

Note 1: In April 2018, the Group acquired 100% equity interests in Power Sales Company, 100% equity interests in Ocean Power and 100% equity interests in Hebei Thermal Power, as a business combination under common control, affecting the retained earnings of RMB(859,816.88) at the beginning of 2018.

Note 2: The Group's long-term equity investments in CGN Finance are accounted for using the equity method. Under the New Standards for Financial Instruments, CGN Finance originally held available-for-sale financial assets measured at FVTOCI. On January 1, 2018, it was reclassified as financial assets measured at FVTPL. The accumulated changes in fair value were transferred from other comprehensive income to retained earnings at the beginning of the year, which affected the retained earnings of RMB57,900,771.93 at the beginning of 2018.

Note 3: As at June 30, 2019 and June 30, 2018, the balance of retained earnings of the Group included the surplus reserves used by subsidiaries which were RMB6,524,423,738.23 and RMB5,466,303,835.77, respectively.

Note 4: On April 23, 2019, as resolved at the shareholders' meeting, the Company distributed dividends to shareholders at RMB0.072 per share. The above dividends have been paid in the current period. Pursuant to the Company's dividend distribution policy, payment of an interim dividend for the six months ended June 30, 2019 is not recommended.

47. Operating revenue and costs

Unit: RMB

Item	During the period from January 1 to June 30, 2019		During the period from January 1 to June 30, 2018	
	Revenue	Cost	Revenue	Cost
From principal operation	26,433,432,327.48	14,759,234,170.11	22,940,222,592.55	12,565,819,058.75
Of which: Sales of electricity	23,318,272,795.95	11,752,612,164.29	21,177,021,161.50	10,806,404,482.04
Construction, installation and design services	2,466,203,735.60	2,413,844,532.38	1,302,698,047.64	1,322,552,851.82
Rendering of services	478,634,936.86	356,288,304.52	364,861,164.91	295,864,570.01
Sales of goods and others	170,320,859.07	236,489,168.92	95,642,218.50	140,997,154.88
From other operations	89,249,088.47	71,583,991.59	70,181,685.10	29,010,650.71
Total	26,522,681,415.95	14,830,818,161.70	23,010,404,277.65	12,594,829,709.46

(1) For the details of operating revenue, please refer to Note (XIV)1.

(2) As at June 30, 2019, the transaction price attributable to outstanding (or partially outstanding) performance obligation and the estimated time of revenue recognition:

Unit: RMB

Item	2019	2020	2021	After	Total
				January 1, 2022	
Construction, installation and design service	3,175,588,835.98	5,217,034,623.21	394,341,174.77	690,097,055.85	9,477,061,689.81
Rendering of services	64,170,490.67	67,013,286.17	26,365,403.67	7,866,489.10	165,415,669.61
Sales of goods and others	204,644,768.53	190,106,403.76	47,836,575.59	-	442,587,747.88

(3) As at June 30, 2019, there was no significant variable consideration in the transaction price of the Group.

(V) Notes to Items in the Consolidated Financial Statements (Continued)

48. Tax surcharge

Unit: RMB

Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
City maintenance and construction tax	163,339,325.65	123,869,585.29
Education surcharges	112,878,250.25	88,755,441.66
Stamp duty	22,209,697.39	17,684,686.78
Others	45,648,055.53	45,924,386.72
Total	344,075,328.82	276,234,100.45

49. Selling expenses

Unit: RMB

Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Travelling expenses	3,101,006.53	2,871,807.74
Employees' remuneration	19,823,083.68	32,741,637.09
Logistics service expenses	1,117,442.07	329,567.92
Others	7,697,567.36	8,853,919.28
Total	31,739,099.64	44,796,932.03

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

50. Administrative expenses

Unit: RMB

Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Employee remuneration	615,927,492.12	515,528,836.43
Depreciation and amortization	247,865,605.78	143,596,776.16
Rental expenses	9,568,251.83	49,008,892.43
Labor technical service fees	42,956,556.10	20,411,342.48
Logistics service expenses	134,616,153.99	101,320,948.71
Information technology expenses	59,327,437.37	61,088,727.32
Professional service consulting fees	1,924,927.57	6,111,634.20
Travelling expenses	11,997,514.59	11,672,888.14
Office expenses	6,094,662.34	7,079,783.60
Other expenses	67,842,046.99	50,718,351.38
Total	1,198,120,648.68	966,538,180.85

51. R&D expenses

Unit: RMB

Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Commissioning fees paid for R&D outsourcing, cooperation and others	7,932,042.96	63,661,857.52
Employee remuneration	38,144,201.84	33,318,420.13
Depreciation expenses	13,450,726.92	821,215.97
Amortization expenses	15,108,292.49	7,388,577.24
Inspection expenses	120,760,719.07	37,659,888.60
Others	31,456,319.97	27,430,729.27
Total	226,852,303.25	170,280,688.73

(V) Notes to Items in the Consolidated Financial Statements (Continued)

52. Finance costs

Unit: RMB

Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Interest expenses	5,068,319,651.69	4,917,168,031.51
Less: Capitalized interest expenses	1,482,987,587.59	2,040,370,623.48
Less: Interest income	143,774,488.12	127,507,961.21
Exchange losses (gains)	9,494,306.48	(106,819,267.02)
Less: Capitalized exchange losses (gains)	(2,843,921.27)	(111,797,452.44)
Interest expenses on the provision for nuclear power plant decommissioning	117,527,439.82	95,554,340.42
Bank charges and others	14,938,441.42	8,194,826.32
Interest expenses on lease liabilities	29,737,733.31	
Total	3,616,099,418.28	2,858,016,798.98

53. Other gains

Unit: RMB

Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018	Amount included in non-recurring gains and losses for the period from January 1 to June 30, 2019	Amount included in non-recurring gains and losses for the period from January 1 to June 30, 2018
VAT refunds ^(Note)	1,294,313,655.82	1,005,076,617.60	-	-
Other government grants	112,178,208.53	50,916,270.93	112,178,208.53	50,916,270.93
Individual income tax refund	621,342.87	-	-	-
Total	1,407,113,207.22	1,055,992,888.53	112,178,208.53	50,916,270.93

Note: For the VAT refunds received by the Group, the Group adopted the VAT "levy first, refund later" policy in respect of its sale of electricity to grid companies generated by Ling'ao Nuclear, Lingdong Nuclear, Yangjiang Nuclear, Fangchenggang Nuclear, Ningde Nuclear and Taishan Nuclear. For details, please see Note (IV)2.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

54. Investment income

Details of investment income

Unit: RMB		
Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Income from long-term equity investments accounted for using the equity method	471,868,923.58	342,408,334.97
Investment income from disposal of long-term equity investments	143,073,493.12	–
Income from derivative financial instruments	2,811,957.28	120,710.78
Others	21,989,907.65	(500,000.00)
Total	639,744,281.63	342,029,045.75

55. Gains (losses) arising from changes in fair value

Unit: RMB		
Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Gains (losses) from changes in fair value of derivative financial instruments	(1,552,685.70)	2,244,923.18
Gains (losses) from changes in fair value of cash-settled share-based payments	(1,316,174.84)	8,373,056.54
Total	(2,868,860.54)	10,617,979.72

56. Impairment losses, net of reversal

Unit: RMB		
Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Impairment losses reversed for accounts receivable	5,540,206.06	176,638,376.25
Impairment losses reversed for other receivables	21,921,631.60	179,004,379.45
Impairment losses reversed (recognized) for dividends receivable	25,895,384.70	(4,132,911.54)
Impairment losses reversed (recognized) for contract assets	138,843.06	(11,398,616.62)
Total	53,496,065.42	340,111,227.54

(V) Notes to Items in the Consolidated Financial Statements (Continued)

57. Gains (losses) from assets disposal

Unit: RMB

Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Gains (losses) from disposal of fixed assets	–	(19,023.30)

58. Non-operating income

Unit: RMB

Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018	Amount included in non-recurring gains and losses for the period from January 1 to June 30, 2019	Amount included in non-recurring gains and losses for the period from January 1 to June 30, 2018
Others	5,526,018.57	3,405,718.05	5,526,018.57	3,405,718.05

59. Non-operating expenses

Unit: RMB

Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018	Amount included in non-recurring gains and losses for the period from January 1 to June 30, 2019	Amount included in non-recurring gains and losses for the period from January 1 to June 30, 2018
Donations	952,695.15	7,803,266.51	952,695.15	7,803,266.51
Others	7,415,747.07	21,141,812.40	7,415,747.07	21,141,812.40
Total	8,368,442.22	28,945,078.91	8,368,442.22	28,945,078.91

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

60. Income tax expenses

(1) Income tax expenses

Unit: RMB		
Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Current income tax expenses	973,847,139.39	811,059,793.97
Deferred income tax expenses	(7,150,764.92)	(8,537,047.40)
Adjustments to income tax of previous years	(22,636,963.60)	(2,446,509.09)
Total	944,059,410.87	800,076,237.48

(2) Reconciliation of income tax expenses to accounting profits

Unit: RMB		
Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Accounting profits	8,369,618,725.66	7,822,900,624.53
Income tax calculated at tax rate of 25%	2,092,404,681.42	1,955,725,156.13
Tax effect of non-deductible expenses	14,160,862.70	10,771,420.54
Tax effect of tax-free income	(117,967,230.90)	(77,871,408.76)
Tax effect of non-taxable income	(323,578,413.96)	(251,269,154.40)
Tax effect of unrecognized deductible losses and deductible temporary differences	103,716,984.63	96,662,594.87
Tax effect of utilization of unrecognized deductible losses and deductible temporary differences in previous years	(7,407,149.47)	(24,727,365.71)
The effect of the inconsistency between income tax rate applicable to the current period and the income tax rate when measuring the deferred income tax	(2,894,838.31)	4,902,276.58
Adjustment of income tax in previous years	(22,636,963.60)	(2,446,509.09)
Tax effect of tax incentives	(826,558,752.73)	(931,703,686.44)
Additional deduction for research and development costs	(2,310,301.27)	(13,286,586.51)
Others	37,130,532.36	33,319,500.27
Income tax expenses	944,059,410.87	800,076,237.48

(V) Notes to Items in the Consolidated Financial Statements (Continued)

61. Government grants

Unit: RMB

Item	Related to asset/ related to income	Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Other deferred income related to asset	Related to asset	Deferred income	107,196,667.20	101,971,300.00
Other deferred income related to income	Related to income	Deferred income	22,481,123.67	9,457,580.00
VAT refunds	Related to income	Other income	1,294,313,655.82	1,005,076,617.60
Others	Related to income	Other income	41,379,463.50	17,609,214.49
Total			1,465,370,910.19	1,134,114,712.09
Including: Government grants recognized in profit or loss for the period			1,335,693,119.32	1,022,685,832.09

62. Other comprehensive income

Please refer to Note (V)43 for details.

63. Cash flow statements items

(1) Cash received from other operating activities

Unit: RMB

Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Service payments received from related parties and engineering payments received from related parties in advance	206,947,442.63	291,580,837.45
Guarantee deposit and deposit	288,462,330.26	331,265,319.28
Government grants related to income	63,880,877.55	27,066,794.49
Government grants related to asset	107,196,667.20	101,971,300.00
Liquidated damages, refunds and advances	29,131,213.28	3,176,037.06
Rental, consulting and other services income	6,109,748.39	58,469.12
Research fund	9,598,800.87	6,641,100.00
Bank settlement and interest	53,269,983.62	18,857,860.96
Others	67,697,182.32	46,384,426.14
Total	832,294,246.12	827,002,144.50

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

63. Cash flow statements items (Continued)

(2) Cash paid to other operating activities

Unit: RMB

Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Service payments to related parties and engineering payments to related parties in advance	238,921,040.82	223,746,692.54
Transportation, travelling expenses and other expenses reimbursement	102,378,738.49	132,100,462.62
Guarantee deposit and deposit	198,027,632.80	135,221,567.45
Consulting and other services expenses	46,483,757.13	2,961,438.60
Remittance of other expenses and other reimbursements	36,584,070.16	34,315,601.62
Vehicle rental fees	26,143,673.06	1,559,586.32
Labour union fees	40,718,577.82	30,604,301.39
Insurance	732,406.02	11,100,412.56
Others	316,415,126.59	269,374,778.14
Total	1,006,405,022.89	840,984,841.24

(3) Cash received from other investing activities

Unit: RMB

Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Amount received in respect of nuclear power construction and other amounts	252,331,268.52	640,781,737.40
Recovery of fixed deposits with maturities of more than three months	540,000,000.00	165,000,000.00
Commissioning electricity fee income	122,514,210.00	–
Others	6,192,561.93	15,544,634.12
Total	921,038,040.45	821,326,371.52

(V) Notes to Items in the Consolidated Financial Statements (Continued)

63. Cash flow statements items (Continued)

(4) Cash paid to other investing activities

Item	Unit: RMB	
	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Deposit of fixed deposits with maturities of more than three months	629,501,700.05	300,000,000.00
Payments in relation to nuclear power construction and others	252,331,268.52	–
Settlement of derivative financial instruments	–	120,710.78
Others	8,305,174.31	4,055,527.82
Total	890,138,142.88	304,176,238.60

(5) Cash received from other financing activities

Item	Unit: RMB	
	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Registered capital for Fangchenggang Nuclear Phase II Project received	488,161,440.00	421,902,000.00
Consideration received for the equity transfer of 17% in Yangjiang Nuclear	300,843,139.36	–
Total	789,004,579.36	421,902,000.00

(6) Cash paid to other financing activities

Item	Unit: RMB	
	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Payment of registered capital for Fangchenggang Nuclear Phase II Project	488,161,440.00	–
Payment of cash related to leases	102,387,964.59	–
Guarantee fees and interest payment service fees of O2CGN Debt	31,458,872.70	–
Export credit transfer fees	5,848,432.10	–
Others	644,445.00	10,083,089.62
Total	628,501,154.39	10,083,089.62

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

64. Supplementary information to cash flow statements

(1) Supplementary information to cash flow statements

Unit: RMB

Supplementary information	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	7,425,559,314.79	7,022,824,387.05
Add: Credit impairment losses	(53,496,065.42)	(340,111,227.54)
Depreciation of fixed assets	4,156,708,483.72	3,482,878,199.64
Amortization of intangible assets	201,935,418.26	168,673,483.72
Amortization of long-term deferred expenses	80,237,522.26	108,164,871.61
Depreciation of investment properties	13,151,462.10	12,776,149.33
Depreciation of right-of-use assets	127,627,931.49	
Losses on disposal of fixed assets, intangible assets and other long-term assets	7,300,875.47	19,023.30
Losses from changes in fair value ("-" : gains)	2,868,860.54	(10,617,979.72)
Finance costs	3,623,959,490.92	2,914,340,660.10
Investment income	(639,744,281.63)	(342,029,045.75)
Decrease in deferred tax assets ("-" : increase)	(27,946,262.56)	18,746,219.92
Increase in deferred tax liabilities ("-" : decrease)	22,404,765.60	(27,283,267.32)
Decrease in contract assets ("-" : increase)	26,810,006.96	(4,662,639,224.40)
Increase in contract liabilities	223,328,466.40	2,147,829,634.24
Decrease in inventories	434,107,147.00	6,918,794,891.63
Decrease in operating receivables	1,247,764,350.10	2,822,133,196.56
Increase in operating payables ("-" : decrease)	(2,052,583,253.15)	(6,026,820,690.66)
Net cash flows from operating activities	14,819,994,232.85	14,207,679,281.71
2. Major investing and financing activities that do not involve cash receipts and payments:		
Transfer from debt to equity	—	—
Convertible corporate bonds due within one year	—	—
Fixed assets under financing leases	—	—
3. Net changes in cash and cash equivalents:		
Closing balance of cash	9,606,792,897.46	14,399,080,410.50
Less: Opening balance of cash	11,637,718,842.72	10,352,460,227.68
Add: Closing balance of cash equivalents	—	—
Less: Opening balance of cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	(2,030,925,945.26)	4,046,620,182.82

(V) Notes to Items in the Consolidated Financial Statements (Continued)

64. Supplementary information to cash flow statements (Continued)

(2) Cash received for disposal of subsidiaries and other business entities

Unit: RMB

Item	During the period from January 1 to June 30, 2019	During the period from January 1 to June 30, 2018
Cash or cash equivalents received in current period for disposal of subsidiaries	709,991,700.00	–
Including: Shanghai Engineering Science & Technology Co., LTD (上海中廣核工程科技有限公司)	709,991,700.00	–
Less: Cash and cash equivalents held by the subsidiary as at the date when control is lost	1,684,874.80	–
Including: Shanghai Engineering Science & Technology Co., LTD (上海中廣核工程科技有限公司)	1,684,874.80	–
Net cash received for disposal of subsidiaries	708,306,825.20	–

(3) Composition of cash and cash equivalents

Unit: RMB

Item	June 30, 2019	December 31, 2018
I. Cash	9,606,792,897.46	11,637,718,842.72
Including: Cash in hand	7,277.67	5,812.41
Bank deposits available on demand	9,606,785,619.79	11,637,713,030.31
II. Cash equivalents	–	–
III. Closing balance of cash and cash equivalents	9,606,792,897.46	11,637,718,842.72

65. Assets with restricted ownership or right of use

Unit: RMB

Item	June 30, 2019	December 31, 2018	Reason for being restricted
Cash at bank and in hand (Note 1)	7,541,912.46	30,217,919.80	Letters of guarantee
Accounts receivable (Note 2)	3,177,300,369.76	4,025,601,001.96	Guarantees
Fixed assets (Note 3)	15,184,953,237.00	15,136,710,175.77	Guarantees
Intangible assets (Note 4)	473,033,233.34	481,432,713.41	Guarantees
Total	18,842,828,752.56	19,673,961,810.94	

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

65. Assets with restricted ownership or right of use (Continued)

Note 1: The letter of guarantee was for the bank deposits of the Group (as the supplier) according to the supply and purchase contract.

Note 2: On August 22, 2005, Lingdong Nuclear entered into the Common Terms Agreement on Loans for Phase II of Guangdong Ling'ao Nuclear Power Plant Construction Project with China Development Bank (the "CDB"), Agricultural Bank of China Shenzhen Branch and Industrial and Commercial Bank of China Shenzhen Branch, and acquired a total loan facility equivalent to USD2.585 billion from the banks with a maturity period ranged from 15 to 22 years. Lingdong Nuclear transferred its interest in the insurance contract of the phase II of the nuclear power plant project to CDB, and pledged all the electricity sales revenue in the electricity sales income collection account to CDB.

On December 16, 2008, Yangjiang Nuclear entered into the Common Terms Agreement on Guangdong Yangjiang Nuclear Power Construction Project with six financial institutions including the CDB and the Bank of China, and obtained a total loan facility of RMB55.652 billion from the banks. The term of the loan shall not be more than 25 years from the date of signing the agreement. Yangjiang Nuclear transferred its interests in the insurance contract and the general contracting contract of the Guangdong Yangjiang Nuclear Power Construction Project to CDB, and pledged the accounts receivable from the electricity sales contract to CDB.

On July 29, 2010, pledging the receivables from electricity sales of Fangchenggang Phase I Construction Project, Fangchenggang Nuclear entered into a series of syndicate agreements with various financial institutions including the Finance Company (as the leader), China Construction Bank and CDB to obtain a comprehensive borrowing facility equivalent to RMB19.939 billion in aggregate for the construction of its phase I project. In addition, Fangchenggang Nuclear pledged the electricity sales receivables from the phase II project and signed a series of syndicate agreements with the above-mentioned financial institutions on February 16, 2016, obtaining comprehensive borrowing facilities equivalent to RMB28.529 billion and equivalent to USD246 million in aggregate for the construction of its phase II project.

On April 18, 2008, pledging the receivables under the future power sales agreement of Ningde Phase I Construction Project, the interest in construction entrustment contract and the interest in the construction insurance, Ningde Nuclear signed the Common Terms Agreement with four financial institutions including Industrial and Commercial Bank of China to obtain a borrowing equivalent to RMB39.966 billion in aggregate. On December 30, 2011, Ningde Nuclear pledged the income rights to the electricity fee of the Ningde Phase I Construction Project based on the loan ratio, and signed the Special Facility Contract with Postal Savings Bank of China Limited to obtain a total borrowing amounting to RMB2 billion. The above borrowings were all used for the Ningde Nuclear Power Phase I Construction Project.

Note 3: According to the Commitment Letter on Land Use Rights and Equipment issued by Lingdong Nuclear to CDB, during the term of the loan contract, Lingdong Nuclear shall not, in any form, dispose of, including but not limited to sell, let or pledge, any of the equipment asset with an original value over USD500,000. As at June 30, 2019 and December 31, 2018, the above net fixed asset owned by Lingdong Nuclear amounted to RMB14,760,241,944.30 and RMB15,129,241,446.63, respectively.

According to the Maximum Mortgage Contract signed by SNPRI and Agricultural Bank of China Co., Ltd. Suzhou High-tech Zone Technology Industry Development Zone Branch in March 2016, SNPRI pledged the land use rights of and buildings on Xihuan Road owned by it. As at June 30, 2019 and December 31, 2018, the above net fixed assets owned by SNPRI amounted to RMB7,207,485.72 and RMB7,468,729.14, respectively.

According to the Mortgage Contract signed by CGN Engineering and CDB on April 26, 2019, CGN Engineering pledged the 1200T self-elevating offshore wind power installation platform owned by it. As at June 30, 2019, the above net fixed assets owned by CGN Engineering amounted to RMB417,503,806.98.

Note 4: According to the Maximum Mortgage Contract signed by SNPRI and Agricultural Bank of China Co., Ltd. Suzhou High-tech Zone Technology Industry Development Zone Branch in March 2016, SNPRI pledged the land use rights of and buildings on Xihuan Road owned by it. As at June 30, 2019 and December 31, 2018, the above net land use rights owned by SNPRI amounted to RMB52,226,176.56 and RMB52,901,515.05, respectively.

According to the RMB Loan Mortgage Contract signed by CNPRI and CDB in October 2017, CNPRI pledged the land use rights owned by it. As at June 30, 2019 and December 31, 2018, the above net land use rights owned by CNPRI amounted to RMB51,232,290.68 and RMB51,564,936.92, respectively.

According to the Loan Contract of China Guangdong Nuclear Power Engineering Building Agreement signed by CGN Engineering and ICBC on March 19, 2018, CGN Engineering pledged the land use rights of New Energy Industry Base owned by it. As at June 30, 2019 and December 31, 2018, the above net land use rights owned by CGN Engineering amounted to RMB369,574,766.10 and RMB376,966,261.44, respectively.

(V) Notes to Items in the Consolidated Financial Statements (Continued)

66. Foreign currency monetary items

(1) Foreign currency monetary items

Item	June 30, 2019			December 31, 2018		
	Foreign currency balance	Exchange rate	RMB Balance	Foreign currency balance	Exchange rate	RMB Balance
Cash at bank and in hand			3,830,667,224.26			4,514,002,114.17
Including: HKD	9,850,878.37	0.8797	8,665,817.70	9,895,861.14	0.8762	8,670,753.54
USD	158,856,463.13	6.8747	1,092,090,527.07	279,257,573.95	6.8632	1,916,600,581.54
EUR	14,933,541.74	7.8170	116,735,495.78	10,458,922.00	7.8473	82,074,298.61
GBP	1,854,206.15	8.7113	16,152,546.06	2,096,242.16	8.6762	18,187,416.22
ZAR	11,021.16	2.0610	22,714.61	46,239.22	0.4735	21,894.26
RMB	2,597,000,123.04	1.0000	2,597,000,123.04	2,488,447,170.00	1.0000	2,488,447,170.00
Accounts receivable			108,514,093.70			327,250,762.80
Including: HKD	722,670.72	0.8797	635,733.43	—	0.8762	—
USD	1,464,257.02	6.8747	10,066,327.71	—	6.8632	—
EUR	12,410,748.08	7.8170	97,014,817.78	5,707,303.41	7.8473	44,786,922.05
RMB	797,214.78	1.0000	797,214.78	282,463,840.75	1.0000	282,463,840.75
Other receivables			79,239,088.98			72,324,899.72
Including: USD	202,122.89	6.8747	1,389,534.24	218,760.04	6.8632	1,501,393.91
HKD	7,601.66	0.8797	6,687.18	7,602.00	0.8762	6,660.87
EUR	8,523,201.54	7.8170	66,625,866.45	6,491,750.05	7.8473	50,942,710.18
GBP	443,141.75	8.7113	3,860,340.73	428,874.33	8.6762	3,720,999.46
RMB	7,356,660.38	1.0000	7,356,660.38	16,153,135.30	1.0000	16,153,135.30
Accounts payable			873,071,626.65			551,606,986.04
Including: HKD	6,087,039.18	0.8797	5,354,768.37	11,187,905.51	0.8762	9,802,842.81
USD	25,403,888.86	6.8747	174,644,114.75	14,358,137.52	6.8632	98,542,769.43
EUR	31,887,411.53	7.8170	249,263,895.91	40,777,095.39	7.8473	319,990,100.63
GBP	354,760.52	8.7113	3,090,425.29	1,024,113.21	8.6762	8,885,411.05
JPY	514,978,679.31	0.0638	32,855,639.74	2,296,268.82	0.0619	142,139.04
RMB	407,384,789.44	1.0000	407,384,789.44	110,517,259.31	1.0000	110,517,259.31
CHF	67,908.33	7.0388	477,993.15	536,228.13	6.9494	3,726,463.77

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(V) Notes to Items in the Consolidated Financial Statements (Continued)

66. Foreign currency monetary items (Continued)

(1) Foreign currency monetary items (Continued)

Item	June 30, 2019			December 31, 2018		
	Foreign currency balance	Exchange rate	RMB Balance	Foreign currency balance	Exchange rate	RMB Balance
Other payables			207,442,442.46			416,912,557.66
Including: HKD	40,402.17	0.8797	35,541.79	40,405.00	0.8762	35,402.86
USD	42,897.84	6.8747	294,909.78	22.86	6.8632	156.86
EUR	260,215.74	7.8170	2,034,106.47	505,197.92	7.8473	3,964,439.64
GBP	—	8.7113	—	1.00	8.6762	8.68
RMB	205,077,884.42	1.0000	205,077,884.42	412,912,549.62	1.0000	412,912,549.62
Employee benefits payable			3,769,278.46			250,190.68
Including: RMB	3,769,278.46	1.0000	3,769,278.46	250,190.68	1.0000	250,190.68
Taxes payable			192,869,382.16			408,822,017.53
Including: RMB	192,869,382.16	1.0000	192,869,382.16	408,822,017.53	1.0000	408,822,017.53
Non-current liabilities due within one year			818,934,362.02			847,445,029.29
Including: USD	5,470,414.30	6.8747	37,607,457.19	5,470,414.30	6.8632	37,544,547.42
EUR	98,949,430.86	7.8170	773,487,701.03	103,207,534.04	7.8473	809,900,481.87
RMB	7,839,203.80	1.0000	7,839,203.80	—	1.0000	—
Short-term loans			2,629,003,646.20			2,675,102,597.14
Including: HKD	1,520,972,072.30	0.8797	1,337,999,132.00	1,755,307,007.53	0.8762	1,538,000,000.00
EUR	165,153,449.43	7.8170	1,291,004,514.20	144,903,673.51	7.8473	1,137,102,597.14
Long-term loans			6,272,535,623.84			6,693,073,537.83
Including: USD	32,822,485.66	6.8747	225,644,742.17	35,557,692.80	6.8632	244,039,557.22
EUR	773,556,464.33	7.8170	6,046,890,881.67	821,815,653.87	7.8473	6,449,033,980.61
Lease liabilities			19,345,734.32			
Including: RMB	19,345,734.32	1.0000	19,345,734.32			

(2) Description of overseas business entities:

The sales customers of GNPJVC are mainly GNIC and HKNIC, and all of the sales are conducted in USD. During the period of preparation for the establishment of GNPJVC, the funds required for the construction of the nuclear power plant were mainly obtained from loans for financing, the funds from which were mainly long-term USD loans, and such loans from financing activities were repaid in USD. Therefore, GNPJVC selected USD as its reporting currency.

(VI) Change of consolidation scope

1. Disposal of subsidiaries

Loss of control due to a single disposal of investment in subsidiaries

During the period from January 1, 2019 to June 30, 2019

Unit: RMB

Name of subsidiary	Consideration of equity disposal	Percentage of equity disposed of (%)	Way of disposal	Time of losing control	Determination basis of time of losing control	Difference between the consideration of disposal and the portion of net assets of such subsidiary attributable to the investment disposed of within the scope of consolidated financial statements	Percentage of the remaining equity as at the date of losing control	Book value of the remaining equity as at the date of losing control	Fair value of the remaining equity as at the date of losing control	Gains or losses arising from the remaining equity remeasured at fair value	Method and major assumptions used in the determination of fair value	Amount transferred to investment gains or losses from other comprehensive income which is related to the equity investment in the former subsidiary
Shanghai Engineering Science & Technology Co., LTD (上海中廣核工程科技有限公司)	719,568,857.28	100	Sold to related parties	January 31, 2019	Completion of the delivery of equity transfer	143,073,493.12	-	N/A	N/A	N/A	N/A	N/A

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(VII) Interests in other entities

1. Interests in subsidiaries

(1) Constitution of the corporate group

Name of subsidiary	Principal place of operation	Place of registration	Business nature	Shareholding (%)		Method of acquisition
				Direct	Indirect	
GNIC	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Investment	100.00	-	Establishment
GNPVC	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power generation	-	75.00	Establishment
DNMC	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Operations and management of nuclear power plant	-	87.50	Establishment
CGN Nuclear Power Investment Co., Ltd.	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Investment	77.78	-	Establishment
CGN Ningde Investment Co., Ltd.	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Investment	56.52	-	Establishment
Ling'ao Nuclear	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power generation	70.00	30.00	Establishment
Lingdong Nuclear	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power generation	25.00	75.00	Establishment
Yangjiang Nuclear	Yangjiang, Guangdong Province	Yangjiang, Guangdong Province	Nuclear power generation	34.00	25.00	Establishment
China Nuclear Power Operations Co., Ltd.	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Provision of management, technology and consultancy services	100.00	-	Establishment
China Nuclear Power Technology Research Institute Co., Ltd.	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power technology development	100.00	-	Establishment
Inspection Company	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Testing and maintenance of power stations	-	81.52	Establishment
Guangdong Daya Bay Nuclear Power Environment Protection Co., Ltd.	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Environment protection relating to nuclear power	100.00	-	Establishment
CGN Nuclear Power (Shenzhen) Radiation Monitoring Technology Co., Ltd. (中廣核(深圳)輻射監測技術有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Radiation detection and evaluation, instrument verification	-	100.00	Establishment
China Daya Bay Nuclear Power Technology Research Institute Co., Ltd. (中國大亞灣核電技術研究院有限公司)	Beijing	Beijing	Nuclear power technology development	-	100.00	Business combination not under same control
SNPRI	Suzhou, Jiangsu Province	Suzhou, Jiangsu Province	Nuclear power technology development	100.00	-	Business combination not under same control
CNPSTC	Beijing	Beijing	Nuclear power technology development	-	75.00	Business combination not under same control
Ningde Nuclear	Ningde, Fujian Province	Ningde, Fujian Province	Nuclear power generation	-	46.00	Business combination not under same control

(VII) Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

(1) Constitution of the corporate group (Continued)

Name of subsidiary	Principal place of operation	Place of registration	Business nature	Shareholding (%)		Method of acquisition
				Direct	Indirect	
Taishan Nuclear	Taishan, Guangdong Province	Taishan, Guangdong Province	Nuclear power generation	12.50	57.50	Business combination under same control
Taishan Investment	Taishan, Guangdong Province	Taishan, Guangdong Province	Investment	60.00	-	Business combination under same control
CGN Engineering	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Construction	100.00	-	Business combination under same control
CGN Design	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Construction design	-	60.00	Business combination under same control
Worldwide Engineering CGNPC AREVA Nuclear Co., Ltd. (中法國際核能工程有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Other professional technical support	-	55.00	Business combination under same control
CGN Import & Export Co., Ltd. (中廣核電機進出口有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Import and export trade	-	100.00	Business combination under same control
Fangchenggang Nuclear	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power generation	-	61.00	Business combination under same control
Lufeng Nuclear	Shanwei, Guangdong Province	Shanwei, Guangdong Province	Nuclear power generation	100.00	-	Business combination under same control
Power Sales Company	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Sales of electricity	100.00	-	Business combination under same control
Ocean Power	Tianjin	Tianjin	Development, construction and operations of offshore power stations	100.00	-	Business combination under same control
Hebei Thermal Power	Chengde, Hebei Province	Chengde, Hebei Province	Thermal power development	100.00	-	Business combination under same control
Yangxi Nuclear Power Co., Ltd. (嶺西核電股份有限公司)	Yangjiang, Guangdong Province	Yangjiang, Guangdong Province	Investment, construction and operations of nuclear power plants	-	51.00	Establishment
Fangchenggang Investment	Fangchenggang, Guangxi	Fangchenggang, Guangxi	Investment	60.00	-	Establishment
Hebei Zhongshuang Clean Thermal Energy Co., Ltd. (河北中莊清熱潔淨有限公司)	Xingtai, Hebei Province	Xingtai, Hebei Province	Thermal power generation	100.00	-	Establishment
Sansha Advanced Energy Co., Ltd. (三沙先進能源有限公司)	Sansha, Hainan Province	Sansha, Hainan Province	Island energy development, smart grid investment, transmission and distribution, sales of electricity	-	60.00	Establishment

Basis for only holding half or less voting rights but still having control over the investees, as well as holding 50% or more voting rights but not having control over the investees:

CGN Ninghe Investment Co., Ltd., a subsidiary of the Company, holds 46% of the voting rights of Ningde Nuclear. In December 2016, CGN Ninghe Investment Co., Ltd. and Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司) entered into the Concerted Party Agreement. Datang International Power Generation Co., Ltd. agreed to act in concert with CGN Ninghe Investment Co., Ltd. at the shareholders' meetings and the meetings of board of directors of Ningde Nuclear. Datang International Power Generation Co., Ltd. holds 44% equity interest in Ningde Nuclear. Therefore, after signing the Concerted Party Agreement, the Group can thus lead the relevant activities of Ningde Nuclear. Since January 1, 2017, the Group has obtained the control over Ningde Nuclear, which has been consolidated into the Group's consolidated financial statements. Ningde Nuclear has been changed from a joint venture of the Group to a subsidiary of the Company with unchanged shareholding.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(VII) Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

(2) Significant non-wholly-owned subsidiaries

Unit: RMB

Name of subsidiary	Shareholding of non-controlling shareholders	Gains or losses attributable to non-controlling shareholders during the period from January 1, 2019 to June 30, 2019	Dividends announced to be distributed to non-controlling shareholders during the period from January 1, 2019 to June 30, 2019	Balance of non-controlling interests as at June 30, 2019
Yangjiang Nuclear	41.00%	1,028,715,369.84	1,480,384,034.13	8,043,290,749.78
Taishan Nuclear	30.00%	25,907,484.47	-	7,372,097,467.97
GNPJVC	25.00%	452,558,398.57	14,410,626.56	1,823,580,617.50
CGN Nuclear Power Investment Co., Ltd.	22.22%	130,111,406.02	-	2,852,760,547.89
CGN Ninghe Investment Co., Ltd.	43.48%	156,727,607.58	-	3,169,792,768.50
Ningde Nuclear	54.00%	422,838,063.15	1,085,770,258.40	7,119,601,721.20
Taishan Investment	40.00%	27,874,388.16	-	5,881,665,343.40
Fangchenggang Investment	40.00%	86,083,084.09	-	2,902,364,805.30
Fangchenggang Nuclear	39.00%	129,417,567.35	-	2,671,928,801.89
Total		2,460,233,369.23	2,580,564,919.09	41,837,082,823.43

(VII) Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

(3) Significant financial information of significant non-wholly-owned subsidiary

Unit: RMB

Name of subsidiary	Balance at June 30, 2019					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Yangjiang Nuclear	9,393,101,635.27	70,106,025,276.38	79,499,126,911.65	14,928,978,744.74	44,952,365,850.37	59,881,344,595.11
Taishan Nuclear	3,652,324,473.01	90,186,228,791.67	93,838,553,264.68	10,973,744,872.03	58,291,150,166.08	69,264,895,038.11
GNPVC	6,866,602,287.42	4,090,728,431.03	10,957,330,718.45	1,174,794,377.03	2,488,213,871.61	3,663,008,248.64
CGN Nuclear Power Investment Co., Ltd.	1,279,008.28	13,216,375,536.26	13,217,654,544.54	378,948,325.34	-	378,948,325.34
CGN Ninghe Investment Co., Ltd.	6,903,852,059.63	46,475,696,440.16	53,379,548,499.79	7,724,833,573.19	31,244,881,482.86	38,969,715,056.05
Including: Ningde Nuclear	5,976,875,351.50	46,056,453,766.84	52,033,329,118.34	7,604,000,003.65	31,244,881,482.86	38,848,881,486.51
Taishan Investment	2,136,707,311.82	12,605,548,368.09	14,742,255,679.91	4,415,580.66	33,676,740.76	38,092,321.42
Fangchenggang Investment	5,277,514,463.99	41,834,947,185.21	47,112,461,649.20	8,698,714,735.28	28,485,906,098.77	37,184,620,834.05
Including: Fangchenggang Nuclear	3,865,252,806.19	41,834,947,185.21	45,700,199,991.40	10,363,194,400.62	28,485,906,098.77	38,849,100,499.39
Total	34,231,381,239.42	278,515,550,028.80	312,746,931,268.22	43,884,430,208.27	165,496,194,210.45	209,380,624,418.72

Unit: RMB

Name of subsidiary	Balance at December 31, 2018					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Yangjiang Nuclear	10,521,417,499.55	69,876,168,950.30	80,397,586,449.85	15,181,586,175.64	44,496,587,069.17	59,678,173,244.81
Taishan Nuclear	3,531,539,590.98	89,043,806,074.44	92,575,345,665.42	7,795,663,681.21	60,292,382,039.22	68,088,045,720.43
GNPVC	8,678,246,710.95	4,028,179,047.52	12,706,425,758.47	4,823,030,754.03	2,372,874,467.23	7,195,905,221.26
CGN Nuclear Power Investment Co., Ltd.	1,307,876.81	12,390,163,084.66	12,391,470,961.47	378,960,325.34	-	378,960,325.34
CGN Ninghe Investment Co., Ltd.	5,645,024,303.08	47,006,176,220.03	52,651,200,523.11	5,974,385,282.49	31,964,508,680.69	37,938,893,963.18
Including: Ningde Nuclear	5,643,214,692.19	46,586,933,546.71	52,230,148,238.90	5,853,539,712.95	31,964,508,680.69	37,818,048,393.64
Taishan Investment	2,097,359,167.96	12,564,528,184.34	14,661,887,352.30	3,288,899.52	24,121,064.69	27,409,964.21
Fangchenggang Investment	4,368,063,757.11	39,731,885,187.08	44,099,948,944.19	6,519,225,260.35	27,997,508,146.33	34,516,733,406.68
Including: Fangchenggang Nuclear	3,558,881,889.81	39,731,885,187.08	43,290,767,076.89	8,773,999,354.82	27,997,508,146.33	36,771,507,501.15
Total	34,842,958,906.44	274,640,906,748.37	309,483,865,654.81	40,676,140,378.58	167,147,981,467.33	207,824,121,845.91

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(VII) Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

(3) Significant financial information of significant non-wholly-owned subsidiary (Continued)

Unit: RMB

Name of subsidiary	Amount incurred for the period from January 1 to June 30, 2019				Amount incurred for the period from January 1 to June 30, 2018			
	Operating revenue	Net profit	comprehensive income	Total cash flows from operating activities	Operating revenue	Net profit	comprehensive income	Total cash flows from operating activities
Yangjiang Nuclear	6,625,427,831.86	2,509,061,877.66	2,509,061,877.66	6,066,686,889.42	5,290,423,965.10	1,725,272,892.44	1,725,272,892.44	3,862,442,754.04
Taishan Nuclear	2,060,915,326.74	86,358,281.58	86,358,281.58	1,843,536,096.78	21,066.66	(25,441,546.27)	(25,441,546.27)	(19,780,077.17)
GNPVC	3,523,087,658.25	1,810,233,594.30	1,841,444,438.97	2,010,672,461.66	3,019,315,379.40	1,419,891,413.60	1,446,808,630.26	1,243,945,191.45
CGN Nuclear Power Investment Co., Ltd.	–	585,559,883.07	585,559,883.07	(32,280.00)	–	777,159,011.56	777,159,011.56	(1,192.54)
CGN Ninghe Investment Co., Ltd. Including: Ningde Nuclear	4,051,689,145.83	783,297,142.21	783,297,142.21	2,145,521,201.10	4,969,238,893.05	1,226,605,985.43	1,226,605,985.43	3,099,793,810.56
Taishan Investment	–	69,685,970.40	69,685,970.40	(21,241.55)	–	16,510,955.95	16,510,955.95	1,699.23
Fangchenggang Investment Including: Fangchenggang Nuclear	2,210,075,915.17	344,625,277.64	344,625,277.64	1,518,385,002.95	2,563,856,259.23	512,689,521.50	512,689,521.50	2,357,632,932.58
	2,210,075,915.17	331,839,916.27	321,771,092.69	1,524,462,221.66	2,563,856,259.23	502,653,268.61	502,653,268.61	2,354,528,956.96

(4) As at June 30, 2019 and December 31, 2018, there was no significant restriction on using the corporate group's assets and settling the corporate group's debts.

2. Interests in joint ventures or associates

(1) Significant associates

Name of associate	Principal place of operation	Place of registration	Business nature	Shareholding (%)		Accounting treatment for investment in joint venture and associate
				Direct	Indirect	
Hongyanhe Nuclear	Dalian, Liaoning Province	Dalian, Liaoning Province	Nuclear power generation	–	45.00	Equity method
CGN Fund Phase I	Shenzhen, Guangdong Province	Beijing, Shenzhen, Guangdong Province	Nuclear investment	31.43	–	Equity method
CGN Finance	Guangdong Province	Guangdong Province	Financial services	–	30.00	Equity method

(VII) Interests in other entities (Continued)

2. Interests in joint ventures or associates (Continued)

(2) Significant financial information of significant associates

Unit: RMB

Item	June 30, 2019/during the period from January 1 to June 30, 2019			December 31, 2018/during the period from January 1 to June 30, 2018		
	Hongyanhe Nuclear	CGN Fund Phase I	CGN Finance	Hongyanhe Nuclear	CGN Fund Phase I	CGN Finance
Current assets	6,246,784,736.74	436,691,136.90	27,432,904,113.74	7,515,714,324.09	140,858,272.70	27,688,019,573.95
Non-current assets	66,834,498,096.08	7,692,831,382.62	5,100,244,858.34	64,271,892,321.38	7,429,637,279.21	6,794,084,497.56
Total assets	73,081,282,832.82	8,129,522,519.52	32,533,148,972.08	71,787,606,645.47	7,570,495,551.91	34,482,104,071.51
Current liabilities	6,378,202,042.17	338,081.71	28,478,878,133.84	7,356,204,043.13	335,878.24	30,714,938,944.75
Non-current liabilities	50,594,299,222.61	-	-	49,077,854,592.72	-	-
Total liabilities	56,972,501,264.78	338,081.71	28,478,878,133.84	56,434,058,635.85	335,878.24	30,714,938,944.75
Equity attributable to the shareholders of the parent company	16,108,781,568.04	8,129,184,437.81	4,054,270,838.24	15,353,548,009.62	7,570,159,673.67	3,767,165,126.76
Share of net assets calculated as per shareholding	7,248,951,705.62	2,554,888,860.22	1,216,281,251.47	6,909,096,604.33	2,379,195,239.01	1,130,149,538.02
Adjustments						
- Unrealized profits of internal transactions	(663,194,477.44)	(62,470,155.78)	-	(763,013,942.68)	(62,470,171.59)	-
Book value of equity investment in associates	6,585,757,228.18	2,492,418,704.44	1,216,281,251.47	6,146,082,661.65	2,316,725,067.42	1,130,149,538.02
Operating revenue	4,398,323,632.64	-	603,851,335.90	3,706,517,612.72	-	636,696,499.96
Net profit	394,280,008.42	439,024,764.14	287,105,711.48	367,257,675.16	448,476,286.38	(83,635,660.22)
Other comprehensive income	-	-	-	-	54,709,609.65	-
Total comprehensive income	394,280,008.42	439,024,764.14	287,105,711.48	367,257,675.16	503,185,896.03	(83,635,660.22)
Dividends received from associates for the period	-	-	-	-	-	41,042,788.80

(3) Consolidated financial information of insignificant associates

Unit: RMB

Item	June 30, 2019/ during the period from January 1 to June 30, 2019	December 31, 2018/ during the period from January 1 to June 30, 2018
Associates:		
Total book value of investment	625,539,875.43	610,065,909.83
The sum of the following items calculated as per shareholding		
- Net profit	38,558,064.73	30,489,982.60
- Other comprehensive income	-	946,000.00
- Total comprehensive income	38,558,064.73	31,435,982.60

(4) As at June 30, 2019 and December 31, 2018, there was no major restriction on capacity of capital transfer from joint ventures to the Group.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(VIII) Risks Relevant to Financial Instruments

Major financial instruments of the Group include cash at bank and in hand, derivative financial instruments, bills receivable and accounts receivable, other receivables, loans, bills payable, accounts payable, other payables, bonds payable etc. See Note (V) for details of the financial instruments. The following are risks relevant to these financial instruments and the risk management policies taken by the Group for reducing these risks. The management of the Group managed and supervised these risk exposures to keep the said risks under control.

The Group adopts sensitivity analysis method to analyze the potential impact of possible appropriate change in risk variables on current profits & losses or the shareholders' equity. As any risk variable seldom changes alone and correlation between variables greatly accounts for the final amount influenced by change of a certain risk variable, the following content is conducted under the assumption that change of each variable is independent.

1. Risk management objectives and policies

The Group's risk management objective is to achieve balance between risks and return, minimize the adverse effect of risks on the operating results of the Group and maximize the interests of shareholders and other equity investors. To achieve the said objective, the Group formulated a basic strategy of defining and analyzing various risks faced by the Group, setting a bottom line of risk tolerance and conducting timely and reliable supervision on the risks to keep them under control.

1.1 Market risk

1.1.1 Foreign exchange risk

Foreign exchange risk represents the risk of loss due to exchange rate changes. The Group's exposure to foreign exchange risk is mainly related to USD, EURO and GBP. Except for the GNPJVC which mainly conducts sales in USD, the Group's other major business activities are denominated and settled in RMB. On June 30, 2019 and December 31, 2018, except for the following assets and liabilities, which are non-functional currency balances, the assets and liabilities of the Group are functional currency balances. The foreign exchange risk arising from the assets and liabilities of the foreign currency balances described below may have an impact on the Group's operating results.

(VIII) Risks Relevant to Financial Instruments (Continued)

1. Risk management objectives and policies (Continued)

1.1 Market risk (Continued)

1.1.1 Foreign exchange risk (Continued)

(1) Foreign currency assets and liabilities of the Group denominated in RMB

Unit: RMB

Item	June 30, 2019	December 31, 2018
Cash at bank and in hand - HKD	8,578,018.84	8,541,348.92
Cash at bank and in hand - USD	1,092,090,527.07	1,916,600,581.54
Cash at bank and in hand - EUR	116,521,333.90	81,859,317.43
Cash at bank and in hand - GBP	15,718,319.46	16,438,882.63
Cash at bank and in hand - ZAR	22,714.61	21,894.26
Accounts receivable - USD	10,066,327.71	–
Accounts receivable - EUR	97,014,817.78	44,786,922.05
Accounts receivable - HKD	635,733.43	–
Other receivables - USD	1,389,534.24	1,501,393.91
Other receivables - EUR	66,625,866.45	50,942,710.18
Other receivables - GBP	3,860,340.73	3,720,999.46
Accounts payable - HKD	–	4,386,025.99
Accounts payable - USD	174,644,114.75	98,542,769.43
Accounts payable - EUR	244,689,870.60	315,678,255.69
Accounts payable - GBP	2,379,437.99	8,177,288.50
Accounts payable - JPY	32,855,639.74	142,139.04
Accounts payable - CHF	477,993.15	3,726,463.77
Other payables - HKD	6,687.18	6,661.75
Other payables - USD	294,909.78	156.86
Other payables - EUR	2,034,106.47	3,964,439.64
Other payables - GBP	–	8.68
Non-current liabilities due within one year - USD	37,607,457.19	37,544,547.42
Non-current liabilities due within one year - EUR	773,487,701.03	809,900,481.87

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(VIII) Risks Relevant to Financial Instruments (Continued)

1. Risk management objectives and policies (Continued)

1.1 Market risk (Continued)

1.1.1 Foreign exchange risk (Continued)

(1) Foreign currency assets and liabilities of the Group denominated in RMB (Continued)

Unit: RMB

Item	June 30, 2019	December 31, 2018
Short-term loans - HKD	1,337,999,132.00	1,538,000,000.00
Short-term loans - EUR	1,291,004,514.20	1,137,102,597.14
Long-term loans - USD	225,644,742.17	244,039,557.22
Long-term loans - EUR	6,046,890,881.67	6,449,033,980.61

(2) Foreign currency assets and liabilities of the Group denominated in USD

Unit: RMB

Item	June 30, 2019	December 31, 2018
Cash at bank and in hand - RMB	2,597,000,123.04	2,488,447,170.00
Cash at bank and in hand - GBP	434,226.60	1,748,533.59
Cash at bank and in hand - HKD	87,798.86	129,404.62
Cash at bank and in hand - EUR	214,161.88	214,981.18
Accounts receivable - RMB	797,214.78	282,463,840.75
Other receivables - RMB	7,356,660.38	16,153,135.30
Other receivables - HKD	6,687.18	6,660.87
Accounts payable - RMB	407,384,789.44	110,517,259.31
Accounts payable - HKD	5,354,768.37	5,416,816.82
Accounts payable - GBP	710,987.30	708,122.55
Accounts payable - EUR	4,574,025.31	4,311,844.94
Other payables - RMB	205,077,884.42	412,912,549.62
Other payables - HKD	28,854.61	28,741.11
Non-current liabilities due within one year - RMB	7,839,203.80	-
Lease liabilities - RMB	19,345,734.32	

The management of the Group pays close attention to the influence of exchange rate fluctuations on the foreign exchange risk of the Group, and would consider hedging significant foreign exchange risk when necessary.

(VIII) Risks Relevant to Financial Instruments (Continued)

1. Risk management objectives and policies (Continued)

1.1 Market risk (Continued)

1.1.1 Foreign exchange risk (Continued)

Sensitivity analysis of exchange rate risks

Assumption of exchange rate risk sensitivity analysis: all net investment hedges and cash flow hedges of foreign operations are highly effective. As at June 30, 2019, for financial assets and financial liabilities held by the Group in foreign currencies, if a foreign currency appreciated/depreciated by 5% against RMB as the reporting currency, profit before taxation of the Group would decrease or increase by RMB437,874,682.69 (December 31, 2018: decrease or increase by RMB426,291,566.16); if a foreign currency appreciated/depreciated by 5% against USD as the reporting currency, profit before taxation of the Group would decrease or increase by RMB97,779,031.26 (December 31, 2018: decrease or increase by RMB112,763,419.60), based on the above assumptions with other factors unchanged.

Financial assets and financial liabilities held by the Group at FVTPL are measured at fair value at the statement of financial position date. For forward foreign exchange contracts and currency swap contracts, the Group bears the risk of changes in exchange rate prices and closely monitors the impact of price changes on the Group.

Since the fair values of certain financial instruments are determined by a general pricing model based on the discounted future cash flow method or other valuation techniques, and the valuation techniques themselves are based on certain valuation assumptions, as such, the valuation results are significantly sensitive to the valuation assumptions. Based on the valuation assumptions, the before-tax effects of reasonable movements of prices on current profit or loss and shareholders' equity are as follows, with other variables unchanged: as at June 30, 2019, for derivative financial instruments of currency swap contracts held by the Group, if exchange rate prices increase/decrease by 5%, profit before taxation of the Group would increase or decrease by RMB75,747,942.27 (December 31, 2018: increase or decrease by RMB74,349,462.75) based on the above assumptions with other factors unchanged.

1.1.2 Interest rate risk – risk of changes in cash flow

The Group's risk of changes in cash flow of financial instruments which arise from changes in interest rates is mainly associated with bank loans at floating rate (see note (v) 24, 33 and 35 for details). The Group continues to closely monitor the impact of interest rate changes on the Group's interest rate risk. The policies of the Group aim at maintaining the floating rates of these loans and there is not any interest rate swap arrangement at present.

Sensitivity analysis of interest rate risk

As at June 30, 2019, with other factors unchanged, if interest rate increases or decreases by 1%, profit before taxation of short-term loans held by the Group would decrease or increase by RMB46,999,956.08 (December 31, 2018: decrease or increase by RMB74,379,751.95); profit before taxation of non-current liabilities due within one year held by the Group would decrease or increase by RMB76,599,597.37 (December 31, 2018: decrease or increase by RMB87,211,165.65); profit before taxation of long-term loans held by the Group would decrease or increase by RMB785,573,239.50 (December 31, 2018: decrease or increase by RMB1,594,388,919.01);

Financial assets and financial liabilities held by the Group at FVTPL are measured at fair value at the statement of financial position date. For interest rate swap contracts, the Group bears the risk of changes in exchange rate prices and closely monitors the impact of price changes on the Group.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(VIII) Risks Relevant to Financial Instruments (Continued)

1. Risk management objectives and policies (Continued)

1.1 Market risk (Continued)

1.1.2 Interest rate risk – risk of changes in cash flow (Continued)

Sensitivity analysis of interest rate risk (Continued)

Since the fair values of certain financial instruments are determined by a general pricing model based on the discounted future cash flow method or other valuation techniques, and the valuation techniques themselves are based on certain valuation assumptions, as such, the valuation results are significantly sensitive to the valuation assumptions. Based on the valuation assumptions, the before-tax effects of reasonable movements of prices on current profit or loss and shareholders' equity are as follows, with other variables unchanged: as at June 30, 2019, for derivative financial instruments of interest swap contracts held by the Group, if interest rate prices increase/decrease by 5%, profit before taxation of the Group would increase or decrease by RMB7,430,637.62 (December 31, 2018: increase or decrease by RMB1,654,625.76) based on the above assumptions with other factors unchanged.

1.2 Credit risk

On the statement of financial position date, the maximum exposure to credit risk that may cause financial losses to the Group mainly arises from the losses incurred to the financial assets of the Group due to the failure of the other party to perform its obligations, which specifically include:

The carrying amount of the financial assets recognized in the consolidated statement of financial position. For financial instruments measured at fair value, the book value reflects its risk exposure, but it is not the maximum risk exposure, and its maximum risk exposure will vary in line with future changes in fair value.

In order to reduce credit risk, the Group reviews the collection of each individual receivable on each statement of financial position date to ensure that adequate bad debt provision is made for relevant financial assets. As a result, the management of the Group believes that the credit risk assumed by the Group has been significantly reduced.

The Group had taken necessary measures to make sure all customers have a good credit record. Except the top five accounts receivables, the Group had no other significant credit risk exposure concentrated at a single financial asset or a portfolio of financial assets with similar characteristics.

Unit: RMB

Item	June 30, 2019	December 31, 2018
Accounts receivable - Guangdong Power Grid Co., Ltd.	2,580,136,736.85	3,549,360,763.92
Accounts receivable - Hongyanhe Nuclear	165,266,741.72	203,739,590.93
Accounts receivable - Fujian Electric Power Co., Ltd.	719,560,547.13	709,256,387.61
Accounts receivable - Guangxi Power Grid Co., Ltd.	434,573,600.19	546,981,863.78
Accounts receivable -HKNIC	587,530,849.78	453,284,714.66
Other receivables - CLP Nuclear Power (Yangjiang) Limited	–	300,843,139.00
Total	4,487,068,475.67	5,763,466,459.90

(VIII) Risks Relevant to Financial Instruments (Continued)

1. Risk management objectives and policies (Continued)

1.3 Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilization of bank loans and ensures compliance with loan agreements.

As at June 30, 2019, the current liabilities of the Group exceeded the current assets and amounted to RMB13,625,046,037.31. The Group had unutilized loan facilities from banks and other financial institutions amounting to RMB136,621,573,767.78. The management of the Group is of the view that the Group would have adequate financial resources to settle the financial obligations and commitments in future. Therefore, the financial statements have been prepared on the basis of going concern.

The following is the maturity analysis for financial liabilities held by the Group which is based on undiscounted remaining contractual obligations:

Unit: RMB

Item	June 30, 2019			Total
	Within one year	One to five years	Over five years	
Non-derivative financial liabilities:				
Short-term loans	18,825,942,980.60	–	–	18,825,942,980.60
Bills payable	1,224,781,903.98	–	–	1,224,781,903.98
Accounts payable	15,130,725,763.23	–	–	15,130,725,763.23
Other payables	3,771,896,543.01	–	–	3,771,896,543.01
Non-current liabilities due within one year	24,137,804,389.82	–	–	24,137,804,389.82
Long-term loans	7,798,600,253.01	50,054,758,389.98	214,798,511,874.78	272,651,870,517.77
Bonds payable	370,003,233.27	10,525,297,685.53	–	10,895,300,918.80
Lease liabilities	–	447,765,338.46	555,915,725.66	1,003,681,064.12
Derivative financial liabilities:				
Derivative financial liabilities	3,458,613.45	–	–	3,458,613.45

2. Transfer of financial assets

- (1) As at June 30, 2019, the Group did not have financial assets that have been transferred but not derecognized.
- (2) As at June 30, 2019, the Group did not have financial assets that have been derecognized but continued its involvement in transferred financial assets.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(IX) Disclosure of Fair Value

1. Closing fair value of assets and liabilities measured at fair value

Unit: RMB

Item	June 30, 2019			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
Recurring fair value measurement				
Forward foreign exchange contracts	–	1,318,236.38	–	1,318,236.38
Interest rate swap contracts	–	3,145,366.13	–	3,145,366.13
Other investment in equity instruments	–	343,512,600.00	110,000,000.00	453,512,600.00
Total assets continuously measured at fair value	–	347,976,202.51	110,000,000.00	457,976,202.51
Currency swap contracts	–	(3,458,613.45)	–	(3,458,613.45)
Total liabilities continuously measured at fair value	–	(3,458,613.45)	–	(3,458,613.45)

Unit: RMB

Item	December 31, 2018			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
Recurring fair value measurement				
Currency swap contracts	–	4,753,642.10	–	4,753,642.10
Interest rate swap contracts	–	4,461,761.04	–	4,461,761.04
Other investment in equity instruments	–	312,689,500.00	110,000,000.00	422,689,500.00
Total assets continuously measured at fair value	–	321,904,903.14	110,000,000.00	431,904,903.14
Currency swap contracts	–	(2,724,971.67)	–	(2,724,971.67)
Total liabilities continuously measured at fair value	–	(2,724,971.67)	–	(2,724,971.67)

(IX) Disclosure of Fair Value (Continued)

2. Qualitative and quantitative information of valuation techniques and important parameters adopted for recurring level 2 fair value measurements

Unit: RMB

Item	Fair value at June 30, 2019	Fair value at December 31, 2018	Valuation technique	Inputs
Forward foreign exchange contracts	1,318,236.38	-	Discounted cash flow method	Forward foreign exchange rate
Currency swap contracts	(3,458,613.45)	2,028,670.43	Discounted cash flow method	U.S. swap for 2-30 years, swap rate, RMB-denominated interest rate, price volatility, risk free rate, contracted interest rates
Interest rate swap contracts	3,145,366.13	4,461,761.04	Discounted cash flow method	U.S. swap for 2-30 years, swap rate, RMB-denominated interest rate, price volatility, risk free rate, contracted interest rates
Other investment in equity instruments	343,512,600.00	312,689,500.00	Listed company comparison method	Net profit attributable to the parent company during the reporting period, average price-earnings ratio of comparable companies, liquidity discount ratio of the investee

3. Qualitative and quantitative information of valuation techniques and important parameters adopted for recurring level 3 fair value measurements

Unit: RMB

Item	Fair value at June 30, 2019	Fair value at December 31, 2018	Valuation technique	Inputs
Other investment in equity instruments	110,000,000.00	110,000,000.00	Investments cost method	Investment costs

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(IX) Disclosure of Fair Value (Continued)

4. Reconciliation between the opening and closing carrying amount for recurring level 3 fair value measurements

Unit: RMB

Item	January 1, 2019	Transfer into Level 3	Transfer out of Level 3	Gains or loss for the period			June 30, 2019
				Included in profit or loss	Included in other comprehensive income	Purchase, issuance, sale and settlement	
Other investment in equity instruments	110,000,000.00	-	-	-	-	-	110,000,000.00

5. Fair value of financial assets and financial liabilities not measured at fair value

The management of the Group believes that the book values of financial assets and financial liabilities measured at amortized cost in the financial statements are close to the fair values of the same.

(X) Related Parties and Related Party Transactions

1. Parent company of the Company

Name of company	Place of registration	Nature of business	Registered capital	Shareholding of the parent company in the Company (%)	Voting rights of the parent company in the Company (%)
CGNPC	Shenzhen	Nuclear power industry	RMB14,873.37 million	64.20	64.20

The parent company of the Company is CGNPC. The ultimate actual controlling shareholder is the SASAC of the State Council.

2. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note (VII)1.

(X) Related Parties and Related Party Transactions (Continued)

3. Joint ventures and associates of the Company

Details of the significant joint ventures and associates of the Company are set out in Note (VII)2.

Other joint ventures or associates which conduct related party transactions with the Group, or have balance arising from related party transactions with the Group in prior periods are as follows:

Name of joint venture or associate	Relationship with the Company
Beijing Ric Nuclear Instrument Joint Venture Co., Ltd. (北京中法瑞克核儀器有限公司) (Note)	Joint venture
Ningde Second Nuclear	Associate
Hongyanhe Nuclear	Associate
China Nuclear Industry 23 Construction Co., Ltd.	Associate
CIECC Engineering Company Limited	Associate
CGN Finance	Associate, under the control of the same party
CGN Fund Phase I	Associate, non-controlling shareholders with significant influence on subsidiaries

Note: On December 29, 2017, the third session of the board of directors of Beijing Ric Nuclear Instrument Joint Venture Co., Ltd. (北京中法瑞克核儀器有限公司) decided to deregister the company and established a liquidation team on the same date by adopting resolution number 16. The company completed the industrial and commerce deregistration on May 13, 2019.

4. Other related parties

Name of other related parties	Relationship with the Company
Shenzhen Nengzhahui Investment Co., Ltd.* (深圳市能之匯投資有限公司) ("Nengzhahui") and its subsidiaries	Under the control of the same party
Anhui Wuhu Nuclear Power Co., Ltd. (安徽蕪湖核電有限公司)	Under the control of the same party
Techenergy	Under the control of the same party
Hubei Nuclear Power Co., Ltd. (湖北核電有限公司)	Under the control of the same party
Shenzhen Nuclear Power Huantong Automobile Service Co., Ltd. (深圳核電環通汽車服務有限公司)	Under the control of the same party
Shenzhen Lyuan Restaurant Management Co., Ltd. (深圳綠源餐飲管理有限公司)	Under the control of the same party
Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	Under the control of the same party
Shenzhen Nuclear Power Electrical Installation and Maintenance Co., Ltd. (深圳市核電機電安裝維修有限公司)	Under the control of the same party
Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	Under the control of the same party

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(X) Related Parties and Related Party Transactions (Continued)

4. Other related parties (Continued)

Name of other related parties	Relationship with the Company
Shenzhen Zhenhe Construction Engineering Project Management Co., Ltd. (深圳市振核建設工程項目管理有限公司)	Under the control of the same party
Xianning Nuclear Power Co., Ltd. (咸寧核電有限公司)	Under the control of the same party
CGN Real Estate Management Co., Ltd. (中廣核不動產管理有限公司)	Under the control of the same party
CGN Cangnan Nuclear Power Co., Ltd. (中廣核蒼南核電有限公司)	Under the control of the same party
CGN Wind Energy Co., Ltd. and its subsidiaries	Under the control of the same party
CGN Services Group	Under the control of the same party
Shenzhen Kezhi Management Consulting Co., Ltd. (深圳市科智管理諮詢有限公司)	Under the control of the same party
CGNPC International Financial Leasing Co., Ltd. (中廣核國際融資租賃有限公司)	Under the control of the same party
China Nuclear Power EPC Limited and its subsidiaries	Under the control of the same party
CGN Nuclear Technology Application Co., Ltd. (中廣核核技術應用有限公司) and its subsidiaries	Under the control of the same party
CGNPC Huamei Investment Limited (中廣核華美投資有限公司) and its subsidiaries	Under the control of the same party
CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	Under the control of the same party
CGN Environmental Protection Industry Co., Ltd. (中廣核環保產業有限公司)	Under the control of the same party
CGN Huizhou Nuclear Power Co., Ltd. (中廣核惠州核電有限公司)	Under the control of the same party
CGN Energy Conservation Industry Development Co., Ltd. and its subsidiaries	Under the control of the same party
CGN Energy Development Co., Ltd. and its subsidiaries	Under the control of the same party
CGN Taishan No. 2 Nuclear Power Co., Ltd. (中廣核台山第二核電有限公司)	Under the control of the same party
CGN Solar Energy (Shenzhen) Co., Ltd. (中廣核太陽能(深圳)有限公司)	Under the control of the same party
CGN Solar Energy Development Co., Ltd. and its subsidiaries	Under the control of the same party
CGN Uranium Resources Co., Ltd. and its subsidiaries	Under the control of the same party
CGN Capital Holdings Co., Ltd. (中廣核資本控股有限公司) and its subsidiaries	Under the control of the same party
Shenzhen Zhaoyinbailu Investment Partnership (Limited Partnership) (深圳招銀白鷺投資合伙企業(有限合伙))	Under the control of the same party
Shenzhen Nuclear Power Material Supply Co., Ltd. (深圳市核電物資供應有限公司)	Under the control of the same party

(X) Related Parties and Related Party Transactions (Continued)

4. Other related parties (Continued)

Name of other related parties	Relationship with the Company
Lingwan Nuclear Power Co., Ltd. (嶺灣核電有限公司)	Under the control of the same party
CGN Shaoguan Nuclear Power Co., Ltd. (中廣核韶關核電有限公司)	Under the control of the same party
Swakop Uranium (Pty) Ltd.	Under the control of the same party
CGN Nuclear Technology Development Co., Ltd. (中廣核核技術發展股份有限公司)	Under the control of the same party
CGN Hongda Environmental Technology Co., Ltd. (中廣核宏達環境科技有限責任公司)	Under the control of the same party
CGN Haihong Technology (Shenzhen) Co., Ltd. (中廣核海弘科技(深圳)有限公司)	Under the control of the same party
Shanghai Engineering Science & Technology Co., LTD (上海中廣核工程科技有限公司) (Note 1)	Under the control of the same party
CGN Management Consulting (Shenzhen) Co., Ltd. (中廣核管理諮詢(深圳)有限公司)	Under the control of the same party
HKNIC	Non-controlling shareholders with significant influence on subsidiaries
Framatome Inc.	Non-controlling shareholders with significant influence on subsidiaries
TECNATOM, S.A.	Non-controlling shareholders with significant influence on subsidiaries
Guangdong Electric Power Design Institute of China Energy Engineering Group	Non-controlling shareholders with significant influence on subsidiaries
Beijing HollySys Systems Engineering Co., Ltd.	Non-controlling shareholders with significant influence on subsidiaries
EDF International	Non-controlling shareholders with significant influence on subsidiaries
EDF (China) Holding Ltd.	Non-controlling shareholders with significant influence on subsidiaries
Guangdong Energy Group Co., Ltd. (廣東省能源集團有限公司) (Note 2)	Non-controlling shareholders with significant influence on subsidiaries
Guangxi GI Energy Co., Ltd. (廣西廣投能源有限公司)	Non-controlling shareholders with significant influence on subsidiaries
CLP Nuclear Power (Yangjiang) Limited	Non-controlling shareholders with significant influence on subsidiaries

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(X) Related Parties and Related Party Transactions (Continued)

4. Other related parties (Continued)

Name of other related parties	Relationship with the Company
Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司)	Non-controlling shareholders with significant influence on subsidiaries
Fujian Energy Group Co., Ltd. (福建省能源集團有限責任公司)	Non-controlling shareholders with significant influence on subsidiaries
Definite Arise Limited	Associates of the ultimate controlling party
Hualong Pressurized Water Reactor Technology Corporation, Ltd. (華龍國際核電技術有限公司)	Joint ventures of the ultimate controlling party

Note 1: On January 31, 2019, the Group disposed of its 100% equity interests in Shanghai Engineering Science & Technology Co., LTD (上海中廣核工程科技有限公司), and Shanghai Engineering Science & Technology Co., LTD (上海中廣核工程科技有限公司) has become a related party under the control of the same party since January 31, 2019.

Note 2: On January 25, 2019, Guangdong Yudean Group Co., Ltd. (廣東省粵電集團有限公司) was officially renamed Guangdong Energy Group Co., Ltd. (廣東省能源集團有限公司).

5. Related party transactions

(1) Related party transactions for purchase and sale of goods, rendering and acceptance of services:

Purchase of goods/Acceptance of services:

		Unit: RMB	
Related party	Related party transaction	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018
CGN Uranium Resources Co., Ltd. and its subsidiaries	Purchase of goods/		
	Acceptance of services	1,074,676,019.41	1,936,605,345.67
Framatome Inc.	Purchase of goods/		
	Acceptance of services	451,866,380.45	126,917,676.27
CGN Services Group	Purchase of goods/		
	Acceptance of services	215,718,139.81	154,166,386.10
Techenergy	Purchase of goods/		
	Acceptance of services	167,899,457.72	108,259,986.06
China Nuclear Industry 23 Construction Co., Ltd.	Purchase of goods/		
	Acceptance of services	148,335,866.95	379,165,060.18
Shenzhen Nuclear Power Huantong Automobile Service Co., Ltd. (深圳核電環通汽車服務有限公司)	Purchase of goods/		
	Acceptance of services	97,784,014.85	90,363,489.72
Shenzhen Lyvuan Restaurant Management Co., Ltd. (深圳綠源餐飲管理有限公司)	Purchase of goods/		
	Acceptance of services	86,696,211.79	104,936,699.39

(X) Related Parties and Related Party Transactions (Continued)

5. Related party transactions (Continued)

(1) Related party transactions for purchase and sale of goods, rendering and acceptance of services: (Continued)

Purchase of goods/Acceptance of services:

		Unit: RMB	
Related party	Related party transaction	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018
Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司)	Purchase of goods/		
	Acceptance of services	70,438,333.08	66,405,639.50
CGNPC	Purchase of goods/		
	Acceptance of services	57,493,945.94	40,973,880.65
Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	Purchase of goods/		
	Acceptance of services	38,591,707.10	38,316,934.78
CGN Environmental Protection Industry Co., Ltd. (中廣核環保產業有限公司)	Purchase of goods/		
	Acceptance of services	30,676,031.25	19,267,322.09
Shenzhen Nuclear Power Electrical Installation and Maintenance Co., Ltd. (深圳市核電機電安裝維修有限公司)	Purchase of goods/		
	Acceptance of services	25,945,362.28	24,711,691.89
Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	Purchase of goods/		
	Acceptance of services	21,319,681.18	5,712,299.80
Shenzhen Nuclear Power Material Supply Co., Ltd. (深圳市核電物資供應有限公司)	Purchase of goods/		
	Acceptance of services	19,408,117.61	34,346,122.19
Shenzhen Kezhi Management Consulting Co., Ltd. (深圳市科智管理諮詢有限公司)	Purchase of goods/		
	Acceptance of services	18,827,107.08	-
Shanghai Engineering Science & Technology Co., LTD (上海中廣核工程科技有限公司)	Purchase of goods/		
	Acceptance of services	11,850,456.94	-
EDF International	Purchase of goods/		
	Acceptance of services	8,016,919.11	2,847,035.22
Nengzhahui and its subsidiaries	Purchase of goods/		
	Acceptance of services	4,204,966.92	-
Hongyanhe Nuclear	Purchase of goods/		
	Acceptance of services	2,352,137.78	1,633,021.06
CGN Real Estate Management Co., Ltd. (中廣核不動產管理有限公司)	Purchase of goods/		
	Acceptance of services	1,974,494.47	-
CGNPC Huamei Investment Limited (中廣核華美投資有限公司) and its subsidiaries	Purchase of goods/		
	Acceptance of services	1,538,308.38	1,689,843.83
TECNATOM, S.A.	Purchase of goods/		
	Acceptance of services	789,877.78	1,089,597.88
CGN Capital Holdings Co., Ltd. (中廣核資本控股有限公司) and its subsidiaries	Purchase of goods/		
	Acceptance of services	518,867.92	-

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(X) Related Parties and Related Party Transactions (Continued)

5. Related party transactions (Continued)

(1) Related party transactions for purchase and sale of goods, rendering and acceptance of services: (Continued)

Purchase of goods/Acceptance of services:

		Unit: RMB	
Related party	Related party transaction	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018
CGN Management Consulting (Shenzhen) Co., Ltd. (中廣核管理諮詢(深圳)有限公司)	Purchase of goods/ Acceptance of services	–	22,388,455.02
Guangdong Electric Power Design Institute of China Energy Engineering Group	Purchase of goods/ Acceptance of services	–	3,700,000.00
Shenzhen Zhenhe Construction Engineering Project Management Co., Ltd. (深圳市振核建設工程項目 管理有限公司)	Purchase of goods/ Acceptance of services	–	2,422,892.84
CGN Nuclear Technology Application Co., Ltd. (中廣核核技術應用有限公司) and its subsidiaries	Purchase of goods/ Acceptance of services	–	90,820.51
Others	Purchase of goods/ Acceptance of services	4,084,627.84	2,078,163.25
Total		2,561,007,033.64	3,168,088,363.90

(X) Related Parties and Related Party Transactions (Continued)

5. Related party transactions (Continued)

(1) Related party transactions for purchase and sale of goods, rendering and acceptance of services: (Continued)

Sale of goods/Rendering of services:

		Unit:RMB	
Related party	Related party transaction	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018
HKNIC	Sale of electricity	2,686,679,494.21	2,291,558,180.80
Hongyanhe Nuclear	Sale of goods/ Rendering of services	341,272,557.80	237,604,946.40
CGN Wind Energy Co., Ltd. and its subsidiaries	Sale of goods/ Rendering of services	35,032,914.39	20,807,974.43
China Nuclear Power EPC Limited and its subsidiaries	Sale of goods/ Rendering of services	24,002,091.37	61,342,939.68
Swakop Uranium (Pty) Ltd.	Sale of goods/ Rendering of services	15,798,899.07	742,402.91
Nengzhahui and its subsidiaries	Sale of goods/ Rendering of services	14,790,675.35	13,053,025.37
CGN Solar Energy Development Co., Ltd. and its subsidiaries	Sale of goods/ Rendering of services	6,502,556.61	3,126,078.88
Techenergy	Sale of goods/ Rendering of services	5,980,888.72	5,011,396.25
CGN Uranium Resources Co., Ltd. and its subsidiaries	Sale of goods/ Rendering of services	4,837,734.02	3,955,475.85
CGN Services Group	Sale of goods/ Rendering of services	4,706,208.72	3,380,616.78
CGN Energy Conservation Industry Development Co., Ltd. (中廣核節能產業發展有限公司) and its subsidiaries	Sale of goods/ Rendering of services	4,218,434.32	1,955,477.18
CGN Cangnan Nuclear Power Co., Ltd. (中廣核蒼南核電有限公司)	Sale of goods/ Rendering of services	2,246,627.15	1,484,897.78
CGNPC Huamei Investment Limited (中廣核華美投資有限公司) and its subsidiaries	Sale of goods/ Rendering of services	2,126,495.06	465,874.74
Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	Sale of goods/ Rendering of services	1,165,913.63	-

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(X) Related Parties and Related Party Transactions (Continued)

5. Related party transactions (Continued)

(1) Related party transactions for purchase and sale of goods, rendering and acceptance of services: (Continued)

Sale of goods/Rendering of services:

Unit:RMB

Related party	Related party transaction	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018
CGNPC	Sale of goods/ Rendering of services	1,017,037.14	95,896.10
CGN Finance	Sale of goods/ Rendering of services	1,002,231.92	2,120,276.71
CGN Capital Holdings Co., Ltd. (中廣核資本控股有限公司) and its subsidiaries	Sale of goods/ Rendering of services	805,553.12	1,321,655.34
CGN Huizhou Nuclear Power Co., Ltd. (中廣核惠州核電有限公司)	Sale of goods/ Rendering of services	614,528.30	3,059,425.34
Shenzhen Nuclear Power Huantong Automobile Service Co., Ltd. (深圳核電環通汽車服務有限公司)	Sale of goods/ Rendering of services	888.02	–
CGN Energy Development Co., Ltd. and its subsidiaries	Sale of goods/ Rendering of services	–	402,754.10
CGN Taishan No. 2 Nuclear Power Co., Ltd. (中廣核台山第二核電有限公司)	Sale of goods/ Rendering of services	–	275,108.97
Others	Sale of goods/ Rendering of services	1,686,818.59	916,989.26
Total		3,154,488,547.51	2,652,681,392.87

Provision of construction, installation and design services:

Unit:RMB

Related party	Related party transaction	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018
Hongyanhe Nuclear	Provision of construction, installation and design services	852,241,437.81	722,968,133.12
CGN Huizhou Nuclear Power Co., Ltd. (中廣核惠州核電有限公司)	Provision of construction, installation and design services	523,218,904.79	322,496,274.98
CGN Wind Energy Co., Ltd. and its subsidiaries	Provision of construction, installation and design services	190,672,460.22	–
Ningde Second Nuclear	Provision of construction, installation and design services	77,642,532.56	128,935,096.43
CGN Cangnan Nuclear Power Co., Ltd. (中廣核蒼南核電有限公司)	Provision of construction, installation and design services	69,505,877.83	56,403,680.45
Lingwan Nuclear Power Co., Ltd. (嶺灣核電有限公司)	Provision of construction, installation and design services	3,721,039.96	4,272,118.66
Xianning Nuclear Power Co., Ltd. (咸寧核電有限公司)	Provision of construction, installation and design services	44,965.44	14,194,584.47
CGNPC	Provision of construction, installation and design services	–	6,752,054.78
China Nuclear Power EPC Limited and its subsidiaries	Provision of construction, installation and design services	–	5,208,394.25
CGN Taishan No. 2 Nuclear Power Co., Ltd. (中廣核台山第二核電有限公司)	Provision of construction, installation and design services	–	386,028.74
Hubei Nuclear Power Co., Ltd. (湖北核電有限公司)	Provision of construction, installation and design services	–	18,985.02
Total		1,717,047,218.61	1,261,635,350.90

(X) Related Parties and Related Party Transactions (Continued)

5. Related party transactions (Continued)

(2) Related party transactions for leasing

The Group as lessor:

Unit: RMB

Name of lessee	Type of leased assets	Rental income recognized for the period from January 1 to June 30, 2019	Rental income recognized for the period from January 1 to June 30, 2018
CGN Services Group	Buildings	311,794.63	311,794.63
Techenergy	Buildings	285,007.15	4,854,853.63
CGN Nuclear Technology Development Co., Ltd. (中廣核技術發展股份有限公司)	Buildings	119,428.56	-
Shenzhen Lvyuan Restaurant Management Co., Ltd. (深圳綠源餐飲管理有限公司)	Buildings	85,714.29	42,857.15
CGNPC	Buildings	-	136,342.50
Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	Buildings	-	1,034,789.04
CGN Capital Holdings Co., Ltd. (中廣核資本控股有限公司) and its subsidiaries	Buildings	-	174,171.42
CGN Solar Energy Development Co., Ltd. and its subsidiaries	Buildings	-	89,636.36
Total		801,944.63	6,644,444.73

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(X) Related Parties and Related Party Transactions (Continued)

5. Related party transactions (Continued)

(2) Related party transactions for leasing (Continued)

The Group as lessee:

Unit: RMB

Name of lessor	Type of leased assets	Transaction amount for the period from January 1 to June 30, 2019 (Note)	Rental costs recognized for the period from January 1 to June 30, 2018
CGNPC	Buildings	33,869,742.52	38,303,142.00
CGN Real Estate Management Co., Ltd. (中廣核不動產管理有限公司)	Buildings	4,771,642.86	10,812,905.43
CGN Services Group	Buildings	3,664,281.90	–
Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	Buildings	872,532.99	1,447,241.05
CGNPC Huamei Investment Limited (中廣核華美投資有限公司) and its subsidiaries	Buildings	850,114.37	–
Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	Buildings	563,234.27	38,316,934.78
Nengzhahui and its subsidiaries	Buildings	302,673.99	–
Total		44,894,222.90	88,880,223.26

Note: Transaction amount includes the lease principal paid, handling fees and interest incurred.

(3) Related party transactions for guarantees

The Group as warrantee:

Unit: RMB

Guarantor	Guaranteed amount	Start date	Expiry date	Whether the guarantee has been fulfilled
CGNPC	500,000,000.00	20/02/2013	20/02/2022	No
CGNPC	500,000,000.00	04/07/2013	04/07/2022	No
CGNPC	1,000,000,000.00	16/09/2013	16/09/2022	No
CGNPC	1,000,000,000.00	02/12/2013	02/12/2022	No
CGNPC	3,000,000,000.00	23/11/2015	13/11/2020	No
Total	6,000,000,000.00			

(X) Related Parties and Related Party Transactions (Continued)

5. Related party transactions (Continued)

(4) Related party transactions for funds lending

Unit: RMB

Related party	Amount for the period from January 1 to June 30, 2019	Amount for the period from January 1 to June 30, 2018
Borrowing from		
CGN Finance	13,853,384,758.75	7,235,501,316.96
Shenzhen Zhaoyinbailu Investment Partnership (Limited Partnership) (深圳招銀白鷺投資合作企業(有限合伙))	3,250,500,000.00	2,000,000,000.00
CGNPC International Financial Leasing Co., Ltd. (中廣核國際融資租賃有限公司)	700,329,875.00	–
EDF (China) Holding Ltd.	197,000,000.00	197,000,000.00
Hualong Pressurized Water Reactor Technology Corporation, Ltd. (華龍國際核電技術有限公司)	100,000,000.00	100,000,000.00
CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	23,195,167.93	146,716,375.63
EDF International	4,112,579.49	–
Total	18,128,522,381.17	9,679,217,692.59

(5) Related party transactions for asset transfer and debt restructuring

Unit: RMB

Related party	Transaction	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018
CGNPC	Disposal of subsidiaries	719,568,857.28 (Note 1)	–
CGNPC	Acquisition of subsidiaries	–	20,233,407.43 (Note 2)
Nengzhihui and its subsidiaries	Acquisition of subsidiaries	–	214,783,136.88 (Note 3)
Total		719,568,857.28	235,016,544.31

Note 1: CGN Engineering, a subsidiary of the Company, transferred its 100% equity interests in Shanghai Engineering Science & Technology Co., LTD (上海中廣核工程科技有限公司) to CGNPC at a consideration of RMB719,568,857.28 in January 2019.

Note 2: The Company acquired 100% equity interests in Ocean Power and Hebei Thermal Power from CGN Group at a consideration of RMB20,233,407.43 in April 2018.

Note 3: The Company acquired 100% equity interests in Power Sales Company from Nengzhihui at a consideration of RMB214,783,136.88 in April 2018.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(X) Related Parties and Related Party Transactions (Continued)

5. Related party transactions (Continued)

(6) Emoluments for key management

Unit: RMB		
Item	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018
Emoluments for key management	14,155,127.71	4,631,704.92

(7) Other related party transactions

Unit: RMB		
Item	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018
Interest income from CGN Finance	123,981,327.45	101,278,318.74
Interest income from CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	—	120.36
Total	123,981,327.45	101,278,439.10
Interest expenses on CGN Finance	220,890,560.08	157,882,573.41
Interest expenses on Shenzhen Zhaoyinbailu Investment Partnership (Limited Partnership) (深圳招銀白鷺投資合作企業(有限合夥))	85,391,086.46	84,810,530.89
Interest expenses on CGNPC International Financial Leasing Co., Ltd. (中廣核國際融資租賃有限公司)	17,727,944.44	7,750,869.33
Interest expenses on CGNPC	14,872,166.66	14,872,166.66
Interest expenses on EDF International	13,741,497.48	13,273,906.29
Interest expenses on EDF (China) Holding Ltd.	3,350,641.67	3,856,275.00
Interest expenses on CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	815,310.23	23,726,635.82
Interest expenses on Hualong Pressurized Water Reactor Technology Corporation, Ltd. (華龍國際核電技術有限公司)	398,750.00	1,872,916.67
Interest expenses on Shanghai Engineering Science & Technology Co., LTD (上海中廣核工程科技有限公司)	126,769.92	—
Total	357,314,726.94	308,045,874.07
Fee expenses on CGN Finance	1,259,694.71	943,415.22
Fee expenses on CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	—	32,329.97
Total	1,259,694.71	975,745.19

(X) Related Parties and Related Party Transactions (Continued)

6. Amounts due from/due to related parties

(1) Receivables

Unit: RMB

Item name	Related party	June 30, 2019	December 31, 2018
Cash at bank and in hand	CGN Finance	12,194,733,964.87	14,055,082,399.20
	CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	54,177,406.33	19,307,219.05
	Total	12,248,911,371.20	14,074,389,618.25
Accounts receivable	HKNIC	587,530,849.78	453,284,714.66
	Hongyanhe Nuclear	165,266,741.72	203,739,590.93
	CGN Wind Energy Co., Ltd. and its subsidiaries	76,574,117.62	60,168,508.87
	Swakop Uranium (Pty) Ltd.	34,818,412.46	46,180,741.61
	Nengzhihui and its subsidiaries	21,007,259.14	37,649,577.62
	CGN Uranium Resources Co., Ltd. and its subsidiaries	16,164,233.70	14,549,552.46
	CGN Services Group	14,196,766.71	9,241,875.70
	China Nuclear Power EPC Limited and its subsidiaries	13,369,920.41	139,737,749.06
	CGN Solar Energy Development Co., Ltd. and its subsidiaries	10,877,373.00	13,733,771.79
	CGN Capital Holdings Co., Ltd. (中廣核資本控股有限公司) and its subsidiaries	6,983,910.74	10,572,749.71
	Techenergy	4,751,197.67	31,191,890.73
	CGNPC Huamei Investment Limited (中廣核華美投資有限公司) and its subsidiaries	3,337,363.30	8,178,861.18
	Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	2,173,057.00	4,346,113.98
	CGN Cangnan Nuclear Power Co., Ltd. (中廣核蒼南核電有限公司)	2,164,800.00	4,144,724.49
	CGNPC	1,884,552.00	14,600,952.60
	CGN Finance	1,062,365.83	4,511,369.04
	Hualong Pressurized Water Reactor Technology Corporation, Ltd. (華龍國際核電技術有限公司)	885,967.95	885,967.95
	CGN Huizhou Nuclear Power Co., Ltd. (中廣核惠州核電有限公司)	558,229.23	49,587,723.02
	CGN Real Estate Management Co., Ltd. (中廣核不動產管理有限公司)	–	12,823,179.86
	Ningde Second Nuclear	–	240,963,816.30
	Framatome Inc.	–	22,547,797.42
	CGN Haihong Technology (Shenzhen) Co., Ltd. (中廣核海弘科技(深圳)有限公司)	–	15,000,000.00
	Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	–	1,207,122.85
	Others	14,599,030.48	11,219,574.14
	Total	978,206,148.74	1,410,067,925.97

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(X) Related Parties and Related Party Transactions (Continued)

6. Amounts due from/due to related parties (Continued)

(1) Receivables (Continued)

		Unit: RMB	
Item name	Related party	June 30, 2019	December 31, 2018
Prepayments	China Nuclear Industry 23 Construction Co., Ltd.	493,118,104.78	489,700,390.67
	CGN Uranium Resources Co., Ltd. and its subsidiaries	179,911,167.41	179,911,167.41
	CGN Services Group	38,868,610.85	9,216,414.05
	Techenergy	27,783,316.06	27,968,494.26
	Shanghai Engineering Science & Technology Co., LTD (上海中廣核工程科技有限公司)	11,946,035.43	N/A
	Shenzhen Nuclear Power Huantong Automobile Service Co., Ltd. (深圳核電環通汽車服務有限公司)	7,600,000.00	10,361,039.03
	TECNATOM, S.A.	4,347,526.56	3,931,551.59
	Shenzhen Lv Yuan Restaurant Management Co., Ltd. (深圳綠源餐飲管理有限公司)	3,320,000.00	4,520,000.00
	CIECC Engineering Company Limited (中諮工程有限公司)	2,461,172.26	–
	Shenzhen Nuclear Power Electrical Installation and Maintenance Co., Ltd. (深圳市核電機電安裝維修有限公司)	2,440,107.50	3,481,906.24
	Shenzhen Nuclear Power Material Supply Co., Ltd. (深圳市核電物資供應有限公司)	2,000,000.10	1,251,114.39
	CGN Energy Development Co., Ltd. (中廣核能源開發有限責任公司) and its subsidiaries	1,996,800.00	–
	CGNPC	1,962,716.54	1,962,716.54
	CGN Finance	1,741,466.29	1,741,466.29
	Nengzhahui and its subsidiaries	556,134.94	–
	Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	300,000.00	300,000.00
	Framatome Inc.	–	4,337,465.98
	Guangdong Electric Power Design Institute of China Energy Engineering Group	–	4,981,765.10
	Others	257,906.54	427,754.00
	Total		780,611,065.26

(X) Related Parties and Related Party Transactions (Continued)

6. Amounts due from/due to related parties (Continued)

(1) Receivables (Continued)

		Unit: RMB	
Item name	Related party	June 30, 2019	December 31, 2018
Contract assets	Hongyanhe Nuclear	556,645.95	442,969.70
Other receivables	China Nuclear Industry 23 Construction Co., Ltd.	25,711,300.00	-
	CGN Services Group	22,335,310.94	23,235,907.50
	CGNPC	9,577,157.28	-
	Shenzhen Nuclear Power Material Supply Co., Ltd. (深圳市核電物資供應有限公司)	1,000,000.00	2,000,000.00
	CGNPC Uranium Resources Co., Ltd. (中廣核鈾業發展有限公司) and its subsidiaries	923,296.97	-
	Hongyanhe Nuclear	103,253.11	103,650.55
	Techenergy	39,713.73	130,200,000.00
	EDF International	-	929,072.85
	CLP Nuclear Power (Yangjiang) Limited	-	300,843,139.00
	Beijing Ric Nuclear Instrument Joint Venture Co., Ltd. (北京中法瑞克核儀器有限公司)	-	16,228,478.58
	Others	38,597.57	446.02
	Total	59,728,629.60	473,540,694.50
Other non-current assets	Shenzhen Nuclear Power Huantong Automobile Service Co., Ltd. (深圳核電環通汽車服務有限公司)	14,000,000.00	14,000,000.00
	CGN Hongda Environmental Technology Co., Ltd. (中廣核宏達環境科技有限責任公司)	4,857,360.63	4,857,360.63
	Shenzhen Nuclear Power Material Supply Co., Ltd. (深圳市核電物資供應有限公司)	1,000,000.00	1,000,000.00
	Techenergy	700,000.00	-
	Nengzhahui and its subsidiaries	172,512.78	304,829.00
	Framatome Inc.	-	13,414,820.98
	Others	600,000.00	-
	Total	21,329,873.41	33,577,010.61

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(X) Related Parties and Related Party Transactions (Continued)

6. Amounts due from/due to related parties (Continued)

(2) Payables

		Unit: RMB	
Item name	Related party	June 30, 2019	December 31, 2018
Accounts payable	CGN Services Group	215,119,094.87	173,949,461.39
	Shenzhen Nuclear Power Huantong Automobile Service Co., Ltd. (深圳核電環通汽車服務有限公司)	127,085,013.65	94,192,821.39
	Shenzhen Lvyuan Restaurant Management Co., Ltd. (深圳綠源餐飲管理有限公司)	124,903,896.03	100,320,075.07
	China Nuclear Industry 23 Construction Co., Ltd.	97,573,691.59	144,690,992.39
	CGN Uranium Resources Co., Ltd. and its subsidiaries	92,353,325.60	315,589,898.61
	Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	74,265,900.47	84,545,660.38
	Techenergy	58,929,575.73	122,098,597.94
	Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司)	44,021,448.32	54,113,434.50
	CGN Environmental Protection Industry Co., Ltd. (中廣核環保產業有限公司)	38,995,542.44	48,643,946.03
	Shenzhen Kezhi Management Consulting Co., Ltd. (深圳市科智管理諮詢有限公司)	32,677,734.03	34,176,663.92
	Shenzhen Nuclear Power Electrical Installation and Maintenance Co., Ltd. (深圳市核電機電安裝維修有限公司)	30,441,317.18	42,142,334.20
	CGNPC	29,627,070.69	39,568,091.85
	Shenzhen Nuclear Power Material Supply Co., Ltd. (深圳市核電物資供應有限公司)	22,750,842.30	49,505,617.12
	Shanghai Engineering Science & Technology Co., LTD (上海中廣核工程科技有限公司)	19,823,532.42	N/A
	Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	16,535,028.62	27,901,756.60
	Shenzhen Zhenhe Construction Engineering Project Management Co., Ltd. (深圳市振核建設工程項目管理有限公司)	7,031,783.32	9,792,519.16
	Nengzhihui and its subsidiaries	5,570,415.95	7,720,531.99
	CGN Real Estate Management Co., Ltd. (中廣核不動產管理有限公司)	1,734,339.93	380,931.09
	EDF International	-	24,475,625.74
	Framatome Inc.	-	7,275,487.89
	Beijing Ric Nuclear Instrument Joint Venture Co., Ltd. (北京中法瑞克核儀器有限公司)	-	5,600,641.13
	Guangdong Electric Power Design Institute of China Energy Engineering Group	-	7,656,739.78
	Others	1,855,054.84	3,886,947.81
Total		1,041,294,607.98	1,398,228,775.98

(X) Related Parties and Related Party Transactions (Continued)

6. Amounts due from/due to related parties (Continued)

(2) Payables (Continued)

Unit: RMB

Item name	Related party	June 30, 2019	December 31, 2018	
Contract liabilities	CGN Wind Energy Co., Ltd. and its subsidiaries	401,083,183.43	3,412,411.20	
	Ningde Second Nuclear	37,802,524.47	–	
	CGNPC	31,682,066.57	40,502,169.97	
	CGN Taishan No. 2 Nuclear Power Co., Ltd. (中廣核台山第二核電有限公司)	13,284,310.45	22,710,562.50	
	Hongyanhe Nuclear	6,173,340.53	66,020,455.22	
	CGNPC Huamei Investment Limited (中廣核華美投資有限公司) and its subsidiaries	5,175,000.00	–	
	Techenergy	1,126,000.00	–	
	CGN Uranium Resources Co., Ltd. and its subsidiaries	630,306.00	1,880,703.90	
	Others	1,164,480.00	2,377,282.00	
		Total	498,121,211.45	136,903,584.79
Short-term loans	CGN Finance	9,034,136,066.86	8,915,237,922.86	
	EDF International	1,060,991,215.30	1,098,258,109.01	
	CGNPC	800,903,833.36	800,246,500.00	
	CGNPC International Financial Leasing Co., Ltd. (中廣核國際融資租賃有限公司)	200,329,875.00	200,355,250.00	
	EDF (China) Holding Ltd.	197,000,000.00	199,255,239.58	
	Hualong Pressurized Water Reactor Technology Corporation, Ltd. (華龍國際核電技術有限公司)	100,000,000.00	100,145,000.00	
	Shanghai Engineering Science & Technology Co., LTD (上海中廣核工程科技有限公司)	35,329,914.71	N/A	
	CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	23,195,167.93	38,896,116.90	
		Total	11,451,886,073.16	11,352,394,138.35
	Long-term loans	Shenzhen Zhaoyinbailu Investment Partnership (Limited Partnership) (深圳招銀白鷺投資合作企業(有限合伙))	3,250,500,000.00	3,250,500,000.00
CGN Finance		2,657,435,941.00	3,038,471,480.90	
CGNPC International Financial Leasing Co., Ltd. (中廣核國際融資租賃有限公司)		500,000,000.00	500,000,000.00	
CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)		117,255,000.00	117,709,500.00	
		Total	6,525,190,941.00	6,906,680,980.90

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(X) Related Parties and Related Party Transactions (Continued)

6. Amounts due from/due to related parties (Continued)

(2) Payables (Continued)

		Unit: RMB	
Item name	Related party	June 30, 2019	December 31, 2018
Other payables	Guangxi GI Energy Co., Ltd. (廣西廣投能源有限公司)	1,065,361,440.00	577,200,000.00
	Guangdong Energy Group Co., Ltd. (廣東省能源集團有限公司)	491,054,216.20	–
	CLP Nuclear Power (Yangjiang) Limited	491,054,216.20	–
	CGN Fund Phase I	338,939,548.85	136,740,753.94
	CGNPC	78,996,214.81	74,006,396.74
	Guangdong Electric Power Design Institute of China Energy Engineering Group	4,775,112.45	2,179,386.40
	CGN Uranium Resources Co., Ltd. and its subsidiaries	4,427,245.71	1,251,636.36
	China Nuclear Industry 23 Construction Co., Ltd.	3,612,999.08	1,844,399.08
	TECNATOM, S.A.	3,335,359.23	–
	CGN Services Group	2,992,325.18	2,974,202.22
	CGN Wind Energy Co., Ltd. and its subsidiaries	2,549,401.29	–
	Shenzhen Nuclear Power Electrical Installation and Maintenance Co., Ltd. (深圳市核電機電安裝維修 有限公司)	1,580,124.67	1,463,899.52
	Shanghai Engineering Science & Technology Co., LTD (上海中廣核工程科技有限公司)	1,578,938.47	–
	Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	1,571,611.69	1,036,734.92
	CGN Solar Energy Development Co., Ltd. and its subsidiaries	1,339,572.92	–
	Nengzhihui and its subsidiaries	1,336,838.14	473,863.46
	CGN Huizhou Nuclear Power Co., Ltd. (中廣核惠州核電有限公司)	957,820.24	133,084.76
	CGN Cangnan Nuclear Power Co., Ltd. (中廣核蒼南核電有限公司)	933,873.00	476,717.86
	Hualong Pressurized Water Reactor Technology Corporation, Ltd. (華龍國際核電技術有限公司)	643,734.95	445,026.71
	Shenzhen Nuclear Power Huantong Automobile Service Co., Ltd. (深圳核電環通汽車服務有限公司)	638,431.66	573,431.66
	Techenergy	608,322.69	233,158.30
	Hongyanhe Nuclear	530,160.29	303,161.85
	Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	129,537.89	71,296.36
	Shenzhen Nuclear Power Material Supply Co., Ltd. (深圳市核電物資供應有限公司)	69,976.40	69,976.40
	Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司)	60,000.00	60,000.00
	HKNIC	6,661.08	832,163,000.00
	CGN Finance	–	1,084,931.51
	CGN Environmental Protection Industry Co., Ltd. (中廣核環保產業有限公司)	–	231,677.36
	Others	2,179,937.62	1,536,307.00
	Total	2,501,263,620.71	1,636,553,042.41

(X) Related Parties and Related Party Transactions (Continued)

6. Amounts due from/due to related parties (Continued)

(2) Payables (Continued)

Unit: RMB

Item name	Related party	June 30, 2019	December 31, 2018	
Lease liabilities	CGNPC	186,590,009.69		
	CGN Real Estate Management Co., Ltd. (中廣核不動產管理有限公司)	28,724,819.84		
	Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	6,825,326.02		
	Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	1,712,559.04		
	CGN Services Group	1,561,193.84		
	CGNPC Huamei Investment Limited (中廣核華美投資有限公司) and its subsidiaries	700,018.62		
	Nengzhahui and its subsidiaries	175,016.95		
	Total	226,288,944.00		
Non-current liabilities due within one year	CGN Finance	305,362,555.13	273,039,620.65	
	CGNPC	176,229,504.11	-	
	CGN Real Estate Management Co., Ltd. (中廣核不動產管理有限公司)	12,450,233.47	-	
	CGN Services Group	5,349,856.97	-	
	Shenzhen Zhaoyinbailu Investment Partnership (Limited Partnership) (深圳招銀白鷺投資合伙企業(有限合伙))	4,717,739.58	5,189,513.54	
	Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	2,962,864.89	-	
	Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	1,091,695.33	-	
	CGNPC International Financial Leasing Co., Ltd. (中廣核國際融資租賃有限公司)	725,694.44	798,263.89	
	CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	639,474.07	648,492.16	
	CGNPC Huamei Investment Limited (中廣核華美投資有限公司) and its subsidiaries	150,095.75	-	
	Nengzhahui and its subsidiaries	127,657.04	-	
	Hongyanhe Nuclear	38,406.35	-	
		Total	509,845,777.13	279,675,890.24

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(XI) Share-based Payment

1. Overall share-based payment

Item	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018
Opening balance of total equity instruments	725,909,987.00	756,759,999.00
Total equity instruments granted by the Company during the period	–	–
Total equity instruments exercised by the Company during the period	–	–
Total equity instruments of the Company that have expired during the period	48,530,004.00	–
Closing balance of total equity instruments	677,379,983.00	756,759,999.00
The range of exercise price of outstanding share appreciation rights of the Company at the end of the period and the remaining period of the contract	HKD2.09/3.50 0.46 - 5.46 years	HKD2.09/3.50 1.46 - 6.46 years

Unit: Units

The Group has set up an H-share Appreciation Rights (“SAR”) Scheme (the “Scheme”) for core staff who exert significant impact on the Company’s strategic target, including certain Directors (excluding independent non-executive Directors and external Directors), senior management 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”). The Scheme 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 on November 5, 2015. Pursuant to the initial scheme, 218,880,000 units of SAR were granted to the Incentive Recipients of the Group at the exercise price of HKD3.50 per share. One third of the total number of SAR are vested and entitled on or after December 19, 2016, one third of the total number of SAR are vested and entitled on or after December 18, 2017 and the remaining one third of the total number of SAR are vested and entitled on or after December 18, 2018.

The secondary implementation plan of the SAR was approved by the Board on December 14, 2017. Pursuant to the secondary scheme, 568,970,000 units of SAR were granted to the Incentive Recipients of the Group at the exercise price of HKD2.09 per share. One third of the total number of SAR are vested and entitled on or after December 16, 2019, one third of the total number of SAR are vested and entitled on or after December 15, 2020 and the remaining one third of the total number of SAR are vested and entitled on or after December 15, 2021.

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. The SARs will have to be exercised within the specified services periods and the exercise period is 3 years after the respective vesting dates. In addition, the exercise of SAR is also subject to the performance condition of the Group and Incentive Recipients including achievements of certain performance targets.

The initial implementation plan of the SAR have 13,040,004.00 units expired in total. The secondary implementation plan of the SAR have 35,490,000.00 units expired in total.

(XI) Share-based Payment (Continued)

2. Cash-settled share-based payment

Unit: RMB

Item	For the period from January 1 to June 30, 2019	For the period January 1 to June 30, 2018
Methods for determining fair value of liabilities undertook by the Company and calculated by share or other equity instruments	Black-Scholes options valuation model	Black-Scholes options valuation model
Accumulated liabilities arising from cash-settled share-based payment in liabilities	100,844,490.59	49,035,646.19
Total fees recognized in respect of cash-settled share-based payment during the period	38,724,266.09	24,085,902.88

The fair value of share appreciation rights is measured by using the Black-Scholes Model, and inputs used in the model are as follows:

Unit: RMB

Item	June 30, 2019	December 31, 2018
Share price	2.15	1.86
Expected volatility	26.58 - 33.72%	28.92 - 34.83%
Expected dividend yield	3.919%	4.484%

The first grant under the Scheme:

Unit: RMB

Item	June 30, 2019	December 31, 2018
Exercise price	3.50	3.50
Expected term	0.46 - 2.46 years	0.96 - 2.96 years
Risk-free rate	1.537 - 2.016%	1.731 - 1.758%

The second batch of Scheme:

Unit: RMB

Item	June 30, 2019	December 31, 2018
Exercise price	2.09	2.09
Expected term	3.46 - 5.46 years	3.95 - 5.95 years
Risk-free rate	1.382 - 1.475%	1.791 - 1.859%

The variables and assumptions used in computing the fair value of the SAR are based on the Directors' best estimate. Changes in variables of specific assumptions may result in changes in the value of the SAR.

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(XII) Commitments and Contingencies

1. Important commitments

1.1 Capital commitments

Unit: RMB

Item	June 30, 2019	December 31, 2018
Commitment of acquisition and construction of long-term assets	12,390,260,227.60	11,208,650,536.79
Large-amount contracts	5,082,995,601.55	5,063,654,327.32
Total	17,473,255,829.15	16,272,304,864.11

1.2 Operating lease commitments

As at the statement of financial position date, the Group has entered into non-cancelable operating leases as follows:

Unit: RMB

Item	June 30, 2019
Minimum lease payments under non-cancelable operating leases which fall due as follows:	
First year upon the statement of financial position date	310,990,521.61
Second year upon the statement of financial position date	285,228,089.30
Third year upon the statement of financial position date	161,655,951.06
Every year thereafter	585,701,373.45
Total	1,343,575,935.42

2. Contingencies

There are no important contingencies that should be disclosed by the Group.

(XIII) Events after the statement of financial position Date

On July 26, 2019, the Company received the Reply on Approval of the Initial Public Offer of Shares of CGN Power Co., Ltd. (Zheng Jian Xu Ke [2019] No. 1381) from the China Securities Regulatory Commission, which approved the public offering of not more than 5,049,862,100 A shares by the Company. The Company will complete the A Share offering at an issue price of RMB2.49 per share by August 2019.

(XIV) Other Important Matters

1. Segment report

(1) Basis and accounting policies of reporting segments

According to the internal organization structure, management requirements and internal reporting system of the Group, the Group's business is divided into 2 operating segments. The Group's management regularly evaluates the operating results of these segments to determine the resources to be allocated and evaluates its results. The Group has identified two reporting segments on the basis of the operating segments, namely nuclear power business operation, sales of electricity and related technical services segment, and engineering, construction and related technical services segment. These reporting segments are recognized based on income, nature, business model, etc. The major products and services provided by the reporting segments of the Group are electricity sales, engineering, construction and technical services.

Segment reporting information is disclosed in accordance to the accounting policies and measurement basis adopted for reporting to the management by each segment, which are consistent with the accounting policies and measurement basis for preparing the financial statements.

(XIV) Other Important Matters (Continued)

1. Segment report (Continued)

(2) Financial information of reporting segments

Unit: RMB

Item	Nuclear power business operation, sales of electricity and related technical services segment	Engineering, construction and related technical services segment	Inter-segment offset	June 30, 2019/ The period from January 1 to June 30, 2019
Operating revenue	24,073,317,110.45	6,828,618,043.08	(4,379,253,737.58)	26,522,681,415.95
Revenue from external customers	23,937,599,339.05	2,585,082,076.90	–	26,522,681,415.95
Revenue from internal segments	135,717,771.40	4,243,535,966.18	(4,379,253,737.58)	–
Operating cost	12,306,818,050.11	6,661,624,427.33	(4,137,624,315.74)	14,830,818,161.70
Total assets	356,359,559,951.42	21,124,946,681.25	(7,736,240,030.17)	369,748,266,602.50
Total liabilities	243,096,318,495.16	18,111,598,774.33	(6,275,837,234.52)	254,932,080,034.97
Income from investment in associates and joint ventures	1,792,586,336.17	124,689,778.18	(1,445,407,190.77)	471,868,923.58
Income tax expenses	929,374,270.71	14,685,140.16	–	944,059,410.87
Long-term equity investment accounted by using the equity method	9,929,395,488.59	1,680,743,126.90	(690,141,555.97)	10,919,997,059.52
Operating profit	8,064,457,781.08	325,414,691.06	(17,411,322.83)	8,372,461,149.31
Net profit	7,130,137,198.48	312,833,439.14	(17,411,322.83)	7,425,559,314.79

Unit: RMB

Item	Nuclear power business operation, sales of electricity and related technical services segment	Engineering, construction and related technical services segment	Inter-segment offset	December 31, 2018/ The period from January 1 to June 30, 2018
Operating revenue	21,718,958,522.62	5,962,449,820.62	(4,671,004,065.59)	23,010,404,277.65
Revenue from external customers	21,626,152,484.18	1,384,251,793.47	–	23,010,404,277.65
Revenue from internal segments	92,806,038.44	4,578,198,027.15	(4,671,004,065.59)	–
Operating cost	11,381,030,167.94	5,710,650,369.35	(4,496,850,827.83)	12,594,829,709.46
Total assets	359,082,755,090.07	22,190,668,289.43	(12,717,753,019.22)	368,555,670,360.28
Total liabilities	243,542,745,063.37	19,412,126,617.10	(7,524,851,427.40)	255,430,020,253.07
Income from investment in associates and joint ventures	306,036,646.23	5,448,988.79	30,922,699.95	342,408,334.97
Income tax expenses	812,294,865.28	56,023,647.62	(68,242,275.42)	800,076,237.48
Long-term equity investment accounted by using the equity method	9,286,006,061.07	1,579,137,447.85	(662,120,332.00)	10,203,023,176.92
Operating profit	7,771,285,052.91	350,124,034.14	(272,969,101.66)	7,848,439,985.39
Net profit	6,931,861,207.49	295,690,005.81	(204,726,826.25)	7,022,824,387.05

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(XIV) Other Important Matters (Continued)

1. Segment report (Continued)

(2) Financial information of reporting segments (Continued)

Revenue from external customers by location of revenue sources and non-current assets by location of assets

Unit: RMB

Item	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018
Revenue from external customers in the PRC	23,796,200,931.29	20,676,774,078.43
Revenue from external customers in other countries	2,726,480,484.66	2,333,630,199.22
Total	26,522,681,415.95	23,010,404,277.65

Unit: RMB

Item	June 30, 2019	December 31, 2018
Non-current assets in the PRC	318,018,078,397.93	313,120,988,640.64
Non-current assets in other countries	44,783,094.03	46,765,425.79
Total	318,062,861,491.96	313,167,754,066.43

Dependence on major customers

During the periods from January 1 to June 30, 2019 and from January 1 to June 30, 2018, the Group's revenue from Guangdong Power Grid Co., Ltd. was RMB14,372,038,166.24 and RMB11,353,855,593.17 respectively, accounting for 54.19% and 49.34% of the Group's operating revenue for the corresponding period respectively.

During the periods from January 1 to June 30, 2019 and from January 1 to June 30, 2018, the Group's revenue from Guangxi Power Grid Co., Ltd. was RMB2,209,146,035.72 and RMB2,562,836,595.88 respectively, accounting for 8.33% and 11.14% of the Group's operating revenue for the corresponding period respectively.

During the periods from January 1 to June 30, 2019 and from January 1 to June 30, 2018, the Group's revenue from HKNIC was RMB2,686,679,494.22 and RMB2,291,558,180.80 respectively, accounting for 10.13% and 9.96% of the Group's operating revenue for the corresponding period respectively.

During the periods from January 1 to June 30, 2019 and from January 1 to June 30, 2018, the Group's revenue from Fujian Electric Power Co., Ltd. was RMB3,889,934,885.57 and RMB4,968,122,575.72 respectively, accounting for 14.67% and 21.59% of the Group's operating revenue for the corresponding period respectively.

(XV) Notes to Major Items in the Financial Statements of the Parent Company

1. Accounts receivable

(a) Accounts receivable disclosed by category

Unit: RMB

Item	June 30, 2019	December 31, 2018
Accounts receivable arising from contracts with customers	612,122,570.32	695,686,105.22
Including: Accounts receivable by subsidiaries within the scope of consolidation	434,654,170.31	481,706,905.25
Group 1	176,417,956.62	213,923,699.97
Group 2	1,050,443.39	55,500.00
Less: Bad debt provisions	4,201,435.45	3,878,916.62
Carrying value	607,921,134.87	691,807,188.60

As part of the credit risk management, the Company uses the age of accounts receivable to assess the bad debt loss by grouping of accounts receivable with the same risk characteristics, and the aging data reflects the solvency of such customers when the accounts receivable become due. The credit risk and expected credit loss of each group of accounts receivable are as follows:

Accounts receivable by subsidiaries within the scope of consolidation:

Unit: RMB

Aging	June 30, 2019				December 31, 2018			
	Expected average loss rate	Carrying balance	Bad debt provisions	Carrying value	Expected average loss rate	Carrying balance	Bad debt provisions	Carrying value
Less than 1 year	0.00%	372,902,295.21	-	372,902,295.21	0.00%	412,153,302.78	-	412,153,302.78
1-2 years	0.00%	61,628,475.10	-	61,628,475.10	0.00%	69,553,602.47	-	69,553,602.47
2-3 years	0.00%	123,400.00	-	123,400.00	0.00%	-	-	-
Total		434,654,170.31	-	434,654,170.31		481,706,905.25	-	481,706,905.25

Group 1:

Unit: RMB

Aging	June 30, 2019				December 31, 2018			
	Expected average loss rate	Carrying balance	Bad debt provisions	Carrying value	Expected average loss rate	Carrying balance	Bad debt provisions	Carrying value
Less than 1 year	0.30%	159,305,254.65	477,915.76	158,827,338.89	0.30%	146,371,129.32	434,331.59	145,936,797.73
1-2 years	5.00%	2,718,822.70	135,941.14	2,582,881.56	5.00%	67,124,370.65	3,356,218.53	63,768,152.12
2-3 years	20.00%	7,337,365.74	1,467,473.15	5,869,892.59	20.00%	402,600.00	80,520.00	322,080.00
3-4 years	30.00%	7,056,513.53	2,116,954.06	4,939,559.47	30.00%	25,600.00	7,680.00	17,920.00
Total		176,417,956.62	4,198,284.11	172,219,672.51		213,923,699.97	3,878,750.12	210,044,949.85

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(XV) Notes to Major Items in the Financial Statements of the Parent Company (Continued)

1. Accounts receivable (Continued)

(a) Accounts receivable disclosed by category (Continued)

Group 2:

Unit: RMB

Aging	June 30, 2019				December 31, 2018			
	Expected average loss rate	Carrying balance	Bad debt provisions	Carrying value	Expected average loss rate	Carrying balance	Bad debt provisions	Carrying value
Less than 1 year	0.30%	1,050,443.39	3,151.34	1,047,292.05	0.30%	55,500.00	166.50	55,333.50

(b) Accounts receivable disclosed by category

Unit: RMB

Item	For the period from January 1 to June 30, 2019		
	Expected credit losses during the whole life (no credit impairment occurred)	Expected credit losses during the whole life (credit impairment occurred)	Total
January 1, 2019	3,878,916.62	–	3,878,916.62
Provisions for expected credit losses for the period	322,518.83	–	322,518.83
Reversals for expected credit losses for the year	–	–	–
June 30, 2019	4,201,435.45	–	4,201,435.45

(XV) Notes to Major Items in the Financial Statements of the Parent Company (Continued)

1. Accounts receivable (Continued)

(c) Top five debtors with the largest balances of accounts receivable

June 30, 2019

Unit: RMB

Name of entity	Carrying balance	Percentage to total accounts receivable (%)	Balance of provisions for bad debts at end of the period
Taishan Nuclear Power China Nuclear Power Operations Co., Ltd. (中廣核核電運營有限公司)	123,086,039.59	20.11	–
CGN Wind Energy Co., Ltd.	61,401,618.59	10.03	–
Fangchenggang Nuclear	51,624,000.01	8.43	154,872.00
China Nuclear Power Technology Research Institute Co., Ltd. (中廣核研究院有限公司)	45,421,998.63	7.42	–
	30,687,576.58	5.01	–
Total	312,221,233.40	51.00	154,872.00

December 31, 2018

Unit: RMB

Name of entity	Carrying balance	Percentage to total accounts receivable (%)	Balance of provisions for bad debts at end of the period
Taishan Nuclear Power	100,463,775.55	14.44	–
CGN Engineering	61,493,014.58	8.84	–
Fangchenggang Nuclear	58,531,969.00	8.41	–
Yangjiang Nuclear	43,321,219.82	6.23	–
China Nuclear Power Operations Co., Ltd. (中廣核核電運營有限公司)	43,286,632.51	6.22	–
Total	307,096,611.46	44.14	–

2. Other receivables

(1) Total other receivables

Unit: RMB

Item	June 30, 2019	December 31, 2018
Interest receivable	–	–
Dividends receivable	2,771,998,249.46	1,042,667,333.07
Other receivables	683,998.84	192,071,525.17
Total	2,772,682,248.30	1,234,738,858.24

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(XV) Notes to Major Items in the Financial Statements of the Parent Company (Continued)

2. Other receivables (Continued)

(2) Interest receivable

As at June 30, 2019 and December 31, 2018, the Company had no overdue interest.

(3) Dividends receivable

(a) Dividends receivable

Unit: RMB

Investee	June 30, 2019	December 31, 2018
CGN Nuclear Power Investment Co., Ltd. (中廣核核電投資有限公司)	294,746,007.44	294,746,007.44
CGN Engineering	679,626,192.13	679,626,192.13
Yangjiang Nuclear	982,108,432.39	–
China Nuclear Power Operations Co., Ltd. (中廣核核電運營有限公司)	318,824,947.08	–
CGN Ninghe Investment Co., Ltd. (中廣核寧核投資有限公司)	68,295,133.50	68,295,133.50
Ling'ao Nuclear	428,397,536.92	–
Total	2,771,998,249.46	1,042,667,333.07
Less: Bad debt provisions	–	–
Carrying value	2,771,998,249.46	1,042,667,333.07

- (b) As at June 30, 2019 and December 31, 2018, the Company had no significant dividends receivable aged over 1 year.

(XV) Notes to Major Items in the Financial Statements of the Parent Company (Continued)

2. Other receivables (Continued)

(4) Other receivables

(a) Other receivables disclosed by category

Unit: RMB

Item	June 30, 2019				December 31, 2018			
	Expected credit losses within 12 months	Expected credit losses during the whole life (no credit impairment occurred)	Expected credit losses during the whole life (credit impairment occurred)	Total	Expected credit losses within 12 months	Expected credit losses during the whole life (no credit impairment occurred)	Expected credit losses during the whole life (credit impairment occurred)	Total
Other receivables of subsidiaries within the scope of consolidation	2,922.93	-	-	2,922.93	414,602.21	-	-	414,602.21
Group 1	103,253.11	-	-	103,253.11	104,096.57	-	-	104,096.57
Group 2	579,872.18	-	-	579,872.18	292,224.62	212,513,100.80	-	212,805,325.42
Carrying value	686,048.22	-	-	686,048.22	810,923.40	212,513,100.80	-	213,324,024.20
Bad debt provisions	2,049.38	-	-	2,049.38	1,188.96	21,251,310.07	-	21,252,499.03

(b) Changes in bad debt provisions for other receivables

Unit: RMB

Item	For the period from January 1 to June 30, 2019			
	Expected credit losses within 12 months	Expected credit losses during the whole life (no credit impairment occurred)	Expected credit losses during the whole life (credit impairment occurred)	Total
January 1, 2019	1,188.96	21,251,310.07	-	21,252,499.03
Provisions for expected credit losses for the period	860.42	-	-	860.42
Reversals for expected credit losses for the period	-	21,251,310.07	-	21,251,310.07
June 30, 2019	2,049.38	-	-	2,049.38

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(XV) Notes to Major Items in the Financial Statements of the Parent Company (Continued)

2. Other receivables (Continued)

(4) Other receivables (Continued)

(c) Top five debtors with the largest balances of other receivables

June 30, 2019

Unit: RMB

Name of entity	Nature	Amount	Aging	Percentage to total other receivables (%)	Balance of provisions for bad debts at the end of the period
Hongyanhe Nuclear	Related party payments	103,253.11	Within 1 year	15.05	309.76
Fangchenggang Nuclear	Related party payments	2,922.93	Within 1 year	0.43	–
Employee borrowings	Employee borrowings and petty cash fund	579,872.18	Within 1 year, 1-2 years	84.52	1,739.62
Total		686,048.22		100.00	2,049.38

December 31, 2018

Unit: RMB

Name of entity	Nature	Amount	Aging	Percentage to total other receivables (%)	Balance of provisions for bad debts at end of the year
CLP Nuclear Power (Yangjiang) Limited	Related party receivables	212,359,863.00	1 to 2 years	99.55	21,235,986.30
Yangjiang Nuclear	Related party receivables	103,650.55	Within 1 year	0.05	–
Hongyanhe Nuclear	Related party receivables	103,650.55	Within 1 year	0.05	310.95
Ningde Nuclear	Related party receivables	103,650.54	Within 1 year	0.05	–
GNPJVC	Related party receivables	51,825.28	Within 1 year	0.02	–
Fangchenggang Nuclear	Related party receivables	51,825.28	Within 1 year	0.02	–
Total		212,774,465.20		99.74	21,236,297.25

(XV) Notes to Major Items in the Financial Statements of the Parent Company (Continued)

2. Other receivables (Continued)

(4) Other receivables (Continued)

(d) Other receivables by nature

Item	Unit: RMB	
	June 30, 2019	December 31, 2018
Related party payments	106,176.04	212,878,561.78
Reserve funds	579,872.18	445,462.42
Total	686,048.22	213,324,024.20

3. Other current assets

Item	Unit: RMB	
	June 30, 2019	December 31, 2018
VAT retained at the end of the period	15,920,963.29	22,030,284.53
Entrusted loans	4,835,000,000.00	5,860,000,000.00
Interest receivable for entrusted loans	44,678,054.30	22,094,408.04
Total	4,895,599,017.59	5,904,124,692.57

4. Debt investment

Item	Unit: RMB	
	June 30, 2019	December 31, 2018
Entrust loans	8,983,500,000.00	10,088,000,000.00
Total	8,983,500,000.00	10,088,000,000.00
Less: Debt investment due within one year	600,000,000.00	4,000,000,000.00
Net	8,383,500,000.00	6,088,000,000.00

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(XV) Notes to Major Items in the Financial Statements of the Parent Company (Continued)

5. Long-term equity investments

Unit: RMB

Investee	Changes in the current period							Closing balance of impairment provision
	Balance as at January 1, 2019	Additional investment	Reduce investment	Investment gains/losses recognized under the equity method	Adjustment of other comprehensive gains	Declared cash dividends or profits	Balance at June 30, 2019	
I. Subsidiaries								
GNIC	22,734,177,521.54	—	—	—	—	—	22,734,177,521.54	—
Ling'ao Nuclear	6,883,160,867.23	—	—	—	—	—	6,883,160,867.23	—
Lingdong Nuclear	2,195,503,954.06	—	—	—	—	—	2,195,503,954.06	—
Yangjiang Nuclear	6,162,481,639.48	—	—	—	—	—	6,162,481,639.48	—
China Nuclear Power Operations Co., Ltd. (中廣核電運營有限公司)	118,807,136.75	—	—	—	—	—	118,807,136.75	—
China Nuclear Power Technology Research Institute Co., Ltd. (中廣核研究院有限公司)	1,520,682,040.74	—	—	—	—	—	1,520,682,040.74	—
Guangdong Daya Bay Nuclear Power Environment Protection Co., Ltd. (廣東大亞灣核電環保有限公司)	99,602,305.72	—	—	—	—	—	99,602,305.72	—
CGN Nuclear Power Investment Co., Ltd. (中廣核電投資有限公司)	8,840,040,758.54	187,166,448.00	—	—	—	—	9,027,207,206.54	—
CGN Ninghe Investment Co., Ltd. (中廣核寧核投資有限公司)	3,306,159,962.85	—	—	—	—	—	3,306,159,962.85	—
SNPRI	1,061,032,900.00	—	—	—	—	—	1,061,032,900.00	—
Taishan Nuclear	3,075,022,661.30	—	—	—	—	—	3,075,022,661.30	—
Taishan Investment	8,769,244,739.87	—	—	—	—	—	8,769,244,739.87	—
CGN Engineering	2,619,094,819.39	—	—	—	—	—	2,619,094,819.39	—
Lufeng Nuclear	3,278,000,000.00	—	—	—	—	—	3,278,000,000.00	—
Fangchenggang Nuclear	4,559,911,100.00	—	—	—	—	—	4,559,911,100.00	—
Ocean Power	10,147,205.02	—	—	—	—	—	10,147,205.02	—
Hebei Thermal Power	10,086,202.41	—	—	—	—	—	10,086,202.41	—
Power Sales Company	214,754,017.55	—	—	—	—	—	214,754,017.55	—
Hebei Zhongzhuang Clean Thermal Energy Co., Ltd. (河北中莊清潔熱能有限公司)	81,700,000.00	—	—	—	—	—	81,700,000.00	—
Subtotal	75,539,609,832.45	187,166,448.00	—	—	—	—	75,726,776,280.45	—
II. Associate								
CGN Fund Phase I	2,464,109,124.98	37,714,300.00	—	137,979,337.02	—	—	2,639,802,762.00	—
Subtotal	2,464,109,124.98	37,714,300.00	—	137,979,337.02	—	—	2,639,802,762.00	—
Total	78,003,718,957.43	224,880,748.00	—	137,979,337.02	—	—	78,366,579,042.45	—

(XV) Notes to Major Items in the Financial Statements of the Parent Company (Continued)

5. Long-term equity investments (Continued)

Other explanations:

The Company's long-term equity investment in Lingdong Nuclear and Yangjiang Nuclear is restricted. As at June 30, 2019 and December 31, 2018, the Company's net long-term equity investment with restricted ownership in Lingdong Nuclear was RMB2,195,503,954.06. As at June 30, 2019 and December 31, 2018, the Company's long-term equity investment with restricted ownership in Yangjiang Nuclear was RMB6,162,481,639.48.

6. Short-term loans

(1) Short-term loans by category

Item	Unit: RMB	
	June 30, 2019	December 31, 2018
Credit loans	8,734,303,706.00	9,604,850,094.84
Short-term loans interest payable	5,839,709.46	7,656,626.44
Total	8,740,143,415.46	9,612,506,721.28

(2) As at June 30, 2019 and December 31, 2018, the Company had no overdue and unsettled short-term loans.

7. Bonds payable

Category	Unit: RMB	
	June 30, 2019	December 31, 2018
Long-term bonds	4,499,427,736.10	4,498,219,043.17
Medium-term notes (Note (V)36)	5,488,032,453.45	3,989,825,356.08
Total	9,987,460,189.55	8,488,044,399.25
Less: Bonds payable due within one year	2,499,427,736.10	–
Bonds payable due after one year	7,488,032,453.45	8,488,044,399.25

8. Operating revenue and costs

Item	Unit: RMB			
	For the period from January 1 to June 30, 2019		For the period from January 1 to June 30, 2018	
	Revenue	Cost	Revenue	Cost
From other operations	255,734,884.46	198,403,364.94	239,227,034.98	201,293,705.91

Notes to the Financial Statements

For the period from January 1 to June 30, 2019

(XV) Notes to Major Items in the Financial Statements of the Parent Company (Continued)

9. Investment income

Details of investment income

Unit: RMB

Item	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018
Income from long-term equity investments accounted for using the cost method	1,974,858,024.49	974,822,722.60
Income from long-term equity investments accounted for using the equity method	137,979,337.02	140,949,818.14
Interest income from entrusted loans	338,701,571.24	241,376,252.43
Gains from the disposal of long-term equity investments	–	953,678,637.11
Others	–	–
Total	2,451,538,932.75	2,310,827,430.28

10. Supplementary information to cash flow statements

(1) Supplementary information to cash flow statements

Unit: RMB

Supplementary information	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018
1. Reconciliation of net profits to cash flow from operating activities:		
Net profit	2,015,263,279.29	1,782,007,343.90
Add: Asset impairment loss	–	–
Credit impairment loss	(20,927,930.82)	2,007,179.30
Depreciation of fixed assets	5,676,305.58	4,980,069.18
Amortization of intangible assets	31,714,779.85	22,613,693.88
Depreciation of right-of-use assets	34,069,502.54	
Losses from changes in fair value ("–": gains)	375,084.35	(2,367,510.53)
Finance costs	279,998,238.78	180,495,971.50
Increase in deferred tax liabilities ("–": decrease)	–	190,806,317.42
Investment losses ("–": gains)	(2,451,538,932.75)	(2,310,827,430.28)
Decrease in operating receivables ("–": increase)	86,396,037.47	(77,147,358.65)
Increase in operating payables ("–": decrease)	(65,106,244.72)	94,648,823.67
Net cash flows from operating activities	(84,079,880.43)	(112,782,900.61)
2. Net change in cash and cash equivalents:		
Closing balance of cash	7,801,020,205.75	13,261,892,364.81
Less: Opening balance of cash	8,180,127,897.47	7,101,335,054.79
Net increase (decrease) in cash and cash equivalents	(379,107,691.72)	6,160,557,310.02

Supplementary Information

For the period from January 1 to June 30, 2019

1. Breakdown of Non-recurring Gains or Losses

Unit: RMB

Item name	For the period from January 1 to June 30, 2019	For the period from January 1 to June 30, 2018
Gains or losses from disposal of non-current assets	143,073,493.12	(19,023.30)
Government grants recognized in profit or loss for the current period (except for those closely related to the Company's business and for fixed or quantitative purposes in accordance with national uniform standards)	112,178,208.53	50,916,270.93
Net gains or losses of the subsidiaries as a result of business combination under common control from the beginning of the period to the combination date (Note)	–	415,889.99
Except for the effective hedging transactions related to the normal operation of the Company, the gains or losses from changes in fair value arising from holding financial assets and liabilities held for trading, as well as the investment income arising from disposal of financial assets and liabilities held for trading and available-for-sale financial assets	1,259,271.58	2,365,633.96
Reversal of impairment provision for receivables which are impaired individually	1,236,300.00	–
Other non-operating income and expenses other than the items above, net	(2,842,423.65)	(25,539,360.86)
Other gains or losses items that meet the definition of non-recurring gains or losses	(1,316,174.84)	8,373,056.54
Total	253,588,674.74	36,512,467.26
Income tax effect of non-recurring gains or losses	37,713,768.36	5,767,010.06
Effect of non-recurring gains or losses attributable to minority shareholders	7,385,069.94	2,622,827.99
Effect of non-recurring gains or losses attributable to shareholders of the parent company, net	208,489,836.44	28,122,629.21

Note: The amount of this item has taken into account the offset of internal unrealized gains and losses between related parties and the corresponding income tax effect.

Supplementary Information

For the period from January 1 to June 30, 2019

2. Return on Equity and Earnings Per Share

The statements for return on equity and earnings per share have been prepared by CGN Power in accordance with the relevant requirements under the Rules on the Preparation and Report of Information Disclosure for Companies Publicly Issuing Securities No. 9 – Calculation and Disclosure of Return on Equity and Earnings Per Share (2010 Revision) issued by China Securities Regulatory Commission.

Profit for the reporting period (from January 1 to June 30, 2019)	Weighted average return on equity (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to holders of ordinary shares of the Company	6.90	0.111	N/A
Net profit attributable to holders of ordinary shares of the Company (excluding the non-recurring gains or losses)	6.61	0.106	N/A

Profit for the reporting period (from January 1 to June 30, 2018)	Weighted average return on equity (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to holders of ordinary shares of the Company	6.80	0.100	N/A
Net profit attributable to holders of ordinary shares of the Company (excluding the non-recurring gains or losses)	6.76	0.100	N/A

Company Information

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18/F, South Tower, CGN Building, 2002 Shennan Road, Shenzhen, Guangdong Province, PRC

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Authorized Representatives

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Mr. Lee Kwok Fai Kenneth

Joint Company Secretaries

Mr. Jiang Dajin

Mr. Lee Kwok Fai Kenneth

Auditor

Deloitte Touche Tohmatsu (Certified Public Accountants LLP)

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King & Wood Mallesons

13/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Central, Hong Kong

PRC Law

King & Wood Mallesons

28/F, China Resources Tower, 2666 Keyuan South Road, Nanshan District, Shenzhen, PRC

Principal Bankers

China Development Bank (Shenzhen Branch)

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Bank of China Limited (Shenzhen Branch)

1/F, International Finance Building, 2022 Jianshe Road, Luohu District, Shenzhen, Guangdong Province, PRC

Industrial and Commercial Bank of China Limited (Shenzhen Branch)

1/F, North Tower, World Financial Centre, 5005 Shennan East Road, Luohu District, Shenzhen, Guangdong Province, PRC

Agricultural Bank of China Limited (Shenzhen Branch)

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Company Information

H Share Registrar

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Our Stock Name and Stock Code

Stock Name: CGN Power

Stock Code: HKSE 1816

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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 27, 2019 and posted to shareholders who have elected to receive corporate communications from the Company in printed form on August 28, 2019.

Those shareholders who (a) received our 2019 Interim Report electronically and would like to receive a printed copy or vice versa; or (b) received a printed copy of our 2019 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



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