

中广核  CGN

中國廣核電力股份有限公司  
CGN Power Co., Ltd.\*

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

Stock Code: 1816



Guarding  
Your Life  
with **Power**

2020 Interim Report

\* For identification purpose only

CGN Power Co., Ltd. (“CGN Power”, the “Company”, “our Company” or “We”) was established on March 25, 2014, listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on December 10, 2014, and listed on the Shenzhen Stock Exchange (“SZSE”) on August 26, 2019. 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.

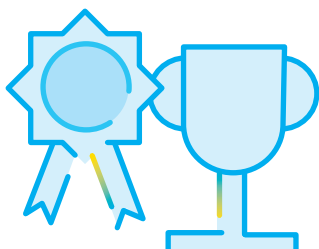
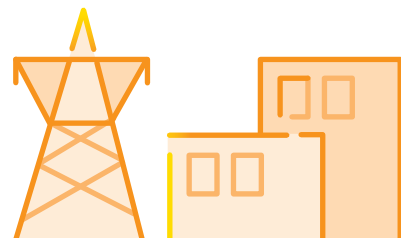


## OUR CORE VALUE

Doing Things Right in One Go

## OUR VISION

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



## OUR BASIC PRINCIPLES

Safety First, Quality Foremost,  
Pursuit of Excellence

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, 2020 (the “Period”, the “Reporting Period” or the “first half of 2020”) together with the comparative figures for the corresponding period in 2019, and summarize the progress in implementing our development strategy (“2020 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 2019 Annual Report of the Company. The term “subsidiary(ies)” in this report has the same meaning ascribed to it under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “Listing Rules”). This report has been prepared in Chinese and English respectively. In case of discrepancy, the Chinese version shall prevail.

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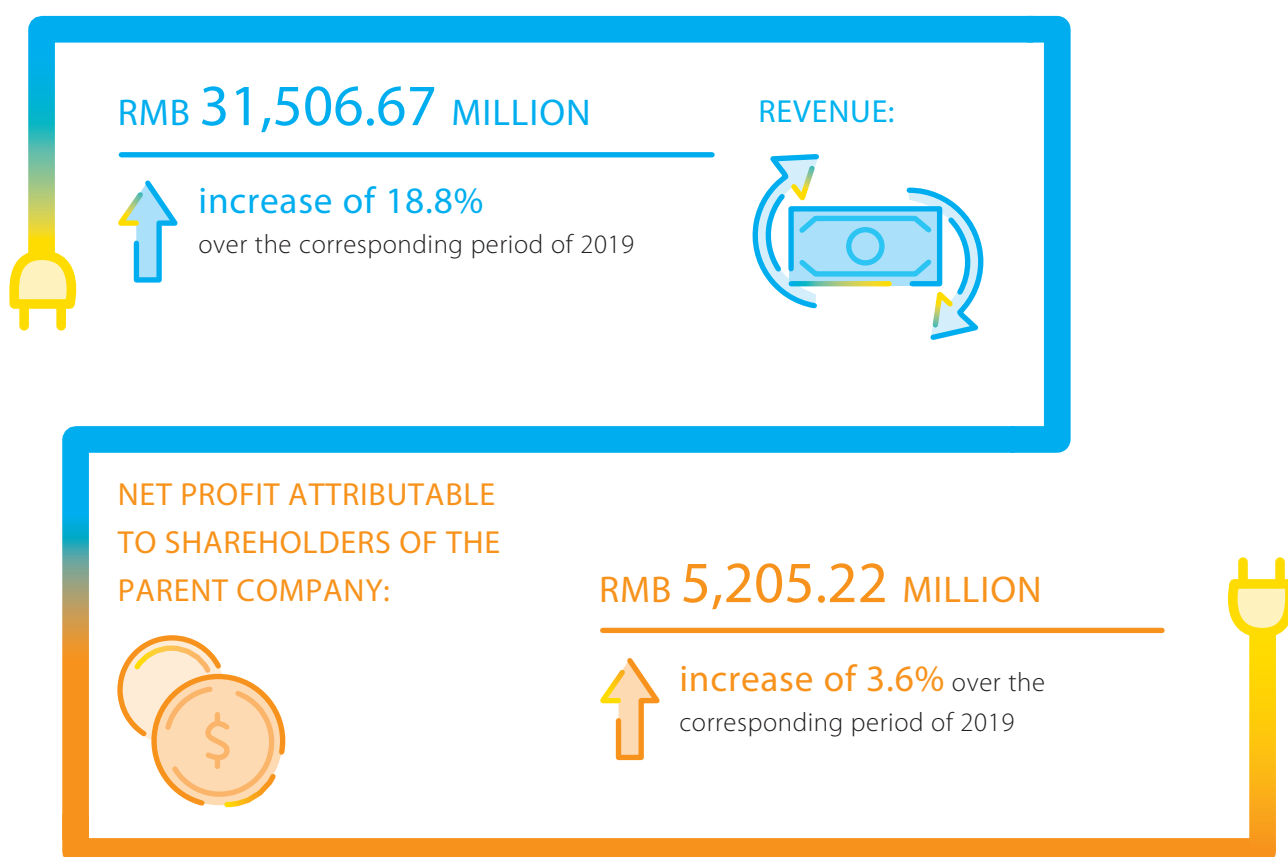


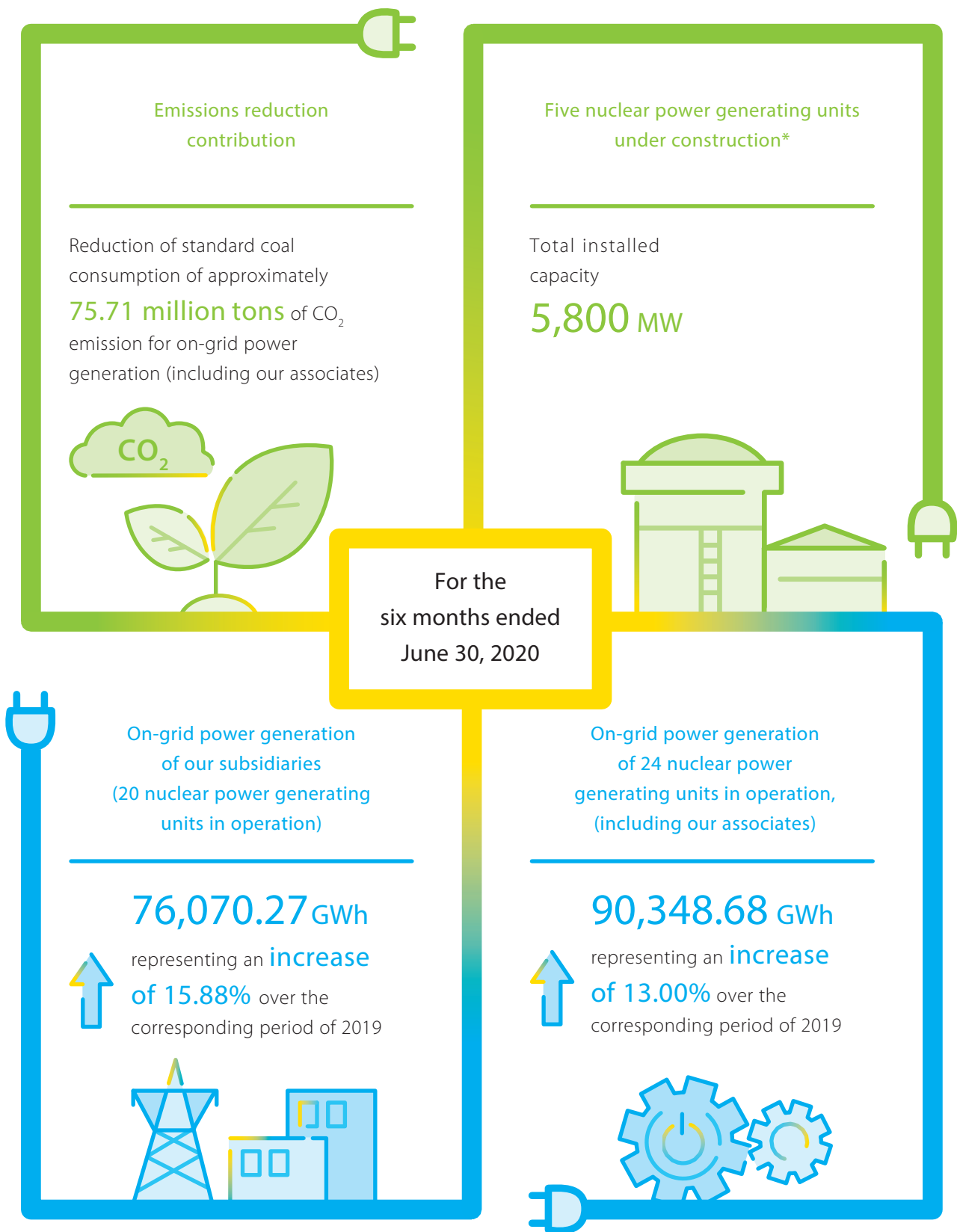
# Summary of Interim Results

In the first half of 2020, the novel coronavirus pneumonia epidemic (the “COVID-19”) had certain impacts on the People’s Republic of China’s (“China” or the “PRC”) overall economic operation and power demand, which had led to the operation at reduced load to a certain degree or the shutdown for standby of the Group’s nuclear power units after the Spring Festival. With the resumption of work and production in China, the power demand in the whole society gradually increased. The utilization rate of the nuclear power units managed by the Group also gradually increased to a normal level.

In the second half of 2020, we will continue to actively respond to the effects brought about by the COVID-19, maintain **safe and stable** operation of all the units in operation, ensure the **orderly progress** of the units under construction, and actively deal with the challenges and opportunities brought by changes in the external environment of the Company.

## Operation results





\* Including generating units managed by the Company as entrusted by associates of the Company and the controlling shareholder.

# Financial Highlights

## Highlights of consolidated income statement

	For the six months ended June 30,	
	2020	2019
Operating revenue	31,506,671,856.77	26,522,681,415.95
Operating costs	18,089,579,051.09	14,830,818,161.70
Total profit	8,951,628,712.02	8,369,618,725.66
Net profit	7,861,451,563.26	7,425,559,314.79
Net profit attributable to shareholders of		
the parent company	5,205,219,112.59	5,022,584,904.83
Non-controlling interests	2,656,232,450.67	2,402,974,409.96

## Highlights of consolidated balance sheet

	At June 30, 2020	At December 31, 2019
Total current assets	57,851,885,369.93	61,923,383,290.30
Total non-current assets	325,855,253,177.54	326,051,851,236.49
Total assets	383,707,138,547.47	387,975,234,526.79
Total current liabilities	68,999,486,474.49	67,017,899,711.71
Total non-current liabilities	177,707,990,960.48	185,663,467,323.62
Total liabilities	246,707,477,434.97	252,681,367,035.33
Total equity attributable to shareholders of		
the parent company	91,226,175,539.74	89,801,976,064.25
Non-controlling interests	45,773,485,572.76	45,491,891,427.21
Total shareholders' equity	136,999,661,112.50	135,293,867,491.46
Total liabilities and shareholders' equity	383,707,138,547.47	387,975,234,526.79

# Shareholder Value

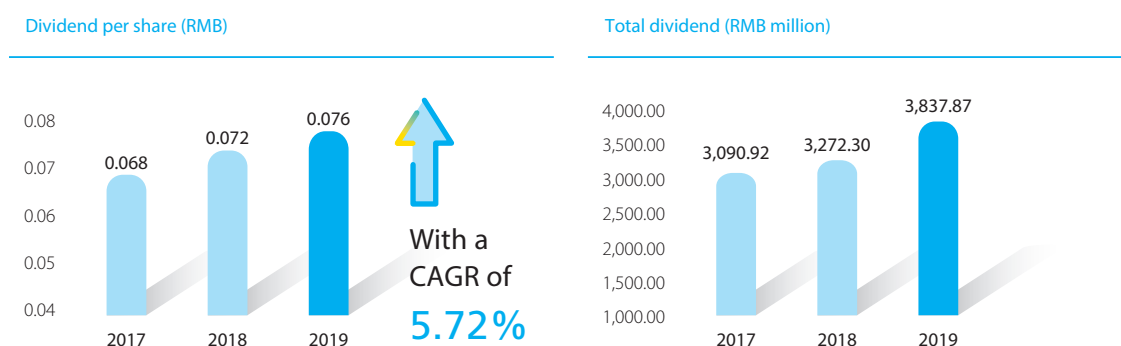
The board of directors (the “Board”), the management and employees of the Company are responsible for increasing the value for our shareholders. As such, the Company will continue to maintain stable operational development with steady growth, and we will take an active and transparent approach with integrity 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, 2020, CGN Power had 344,009 registered shareholders (including 340,334 holders of A shares and 3,675 holders of H shares), 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 RMB0.076 per share (tax inclusive) was declared to all shareholders of the Company, in respect of the year ended December 31, 2019, amounting to RMB3,837,873,610.56 (tax inclusive), which was approved by the shareholders of the Company at the 2019 annual general meeting convened on May 20, 2020. The Company had paid the dividend on July 10, 2020.

Pursuant to the Company’s dividend distribution policy, payment of an interim dividend for the six months ended June 30, 2020 is not recommended.



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 30% of the net profit attributable to shareholders of the Company for the year. In the 2018 interim report, the Company proposed to achieve the target of maintaining a reasonable increase in dividend (subject to approval at the general meeting of the relevant financial year) for each of the three financial years of 2018, 2019 and 2020 based on the annual dividend per share for 2017, in the premise of no major changes in the business environment. The Board and management of the Company attach great importance to the safe and stable operation of nuclear power generating units and strive to achieve the stable growth of the Company’s operating results, in order to achieve the above targets for dividend distribution.

# Shareholder Value

## Communications with Shareholders and Investors for the First Half of 2020 and Shareholders' Diary of 2020

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

JAN

- Announcement of 2019 fourth quarter operation briefings
- 2019 fourth quarter operation teleconference

MAR

- Announcement of 2019 annual results
- Publication of 2019 A share annual report and ESG Report
- 2019 annual results promotion

APR

- Publication of 2019 H share annual report
- Announcement of 2020 first quarter operation briefings
- Announcement of 2020 A share first quarterly report
- 2020 first quarter operating results teleconference

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





## MAY

- 2019 annual general meeting, the 2020 first H shareholders' class meeting and the 2020 first A shareholders' class meeting



## JULY

- Announcement of 2020 second quarter operation briefings
- 2020 second quarter operation teleconference
- Distribution of 2019 final dividend



## AUG

- Announcement of 2020 A share half-year report and H share interim results announcement
- Announcement of 2020 H share interim report
- 2020 interim results promotion



## OCT

- Announcement of 2020 third quarter operation briefings
- Announcement of 2020 A share third quarterly report
- 2020 third 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,	
	2020	2019
<b>Indicators of profitability</b>		
EBITDA margin (%) <sup>(1)</sup>	59.0	62.3
Net profit margin (%) <sup>(2)</sup>	25.0	28.0
<b>Indicators of investment returns</b>		
Return on equity (excluding non-controlling interests) (%) <sup>(3)</sup>	5.8	7.0
Return on total assets (%) <sup>(4)</sup>	3.4	3.2
<b>Indicators of solvency</b>		
Interest coverage <sup>(5)</sup>	2.8	2.4

Item	June 30,	December 31,
	2020	2019
<b>Indicators of solvency</b>		
Asset-liability ratio (%) <sup>(6)</sup>	64.3	65.1
Debt to equity ratio (%) <sup>(7)</sup>	138.7	143.0

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,

	2020 RMB' 000	2019 RMB' 000	Fluctuations increase/ (decrease) RMB' 000	Percentage change increase/ (decrease) %
Operating revenue	31,506,671.86	26,522,681.42	4,983,990.44	18.8
Operating costs	18,089,579.05	14,830,818.16	3,258,760.89	22.0
Finance costs <sup>(1)</sup>	4,314,414.74	3,616,099.42	698,315.32	19.3
Other gains <sup>(2)</sup>	1,177,052.33	1,407,113.21	(230,060.88)	(16.3)
Investment income <sup>(3)</sup>	422,246.05	639,744.28	(217,498.23)	(34.0)
Including: Income from investment in associates <sup>(4)</sup>	417,541.09	471,868.92	(54,327.83)	(11.5)
Non-recurring gains or losses <sup>(5)</sup>	71,837.74	253,588.67	(181,750.93)	(71.7)
Net profit attributable to shareholders of the parent company	5,205,219.11	5,022,584.90	182,634.21	3.6
Net profit attributable to shareholders of the parent company (excluding the effects of non-recurring gains or losses)	5,142,932.76	4,814,095.07	328,837.69	6.8

- (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 6 and Taishan Unit 2 in July 2019 and September 2019, respectively.
- (2) The decrease in other gains was primarily due to the lower value-added tax refunds over the corresponding period of previous year as affected by the reduction in value-added tax rate and the progress of value-added tax refunds.
- (3) The decrease in investment income was primarily due to the investment income of approximately RMB140 million from CGN Engineering's disposal of its subsidiary Shanghai Engineering Science & Technology Co., Ltd (上海中廣核工程科技有限公司) in the first half of 2019, and the decrease in income from investment in associates by approximately RMB50 million.
- (4) The decrease in income from investment in associates and joint ventures was primarily due to the lower net profit of Hongyanhe Nuclear, being our associate, over the corresponding period of previous year.
- (5) The decrease in non-recurring gains or losses was primarily due to the investment income of approximately RMB140 million from CGN Engineering's disposal of its subsidiary Shanghai Engineering Science & Technology Co., Ltd (上海中廣核工程科技有限公司) in the first half of 2019.

## Revenue from Operations

For the six months ended June 30,

	2020 RMB' 000	2019 RMB' 000	Fluctuations increase/ (decrease) RMB' 000	Percentage change increase/ (decrease) %
Revenue from principal business operations	31,459,685.97	26,433,432.33	5,026,253.64	19.0
Including: Sales of electricity <sup>(1)</sup>	27,128,789.86	23,318,272.80	3,810,517.06	16.3
Construction, installation and design services <sup>(2)</sup>	3,622,560.08	2,466,203.74	1,156,356.34	46.9
Revenue from other business operations	46,985.89	89,249.09	(42,263.20)	(47.4)
Total revenue from business operations	31,506,671.86	26,522,681.42	4,983,990.44	18.8

- (1) The increase in revenue from sales of electricity was primarily due to the commencement of commercial operation of Yangjiang Unit 6 and Taishan Unit 2 in July 2019 and September 2019, respectively.
- (2) The increase in revenue from construction, installation and design services was primarily due to the increase in the construction volume of Huizhou Nuclear Power Project and wind power project by CGN Engineering.

## Finance, Assets and Investments

### Cost of Operations

	For the six months ended June 30,			
	2020 RMB' 000	2019 RMB' 000	Fluctuations increase/ (decrease) RMB' 000	Percentage change increase/ (decrease) %
Cost of principal business operations	18,055,650.77	14,759,234.17	3,296,416.60	22.3
Including: Cost of sales of electricity	13,647,209.86	11,752,612.16	1,894,597.70	16.1
Of which: Cost of nuclear fuel <sup>(1)</sup>	3,937,170.97	3,572,453.54	364,717.43	10.2
Depreciation of fixed assets <sup>(2)</sup>	5,137,116.61	4,073,987.70	1,063,128.91	26.1
Provision for spent fuel management <sup>(3)</sup>	880,699.19	746,336.85	134,362.34	18.0
Construction, installation and design services <sup>(4)</sup>	3,616,036.01	2,413,844.53	1,202,191.48	49.8
Other costs of business operations	33,928.28	71,583.99	(37,655.71)	(52.6)
<b>Total cost of operations</b>	<b>18,089,579.05</b>	<b>14,830,818.16</b>	<b>3,258,760.89</b>	<b>22.0</b>

- (1) The increase in cost of nuclear fuel was primarily due to the commencement of commercial operation of Yangjiang Unit 6 and Taishan Unit 2 in July 2019 and September 2019, respectively.
- (2) The increase in depreciation of fixed assets was primarily due to the commencement of commercial operation of Yangjiang Unit 6 and Taishan Unit 2 in July 2019 and September 2019, 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, Yangjiang Unit 2 and Ningde Unit 3 commenced commercial operation for five years in June 2020.
- (4) The increase in cost of construction, installation and design services was primarily due to the increase in the construction volume of Huizhou Nuclear Power Project and wind power project by CGN Engineering.

### Financial Position

The bank and other borrowings, receivables, payables, inventories, fixed assets and intangible assets 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, 2020 RMB' 000	December 31, 2019 RMB' 000	Fluctuations increase/ (decrease) RMB' 000	Percentage change increase/ (decrease) %
Bank and other borrowings <sup>(1)</sup>	203,290,350.05	213,002,332.39	(9,711,982.34)	(4.6)
Receivables <sup>(2)</sup>	23,967,963.23	20,918,941.30	3,049,021.93	14.6
Payables <sup>(3)</sup>	31,868,906.68	27,962,902.55	3,906,004.13	14.0
Inventories <sup>(4)</sup>	17,529,956.59	18,370,637.24	(840,680.65)	(4.6)
Fixed assets and intangible assets <sup>(5)</sup>	257,307,596.29	261,891,721.74	(4,584,125.45)	(1.8)

- (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. The decrease in bank and other borrowings was primarily due to the higher repaid loan amount for the Reporting Period as a result of the increase in net cash flows from operating activities and the decrease in cash paid for investment.
- (2) Receivables comprise bills receivable, accounts receivable, prepayments, contract assets and other receivables. The increase in receivables was primarily due to the change in the procurement of nuclear fuel from the commissioned processing method to the procurement of components. Payments made before the arrival of nuclear fuel components are included in prepayment, resulting in a significant increase in prepayments.
- (3) Payables comprise bills payable, accounts payable, receipts in advance, contract liabilities and other payables. The increase in payables was primarily due to the significant increase in dividends payable as compared to the beginning of the year as the final dividend for 2019 declared by the Company was settled on July 10, 2020, resulting in a significant increase in balance of dividend payable as compared with that of December 31, 2019.
- (4) The decrease in inventories was mainly due to the change in the procurement of nuclear fuel from the commissioned processing method to the procurement of components. The amount paid before the arrival of nuclear fuel components was included in prepayments, resulting in a significant reduction in the amount included in inventories.
- (5) 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 2020, 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 RMB186.9 million as compared with the corresponding period of 2019, mainly because the income increased as compared with the corresponding period of 2019. The net outflow of cash from investment activities decreased by RMB4,440.5 million as compared with the corresponding period of 2019, mainly due to the net increase by RMB2,793.9 million in the recovery of matured fixed deposits and the decrease in cash paid for investment after the commencement of commercial operation of Yangjiang Unit 6 and Taishan Unit 2. The net outflow of cash from financing activities increased by RMB6,173.9 million as compared with the corresponding period of 2019, mainly due to the cash paid for debt repayment increased by RMB7,664.3 million as compared with the corresponding period of 2019.

	For the six months ended June 30,			
	2020 RMB' 000	2019 RMB' 000	Fluctuations increase/ (decrease) RMB' 000	Percentage change increase/ decrease %
Net cash flows from operating activities	15,006,857.09	14,819,994.23	186,862.86	1.3
Net cash flows from investment activities	(3,270,916.00)	(7,711,427.65)	4,440,511.65	57.6
Net cash flows from financing activities	(15,304,544.81)	(9,130,602.83)	(6,173,941.98)	(67.6)

## 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, 2020.

### INVESTMENT IN FIXED ASSETS

For the six months ended June 30, 2020, the Group's investment in fixed assets amounted to approximately RMB4,135.3 million, representing a decrease of RMB3,609.1 million or 46.6% from RMB7,744.4 million in the corresponding period in 2019.

### SIGNIFICANT INVESTMENTS IN EQUITY

For the six months ended June 30, 2020, the Group increased its capital investment in associates by RMB198.5 million, of which RMB178.1 million and RMB20.4 million were made to 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.

### MATERIAL ACQUISITION AND DISPOSAL

The Group had no material acquisition or disposal for the six months ended June 30, 2020.

## Finance, Assets and Investments

### USE OF PROCEEDS

The Company issued 10,148,750,000 H shares by way of global offering in December 2014 with net proceeds of RMB21,603.5 million (in equivalent) from the offering after deducting various issuance costs. As of June 30, 2020, the Company had used RMB20,636.8 million of the net proceeds for the purposes as set out in the prospectus of the Company (the “Prospectus”), representing 95.5% of the net proceeds from the offering.

Unit: RMB'000

Item	Cumulative amount	
	As at June 30, 2020	As at December 31, 2019
Net proceeds from the listing	21,603,535	21,603,535
Less: Proceeds used	20,636,796	20,636,796
Among which: Acquisition of 60% of the equity interest in Taishan Nuclear Power Industry Investment Co., Ltd. and 12.5% of the equity interest in Taishan Nuclear	9,700,196	9,700,196
Capital expenditure for NPPs under construction	8,714,300	8,714,300
Research and development activities	888,900	888,900
Replenishment of working capital	1,333,400	1,333,400
Proceeds unused (will be used in accordance with the purpose of the proceeds approved by the 2019 annual general meeting)	966,739	966,739

In view of the development situation of international nuclear power in recent years, the Company has not determined the specific target of developing overseas market, nor has it carried out overseas projects. Moreover, it is expected that there will be no overseas investment projects in the next few years. Therefore, the proceeds for overseas market development listed in the Prospectus have not been used. In view of the orderly progress of the Company's nuclear power projects under construction, in order to improve the utilization efficiency of the proceeds and reduce the proceeds precipitation, the Company changed the use of the remaining unused proceeds with the approval of the 2019 annual general meeting on May 20, 2020, and the proceeds for overseas market development as listed in the Prospectus, that is, the unused proceeds of about RMB966.739 million, will be changed for the construction of Fangchenggang Units 3 and 4, and the interest and exchange income thereby generated will also be used for the construction of Fangchenggang Units 3 and 4. As at June 30, 2020, the remaining net proceeds unused and the interest and exchange income thereby generated amounted to RMB1,155.5 million in aggregate. The Company will use the total amount of unused proceeds before the end of 2020 according to the use of proceeds approved by the 2019 annual general meeting.

The Company issued 5,049,861,100 RMB ordinary shares (A shares) on the SZSE in August 2019 through the initial public offering with net proceeds of RMB12,389.8 million after deducting various issuance costs. As of December 31, 2019, the Company had used all of the net proceeds. For details, please refer to the supplemental announcement of the Company published on July 22, 2020.

## External Financing Environment

In the first half of 2020, as affected by the COVID-19, global economic growth slowed down, and international trade and investment suffered from significant shrinkage, leading to increased uncertainties. The Eurozone economy sank into recession, and the European Central Bank introduced a monetary easing policy to support economic recovery as well as the stability of the Euro. The economic activities in the United States had stagnated due to the continued impact of the COVID-19. The Federal Reserve System of the United States lowered the federal funds rate to 0% to 0.25%. Such ultra-loose monetary policy avoided a liquidity crisis, but its effect on economic recovery remained uncertain. The gross domestic product (“GDP”) in China declined by 1.6% year on year. With the effective control of the COVID-19 pandemic and after the slowdown in economic growth in the first quarter, China’s economy recovered steadily in the second quarter. In the first half of 2020, interest rates in the domestic market were at low levels, and the financing interest rate of the Company remained stable with a slight decrease. The RMB exchange rate fluctuates in both directions, and exchange rate risks still need attention.

In the first half of 2020, the Company comprehensively strengthened the organization, coordination, support and risk monitoring of financing, making full use of various financing channels, ensuring capital security and controlling financing costs. At the same time, we continuously monitored foreign currency debt exchange rate risk 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.

## Debt Financing

In the first half of 2020, 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, 2020, the Group’s total borrowings amounted to RMB203,290.4 million with major financing channels including bank borrowings (approximately 93.3%), bond financing (approximately 4.4%), 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 2020, in pace with the trend of the interest rate liberalization reform, the Company converted the basis of pricing for its existing long-term project loans to loan prime rate (LPR), and the interest rate level declined after the conversion, which will have a positive impact on the Company’s finance cost saving in 2020.

In May 2020, the Company completed the registration for the ultra-short-term financing notes amounting to RMB5,000.0 million, and will continue to proceed with the registration for the medium-term notes amounting to RMB10,000.0 million, which will be issued in a timely manner based on market conditions and the Company’s capital needs.

## Finance, Assets and Investments

### 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 2020, 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 2019, 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, 2020, we had credits for unutilized general banking facilities of RMB115,216.6 million, credits for ultra-short-term financing notes being readily available for public offering of RMB5,000.0 million and cash at bank and in hand of RMB13,345.8 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 May 2020, 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.

### Contingencies

#### External Guarantees

The Group confirmed that, as of June 30, 2020, the Group had not provided any external guarantee.



### Assets with Restricted Ownership

As of June 30, 2020, the Group's assets pledged to banks and related parties or with restricted ownership due to other reasons amounted to RMB19,299.1 million in carrying value, which secured loans for the Group. As of December 31, 2019, the carrying value of the Group's assets pledged to banks and related parties or with restricted ownership due to other reasons was RMB20,072.6 million.

As of June 30, 2020 and December 31, 2019, the electricity tariff collection rights of Lingdong Nuclear, Yangjiang Nuclear, Fangchenggang Nuclear, 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, 2020, 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 2020. 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



At the beginning of 2020, the unexpected outbreak of the COVID-19 had a great impact on China's economic and social development. While putting effective pandemic prevention and control measures in place, work and production have resumed across the country in an orderly manner, paving the way for the recovery and improvement in economic and social development. According to the data released by the National Bureau of Statistics on July 16, 2020, the GDP in the first half of 2020 decreased by 1.6% year on year; quarterly, the GDP decreased by 6.8%

in the first quarter and increased by 3.2% in the second quarter, both year on year. All these demonstrated that, China gradually overcame the adverse economic impacts brought about by the COVID-19 in the first half of 2020, showing a momentum of recovered growth and steady recovery in its economic operation. The fundamentals of a steadily growing economy in China have remained unchanged.

On May 22, 2020, the National Development and Reform Commission (the "NDRC") submitted the Report on the Implementation of the 2019 Plan for National Economic and Social Development and on the 2020 Draft Plan for National Economic and Social Development Plan 《關於2019年國民經濟和社會發展計劃執行情況與2020年國民經濟和社會發展計劃草案的報告》 at the third meeting of the 13th National People's Congress, which proposed the safe development of advanced nuclear power. On June 5, 2020, the National Energy Administration published the Guiding Opinions on Energy Work for 2020 《2020年能源工作指導意見》, which clearly pointed out that it is necessary to develop nuclear power safely, continue to implement the provisional measures for nuclear power offtake under the condition of securing nuclear safety, and strive for more generation of power with full capacity.

Along with the further resumption of work and production in China, the power demand in the whole society has gradually rebounded. According to the Briefings on the Operation of the National Power Industry from January to June 2020 《2020年1-6月份全國電力工業運行簡況》 published by the China Electricity Council (the "CEC"), in the first half of 2020, the electricity consumption in China decreased by 1.3% year on year, in particular, the electricity consumption in China in June increased by 6.1% over the corresponding period of previous year. In the first half of 2020, the national average utilization hours of power generating units was 1,727 hours, representing a year-on-year decrease of 107 hours, and the average utilization hours of nuclear power was 3,519 hours, a year-on-year increase of 90 hours. We believe that the electricity consumption of China will continue to recover in the second half of the year.

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, by closely monitoring the industry and market situation, and further exploring the trading pattern in the electricity market, we actively participated in market-oriented trading to seize market opportunities for more power generation and better power tariff.

## Business Performance and Analysis

In the first half of 2020, we managed 24 nuclear power generating units in operation and five nuclear power generating units under construction (including one unit under construction which was entrusted to the Company by the controlling shareholder of the Company for management). The operations of the 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 2020, 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 the first half of 2020, we actively responded to the impacts brought by the COVID-19, strictly put the pandemic prevention and control measures in place, and strengthened the safety management of work and production resumption. Fighting against the pandemic on two fronts, namely preventing pandemic and guaranteeing power supply, we established four lines of defense comprising personnel management, working area, production activities and support with supplies, to ensure the personal safety of employees and the safe and stable operation of our generating units. We were also invited to join the global nuclear power station medical expert working team organized by the World Association of Nuclear Operators (“WANO”) to fully share the pandemic prevention information and preventive measures, providing practical experience on pandemic prevention for the nuclear power stations worldwide.



## Business Performance and Outlook



In April 2020, we initiated the safety management leadership conference for the fifth consecutive year, which focused on “maintaining nuclear safety”, aiming at continuous improvement in the Company’s safety management with the spirit of perseverance and building a foundation for development in the new era. In order to further strengthen the implementation and performance of safety management actions, the Company implemented for the first time a special inspection and supervision mechanism for safety management led by senior management in every nuclear power base from May to June 2020. Under such leadership, we fostered a culture drawing everyone’s attention to safety, encouraging everyone’s participation in safety, and facilitating everyone’s supervision on safety, which enabled the Company to reinforce accountability at all levels and strengthen execution in safety management.



We continued to launch activities such as “On-site Management”, “Observing Nuclear Safety from Compliance with Procedures” and “Precautionary Education

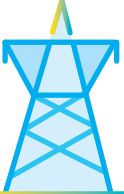
on Nuclear Safety” so as to enhance the nuclear safety culture awareness among all employees. At the same time, we continued to promote internal and external supervision as well as dynamic and transparent experience feedback. We organized regular emergency drills under different emergent scenarios and ensured effective operation of safety management system so as to promote the further enhancement of the Company’s safety management level.

In the first half of 2020, 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, the NPPs we operated and managed have maintained our all-time good safety record of no nuclear incident at level 2<sup>note</sup> 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 “incidents”, 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, 2020, we had 24 nuclear power generating units in operation. The on-grid power generation figures (unit: GWh) of our NPPs are as follows:

	For the six months ended June 30,		Change rate for the same period
	2020	2019	(%)
			
<b>Total on-grid power generation of subsidiaries</b>			
<b>15.89%</b>			
<b>Name of NPP</b>			
<i>From subsidiaries</i>			
Daya Bay NPP	8,368.19	7,659.88	9.25
Ling'ao NPP	7,126.06	6,643.73	7.26
Lingdong NPP	6,830.87	7,245.91	-5.73
Ningde NPP	13,806.93	12,637.64	9.25
Yangjiang NPP*	20,569.56	18,620.89	10.46
Fangchenggang NPP	7,680.15	7,277.10	5.54
Taishan NPP*	11,688.50	5,561.38	110.17
<b>Subsidiaries, total</b>	<b>76,070.27</b>	<b>65,646.52</b>	<b>15.88</b>
<i>From associates</i>			
Hongyanhe NPP	14,278.41	14,305.79	-0.19
<b>Subsidiaries and associates, total</b>	<b>90,348.68</b>	<b>79,952.31</b>	<b>13.00</b>

\* Yangjiang Unit 6 commenced commercial operation on July 24, 2019. Taishan Unit 2 commenced commercial operation on September 7, 2019.

In the first half of 2020, the Company strengthened communication with local governments and local power grids, and actively strived for more volume of planned power generation and market-based power generation, developed incremental markets, and participated in cross-regional power transmission. According to the electricity demand in China and the operating status of the generating units, we further optimized our outage plans of the units to increase the power generation capacity. We completed six refueling outages among our 24 nuclear power generating units in operation in the first half of 2020. The total number of calendar days for the refueling outages was about 200 days.

With our efforts, the aggregated on-grid electricity generation of the Group and its associates increased by 13.00% in the first half of 2020 as compared with the corresponding period of 2019 (excluding the effect of Yangjiang Unit 6 and Taishan Unit 2's commencement of operations in July and September 2019, the total on-grid power generation of other 22 nuclear power generating units operated and managed by the Group in the first half of 2020 is about 80,962.26 GWh, representing an increase of 1.26% over the corresponding period of 2019). For details of the sales of electricity, please refer to section headed "Sales of Electricity" in this report.

## Business Performance and Outlook

### 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 certain 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 operation of the generating units at reduced load of the generating units or shutdown of the generating units resulting from the demand and supply conditions in the electricity market.



The details of the operation performance of generating units we operated and managed in the first half of 2020 are as follows:

	Capacity factor (%)		Load factor (%)		Utilization hours (hours)	
	For the six months ended June 30,		For the six months ended June 30,		For the six months ended June 30,	
Nuclear power generating unit	2020	2019	2020	2019	2020	2019
<i>From subsidiaries</i>						
Daya Bay Unit 1	99.99	99.96	101.77	101.65	4,446	4,417
Daya Bay Unit 2 <sup>1</sup>	99.99	84.60	101.63	85.85	4,440	3,730
Ling'ao Unit 1 <sup>2</sup>	100.00	99.98	81.52	92.04	3,560	3,997
Ling'ao Unit 2 <sup>3</sup>	100.00	74.05	90.65	69.48	3,958	3,017
Lingdong Unit 1 <sup>4</sup>	82.35	99.99	75.47	89.87	3,294	3,901
Lingdong Unit 2 <sup>5</sup>	85.46	78.73	77.80	73.79	3,396	3,203
Yangjiang Unit 1 <sup>6</sup>	97.00	99.98	88.01	100.76	3,844	4,373
Yangjiang Unit 2 <sup>7</sup>	89.72	80.38	68.47	74.10	2,991	3,259
Yangjiang Unit 3 <sup>8</sup>	72.56	99.98	66.08	94.11	2,886	4,094
Yangjiang Unit 4 <sup>9</sup>	94.17	99.97	84.70	75.92	3,699	3,311
Yangjiang Unit 5 <sup>10</sup>	91.58	81.87	75.95	73.31	3,317	3,216
Yangjiang Unit 6 <sup>11</sup>	93.73	Under construction	79.15	Under construction	3,457	Under construction
Fangchenggang Unit 1 <sup>12</sup>	82.57	99.56	72.54	94.34	3,467	4,098
Fangchenggang Unit 2 <sup>13</sup>	99.98	84.17	90.53	70.30	4,064	3,054
Ningde Unit 1 <sup>14</sup>	83.26	96.60	68.11	83.89	2,975	3,644
Ningde Unit 2 <sup>15</sup>	99.99	99.99	81.63	67.65	3,566	2,939
Ningde Unit 3 <sup>16</sup>	100.00	83.15	82.65	69.96	3,610	3,039
Ningde Unit 4 <sup>17</sup>	98.51	81.71	79.59	66.72	3,476	2,898
Taishan Unit 1 <sup>18</sup>	95.66	82.78	87.69	78.14	3,569	3,394
Taishan Unit 2 <sup>19</sup>	97.03	Under construction	93.04	Under construction	3,594	Under construction
<i>From associates</i>						
Hongyanhe Unit 1 <sup>20</sup>	99.99	80.44	93.08	79.62	4,066	3,459
Hongyanhe Unit 2	81.66	83.01	76.05	79.45	3,322	3,452
Hongyanhe Unit 3 <sup>21</sup>	99.75	85.05	58.28	82.17	2,546	3,570
Hongyanhe Unit 4 <sup>22</sup>	90.05	99.62	84.81	72.32	3,705	3,142
<i>From subsidiaries and associates</i>						
Average	93.13	89.80	81.63	80.56	3,545	3,501

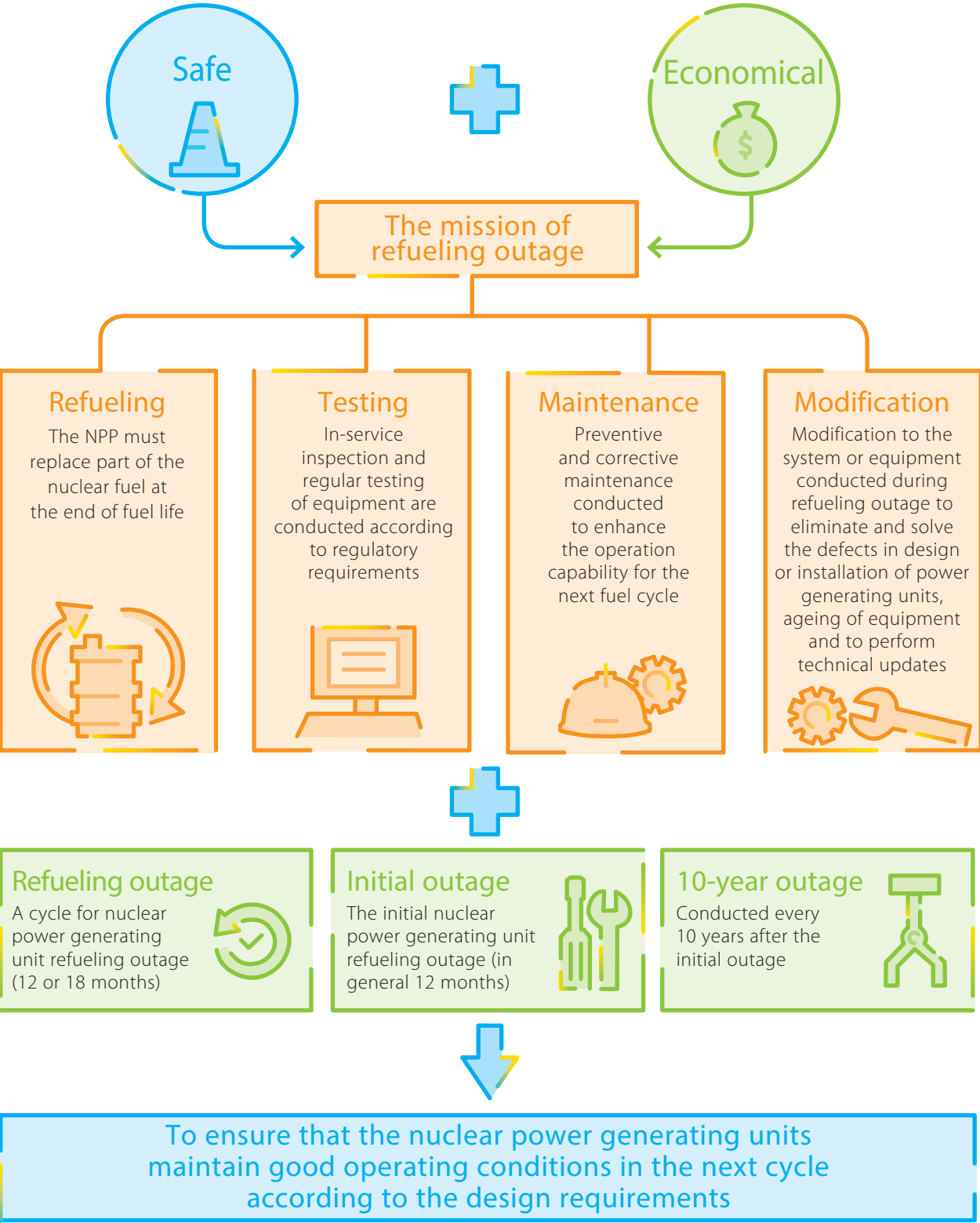
## Business Performance and Outlook

### Notes:

1. Daya Bay Unit 2 did not conduct any refueling outage in the first half of 2020 and completed a refueling outage for the corresponding period of previous year.
2. Ling'ao Unit 1 had a longer time of temporary operation at reduced load or shutdown at the request of power grids in the first half of 2020 as compared with the corresponding period of previous year.
3. Ling'ao Unit 2 did not conduct any refueling outage in the first half of 2020 and completed a refueling outage for the corresponding period of previous year.
4. Lingdong Unit 1 completed a refueling outage in the first half of 2020 and did not conduct any refueling outage for the corresponding period of previous year.
5. Lingdong Unit 2 completed a refueling outage in the first half of 2020 and the corresponding period of previous year. The time of refueling outage in the first half of 2020 was shorter compared with the corresponding period of last year.
6. Yangjiang Unit 1 had a longer time of temporary operation at reduced load or shutdown at the request of power grids in the first half of 2020 as compared with the corresponding period of previous year.
7. Yangjiang Unit 2 did not conduct any refueling outage in the first half of 2020 and completed a refueling outage for the corresponding period of previous year, and had a longer time of temporary operation at reduced load or shutdown at the request of power grids in the first half of 2020 as compared with the corresponding period of previous year.
8. Yangjiang Unit 3 completed a refueling outage in the first half of 2020 and did not conduct any refueling outage for the corresponding period of previous year.
9. Yangjiang Unit 4 had a shorter time of temporary operation at reduced load or shutdown at the request of power grids in the first half of 2020 as compared with the corresponding period of previous year.
10. Yangjiang Unit 5 did not conduct any refueling outage in the first half of 2020 and completed a refueling outage for the corresponding period of previous year, and had a longer time of temporary operation at reduced load or shutdown at the request of power grids in the first half of 2020 as compared with the corresponding period of previous year.
11. Yangjiang Unit 6 commenced commercial operation on July 24, 2019.
12. Fangchenggang Unit 1 completed a refueling outage in the first half of 2020 and did not conduct any refueling outage for the corresponding period of previous year.
13. Fangchenggang Unit 2 did not conduct any refueling outage in the first half of 2020 and completed a refueling outage for the corresponding period of previous year.
14. Ningde Unit 1 completed a refueling outage in the first half of 2020, and completed a refueling outage which was carried over to the following year for the corresponding period of previous year. The time of refueling outage in the first half of 2020 was shorter compared with the corresponding period of last year.
15. Ningde Unit 2 had a shorter time of temporary operation at reduced load or shutdown at the request of power grids in the first half of 2020 as compared with the corresponding period of previous year.
16. Ningde Unit 3 did not conduct any refueling outage in the first half of 2020 and completed a refueling outage for the corresponding period of previous year.
17. Ningde Unit 4 did not conduct any refueling outage in the first half of 2020 and completed a refueling outage for the corresponding period of previous year.
18. The time of shutdown of Taishan Unit 1 in the first half of 2020 was shorter compared with the corresponding period of last year.
19. Taishan Unit 2 commenced commercial operation on September 7, 2019.
20. Hongyanhe Unit 1 did not conduct any refueling outage in the first half of 2020 and completed a refueling outage for the corresponding period of previous year.
21. Hongyanhe Unit 3 did not conduct any refueling outage in the first half of 2020 and completed a refueling outage for the corresponding period of previous year, and had a longer time of temporary operation at reduced load or shutdown at the request of power grids in the first half of 2020 as compared with the corresponding period of previous year.
22. Hongyanhe Unit 4 completed a refueling outage in the first half of 2020 and did not conduct any refueling outage for the corresponding period of previous year.



Based on the design of pressurized water reactor (the "PWR") NPPs, the nuclear reactor of each unit in operation must be shut down and refueled after a certain period of time. The refueling intervals of Hongyanhe Unit 3 and Hongyanhe Unit 4 are generally 12 months, while the refueling intervals of other NPPs are generally 18 months.



## Business Performance and Outlook

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.



## Pursuit of Excellence

“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 all 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 (advanced level) and top 1/10 level (excellent level) remained at a high level, leading among industry peers. As at March 15, 2020, Ling’ao Unit 1 has been operating without unplanned reactor shutdown for more than 5,000 days (excluding refueling outages duration), meaning that it has been operating safely and stably for 15 consecutive years, which is 15 months longer than its foreign counterpart ranking second at present.

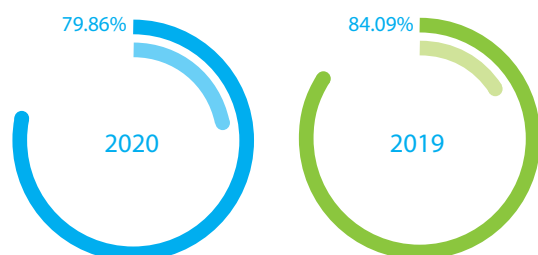


## Business Performance and Outlook

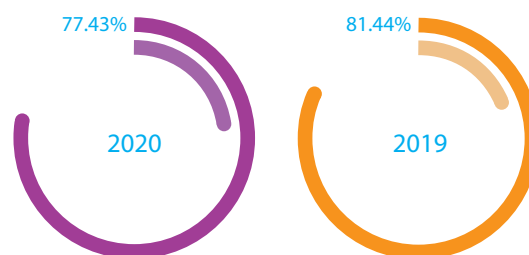
The following table indicates the comparison of the one-year benchmark value of the 12 performance indicators for the PWR by WANO for the six months ended June 30, 2020 and the corresponding period of previous year:

	For the six months ended June 30,	
	2020	2019
Number of units	24	22
Total number of indicators	288	264
Including:		
Number of indicators ranked top 1/4 level (advanced level) in the world	230	222
Number of indicators ranked top 1/10 level (excellent level) in the world	223	215

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



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



## Environmental Performance


We continued to improve radioactive waste management, optimize the control over the discharge process of liquid radioactive waste and gas radioactive waste (the “Discharge”) and strictly comply with emission control standards. In the first half of 2020, the radioactive waste management of the 24 generating units in operation managed by us strictly complied with the relevant national laws and regulations, and met the standards of the relevant technical specifications.

The following table sets forth the emission of the various types of radioactive waste discharged at our NPPs during the Reporting Period 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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Discharged liquid radioactive waste (radionuclides other than tritium) as a percentage of the national standards	0.10%	0.15%	0.20%	0.19%	0.18%	0.19%	0.10%	0.14%	1.52%	1.30%	0.08%	0.11%
Discharged gas radioactive waste (inert gases) as a percentage of the national standards	0.21%	0.22%	0.11%	0.17%	0.15%	0.15%	0.14%	0.14%	0.84%	0.70%	0.07%	0.07%
Solid radioactive waste (cubic eters)	45.5	74.0	64.2	28	40.1	42.3	73.6	65.6	0	0	50.8	64.4
Results of environmental monitoring	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal

Note: The reasons for changes in the data mainly include: the refueling outage plan is different for every unit, maintenance projects are different; Yangjiang Unit 6 and Taishan Unit 2 commenced commercial operation in the second half of 2019; the annual discharge limit of Taishan Nuclear Power Station was different from other power stations, and there is no comparability between the power stations.


Nuclear power is a clean energy source that contributes to energy saving and emissions reduction in the society. In the first half of 2020, our on-grid nuclear power generation in effect represented a reduction of approximately 27.3395 million tons of standard coal consumption, approximately 75.7122 million tons of CO<sub>2</sub> emissions, with an equivalent effect of planting a forest of approximately 203,300 hectares.



**Reduced standard coal consumption by approximately**  
**27.3395 million tons**



**Reduced CO<sub>2</sub> emissions by approximately**  
**75.7122 million tons**



**An equivalent effect of planting a forest of approximately**  
**203,300 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 nuclear power generating units after commencement of operation. We meticulously organize project construction in strict compliance with the requirements of relevant laws and regulations. For all the major construction milestones being required to pass the inspection of 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, 2020, among our five nuclear power generating units that were under construction, two were in the civil construction phase (including one unit under construction which was entrusted to the Company by the controlling shareholder for management), two were in the equipment installation phase and one was in the commissioning phase.

We controlled, supervised and managed aspects including the safety, quality, progress, investment, technology and environment of our construction projects, so as to ensure that the projects under construction complied with various regulatory requirements and facilitate safe, stable and economical operation of the units after commencement of commercial operation.

Nuclear Power Generating Units	Civil Construction Phase <sup>1</sup>	Equipment Installation Phase <sup>2</sup>	Commissioning Phase <sup>3</sup>	Grid Connection Phase <sup>4</sup>	Expected Time of Commencement of Operation
<i>From subsidiaries</i>					
Fangchenggang Unit 3		√			2022
Fangchenggang Unit 4	√				2022
<i>From associates</i>					
Hongyanhe Unit 5			√		Second half of 2021
Hongyanhe Unit 6		√			First half of 2022
<i>From the company which was entrusted by the controlling shareholder for management</i>					
Huizhou Unit 1	√				2025

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 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 China's regulatory and safety requirements for nuclear safety, so the actual date of commencement of operation may be different from such expected time. We will disclose updated information pursuant to the relevant requirements from time to time.



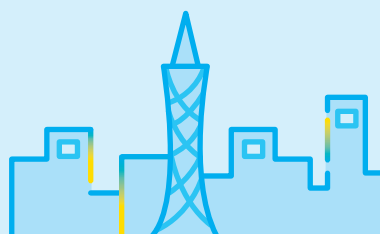
## Business Performance and Outlook

### Sales of Electricity

The supply and demand for electricity in China was generally at ease in the first half of 2020. 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 2020, the overall economic benefits of the Company were guaranteed.

#### Guangdong Province

In the first half of 2020, the electricity consumption of Guangdong province decreased by 2.1% 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 2020, recording a year-on-year increase of 19.36% in on-grid power generation.



#### Fujian Province

In the first half of 2020, the electricity consumption of Fujian province decreased by 0.6% over the corresponding period of previous year. In the first half of 2020, under the influence of the relatively less precipitation and as requested by power grids, Ningde Nuclear recorded a year-on-year decrease in the duration of reduced load, and a year-on-year increase of 9.25% in on-grid power generation.



#### Guangxi Zhuang Autonomous Region

In the first half of 2020, the electricity consumption of Guangxi Zhuang Autonomous Region increased by 3.9% over the corresponding period of previous year. In the first half of 2020, as requested by power grids, Fangchenggang Nuclear recorded a year-on-year decrease in the duration of reduced load, and a year-on-year increase of 5.54% in on-grid power generation.



#### Liaoning Province

In the first half of 2020, the electricity consumption of Liaoning province decreased by 1.4% over the corresponding period of previous year. In the first half of 2020, as requested by power grids, Hongyanhe Nuclear recorded a year-on-year increase in the duration of reduced load, and a year-on-year decrease of 0.19% in on-grid power generation.





In the first half of 2020, our nuclear power generating units in operation achieved an on-grid power generation of 90,348.68 GWh, representing a year-on-year increase of 13.00%, of which market-based power generation volume accounted for approximately 25.46% 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. In the first half of 2020, the planned on-grid tariffs of operating units of the Company remained stable and unchanged. As the balance between national electricity trading market has gradually become mature, rationality has been restored in the market-based on-grid tariff, and the market-based on-grid tariff of the Company have remained stable. The following table sets out the on-grid tariffs (VAT included) of the planned power generation of the Company's nuclear power generating units in operation.

<b>Nuclear Power Generating Units</b>	<b>Clients</b>	<b>On-grid Tariffs (VAT included) (RMB/kWh)</b>
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
Yangjiang Unit 6	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
Taishan Unit 2	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

## Business Performance and Outlook

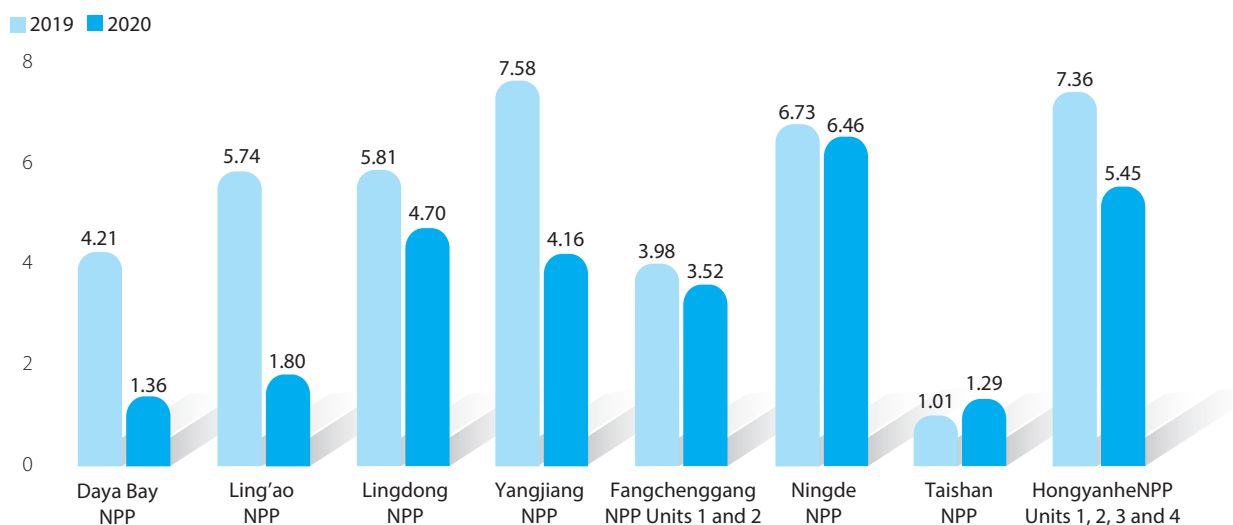
### Human resources

As of June 30, 2020, the total number of employees of the Group was 18,127 employees (excluding our associates).

We pay close attention to the occupational health of our employees who carry out 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 2020 and that of 2019 at NPPs operated and managed by us:

Maximum individual radiation exposure index among the personnel who entered into the control area to work



Note: The changes in data are primarily due to the differences in outage schedules and maintenance projects during the six months ended June 30, 2020.

## 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 professional public information platform on nuclear and radiation safety. The information made available to the public includes monthly 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 occurring at a nuclear power generating unit in operation must be published on the public information platform within two working days from the day the incident was defined.

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 NPPs 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 2020, the Company and our NPPs convened three press conferences.

### Transparent Public Communication

We adhere to transparent communication, constantly explore the open and transparent communication mechanisms, and increase efforts in popularizing nuclear power science. 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 public confidence in nuclear power.

In April 2020, during the outbreak of COVID-19, CCTV's news channel had a live broadcast of the process of picking tea leaves in the white tea plantation at Ningde NPP while introducing the pandemic prevention measures taken by Ningde NPP during the outbreak of COVID-19 and the status of work resumption, so that the public can understand the harmonious coexistence of nuclear power and its surrounding environment, which enhanced public confidence in the safe and stable operation of NPPs.



## Business Performance and Outlook

In June 2020, in pace with the COVID-19 prevention and control, Hongyanhe Nuclear hosted the “6th May Environment Day, Traveling Around Hongyanhe” online interactive live streaming event. Our host led the public to explore the environmental laboratory at Hongyanhe NPP on live streaming, revealing how to monitor the environmental indicators such as air, ocean, and organisms, so that the public can fully understand the environmental monitoring and environmental protection of nuclear power bases without leaving home, and enhance their trust in nuclear power.

### 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 April 2020, in order to solve the travel problems of some poor households in Longhuai Village, Lingyun County, Baise City, Guangxi Zhuang Autonomous Region, Fangchenggang Nuclear set up a team to build “People’s Stairs” with the funds raised by its employees.



Fangchenggang Nuclear built “People’s Stairs” for villagers

Pingshan Village, Tuoshan Township, Wafangdian, is a village supported by Hongyanhe Nuclear for poverty alleviation, which is about 25 kilometers northeast of the NPP. In recent years, Hongyanhe Nuclear has made efforts into poverty alleviation in Pingshan Village in many ways. In June 2020, with an focus on mountain cherries, papery dried shrimps, dried fish and other specialty agricultural products in Pingshan Village, Hongyanhe Nuclear had a live broadcast on poverty alleviation to help villagers open up sales channels and increase income.



In the first half of 2020, in the face of such an unexpected outbreak, we worked hard to prevent and control the pandemic and resume work and production within the Company. While providing a stable guarantee on power and energy, we pulled out all stops to provide support for local governments to fight the COVID-19 and tide over the difficulties. As approved at the Company's 2019 annual general meeting, we donated RMB30 million to support the prevention and control of the COVID-19 in Hubei Province. Our NPPs also actively supported the local governments, as well as their surrounding communities and overseas partners with anti-pandemic supplies which were scarce in supply, in order to contribute to the battle against the COVID-19 with a united will.

In February 2020, DNMC provided a batch of urgently needed protective supplies to The First Affiliated Hospital of Sun Yat-sen University as emergency support, including 2,000 KN95 medical antiviral masks and 1,000 disposable paper suits.



## Business Performance and Outlook

In February 2020, Taishan Nuclear provided 3,000 sets of protective suits and 3,000 medical antiviral masks to the frontline medical team from Guangdong Province to aid Wuhan City, as well as the hospitals in Wuhan City.



In February 2020, under the guidance of chemical engineers, dozens of employee volunteers of Yangjiang Nuclear used the sodium hypochlorite in the reserve to produce more than 2,200 liters of disinfectant, totaling 1,700 bottles. After meeting the needs of the NPPs, the remaining disinfectant were given out to the designated poverty alleviation villages and their surrounding communities, hospitals and primary schools.

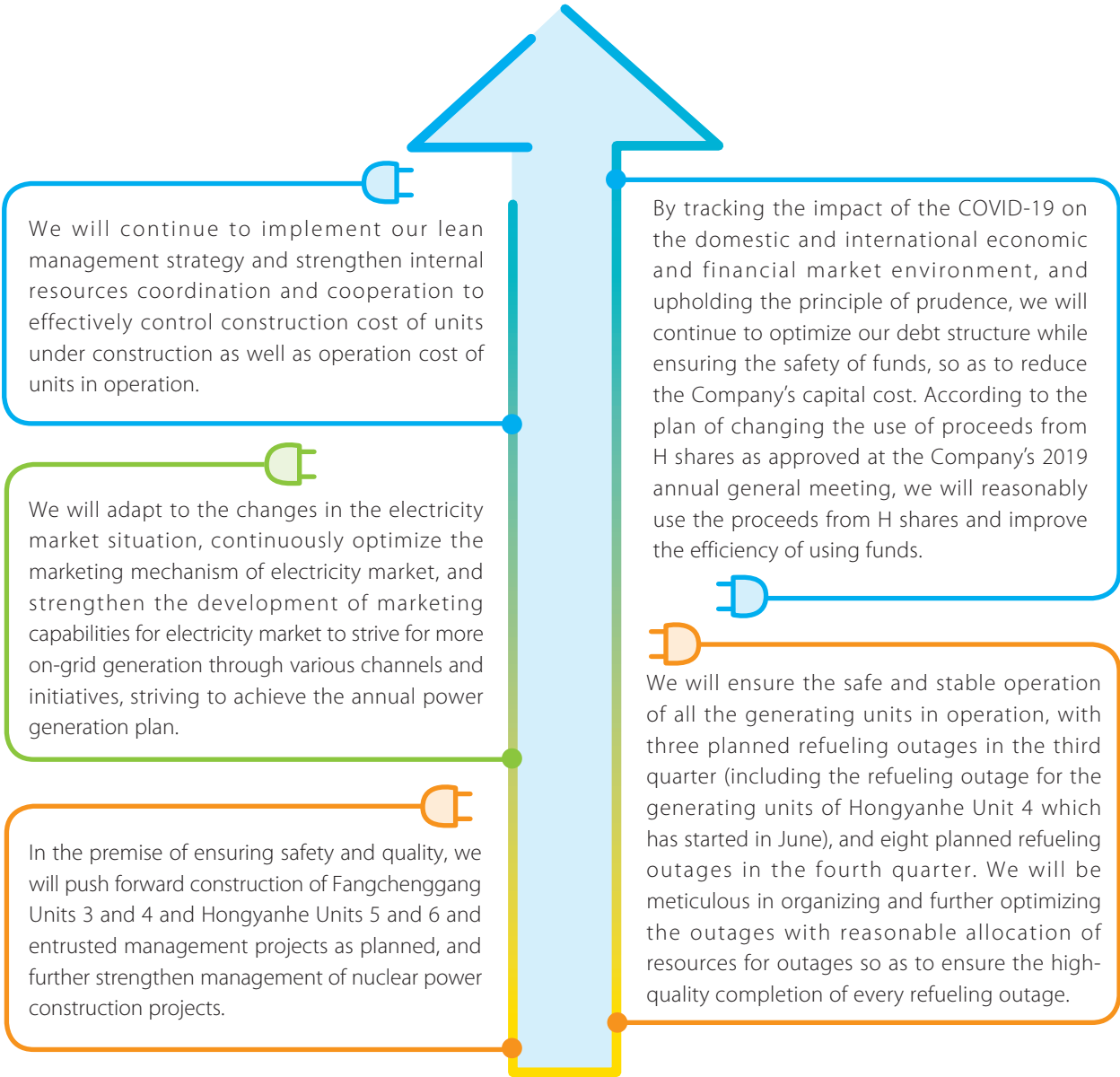


## Outlook for the Second Half of the Year

In the first half of 2020, the COVID-19 has certain impacts on China’s overall economic operation and power demand. The nuclear power units managed by the Group have experienced a certain degree of load reduction or shutdown after the Spring Festival. As the COVID-19 has been brought under control in China, the resumption of work and production promoted the gradual recovery of power demand in the whole society. The utilization rate of nuclear power units has also gradually increased to a normal level.

In the second half of 2020, we will implement the necessary precautionary measures to control and manage the COVID-19 situation to ensure 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 of the Company.

In the second half of 2020, we plan to carry out the following initiatives:



We will continue to implement our lean management strategy and strengthen internal resources coordination and cooperation to effectively control construction cost of units under construction as well as operation cost of units in operation.

We will adapt to the changes in the electricity market situation, continuously optimize the marketing mechanism of electricity market, and strengthen the development of marketing capabilities for electricity market to strive for more on-grid generation through various channels and initiatives, striving to achieve the annual power generation plan.

In the premise of ensuring safety and quality, we will push forward construction of Fangchenggang Units 3 and 4 and Hongyanhe Units 5 and 6 and entrusted management projects as planned, and further strengthen management of nuclear power construction projects.

By tracking the impact of the COVID-19 on the domestic and international economic and financial market environment, and upholding the principle of prudence, we will continue to optimize our debt structure while ensuring the safety of funds, so as to reduce the Company’s capital cost. According to the plan of changing the use of proceeds from H shares as approved at the Company’s 2019 annual general meeting, we will reasonably use the proceeds from H shares and improve the efficiency of using funds.

We will ensure the safe and stable operation of all the generating units in operation, with three planned refueling outages in the third quarter (including the refueling outage for the generating units of Hongyanhe Unit 4 which has started in June), and eight planned refueling outages in the fourth quarter. We will be meticulous in organizing and further optimizing the outages with reasonable allocation of resources for outages so as to ensure the high-quality completion of every refueling outage.

# 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. At the same time, on November 14, 2018, the Board approved the second revision of the Corporate Governance Code of CGN Power Co., Ltd. 《中國廣核電力股份有限公司企業管治守則》, which mainly considered and reflected the proposed revision requirements of the Stock Exchange Codes. The Corporate Governance Code of CGN Power Co., Ltd. 《中國廣核電力股份有限公司企業管治守則》 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 and all recommended best practices.

During the Reporting Period, the Company held one annual general meeting, one H shareholders’ class meeting, one A shareholders’ class meeting, three regular Board meetings, three extraordinary Board meetings and four meetings of the supervisory committee of the Company (the “**Supervisory Committee**”).

The 2019 annual general meeting, 2020 first H shareholders’ class meeting and 2020 first A shareholders’ class meeting were held on May 20, 2020 in Shenzhen. The Board presented the 2019 operating results, the development for the first quarter of 2020 and the future outlook of the Company to all the shareholders present at the meetings. The Company’s profit distribution plan for the year 2019, the general mandates to issue and repurchase shares and other related proposals were considered and approved at the meetings.

According to the Articles of Association of CGN Power Co., Ltd.\* (the “**Articles of Association**”), each term of office of the directors (the “**Directors**”) and supervisors (the “**Supervisors**”) of the Company shall be three years and they may be re-elected for continuous appointment. The term of the second session of the Board and the second session of the Supervisory Committee expired on May 23, 2020. In accordance with the progress of the nomination of candidates for Directors of the new session of the Board and for Supervisors of the new session of the Supervisory Committee, the Company published an announcement on the postponed election of the new session of the Board and the Supervisory Committee on May 11, 2020, regarding the election of the third session of the Board and the Supervisory Committee will be postponed to be completed at the 2020 first extraordinary general meeting held on August 5, 2020. All members of the second session of the Board and the second session of the Supervisory Committee will continue to perform their duties until the date when the third session of the Board and the third session of the Supervisory Committee are formed in the election at the 2020 first extraordinary general meeting.





## Compliance with Domestic Regulatory Requirements

During the Reporting Period, the corporate governance practices of the Company were in compliance with the laws and regulations of the PRC, the relevant regulatory requirements of China Securities Regulatory Commission 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, a special resolution to approve the amendments to the Articles of Association was considered and passed at the Company's 2019 annual general meeting held on May 20, 2020.

The major amendments to the Articles of Association are as follows:

According to the latest amended requirements of the Company Law of the People's Republic of China (2018 amendments) and the China Securities Regulatory Commission's the Guidelines for the Articles of Association of Listed Companies (2019 amendments), the descriptions related to, among other things, the acquisition and repurchase of shares by the Company in the Articles of Association were adjusted.

According to the requirements of the Reply of the State Council on Adjusting the Provisions Applicable to the Notice Period of General Meetings of Overseas Listed Companies (Guo Han [2019] No. 97), the time limit for notification of the shareholders' meetings of the Company was amended.

According to the latest amended requirements of the China Securities Regulatory Commission's the Guidelines for the Articles of Association of Listed Companies (2019 amendments), it was clarified that directors may be removed from office by a shareholders' general meeting before the expiry of the term of office, and the relevant requirements on the performance of duties, the composition and the working procedures of the special committees of the Board were added.

According to Rules 2.1 and 2.2 of Appendix 16 to the Listing Rules, combined with the actual operation of the Company, it was clarified that the Company's financial statements and the interim results or financial information announced or disclosed by the company shall be prepared in accordance with the China Accounting Standards for Business Enterprises.

According to the above amendments to the Articles of Association, the Company adopted the amendments to the Procedural Rules of General Meetings and the Procedural Rules of The Board of Directors at the 2020 first extraordinary general meeting held on August 5, 2020.

## Corporate Governance

### Changes in Directors, Supervisors and Senior Management

As of the date of this report, the list of names of the Board, the Supervisory Committee and senior management of the Company are as follows:

#### The Board

Non-executive Directors	Executive Directors	Independent non-executive Directors
Mr. Yang Changli (chairman)	Mr. Gao Ligang	Mr. Li Fuyou
Mr. Shi Bing	Mr. Jiang Dajin	Mr. Yang Jiayi
Mr. Wang Wei		Mr. Xia Ceming
Mr. Gu Jian		

- Due to changes in work commitments, Mr. Zhang Shanming resigned as the chairman of the second session of the Board of the Company, non-executive Directors and members of relevant special committees of the Board, with effect from March 3, 2020.
- The appointment of Mr. Yang Changli and Mr. Wang Wei as non-executive Directors of the second session of the Board of the Company was approved at the Company's 2019 annual general meeting with effect from May 20, 2020. On the same date, Mr. Yang Changli was elected as the chairman of the Company at the 17th meeting of the second session of the Board held on the same date with effect from May 20, 2020.
- Mr. Tan Jiansheng retired at the retirement age and resigned as a non-executive Director of the second session of the Board of the Company with effect from June 4, 2020.
- Mr. Gao Ligang and Mr. Jiang Dajin were elected as executive Directors of the third session of the Board of the Company, Mr. Yang Changli, Mr. Shi Bing, Mr. Wang Wei and Mr. Gu Jian as non-executive Directors of the third session of the Board of the Company, and Mr. Li Fuyou, Mr. Yang Jiayi and Mr. Xia Ceming as independent non-executive Directors of the third session of the Board of the Company at the Company's 2020 first extraordinary general meeting with effect from August 5, 2020. Meanwhile, Mr. Jiang Dajin replaced Mr. Gao Ligang as the authorised representative of the Company with effect from August 5, 2020. Mr. Yang Changli was elected as the chairman of the Company at the first meeting of the third session of the Board held on the same date with effect from August 5, 2020.

#### Supervisory Committee

Non-employee representative Supervisors	Employee representative Supervisors
Mr. Chen Sui (Chairman)	Ms. Zhu Hui
Mr. Hu Yaoqi	Mr. Wang Hongxin
Mr. Zhang Baishan	

- Mr. Chen Sui, Mr. Hu Yaoqi and Mr. Zhang Baishan were elected as non-employee representative Supervisors of the third session of the Supervisory Committee of the Company at the Company's 2020 first extraordinary general meeting with effect from August 5, 2020. Mr. Chen Sui was elected as the chairman of the Supervisory Committee of the Company at the first meeting of the third session of the Supervisory Committee held on the same date with effect from August 5, 2020. The Company held the 2020 first employee representative meeting on June 15, 2020, and Ms. Zhu Hui and Mr. Wang Hongxin were elected as the employee representative Supervisors of the third session of the Supervisory Committee of the Company with effect from August 5, 2020. The above-mentioned non-employee representative Supervisors and the employee representative Supervisors, namely Mr. Wang Hongxin and Ms. Zhu Hui, jointly formed the third session of the Supervisory Committee.

## Senior management

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

- Mr. Jiang Dajin resigned as the joint company secretary and the Board secretary due to the expiry of his term of office with effect from August 5, 2020. The Company appointed Mr. Yin Engang as the joint company secretary and the Board secretary on the same date, with effect from August 5, 2020.


Except for the above changes, there is no significant change in the information on the Board, the Supervisory Committee and senior management and the particulars contained in the 2019 Annual Report.

The details of the Directors required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules are set out as follows:

Mr. Yang Changli, born in 1964, he has served as the chairman and a non-executive Director of the Company since May 2020, he has a master's degree in engineering and is a senior postgraduate engineer. Mr. Yang has extensive experience in areas including nuclear power, nuclear fuel, research and development of technology as well as safety and quality management. He served as the deputy director of Research Institute of Physical and Chemical Engineering of Nuclear Industry (核工業理化工程研究院) from June 1996 to November 1997; the deputy director of State-owned Factory No. 405 (國營405廠) from November 1997 to November 1998; the deputy director of Research Institute of Physical and Chemical Engineering of Nuclear Industry from November 1998 to June 1999; the deputy director and director of the Technology and International Cooperation Department of China National Nuclear Corporation (中國核工業集團公司) from June 1999 to July 2006; a member of the party group and the deputy general manager of China National Nuclear Corporation from July 2006 to January 2020; and the deputy secretary of the party committee and a director of CGNPC from January to February 2020. Since February to July 2020, he has been serving as the deputy secretary of the party committee, a director and the general manager of CGNPC; he has served as the secretary of the party committee, chairman and the general manager of CGNPC from July 2020.

Mr. Jiang Dajin, born in 1962, he served as a vice president of the Company since May 2018, and has been an executive Director of the Company since August 2020. He has a bachelor's degree and is a senior engineer (researcher-level). Mr. Jiang Dajin has more than 35 years of experience in the nuclear power industry. He served as an assistant to general manager and the head of design institute of China Nuclear Power Engineering Co., Ltd. (中廣核工程有限公司) from January 2009 to January 2012, as a director of Yangjiang Nuclear Power Co., Ltd. (陽江核電有限公司) from December 2011 to July 2018 and as a general manager of Yangjiang Nuclear Power Co., Ltd. (陽江核電有限公司) from January 2012 to July 2018, he served as a Board Secretary from November 2018 to August 2020, and served as a joint company secretary of the Company from December 2018 to August 2020. He has been the chairman of Guangxi Fangchenggang Nuclear Power Co., Ltd. (廣西防城港核電有限公司) since February 2020 and the chairman of China Nuclear Power Operations Co., Ltd. (中廣核核電運營有限公司) since March 2020.

## Corporate Governance



Mr. Gu Jian, born in 1963, has served as a non-executive Director of the Company since August 2020. Mr. Gu Jian holds a Master of Business Administration degree and is a senior engineer (researcher level). Mr. Gu Jian has over 35 years of experience in nuclear power engineering, operation and management. He respectively served as assistant general manager and deputy general manager of Fujian Fuqing Nuclear Power Co., Ltd. (福建福清核電有限公司) from November 2005 to January 2016 and deputy general manager and general manager of CNNC Guodian Zhangzhou Energy Co., Ltd. (中核國電漳州能源有限公司) from January 2016 to September 2018. Mr. Gu Jian is currently the deputy general manager of China Nuclear Power Co., Ltd. (中國核能電力股份有限公司), a nuclear power generation company listed on the Shanghai Stock Exchange (stock code: 601985).



Mr. Li Fuyou, born in 1955, has served as an independent non-executive Director of the Company since August 2020. He holds a bachelor's degree and is a senior engineer (professor level) and received a special government allowance from the State Council. Mr. Li Fuyou has extensive experience in energy, coal and safety management, and served as deputy secretary of the party committee of Hengshan Mine of Jixi Mining Bureau (雞西礦務局恒山煤礦), deputy director of the diversified business department of the Mining Bureau, deputy director of the Organization Department of the party committee from January 1987 to May 1992. He served successively as secretary of the party committee and director of Muling Mine of Jixi Mining Bureau (雞西礦務局穆稜煤礦) from May 1992 to November 1995, general manager of China Coal Heilongjiang Branch (中煤黑龍江分公司) from November 1995 to August 2001, chairman of China Coal Qinhuangdao Co., Ltd. (中煤秦皇島有限公司) and general manager of Qinhuangdao Branch (秦皇島分公司) from August 2001 to December 2004, director of Safety Supervision Bureau of China National Coal Group Corporation (中國中煤能源集團有限公司) from December 2004 to March 2005, assistant general manager and director of Safety Supervision Bureau of China National Coal Group Corporation from March 2005 to January 2006, successively assistant general manager and director of Safety Supervision Bureau and director of production coordination department of China National Coal Group Corporation from January 2006 to August 2006, vice president of China Coal Energy Company Limited (中國中煤能源股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 1898) and Shanghai Stock Exchange (stock code: 601898) from August 2006 to September 2010, executive director and general manager of China Coal Xi'an Designing and Engineering Co., Ltd. (中煤西安設計工程有限公司) from April 2008 to June 2008, chairman and deputy secretary of the party committee of Shanghai Energy Company Limited (上海能源股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600508) from March 2009 to September 2010, chairman of Datun Coal and Electricity (Group) Co., Ltd., (大屯煤電(集團)有限公司), a member of the standing committee of the party committee and deputy general manager of China National Coal Group Corporation from September 2010 to July 2016.

Mr. Yang Jiayi, born in 1958, has served as an independent non-executive Director of the Company since August 2020. He is a master's degree holder in economics, senior engineer (professor level), senior accountant and Chinese Certified Public Accountant. He is also the executive director of the China Association of Chief Financial Officers and the Chinese Accounting Association. Mr. Yang Jiayi has extensive experience in the fields of financial accounting, auditing, investment and financing management. From July 1982 to September 1983, he worked as a technical cadre in Municipal Construction Commission of Yuci City, Shanxi Province (山西省榆次市建委). From July 1986 to February 1996, he served as a lecturer, director of the teaching and research department, associate professor and deputy director at the department of investment economics of Central University of Finance & Economics (中央財政金融學院). From February 1996 to December 2003, he served as the deputy general manager of Beijing International Power Development and Investment Company (北京國際電力開發投資公司), and also served as the director of various companies, including Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 00991; a company listed on the Shanghai Stock Exchange, stock code: 601991), Beijing Jingneng Power Co., Ltd. (北京京能電力股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600578), Inner Mongolia Datang International Tuoketuo Power Generation Company Limited (內蒙古大唐國際托克托發電有限責任公司), Beijing Securities Limited (北京證券有限公司) and Beijing International Trust Co., Ltd. (北京國際信託有限公司). He has been the chief accountant of China Energy Conservation Investment Co., Ltd. (中國節能投資公司) from December 2003 to May 2010 and the chief accountant of China Energy Conservation and Environmental Protection Group (中國節能環保集團公司) from May 2010 to December 2014. From December 2014 to May 2018, Mr. Yang Jiayi was a member of the standing committee of the party committee and chief accountant of China Energy Conservation and Environmental Protection Group (中國節能環保集團公司). Mr. Yang Jiayi has served as an independent director of China XD Electric Co., Ltd. (中國西電電氣股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601179) since January 2020.

Mr. Xia Ceming, born in 1957, has served as an independent non-executive Director of the Company since August 2020. He holds a master's degree and is an engineer. Mr. Xia Ceming has extensive experience in macro policy and enterprise supervision. He successively served as a member, chief member, deputy director and director of the production planning division of planning department of the Ministry of Chemical Industry from February 1982 to October 1994. He successively served as a director of the Chemical Planning Office of the Economic Policy Coordination Department, a cadre at the division level of the enterprise turnaround office and a researcher for the Enterprise Reform Department of the State Economic and Trade Commission from November 1994 to November 2002. He successively served as a full-time supervisor at the division level of the key large state-owned enterprise board of supervisors, deputy director, a full-time director at the deputy bureau level, and a full-time director at the bureau level of the State Council from December 2002 to December 2017. He has been serving as a director of China Nonferrous Metal Mining (Group) Co., Ltd. (中國有色礦業集團有限公司) since April 2018.

The details of the Supervisors required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules are set out as follows:

Mr. Hu Yaoqi, born in 1966, has served as a non-employee representative Supervisor of the Company since August 2020. He holds a bachelor's degree and is an accountant. Mr. Hu Yaoqi has extensive experience in financial management, auditing, fund management and investment management. Since 2013, he has served as the deputy director of the financial management department of Guangdong Hengjian Investment Holding Co., Ltd. (廣東恒健投資控股有限公司), the director and general manager of Guangdong Hengwang Investment Development Co., Ltd. (廣東恒旺投資發展有限公司) and the director and general manager of Guangdong Agricultural Supply Side Structural Reform Funds Management Co., Ltd. (廣東省農業供給側結構性改革基金管理有限公司) and currently serves as the director of the risk control and legal department of Guangdong Hengjian Investment Holding Co., Ltd. (廣東恒健投資控股有限公司).

## Corporate Governance



Mr. Zhang Baishan, born in 1971, has served as a non-employee representative Supervisor since August 2020. He holds a bachelor's degree and is a senior accountant. Mr. Zhang Baishan has more than 25 years of experience in finance, cost budget and financial information technology. From March 2008 to March 2011, he served as the deputy director and director of the financial department of Nuclear Power Qinshan Joint Venture Co., Ltd. (核電秦山聯營有限公司) and from March 2011 to January 2012, he served as the deputy director (in charge of the work) of the financial department of CNNC Nuclear Power Operation Management Co., Ltd. (中核核電運行管理有限公司). From January 2012 to May 2013, he served as the director of the operation finance department of the financial center of CNNC Nuclear Power Operation Management Co., Ltd. (中核核電運行管理有限公司). From May 2013 to November 2019, he served as the chief accountant of Fuqing Nuclear Power Co Ltd. (福清核電有限公司). Since January 2017, he served as chairman of the Supervisory Committee of Fujian Sanming Nuclear Power Co., Ltd. (福建三明核電有限公司). Since August 2018, he has served as chairman of the Supervisory Committee of CNNC Xiapu Nuclear Power Co., Ltd. (中核霞浦核電有限公司) and currently serves as the chief accountant of Hainan Nuclear Power Co. (海南核電有限公司).

The biography of Mr. Yin Engang is as follows:



Mr. Yin Engang, born in 1968, was appointed as the chief financial officer of the Company in October 2017, and has served as the Board secretary and a joint company secretary of the Company since August 2020. He has a master's degree and is a senior accountant. Mr. Yin has over 20 years of experience in finance and auditing. From August 2006 to October 2007, he served as Chief Financial Officer of Hongyanhe Nuclear. From October 2007 to July 2008, he served as deputy head of the preparatory team of CGNPC Industry Investment Fund Management Co., Ltd., served as the chief financial officer of CGNPC Industry Investment Fund Management Co., Ltd. from July 2008 to March 2014, served as the general manager of the finance department of CGNPC from March 2014 to October 2017, and served as a director of CGN Mining Company Limited (中廣核礦業有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 1164) from June 2014 to June 2016. From March 2015 to January 2018, he served as a director of CGN New Energy Holdings Co., Ltd., a company listed on the Hong Kong Stock Exchange (stock code: 1811).

As Mr. Yin Engang does not currently possess the qualifications of a company secretary as required under Rules 3.28 and 8.17 of the Listing Rules, the Company has appointed Mr. Lee Kwok Fai Kenneth of TMF Hong Kong Limited as another joint company secretary of the Company to provide assistance to Mr. Yin Engang so that he can gain relevant experience (as required under Note 2 to Rule 3.28 of the Listing Rules) and perform the company secretary functions.

The Company has applied to and is granted a waiver from the Hong Kong Stock Exchange from strict compliance with Rules 3.28 and 8.17 of the Listing Rules and the qualification of Mr. Yin Engang as a joint company secretary for a term from August 5, 2020 to August 4, 2023 (the "**Waiver Period**"). The waiver is subject to the fact that (i) Mr. Yin Engang will be assisted by Mr. Lee Kwok Fai Kenneth during the Waiver Period; (ii) the Company shall notify the Hong Kong Stock Exchange at the end of the Waiver Period so that the Hong Kong Stock Exchange to make a review. The Hong Kong Stock Exchange expects that, after the end of the Waiver Period, the Company will be able to prove that Mr. Yin Engang can satisfy Rule 3.28 of the Listing Rules with the assistance of Mr. Lee Kwok Fai Kenneth and a further waiver is not necessary; and (iii) the Company will disclose the details of the waiver, including the reasons and conditions, in an announcement. The waiver will be revoked immediately if and when Mr. Lee Kwok Fai Kenneth ceases to provide assistance to Mr. Yin Engang.

Save as disclosed above, the Company has had no change of personnel situation regarding the Directors, Supervisors and senior management of the Company as of the date of this report. Meanwhile, 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 directors have been updated on the website of the Company.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions of the Company by all Directors and Supervisors of the Company. The Company has also formulated and adopted the Code for Securities Transactions by Directors and Specified Individuals on terms no less exacting than those of the Model Code. According to the specific enquiry made by the Company, all Directors, Supervisors and senior management have confirmed that they had complied with the standards set out in 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, 2020, the general issues discovered in the internal control evaluation and internal audit of the Company for 2019 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 2020. 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 115 to 118 of the 2019 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 requirements of the Stock Exchange Code with written terms of reference. The Board has delegated to the Audit and Risk Management Committee with written terms of reference prepared in accordance with the relevant requirements of the Articles of Association, the Company Law of the People’s Republic of China, the Listing Rules, A Guide for Effective Audit Committees published by the Hong Kong Institute of Certified Public Accountants. The terms of reference are detailed in the Terms of Reference for the Audit and Risk Management Committee under the Board of Directors of CGN Power Co., Ltd. and are available on the websites of the Company and the Hong Kong Stock Exchange. On the date of this report, the Audit and Risk Management Committee comprises one non-executive Director (Mr. Gu Jian) and two independent non-executive Directors (Mr. Li Fuyou and Mr. Yang Jiayi). Mr. Yang Jiayi, who possesses accounting qualification, acts as the chairman of the Audit and Risk Management Committee.

On August 19, 2020, the Audit and Risk Management Committee reviewed and confirmed the interim results announcement for the six months ended June 30, 2020 of the Group, 2020 Interim Report and the unaudited consolidated financial statements ended June 30, 2020 prepared in accordance with the China Accounting Standards for Business Enterprises.

## 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, 2020, 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 2019. At the 2019 annual general meeting of the Company convened on May 20, 2020, the resolutions on the remuneration of the Directors of the second session of the Board and the Supervisors of the second session of the Supervisory Committee in 2020 were approved. The resolution on the remuneration of the Company's senior management in 2020 was approved at the fifteenth meeting of the second session of the Board on March 25, 2020.

For the six months ended June 30, 2020, the aggregate remuneration of the Directors, Supervisors and senior management of the Company is as follows:

	Fees	Salaries, other allowances and discretionary bonus	Pension scheme* contribution	Total
	RMB' 000	RMB' 000	RMB' 000	RMB' 000
Directors	800	268	38	1,106
Supervisors	150	1,324	73	1,547
Senior management	–	3,608	175	3,783

\* 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 to the local policies 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.

\*\* The remuneration of executive Director and president Mr. Gao Ligang is only listed under the senior management category.

For the six months ended June 30, 2020, remuneration of Directors, Supervisors and senior management of the Company in aggregate amounted to RMB6.44 million and the total staff costs amounted to RMB4,626.21 million (excluding associates).

In order to provide incentives to key talents and create more value for our shareholders, the H-Shares Appreciation Rights (the "SAR") Scheme (the "Scheme") was approved at the 2014 annual general meeting. The Scheme is expected to be conducted in three grants with each grant taking effect in three tranches. The implementation plan for the first grant of the SAR was approved by the Board of Directors on November 5, 2015. At present, the three tranches of SAR for the first grant have all taken effect, and no exercise have occurred because the exercise price are not yet reached. In which, the first tranche of SAR was expired and lapsed on December 16, 2019.

The implementation plan for the second grant of the SAR was approved by the Board of Directors on December 14, 2017. At present, the first tranche of SAR for the second grant has taken effect on December 16, 2019, with the exercise conditions met.



On January 8, 2020, the Company convened the fourteenth meeting of the second session of the Board, at which the Resolution on the First Exercise Plan of the Second Grant of the H-Shares Appreciation Rights Incentive Scheme of CGN Power Co., Ltd. was considered and approved. Pursuant to the calculation rules specified in the Second Grant of the Appreciation Rights Incentive Scheme, after deducting the amount of 2018 dividends, the exercise price under the second grant of the Appreciation Rights Incentive Scheme is changed to HK\$1.9223 per share from HK\$2.09 per share. The Resolution on Adjusting the Exercise Price of the Second Grant of the H-Shares Appreciation Rights Incentive Scheme of the Company was considered and approved at the seventeenth meeting of the second session of the Board convened on May 20, 2020. Pursuant to the calculation rules specified in the Second Grant of the Appreciation Rights Incentive Scheme, after deducting the amount of 2019 dividends, the exercise price under the second grant of the Appreciation Rights Incentive Scheme is changed to HK\$1.8393 per share from HK\$1.9223 per share. As of June 30, 2020, exercise of the SAR occurred under the First Exercise Plan of the Second Grant of the Appreciation Rights Incentive Scheme.

For retired/redesignated Directors and senior management, the specific arrangements for the exercise are implemented in accordance with the SAR Agreement. Since the Scheme does not involve the grant of any new share or share option over other new securities to be issued by the Company (or any of its subsidiaries), it does not fall within the ambit of, and is not subject to, the regulations of Chapter 17 of the Listing Rules. Please refer to the notes of the financial statements in this report for details of the first and second grant and implementation of the SAR.

## Share Capital

As of June 30, 2020, the registered share capital of the Company was RMB50,498,611,100, divided into 50,498,611,100 shares (with a nominal value of RMB1.00 each), comprising 39,334,986,100 A shares and 11,163,625,000 H shares, representing approximately 77.89% and 22.11% 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, 2020.

## 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, 2020.

### 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, 2020 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, 2020 as follows:

Shareholders	Capacity as holder of shares	Number and class of the shares of the Company held	Approximate % of the relevant share classes	Approximate % of the issued shares of the Company
CGNPC	Beneficial owner	29,176,641,375 (A shares)	74.17%	57.78%
		7,450,000 (H shares)	0.07%	0.01%
Guangdong Hengjian Investment Holding Co., Ltd. (廣東恒健投資控股有限公司)	Beneficial owner	3,428,512,500 (A shares)	8.72%	6.79%
China Life Insurance Company Limited	Interest of controlled corporation	1,231,289,000 (H shares)	11.03%	2.44%
National Council for Social Security Fund	Beneficial owner	1,014,875,000 (H shares)	9.09%	2.01%
BlackRock, Inc.	Interest of controlled corporation	671,411,364 <sup>(1)</sup> (H shares)	6.01%	1.33%
Citigroup Inc.	Interest of controlled corporation/approved lending agent	567,452,533 <sup>(2)</sup> (H shares)	5.08%	1.12%

(1) Of which 5,087,000 H shares were held through equity derivatives.

(2) Of which 1,409,000 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, 2020 as follows:

Shareholders	Capacity as holder of shares	Number and class of the shares of the Company held	Approximate % of the relevant share classes	Approximate % of the issued shares of the Company
BlackRock, Inc.	Interest of controlled corporation	30,188,000 (H shares)	0.27%	0.06%
Citigroup Inc.	Interest of controlled corporation	11,042,000 <sup>(1)</sup> (H shares)	0.09%	0.02%

(1) Of which 10,499,000 H shares were held through equity derivatives.

## Interests of Other Persons

As of June 30, 2020, 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

In July 2020, the Company received the Notice of Acceptance of Registration issued by China Interbank Market Dealers Association (the “**Dealers Association**”). The Dealers Association agreed to accept the Company’s medium-term notes to be registered in two phases, with a total registered amount of RMB10 billion, and the Company may issue the medium-term notes in installments within the validity period of the registration.

# Report Review

KPMG Huazhen Zhuan Zi No. 2000940

To the Shareholders of CGN Power Co., Ltd.:

We have reviewed the accompanying interim financial statements of CGN Power Co., Ltd. (“CGN Power”), which comprise the consolidated balance sheet and the balance sheet of the parent company as at June 30, 2020, and the consolidated income statement and the income statement 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, 2020, as well as the notes to the financial statements. The management is responsible for preparing the interim financial statements in accordance with “Accounting Standard for Business Enterprises No. 32 – Interim Financial Reporting”, issued by the Ministry of Finance of the People’s Republic of China. Our responsibility is to issue a review report on the interim financial statements based on our review.

We conducted our review in accordance with China Standard on Review No. 2101 – Engagements to Review Financial Statements. The standard requires us to plan and conduct a review to obtain limited assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of CGN Power 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 aforementioned interim financial statements of CGN Power have not been prepared in accordance with Accounting Standard for Business Enterprises No. 32 – Interim Financial Reporting, in all material respects

**KPMG Huazhen LLP**  
Beijing, PRC

Certified Public Accountants  
Registered in the People’s Republic of China

**Chen Zimin**  
**Wang Jie**

August 26, 2020

# Consolidated Balance Sheet (unaudited)

As at June 30, 2020

(Unit: RMB)

Item	Notes	June 30, 2020	December 31, 2019
<b>Assets</b>			
Current Assets:			
Cash at bank and in hand	(V) 1	13,345,807,842.44	19,571,648,773.58
Derivative financial assets	(V) 2	1,679,330.46	3,149,401.93
Bills receivable	(V) 3	3,282,480.00	669,170,265.04
Accounts receivable	(V) 4	7,765,513,062.23	7,483,893,725.25
Prepayments	(V) 5	12,868,158,959.65	9,197,503,376.81
Other receivables	(V) 6	147,377,932.42	147,196,275.50
Inventories	(V) 7	17,529,956,585.52	18,370,637,240.89
Contract assets	(V) 8	3,183,630,800.38	3,421,177,653.57
Non-current assets due within one year	(V) 9	–	245,345.98
Other current assets	(V) 10	3,006,478,376.83	3,058,761,231.75
<b>Total current assets</b>		<b>57,851,885,369.93</b>	<b>61,923,383,290.30</b>
Non-current assets:			
Long-term equity investments	(V) 11	11,814,689,360.86	11,199,291,810.53
Other investment in equity instruments	(V) 12	392,036,600.00	391,155,000.00
Investment properties	(V) 13	154,862,936.35	183,747,207.19
Fixed assets	(V) 14	252,420,839,638.14	256,954,693,283.42
Construction in progress	(V) 15	42,853,460,268.77	39,240,570,013.29
Right-of-use assets	(V) 16	917,115,486.91	1,045,156,326.10
Intangible assets	(V) 17	4,886,756,647.47	4,937,028,458.97
Development costs	(V) 18	2,270,752,646.91	2,274,225,675.05
Goodwill	(V) 19	419,242,673.32	419,242,673.32
Long-term deferred expenses	(V) 20	1,457,644,801.88	1,473,427,773.32
Deferred tax assets	(V) 21	2,086,261,168.10	1,904,063,349.16
Other non-current assets	(V) 22	6,181,590,948.83	6,029,249,666.14
<b>Total non-current assets</b>		<b>325,855,253,177.54</b>	<b>326,051,851,236.49</b>
<b>Total assets</b>		<b>383,707,138,547.47</b>	<b>387,975,234,526.79</b>

The notes form an integral part of these financial statements.

## Consolidated Balance Sheet (unaudited) (continued)

As at June 30, 2020

Item	Notes	June 30, 2020	December 31, 2019
<b>Liabilities and shareholders' equity</b>			
Current liabilities:			
Short-term loans	(V) 23	18,573,301,987.67	14,263,273,458.48
Bills payable	(V) 24	1,633,812,558.93	2,618,383,795.01
Accounts payable	(V) 25	18,278,654,559.40	19,983,479,765.09
Receipts in advance		–	40,000.00
Contract liabilities	(V) 26	3,351,960,618.54	1,543,242,352.55
Employee benefits payable	(V) 27	89,790,591.20	51,046,738.75
Taxes payable	(V) 28	1,190,264,777.19	1,456,753,322.33
Other payables	(V) 29	8,604,478,940.44	3,817,756,635.31
Non-current liabilities due within one year	(V) 30	16,768,450,681.79	22,747,589,472.72
Other current liabilities	(V) 31	508,771,759.33	536,334,171.47
<b>Total current liabilities</b>		<b>68,999,486,474.49</b>	<b>67,017,899,711.71</b>
Non-current liabilities:			
Long-term loans	(V) 32	161,803,372,866.30	167,859,812,159.47
Bonds payable	(V) 33	6,993,367,860.25	8,987,133,846.98
Lease liabilities	(V) 34	574,995,719.83	695,555,684.54
Long-term employee benefits payable	(V) 35	58,083,627.16	119,769,817.00
Provisions	(V) 36	5,009,599,317.56	4,910,629,589.95
Deferred income	(V) 37	2,030,146,809.97	1,873,337,839.76
Deferred tax liabilities	(V) 21	1,238,424,759.41	1,217,228,385.92
<b>Total non-current liabilities</b>		<b>177,707,990,960.48</b>	<b>185,663,467,323.62</b>
<b>Total liabilities</b>		<b>246,707,477,434.97</b>	<b>252,681,367,035.33</b>
Shareholders' equity:			
Share capital	(V) 38	50,498,611,100.00	50,498,611,100.00
Capital reserve	(V) 39	10,703,584,842.13	10,702,322,842.13
Other comprehensive income	(V) 40	847,438,987.61	766,584,661.43
Specific reserve	(V) 41	197,139,217.64	222,401,570.36
Surplus reserve	(V) 42	3,944,339,314.63	3,944,339,314.63
Retained earnings	(V) 43	25,035,062,077.73	23,667,716,575.70
<b>Total equity attributable to shareholders of the parent company</b>		<b>91,226,175,539.74</b>	<b>89,801,976,064.25</b>
Non-controlling interests		45,773,485,572.76	45,491,891,427.21
<b>Total shareholders' equity</b>		<b>136,999,661,112.50</b>	<b>135,293,867,491.46</b>
<b>Total liabilities and shareholders' equity</b>		<b>383,707,138,547.47</b>	<b>387,975,234,526.79</b>

These financial statements were approved by the board of directors on August 26, 2020.

The accompanying notes to the financial statements form an integral part of these financial statements.

The financial statements were signed by the following persons in charge.

**Yang Changli**  
Legal Representative (Director)

**Gao Ligang**  
Executive Director

**Yin Engang**  
Chief Financial Officer

**Cheng Chao**  
Head of the Accounting  
Department

# Balance Sheet of the Parent Company (unaudited)

As at June 30, 2020

(Unit: RMB)

Item	Notes	June 30, 2020	December 31, 2019
<b>Assets</b>			
Current Assets:			
Cash at bank and in hand		9,282,789,373.84	14,073,628,934.52
Accounts receivable	(XV) 1	660,716,638.25	757,297,090.35
Prepayments		26,289,430.04	10,406,259.02
Other receivables	(XV) 2	6,661,020,992.62	4,584,463,468.61
Non-current assets due within one year		2,010,185,513.71	23,071,686.99
Other current assets	(XV) 3	10,787,034,056.88	7,018,052,484.21
<b>Total current assets</b>		<b>29,428,036,005.34</b>	<b>26,466,919,923.70</b>
Non-current assets:			
Debt investments	(XV) 4	11,862,463,326.36	19,652,463,326.36
Long-term equity investments	(XV) 5	80,791,601,318.61	79,504,364,191.26
Fixed assets		69,124,858.82	47,102,884.34
Construction in progress		22,297,881.24	49,234,926.69
Right-of-use assets		80,115,689.78	114,450,985.40
Intangible assets		252,407,847.22	280,228,630.10
Development costs		1,418,810,166.50	1,233,559,396.01
Other non-current assets		38,703,959.23	38,869,959.23
<b>Total non-current assets</b>		<b>94,535,525,047.76</b>	<b>100,920,274,299.39</b>
<b>Total assets</b>		<b>123,963,561,053.10</b>	<b>127,387,194,223.09</b>
<b>Liabilities and shareholders' equity</b>			
Current liabilities:			
Short-term loans	(XV)6	8,854,871,130.07	11,801,919,932.29
Accounts payable		152,873,112.67	409,230,510.31
Contract liabilities		25,430,663.06	14,058,385.08
Employee benefits payable		12,352,093.83	10,641,945.29
Taxes payable		4,124,257.41	6,909,776.52
Other payables		3,920,141,473.94	75,805,163.38
Non-current liabilities due within one year		2,289,471,041.15	2,811,410,041.18
<b>Total current liabilities</b>		<b>15,259,263,772.13</b>	<b>15,129,975,754.05</b>
Non-current liabilities:			
Bonds payable	(V) 33	6,993,367,860.25	8,987,133,846.98
Lease liabilities		14,795,788.33	45,491,994.88
Long-term employee benefits payable		1,939,890.22	8,598,229.34
Deferred income		603,320.00	500,000.00
<b>Total non-current liabilities</b>		<b>7,010,706,858.80</b>	<b>9,041,724,071.20</b>
<b>Total liabilities</b>		<b>22,269,970,630.93</b>	<b>24,171,699,825.25</b>

The notes form an integral part of these financial statements.

## Balance Sheet of the Parent Company (unaudited) (continued)

As at June 30, 2020

Item	Notes	June 30, 2020	December 31, 2019
Shareholders' equity:			
Share capital		50,498,611,100.00	50,498,611,100.00
Capital reserve		31,781,612,580.88	31,781,612,580.88
Surplus reserve		3,532,647,874.53	3,532,647,874.53
Retained earnings		15,880,718,866.76	17,402,622,842.43
<b>Total shareholders' equity</b>		<b>101,693,590,422.17</b>	<b>103,215,494,397.84</b>
<b>Total liabilities and shareholders' equity</b>		<b>123,963,561,053.10</b>	<b>127,387,194,223.09</b>

The notes form an integral part of these financial statements.

These financial statements were approved by the board of directors on August 26, 2020.

The financial statements were signed by the following persons in charge.

**Yang Changli**  
Legal Representative (Director)

**Gao Ligang**  
Executive Director

**Yin Engang**  
Chief Financial Officer

**Cheng Chao**  
Head of the Accounting  
Department



# Consolidated Income Statement (unaudited)

For the period from January 1, 2020 to June 30, 2020

(Unit: RMB)

Item	Notes	For the period from January 1 to June 30, 2020	For the period from January 1 to June 30, 2019
I. Operating revenue	(V) 44	31,506,671,856.77	26,522,681,415.95
Less: Operating costs	(V) 44	18,089,579,051.09	14,830,818,161.70
Tax and surcharges	(V) 45	315,810,697.85	344,075,328.82
Selling expenses	(V) 46	25,230,157.33	31,739,099.64
Administrative expenses	(V) 47	1,165,418,022.85	1,198,120,648.68
Research and development expenses	(V) 48	223,831,185.23	226,852,303.25
Finance costs	(V) 49	4,314,414,744.95	3,616,099,418.28
Including: Interest expenses		4,260,085,963.29	3,585,332,064.10
Interest income		127,128,035.48	143,774,488.12
Add: Other gains	(V) 50	1,177,052,331.16	1,407,113,207.22
Investment income	(V) 51	422,246,049.02	639,744,281.63
Including: Income from investment in associates		417,541,090.05	471,868,923.58
Gains (losses) from changes in fair value	(V) 52	17,967,642.12	(2,868,860.54)
Impairment gains (losses)	(V) 53	(7,824,874.96)	53,496,065.42
Gains from disposal of assets	(V) 54	209,089.84	–
II. Operating profit		8,982,038,234.65	8,372,461,149.31
Add: Non-operating income	(V) 55	8,993,071.63	5,526,018.57
Less: Non-operating expenses	(V) 56	39,402,594.26	8,368,442.22
III. Total profit		8,951,628,712.02	8,369,618,725.66
Less: Income tax expenses	(V) 57	1,090,177,148.76	944,059,410.87
IV. Net profit		7,861,451,563.26	7,425,559,314.79
(I) Classified by continuity of operations			
1. Net profit from continuing operations		7,861,451,563.26	7,425,559,314.79
2. Net profit from discontinued operations		–	–
(II) Classified by ownership			
1. Net profit attributable to shareholders of the parent company		5,205,219,112.59	5,022,584,904.83
2. Non-controlling interests		2,656,232,450.67	2,402,974,409.96

The notes form an integral part of these financial statements.

## Consolidated Income Statement (unaudited) (continued)

For the period from January 1, 2020 to June 30, 2020

Item	Notes	For the period from January 1 to June 30, 2020	For the period from January 1 to June 30, 2019
V. Other comprehensive income, net of tax	(V) 40	108,066,281.58	57,706,479.66
Other comprehensive income attributable to shareholders of the parent company, net of tax		80,854,326.18	49,886,143.50
(I) Other comprehensive income that will not be reclassified to profit or loss		(1,088,665.00)	26,478,010.00
1. Change arising from remeasurement of defined benefit plan		(1,239,625.00)	278,375.00
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		(598,400.00)	–
3. Change in fair value of investment in other equity instruments		749,360.00	26,199,635.00
(II) Other comprehensive income that may be reclassified to profit or loss		81,942,991.18	23,408,133.50
1. Translation differences arising from translation of foreign currency financial statements		81,942,991.18	23,408,133.50
Other comprehensive income attributable to non-controlling interests, net of tax		27,211,955.40	7,820,336.16
VI. Total comprehensive income		7,969,517,844.84	7,483,265,794.45
Total comprehensive income attributable to shareholders of the parent company		5,286,073,438.77	5,072,471,048.33
Total comprehensive income attributable to non-controlling interests		2,683,444,406.07	2,410,794,746.12
VII. Earnings per share			
(I) Basic earnings per share		0.103	0.111
(II) Diluted earnings per share		0.103	0.111

The notes form an integral part of these financial statements.

# Income Statement of Parent Company (unaudited)

For the period from January 1, 2020 to June 30, 2020

(Unit: RMB)

Item	Notes	For the period from January 1 to June 30, 2020	For the period from January 1 to June 30, 2019
I. Operating revenue	(XV) 7	180,274,507.81	255,734,884.46
Less: Operating costs	(XV) 7	143,554,131.90	198,403,364.94
Taxes and surcharges		425,830.80	336,016.50
Administrative expenses		219,367,025.58	266,355,557.70
Research and development expenses		4,911,230.05	7,992,257.14
Finance costs		204,430,004.60	239,441,987.59
Including: Interest expenses		303,923,217.85	280,573,852.87
Interest income		83,548,254.15	62,009,013.57
Add: Other gains		3,467,799.64	–
Investment income	(XV) 8	2,702,530,764.94	2,451,538,932.75
Including: Income from investment in associates		125,235,441.00	137,979,337.02
Gains (losses) from changes in fair value		2,218,911.96	(375,084.35)
Impairment gains (losses)		189,285.45	20,927,930.82
II. Operating profit		2,315,993,046.87	2,015,297,479.81
Add: Non-operating income		7,788.02	10,000.08
Less: Non-operating expenses		31,200.00	44,200.60
III. Total profit		2,315,969,634.89	2,015,263,279.29
Less: Income tax expenses		–	–
IV. Net profit		2,315,969,634.89	2,015,263,279.29
(I) Net profit from continuing operations		2,315,969,634.89	2,015,263,279.29
V. Other comprehensive income, net of tax		–	–
VI. Total comprehensive income		2,315,969,634.89	2,015,263,279.29

The notes form an integral part of these financial statements.

# Consolidated Cash Flow Statement (unaudited)

For the period from January 1, 2020 to June 30, 2020

(Unit: RMB)

Item	Notes	For the period from January 1 to June 30, 2020	For the period from January 1 to June 30, 2019
<b>I. Cash flows from operating activities:</b>			
Cash received from the sales of goods and rendering of services		37,739,642,912.00	31,602,509,703.53
Tax rebate received		1,131,236,618.30	1,383,672,851.68
Other cash received relating to operating activities	(V) 59(1)	1,257,435,084.24	832,294,246.12
Sub-total of cash inflow from operating activities		40,128,314,614.54	33,818,476,801.33
<b>II. Cash flows from investing activities:</b>			
Cash received from disposal of investments		–	16,256,683.50
Cash received from investment income		51,982,430.67	133,519,478.07
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		3,399,093.19	381,421.49
Net cash received from disposal of subsidiaries and other business entities	(V) 60(2)	–	708,306,825.20
Other cash received relating to investing activities	(V) 59(3)	3,334,481,628.12	921,038,040.45
Sub-total of cash inflow from investing activities		3,389,863,151.98	1,779,502,448.71
Cash paid to purchase and construct fixed assets, intangible assets and other long-term assets		5,786,587,967.60	8,322,790,236.72
Cash paid for investments		198,536,340.00	278,001,720.33
Other cash paid relating to investing activities	(V) 59(4)	675,654,845.31	890,138,142.88
Sub-total of cash outflow from investing activities		6,660,779,152.91	9,490,930,099.93
Net cash flow used in investing activities		(3,270,916,000.93)	(7,711,427,651.22)

The notes form an integral part of these financial statements.

## Consolidated Cash Flow Statement (unaudited) (continued)

For the period from January 1, 2020 to June 30, 2020

Item	Notes	For the period from January 1 to June 30, 2020	For the period from January 1 to June 30, 2019
III. Cash flows from financing activities:			
Cash receipts from capital contributions		39,576,042.00	57,469,252.00
Including: Cash receipts from capital contributions by minority shareholders of subsidiaries		39,576,042.00	57,469,252.00
Cash received from borrowings		28,355,709,022.62	31,479,634,472.94
Other cash received relating to financing activities	(V) 59(5)	100,000,000.00	789,004,579.36
Sub-total of cash inflow from financing activities		28,495,285,064.62	32,326,108,304.30
Cash repayments of borrowings		38,038,993,638.35	30,374,713,228.22
Cash payments for distribution of dividends or profits or settlement of interest expenses		5,582,297,521.53	10,453,496,755.07
Including: Payments for distribution of dividends or profits to minority shareholders of subsidiaries		888,295,611.49	2,222,894,135.36
Other cash payments relating to financing activities	(V) 59(6)	178,538,715.43	628,501,154.39
Sub-total of cash outflow from financing activities		43,799,829,875.31	41,456,711,137.68
Net cash flow used in financing activities		(15,304,544,810.69)	(9,130,602,833.38)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		41,186,249.66	(8,889,693.51)
V. Net decrease in cash and cash equivalents		(3,527,417,474.92)	(2,030,925,945.26)
Add: Opening balance of cash and cash equivalents	(V) 60(3)	14,854,117,616.45	11,637,718,842.72
VI. Closing balance of cash and cash equivalents	(V) 60(3)	11,326,700,141.53	9,606,792,897.46

The notes form an integral part of these financial statements.

# Cash Flow Statement of the Parent Company (unaudited)

For the period from January 1, 2020 to June 30, 2020

(Unit: RMB)

Item	Notes	For the period from January 1 to June 30, 2020	For the period from January 1 to June 30, 2019
I. Cash flows from operating activities:			
Cash received from the sales of goods and rendering of services		295,340,904.43	369,010,524.15
Other cash received relating to operating activities		159,920,128.77	56,026,176.53
Sub-total of cash inflow from operating activities		455,261,033.20	425,036,700.68
Cash payments for goods purchased and services received		213,070,814.27	153,623,371.41
Cash payments to and on behalf of employees		224,493,457.29	225,491,289.45
Payments of various types of taxes		1,062,677.05	336,016.50
Other cash payments relating to operating activities		88,732,619.98	129,665,903.75
Sub-total of cash outflow from operating activities		527,359,568.59	509,116,581.11
Net cash flows used in operating activities	(XV) 9	(72,098,535.39)	(84,079,880.43)
II. Cash flows from investing activities:			
Cash received from disposal of investments		11,889,000,000.00	9,072,359,863.08
Cash received from investment income		513,776,061.86	580,323,869.25
Other cash received relating to investing activities		3,000,000,000.00	500,000,000.00
Sub-total of cash inflow from investing activities		15,402,776,061.86	10,152,683,732.33
Cash paid to purchase and construct fixed assets, intangible assets and other long-term assets		276,264,620.76	69,034,247.24
Cash paid for investments		11,021,962,548.00	6,955,380,748.00
Net cash paid for acquisition of subsidiaries and other business		3,039,138.35	-
Other cash paid relating to investing activities		1,725,105.04	500,503,892.36
Sub-total of cash outflow from investing activities		11,302,991,412.15	7,524,918,887.60
Net cash flow from investing activities		4,099,784,649.71	2,627,764,844.73

The notes form an integral part of these financial statements.

## Cash Flow Statement of the Parent Company (unaudited) (continued)

For the period from January 1, 2020 to June 30, 2020

Item	Notes	For the period from January 1 to June 30, 2020	For the period from January 1 to June 30, 2019
III. Cash flows from financing activities:			
Cash received from borrowings		1,956,247,078.38	3,788,055,792.02
Sub-total of cash inflow from financing activities		1,956,247,078.38	3,788,055,792.02
Cash repayments of borrowings		7,397,881,676.62	3,163,102,180.86
Cash payments for distribution of dividends or profits or settlement of interest expenses		324,021,230.46	3,546,526,208.09
Other cash payments relating to financing activities		40,927,430.88	644,445.00
Sub-total of cash outflow from financing activities		7,762,830,337.96	6,710,272,833.95
Net cash flow from financing activities		(5,806,583,259.58)	(2,922,217,041.93)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		16,093,364.60	(575,614.09)
V. Net decrease in cash and cash equivalents		(1,762,803,780.66)	(379,107,691.72)
Add: Opening balance of cash and cash equivalents	(XV) 9	11,045,331,156.75	8,180,127,897.47
VI. Closing balance of cash and cash equivalents	(XV) 9	9,282,527,376.09	7,801,020,205.75

The notes form an integral part of these financial statements.

# Consolidated Statement of Changes in Equity (unaudited)

For the period from January 1, 2020 to June 30, 2020

(Unit: RMB)

Item	Notes	For the period from January 1, 2020 to June 30, 2020							Non-controlling interests	Total shareholders' equity
		Attributable to shareholders of the Parent Company								
		Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings			
I. Balance at December 31, 2019 and January 1, 2020		50,498,611,100.00	10,702,322,842.13	766,584,661.43	222,401,570.36	3,944,339,314.63	23,667,716,575.70	45,491,891,427.21	135,293,867,491.46	
II. Changes in the current period		-	1,262,000.00	80,854,326.18	(25,262,352.72)	-	1,367,345,502.03	281,594,145.55	1,705,793,621.04	
(I) Total comprehensive income		-	-	80,854,326.18	-	-	5,205,219,112.59	2,683,444,406.07	7,969,517,844.84	
(II) Shareholders' contributions and reduction in capital		-	1,262,000.00	-	-	-	-	39,576,042.00	40,838,042.00	
1. Shareholders' capital contributions		-	-	-	-	-	-	39,576,042.00	39,576,042.00	
2. Other	(V) 39	-	1,262,000.00	-	-	-	-	-	1,262,000.00	
(III) Profit distribution		-	-	-	-	-	(3,837,873,610.56)	(2,441,426,302.52)	(6,279,299,913.08)	
1. Distribution to shareholders	(V) 43	-	-	-	-	-	(3,837,873,610.56)	(2,441,426,302.52)	(6,279,299,913.08)	
(IV) Specific reserve	(V) 41	-	-	-	(25,262,352.72)	-	-	-	(25,262,352.72)	
1. Transfer to specific reserve in the period		-	-	-	15,161,848.45	-	-	-	15,161,848.45	
2. Amount utilized in the period		-	-	-	(40,424,201.17)	-	-	-	(40,424,201.17)	
III. Balance at June 30, 2020		50,498,611,100.00	10,703,584,842.13	847,438,987.61	197,139,217.64	3,944,339,314.63	25,035,062,077.73	45,773,485,572.76	136,999,661,112.50	

(Unit: RMB)

Item	Notes	For the period from January 1, 2019 to June 30, 2019							Non-controlling interests	Total shareholders' equity
		Attributable to shareholders of the Parent Company								
		Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings			
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. Shareholders' capital contributions		-	-	-	-	-	-	57,469,252.00	57,469,252.00	
2. 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. Distribution to shareholders		-	-	-	-	-	(3,272,296,962.43)	(2,589,166,082.67)	(5,861,463,045.10)	
(IV) 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 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.



# Statement of Changes in Equity of Parent Company (unaudited)

For the period from January 1, 2020 to June 30, 2020

(Unit: RMB)

Notes	For the period from January 1, 2020 to June 30, 2020				Total shareholders' equity
	Share capital	Capital reserve	Surplus reserve	Retained Earnings	
I. Balance at December 31, 2019 and January 1, 2020	50,498,611,100.00	31,781,612,580.88	3,532,647,874.53	17,402,622,842.43	103,215,494,397.84
II. Changes in the current period	-	-	-	(1,521,903,975.67)	(1,521,903,975.67)
(I) Total comprehensive income	-	-	-	2,315,969,634.89	2,315,969,634.89
(II) Profit distribution	-	-	-	(3,837,873,610.56)	(3,837,873,610.56)
1. Distribution to shareholders (V) 43	-	-	-	(3,837,873,610.56)	(3,837,873,610.56)
III. Balance at June 30, 2020	50,498,611,100.00	31,781,612,580.88	3,532,647,874.53	15,880,718,866.76	101,693,590,422.17

(Unit: RMB)

	For the period from January 1, 2019 to June 30, 2019				Total shareholders' equity
	Share capital	Capital reserve	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) Profit distribution	-	-	-	(3,272,296,962.43)	(3,272,296,962.43)
1. Distribution to shareholders	-	-	-	(3,272,296,962.43)	(3,272,296,962.43)
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

The notes form an integral part of these financial statements.

# Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

## (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 (the "Stock Exchange") 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 Hong Kong Stock Exchange, 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 the NCSSF were translated into H shares amounting to 1,014,875,000 shares on a one-for-one basis.

As approved by the Reply on Approval of the Initial Public Offer of Shares of CGN Power Co., Ltd. (Zheng Jian Xu Ke [2019] No. 1381) (《關於核准中國廣核電力股份有限公司首次公開發行股票的批覆》(證監許可[2019]1381號)) issued by China Securities Regulatory Commission on July 26, 2019, the Company issued RMB ordinary shares (A shares) under the public offer in August 2019 and the shares were listed on the SME Board of the Shenzhen Stock Exchange. A total of 5,049,861,100 RMB ordinary shares (A shares) were issued with a nominal value of RMB1.00 each. The issue price was RMB2.49. The proceeds amounted to RMB12,574,154,139.00 in total. After deducting the issuance costs, the actual net proceeds amounted to RMB12,389,775,559.44, of which, RMB5,049,861,100.00 was included in the paid-in capital and RMB7,339,914,459.44 was included in the capital reserve. The status of proceeds has been verified by Deloitte Touche Tohmatsu (Certified Public Accountants LLP), which has issued the Capital Verification Report (De Shi Bao (Yan) Zi (19) No. 00386).

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.

For the scope of consolidated financial statements for the reporting period, 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 of the People's Republic of China (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 disclosure requirements under the Hong Kong Companies Ordinance and the Listing Rules of the Hong Kong Stock Exchange.

### Going concern

The Group has evaluated its ability of going concern for the next 12 months since June 30, 2020. 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.

### 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/or 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.

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (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 parent company as at June 30, 2020 and consolidated and the parent company's operating results and cash flows for the period from January 1 to June 30, 2020.

#### 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

If the Group obtains control of another or more companies (or a group of assets or net assets) which constitutes a business, such transaction or event constitutes a business combination. Business combinations are classified into business combination under common control and not under common control.

For business combinations not involving enterprises under common control, the purchaser will consider whether to adopt the simplified judgment method of "concentration test" when determining whether the acquired production and operation activities or the combination of assets constitute a business. If the combination passes the concentration test, it is determined not to constitute a business. If the combination fails the concentration test, it should still be determined according to business conditions.

When the Group acquires a set of assets or net assets that do not constitute a business, the purchase cost shall be allocated on the basis of the relative fair value of the identifiable assets and liabilities acquired on the purchase date, instead of the being accounted for using the following accounting treatment methods for business combinations.

### (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.

### (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.

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.

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### 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 re-evaluate 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 income statement 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 income statement 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 income statement 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 balance sheet 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 income statement below the "net profit" line item.

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.

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. Except for the other comprehensive income arising from the change in net liabilities or net assets as a result of the remeasurement of defined benefit plan by the acquiree, 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 for the investment in joint ventures. For details, please refer to Note (III) 14(3) "Long-term equity investments accounted for using the equity method".

## 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

### (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 balance sheet date, foreign currency monetary items are translated using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet 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.

### (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 balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; owners' equity items are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement 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 in the consolidated financial statements.

## Notes to the Financial Statements

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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 consolidated cash flow statement as “effect of foreign 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 shareholders’ equity of the parent company and presented under shareholders’ equity in the consolidated balance sheet, 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.

### 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 repaid on the settlement date are recognized on the transaction date, or the financial assets and receivables to be delivered on the settlement date are derecognized on the transaction date and the relevant profit or loss is recognized.

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 New standard for Revenue.

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).



## (1) Classification, recognition and measurement of financial assets

### (a) Classification of financial assets of the Group

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortized cost, at fair value through other comprehensive income ("FVTOCI"), or at 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, 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 balance sheet 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.

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.

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.

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.

The business model for managing the financial assets refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows from managing financial assets will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

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In determining whether the contractual cash flows generated from a financial asset on a specific date are solely payments of principal and interest based on the principal amount outstanding, the Group assesses the characteristics of the contractual cash flows of such financial asset. For such purposes, "principal" is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

### (b) Subsequent measurement of financial assets of the Group

#### – 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.

#### – 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. 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.

#### – 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.

## (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 bills receivable and 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 balance sheet 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 balance sheet.

The Group has made a loss allowance against amount of expected credit losses equal to the whole life in the prior accounting period. However, at the balance sheet 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.

### – Significant increase of credit risk

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.

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

- Debtor's failure to make payments of principal and interest on their contractually due dates;
- An actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- An actual or expected significant deterioration in the operating results of the debtor; and
- Existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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.

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### – 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).

### – 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 bills receivable, 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 balance sheet date without unnecessary additional costs or efforts.

### – 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.

### (3) Transfer of financial assets

The Group derecognizes a financial asset if one of the following conditions is satisfied: (i) the contractual rights to the cash flows from the financial asset expire; or (ii) 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 (iii) 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.

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.

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### (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.

#### (a) Classification, recognition and measurement of financial liabilities

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

##### – 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 profitmaking 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.

For financial liabilities designated as measured at FVTPL, changes in fair value arising from the Group's own changes in credit risks are recognized in other comprehensive income, while other fair value changes are recognized in profit or loss. Upon derecognition, the cumulative changing amount of fair value arising from the Group's own changes in credit risks shall be transferred to retained earnings. Any dividend or interest expenses paid on the financial liabilities are recognized in profit or loss. If make treatment on effect of the changes in own credit risks by the aforesaid means which may cause or enlarge an accounting mismatch in profit or loss, the Group will recognize all gains or losses (including the affected amount arising from changes in the own credit risk) of the financial liability into profit or loss.

##### – 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.

**(b) 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.

**(c) 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.

**(5) 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.

**(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 balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

**11. Receivables**

**(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.

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### (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 portfolio with similar credit risk characteristics. 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 expected credit loss model:

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%

## 12. Inventories

### (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 and reusable 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.

### (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.

Reusable materials are materials that can be used repeatedly 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 when they are used.



### (3) Recognition of net realizable value of inventories and provision for inventory impairment

At the balance sheet 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 balance sheet 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.

### (4) Inventory count system

The inventory count system shall be on a perpetual basis.

## 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 entered into a legally binding purchase commitment with other parties, 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.

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### 14. Long-term equity investments

#### (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.

#### (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 transaction 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 equity method, 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.

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.

### (3) Method for subsequent measurement and profit or loss recognition

- 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.

- Long-term equity investments accounted for using 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.

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.

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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.

### (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 the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, 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.

## 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 investment property are as follows:

Category	Useful life	Estimated net residual value rate	Annual depreciation rate
Buildings	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.

## 16. Fixed assets

### (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.

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### (2) Method for depreciation of different fixed assets

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

– 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, (I) the nuclear islands, regular islands, auxiliary systems, and (II) 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

- 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% – 19.00%
Transportation vehicles	5 years	5%	19.00%
Electronic equipment and office facilities	5 years	5%	19.00%
Vessels	25 years	5%	3.80%

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.

### (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.

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### 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

#### (1) Intangible assets

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	Useful life
Land use rights	20 – 50 years
Computer software	5 – 10 years
Patent rights	10 years
Non-patented technology	10 years
Sea area use rights	50 years
Others	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.



## (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 balance sheet 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.

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.

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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

#### (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.

#### (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 period 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 period 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.

### (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.

### (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.

## 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 balance sheet 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 primarily consist of provision for nuclear power plant decommissioning and provision for low and medium level radioactive waste management.

### (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.

### (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.

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### 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.

#### (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 balance sheet 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 balance sheet date and settlement date before settlement of relevant liabilities.

#### (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.

### 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") 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:

- sales of electricity;
- construction, installation and design services;
- provision of labour services;
- sale 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. Otherwise, the Group recognizes revenue when the customer obtains control of the related goods or services.

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.

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.

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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.

### (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.

### (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 balance sheet 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.

### (3) Provision of labour services

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 balance sheet 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.

### (4) Sale of goods

Revenue is recognized when the goods of the Group are delivered to the venue of the customer and the customer has accepted such goods, as in when the customer acquires control of the goods.

## 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.

### (1) Determination basis and accounting treatment of 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.

### (2) Determination basis and accounting treatment of 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.

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### 28. Deferred tax assets/deferred tax liabilities

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

#### (1) Current income tax

At the balance sheet 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.

#### (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 balance sheet 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 balance sheet 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 balance sheet 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.



### (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 lease refers to a contract in which a lessor assigns the right to use an asset to a lessee within a certain period of time to obtain consideration.

At the commencement date of a contract, the Group evaluates whether the contract is a lease or contains a lease. Unless the contract terms and conditions change, the Group does not reassess whether the contract is a lease or contains a lease.

### (1) The Group as a lessee

#### (a) Allocation of leases

For a contract that contains one or more lease component and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

#### (b) Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset provided by the lessor is available for use by the Group). The right-of-use asset is initially measured at cost. This cost includes:

- the initial measurement amount of the lease liabilities;
- any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- any initial direct costs incurred by the Group;
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Group makes provisions for depreciation of right-of-use assets according to the relevant depreciation requirements in the Accounting Standards for Business Enterprises No. 4 – Fixed Assets. Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated over the shorter of its estimated useful life and the lease term.

The Group determines whether a right-of-use asset has been impaired in accordance with the Accounting Standards for Business Enterprises No. 8 – Asset Impairment and accounts for the identified impairment losses.

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### (c) Lease liabilities

At the commencement date of a lease, the Group initially measures the lease liabilities at the present value of lease payments that are unpaid at that date, except for short-term leases and low-value asset leases. In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease is not readily determinable, the incremental borrowing rate is used as the discount rate.

Lease payment refers to the amount paid by the Group to the lessor relating to the right to use an underlying asset during the lease term, including:

- fixed payments and in-substance fixed payments less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option reasonably certain to be exercised by the Group;
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate;
- amounts expected to be paid under residual value guarantees.

After the commencement date of the lease term, the Group calculates the interest expense of the lease liabilities for each period of the lease term based on a fixed periodic interest rate, and included it in the current profit or loss or the cost of underlying assets.

After the commencement date of the lease term, the Group re-measures the lease liabilities and adjusts the corresponding right-of-use asset in the following circumstances. If the carrying value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the Group will calculate the difference into the current profit or loss:

- The Group re-measures the lease liabilities based on the present value of the post-change lease payments and the revised discount rate as a result of changes in the lease term or changes in the purchase option;
- The Group re-measures the lease liabilities based on the present value of the changed lease payments and the original discount rate, based on the amount of the amount payable or the index or proportion used to determine the lease payments.

### (d) Short-term leases and leases of low-value assets

The Group decides not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Short-term leases are leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. A lease of low-value asset refers to a single lease asset, when new, is of low value. Lease payments on short-term leases and leases of low-value assets are recognized in the current period profit or loss or the cost of underlying assets on a straight-line basis over the lease term.

### (e) Lease modifications

The Group accounts for as a separate lease when the lease changes and the following conditions are met at the same time:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets;
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For lease changes that are not accounted for as a separate lease, the Group will reallocate the consideration of the contract after the change on the effective date of the lease change, and re-determine the lease term, and the lease liability shall be remeasured at the present value calculated based on the changed lease payment amount and the revised discount rate.

If the modification of lease results in a narrower scope of lease or a shorter lease term, the Group reduces the carrying value of the right-of-use assets to reflect the partial or complete termination of the lease. The Group recognizes the gain or loss relevant to the partial or complete termination of the leases in the current profit or loss. For other modification of lease, the Group adjusts the carrying value of the right-of-use assets accordingly.

## (2) The Group as a lessor

### (a) Allocation of leases

Where the contract includes both the lease and non-lease components, the Group apportions the contract consideration according to the provisions of the Accounting Standards for Business Enterprises No. 14 – Revenue on the transaction price allocation. The basis of the apportionment is the individual selling price of the leased part and the non-lease part.

### (b) Classification of leases

A lease that substantially transfers almost all the risks and rewards related to the ownership of leased assets is a financial lease. Leases other than finance leases are operating leases.

- The Group records the operating lease business as a lessor

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 period profit or loss by instalments during the lease term on the same basis as the recognition of rental income.

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.

## 30. Changes in significant accounting policies

### (1) Content and reason of accounting policy changes

In 2020, the Group implemented the following relevant provisions of the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance:

- “Accounting Standards for Business Enterprises Interpretation No. 13” (Cai Kuai [2019] No. 21) (“Interpretation No. 13”)
- “Regulations on Accounting Treatment of Rental Concessions Related to the COVID-19 Epidemic” (Cai Kuai [2020] No. 10)

#### (a) Interpretation No. 13

Interpretation No. 13 revised the three elements of business composition and refined the judgment conditions for business. For purchasers of business combinations not under common control, when determining whether the acquired business activities or asset combinations constitute a business, it has introduced an option of “concentration test”. In addition, Interpretation No. 13 further clarified the definition of related parties.

Interpretation No. 13 came into effect on January 1, 2020. The Group adopts the future application method to account for the above changes in accounting policies. The adoption of this interpretation does not have a significant impact on the Group’s financial position and operating results.

#### (b) Cai Kuai [2020] No. 10

Cai Kuai [2020] No. 10 provides a simplified method for rent concession directly triggered by the COVID-19 epidemic when certain conditions are met. If the enterprise chooses to adopt the simplified approach, it does not need to assess whether there is a lease modification, nor does it need to reassess the lease classification.

Cai Kuai [2020] No. 10 came into effect on June 24, 2020, and there were no relevant rent concessions that occurred between January 1, 2020 and the effective date. The adoption of this standard does not have a significant impact on the financial position and operating results of the Group.

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## (IV) TAXATION

### 1. Main tax categories and tax rates

	Taxation basis	Tax rate
VAT	(Note 1)	3%, 5%, 6%, 9% or 10%, 11%, 13% or 16%, 17%
Education surcharges	Paid-in VAT	3%
Local education surcharges	Paid-in VAT	2%
Urban maintenance and construction tax	Paid-in VAT	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%, 5%

Note 1: VAT payable is output tax minus deductible input tax, and the output tax is calculated based on sales and applicable 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") as well as Fujian Ninghe Power Sales Co., Ltd. (福建寧核售電有限公司), was subject to VAT. The revenue from outages 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) Operational Technology and Radiation Monitoring Co., Ltd. (中廣核(深圳)運營技術與輻射監測有限公司) (formerly known as 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. (中核國際核能工程有限公司) (the "Worldwide Engineering") and CGN Import & Export Co., Ltd. (中廣核電進出口有限公司), was subject to VAT. The applicable VAT tax rate of the above companies for the period from January 1 to March 31, 2019 was 16%. The applicable VAT tax rate for the period from April 1, 2019 to June 30, 2020 was 13%.

Revenue from newspaper and magazine publication of SNPRI, a subsidiary of the Company, was subject to VAT. 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 applicable VAT tax rate for the period from January 1, 2019 to March 31, 2019 was 10%. The applicable VAT tax rate for the period from April 1, 2019 to June 30, 2020 was 9%.

Revenue from technical service of the subsidiaries of the Company, namely CNPRI, CNPSTC, SNPRI, China Nuclear Power (Shenzhen) Operational Technology and Radiation Monitoring Co., Ltd. (中廣核(深圳)運營技術與輻射監測有限公司), Inspection Company, CGN Engineering, CGN Design, Worldwide Engineering, 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. Entrusted loan interest income of the subsidiaries of the Company, namely Fangchenggang Nuclear, Ling'ao Nuclear, Lingdong Nuclear, SNPRI, GNIC, China Nuclear Power (Shenzhen) Operational Technology and Radiation Monitoring Co., Ltd. (中廣核(深圳)運營技術與輻射監測有限公司), China Nuclear Power Operations Co., Ltd. (中廣核核電運營有限公司), the Inspection Company, 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") and GNPJVC, was subject to VAT. 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 construction contracts of CGN Engineering, a subsidiary of the Company, was subject to VAT at 3% using a simple tax computation method, while revenue from other construction contracts from January 1, 2019 to March 31, 2019 was subject to tax rate at 10%, and that from April 1, 2019 to June 30, 2020 was subject to tax rate at 9% using the general tax calculation method. The real estate rental income of the subsidiaries of the Company, namely GNIC, 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.

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 from January 1, 2019 to May 31, 2019, and was subject to VAT at 6% using a general tax computation method from June 1, 2019 to June 30, 2020.

Revenue from the interest income from the funds lending of the Company's subsidiary, namely Taishan Nuclear Power Industry Investment Co., Ltd. (台山核電產業投資有限公司) ("Taishan Investment"), was subject to VAT at 3% of taxable income of small-scale taxpayers under the tax law from January 1, 2019 to January 12, 2020, and was subject to VAT at 6% of taxable income of normal taxpayer from January 13, 2020 using the general tax calculation method. CGN Ninghe Investment Co., Ltd. (中廣核寧核投資有限公司), CGN Nuclear Power Investment Co., Ltd. (中廣核核電投資有限公司), CGN Hebei Thermal Power Co., Ltd. (中廣核河北熱電有限公司) and 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) were subject to VAT at 3% of taxable income of small-scale taxpayers under the tax law.

The Company's subsidiary, namely Guangxi Fanghe Power Sale Co., Ltd. (廣西防核售電有限公司), was a small-scale VAT taxpayer with monthly sales less than RMB0.1 million, and was exempt from VAT.

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

## 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 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 6th to 10th years from the second month to the commencement of commercial production, refund ratio is 70% of deposited tax; and between 11th to 15th 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.

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### Income tax incentives

Pursuant to the PRC Enterprise Income Tax Law as implemented from January 1, 2008, the subsidiaries of the Group enjoying preferential enterprise income tax policies are as follows:

Name of company or generating unit	Preferential tax rate applicable for the current period	Preferential tax rate applicable for corresponding period of previous year	Reason for tax incentives
Yangjiang Unit 1	N/A	12.5%	Enjoy operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Yangjiang Units 2 and 3	12.5%	12.5%	The preferential tax treatment expired in 2020 Enjoy operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Yangjiang Unit 4	12.5%	Exempted	Enjoy operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Yangjiang Units 5 and 6	Exempted	Exempted	Enjoy operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Fangchenggang Units 1 and 2	7.5%	7.5%	Enjoy western development enterprise income tax preferential policy and tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Ningde Unit 2	N/A	12.5%	Enjoy operating income tax preferential policy in relation to investment in public infrastructure projects as supported strategically by the nation
Ningde Units 3 and 4	12.5%	12.5%	The preferential tax treatment expired in 2020 Enjoy operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Taishan Unit 1	Exempted	Exempted	Enjoy operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Taishan Unit 2	Exempted	Not yet commenced commercial operations	Enjoy operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
GNPJVC	15%	15%	Enjoy preferential tax policy for high-tech enterprises
Ling'ao Nuclear	15%	15%	Enjoy preferential tax policy for high-tech enterprises
Lingdong Nuclear	15%	15%	Enjoy preferential tax policy for high-tech enterprises
China Nuclear Power Technology Research Institute	15%	15%	Enjoy preferential tax policy for high-tech enterprises
CNPSTC	15%	15%	Enjoy preferential tax policy for high-tech enterprises
SNPRI	15%	15%	Enjoy preferential tax policy for high-tech enterprises
Inspection Company	15%	15%	Enjoy preferential tax policy for high-tech enterprises

Name of company or generating unit	Preferential tax rate applicable for the current period	Preferential tax rate applicable for corresponding period of previous year	Reason for tax incentives
China Nuclear Power (Shenzhen) Operational Technology and Radiation Monitoring Co., Ltd.	15%	15%	Enjoy preferential tax policy for high-tech enterprises
CGN engineering	15%	15%	Enjoy preferential tax policy for high-tech enterprises
CGN Design	15%	15%	Enjoy preferential tax policy for high-tech enterprises
China Nuclear Power Operations Co., Ltd.	15%	15%	Enjoy preferential tax policy for high-tech enterprises
CGN Ocean Power Co., Ltd. (中廣核海洋能源有限公司) (“Ocean Power”)	5%	5%	Enjoy preferential enterprise income tax policy for small profit-making enterprises
CGN Hebei Thermal Power Co., Ltd. (“Hebei Thermal Power”)	5%	5%	Enjoy preferential enterprise income tax policy for small profit-making enterprises
Sansha Advanced Energy Co., Ltd. (三沙先進能源有限公司)	5%	5%	Enjoy preferential enterprise income tax policy for small profit-making enterprises
Fujian Ninghe Power Sales Co., Ltd. (福建寧核售電有限公司)	5%	Applicable for 5% upon its establishment on June 4, 2019	Enjoy preferential enterprise income tax policy for small profit-making enterprises
Guangxi Fanghe Power Sale Co., Ltd.	5%	Company not yet established, not applicable	Enjoy preferential enterprise income tax policy for small profit-making enterprises

## Other tax preferential policies

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 Notice on Publishing the Policies on Further Encouraging the Development of Software and Integrated Circuits Industry (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 the 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, the income from selling software products developed by CNPSTC shall be subject to value-added tax at a statutory tax rate, and an immediate refund policy shall be adopted for the portion exceeding 3% of the actual tax burden.

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 land for living and office, 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.

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

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

#### 1. Cash at bank and in hand

Item	June 30, 2020	December 31, 2019
Cash in hand	3,641.76	3,588.14
Cash at bank	13,319,469,950.28	19,549,895,055.68
Other cash at bank and in hand	26,334,250.40	21,750,129.76
Total	13,345,807,842.44	19,571,648,773.58
Include: Total amount deposited overseas	39,997,313.36	1,180,296,776.84

As at June 30, 2020 and December 31, 2019, 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 RMB26,334,250.40 and RMB21,750,129.76, respectively, and their uses were restricted (please see Note (V) 61).

As at June 30, 2020 and December 31, 2019, the Group's fixed deposits of more than three months amounted to RMB1,992,773,450.51 and RMB4,695,781,027.37, respectively.

#### 2. Derivative financial assets

Item	June 30, 2020	December 31, 2019
Derivative financial assets	1,679,330.46	3,149,401.93



### 3. Bills receivable

#### (1) Bills receivable disclosed by category

Item	June 30, 2020	December 31, 2019
Bank acceptance bills	3,282,480.00	669,120,265.04
Commercial acceptance bills	–	50,000.00
Total	3,282,480.00	669,170,265.04

- (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, 2020 and December 31, 2019, the Group had no pledged bills receivable.
- (4) As at June 30, 2020, the Group had no bills receivable which were endorsed and discounted but outstanding at the balance sheet date.
- (5) As at June 30, 2020 and December 31, 2019, the Group had no bills transferred to accounts receivable due to non-performance of the issuers.
- (6) The Group considers that the acceptors of its bank bills and commercial bills have high credit ratings and there is no significant credit risk. Therefore, no loss allowance has been made.

### 4. Accounts receivable

#### (a) Accounts receivable disclosed by category

Item	June 30, 2020	December 31, 2019
Accounts receivable arising from contracts with customers	7,898,584,844.19	7,613,182,646.09
Including: Group 1	7,371,439,344.74	7,147,764,943.75
Group 2	444,386,407.65	382,333,306.49
Accounts receivable for which provision for bad debts has been individually made	82,759,091.80	83,084,395.85
Less: Impairment provisions	133,071,781.96	129,288,920.84
Including: Group 1	26,862,756.70	25,390,418.37
Group 2	23,449,933.46	20,814,106.62
Accounts receivable for which provision for bad debts has been individually made	82,759,091.80	83,084,395.85
Carrying value	7,765,513,062.23	7,483,893,725.25

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

As part of the Group's 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. The credit risk and expected credit loss of each group of accounts receivable are as follows:

Group 1:

Aging	June 30, 2020				December 31, 2019			
	Expected credit loss rate	Carrying balance	Bad debt provision	Carrying value	Expected credit loss rate	Carrying balance	Bad debt provision	Carrying value
Less than 1 year	0.30%	7,348,611,931.21	24,092,659.04	7,324,519,272.17	0.30%	7,125,993,950.07	21,377,819.74	7,104,616,130.33
1 to 2 years	5.00%	11,997,985.45	599,899.27	11,398,086.18	5.00%	6,226,834.99	311,377.95	5,915,457.04
2 to 3 years	20.00%	10,786,300.43	2,157,260.09	8,629,040.34	20.00%	15,544,158.69	3,701,220.68	11,842,938.01
More than 3 years	30.00%	43,127.65	12,938.30	30,189.35	30.00%	-	-	-
<b>Total</b>		<b>7,371,439,344.74</b>	<b>26,862,756.70</b>	<b>7,344,576,588.04</b>		<b>7,147,764,943.75</b>	<b>25,390,418.37</b>	<b>7,122,374,525.38</b>

Group 2:

Aging	June 30, 2020				December 31, 2019			
	Expected credit loss rate	Carrying balance	Bad debt provision	Carrying value	Expected credit loss rate	Carrying balance	Bad debt provision	Carrying value
Less than 1 year	0.30%	315,409,388.01	2,175,600.53	313,233,787.48	0.30%	266,120,053.64	792,229.89	265,327,823.75
1 to 2 years	10.00%	104,597,588.10	10,459,758.81	94,137,829.29	10.00%	93,874,162.29	9,383,996.87	84,490,165.42
2 to 3 years	30.00%	16,806,470.68	5,041,941.20	11,764,529.48	30.00%	10,259,256.96	3,081,299.03	7,177,957.93
3 to 4 years	50.00%	2,701,803.88	1,350,901.94	1,350,901.94	50.00%	8,745,306.60	4,372,653.30	4,372,653.30
4 to 5 years	80.00%	2,247,129.98	1,797,703.98	449,426.00	80.00%	725,000.00	574,400.53	150,599.47
More than 5 years	100.00%	2,624,027.00	2,624,027.00	-	100.00%	2,609,527.00	2,609,527.00	-
<b>Total</b>		<b>444,386,407.65</b>	<b>23,449,933.46</b>	<b>420,936,474.19</b>		<b>382,333,306.49</b>	<b>20,814,106.62</b>	<b>361,519,199.87</b>

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

Aging	June 30, 2020				December 31, 2019			
	Expected credit loss rate	Carrying balance	Bad debt provision	Carrying value	Expected credit loss rate	Carrying balance	Bad debt provision	Carrying value
3 to 4 years	100.00%	73,979,091.80	73,979,091.80	-	100.00%	74,259,091.80	74,259,091.80	-
4 to 5 years	100.00%	280,000.00	280,000.00	-	100.00%	3,400,000.00	3,400,000.00	-
More than 5 years	100.00%	8,500,000.00	8,500,000.00	-	100.00%	5,425,304.05	5,425,304.05	-
<b>Total</b>		<b>82,759,091.80</b>	<b>82,759,091.80</b>	<b>-</b>		<b>83,084,395.85</b>	<b>83,084,395.85</b>	<b>-</b>

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

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

Item	For the period from January 1 to June 30, 2020		Total
	Expected credit losses during the whole life (no credit impairment occurred)	Expected credit losses during the whole life (credit impairment occurred)	
January 1, 2020	46,204,524.99	83,084,395.85	129,288,920.84
Provisions for expected credit losses for the period	4,179,518.26	–	4,179,518.26
Reversal of expected credit losses for the period	(89,676.61)	–	(89,676.61)
Write-offs for the period	–	(325,304.05)	(325,304.05)
Impact of changes in exchange rates	18,323.52	–	18,323.52
June 30, 2020	50,312,690.16	82,759,091.80	133,071,781.96

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

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)	3,738,991,004.72	47.35	13,485,265.30
Fujian Electric Grid Co., Ltd. (國網福建省電力有限公司)	726,632,508.91	9.20	2,179,897.53
Hong Kong Nuclear Investment Co. Ltd. ("HKNIC") (香港核電投資有限公司)	566,502,446.62	7.17	1,255,921.85
Guangxi Power Grid Co., Ltd. (廣西電網有限責任公司)	532,596,413.69	6.74	1,597,789.24
CGNPC Zhejiang Daishan Offshore Wind Power Co., Ltd. (中廣核浙江岱山海上風力發電有限公司)	461,736,436.98	5.85	1,020,110.35
Total	6,026,458,810.92	76.31	19,538,984.27

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### 5. Prepayments

#### (1) Prepayments by aging

Aging	June 30, 2020		December 31, 2019	
	Amount	Percentage (%)	Amount	Percentage (%)
Less than 1 year	7,431,456,670.00	57.75	5,502,465,828.77	59.82
1 to 2 years	2,636,196,963.52	20.49	701,497,252.79	7.63
2 to 3 years	538,170,434.06	4.18	712,620,826.10	7.75
More than 3 years	2,262,334,892.07	17.58	2,280,919,469.15	24.80
Total	12,868,158,959.65	100.00	9,197,503,376.81	100.00

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

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

Name of entity	Amount	Percentage to total prepayments (%)
CGNPC Uranium Resources Co., Ltd	5,297,025,801.50	41.16
China Construction Second Engineering Bureau Ltd.	881,174,923.37	6.85
Mingyang Smart Energy Group., Ltd. (明陽智慧能源集團股份公司)	701,891,729.42	5.45
Dongfang Electric Corporation Limited	519,833,321.63	4.04
China Nuclear Industry 23 Construction Co., Ltd	340,745,911.14	2.65
Total	7,740,671,687.06	60.15

## 6. Other receivables

Item	June 30, 2020	December 31, 2019
Dividends receivable	64,202,149.25	77,057,776.36
Other receivables	83,175,783.17	70,138,499.14
Total	147,377,932.42	147,196,275.50

### (1) Dividends receivable

#### (a) Dividends receivable

Investee	June 30, 2020	December 31, 2019
China Nuclear Industry Huaxing Construction Co., Ltd. (中國核工業華興建設有限公司)	68,954,241.70	68,954,241.70
China Nuclear Industry 23 Construction Co., Ltd	-	12,855,627.11
Total	68,954,241.70	81,809,868.81
Less: Bad debt provisions	4,752,092.45	4,752,092.45
Carrying value	64,202,149.25	77,057,776.36

#### (b) Determining provision for bad debt

Item	June 30, 2020			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)	
January 1, 2020	144,615.30	4,607,477.15	-	4,752,092.45
Provisions for expected credit losses for the period	-	-	-	-
Reversals for expected credit losses for the period	-	-	-	-
June 30, 2020	144,615.30	4,607,477.15	-	4,752,092.45

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (2) Other receivables

#### (a) Disclosed by aging

Item	June 30, 2020		
	Other receivables	Bad debt provisions	Provisions percentage (%)
Less than 1 year	64,873,162.02	175,906.10	0.30%
1 to 2 years	5,882,168.17	588,005.16	10.00%
2 to 3 years	15,418,247.72	4,624,882.49	30.00%
3 to 4 years	3,198,225.59	1,599,112.80	50.00%
4 to 5 years	3,959,431.10	3,167,544.88	80.00%
More than 5 years	32,593,106.92	32,593,106.92	100.00%
<b>Total</b>	<b>125,924,341.52</b>	<b>42,748,558.35</b>	

#### (b) Other receivables disclosed by category

Item	June 30, 2020				December 31, 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	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	9,985,595.68	22,843,411.21	-	32,829,006.89	18,056,921.51	22,836,526.39	-	40,893,447.90
Group 2	54,887,566.34	37,857,768.29	-	92,745,334.63	26,078,954.45	41,832,375.95	-	67,911,330.40
Other receivables for which bad debt provision is individually assessed	-	-	350,000.00	350,000.00	-	-	350,000.00	350,000.00
Carrying balance	64,873,162.02	60,701,179.50	350,000.00	125,924,341.52	44,135,875.96	64,668,902.34	350,000.00	109,154,778.30
Bad debt provisions	175,906.10	42,222,652.25	350,000.00	42,748,558.35	855,141.09	37,811,138.07	350,000.00	39,016,279.16
Net carrying value	64,697,255.92	18,478,527.25	-	83,175,783.17	43,280,734.87	26,857,764.27	-	70,138,499.14

## (c) Changes in bad debt provisions for other receivables

Item	For the period from January 1, 2020 to June 30, 2020			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)	
January 1, 2020	855,141.09	37,811,138.07	350,000.00	39,016,279.16
Provisions for expected credit losses for the period	–	4,410,734.30	–	4,410,734.30
Reversal of expected credit losses for the period	(686,302.73)	–	–	(686,302.73)
Impact of changes in exchange rates	7,067.74	779.88	–	7,847.62
June 30, 2020	175,906.10	42,222,652.25	350,000.00	42,748,558.35

## (d) Top five debtors with the largest closing balances of other receivables

Name of entity	Nature	Amount	Aging	Percentage to total other receivables (%)	Closing balance of provisions for bad debts
CGN Services Group Co., Ltd. (中廣核服務集團有限公司) ("CGN Services Group")	Related party payments	22,335,310.94	Over 5 years	17.74	22,335,310.94
Customs of Fangchenggang	Customs deposit	17,017,307.68	Less than 1 year	13.51	51,051.93
China Nuclear Energy Industry Corporation (中國原子能工業有限公司)	Others	10,097,652.96	Less than 1 year	8.02	30,292.96
China General Nuclear Power Corporation	Related party payments	9,577,157.28	Less than 1 year	7.61	5,280.27
Guangxi GI Cultural Tourism Investment Co., Ltd. (廣西廣投文化旅遊投資有限公司)	Related party payments	3,760,000.00	2 to 3 years	2.99	1,128,000.00
Total		62,787,428.86		49.87	23,549,936.10

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (e) Other receivables by nature

Nature of other receivables	June 30, 2020	December 31, 2019
Related party payments	32,829,006.89	40,892,232.45
Employee borrowings and petty cash fund	24,475,895.97	18,763,233.13
Others	68,619,438.66	49,499,312.72
<b>Total</b>	<b>125,924,341.52</b>	<b>109,154,778.30</b>

## 7. Inventories

### (1) Inventories by category

Item	June 30, 2020			December 31, 2019		
	Carrying balance	Provision for decline in value	Carrying value	Carrying balance	Provision for decline in value	Carrying value
Nuclear fuel	6,530,531,558.05	-	6,530,531,558.05	7,262,238,837.29	-	7,262,238,837.29
Spare parts	5,266,194,801.48	662,612,265.64	4,603,582,535.84	5,296,390,088.53	672,477,259.27	4,623,912,829.26
Goods on hand	3,511,452.05	-	3,511,452.05	3,513,868.31	-	3,513,868.31
Consigned processing materials	6,347,922,753.45	-	6,347,922,753.45	6,443,470,388.70	-	6,443,470,388.70
Raw materials	41,025,405.16	-	41,025,405.16	37,091,393.03	-	37,091,393.03
Reusable materials	3,382,880.97	-	3,382,880.97	409,924.30	-	409,924.30
<b>Total</b>	<b>18,192,568,851.16</b>	<b>662,612,265.64</b>	<b>17,529,956,585.52</b>	<b>19,043,114,500.16</b>	<b>672,477,259.27</b>	<b>18,370,637,240.89</b>

### (2) Provision for decline in value of inventories

Inventory categories	Additions during the period		Deductions during the period	
	January 1, 2020	Impact of foreign currency translation	Reversal or write-off	June 30, 2020
Spare parts	672,477,259.27	7,012,821.50	16,877,815.13	662,612,265.64

### (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, 2020 and December 31, 2019, the capitalized borrowing costs included in the initial nuclear fueling costs in the Group's inventory amounted to RMB0.00 and RMB25,994,777.15, respectively.



## 8. Contract assets

### (1) Presentation of contract assets

Item	June 30, 2020			December 31, 2019		
	Carrying balance	Impairment provision	Carrying value	Carrying balance	Impairment provision	Carrying value
Completed but unsettled assets resulting from construction contracts	3,180,181,715.92	10,184,991.10	3,169,996,724.82	3,415,434,802.99	10,174,389.36	3,405,260,413.63
Guarantee deposits	15,666,959.15	2,032,883.59	13,634,075.56	17,950,123.53	2,032,883.59	15,917,239.94
<b>Total</b>	<b>3,195,848,675.07</b>	<b>12,217,874.69</b>	<b>3,183,630,800.38</b>	<b>3,433,384,926.52</b>	<b>12,207,272.95</b>	<b>3,421,177,653.57</b>

Item	For the period from January 1 to June 30, 2020		
	Expected credit losses during the hole life (no credit impairment occurred)	Expected credit losses during the whole life (credit impairment occurred)	Total
January 1, 2020	(12,207,272.95)	–	(12,207,272.95)
Provisions for expected credit losses for the period	(45,601.74)	–	(45,601.74)
Reversal for impairment provision for the period	35,000.00	–	35,000.00
<b>June 30, 2020</b>	<b>(12,217,874.69)</b>	<b>–</b>	<b>(12,217,874.69)</b>

### (2) Qualitative 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

Item	June 30, 2020	December 31, 2019
Derivative financial instruments	–	245,345.98
<b>Total</b>	<b>–</b>	<b>245,345.98</b>

## 10. Other current assets

Item	June 30, 2020	December 31, 2019
VAT retained at the end of the period	2,995,927,461.63	3,055,567,029.57
Others	10,550,915.20	3,194,202.18
<b>Total</b>	<b>3,006,478,376.83</b>	<b>3,058,761,231.75</b>

# Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

## 11. Long-term equity investments

Investee	Balance at January 1, 2020	Additional investment	Reduced investment	Investment income recognized under the equity method	Changes in the current period				Balance at June 30, 2020	Closing balance of impairment provisions
					Adjustment of other comprehensive income	Changes in other equity	Declared cash dividends or profits	Impairment provision		
<b>Associates</b>										
Liaoning Hongyanhe Nuclear Power Co., Ltd. (辽宁红沿河核电力有限公司)	6,666,567,903.36	178,107,750.00	-	156,308,702.62	-	-	-	-	7,000,984,355.98	-
Fujian Ningde Second Nuclear Power Co., Ltd. (福建宁德第二核电力有限公司)	224,718,000.00	-	-	-	-	-	-	-	224,718,000.00	-
CGN Industry Investment Fund Phase I Co., Ltd. (中广核一期产业投资基金有限公司)	2,418,037,406.25	20,426,590.00	-	125,235,441.00	-	-	-	-	2,563,701,437.25	-
(CGN Fund Phase I)	474,187,877.52	-	-	31,784,040.37	(598,400.00)	1,262,000.00	-	-	506,655,517.89	-
China Nuclear Industry 23 Construction Co., Ltd. (CGN Finance Co., Ltd. (中广核财务有限公司))	1,361,010,688.16	-	-	102,426,764.70	-	-	-	-	1,463,437,452.86	-
CECC Engineering Company Limited (中核工程有限公司)	34,769,935.24	-	-	442,661.64	-	-	-	-	35,212,596.88	-
Xingnan Xingrong Nuclear Power Innovation Center Co., Ltd. (雄安兴融核创新中心有限公司)	20,000,000.00	-	-	-	-	-	-	-	20,000,000.00	-
<b>Total</b>	<b>11,199,291,810.53</b>	<b>198,536,340.00</b>	<b>-</b>	<b>416,197,610.33</b>	<b>(598,400.00)</b>	<b>1,262,000.00</b>	<b>-</b>	<b>-</b>	<b>11,814,689,361.86</b>	<b>-</b>

## 12. Other investment in equity instruments

### (1) Other investment in equity instruments

Investee	June 30, 2020	December 31, 2019	Reasons for the specified classification	Dividends recognized during the period from January 1 to June 30, 2020
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)	282,036,600.00	281,155,000.00	Not intended to hold for recent sale or short-term profit	–
Total	392,036,600.00	391,155,000.00		–

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

Item	June 30, 2020	December 31, 2019
Cost of equity instruments	255,580,350.00	255,580,350.00
Fair value	392,036,600.00	391,155,000.00
Accumulated changes in fair value recognized in other comprehensive income	136,456,250.00	135,574,650.00

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### 13. Investment properties

#### (1) Investment properties measured at cost

Item	Buildings and structures
For the period from January 1 to June 30, 2020	
I. Original carrying value	
1. Opening balance	347,314,140.26
2. Additions during the period	
(1) Impact of foreign currency translation	148,628.81
3. Deductions during the period	
(1) Investment properties transferred to self-use properties	16,530,141.57
4. Closing balance	330,932,627.50
II. Accumulated depreciation and accumulated amortization	
1. Opening balance	163,566,933.07
2. Additions during the period	
(1) Provisions	13,153,541.31
(2) Impact of foreign currency translation	70,212.68
3. Deductions during the period	
(1) Investment properties transferred to self-use properties	720,995.91
4. Closing balance	176,069,691.15
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	154,862,936.35
2. Opening carrying value	183,747,207.19

(2) As at June 30, 2020 and December 31, 2019, the Group had no investment properties without proper title certificates.

#### (3) Undiscounted future lease receipts after the balance sheet date

Maturity analysis of undiscounted operating future lease receipts	June 30, 2020	December 31, 2019
The first year after the balance sheet date	5,925,132.24	45,457,129.31
The second year after the balance sheet date	4,995,344.64	32,096,578.71
The third year after the balance sheet date	3,034,261.82	2,834,588.13
The fourth year after the balance sheet date	2,730,581.52	2,769,068.72
The fifth year after the balance sheet date	2,730,581.52	2,699,402.05
After the sixth year after the balance sheet date	6,940,035.09	9,193,381.27
Total	26,355,936.83	95,050,148.19

## 14. Fixed assets

### (1) Fixed assets

Item	Buildings and structures	Machinery and equipment	Transportation vehicles	Electronic and office equipment	Cost of nuclear power plant decommissioning	Vessels	Total
For the period from January 1 to June 30, 2020							
I. Original carrying value							
1. Opening balance	69,403,405,224.47	255,779,951,065.15	162,634,250.88	2,700,547,840.23	2,671,926,167.90	420,164,851.04	331,138,629,399.67
2. Additions during the period	249,610,375.52	641,888,107.57	492,021.49	95,301,149.72	2,708,279.29	-	989,999,933.59
(1) Acquisition	5,500,313.86	45,783,430.70	405,682.75	63,527,665.05	-	-	115,217,092.36
(2) Transfer from construction in progress	152,843,435.67	242,904,394.25	-	30,382,414.76	-	-	426,130,244.68
(3) Transfer from development costs	-	3,497,768.08	-	66,371.68	-	-	3,564,139.76
(4) Investment properties transferred to self-use properties	16,530,141.57	-	-	-	-	-	16,530,141.57
(5) Impact of foreign currency translation	74,736,484.42	349,702,514.54	86,338.74	1,324,698.23	2,708,279.29	-	428,558,315.22
3. Deductions during the period	-	25,945,657.61	308,987.00	36,553,694.81	-	-	62,808,339.42
(1) Disposal	-	25,945,657.61	308,987.00	36,553,694.81	-	-	62,808,339.42
4. Closing balance	69,653,015,599.99	256,395,893,515.11	162,817,285.37	2,759,295,295.14	2,674,634,447.19	420,164,851.04	332,065,820,993.84
II. Accumulated depreciation							
1. Opening balance	13,847,504,580.89	57,928,155,270.59	114,949,240.59	1,901,265,079.25	369,714,368.29	10,644,176.24	74,172,232,715.85
2. Additions during the period	1,068,974,493.25	4,289,597,676.95	6,637,785.48	107,609,529.17	30,895,911.36	7,983,132.18	5,511,698,528.39
(1) Charge for the period	1,000,383,357.72	3,980,636,962.77	6,582,551.17	106,473,200.34	29,057,621.61	7,983,132.18	5,131,116,825.79
(2) Investment properties transferred to self-use properties	720,995.91	-	-	-	-	-	720,995.91
(3) Impact of foreign currency translation	67,870,139.62	308,960,714.18	55,234.31	1,136,328.83	1,838,289.75	-	379,860,706.69
3. Deductions during the period	-	20,022,157.64	181,097.05	30,521,629.34	-	-	50,724,884.03
(1) Disposals	-	20,022,157.64	181,097.05	30,521,629.34	-	-	50,724,884.03
4. Closing balance	14,916,479,074.14	62,197,730,789.90	121,405,929.02	1,978,352,979.08	400,610,279.65	18,627,308.42	79,633,206,360.21
III. Impairment provisions							
1. Opening balance	-	11,703,400.40	-	-	-	-	11,703,400.40
2. Additions during the period	-	71,595.09	-	-	-	-	71,595.09
(1) Impact of foreign currency translation	-	71,595.09	-	-	-	-	71,595.09
3. Closing balance	-	11,774,995.49	-	-	-	-	11,774,995.49
IV. Carrying value							
1. Closing carrying value	54,736,536,525.85	194,186,387,729.72	41,411,356.35	780,942,316.06	2,274,024,167.54	401,537,542.62	252,420,839,638.14
2. Opening carrying value	55,555,900,643.58	197,840,092,394.16	47,685,010.29	799,282,760.98	2,302,211,799.61	409,520,674.80	256,954,693,283.42

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

- (2) As at June 30, 2020 and December 31, 2019, the Group had no temporarily idle fixed assets.
- (3) As at June 30, 2020 and December 31, 2019, the Group had no fixed assets under operating leases.
- (4) **Fixed assets without proper title certificates**

As at June 30, 2020 and December 31, 2019, the net value of the properties held by the Group for which the application of reference certificates were still in progress amounted to RMB5,912,176,904.84 and RMB6,010,592,201.47, respectively. The directors of the Company believed that the ongoing application for the above title certificates will not affect the use and operation of the properties.

## 15. Construction in progress

### (1) Construction in progress

Name of project	June 30, 2020			December 31, 2019		
	Carrying balance	Impairment provision	Carrying value	Carrying balance	Impairment provision	Carrying value
Lufeng Nuclear Project	17,938,711,797.79	-	17,938,711,797.79	17,172,511,687.31	-	17,172,511,687.31
Fangchenggang Nuclear Phase II Project	20,793,602,139.13	-	20,793,602,139.13	18,493,655,613.45	-	18,493,655,613.45
Ningde Nuclear project	377,485,441.35	-	377,485,441.35	348,772,240.36	-	348,772,240.36
Others	3,743,660,890.50	-	3,743,660,890.50	3,225,630,472.17	-	3,225,630,472.17
Total	42,853,460,268.77	-	42,853,460,268.77	39,240,570,013.29	-	39,240,570,013.29

## (2) Changes in major construction in progress

Name of project	Budget amount	January 1, 2020	Additions during the period	June 30, 2020	Proportion of investment to budget (%)	Project progress (%)	Accumulated capitalized interest	Including: capitalized interest for the period	Ratio of capitalized interest amount for the period (%)	Sources of fund
Lufeng Nuclear Project (Note 1)	N/A	17,172,511,687.31	766,200,110.48	17,938,711,797.79	N/A	N/A	3,051,653,410.25	224,022,608.44	4.15	Own funds, loans
Fangchenggang Nuclear Phase II Project	37,489,790,000.00	18,493,655,613.45	2,299,946,525.68	20,793,602,139.13	57.00	57.00	1,819,265,876.03	358,347,152.58	4.64	Own funds, loans
Total	37,489,790,000.00	35,666,167,300.76	3,066,146,636.16	38,732,313,936.92			4,870,919,286.28	582,369,761.02		

Note 1: According to the approval letter in relation to the launch of preliminary work of Lufeng Phase I from the General Office of 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》, the preliminary work of Lufeng Nuclear project (Lufeng Phase I) launched by Lufeng Nuclear has not been approved yet, and there is no investment budget at present.

## (3) As at June 30, 2020 and December 31, 2019, the Group was not required to make impairment provision for construction in progress.

## Notes to the Financial Statements

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(All amounts in RMB unless otherwise stated)

### 16. Right-of-use assets

#### (1) Right-of-use assets

Item	Buildings and structures	Machinery and equipment	Total
For the period from January 1 to June 30, 2020			
I. Original carrying value			
1. Opening balance	1,267,386,523.84	–	1,267,386,523.84
2. Additions during the period			
(1) Additions	8,877,534.15	22,275.00	8,899,809.15
(2) Impact of foreign currency translation	603,451.55	–	603,451.55
3. Deductions during the period			
(1) Early termination of contracts	6,472,108.80	–	6,472,108.80
4. Closing balance	1,270,395,400.74	22,275.00	1,270,417,675.74
II. Accumulated depreciation			
1. Opening balance	222,230,197.74	–	222,230,197.74
2. Additions during the period			
(1) Charge for the period	132,716,459.58	5,568.75	132,722,028.33
(2) Impact of foreign currency translation	140,247.45	–	140,247.45
3. Deductions during the period			
(1) Early termination of contracts	1,790,284.69	–	1,790,284.69
4. Closing balance	353,296,620.08	5,568.75	353,302,188.83
III. Impairment provisions			
1. Opening balance	–	–	–
2. Additions during the period	–	–	–
3. Deductions during the period	–	–	–
4. Closing balance	–	–	–
IV. Carrying value			
1. Closing balance	917,098,780.66	16,706.25	917,115,486.91
2. Opening balance	1,045,156,326.10	–	1,045,156,326.10

#### (2) Amounts recognized in profit or loss

	For the period from January 1 to June 30, 2020
Buildings and structures, machinery and equipment	
Depreciation expenses of right-of-use assets (Note 1)	131,803,439.56
Interest expenses on the lease liabilities (Note 2)	20,109,932.04
Short-term lease expenses	23,189,152.38

Note 1: For the period from January 1 to June 30, 2020, the depreciation expenses of capitalized right-of-use assets amounted to RMB913,020.02.

Note 2: For the period from January 1 to June 30, 2020, the interest expense on the lease liabilities amounted to RMB323,246.50.

Note 3: For the period from January 1 to June 30, 2020, there were no variable lease payments not included in lease liabilities.

#### (3) For the period from January 1 to June 30, 2020, the total cash outflow of the Group's leases amounted to RMB151,048,574.46.



## 17. Intangible assets

### (1) Intangible assets

Item	Land use rights	Computer software	Patent rights	Non-patented technology	Sea area use right	Others	Total
For the period from January 1 to June 30, 2020							
I. Original carrying value							
1. Opening balance	4,324,856,941.70	1,920,773,595.81	667,819,270.25	602,862,266.26	263,676,952.00	92,804,022.62	7,872,793,048.64
2. Additions during the period	44,513,114.97	54,130,239.09	21,059,113.44	54,536,038.53	-	-	174,238,506.03
(1) Acquisition	38,851,600.00	7,034,622.45	6,053,620.65	36,849.93	-	-	51,976,693.03
(2) Transfer from construction in progress	-	8,516,016.41	-	-	-	-	8,516,016.41
(3) Transfer from development cost	-	35,182,835.39	15,005,492.79	54,499,188.60	-	-	104,687,516.78
(4) Impact of foreign currency translation	5,661,514.97	3,396,764.84	-	-	-	-	9,058,279.81
3. Deductions during the period	-	7,531,467.18	-	-	-	-	7,531,467.18
(1) Disposal during the period	-	7,531,467.18	-	-	-	-	7,531,467.18
4. Closing balance	4,369,370,056.67	1,967,372,367.72	688,878,383.69	657,398,304.79	263,676,952.00	92,804,022.62	8,039,500,087.49
II. Accumulated amortization							
1. Opening balance	932,647,625.04	1,471,135,567.18	225,213,288.44	244,669,212.85	22,424,056.18	39,674,839.98	2,935,764,589.67
2. Additions during the period	54,590,501.55	92,104,390.14	39,227,485.90	24,868,774.47	2,982,317.42	4,697,230.14	218,470,699.62
(1) Provisions	50,658,094.66	88,964,583.92	39,227,485.90	24,868,774.47	2,982,317.42	4,697,230.14	211,398,486.51
(2) Impact of foreign currency translation	3,932,406.89	3,139,806.22	-	-	-	-	7,072,213.11
3. Deductions during the period	-	1,491,849.27	-	-	-	-	1,491,849.27
(1) Disposal during the period	-	1,491,849.27	-	-	-	-	1,491,849.27
4. Closing balance	987,238,126.59	1,561,748,108.05	264,440,774.34	269,537,987.32	25,406,373.60	44,372,070.12	3,152,743,440.02
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	3,382,131,930.08	405,624,259.67	424,437,609.35	387,860,317.47	238,270,578.40	48,431,952.50	4,886,756,647.47
2. Opening carrying value	3,392,209,316.66	449,638,028.63	442,605,981.81	358,193,053.41	241,252,895.82	53,129,182.64	4,937,028,458.97

As at June 30, 2020 and December 31, 2019, the Group's intangible assets from internal research and development accounted for 16.74% and 15.83% of the balance of intangible assets, respectively.

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

As at June 30, 2020 and December 31, 2019, the Group had no right-of-use assets without proper title certificates.

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### 18. Development cost

Item	January 1, 2020	Additions during the period	Deductions during the period			June 30, 2020
			Transfer to intangible assets during the period	Transfer to fixed assets during the period	Transfer to profit or loss during the period	
AP1000	353,103,266.54	-	-	-	8,698.42	353,094,568.12
HPR/ACPR 1000	380,054,498.09	8,702,911.64	12,093,955.66	-	346,701.74	376,316,752.33
Others	1,541,067,910.42	100,404,211.92	92,593,561.12	3,564,139.76	3,973,095.00	1,541,341,326.46
Total	2,274,225,675.05	109,107,123.56	104,687,516.78	3,564,139.76	4,328,495.16	2,270,752,646.91

### 19. Goodwill

Item	January 1 and June 30, 2020
Original carrying value	
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
Ningde Nuclear	419,242,673.32
Subtotal	426,290,673.32
Impairment provision	
China Daya Bay Nuclear Power Technology Research Institute Co., Ltd.	7,048,000.00
Ningde Nuclear	-
Subtotal	7,048,000.00
Total	419,242,673.32

## 20. Long-term deferred expenses

Item	January 1, 2020	Increase during the period	Amortization for the period	Impact of foreign currency translation	June 30, 2020
Nuclear power production preparation staff training fee (Note 1)	992,579,716.04	38,222,074.74	31,870,030.76	-	998,931,760.02
Emergency passages (Note 2)	382,707,373.45	-	14,605,035.40	-	368,102,338.05
Others	98,140,683.83	809,004.06	8,341,213.19	2,229.11	90,610,703.81
<b>Total</b>	<b>1,473,427,773.32</b>	<b>39,031,078.80</b>	<b>54,816,279.35</b>	<b>2,229.11</b>	<b>1,457,644,801.88</b>

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 contracts or training agreements 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.

## 21. Deferred tax assets/deferred tax liabilities

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

Item	June 30, 2020		December 31, 2019	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Unrealized profit arising from internal transactions	7,878,937,557.72	1,969,734,389.43	7,321,752,176.99	1,830,438,044.25
Deferred income	247,202,583.40	37,048,700.01	219,190,314.12	32,846,859.63
Expected credit losses	170,462,052.95	25,629,359.72	67,481,906.58	9,875,350.23
Others	305,103,790.80	53,848,718.94	195,198,612.25	30,903,095.05
<b>Total</b>	<b>8,601,705,984.87</b>	<b>2,086,261,168.10</b>	<b>7,803,623,009.94</b>	<b>1,904,063,349.16</b>

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

Item	June 30, 2020		December 31, 2019	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Depreciation of fixed assets	4,280,653,686.78	1,094,461,113.02	4,208,530,264.35	1,095,318,603.42
Revaluation gain of assets for business combinations involving entities not under common control	575,206,961.96	143,801,740.49	487,639,130.10	121,909,782.50
Others	1,079,372.66	161,905.90	-	-
<b>Total</b>	<b>4,856,940,021.40</b>	<b>1,238,424,759.41</b>	<b>4,696,169,394.45</b>	<b>1,217,228,385.92</b>

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For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (3) Unrecognized deferred tax assets

Item	June 30, 2020	December 31, 2019
Deductible temporary differences	419,453,627.48	372,865,368.73
Deductible losses	2,431,831,165.32	1,896,938,464.33
Total	2,851,284,792.80	2,269,803,833.06

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.

- (4) According to the accounting policy set out in the notes, since some subsidiaries are not likely to obtain future taxable profits that can be used to offset the relevant losses, as at June 30, 2020, the Group has not yet recognized the deferred tax assets in respect of the accumulated deductible losses of RMB2,431,831,165.32 as at June 30, 2020 (December 31, 2019: RMB1,896,938,464.33). According to the current tax law, these deductible losses can be offset by future taxable profits within a period of no more than 5 years from the year of occurrence (i.e. 2015).

## 22. Other non-current assets

Item	June 30, 2020	December 31, 2019
VAT retained at the end of the period	5,112,117,773.35	5,037,652,514.54
Prepayment for engineering equipment	1,030,769,216.30	953,857,317.37
Others	38,703,959.18	37,739,834.23
Total	6,181,590,948.83	6,029,249,666.14

## 23. Short-term loans

### (1) Short-term loans by category

Item	June 30, 2020	December 31, 2019
Credit loans	18,531,059,661.21	14,246,581,618.90
Short-term loans interest payable	42,242,326.46	16,691,839.58
Total	18,573,301,987.67	14,263,273,458.48

- (2) As at June 30, 2020 and December 31, 2019, the Group had no overdue and unsettled short-term loans.

## 24. Bills payable

Item	June 30, 2020	December 31, 2019
Commercial acceptance bills	10,180,040.53	24,936,897.30
Bank acceptance bills	1,623,632,518.40	2,593,446,897.71
<b>Total</b>	<b>1,633,812,558.93</b>	<b>2,618,383,795.01</b>

As at June 30, 2020 and December 31, 2019, the Group had no overdue and unsettled bills payable.

## 25. Accounts payable

### (1) Accounts payable by aging

Aging	June 30, 2020	December 31, 2019
Less than 1 year	15,309,196,979.84	16,816,576,820.68
1 to 2 years	751,300,691.01	1,429,846,114.77
2 to 3 years	829,302,105.77	654,954,693.70
More than 3 years	1,388,854,782.78	1,082,102,135.94
<b>Total</b>	<b>18,278,654,559.40</b>	<b>19,983,479,765.09</b>

The aging is calculated from the date of recognition of accounts payable.

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

June 30, 2020

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)	258,300,915.40	Not yet settled
Dongfang Electric Corporation Limited	233,389,811.58	Not yet settled
Nanfang Ventilator Co., Ltd. (南方風機股份有限公司)	88,804,324.68	Not yet settled
Jiangsu Shentong Valve Co., Ltd.	55,384,486.84	Not yet settled
Shanghai First Machine Tool Works Co., Ltd. (上海第一機床廠有限公司)	47,681,952.42	Not yet settled
<b>Total</b>	<b>683,561,490.92</b>	

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(All amounts in RMB unless otherwise stated)

### 26. Contract liabilities

#### (1) Contract liabilities

Item	June 30, 2020	December 31, 2019
Settled payments of uncompleted construction, installation and design service contracts	3,298,404,786.14	1,520,769,634.57
Payments of sales, technical services and construction, installation and design services received in advance	53,555,832.40	22,472,717.98
<b>Total</b>	<b>3,351,960,618.54</b>	<b>1,543,242,352.55</b>

#### (2) Qualitative analysis of contract liabilities

The contract liabilities associated with the construction, installation and design service contracts are the balances prepaid by 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 revenue on goods sold, 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.

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

Item	June 30, 2020	December 31, 2019
Accumulated costs incurred	156,168,311,474.84	149,889,957,664.27
Accumulated gross profit recognized	8,860,025,850.79	8,661,080,890.49
Less: Expected losses	–	–
Amounts settled	166,411,363,272.80	159,023,187,433.84
Amounts settled but uncompleted arising from construction contracts	1,383,025,947.17	472,148,879.08

### 27. Employee benefits payable

#### (1) Employee benefits payable

Item	January 1, 2020	Increase during the period	Decrease during the period	June 30, 2020
I. Short-term employee benefits payable	41,406,670.84	4,284,703,356.09	4,242,555,527.74	83,554,499.19
II. Post-employment benefits – defined contribution plan	9,640,067.91	341,041,932.64	344,445,908.54	6,236,092.01
III. Dismissal benefits	–	202,600.00	202,600.00	–
IV. Others	–	260,205.43	260,205.43	–
<b>Total</b>	<b>51,046,738.75</b>	<b>4,626,208,094.16</b>	<b>4,587,464,241.71</b>	<b>89,790,591.20</b>

## (2) Short-term employee benefits

Item	January 1, 2020	Increase during the period	Decrease during the period	June 30, 2020
1. Salaries, bonuses, allowances and subsidies	–	3,118,632,146.27	3,086,906,423.84	31,725,722.43
2. Staff welfare	–	568,213,791.95	567,930,116.65	283,675.30
3. Social insurance premiums	325,854.27	214,287,497.08	212,530,465.31	2,082,886.04
Including: Basic medical insurance	201,765.56	71,176,007.11	69,468,748.19	1,909,024.48
Supplementary medical insurance	0.07	130,098,334.77	130,098,334.84	–
Work-related injury insurance	53,601.25	2,566,681.98	2,506,855.56	113,427.67
Maternity insurance	70,487.39	10,049,018.20	10,059,071.70	60,433.89
Others	–	397,455.02	397,455.02	–
4. Housing provident funds	3,977,747.58	282,131,192.91	278,964,019.33	7,144,921.16
5. Labor union expenditures and employees' education expenses	36,641,924.06	66,381,574.58	78,044,152.97	24,979,345.67
6. Other short-term employee benefits	461,144.93	35,057,153.30	18,180,349.64	17,337,948.59
<b>Total</b>	<b>41,406,670.84</b>	<b>4,284,703,356.09</b>	<b>4,242,555,527.74</b>	<b>83,554,499.19</b>

## (3) Defined contribution plan

Item	January 1, 2020	Increase during the period	Decrease during the period	June 30, 2020
1. Basic pension insurance	1,001,065.68	136,923,986.99	133,232,556.93	4,692,495.74
2. Unemployment insurance	54,481.41	1,194,639.60	1,208,563.83	40,557.18
3. Corporate annuity contribution	8,584,520.82	202,923,306.05	210,004,787.78	1,503,039.09
<b>Total</b>	<b>9,640,067.91</b>	<b>341,041,932.64</b>	<b>344,445,908.54</b>	<b>6,236,092.01</b>

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. In addition, according to the Group's corporate annuity management system, the Group is required to pay the corporate annuity contribution which is a fixed proportion to the Company's annual salary standard of previous year. 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.

## 28. Taxes payable

Item	June 30, 2020	December 31, 2019
VAT	272,781,178.13	401,087,335.77
Urban maintenance and construction tax	30,550,592.72	27,191,483.98
Enterprise income tax	806,445,759.74	920,861,678.96
Withholding individual income tax	22,317,914.72	78,476,104.38
Real estate tax	31,223,541.40	3,007,546.06
Education surcharges	21,861,769.58	19,462,919.64
Others	5,084,020.90	6,666,253.54
<b>Total</b>	<b>1,190,264,777.19</b>	<b>1,456,753,322.33</b>

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For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### 29. Other payables

Item	June 30, 2020	December 31, 2019
Dividends payable	5,436,479,289.75	4,775,112.45
Other payables	3,167,999,650.69	3,812,981,522.86
<b>Total</b>	<b>8,604,478,940.44</b>	<b>3,817,756,635.31</b>

#### (1) Dividends payable

Name of entities	June 30, 2020	December 31, 2019
CGNPC	2,217,424,744.50	–
Guangdong Hengjian Investment Holdings Co., Ltd.	260,566,950.00	–
CNNC	127,677,805.50	–
H share public shareholders	847,134,620.76	–
A share public shareholders	383,789,443.60	–
CLP Nuclear Power (Yangjiang) Limited	663,367,251.99	–
Guangdong Electric Power Design Institute of China Energy Engineering Group	–	4,775,112.45
CGN Industry Investment Fund Phase I Co., Ltd.	273,151,221.41	–
Guangdong Energy Group Co., Ltd.	663,367,251.99	–
<b>Total</b>	<b>5,436,479,289.75</b>	<b>4,775,112.45</b>

Note: As at June 30, 2020 and December 31, 2019, the Group had no dividends payable aged more than 1 year.

#### (2) Other payables

##### (a) Other payables by nature

Item	June 30, 2020	December 31, 2019
Spent fuel management fund	885,663,378.06	1,666,053,671.40
Related party payments	1,821,774,423.17	1,694,228,858.41
Others	460,561,849.46	452,698,993.05
<b>Total</b>	<b>3,167,999,650.69</b>	<b>3,812,981,522.86</b>



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

Item	June 30, 2020	December 31, 2019	Reason for outstanding or not transfer
CGNPC	70,057,866.02	70,057,866.02	Not yet settled
Guangxi GI Energy Group Co., Ltd. (廣西廣投能源集團有限公司)	1,065,361,440.00	577,200,000.00	Not yet settled
Total	1,135,419,306.02	647,257,866.02	

## 30. Non-current liabilities due within one year

Item	June 30, 2020	December 31, 2019
Long-term loans due within one year	13,963,959,902.87	19,409,032,724.59
Long-term loans interest payable	286,818,916.38	318,957,134.52
Bonds payable due within one year	1,998,589,756.58	2,499,772,044.29
Bonds payable interests payable	217,922,918.85	238,679,631.17
Post-employment benefit scheme liabilities due within one year	3,273,603.00	2,783,999.04
Lease liabilities due within one year	297,885,584.11	278,363,939.11
Total	16,768,450,681.79	22,747,589,472.72

## 31. Other current liabilities

Item	June 30, 2020	December 31, 2019
Pending output tax	508,771,759.33	536,334,171.47

## 32. Long-term loans

## (1) Long-term loans by category

Item	June 30, 2020	December 31, 2019
Credit loans	17,998,848,121.04	24,379,836,231.47
Guaranteed loans (Note 1)	3,000,000,000.00	3,000,000,000.00
Pledged loans (Note 2)	154,138,239,902.07	159,011,962,139.45
Secured loans (Note 3)	630,244,746.06	877,046,513.14
Total	175,767,332,769.17	187,268,844,884.06
Less: Long-term loans due within one year	13,963,959,902.87	19,409,032,724.59
Long-term loans due after one year	161,803,372,866.30	167,859,812,159.47

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

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, 2020, the loan had not expired.

Note 2: Pledged loans are pledged by the Group with its interests under sales agreements of electricity and equity interest held. As of June 30, 2020, GNIC, Taishan Investment and CGN Power Co., Ltd have pledged the equity of Taishan Nuclear to obtain long-term loans. GNIC, CGN Power Co., Ltd and CGN Nuclear Power Investment Co., Ltd. have pledged the equity of Lingdong Nuclear to obtain long-term loans.

Note 3: Secured loans are secured by the Company's subsidiaries SNPRI and CGN Engineering with land use rights, buildings and equipment. For details, please refer to Note (V) 61.

The range of annual interest rate of the above loans:

	For the period from January 1 to June 30, 2020	For the period from January 1 to June 30, 2019
Range of annual interest rate of the above loans	0.38% – 5.30%	0.37% – 5.30%

### 33. Bonds payable

#### (1) Bonds payable

Category	June 30, 2020	December 31, 2019
Long-term bonds	2,000,000,000.00	4,499,772,044.29
Mid-term notes (Note)	6,991,957,616.83	6,987,133,846.98
Total	8,991,957,616.83	11,486,905,891.27
Less: Bonds payable due within one year	1,998,589,756.58	2,499,772,044.29
Bonds payable due after one year	6,993,367,860.25	8,987,133,846.98

Note: The Group issued 18 CGN Power MTN001, MTN002, MTN003, MTN004, 19 CGN Power MTN001 and MTN002 (medium-term notes) on April 24, 2018, April 24, 2018, August 21, 2018, October 17, 2018, January 18, 2019 and July 22, 2019, respectively. These medium-term notes, with nominal values amounting to RMB1,000,000,000.00, RMB1,000,000,000.00, RMB1,000,000,000.00, RMB1,000,000,000.00, RMB1,500,000,000.00 and RMB1,500,000,000.00, and a total cost of issuance of RMB21,000,000.00, will become due and payable in April 2021, April 2021, August 2021, October 2021, January 2022 and July 2022, respectively.

## (2) Changes in bonds payable

During the period from January 1 to June 30, 2020

Name of Bonds	Face value	Issue date	Term	Issue amount	January 1, 2020	Issue during the period	Accrued interest based on the face value	Amortization of premiums or discounts	Repayment during the period	June 30, 2020
07 CGN Debt	2,000,000,000.00	20/12/2007	15 years	2,000,000,000.00	2,000,000,000.00	-	58,838,356.17	-	-	2,000,000,000.00
10 CGN Debt	2,500,000,000.00	12/05/2010	10 years	2,500,000,000.00	2,499,772,044.29	-	41,589,041.10	-	2,499,772,044.29	-
18 CGN Power MTN001	1,000,000,000.00	24/04/2018	3 years	1,000,000,000.00	998,638,230.33	-	23,306,849.31	656,407.89	-	999,294,638.22
18 CGN Power MTN002	1,000,000,000.00	24/04/2018	3 years	1,000,000,000.00	998,638,653.96	-	23,257,260.28	656,464.40	-	999,295,118.36
18 CGN Power MTN003	1,000,000,000.00	21/08/2018	3 years	1,000,000,000.00	998,313,728.40	-	21,141,917.81	647,577.68	-	998,961,306.08
18 CGN Power MTN004	1,000,000,000.00	17/10/2018	3 years	1,000,000,000.00	998,077,921.93	-	20,094,794.52	669,584.92	-	998,747,506.85
19 CGN Power MTN001	1,500,000,000.00	18/01/2019	3 years	1,500,000,000.00	1,497,362,776.46	-	26,178,082.19	1,194,610.88	-	1,498,557,387.34
19 CGN Power MTN002	1,500,000,000.00	22/07/2019	3 years	1,500,000,000.00	1,496,102,535.90	-	26,552,054.80	999,124.08	-	1,497,101,659.98
<b>Total</b>	<b>11,500,000,000.00</b>			<b>11,500,000,000.00</b>	<b>11,486,905,891.27</b>	<b>-</b>	<b>240,958,356.18</b>	<b>4,823,769.85</b>	<b>2,499,772,044.29</b>	<b>8,991,957,616.83</b>
Less: Bonds payable due within one year	-			-	2,499,772,044.29	-	-	-	-	1,998,589,756.58
Bonds payable due after one year	-			-	8,987,133,846.98	-	-	-	-	6,993,367,860.25

## 34. Lease liabilities

### (1) Lease liabilities

Item	June 30, 2020	December 31, 2019
Lease liabilities	872,881,303.94	973,919,623.65
Less: Lease liabilities due within one year	297,885,584.11	278,363,939.11
Lease liabilities due after one year	574,995,719.83	695,555,684.54

### (2) Term of lease liabilities

Item	June 30, 2020	December 31, 2019
Less than 1 year	297,885,584.11	278,363,939.11
1 to 2 years (including 2 years)	165,557,131.51	199,282,249.13
2 to 5 years (including 5 years)	213,892,829.02	275,550,310.75
More than 5 years	195,545,759.30	220,723,124.66
<b>Total</b>	<b>872,881,303.94</b>	<b>973,919,623.65</b>

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### 35. Long-term employee benefits payable

#### (1) Long-term employee benefits payable

Item	June 30, 2020	December 31, 2019
Post-employment benefits – net liabilities of defined contribution plan	44,673,013.21	44,240,999.04
Cash-settled share-based payment	16,684,216.95	78,312,817.00
Total	61,357,230.16	122,553,816.04
Less: Liabilities of post-employment benefits due within one year	3,273,603.00	2,783,999.04
Net amount	58,083,627.16	119,769,817.00

#### (2) Changes in defined benefit plan

The present value of obligations under the defined benefit plan:

Item	During the period from January 1 to June 30, 2020
I. Opening balance	44,240,999.04
II. Defined benefit cost included in profit or loss	696,000.00
1. Past service cost	–
2. Net interest	696,000.00
III. Defined benefit cost included in other comprehensive income	1,338,977.57
1. Actuarial gains	1,338,977.57
IV. Other changes	(1,602,963.40)
1. Paid benefits	(1,602,963.40)
V. Closing balance	44,673,013.21

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 (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.

## 36. Provisions

Item	June 30, 2020	December 31, 2019	Reason
Provision for nuclear power plant decommissioning	4,555,503,350.88	4,415,795,933.61	Note 1
Provision for low and medium level radioactive waste disposal	439,584,340.62	493,740,971.87	Note 2
Others	14,511,626.06	1,092,684.47	
<b>Total</b>	<b>5,009,599,317.56</b>	<b>4,910,629,589.95</b>	

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 low and medium level radioactive waste generated by nuclear power plants.

## 37. Deferred income

Item	January 1, 2020	Increase during the period	Amortization for the period	Other changes	June 30, 2020
Government grants	1,873,337,839.76	187,588,152.35	(36,368,374.30)	5,589,192.16	2,030,146,809.97

Projects related to government grants:

Item	January 1, 2020	Increase in grant during the period	Amount recognized in other gains for the period	Other changes	June 30, 2020	Related to asset/ related to income
Special fund for infrastructure expenses of nuclear power equipment proprietary project from the Ministry of Finance	64,902,000.00	-	(2,746,500.00)	-	62,155,500.00	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	29,715,000.00	-	(5,943,000.00)	-	23,772,000.00	Related to asset
Grant for Daya Bay spent fuel storage facility renovation project	392,340,440.67	-	-	5,840,798.93	398,181,239.60	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
Grant for large-scale thermal hydraulics and comprehensive experimental facility of advanced nuclear fuel components construction project	46,970,000.00	-	-	-	46,970,000.00	Related to asset
Subsidy with discounted interest from special funds in Guangdong Province to encourage imports of important supplies	73,275,782.12	-	(1,473,803.51)	-	71,801,978.61	Related to asset
Research fund for key technologies for accident-tolerant fuels	50,308,000.00	-	-	-	50,308,000.00	Related to income
Other government grants related to income	347,210,055.06	87,006,355.26	(3,128,191.00)	(645,300.00)	430,442,919.32	Related to income
Other government grants related to assets	731,568,761.91	100,581,797.09	(23,076,879.79)	393,693.23	809,467,372.44	Related to asset
<b>Total</b>	<b>1,873,337,839.76</b>	<b>187,588,152.35</b>	<b>(36,368,374.30)</b>	<b>5,589,192.16</b>	<b>2,030,146,809.97</b>	

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(All amounts in RMB unless otherwise stated)

### 38. Share capital

	June 30, 2020	December 31, 2019
Restricted shares		
Domestic shares (A shares)	36,810,055,000.00	37,287,744,526.00
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
Other domestic shares	4,204,901,125.00	4,682,590,651.00
Subtotal	36,810,055,000.00	37,287,744,526.00
Unrestricted shares		
Domestic shares (A shares)	2,524,931,100.00	2,047,241,574.00
Including:Other domestic shares	2,524,931,100.00	2,047,241,574.00
Overseas listed foreign shares (H shares)	11,163,625,000.00	11,163,625,000.00
Including:CGNPC	7,450,000.00	-
Other foreign shares	11,156,175,000.00	11,163,625,000.00
Subtotal	13,688,556,100.00	13,210,866,574.00
Total	50,498,611,100.00	50,498,611,100.00

On March 26, 2020 (the "Shareholding Increase Date"), CGNPC, the controlling shareholder of the Company, increased its holdings of the H shares of the Company by 2,970,000 shares with its own funds. CGNPC plans to continue to increase its holdings of H shares of the Company within 12 months from the Shareholding Increase Date, and the cumulative increase in holdings will not exceed 2% of the total number of issued H shares of the Company as of the Shareholding Increase Date. As at June 30, 2020, CGNPC has increased its holdings of 7,450,000.00 H shares of the Company in total.

### 39. Capital reserve

Item	January 1, 2020	Increase during the period	June 30, 2020
Share premium	32,850,511,766.08	-	32,850,511,766.08
- Contribution from owners	36,594,105,123.18	-	36,594,105,123.18
- 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	5,553,290,912.67	1,262,000.00	5,554,552,912.67
Total	10,702,322,842.13	1,262,000.00	10,703,584,842.13

## 40. Other comprehensive income

Item	Amount incurred for the period							Balance at June 30, 2020
	Balance at January 1, 2020	Pre-tax amount incurred 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								
1. Change arising from remeasurement of defined benefit plan	101,499,952.50	(1,055,777.47)	-	132,240.00	(1,088,665.00)	(99,352.47)	-	100,411,287.50
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method	(13,738,500.00)	(1,338,977.47)	-	-	(1,239,625.00)	(99,352.47)	-	(14,978,125.00)
3. Change in fair value of investment in other equity instruments	115,238,452.50	881,600.00	-	132,240.00	749,360.00	-	-	115,987,812.50
II. Other comprehensive income that will be reclassified to profit or loss	665,084,708.93	109,254,299.05	-	-	81,942,991.18	27,311,307.87	-	747,027,700.11
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	660,958,135.41	109,254,299.05	-	-	81,942,991.18	27,311,307.87	-	742,901,126.59
Total other comprehensive income	766,584,661.43	108,198,521.58	-	132,240.00	80,854,326.18	27,211,955.40	-	847,438,987.61

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For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### 41. Specific reserve

Item	January 1, 2020	Increase during the period	Decrease during the period	June 30, 2020
Safe production expenses	222,401,570.36	15,161,848.45	40,424,201.17	197,139,217.64

### 42. Surplus reserve

Item	January 1, 2020	Transfer to surplus reserve during the period	Decrease during the period	June 30, 2020
Statutory surplus reserve	3,944,339,314.63	–	–	3,944,339,314.63

### 43. Retained earnings

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Retained earnings at the beginning of the period	23,667,716,575.70	18,077,156,831.53
Add: Net profit attributable to shareholders of the parent company for the period	5,205,219,112.59	5,022,584,904.83
Distributable profits for shareholders	28,872,935,688.29	23,099,741,736.36
Less: Profits payable (Note 1)	3,837,873,610.56	3,272,296,962.43
Retained earnings at the end of the period (Note 2)	25,035,062,077.73	19,827,444,773.93

Note 1: On May 20, 2020, a profit distribution plan was considered and approved at the general meeting of the Company, which proposed to distribute cash dividends of RMB0.076 (tax inclusive) per share based on total number of 50,498,611,100 shares to all shareholders in order to distribute cash dividends from the accumulated retained earnings for 2019 of RMB3,837,873,610.56 to shareholders. As at June 30, 2020, pursuant to the Company's dividend distribution policy, payment of an interim dividend for the six months ended June 30, 2020 is not recommended.

Note 2: As at June 30, 2020 and June 30, 2019, the balance of retained earnings of the Group included the surplus reserves used by subsidiaries which were RMB7,082,919,055.14 and RMB6,524,423,738.23 in total, respectively.



#### 44. Operating revenue and operating costs

Item	During the period from January 1 to June 30, 2020		During the period from January 1 to June 30, 2019	
	Revenue	Cost	Revenue	Cost
From principal operation	31,459,685,972.44	18,055,650,772.20	26,433,432,327.48	14,759,234,170.11
Of which: Sales of electricity	27,128,789,861.76	13,647,209,860.47	23,318,272,795.95	11,752,612,164.29
Construction, installation and design services	3,622,560,075.49	3,616,036,012.63	2,466,203,735.60	2,413,844,532.38
Rendering of services	666,645,491.32	747,833,768.86	478,634,936.86	356,288,304.52
Sale of goods and others	41,690,543.87	44,571,130.24	170,320,859.07	236,489,168.92
From other operations	46,985,884.33	33,928,278.89	89,249,088.47	71,583,991.59
Total	31,506,671,856.77	18,089,579,051.09	26,522,681,415.95	14,830,818,161.70

- (1) For the details of operating revenue, please refer to Note (XIV) 1 (2).
- (2) As at June 30, 2020, the transaction price attributable to outstanding (or partially outstanding) performance obligation and the estimated time of revenue recognition:

Item	2020	2021	2022	After January	Total
				1, 2023	
Construction, installation and design services	12,612,500,178.11	11,837,030,214.65	1,340,419,549.57	444,215,776.24	26,234,165,718.57
Rendering of services	474,227,909.43	405,350,964.15	414,878,000.00	758,782,700.00	2,053,239,573.58
Sale of goods and others	1,310,275,211.85	1,112,168,722.65	930,155,871.61	886,337,893.09	4,238,937,699.20

- (3) As at June 30, 2020, there was no significant variable consideration in the transaction price of the Group.

#### 45. Taxes and surcharges

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
	City maintenance and construction tax	139,815,523.43
Education surcharges	100,052,180.34	112,878,250.25
Real estate tax	46,203,458.41	39,895,724.69
Stamp duty	25,601,586.60	22,209,697.39
Others	4,137,949.07	5,752,330.84
Total	315,810,697.85	344,075,328.82

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### 46. Selling expenses

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Employees' remuneration	24,373,260.57	19,823,083.68
Others	856,896.76	11,916,015.96
Total	25,230,157.33	31,739,099.64

### 47. Administrative expenses

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Employee remuneration	617,380,263.83	615,927,492.12
Depreciation and amortization	232,614,608.75	247,865,605.78
Logistics service expenses	84,186,138.62	134,616,153.99
Informatization expenses	72,617,141.42	59,327,437.37
Labor technical service expenses	43,699,163.45	42,956,556.10
Travel expenses	9,256,509.86	11,997,514.59
Rental costs	2,162,756.57	9,568,251.83
Office expenses	7,581,450.69	6,094,662.34
Professional service consulting fee	2,412,396.77	1,924,927.57
Other expenses	93,507,592.89	67,842,046.99
Total	1,165,418,022.85	1,198,120,648.68

### 48. Research and development expenses

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Inspection expenses	134,030,449.84	120,760,719.07
Employee remuneration	46,643,673.66	38,144,201.84
Depreciation and amortization	30,857,228.88	28,559,019.41
Commissioning fees paid for R&D outsourcing, cooperation and others	1,330,785.98	7,932,042.96
Others	10,969,046.87	31,456,319.97
Total	223,831,185.23	226,852,303.25

## 49. Finance cost

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Interest expenses	4,694,241,811.57	5,068,319,651.69
Less: Capitalized interest expenses	591,827,393.52	1,482,987,587.59
Less: Interest income	127,128,035.48	143,774,488.12
Exchange losses	165,917,499.07	9,494,306.48
Less: Capitalized exchange gains	(3,336,342.79)	(2,843,921.27)
Interest expenses on the provision for nuclear power plant decommissioning	137,039,305.46	117,527,439.82
Bank charges and others	12,202,975.28	14,938,441.42
Interest expenses on lease liabilities	20,632,239.78	29,737,733.31
Total	4,314,414,744.95	3,616,099,418.28

## 50. Other gains

Item	During the period from January 1 to June 30, 2020	Including: Amount included in non-recurring gains and losses for the current period	During the period from January 1 to June 30, 2019	Including: Amount included in non-recurring gains and losses for the current period
VAT refunds (Note)	1,076,962,675.29	-	1,294,313,655.82	-
Other government grants	84,070,534.49	84,070,534.49	112,178,208.53	112,178,208.53
Individual income tax refund	16,019,121.38	-	621,342.87	-
Total	1,177,052,331.16	84,070,534.49	1,407,113,207.22	112,178,208.53

Note: For the VAT refunds received by the Group, the Group adopted the "levy first, refund later" policy for VAT in respect of its sale of electricity to grid companies generated by 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, 2020 to June 30, 2020

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### 51. Investment income

#### Details of investment income

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Income from long-term equity investments accounted for using the equity method	417,541,090.06	471,868,923.58
Investment income from disposal of long-term equity investments	–	143,073,493.12
Income from derivative financial instruments	5,810,739.91	2,811,957.28
Others	(1,105,780.95)	21,989,907.65
<b>Total</b>	<b>422,246,049.02</b>	<b>639,744,281.63</b>

### 52. Gains (losses) arising from changes in fair value

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Losses from changes in fair value of derivative financial instruments	(1,753,857.54)	(1,552,685.70)
Gains/(losses) from changes in fair value of cash-settled share-based payments	19,721,499.66	(1,316,174.84)
<b>Total</b>	<b>17,967,642.12</b>	<b>(2,868,860.54)</b>

### 53. (Losses) gains from credit impairment

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Bad debts (losses) gains of accounts receivable	(4,089,841.65)	5,540,206.06
Bad debts (losses) gains of other receivables	(3,724,431.57)	21,921,631.60
Bad debt gains for dividends receivable	–	25,895,384.70
Impairment (losses) gains of contract assets	(10,601.74)	138,843.06
<b>Total</b>	<b>(7,824,874.96)</b>	<b>53,496,065.42</b>

## 54. Gains arising from assets disposal

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Gains from disposal of fixed assets	209,089.84	–

## 55. Non-operating income

Item	During the period from January 1 to June 30, 2020	Including: Amount included in non-recurring gains and losses for the current period	During the period from January 1 to June 30, 2019	Including: Amount included in non-recurring gains and losses for the current period
Others	8,993,071.63	8,993,071.63	5,526,018.57	5,526,018.57

## 56. Non-operating expenses

Item	During the period from January 1 to June 30, 2020	Including: Amount included in non-recurring gains and losses for the current period	During the period from January 1 to June 30, 2019	Including: Amount included in non-recurring gains and losses for the current period
Donations	35,084,244.22	35,084,244.22	952,695.15	952,695.15
Others	4,318,350.04	4,318,350.04	7,415,747.07	7,415,747.07
Total	39,402,594.26	39,402,594.26	8,368,442.22	8,368,442.22

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(All amounts in RMB unless otherwise stated)

### 57. Income tax expenses

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Current income tax expenses	1,259,939,953.26	973,847,139.39
Deferred income tax expenses	(160,869,205.44)	(7,150,764.92)
Adjustments to income tax of previous years	(8,893,599.06)	(22,636,963.60)
Total	1,090,177,148.76	944,059,410.87

#### (1) Reconciliation of income tax expenses to accounting profits

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Accounting profits	8,951,628,712.02	8,369,618,725.66
Income tax expenses calculated at tax rate of 25%	2,237,907,178.01	2,092,404,681.42
Tax effect of tax incentives	(924,705,419.76)	(826,558,752.73)
Tax effect of non-deductible expenses	15,879,470.56	14,160,862.70
Tax effect of tax-free income	(104,385,272.52)	(117,967,230.90)
Tax effect of non-taxable income	(269,955,186.50)	(323,578,413.96)
Tax effect of unrecognized deductible losses and deductible temporary differences	181,389,450.88	103,716,984.63
Tax effect of utilization of unrecognized deductible losses and deductible temporary differences in previous years	(22,561,970.31)	(7,407,149.47)
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	(15,256,345.65)	(2,894,838.31)
Adjustment of income tax in previous years	(8,893,599.06)	(22,636,963.60)
Additional deduction for research and development costs	(24,843,435.34)	(2,310,301.27)
Others	25,602,278.45	37,130,532.36
Income tax expenses	1,090,177,148.76	944,059,410.87

## 58. Government grants

For the six months ended June 30, 2020, except for government grants related to asset and income as disclosed in Note V (37), the summary of other government grants related to income of the Group is as follows:

	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Other income		
VAT refunds	1,076,962,675.29	1,294,313,655.82
Special fund for infrastructure expenses of nuclear power equipment proprietary project from the Ministry of Finance	2,746,500.00	2,746,500.00
Grant for Energy Independent Innovation Project by Ministry of Finance in 2011	5,943,000.00	5,943,000.00
Special funds to promote imports and discount funds to encourage the import of important materials by Guangdong Province	1,473,803.51	755,851.88
Provincial special funds by Taishan Finance Bureau	11,822,830.00	–
Enterprise R&D Funding by the Science and Technology Innovation Commission in 2019	6,200,000.00	–
Special technical transformation investment project funding for technological transformation doubling by the Shenzhen Municipal Bureau of Industry and Information Technology in 2020	5,000,000.00	–
Research and application demonstration project of key technology of nuclear power construction by the National Energy Administration	–	15,000,000.00
Research on development and application of automatic welding technology for nuclear power plant main pipeline	–	12,000,000.00
Others	50,884,400.98	75,732,856.65
<b>Total</b>	<b>1,161,033,209.78</b>	<b>1,406,491,864.35</b>

## 59. Cash flow statements items

### (1) Cash received from other operating activities

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Guarantee deposits and deposits	447,490,932.99	288,462,330.26
Service payments received from related parties and engineering payments received from related parties	333,443,054.98	206,947,442.63
Government grants related to assets	147,537,997.09	107,196,667.20
Government grants related to income	146,398,336.83	63,880,877.55
Interest income from banks	120,674,201.80	53,269,983.62
Research fund	17,570,000.00	9,598,800.87
Liquidated damages, refunds and advances	3,340,579.67	29,131,213.28
Rental, consulting and other services income	3,615,354.23	6,109,748.39
Others	37,364,626.65	67,697,182.32
<b>Total</b>	<b>1,257,435,084.24</b>	<b>832,294,246.12</b>

## Notes to the Financial Statements

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(All amounts in RMB unless otherwise stated)

### (2) Cash paid to other operating activities

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Guarantee deposits and deposits	505,645,912.47	198,027,632.80
Service payments to related parties and engineering payments received in advance	171,311,588.73	238,921,040.82
Transportation, travelling expenses and other expenses reimbursement	94,035,387.09	102,378,738.49
Labour union fees	73,513,499.34	40,718,577.82
Consulting and other services expenses	45,650,404.37	46,483,757.13
Vehicle rental fees	42,611,667.04	26,143,673.06
Others	738,434,917.77	353,731,602.77
<b>Total</b>	<b>1,671,203,376.81</b>	<b>1,006,405,022.89</b>

### (3) Cash received from other investing activities

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Amount received in respect of nuclear power construction and other amounts	–	252,331,268.52
Recovery of fixed deposits with maturities of more than three months	3,333,970,000.00	540,000,000.00
Commissioning electricity fee income	–	122,514,210.00
Others	511,628.12	6,192,561.93
<b>Total</b>	<b>3,334,481,628.12</b>	<b>921,038,040.45</b>



## (4) Cash paid to other investing activities

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Deposit of fixed deposits with maturities of more than three months	657,502,445.40	629,501,700.05
Payments in relation to nuclear power construction and others	–	252,331,268.52
Others	18,152,399.91	8,305,174.31
<b>Total</b>	<b>675,654,845.31</b>	<b>890,138,142.88</b>

## (5) Cash received from other financing activities

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Registered capital for Fangchenggang Nuclear Phase II Project received	100,000,000.00	488,161,440.00
Consideration received for the equity transfer of 17% in Yangjiang Nuclear	–	300,843,139.36
<b>Total</b>	<b>100,000,000.00</b>	<b>789,004,579.36</b>

## (6) Cash paid to other financing activities

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Payment of registered capital for Fangchenggang Nuclear Phase II Project	–	488,161,440.00
Payments related to leases	151,048,574.46	102,387,964.59
Others	27,490,140.97	37,951,749.80
<b>Total</b>	<b>178,538,715.43</b>	<b>628,501,154.39</b>

## Notes to the Financial Statements

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### 60. Supplementary information to cash flow statements

#### (1) Supplementary information to cash flow statements

Supplementary information	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
<b>(a) Reconciliation of net profit to cash flows from operating activities:</b>		
Net profit	7,861,451,563.26	7,425,559,314.79
Add: Credit impairment losses (reversal)	7,824,874.96	(53,496,065.42)
Depreciation of fixed assets	5,132,028,628.45	4,156,708,483.72
Amortization of intangible assets	211,398,486.51	201,935,418.26
Amortization of long-term deferred expenses	54,816,279.35	80,237,522.26
Depreciation of investment properties	12,432,545.40	13,151,462.10
Depreciation of right-of-use assets	132,722,028.33	127,627,931.49
(Gains) losses on disposal of fixed assets, intangible asset and other long-term assets	(209,089.84)	7,300,875.47
(Gains) losses from changes in fair value	(17,967,642.12)	2,868,860.54
Finance costs	4,289,426,318.42	3,623,959,490.92
Investment income	(422,246,049.02)	(639,744,281.63)
Decrease in deferred tax assets (increase)	182,330,058.93	(27,946,262.56)
Increase in deferred tax liabilities (decrease)	(21,196,373.49)	22,404,765.60
Decrease in contract assets	237,546,853.19	26,810,006.96
Increase in contract liabilities	1,808,718,265.99	223,328,466.40
(Increase) decrease in inventories	(840,680,655.37)	434,107,147.00
(Increase) decrease in operating receivables	(349,048,760.25)	1,247,764,350.10
(Decrease) in operating payables	(3,272,490,245.66)	(2,052,583,253.15)
<b>Net cash flows from operating activities</b>	<b>15,006,857,087.04</b>	<b>14,819,994,232.85</b>
<b>(b) Net changes in cash and cash equivalents:</b>		
Closing balance of cash	11,326,700,141.53	9,606,792,897.46
Less: Opening balance of cash	14,854,117,616.45	11,637,718,842.72
Add: Closing balance of cash equivalents	-	-
Less: Opening balance of cash equivalents	-	-
<b>Net decrease in cash and cash equivalents</b>	<b>(3,527,417,474.92)</b>	<b>(2,030,925,945.26)</b>

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

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
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
<b>Net cash received for disposal of subsidiaries</b>	<b>-</b>	<b>708,306,825.20</b>

### (3) Composition of cash and cash equivalents

Item	June 30, 2020	December 31, 2019
I. Cash	11,326,700,141.53	14,854,117,616.45
Including: Cash in bank	3,641.76	3,588.14
Bank deposits available on demand	11,326,696,499.77	14,854,114,028.31
II. Closing balance of cash and cash equivalents	11,326,700,141.53	14,854,117,616.45

## 61. Assets with restricted ownership or right of use

Item	June 30, 2020	December 31, 2019	Reason for being restricted
Cash at bank and in hand (Note 1)	26,334,250.40	21,750,129.76	Letters of guarantee
Accounts receivable (Note 2)	4,390,488,930.71	4,738,302,509.45	Guarantees
Fixed assets (Note 3)	14,476,622,856.24	14,863,287,049.18	Guarantees
Intangible assets (Note 4)	405,667,275.00	449,231,725.43	Guarantees
<b>Total</b>	<b>19,299,113,312.35</b>	<b>20,072,571,413.82</b>	

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 for its phase II project construction 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 equivalent to RMB55.652 billion from the banks for its project construction. 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.

Taishan Nuclear entered into the Common Terms Agreement on Phase I of Guangdong Taishan Nuclear Power Plant Construction Project with six financial institutions including the CDB and the Bank of China, and obtained a total loan facility equivalent to RMB33.398 billion from the banks. The term of the loan shall not be more than 25 years from the date of signing the agreement. Taishan Nuclear transferred its interests in the insurance contract of the Phase I of Guangdong Taishan 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 CGN Finance (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 with a term of 20 years. 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 with a maturity period ranged from 25 to 30 years.

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 with a maturity period ranged from 20 to 25 years. 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 with a term of 10 years. The above borrowings were all used for the Ningde Nuclear Power Phase I Construction Project.

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

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.

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.

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.

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.

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.

## 62. Foreign currency monetary items

### (1) Foreign currency monetary items

Item	June 30, 2020			December 31, 2019		
	Foreign currency balance	Exchange rate	RMB balance	Foreign currency balance	Exchange rate	RMB balance
Cash at bank and in hand						
Including: HKD	585,219.24	0.9134	534,539.25	9,941,559.35	0.8958	8,905,648.87
USD	2,706,451.05	7.0795	19,160,320.21	159,378,225.21	6.9762	1,111,854,374.74
EUR	12,487,888.93	7.9610	99,416,083.74	14,202,460.91	7.8155	110,999,333.26
GBP	2,473,202.74	8.7144	21,552,477.96	1,906,348.43	9.1501	17,443,278.77
ZAR	8,110.59	2.4382	19,775.23	47,648.45	0.4943	23,552.63
RMB	1,040,209,243.05	1.0000	1,040,209,243.05	1,474,439,148.97	1.0000	1,474,439,148.97
Accounts receivable						
Including: USD	2,139,901.21	7.0795	15,149,430.62	1,814,352.14	6.9762	12,657,283.38
EUR	5,856,698.44	7.9610	46,625,176.28	6,535,920.07	7.8155	51,081,483.33
GBP	-	8.7144	-	429,379.42	9.1501	3,928,864.64
RMB	64,301,751.04	1.0000	64,301,751.04	1,156,873.29	1.0000	1,156,873.29
Other receivables						
Including: USD	1,241,269.20	7.0795	8,787,565.30	74,076.93	6.9762	516,775.49
HKD	7,602.00	0.9134	6,943.67	57,600.71	0.8958	51,598.72
EUR	7,184,670.23	7.9610	57,197,159.70	7,243,828.68	7.8155	56,614,143.02
GBP	346,425.48	8.7144	3,018,890.20	328,483.49	9.1501	3,005,656.75
RMB	14,395,716.06	1.0000	14,395,716.06	6,836,307.77	1.0000	6,836,307.77
Accounts payable						
Including: HKD	10,755,409.74	0.9134	9,823,991.26	12,216,750.01	0.8958	10,943,764.66
USD	12,008,893.47	7.0795	85,016,961.32	19,726,280.34	6.9762	137,614,476.89
EUR	92,874,365.19	7.9610	739,372,821.28	110,541,825.11	7.8155	863,939,634.11
GBP	706,945.82	8.7144	6,160,608.65	1,232,370.85	9.1501	11,276,316.55
JPY	2,825,956,153.00	0.0658	185,947,914.87	9,891,739.16	0.0641	634,060.48
RMB	75,774,784.70	1.0000	75,774,784.70	443,146,728.33	1.0000	443,146,728.33
CHF	467,007.13	7.4434	3,476,120.87	543,139.39	7.2028	3,912,124.42

Item	June 30, 2020			December 31, 2019		
	Foreign currency balance	Exchange rate	RMB balance	Foreign currency balance	Exchange rate	RMB balance
Other payables						
Including: HKD	40,404.00	0.9134	36,905.01	40,403.10	0.8958	36,193.10
USD	400.00	7.0795	2,831.80	393.52	6.9762	2,745.28
EUR	1,038,736.35	7.9610	8,269,380.08	1,203,640.15	7.8155	9,407,049.61
GBP	-	8.7144	-	-	9.1501	-
RMB	224,648,859.65	1.0000	224,648,859.65	404,582,689.73	1.0000	404,582,689.73
Employee benefits payable						
Including: RMB	2,673,151.99	1.0000	2,673,151.99	1,551,457.77	1.0000	1,551,457.77
Taxes payable						
Including: RMB	224,298,581.59	1.0000	224,298,581.59	455,854,115.61	1.0000	455,854,115.61
Non-current liabilities due within one year						
Including: USD	-	-	-	5,470,414.30	6.9762	38,162,704.24
EUR	136,518,379.11	7.9610	1,086,822,816.09	96,518,379.11	7.8155	754,339,391.93
RMB	8,158,009.15	1.0000	8,158,009.15	7,217,234.83	1.0000	7,217,234.83
Short-term loans						
Including: EUR	-	-	-	45.00	7.8155	351.70
GBP	750,659.57	8.7144	6,541,547.76	1,888,527.99	9.1501	17,280,220.00
Long-term loans						
Including: USD	23,377,078.52	7.0795	165,498,027.38	30,087,278.52	6.9762	209,894,872.41
EUR	627,439,015.25	7.9610	4,995,042,000.41	721,096,074.79	7.8155	5,635,726,372.53
Lease liabilities						
Including: RMB	14,725,804.95	1.0000	14,725,804.95	16,920,304.86	1.0000	16,920,304.86

## (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

There was no disposal of subsidiaries during the period from January 1, 2020 to June 30, 2020.

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (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	Registered capital	Shareholding (%)		Method of acquisition
					Direct	Indirect	
GNIC	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Investment	RMB16,000,000,000.00	100.00	-	Establishment
GNPJVC	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power generation	USD400,000,000.00	-	75.00	Establishment
DNMC	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Operations and management of nuclear power plant	RMB250,000,000.00	-	87.50	Establishment
CGN Nuclear Power Investment Co., Ltd. (中廣核電投資有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Investment	RMB100,000,000.00	77.78	-	Establishment
CGN Ninghe Investment Co., Ltd. (中廣核寧核投資有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Investment	RMB100,000,000.00	56.52	-	Establishment
Ling'ao Nuclear	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power generation	RMB3,323,224,000.00	70.00	30.00	Establishment
Lingdong Nuclear	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power generation	RMB5,348,000,000.00	25.00	75.00	Establishment
Yangjiang Nuclear	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power generation	RMB15,506,000,000.00	34.00	25.00	Establishment
China Nuclear Power Operations Co., Ltd. (中廣核電運營有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Provision of management, technology and consultancy services	RMB100,000,000.00	100.00	-	Establishment
China Nuclear Power Technology Research Institute Co., Ltd. (中廣核研究院有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power technology development	RMB1,225,550,000.00	100.00	-	Establishment
Inspection Company	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Testing and maintenance of power stations	RMB230,000,000.00	-	81.52	Establishment
Guangdong Daya Bay Nuclear Power Environment Protection Co., Ltd. (廣東大亞灣核電環保有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Environment protection relating to nuclear power	RMB30,000,000.00	100.00	-	Establishment

Name of subsidiary	Principal place of operation	Place of registration	Business nature	Registered capital	Shareholding (%)		Method of acquisition
					Direct	Indirect	
China Nuclear Power (Shenzhen) Operational Technology and Radiation Monitoring Co., Ltd. (中廣核(深圳)運營技術與輻射監測技術有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Radiation detection and evaluation, instrument verification	RMB6,000,000.00	-	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	RMB23,500,000.00	-	100.00	Business combination not under same control
SNPRI	Suzhou, Jiangsu Province	Suzhou, Jiangsu Province	Nuclear power technology development	RMB513,950,000.00	100.00	-	Business combination not under same control
CNPSTC	Beijing	Beijing	Nuclear power technology development	RMB20,000,000.00	-	75.00	Business combination not under same control
Ningde Nuclear (Note 1)	Ningde, Fujian Province	Ningde, Fujian Province	Nuclear power generation	RMB11,177,500,000.00	-	46.00	Business combination not under same control
Taishan Nuclear	Taishan, Guangdong Province	Taishan, Guangdong Province	Nuclear power generation	RMB28,600,000,000.00	12.50	57.50	Business combination under same control
Taishan Investment	Taishan, Guangdong Province	Taishan, Guangdong Province	Investment	RMB30,000,000.00	60.00	-	Business combination under same control
CGN Engineering	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Construction	RMB1,286,000,000.00	100.00	-	Business combination under same control
CGN Design	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Construction design	RMB79,360,000.00	-	60.00	Business combination under same control
CGNPC AREVA	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Other professional technical support	RMB280,000,000.00	-	55.00	Business combination under same control
CGN Import & Export Co., Ltd. (中廣核電進出口有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Import and export trade	RMB30,000,000.00	-	100.00	Business combination under same control
Fangchenggang Nuclear	Fangchenggang, Guangxi Shanwei, Guangdong Province	Fangchenggang, Guangxi Shanwei, Guangdong Province	Nuclear power generation	RMB5,850,000,000.00	-	61.00	Business combination under same control
Lufeng Nuclear	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power generation	RMB3,478,000,000.00	100.00	-	Business combination under same control
Power Sales Company	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Sales of electricity	RMB210,000,000.00	100.00	-	Business combination under same control
Ocean Power	Tianjin	Tianjin	Development, construction and operations of offshore power stations	RMB50,000,000.00	100.00	-	Business combination under same control
Hebei Thermal Power	Chengde, Hebei Province	Chengde, Hebei Province	Thermal power development	RMB20,000,000.00	100.00	-	Business combination under same control

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Name of subsidiary	Principal place of operation	Place of registration	Business nature	Registered capital	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Yangxi Nuclear Power Co., Ltd. (陽西核電有限公司)	Yangjiang, Guangdong Province	Yangjiang, Guangdong Province	Investment, construction and operations of nuclear power plants	RMB30,000,000.00	-	51.00	Establishment
Fangchenggang Investment	Fangchenggang, Guangxi Province	Fangchenggang, Guangxi Province	Investment	RMB30,000,000.00	60.00	-	Establishment
Hebei Zhongzhuang Clean Thermal Energy Co., Ltd. (河北中莊清潔熱能有限公司)	Xingtai, Hebei Province	Xingtai, Hebei Province	Thermal power generation	RMB81,700,000.00	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	RMB100,000,000.00	-	60.00	Establishment
Shenzhen Hepeng Project Supervision Co., Ltd. (深圳市核鵬工程監理有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Engineering supervision, engineering management and technical support service	RMB3,000,000.00	100.00	-	Establishment
Fujian Ninghe Power Sales Co., Ltd. (福建寧核售電有限公司)	Fuzhou, Fujian Province	Fuzhou, Fujian Province	Power sales, electricity supply and power distribution network maintenance service	RMB20,000,000.00	-	100.00	Establishment
Guangxi Fanghe Power Sales Co., Ltd. (廣西防核售電有限公司)	Fangchenggang, Guangxi Province	Fangchenggang, Guangxi Province	Electricity supply, power sales and power distribution network technical service	RMB201,000,000.00	-	100.00	Establishment

Note 1: 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, a subsidiary of the Company, holds 46% of the voting rights of Ningde Nuclear, and Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司) holds 44% equity interest in Ningde Nuclear. CGN Ninghe Investment and Datang International Power Generation Co., Ltd. entered into the Concerted Party Agreement. Datang International Power Generation Co., Ltd. agreed to act in concert with CGN Ninghe Investment at the shareholders' meetings and the meetings of board of directors of Ningde Nuclear. Therefore, after signing the Concerted Party Agreement, the Group can thus lead the relevant activities of Ningde Nuclear, which has been changed from a joint venture of the Group to a subsidiary of the Group with unchanged shareholding.



## (2) Significant non-wholly-owned subsidiaries

Name of subsidiary	Shareholding of non-controlling shareholders	During the period from January 1 to June 30, 2020		As at June 30, 2020
		Gains or losses attributable to non-controlling shareholders	Dividends announced to be distributed to non-controlling shareholders	Balance of non-controlling interests
Yangjiang Nuclear	41.00%	1,096,510,447.64	1,599,885,725.39	8,511,057,258.92
Taishan Nuclear	30.00%	83,269,775.14	–	8,869,246,918.73
GNPJVC	25.00%	473,520,625.18	841,540,577.13	1,899,012,569.99
CGN Nuclear Power Investment Co., Ltd.	22.22%	79,522,152.58	–	3,117,543,572.74
CGN Ninghe Investment Co., Ltd.	43.48%	156,024,204.59	–	3,211,958,548.68
Ningde Nuclear	54.00%	421,370,959.85	–	8,178,966,765.55
Taishan Investment	40.00%	52,871,162.29	–	6,033,785,471.10
Fangchenggang Investment	40.00%	135,618,485.89	–	3,135,986,005.56
Fangchenggang Nuclear	39.00%	214,397,626.16	–	2,852,236,290.26
<b>Total</b>		<b>2,713,105,439.32</b>	<b>2,441,426,302.52</b>	<b>45,809,793,401.53</b>

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(All amounts in RMB unless otherwise stated)

### (3) Significant financial information of significant non-wholly-owned subsidiaries

The following table sets out the significant financial information of the above subsidiaries which represents the amounts without offsetting internal transactions, but with the adjustments made in light of the fair value at the combination date and the adoption of consistent accounting policies:

Name of subsidiary	June 30, 2020					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Yangjiang Nuclear	10,007,297,125.05	70,041,069,253.58	80,048,366,378.63	16,516,524,246.52	42,773,165,890.83	59,289,690,137.35
Taishan Nuclear	5,056,954,462.81	91,063,359,160.88	96,120,313,623.69	16,543,406,500.59	50,012,750,727.32	66,556,157,227.91
GNPJVC	4,647,828,644.83	6,728,829,781.27	11,376,658,426.10	1,132,681,097.73	2,647,927,048.41	3,780,608,146.14
CGN Nuclear Power Investment Co., Ltd.	1,393,556,033.75	12,636,793,078.51	14,030,349,112.26	-	-	-
CGN Ninghe Investment Co., Ltd.	6,208,787,286.86	44,758,507,102.03	50,967,294,388.89	6,284,792,321.66	29,116,326,128.08	35,401,118,449.74
Including: Ningde Nuclear	6,208,088,772.05	44,339,264,428.71	50,547,353,200.76	6,284,792,321.66	29,116,326,128.08	35,401,118,449.74
Taishan Investment	108,428,679.30	14,976,034,998.46	15,084,463,677.76	-	-	-
Fangchenggang Investment	5,128,694,958.38	47,386,417,390.24	52,515,112,348.62	10,209,178,262.84	31,613,732,781.62	41,822,911,044.46
Including: Fangchenggang Nuclear	4,814,481,531.37	47,386,417,390.24	52,200,898,921.61	13,273,739,754.70	31,613,732,781.62	44,887,472,536.32
<b>Total</b>	<b>32,551,547,190.98</b>	<b>287,591,010,764.97</b>	<b>320,142,557,955.95</b>	<b>50,686,582,429.34</b>	<b>156,163,902,576.26</b>	<b>206,850,485,005.60</b>

Name of subsidiary	December 31, 2019					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Yangjiang Nuclear	10,558,062,299.91	71,294,953,110.67	81,853,015,410.58	15,221,788,264.94	44,644,806,324.49	59,866,594,589.43
Taishan Nuclear	4,829,550,499.72	92,708,047,809.10	97,537,598,308.82	11,357,889,060.74	56,893,118,769.41	68,251,007,830.15
GNPJVC	6,955,587,274.16	6,369,025,645.72	13,324,612,919.88	1,755,950,418.24	2,609,380,235.52	4,365,330,653.76
CGN Nuclear Power Investment Co., Ltd.	848,061.55	13,493,518,655.55	13,494,366,717.10	13,080.00	-	13,080.00
CGN Ninghe Investment Co., Ltd.	6,434,640,669.61	45,629,626,168.51	52,064,266,838.12	7,472,263,914.79	29,806,039,260.93	37,278,303,175.72
Including: Ningde Nuclear	6,433,824,759.22	45,210,383,495.19	51,644,208,254.41	7,472,250,834.79	29,806,039,260.93	37,278,290,095.72
Taishan Investment	108,249,840.27	14,844,191,187.83	14,952,441,028.10	155,256.06	-	155,256.06
Fangchenggang Investment	5,291,802,659.21	44,835,258,140.51	50,127,060,799.72	8,469,361,348.95	31,518,941,987.49	39,988,303,336.44
Including: Fangchenggang Nuclear	4,405,760,590.08	44,835,258,140.51	49,241,018,730.59	10,958,387,860.78	31,518,941,987.49	42,477,329,848.27
<b>Total</b>	<b>34,178,741,304.43</b>	<b>289,174,620,717.89</b>	<b>323,353,362,022.32</b>	<b>44,277,421,343.72</b>	<b>165,472,286,577.84</b>	<b>209,749,707,921.56</b>

Name of subsidiary	For the period from January 1 to June 30, 2020				For the period from January 1 to June 30, 2019			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Yangjiang Nuclear	7,329,321,726.32	2,674,415,725.96	2,674,415,725.96	5,237,468,661.29	6,625,427,831.86	2,509,061,877.66	2,509,061,877.66	6,066,686,889.42
Taishan Nuclear	4,354,527,795.95	277,565,917.14	277,565,917.14	3,672,560,999.29	2,060,915,326.74	86,358,281.58	86,358,281.58	1,843,536,096.78
GNPWC	3,723,021,300.89	2,052,233,770.80	2,161,491,092.38	1,537,127,808.57	3,523,087,658.25	1,810,233,594.30	1,841,444,438.97	2,010,672,461.66
CGN Nuclear Power Investment Co., Ltd.	-	357,885,475.16	357,885,475.16	(86,550.43)	-	585,559,883.07	585,559,883.07	(32,280.00)
CGN Ninghe Investment Co., Ltd.	4,423,704,015.04	780,212,276.75	780,212,276.75	2,863,833,831.68	4,051,689,145.83	783,297,142.21	783,297,142.21	2,145,521,201.10
Including: Ningde Nuclear	4,423,704,015.04	780,316,592.33	780,316,592.33	2,863,953,197.71	4,051,689,145.83	783,033,450.27	783,033,450.27	2,145,522,157.83
Taishan Investment	-	132,177,905.72	132,177,905.72	894,919.94	-	69,685,970.40	69,685,970.40	(21,241.55)
Fangchenggang Investment	2,468,955,138.87	553,443,840.88	553,443,840.88	1,862,389,157.34	2,210,075,915.17	344,625,277.64	344,625,277.64	1,518,385,002.95
Including: Fangchenggang Nuclear	2,468,955,138.87	549,737,502.97	549,737,502.97	1,864,264,223.93	2,210,075,915.17	331,839,916.27	321,771,092.69	1,524,462,221.66

(4) As at June 30, 2020 and December 31, 2019, there was no significant restriction on using the corporate group's assets and settling the corporate group's debts.

## 2. Interests in associates

### (1) Significant associates

Name of associate	Principle place of operation	Place of registration	Business nature	Shareholding (%)		Accounting treatment for investment in 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	Nuclear investment	31.43	-	Equity method
CGN Finance	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Financial services	-	30.00	Equity method

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (2) Significant financial information of significant associates

The following table sets out the significant financial information of the significant associates of the Group which represents the amounts following the adjustments made based on the fair value on investment and the adjustments following the adoption of consistent accounting policies. In addition, the following table also sets out the reconciliation of these financial information to the carrying amounts of investment in associates of the Group under the equity method:

Item	June 30, 2020/during the period from January 1 to June 30, 2020			December 31, 2019/during the period from January 1 to June 30, 2019		
	Hongyanhe Nuclear	CGN Fund Phase I	CGN Finance	Hongyanhe Nuclear	CGN Fund Phase I	CGN Finance
Current assets	8,072,128,117.86	27,484,320.66	24,820,455,156.12	7,062,873,331.90	2,077,401.60	36,728,586,972.77
Non-current assets	68,772,549,590.38	8,352,001,791.48	12,667,371,376.67	67,792,124,641.70	7,890,462,525.79	6,110,195,193.32
Total assets	76,844,677,708.24	8,379,486,112.14	37,487,826,532.79	74,854,997,973.60	7,892,539,927.39	42,838,782,166.09
Current liabilities	8,661,706,355.34	23,865,548.89	32,608,618,078.71	7,946,827,278.45	23,200.50	38,302,079,872.24
Non-current liabilities	51,205,124,456.73	-	1,083,611.13	50,615,136,111.68	-	-
Total liabilities	59,866,830,812.07	23,865,548.89	32,609,701,689.84	58,561,963,390.13	23,200.50	38,302,079,872.24
Equity attributable to the shareholders of the parent company	16,977,846,896.17	8,355,620,563.25	4,878,124,842.95	16,293,034,583.47	7,892,516,726.89	4,536,702,293.85
Share of net assets calculated as per shareholding	7,640,031,103.28	2,626,171,543.03	1,463,437,452.86	7,331,865,562.56	2,480,507,512.03	1,361,010,688.16
Adjustments						
- Unrealized profits of internal transactions	(639,046,747.30)	(62,470,105.78)	-	(665,297,659.20)	(62,470,105.78)	-
Book value of equity investment in associates	7,000,984,355.98	2,563,701,437.25	1,463,437,452.86	6,666,567,903.36	2,418,037,406.25	1,361,010,688.16
Operating revenue	4,272,625,537.38	-	612,986,291.78	4,398,323,632.64	-	603,851,335.90
Net profit	289,017,312.70	398,476,040.93	342,548,008.86	394,280,008.42	439,024,764.14	287,105,711.48
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	289,017,312.70	398,476,040.93	342,548,008.86	394,280,008.42	439,024,764.14	287,105,711.48
Dividends received from associates for the period	-	-	-	-	-	-

### (3) Combined financial information of insignificant associates

Item	June 30, 2020/ during the period from January 1 to June 30, 2020	December 31, 2019/ during the period from January 1 to June 30, 2019
Associates:		
Total book value of investment	786,566,114.76	753,675,812.76
The sum of the following items calculated as per shareholding		
- Net profit	32,226,702.00	38,558,064.73
- Other comprehensive income	(598,400.00)	-
- Total comprehensive income	31,628,302.00	38,558,064.73

### (4) As at June 30, 2020 and December 31, 2019, there was no significant restriction on capacity of capital transfer from associates to the Group.

## (VIII) Risks Relevant to Financial Instruments

Major financial instruments of the Group include cash at bank and in hand, derivative financial instruments, bills receivable, 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) 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 transactions denominated in USD, the Group's other major business activities are denominated and settled in RMB. On June 30, 2020 and December 31, 2019, 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.

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (a) Foreign currency assets and liabilities of the Group denominated in RMB

Item	June 30, 2020	December 31, 2019
Cash at bank and in hand – HKD	500,906.99	8,865,950.01
Cash at bank and in hand – USD	19,160,320.21	1,111,854,374.74
Cash at bank and in hand – EUR	99,303,715.66	110,888,992.80
Cash at bank and in hand – GBP	21,517,070.92	17,406,120.94
Cash at bank and in hand – ZAR	19,775.23	23,552.63
Accounts receivable – USD	15,149,430.62	12,657,283.38
Accounts receivable – EUR	46,625,176.28	51,081,483.33
Accounts receivable – GBP	–	3,928,864.64
Other receivables – USD	8,787,565.30	516,775.49
Other receivables – EUR	57,197,159.70	56,614,143.02
Other receivables – GBP	3,018,890.20	3,005,656.75
Other receivables – HKD	–	44,789.00
Accounts payable – HKD	3,038,234.81	4,484,038.30
Accounts payable – USD	85,016,961.32	137,614,476.89
Accounts payable – EUR	734,673,444.09	859,625,033.56
Accounts payable – GBP	5,943,080.84	10,917,642.88
Accounts payable – JPY	185,947,914.87	634,060.48
Accounts payable – CHF	3,476,120.87	3,912,124.42
Other payables – HKD	6,943.66	6,809.72
Other payables – USD	2,831.80	2,745.28
Other payables – EUR	8,269,380.08	9,407,049.61
Non-current liabilities due within one year – USD	–	38,162,704.24
Non-current liabilities due within one year – EUR	1,086,822,816.09	754,339,391.93
Short-term loans – EUR	–	351.70
Short-term loans – GBP	6,541,547.76	17,280,220.00
Long-term loans – USD	165,498,027.38	209,894,872.41
Long-term loans – EUR	4,995,042,000.41	5,635,726,372.53

## (b) Foreign currency assets and liabilities of the Group denominated in USD

Item	June 30, 2020	December 31, 2019
Cash at bank and in hand – RMB	1,040,209,243.05	1,474,439,148.97
Cash at bank and in hand – GBP	35,407.04	37,157.83
Cash at bank and in hand – HKD	33,632.26	39,698.86
Cash at bank and in hand – EUR	112,368.08	110,340.46
Accounts receivable – RMB	64,301,751.04	1,156,873.29
Other receivables – RMB	14,395,716.06	6,836,307.77
Other receivables – HKD	6,943.67	6,809.72
Accounts payable – RMB	75,774,784.70	443,146,728.33
Accounts payable – HKD	6,785,756.45	6,459,726.36
Accounts payable – GBP	217,527.81	358,673.67
Accounts payable – EUR	4,699,377.19	4,314,600.55
Other payables – RMB	224,648,859.65	404,582,689.73
Other payables – HKD	29,961.35	29,383.38
Non-current liabilities due within one year – RMB	8,158,009.15	7,217,234.83
Lease liabilities – RMB	14,725,804.95	16,920,304.86

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.

**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, 2020, 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 RMB350,449,964.64 (December 31, 2019: decrease or increase by RMB315,255,995.36); if a foreign currency appreciated/depreciated by 5% against USD as the reporting currency, profit before taxation of the Group would increase or decrease by RMB39,202,749.00 (December 31, 2019: increase or decrease by RMB29,979,849.76), 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 balance sheet 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, 2020, for derivative financial instruments of forward transactions held by the Group, if exchange rate prices increase/decrease by 5%, profit before taxation of the Group would decrease by RMB2,391,832.02 or increase by RMB2,643,603.81 (December 31, 2019: decrease by RMB5,798,496.75 or increase by RMB6,408,859.84) based on the above assumptions with other factors unchanged.

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (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) 23, 30 and 32 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, 2020, with other factors unchanged, if interest rate increases or decreases by 1%, profit before taxation of bank loans (including short-term loans, long-term loans and non-current liabilities due within one year) held by the Group would decrease or increase by RMB1,965,932,695.95 (December 31, 2019: increase or decrease by RMB1,716,397,527.81).

### (3) Credit risk

On the balance sheet 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 balance sheet. 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 receivables on each statement of financial position date to ensure that adequate provision for expected credit loss 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 receivable, the Group had no other significant credit risk exposure concentrated at a single financial asset or a portfolio of financial assets with similar characteristics.

Item	June 30, 2020	December 31, 2019
Accounts receivable – Guangdong Power Grid Co., Ltd.	3,738,991,004.72	4,038,772,467.85
Accounts receivable – Fujian Electric Power Co., Ltd.	726,632,508.91	1,062,491,310.22
Accounts receivable – HKNIC	566,502,446.62	412,532,043.36
Accounts receivable – Guangxi Power Grid Co., Ltd.	532,596,413.69	449,436,016.42
Accounts receivable – CGNPC Zhejiang Daishan Offshore Wind Power Co., Ltd.	461,736,436.98	340,036,781.81
Total	6,026,458,810.92	6,303,268,619.66



#### (4) 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 monitors the utilization of bank loans and ensures compliance with loan agreements.

As at June 30, 2020, the current liabilities of the Group exceeded the current assets and amounted to RMB11,147,601,104.56. The Group had unutilized loan facilities from banks and other financial institutions amounting to RMB115,216,601,679.64. 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:

Item	June 30, 2020				Book value on the balance sheet
	Within one year	One to five years	Over five years	Total	
<b>Non-derivative financial liabilities:</b>					
Short-term loans	18,963,028,416.16	-	-	18,963,028,416.16	18,573,301,987.67
Bills payable	1,633,812,558.93	-	-	1,633,812,558.93	1,633,812,558.93
Accounts payable	18,278,654,559.40	-	-	18,278,654,559.40	18,278,654,559.40
Other payables	3,167,999,650.69	-	-	3,167,999,650.69	3,167,999,650.69
Non-current liabilities due					
within one year	18,993,068,201.84	-	-	18,993,068,201.84	16,768,450,681.79
Long-term loans	7,036,746,320.22	72,440,375,165.33	160,870,542,441.46	240,347,663,927.01	161,803,372,866.30
Bonds payable	308,816,019.46	7,387,985,458.87	-	7,696,801,478.33	6,993,367,860.25
Lease liabilities	-	445,768,374.49	146,755,867.15	592,524,241.64	574,995,719.83

## 2. Transfer of financial assets

- (1) As at June 30, 2020, the Group did not have financial assets that have been transferred but not derecognized.
- (2) As at June 30, 2020, 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, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (IX) Disclosure of Fair Value

#### 1. Closing fair value of assets and liabilities measured at fair value

Item	June 30, 2020			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
<b>Recurring fair value measurement</b>				
Forward foreign exchange contracts	-	1,679,330.46	-	1,679,330.46
Other investment in equity instruments	-	282,036,600.00	110,000,000.00	392,036,600.00
<b>Total assets continuously measured at fair value</b>	-	283,715,930.46	110,000,000.00	393,715,930.46
Cash-settled share-based payment	-	(16,684,216.95)	-	(16,684,216.95)
<b>Total liabilities continuously measured at fair value</b>	-	(16,684,216.95)	-	(16,684,216.95)

Item	December 31, 2019			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
<b>Recurring fair value measurement</b>				
Forward foreign exchange contracts	-	3,149,401.93	-	3,149,401.93
Interest rate swap contracts	-	245,345.98	-	245,345.98
Other investment in equity instruments	-	281,155,000.00	110,000,000.00	391,155,000.00
<b>Total assets continuously measured at fair value</b>	-	284,549,747.91	110,000,000.00	394,549,747.91
Cash-settled share-based payment	-	(78,312,817.00)	-	(78,312,817.00)
<b>Total liabilities continuously measured at fair value</b>	-	(78,312,817.00)	-	(78,312,817.00)

## 2. Qualitative and quantitative information of valuation techniques and important parameters adopted for recurring level 2 fair value measurements

Item	Fair value at June 30, 2020	Fair value at December 31, 2019	Valuation technique	Inputs
Forward foreign exchange contracts	1,679,330.46	3,149,401.93	Discounted cash flow method	Forward foreign exchange rate
Interest rate swap contracts	–	245,345.98	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	282,036,600.00	281,155,000.00	Market 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
Cash-settled share-based payment	(16,684,216.95)	(78,312,817.00)	Black-Scholes Model	Share price, expected volatility, expected dividend yield

## 3. Qualitative and quantitative information of valuation techniques and important parameters adopted for recurring level 3 fair value measurements

Item	Fair value at June 30, 2020	Fair value at December 31, 2019	Valuation technique	Inputs
Other investment in equity instruments	110,000,000.00	110,000,000.00	Cost method	Investment costs

## 4. Reconciliation between the opening and closing carrying amount for recurring level 3 fair value measurements

There was no transfer in or out between different levels for the above-mentioned assets and liabilities continuously measured at fair value of the Group during the period.

## 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.

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (X) Related Parties and Related Party Transactions

#### 1. Parent company of the Company

Name of parent 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	57.79%	57.79%

The parent company of the Company is CGNPC. The ultimate actual controlling shareholder is the SASAC.

#### 2. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note (VII)1.

#### 3. Associates of the Company

Details of the significant associates of the Company are set out in Note (VII)2.

Other 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 associate	Relationship with the Company
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, a non-controlling shareholder with significant influence on subsidiaries

#### 4. Other related parties

Name of other related parties	Relationship with the Company
Shenzhen Nengzhihui Investment Co., Ltd.* (深圳市能之匯投資有限公司) ("Nengzhihui") 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
China Techenergy Co., Ltd.	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

Name of other related parties	Relationship with the Company
Shenzhen Lvyuan 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
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夥企業(有限合夥))	Under the control of the same party

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

Name of other related parties	Relationship with the Company
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
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)	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
CGN New Energy Holdings Co., Ltd. and its subsidiaries	Under the control of the same party
CGN Energy International Holdings Co., Limited and its subsidiaries HKNIC	Under the control of the same party
Framatome Inc.	Non-controlling shareholders with significant influence on subsidiaries
TECNATOM, S.A.	Non-controlling shareholder with significant influence on subsidiaries
Guangdong Electric Power Design Institute of China Energy Engineering Group	Non-controlling shareholder with significant influence on subsidiaries
Beijing Hollysys Systems Engineering Co., Ltd.	Non-controlling shareholder with significant influence on subsidiaries
EDF International	Non-controlling shareholder with significant influence on subsidiaries
EDF (China) Holding Ltd.	Non-controlling shareholder with significant influence on subsidiaries
Guangdong Energy Group Co., Ltd. (廣東省能源集團有限公司)	Non-controlling shareholder with significant influence on subsidiaries
Guangxi GI Energy Group Co., Ltd. (廣西廣投能源集團有限公司)	Non-controlling shareholder with significant influence on subsidiaries
CLP Nuclear Power (Yangjiang) Limited	Non-controlling shareholder with significant influence on subsidiaries
Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司)	Non-controlling shareholder 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 shareholder 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

## 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:

Related party	Related party transaction	For the period from January 1 to June 30, 2020	For the period from January 1 to June 30, 2019
China Nuclear Industry 23 Construction Co., Ltd.	Purchase of goods/Acceptance of services	502,652,936.23	148,335,866.95
CGN Uranium Resources Co., Ltd. and its subsidiaries	Purchase of goods/Acceptance of services	433,315,372.56	1,074,676,019.41
Framatome Inc.	Purchase of goods/Acceptance of services	412,490,061.07	451,866,380.45
CGN Services Group	Purchase of goods/Acceptance of services	190,703,469.35	215,718,139.81
China Techenergy Co., Ltd.	Purchase of goods/Acceptance of services	126,646,531.78	167,899,457.72
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	92,732,598.22	97,784,014.85
Shenzhen Lvyuan Restaurant Management Co., Ltd. (深圳綠源餐飲管理有限公司)	Purchase of goods/Acceptance of services	81,703,952.95	86,696,211.79
Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司)	Purchase of goods/Acceptance of services	46,466,179.96	70,438,333.08
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	28,534,392.99	25,945,362.28
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	27,944,047.26	19,408,117.61
CGN Environmental Protection Industry Co., Ltd. (中廣核環保產業有限公司)	Purchase of goods/Acceptance of services	27,450,099.73	30,676,031.25
EDF International	Purchase of goods/Acceptance of services	27,014,318.48	8,016,919.11
Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	Purchase of goods/Acceptance of services	26,099,605.78	38,591,707.10
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	18,843,093.38	18,827,107.08
CGNPC	Purchase of goods/Acceptance of services	13,699,256.24	57,493,945.94
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	12,705,337.13	21,319,681.18
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	4,279,502.56	11,850,456.94
Nengzhahui and its subsidiaries	Purchase of goods/Acceptance of services	4,155,572.64	4,204,966.92
Hongyanhe Nuclear	Purchase of goods/Acceptance of services	1,860,921.47	2,352,137.78
Others	Purchase of goods/Acceptance of services	9,099,401.28	8,906,176.39
<b>Total</b>		<b>2,088,396,651.06</b>	<b>2,561,007,033.64</b>

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

Sale of goods/Rendering of services:

Related party	Related party transaction	For the period from January 1 to June 30, 2020	For the period from January 1 to June 30, 2019
HKNIC	Sale of electricity	2,805,274,029.55	2,686,679,494.21
Hongyanhe Nuclear	Sale of goods/Rendering of services	291,053,689.92	341,272,557.80
China Nuclear Power EPC Limited and its subsidiaries	Sale of goods/Rendering of services	123,282,463.20	24,002,091.37
CGN Wind Energy Co., Ltd. and its subsidiaries	Sale of goods/Rendering of services	10,762,730.40	35,032,914.39
CGN Cangnan Nuclear Power Co., Ltd. (中廣核蒼南核電有限公司)	Sale of goods/Rendering of services	2,900,943.40	2,246,627.15
CGN Solar Energy Development Co., Ltd. and its subsidiaries	Sale of goods/Rendering of services	2,567,169.82	6,502,556.61
CGN Uranium Resources Co., Ltd. and its subsidiaries	Sale of goods/Rendering of services	1,058,288.73	4,837,734.02
China Techenergy Co., Ltd.	Sale of goods/Rendering of services	1,009,276.79	5,980,888.72
Others	Sale of goods/Rendering of services	6,651,308.66	47,933,683.24
<b>Total</b>		<b>3,244,559,900.47</b>	<b>3,154,488,547.51</b>

Provision of construction, installation and design services:

Related party	Related party transaction	For the period from January 1 to June 30, 2020	For the period from January 1 to June 30, 2019
CGN Wind Energy Co., Ltd. and its subsidiaries	Provision of construction, installation and design services	1,855,942,125.64	190,672,460.22
CGN Huizhou Nuclear Power Co., Ltd. (中廣核惠州核電有限公司)	Provision of construction, installation and design services	768,857,868.51	523,218,904.79
Hongyanhe Nuclear	Provision of construction, installation and design services	436,743,452.45	852,241,437.81
CGN Cangnan Nuclear Power Co., Ltd. (中廣核蒼南核電有限公司)	Provision of construction, installation and design services	251,271,766.28	69,505,877.83
CGN (Shengsi) New Energy Co., Ltd. (中廣核(嵊泗)新能源有限公司)	Provision of construction, installation and design services	94,618,341.08	-
Ningde Second Nuclear	Provision of construction, installation and design services	56,071,573.45	77,642,532.56
Others	Provision of construction, installation and design services	12,820,740.23	3,766,005.40
<b>Total</b>		<b>3,476,325,867.64</b>	<b>1,717,047,218.61</b>



## (2) Related party transactions for leasing

The Group as lessor:

Name of lessee	Type of leased assets	Rental income recognized for the period from January 1 to June 30, 2020	Rental income recognized for the period from January 1 to June 30, 2019
China Techenergy Co., Ltd.	Buildings	555,007.15	285,007.15
CGN Services Group	Buildings	311,794.63	311,794.63
CGN Nuclear Technology Development Co., Ltd. (中廣核技術發展股份有限公司)	Buildings	99,523.80	119,428.56
Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	Buildings	29,714.28	-
CGN Jiuyuan (Chengdu) Science and Technology Co., Ltd. (中廣核久源(成都)科技有限公司)	Buildings	3,018.34	-
Shenzhen Lvyan Restaurant Management Co., Ltd. (深圳綠源餐飲管理有限公司)	Buildings	-	85,714.29
<b>Total</b>		<b>999,058.20</b>	<b>801,944.63</b>

The Group as lessee:

Name of lessor	Type of leased assets	Transaction amount for the period from January 1 to June 30, 2020 (Note)	Transaction amount for the period from January 1 to June 30, 2019 (Note)
CGNPC	Buildings	42,641,342.83	33,869,742.52
Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	Buildings	5,218,499.69	872,532.99
Hongyanhe Nuclear	Buildings	72,584.46	-
CGN Real Estate Management Co., Ltd. (中廣核不動產管理有限公司)	Buildings	-	4,771,642.86
CGN Services Group	Buildings	-	3,664,281.90
CGNPC Huamei Investment Limited (中廣核華美投資有限公司) and its subsidiaries	Buildings	-	850,114.37
Others	Buildings	-	865,908.26
<b>Total</b>		<b>47,932,426.98</b>	<b>44,894,222.90</b>

Note: Transaction amount includes the lease principal paid, handling fees and interest incurred.

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (3) Related party transactions for guarantees

The Group as warrantee:

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
Total	3,000,000,000.00			

### (4) Related party transactions for funds lending

Related party	Amount for the period from January 1 to June 30, 2020	Amount for the period from January 1 to June 30, 2019
Borrowing from		
CGN Finance	10,847,985,089.93	13,853,384,758.75
Shenzhen Zhaoyinbailu Investment Partnership (Limited Partnership)	–	3,250,500,000.00
EDF International	–	4,112,579.49
CGNPC International Financial Leasing Co., Ltd.	501,549,687.50	700,329,875.00
EDF (China) Holding Ltd. (EDF(中國)投資有限公司)	–	197,000,000.00
CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	150,996,354.51	23,195,167.93
Hualong Pressurized Water Reactor Technology Corporation, Ltd.	100,000,000.00	100,000,000.00
Total	11,600,531,131.94	18,128,522,381.17

### (5) Related party transactions for asset transfer and debt restructuring

Related party	Transaction	For the period from January 1 to June 30, 2020	For the period from January 1 to June 30, 2019
CGNPC	Disposal of subsidiaries	–	719,568,857.28
Total		–	719,568,857.28

## (6) Emoluments for key management

Item	For the period from January 1 to June 30, 2020	For the period from January 1 to June 30, 2019
Emoluments for key management	6,436,214.99	14,155,127.71

## (7) Other related party transactions

Item	For the period from January 1 to June 30, 2020	For the period from January 1 to June 30, 2019
Interest income from CGN Finance	72,961,701.64	123,981,327.45
Total	72,961,701.64	123,981,327.45
Interest expenses on CGN Finance	292,115,219.48	220,890,560.08
Interest expenses on Shenzhen Zhaoyinbailu Investment Partnership (Limited Partnership)	76,899,155.21	85,391,086.46
Interest expenses on CGNPC International Financial Leasing Co., Ltd.	8,661,593.05	17,727,944.44
Interest expenses on CGNPC	14,954,333.33	14,872,166.66
Interest expenses on EDF International	–	13,741,497.48
Interest expenses on EDF (China) Holding Ltd.	–	3,350,641.67
Others	421,736.21	1,340,830.15
Total	393,052,037.28	357,314,726.94
Fee expenses on CGN Finance	1,076,709.46	1,259,694.71
Total	1,076,709.46	1,259,694.71

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### 6. Amounts due from/due to related parties

#### (1) Receivables

Item name	Related party	June 30, 2020	December 31, 2019	
Cash at bank and in hand	CGN Finance	11,787,269,035.21	18,187,417,026.77	
	CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	39,997,313.09	46,688,868.15	
	<b>Total</b>	<b>11,827,266,348.30</b>	<b>18,234,105,894.92</b>	
Accounts receivable	CGN Wind Energy Co., Ltd. and its subsidiaries	938,102,403.17	656,392,687.53	
	HKNIC	566,502,446.62	412,532,043.36	
	CGN Huizhou Nuclear Power Co., Ltd. (中廣核惠州核電有限公司)	290,695,361.53	8,427,679.23	
	Hongyanhe Nuclear	273,217,214.36	238,258,061.13	
	CGN Cangnan Nuclear Power Co., Ltd. (中廣核蒼南核電有限公司)	114,353,135.30	5,381,670.56	
	China Nuclear Power EPC Limited and its subsidiaries	68,903,475.00	120,816,221.59	
	China Techenergy Co., Ltd.	21,701,434.36	21,597,908.60	
	CGN Uranium Resources Co., Ltd. and its subsidiaries	12,069,037.33	13,590,010.01	
	CGN Services Group	11,671,409.21	10,867,242.44	
	CGN Nuclear Technology Application Co., Ltd. (中廣核核技術應用有限公司) and its subsidiaries	8,426,701.72	9,519,766.72	
	Nengzhihui and its subsidiaries	29,286,284.44	27,433,453.14	
	CGNPC	8,290,000.00	9,167,208.00	
	Swakop Uranium (Pty) Ltd.	9,711,480.90	17,896,885.68	
	CGN Solar Energy Development Co., Ltd. and its subsidiaries	5,576,263.00	9,965,058.78	
	CGN New Energy Holdings Co., Ltd. and its subsidiaries	2,698,960.00	3,712,698.87	
	Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	2,265,466.07	2,265,466.07	
	Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	2,050,394.68	2,019,194.68	
	Hualong Pressurized Water Reactor Technology Corporation, Ltd. (華龍國際核電技術有限公司)	1,334,437.95	885,967.95	
	CGN Finance	958,250.00	7,288,622.59	
	CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	924,504.76	2,964,204.76	
	CGN Capital Holdings Co., Ltd. (中廣核資本控股有限公司) and its subsidiaries	566,765.17	4,493,412.71	
	CGN Energy International Holdings Co., Limited and its subsidiaries	–	3,406,847.01	
	CGNPC International Financial Leasing Co., Ltd. (中廣核國際融資租賃有限公司)	–	2,882,742.99	
	Others	2,735,229.75	6,060,133.88	
		<b>Total</b>	<b>2,372,040,655.32</b>	<b>1,597,825,188.28</b>

Item name	Related party	June 30, 2020	December 31, 2019
Prepayments	CGN Uranium Resources Co., Ltd. and its subsidiaries	5,297,025,801.50	3,915,503,871.31
	China Nuclear Industry 23 Construction Co., Ltd.	340,745,911.14	490,960,186.95
	CGN Services Group	20,218,610.85	6,018,610.85
	Shenzhen Nuclear Power Huantong Automobile Service Co., Ltd. (深圳核電環通汽車服務有限公司)	9,900,000.00	9,900,000.00
	Shanghai Engineering Science & Technology Co., Ltd (上海中廣核工程科技有限公司)	9,068,471.57	9,068,471.57
	Hualong Pressurized Water Reactor Technology Corporation, Ltd. (華龍國際核電技術有限公司)	7,547,169.78	7,547,169.78
	China Techenergy Co., Ltd.	4,301,812.50	26,470,133.16
	CGNPC	4,119,390.31	3,508,958.31
	Framatome Inc.	2,677,033.43	5,369,280.23
	Others	9,521,693.46	10,274,352.28
		Total	5,705,125,894.54
Contract assets	Hongyanhe Nuclear	772,040.35	992,529.35
	CGN Uranium Resources Co., Ltd. and its subsidiaries	–	47,094.02
	Total	772,040.35	1,039,623.37
Other receivables	CGN Services Group	22,335,310.94	22,335,310.94
	CGNPC	9,577,157.28	9,577,157.28
	Hongyanhe Nuclear	3,362.95	8,436,459.25
	China Nuclear Industry 23 Construction Co., Ltd.	–	12,855,627.11
	Others	913,175.72	543,304.98
	Total	32,829,006.89	53,747,859.56
Other non-current assets	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
	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
	China Techenergy Co., Ltd.	1,780,000.00	1,780,000.00
	Others	1,102,273.56	1,163,137.24
		Total	3,882,273.56

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (2) Payables

Item name	Related party	June 30, 2020	December 31, 2019
Accounts payable	China Nuclear Industry 23 Construction Co., Ltd.	411,339,661.90	535,124,816.04
	CGN Uranium Resources Co., Ltd. and its subsidiaries	129,087,411.22	21,703,419.83
	CGN Services Group	128,769,398.41	80,413,838.35
	China Techenergy Co., Ltd.	89,025,797.63	100,273,555.94
	Shenzhen Nuclear Power Huantong Automobile Service Co., Ltd. (深圳核電環通汽車服務有限公司)	64,535,729.76	51,657,329.52
	Shenzhen Lvyan Restaurant Management Co., Ltd. (深圳綠源餐飲管理有限公司)	58,794,933.07	68,819,894.89
	CGN Environmental Protection Industry Co., Ltd. (中廣核環保產業有限公司)	52,378,866.46	53,501,030.74
	Framatome Inc.	50,008,730.11	240,303,858.76
	Shenzhen Nuclear Power Electrical Installation and Maintenance Co., Ltd. (深圳市核電機電安裝維修有限公司)	27,801,519.03	44,606,006.56
	CGNPC	17,461,793.19	18,360,745.93
	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)	16,535,699.83	18,175,133.78
	Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	14,716,896.03	20,984,037.40
	Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	14,413,927.26	22,088,822.76
	Shanghai Engineering Science & Technology Co., Ltd. (上海中廣核工程科技有限公司)	13,946,904.60	16,980,196.72
	Shenzhen Nuclear Power Material Supply Co., Ltd. (深圳市核電物資供應有限公司)	13,427,103.66	32,489,594.98
	Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司)	12,215,860.86	22,162,023.20
	Shenzhen Kezhi Management Consulting Co., Ltd. (深圳市科智管理諮詢有限公司)	7,248,226.83	10,157,063.24
	CGN Nuclear Technology Application Co., Ltd. (中廣核核技術應用有限公司) and its subsidiaries	3,749,264.49	8,183,319.56
	China Nuclear Power EPC Limited and its subsidiaries	2,579,084.02	2,708,032.30
	CIECC Engineering Company Limited (中諮工程有限公司)	2,574,724.48	2,746,784.92
	CGN New Energy Holdings Co., Ltd. and its subsidiaries	619,047.62	1,078,670.26
	CGN Real Estate Management Co., Ltd. (中廣核不動產管理有限公司)	471,698.11	1,426,026.68
	EDF International and its subsidiaries	–	48,820,256.60
	CGN Wind Energy Co., Ltd. and its subsidiaries	–	3,693,535.29
	Guangdong Electric Power Design Institute of China Energy Engineering Group	–	1,047,169.81
	CGN Finance	–	1,069,568.46
	Others	4,143,508.98	8,364,910.90
	<b>Total</b>	<b>1,135,845,787.55</b>	<b>1,436,939,643.42</b>

Item name	Related party	June 30, 2020	December 31, 2019
Contract liabilities	CGN Wind Energy Co., Ltd. and its subsidiaries	2,277,182,457.23	6,882,678.00
	CGNPC	27,179,386.80	7,179,386.80
	Hongyanhe Nuclear	24,911,044.00	5,771,898.31
	Others	2,385,786.00	2,190,286.00
	Total	2,331,658,674.03	22,024,249.11
Short-term loans	CGN Finance	5,024,119,316.68	5,765,413,158.05
	CGNPC	800,986,000.00	800,986,000.00
	Shanghai Engineering Science & Technology Co., Ltd (上海中廣核工程科技有限公司)	75,290,423.08	49,228,658.26
	CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	31,533,809.65	17,297,913.22
	Hualong Pressurized Water Reactor Technology Corporation, Ltd. (華龍國際核電技術有限公司)	100,000,000.00	100,130,500.00
	Total	6,031,929,549.41	6,733,056,229.53
Long-term loans	CGN Finance	5,546,774,944.55	2,941,243,949.13
	CGNPC International Financial Leasing Co., Ltd. (中廣核國際融資租賃有限公司)	500,000,000.00	870,833.33
	CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	-	117,232,500.00
	CGN Capital Holdings Co., Ltd. (中廣核資本控股有限公司) and its subsidiaries	-	2,005,189,513.54
	Total	6,046,774,944.55	5,064,536,796.00

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

Item name	Related party	June 30, 2020	December 31, 2019
Other payables	CGNPC	2,324,253,891.19	85,405,562.62
	Guangxi GI Energy Group Co., Ltd. (廣西廣投能源集團有限公司)	1,691,861,440.00	1,591,861,440.00
	Guangdong Energy Group Co., Ltd. (廣東省能源集團有限公司)	663,367,251.99	-
	CLP Nuclear Power (Yangjiang) Limited	663,367,251.99	-
	CGN Fund Phase I	273,151,221.41	-
	Guangdong Electric Power Design Institute of China Energy Engineering Group	62,254,177.61	4,775,112.45
	CGN Uranium Resources Co., Ltd. and its subsidiaries	3,330,370.60	2,631,389.60
	CGN Wind Energy Co., Ltd. and its subsidiaries	2,274,028.10	2,504,679.29
	CGN Services Group	1,754,455.50	2,062,503.19
	China Nuclear Industry 23 Construction Co., Ltd.	1,733,735.51	1,443,466.22
	Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	1,597,461.45	811,350.74
	Shanghai Engineering Science & Technology Co., Ltd. (上海中廣核工程科技有限公司)	1,578,938.47	1,578,938.47
	CGN Solar Energy Development Co., Ltd. and its subsidiaries	1,463,569.27	1,437,002.71
	Shenzhen Kezhi Management Consulting Co., Ltd. (深圳市科智管理諮詢有限公司)	1,238,398.35	-
	CGN Huizhou Nuclear Power Co., Ltd. (中廣核惠州核電有限公司)	1,147,803.55	-
	Others	5,375,624.77	4,492,525.57
	<b>Total</b>	<b>5,699,749,619.76</b>	<b>1,699,003,970.86</b>



Item name	Related party	June 30, 2020	December 31, 2019
Lease liabilities	CGNPC	21,588,041.50	62,375,305.59
	CGN Real Estate Management Co., Ltd. (中廣核不動產管理有限公司)	18,970,501.95	23,927,701.65
	Shanghai Engineering Science & Technology Co., Ltd (上海中廣核工程科技有限公司)	6,364,439.00	7,850,588.67
	Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	2,199,563.62	2,347,415.07
	Others	1,497,245.14	1,783,004.48
	Total	50,619,791.21	98,284,015.46
Non-current liabilities due within one year	CGN Finance	277,090,828.70	260,610,181.57
	CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	119,462,544.86	49,932.36
	CGNPC	107,341,526.93	94,786,067.10
	Shanghai Engineering Science & Technology Co., Ltd (上海中廣核工程科技有限公司)	7,408,955.71	7,487,105.57
	Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	2,722,004.72	2,722,004.72
	CGNPC International Financial Leasing Co., Ltd. (中廣核國際融資租賃有限公司)	1,549,687.50	500,000,000.00
	CGN Services Group	935,153.80	5,674,665.65
	Shenzhen Zhaoyinbailu Investment Partnership (Limited Partnership) (深圳招銀白鷺投資合夥企業(有限合夥))	-	1,250,500,000.00
	CGN Real Estate Management Co., Ltd. (中廣核不動產管理有限公司)	-	11,451,942.86
	Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	-	295,038.92
	CGN Wind Energy Co., Ltd. and its subsidiaries	-	293,491.39
	CGN New Energy Holdings Co., Ltd. and its subsidiaries	-	157,489.05
	CGN Energy Conservation Industry Development Co., Ltd. and its subsidiaries	-	130,420.61
	Hongyanhe Nuclear	-	38,406.34
	Total	516,510,702.22	2,134,196,746.14

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (XI) Share-based Payment

#### 1. Overall share-based payment

Item	For the period from January 1 to June 30, 2020		For the period from January 1 to June 30, 2019	
	First grant	Second grant	First grant	Second grant
Opening balance of total equity instruments	129,946,651	462,360,003	207,599,986	543,640,000
Total equity instruments granted by the Company during the period	-	-	-	-
Total equity instruments exercised by the Company during the period	-	4,062,500	-	-
Total equity instruments of the Company that have expired during the period	3,839,930	4,970,005	13,040,003	60,820,000
Closing balance of total equity instruments	126,106,721	453,327,498	194,559,983	482,820,000
The range of exercise prices of outstanding share appreciation rights of the Company at the end of the period and the remaining period of the contracts	HKD3.50 0.46 – 1.46 years	HKD1.8393 2.45 – 4.45 years	HKD3.50 0.46 – 2.46 years	HKD2.09 3.46 – 5.46 years

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 non-executive Directors and independent non-executive 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 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 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.

According to the incentive scheme, before the exercise of the right, if events such as capitalization of capital reserve, distribution of bonus shares, share subdivision or consolidation, rights issue or secondary offering occur to the listed company before the exercise of SAR, corresponding adjustment to the exercise price of SAR shall be made. However, under no circumstances shall any adjustment results in the exercise price being lower than the par value of the shares. On January 8, 2020, the Board adopted the second batch of the adjustment plan of the exercise price of SAR, adjusting the exercise price of SAR granted in the second phase from RMB2.09/share to RMB1.9223/share. On May 20, 2020, the Board adopted the second phase of the adjustment plan of the exercise price of SAR, adjusting the exercise price of SAR granted in the second phase from RMB1.9223/share to RMB1.8393/share. The exercise price took effect on May 22, 2020.

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 SAR will have to be exercised within the specified services periods and the exercise period is three 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.

During this period, a total of 3,839,930 units under the initial implementation plan of the SAR have expired. A total of 4,970,005 units under the secondary implementation plan of the SAR have expired. A total of 4,062,500 units under the secondary implementation plan of the SAR have been exercised.

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### 2. Cash-Settled Share-based Payment

Unit: RMB

Item	For the period from January 1 to June 30, 2020	For the period from January 1 to June 30, 2019
Methods for determining fair value of liabilities undertaken 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	16,684,216.95	100,844,490.59
Total fees recognized in respect of cash-settled share-based payment during the period	(40,487,396.21)	38,724,266.09

The fair value of share-based payment is measured by using the Black-Scholes Model, inputs used in the model are as follows:

Item	June 30, 2020	December 31, 2019
Share price (HKD)	1.60	2.08
Expected volatility	20.99%-31.00%	18.94%-31.94%
Expected dividend yield	5.189%-5.266%	4.051%

The first grant under the Scheme:

Item	June 30, 2020	December 31, 2019
Exercise price (HKD)	3.50	3.50
Expected term	0.46-1.46 years	0.96-1.96 years
Risk-free rate	0.206%-0.244%	1.734%-1.831%
Fair value (HKD)	0.0000075-0.0002343	0.0003-0.0049

The second batch of the Scheme:

Item	June 30, 2020	December 31, 2019
Exercise price (HKD)	1.8393	2.09
Expected term	2.45-4.45 years	2.95-4.95 years
Risk-free rate	0.249%-0.223%	1.657%-1.716%
Fair value (HKD)	0.0711-0.1094	0.18-0.40

The variables and assumptions used in computing the fair value of the share options are based on the Directors' best estimate. Changes in variables of specific assumptions may result in changes in the value of the options. The expected volatility is determined with reference to the historical volatility of the stock prices of the Group and other listed power generation companies. The expected term used in the model has been adjusted based on the management's best estimates on the restrictions imposed in respect of the non-transferability and behavioral considerations.

## (XII) Commitments and Contingencies

### 1. Important commitments

#### Capital commitments

Item	June 30, 2020	December 31, 2019
Commitment of acquisition and construction of long-term assets	8,484,089,119.71	7,296,751,378.92
Large-amount contracts	2,821,906,431.43	4,938,647,799.73
<b>Total</b>	<b>11,305,995,551.14</b>	<b>12,235,399,178.65</b>

### 2. Other commitment

The Company provides financial guarantee for Guangdong Daya Bay Nuclear Power Environment Protection Co., Ltd., a wholly-owned subsidiary of the Company, to maintain its radioactive waste storage and disposal activities until the expiration of the safety guardianship period, the guarantee is general guarantee, and the maximum amount of guarantee does not exceed the relevant regulations of national liability for compensation of nuclear accident damage.

### 3. Contingencies

There are no important contingencies that should be disclosed by the Group.

## (XIII) Events after the Balance Sheet Date

In July, 2020, the Company received the Notice of Acceptance of Registration issued by China Interbank Market Dealers Association (the "Dealers Association"). The Dealers Association agrees to accept the Company's medium-term notes to be registered in two phases, with a total registered amount of RMB10 billion, and the Company may issue the medium-term notes in installments within the validity period of the registration.

## (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.

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (2) Financial information of reporting segments

Item	Nuclear power business operation, sales of electricity and related technical services segment	Engineering, construction and related technical services segment	Inter-segment eliminations	June 30, 2020/ During the period from January 1 to June 30, 2020
Operating revenue	27,837,988,161.27	7,364,978,045.18	(3,696,294,349.68)	31,506,671,856.77
Revenue from external customers	27,613,483,995.12	3,893,187,861.65	-	31,506,671,856.77
Revenue from internal segments	224,504,166.15	3,471,790,183.53	(3,696,294,349.68)	-
Operating cost	14,291,282,021.36	6,824,599,844.55	(3,026,302,814.82)	18,089,579,051.09
Total assets	372,925,424,744.51	25,485,927,957.75	(14,704,214,154.79)	383,707,138,547.47
Total liabilities	236,182,365,548.99	20,881,908,005.45	(10,356,796,119.47)	246,707,477,434.97
Income from investment in associates	249,593,936.17	134,653,512.50	33,293,641.39	417,541,090.06
Long-term equity investment accounted by using the equity method	10,449,819,034.89	1,895,980,733.03	(531,110,407.06)	11,814,689,360.86
Operating profit	9,214,328,326.77	439,100,522.19	(671,390,614.31)	8,982,038,234.65
Income tax expenses	1,073,402,305.10	117,483,435.81	(100,708,592.15)	1,090,177,148.76
Net profit	8,103,890,694.26	328,242,891.16	(570,682,022.16)	7,861,451,563.26

Item	Nuclear power business operation, sales of electricity and related technical services segment	Engineering, construction and related technical services segment	Inter-segment eliminations	December 31, 2019/ During 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	377,416,648,861.92	26,281,356,712.15	(15,722,771,047.28)	387,975,234,526.79
Total liabilities	243,379,473,237.72	22,981,730,258.28	(13,679,836,460.67)	252,681,367,035.33
Income from investment in associates	1,792,586,336.17	124,689,778.18	(1,445,407,190.77)	471,868,923.58
Long-term equity investment accounted by using the equity method	10,089,159,925.16	1,869,968,500.92	(759,836,615.55)	11,199,291,810.53
Operating profit	8,064,457,781.08	325,414,691.06	(17,411,322.83)	8,372,461,149.31
Income tax expenses	929,374,270.71	14,685,140.16	-	944,059,410.87
Net profit	7,130,137,198.48	312,833,439.14	(17,411,322.83)	7,425,559,314.79

Revenue from external customers by location of revenue sources and non-current assets by location of assets

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Revenue from external customers in the PRC	28,580,642,082.17	23,796,200,931.29
Revenue from external customers in other countries	2,926,029,774.60	2,726,480,484.66
<b>Total</b>	<b>31,506,671,856.77</b>	<b>26,522,681,415.95</b>

Item	June 30, 2020	December 31, 2019
Non-current assets in the PRC	325,814,763,896.98	326,009,008,424.59
Non-current assets in other countries	40,489,280.56	42,842,811.90
<b>Total</b>	<b>325,855,253,177.54</b>	<b>326,051,851,236.49</b>

#### Dependence on major customers

Item	Operating revenue during the period from January 1 to June 30, 2020	Percentage to the operating revenue of the Group	Operating revenue during the period from January 1 to June 30, 2019	Percentage to the operating revenue of the Group
Guangdong Power Grid Co., Ltd.	17,450,972,614.05	55.39%	14,372,038,166.24	54.19%
Fujian Electric Grid Co., Ltd.	4,420,545,919.80	14.03%	3,889,934,885.57	14.67%
HKNIC	2,805,274,029.55	8.90%	2,686,679,494.22	10.13%
Guangxi Power Grid Co., Ltd.	2,456,302,516.78	7.80%	2,209,146,035.72	8.33%

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (XV) Notes to Major Items in the Financial Statements of the Parent Company

#### 1. Accounts receivable

##### (a) Accounts receivable disclosed by category

Item	June 30, 2020	December 31, 2019
Accounts receivable arising from contracts with customers	661,331,975.49	758,101,713.04
Including: Accounts receivable by subsidiaries within the scope of consolidation	585,716,660.01	548,072,712.28
Group 1	75,348,494.73	209,572,557.37
Group 2	266,820.75	456,443.39
Less: Bad debt provisions	615,337.24	804,622.69
Carrying value	660,716,638.25	757,297,090.35

As part of the Company's 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. 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:

Aging	June 30, 2020				December 31, 2019			
	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value
Less than 1 year	0.00%	453,085,003.79	-	453,085,003.79	0.00%	548,072,712.28	-	548,072,712.28
1-2 years	0.00%	132,631,656.22	-	132,631,656.22	0.00%	-	-	-
Total		585,716,660.01	-	585,716,660.01		548,072,712.28	-	548,072,712.28

Group 1:

Aging	June 30, 2020				December 31, 2019			
	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value
Less than 1 year	0.30%	67,898,324.10	84,349.56	67,813,974.54	0.30%	208,686,589.42	626,059.77	208,060,529.65
1-2 years	5.00%	6,564,202.68	328,210.13	6,235,992.55	5.00%	-	-	-
2-3 years	20.00%	885,967.95	177,193.59	708,774.36	20.00%	885,967.95	177,193.59	708,774.36
Total		75,348,494.73	589,753.28	74,758,741.45		209,572,557.37	803,253.36	208,769,304.01



Group 2:

Aging	June 30, 2020				December 31, 2019			
	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value
Less than 1 year	0.30%	11,320.75	33.96	11,286.79	0.30%	456,443.39	1,369.33	455,074.06
1-2 years	10.00%	255,500.00	25,550.00	229,950.00	10.00%	-	-	-
Total		266,820.75	25,583.96	241,236.79		456,443.39	1,369.33	455,074.06

### (b) Changes in provision for bad debts of accounts receivable

Item	During the period from January 1 to June 30, 2020		
	Expected credit losses during the whole life (no credit impairment occurred)	Expected credit losses during the whole life (credit impairment occurred)	Total
January 1, 2020	804,622.69	-	804,622.69
Provisions for expected credit losses for the period	-	-	-
Reversals for expected credit losses for the period	189,285.45	-	189,285.45
June 30, 2020	615,337.24	-	615,337.24

### (c) Top five debtors with the largest balances of accounts receivable at the end of the period

Name of entity	Carrying balance	Percentage to total accounts receivable (%)	Balance of provisions for bad debts at end of the period
Fangchenggang Nuclear	81,647,462.64	12.35	-
Taishan Nuclear Power Joint Venture Co., Ltd.	80,295,975.22	12.14	-
China Nuclear Power Operations Co., Ltd.	63,151,889.46	9.55	-
Ling'ao Nuclear Power Co., Ltd.	56,419,176.52	8.53	-
Nuclear Power Joint Venture	56,384,422.82	8.53	-
Total	337,898,926.66	51.10	-

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### 2. Other receivables

#### Other receivables

Item	June 30, 2020	December 31, 2019
Dividends receivable	6,642,629,453.94	4,542,124,742.99
Other receivables	18,391,538.68	42,338,725.62
<b>Total</b>	<b>6,661,020,992.62</b>	<b>4,584,463,468.61</b>

#### (1) Dividends receivable

##### (a) Dividends receivable

Investee	June 30, 2020	December 31, 2019
GNIC	2,000,000,000.00	2,000,000,000.00
CGN Ninghe Investment Co., Ltd.	1,391,292,681.66	–
Yangjiang Nuclear	1,326,734,503.98	–
Ling'ao Nuclear	773,770,206.97	1,391,292,681.66
CGN Engineering	679,626,192.13	679,626,192.13
China Nuclear Power Operations Co., Ltd.	471,205,869.20	471,205,869.20
<b>Total</b>	<b>6,642,629,453.94</b>	<b>4,542,124,742.99</b>
Less: Bad debt provisions	–	–
<b>Carrying value</b>	<b>6,642,629,453.94</b>	<b>4,542,124,742.99</b>

(b) As at June 30, 2020 and December 31, 2019, significant dividends receivable aged over 1 year of the Company are as follows:

Investee	Closing balance	Aging	Reason for being not recovered	Whether an impairment occurred and the basis for its judgment
CGN Engineering	679,626,192.13	1 to 2 years	Fund arrangement in the Group	No impairment occurred and CGN Engineering maintained sound operation

## (2) Other receivables

### (a) Other receivables disclosed by category

Item	June 30, 2020			December 31, 2019			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)	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)	
Other receivables of subsidiaries within the scope of consolidation	17,642,427.30	-	-	33,748,034.66	-	-	33,748,034.66
Group 1	3,362.95	-	-	8,436,459.25	-	-	8,436,459.25
Group 2	658,070.79	133,247.62	-	43,873.33	155,928.36	-	199,801.69
Carrying value	18,303,861.04	133,247.62	-	42,228,367.24	155,928.36	-	42,384,295.60
Bad debt provisions	25,441.00	20,128.98	-	25,441.00	20,128.98	-	45,569.98
Carrying value	18,278,420.04	113,118.64	-	42,202,926.24	135,799.38	-	42,338,725.62

### (b) Changes in bad debt provisions for other receivables

Item	During the period from January 1 to June 30, 2020			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)	
January 1, 2020	25,441.00	20,128.98	-	45,569.98
Provisions for expected credit losses for the period	-	-	-	-
Reversals for expected credit losses for the period	-	-	-	-
June 30, 2020	25,441.00	20,128.98	-	45,569.98

### (c) Top five debtors with the largest balances of other receivables at the end of the period

Name of entity	Nature	Amount	Aging	Percentage to total other receivables (%)	Balance of provisions for bad debts at the end of the period
Fangchenggang Nuclear	2019 EPRI membership fee	4,909,312.51	1-2 years	26.63	-
Yangjiang Nuclear	2019 EPRI membership fee	3,945,284.49	Less than 1 year	21.40	-
Ningde Nuclear	2019 EPRI membership fee	3,070,700.37	Less than 1 year	16.65	-
Taishan Nuclear	2019 EPRI membership fee	1,621,275.48	Less than 1 year	8.79	-
Nuclear Power Joint Venture	2019 EPRI membership fee	1,364,730.49	Less than 1 year	7.40	-
Total		14,911,303.34		80.87	-

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (d) Other receivables by nature

Item	June 30, 2020	December 31, 2019
Related party payments	17,645,790.25	42,184,493.91
Reserve funds	791,318.41	199,801.69
Total	18,437,108.66	42,384,295.60

### 3. Other current assets

Item	June 30, 2020	December 31, 2019
VAT retained at the end of the period	48,217,670.76	51,820,326.71
Loans entrusted to subsidiaries	10,728,000,000.00	6,958,000,000.00
Interest receivable for entrusted loans	10,816,386.12	8,232,157.50
Total	10,787,034,056.88	7,018,052,484.21

### 4. Debt investment

Item	June 30, 2020	December 31, 2019
Entrusted loans	11,862,463,326.36	19,652,463,326.36
Less: Debt investment due within one year	–	–
Net	11,862,463,326.36	19,652,463,326.36

## 5. Long-term equity investments

### (1) Investment in subsidiaries

Investee	Changes in the current period				Balance at June 30, 2020	Impairment provisions	Cash dividends announced to be distributed for the period
	Balance at January 1, 2020	Additional investment	Reduce investment	Other changes			
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	-	773,770,206.97
Yangjiang Nuclear	6,162,481,639.48	-	-	-	6,162,481,639.48	-	1,326,734,503.98
China Nuclear Power Operations Co., Ltd.	118,807,136.75	-	-	-	118,807,136.75	-	-
China Nuclear Power Technology Research Institute Co., Ltd.	1,800,682,040.74	-	-	-	1,800,682,040.74	-	-
Guangdong Daya Bay Nuclear Power Environment Protection Co., Ltd.	99,602,305.72	-	-	-	99,602,305.72	-	-
CGN Nuclear Power Investment Co., Ltd.	9,214,373,653.54	138,533,958.00	-	-	9,352,907,611.54	-	-
CGN Ninghe Investment Co., Ltd.	3,306,159,962.85	-	-	-	3,306,159,962.85	-	-
SNPRI	1,061,032,900.00	-	-	-	1,061,032,900.00	-	-
Taishan Nuclear	3,600,022,661.30	-	-	-	3,600,022,661.30	-	-
Taishan Investment	8,769,244,739.87	-	-	-	8,769,244,739.87	-	-
CGN Engineering	2,619,094,819.39	1,000,000,000.00	-	-	3,619,094,819.39	-	-
Lufeng Nuclear	3,478,000,000.00	-	-	-	3,478,000,000.00	-	-
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.	81,700,000.00	-	-	-	81,700,000.00	-	-
Shenzhen Hepeng Project Supervision Co., Ltd.	-	3,039,138.35	-	-	3,039,138.35	-	-
<b>Total</b>	<b>76,918,942,727.45</b>	<b>1,141,573,096.35</b>	<b>-</b>	<b>-</b>	<b>78,060,515,823.80</b>	<b>-</b>	<b>2,100,504,710.95</b>

#### Other explanations:

The Company's long-term equity investment in Lingdong Nuclear and Yangjiang Nuclear is restricted. As at June 30, 2020 and December 31, 2019, the Company's net long-term equity investment with restricted ownership in Lingdong Nuclear was RMB2,195,503,954.06. As at June 30, 2020 and December 31, 2019, the Company's long-term equity investment with restricted ownership in Yangjiang Nuclear was RMB6,162,481,639.48.

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (2) Investment in associates

Investee	Changes in the current period						Balance at June 30, 2020	Closing balance of impairment provisions
	Balance at January 1, 2020	Additional investment	Reduce investment	Investment income recognized under the equity method	Adjustment of other comprehensive gains	Declared cash dividends or profits		
CGN Fund Phase I	2,565,421,463.81	20,428,590.00	-	125,235,441.00	-	-	2,711,085,494.81	-
Xiong'an Xingrong Nuclear Power Innovation Center Co., Ltd.	20,000,000.00	-	-	-	-	-	20,000,000.00	-
<b>Total</b>	<b>2,585,421,463.81</b>	<b>20,428,590.00</b>	<b>-</b>	<b>125,235,441.00</b>	<b>-</b>	<b>-</b>	<b>2,731,085,494.81</b>	<b>-</b>

## 6. Short-term Loans

### (1) Short-term loans by category

Item	June 30, 2020	December 31, 2019
Credit loans	8,852,856,503.71	11,794,719,057.66
Short-term loans interest payable	2,014,626.36	7,200,874.63
<b>Total</b>	<b>8,854,871,130.07</b>	<b>11,801,919,932.29</b>

(2) As at June 30, 2020 and December 31, 2019, the Company had no overdue and unsettled short-term loans.

## 7. Operating Revenue and Operating Costs

Item	During the period from January 1 to June 30, 2020		During the period from January 1 to June 30, 2019	
	Revenue	Cost	Revenue	Cost
From other operations	180,274,507.81	143,554,131.90	255,734,884.46	198,403,364.94

## 8. Investment Income

### Details of investment income

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Income from long-term equity investments accounted for using the cost method	2,100,504,710.95	1,974,858,024.49
Income from long-term equity investments accounted for using the equity method	125,235,441.00	137,979,337.02
Interest income from entrusted loans	476,790,612.99	338,701,571.24
Total	2,702,530,764.94	2,451,538,932.75

## 9. Supplementary Information to Cash Flow Statements

### (1) Supplementary information to cash flow statements

Supplementary information	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
1. Reconciliation of net profits to cash flow from operating activities:		
Net profit	2,315,969,634.89	2,015,263,279.29
Add: Credit impairment gains	(189,285.45)	(20,927,930.82)
Depreciation of fixed assets	8,511,704.24	5,676,305.58
Amortization of intangible assets	40,027,823.30	31,714,779.85
Depreciation of right-of-use assets	34,335,295.62	34,069,502.54
(Gains) losses from changes in fair value	(2,218,911.96)	375,084.35
Finance costs	287,829,853.25	279,998,238.78
Investment income	(2,702,530,764.94)	(2,451,538,932.75)
Decrease in operating receivables	108,609,195.22	86,396,037.47
Decrease in operating payables	(162,443,079.56)	(65,106,244.72)
Net cash flows used in operating activities	(72,098,535.39)	(84,079,880.43)
2. Net change in cash and cash equivalents:		
Closing balance of cash and cash equivalents	9,282,527,376.09	7,801,020,205.75
Less: Opening balance of cash and cash equivalents	11,045,331,156.75	8,180,127,897.47
Net decrease in cash and cash equivalents	(1,762,803,780.66)	(379,107,691.72)

## Notes to the Financial Statements

For the period from January 1, 2020 to June 30, 2020

(All amounts in RMB unless otherwise stated)

### (XVI) Supplementary Information

#### 1. Breakdown of Non-recurring gains or losses

Item	During the period from January 1 to June 30, 2020	During the period from January 1 to June 30, 2019
Gains or losses from disposal of non-current assets	209,089.84	143,073,493.12
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)	84,070,534.49	112,178,208.53
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	(1,753,857.54)	1,259,271.58
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	(30,409,522.63)	(2,842,423.65)
Other gains or losses items that meet the definition of non-recurring gains or losses	19,721,499.66	(1,316,174.84)
Total	71,837,743.82	253,588,674.74
Income tax effect of non-recurring gains or losses	9,883,726.45	37,713,768.36
Effect of non-recurring gains or losses attributable to minority shareholders	(332,335.45)	7,385,069.94
Effect of non-recurring gains or losses attributable to shareholders of the parent company, net	62,286,352.82	208,489,836.44



## 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.

	Weighted average return on equity (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Profit for the reporting period (during the period from January 1 to June 30, 2020)			
Net profit attributable to holders of ordinary shares of the Company	5.67	0.103	0.103
Net profit attributable to holders of ordinary shares of the Company (excluding the non-recurring gains or losses)	5.58	0.102	0.102

	Weighted average return on equity (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Profit for the reporting period (during the period from January 1 to June 30, 2019)			
Net profit attributable to holders of ordinary shares of the Company	6.90	0.111	0.111
Net profit attributable to holders of ordinary shares of the Company (excluding the non-recurring gains or losses)	6.61	0.106	0.106

Note: For the period from January 1 to June 30, 2020 and the period from January 1 to June 30, 2019, the Group did not have any dilutive potential ordinary shares. Therefore, diluted earnings per share was the same as the basic earnings per share.

# Company Information

## Headquarters in the PRC

18/F, South Tower, CGN Building, 2002 Shennan Road, Shenzhen, Guangdong Province, PRC

## Principal Place of Business in Hong Kong

31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

## Authorized Representatives

Mr. Jiang Dajin

Mr. Lee Kwok Fai Kenneth

## Joint Company Secretaries

Mr. Yin Engang

Mr. Lee Kwok Fai Kenneth

## Auditor

KPMG Huazhen LLP

8/F, Tower E2, Oriental Plaza, 1 Chang'an Avenue, Dongcheng District, Beijing

## Legal Advisors

### Hong Kong Law

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)

CDB Financial Center, No. 2003 Fuzhong Third Road, Futian District, Shenzhen, Guangdong Province, PRC

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)

ABC Building, 5008 Shennan East Road, Luohu District, Shenzhen, Guangdong Province, PRC

Postal Savings Bank of China Co., Ltd. (Shenzhen Branch)

43/F, Postal Information Complex Building, 5055 Yitian Road, Futian District, Shenzhen, Guangdong Province, PRC

## Share Registrar

H shares

Computershare Hong Kong Investor Services Limited  
Address: Shops 1712-1716, 17th Floor, Hopewell  
Centre, 183 Queen's Road East, Wan Chai, Hong Kong

A shares

Shenzhen Branch of China Securities Depository and  
Clearing Corporation Limited  
Address: 25th Floor, Shenzhen Stock Exchange  
Building, 2012 Shennan Boulevard, Futian District,  
Shenzhen, Guangdong Province, PRC

## Our Stock Name and Stock Code

H shares

Stock name: CGN Power

Stock code: HKSE 1816

A shares

Stock Name: CGN

Stock Code: SZSE 003816

## Investors' Enquiry

Telephone: (86) 755 84430888

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## Collection of the Interim Report

This report will be published on the website of the Company ([www.cgnpc.com.cn](http://www.cgnpc.com.cn)) on August 28, 2020 and posted to shareholders who have elected to receive corporate communications from the Company in printed form on August 31, 2020.

Those shareholders who (a) received our 2020 Interim Report electronically and would like to receive a printed copy or vice versa; or (b) received a printed copy of our 2020 Interim Report in either English or Chinese language only and would like to receive a printed copy of the other language version or to receive printed copies of both language versions in the future, are requested to write to the Company or the Company's registrar.

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

CGN Power

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



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