CGN Power Co., Ltd.*
中 國 廣 核 電 力 股 份 有 限 公 司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1816)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2015

FINANCIAL HIGHLIGHTS

The Company completed the acquisition of 60% of the equity interests in Taishan Investment and 12.5% of the equity interests in Taishan Nuclear held by CGNPC, the ultimate controlling company of the Company in 2015. As the Company, Taishan Investment and Taishan Nuclear are under common control of CGNPC, the above acquisition has been recorded as a business combination under common control. The assets and liabilities of Taishan Investment and Taishan Nuclear have been recognised at the carrying amounts recognised previously in CGNPC's consolidated financial statements. The financial data of 2014 in the consolidated financial statements of the Group have been restated as if the combination had occurred prior to the start of the earliest period presented. For the year ended December 31, 2015:

- Revenue of the Group was RMB23,262,898,000, representing an increase of 12.3% over last year (as restated) and an increase of 11.9% over last year (before restatement).
- Profit attributable to owners of the Company was RMB6,593,646,000, representing an increase of 6.5% over last year (as restated) and an increase of 15.4% over last year (before restatement).
- Profit attributable to owners of the Company (excluding the effects of net foreign exchange gains) was RMB6,300,689,000, representing an increase of 22.6% over last year (as restated) and an increase of 21.0% over last year (before restatement).
- The Board recommended a payment of final cash dividend of RMB0.042 (inclusive of tax) per share.

* *For identification purposes only*

The board of directors (the "**Board**") of CGN Power Co., Ltd. (the "**Company**", "**we**" or "**us**") hereby announces the consolidated operating results of the Company and its subsidiaries (the "**Group**") for the year ended December 31, 2015 together with the comparative figures for the year 2014 (as restated). The financial information of the Group for the year ended December 31, 2015 shown in this results announcement is based on the audited consolidated financial statements prepared in accordance with the International Financial Reporting Standards (the "**IFRS**") issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) ("**Hong Kong Companies Ordinance**").

SUMMARY

We are committed to pursuing the management value with integrity and transparency, upholding high standards of governance, and striving to maintain the stable business growth of the Company.

In 2015, we focused on keeping the safe and stable operation of our units in operation and strived to boost the construction of the units under construction and strengthened the communication and cooperation with the clients and various parties. Through the joint efforts of all levels of our staff, the Company achieved stable growth in both the business size and the results. By the end of 2015, we managed 14 nuclear power units in operation with a total annual on-grid power generation of 88,346.94 GWh, representing a year-on-year increase of 20.36%. Among which, the total annual on-grid power generation of the subsidiaries of the Company reached 57,529.93 GWh, representing a year-on-year increase of 10.26% as compared with that of 2014, the total annual on-grid power generation of the joint ventures of the Company reached 18,225.59 GWh, representing a year-on-year increase of 68.73% as compared with that of 2014, the total annual on-grid power generation of the associates of the Company reached 12,591.41 GWh, representing a year-on-year increase of 20.79% as compared with that of 2014. We also managed a total of 14 nuclear power units under construction (including those entrusted by the controlling shareholder). On January 1, 2016, Yangjiang Unit 3 and Fangchenggang Unit 1 (entrusted by the controlling shareholder) under our management also commenced commercial operations.

The Company has placed primary importance to safety and taken the initiatives to adapt to the changes in the industry and market development, while expanding the business scale and striving for excellence, so as to maintain the steady growth. We strive to expand the domestic market, closely follow the investment strategies in the international market, and seek for expansion by taking proper approaches at appropriate timing. We will continue to create value for our shareholders and make efforts to the improvement of regional environment and the promotion of the community development.

FINANCIAL INFORMATION

The financial information set out below in this announcement is extracted from the Company's 2015 Annual Report. Such financial information has been reviewed by the audit committee of the Company, approved by the Board and has been agreed by Deloitte Touche Tohmatsu, the external auditor of the Company. The consolidated financial statements of the Company for the year 2015 prepared in accordance with the IFRS has been audited by the external auditor of the Company with standard unqualified audit opinion being issued.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2015

	NOTES	2015 RMB'000	2014 RMB'000 (restated)
Revenue	5	**23,262,898**	20,718,676
Less: Tax surcharge		**(387,944)**	(304,153)
Cost of sales and services		**(11,742,386)**	(10,338,374)
Gross profit		**11,132,568**	10,076,149
Other income	6	**1,754,039**	1,812,508
(Loss) gain arising from changes in fair value of derivative financial instruments		**(155,470)**	(445,280)
Selling and distribution expenses		**(2,380)**	(4,049)
Other expenses		**(203,861)**	(223,246)
Administrative expenses		**(1,680,999)**	(1,519,261)
Other gains and losses	7	**541,489**	2,100,272
Share of results of associates		**134,606**	232,871
Share of results of joint ventures		**638,670**	228,430
Finance costs	8	**(2,969,901)**	(3,204,153)
Profit before taxation		**9,188,761**	9,054,241
Taxation	9	**(1,116,185)**	(1,228,041)
Profit for the year	10	**8,072,576**	7,826,200

	NOTES	2015 RMB'000	2014 RMB'000 (restated)
Other comprehensive income (expenses):			
Items that may be reclassified subsequently to profit and loss:			
– Exchange differences arising on translation of a subsidiary		**425,375**	41,009
– Others		**1,652**	(4,214)
Other comprehensive income for the year, net of income tax		**427,027**	36,795
Total comprehensive income for the year		**8,499,603**	7,862,995
Profit for the year attributable to:			
Owners of the Company		**6,593,646**	6,192,761
Non-controlling interests		**1,478,930**	1,633,439
		8,072,576	7,826,200
Total comprehensive income attributable to:			
Owners of the Company		**6,912,677**	6,223,518
Non-controlling interests		**1,586,926**	1,639,477
		8,499,603	7,862,995
Earnings per share attributable to owners of the Company, basic and diluted (RMB)	11	**0.145**	0.186

Consolidated Statement of Financial Position

As at December 31, 2015

	NOTES	**December 31, 2015 RMB'000**	December 31, 2014 RMB'000 (restated)	January 1, 2014 RMB'000 (restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**168,646,965**	155,923,218	140,249,665
Intangible assets		**1,254,208**	1,134,763	1,152,093
Investment properties		**652,050**	697,278	182,506
Interests in associates		**6,978,505**	7,062,093	6,729,540
Interests in joint ventures		**4,898,505**	4,831,016	4,363,726
Available-for-sale investments		**110,000**	110,000	110,000
Deferred tax assets		**133,855**	125,239	119,750
Derivative financial instruments		**8,346**	18,137	216,104
Value-added tax recoverable		**4,787,229**	5,285,730	4,471,621
Prepaid lease payments		**2,399,814**	2,331,432	1,737,750
Deposits for property, plant and equipment		**1,068,143**	766,745	844,107
Other assets		**12,143**	12,143	12,143
		190,949,763	178,297,794	160,189,005
CURRENT ASSETS				
Inventories		**10,790,294**	9,346,453	8,387,072
Properties under development for sale		**—**	—	266,532
Completed properties for sale		**—**	—	46,768
Prepaid lease payments		**65,743**	63,007	50,058
Trade and bills receivables	12	**3,538,964**	2,345,547	1,623,065
Prepayments and other receivables	13	**1,806,624**	882,305	1,149,930
Amounts due from related parties		**1,301,686**	687,164	460,366
Loan to a fellow subsidiary		**—**	180,000	450,000
Derivative financial instruments		**22,682**	34,505	149,725
Restricted bank deposits		**9,151**	8,275	7,132
Cash and cash equivalents		**7,178,593**	26,962,549	7,595,622
Other deposits over three months		**2,137,858**	2,080,900	3,703,884
		26,851,595	42,590,705	23,890,154

	NOTES	**December 31, 2015**	December 31, 2014	January 1, 2014
		RMB'000	RMB'000 (restated)	RMB'000 (restated)
CURRENT LIABILITIES				
Trade and other payables	14	**8,025,225**	6,655,421	10,991,653
Amounts due to related parties	15	**1,469,899**	5,194,421	1,842,132
Loans from ultimate holding company	16	**2,000,000**	3,745,000	9,131,000
Loans from fellow subsidiaries	16	**1,581,400**	658,400	2,165,862
Payable to ultimate holding company	16	**1,995,921**	3,530,000	—
Income tax payable		**628,302**	441,994	356,482
Provisions	17	**834,864**	770,320	736,819
Bank borrowings				
– due within one year		**7,537,358**	7,338,137	6,363,890
Note payable – due within one year		**1,000,000**	—	—
Derivative financial instruments		**218,013**	135,022	96,382
		25,290,982	28,468,715	31,684,220
NET CURRENT ASSETS/ (LIABILITIES)		**1,560,613**	14,121,990	(7,794,066)
TOTAL ASSETS LESS CURRENT LIABILITIES		**192,510,376**	192,419,784	152,394,939

	NOTES	**December 31, 2015 RMB'000**	December 31, 2014 RMB'000 (restated)	January 1, 2014 RMB'000 (restated)
NON-CURRENT LIABILITIES				
Bank borrowings – due after one year		**94,289,466**	91,573,167	80,237,893
Notes payable – due after one year		**11,091,066**	10,100,000	8,500,000
Deferred tax liabilities		**1,911,902**	1,695,069	1,285,360
Deferred income		**825,279**	766,030	640,759
Provisions	17	**1,755,732**	1,526,003	1,286,493
Derivative financial instruments		**140,634**	259,984	164,640
Borrowings from a financial institution		**—**	953,467	—
Loans from fellow subsidiaries	16	**3,775,834**	4,471,233	3,204,397
Loans from ultimate holding company	16	**—**	—	1,200,000
Payables to ultimate holding company	16	**—**	2,000,000	5,530,000
Staff cost payables	18	**10,690**	—	—
		113,800,603	113,344,953	102,049,542
NET ASSETS		**78,709,773**	79,074,831	50,345,397
Capital and reserves				
Paid-in/share capital	19	**45,448,750**	45,448,750	19,767,604
Reserves		**11,188,199**	14,001,337	11,411,884
Equity attributable to owners of the Company		**56,636,949**	59,450,087	31,179,488
Non-controlling interests		**22,072,824**	19,624,744	19,165,909
TOTAL EQUITY		**78,709,773**	79,074,831	50,345,397

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was established in the PRC on March 25, 2014 (date of establishment) as a joint stock company with limited liability under the Company Law of the PRC and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on December 10, 2014.

The parent and ultimate holding company of the Company is China General Nuclear Power Corporation ("**CGNPC**"), a state-owned enterprise in the PRC controlled by the State-Owned Assets Supervision and Administration Commission of the State Council (the "**SASAC**"). On December 4, 2013, the SASAC approved the reorganization of CGNPC. In March 2014, CGNPC entered into the reorganization agreement with the Company.

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

2. ACQUISITION OF SUBSIDIARIES UNDER COMMON CONTROL

In October 2014, the Company and CGNPC, the ultimate holding company of the Group, entered into the equity transfer agreement ("**Equity Transfer Agreement**"). Pursuant to the Equity Transfer Agreement, the Company acquired 12.5% equity interests in 台山核電合營有限公司 Taishan Nuclear Power Joint Venture Co., Ltd. ("**Taishan Nuclear**") and 60% equity interests in 台山核電產業投資有限公司 Taishan Nuclear Power Industry Investment Co., Ltd. ("**Taishan Investment**"), one of Taishan Nuclear's existing equity holders with 47.5% equity interests in Taishan Nuclear. The Company should pay to CGNPC a cash consideration of RMB9,612,190,000, after making adjustment to the consideration pursuant to the equity transfer agreement, which has been paid in full by the Company in 2015. The transaction was completed on April 30, 2015 after the completion of the share register. Before the acquisition, the Group owned 10% equity interest in Taishan Nuclear and accounted for the investment as available for sale investments.

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

The effects of these restatements described above on the Group's consolidated financial statements are as follows:

	The Group RMB'000	Taishan Nuclear RMB'000	Taishan Investment RMB'000	Elimination RMB'000	The Group (restated) RMB'000
Results of operations for the year ended December 31, 2014:					
Net profit for the year	6,874,780	961,700	456,794	(467,074)	7,826,200
Profit for the year attributable to:					
Owners of the Company	5,712,568	961,700	456,794	(938,301)	6,192,761
Non-controlling interests	1,162,212	—	—	471,227	1,633,439
Total comprehensive income attributable to:					
Owners of the Company	5,689,758	961,700	456,794	(884,734)	6,223,518
Non-controlling interests	1,168,250	—	—	471,227	1,639,477
Basic and diluted earnings per share (RMB)	0.172	—	—	—	0.186
Consolidated statement of financial position as at January 1, 2014:					
Non-current assets	105,914,380	56,704,948	10,573,008	(13,003,331)	160,189,005
Current assets	21,760,791	2,144,466	578	(15,681)	23,890,154
Current liabilities	26,462,447	5,227,655	9,799	(15,681)	31,684,220
Non-current liabilities	69,520,891	32,620,818	—	(92,167)	102,049,542
Equity attributable to owners of the Company	23,051,721	21,000,941	10,563,787	(23,436,961)	31,179,488
Non-controlling interests	8,640,112	—	—	10,525,797	19,165,909
Consolidated statement of financial position as at December 31, 2014:					
Non-current assets	114,776,179	65,890,780	11,029,815	(13,398,980)	178,297,794
Current assets	42,149,904	443,557	563	(3,319)	42,590,705
Current liabilities	23,559,373	4,902,862	9,799	(3,319)	28,468,715
Non-current liabilities	73,950,430	39,468,834	—	(74,311)	113,344,953
Equity attributable to owners of the Company	50,788,560	21,962,641	11,020,579	(24,321,693)	59,450,087
Non-controlling interests	8,627,720	—	—	10,997,024	19,624,744

The effects of these restatements described above on the Group's consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2015 are as follows:

	2015 RMB'000
Increase in profit for the year	**187,090**
Increase in profit for the year attributable to:	
Owners of the Company	**89,844**
Non-controlling interests	**97,246**
Increase in total comprehensive income attributable to:	
Owners of the Company	**74,908**
Non-controlling interests	**97,246**
	172,154

The effects of these restatements described above on the Group's consolidated statement of financial position as at December 31, 2015 are as follows:

	December 31, 2015 RMB'000
Increase in non-current assets	**70,500,498**
Decrease in current assets	**(1,822,609)**
Increase in current liabilities	**4,804,042**
Increase in non-current liabilities	**41,135,109**
Increase in equity attributable to owners of the Company	**10,058,828**
Increase in non-controlling interests	**12,679,910**

The effects of these restatements described above on the Group's cash flow for the year ended December 31, 2015 and 2014 are as follows:

	2015 RMB	2014 RMB
Decrease in net cash generated from operating activities	**(131,171)**	(352,590)
Increase in net cash used in investing activities	**(2,220,680)**	(6,286,256)
Decrease in net cash used in financing activities	**2,091,365**	5,933,921
Net decrease in cash and cash equivalents	**(260,486)**	(704,925)

The effects of these restatements described above on the Group's basic earnings per share for the year ended December 31, 2015 and 2014 are as follows:

	2015	2014
	RMB	RMB
Figures before adjustments	**0.143**	0.172
Adjustments arising from acquisition of subsidiaries under common control	**0.002**	0.014
Figures after adjustments	**0.145**	0.186

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

The disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the provision of Hong Kong Companies Ordinance regarding preparation of accounts and directors' reports and to streamline with IFRS. Accordingly, the presentation and disclosure of information in the consolidated financial statements for the financial year ended December 31, 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended December 31, 2014 is presented or disclosed in the consolidated financial statements based on these new requirements. Information previously required to be disclosed under the predecessor Hong Kong Companies Ordinance or Listing Rules but not under the Hong Kong Companies Ordinance or amended Listing Rules are not disclosed in these consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except leasing transactions that are within the scope of IAS 17 Leases and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of assets.

In addition, for financial reporting purposes, fair value measurements are categorised 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 quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Group:

- 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 to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The allocation to non-controlling interests represents the proportion of total comprehensive income not held by group entities. In case where the Group's associate is a non-controlling shareholder of the Group's non-wholly owned subsidiary, non-controlling interests is measured as the proportion not held by the group entities.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on combination.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests' proportionate share of recognised amount of the subsidiary's identifiable net assets are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in capital reserve and attributed to owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal is recognised in profit or loss and is calculated as the difference between the aggregate of the fair value of the consideration received and the previous carrying amount of the assets and liabilities of the subsidiary.

Interests in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. 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.

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associates or joint ventures used for equity method accounting purpose are prepared using uniform accounting policies as these of the Group for like transactions and events in similar circumstances. Under the equity method, an interest in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net interest in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's interest in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statements of profit or loss and other comprehensive income include the results of each of the combining entities or business from the earliest date presented or since the date when the combing entities or businesses first came under the common control, where this is a short period.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the end of the previous reporting period or when they first came under common control, whichever is shorter.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5. REVENUE AND SEGMENT INFORMATION

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

An analysis of the Group's revenue for the year is as follows:

	2015	2014
	RMB'000	RMB'000 (restated)
Sales of electricity	**21,542,239**	19,327,383
Technical and training service revenue (note)	**1,516,722**	1,154,613
Sales of equipment and other goods	**203,937**	236,680
	23,262,898	20,718,676

Note: The amount includes the service revenue from the nuclear power projects (entrusted by the controlling shareholder) under the management of the Company.

Information reported to the Board, being the chief operating decision makers ("**CODM**") of the Group, for the purposes of resources allocation and assessment of performance focuses on the types of goods or services delivered or provided. During the year, the Group derived substantially all of the revenue from sales of electricity generated by its nuclear power plants.

The CODM regularly review sales reports, electricity supply reports and construction progress reports. However, no discrete financial information is available for the various types of goods and services respectively. For the purpose of allocating resources and assessing performance, the CODM regularly review the Group's revenue and the Group's profit as a whole and as such, there is only one operating and reportable segment.

The segment revenue is the same as the Group's revenue. Segment profit is the Group's profit before taxation without taking into account of unrealised (loss) gain arising from changes in fair value of derivative financial instruments, share of results of the Group's associates and joint ventures. This is the measure reported to the CODM for resources allocation and performance assessment. The reconciliation is as follows:

	2015	2014
	RMB'000	RMB'000 (restated)
Segment profit before taxation reported to the Board	**8,400,478**	9,040,559
Add: Unrealised (loss) gain arising from changes in fair value of derivative financial instruments	**15,007**	(447,619)
Add: Share of results of associates	**134,606**	232,871
Add: Share of results of joint ventures	**638,670**	228,430
Group's profit before taxation	**9,188,761**	9,054,241

Geographical information

As the Group's operations and non-current assets are all located in the PRC, no other geographical segment information is presented.

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total sales of the Group are as follows:

	2015	2014
	RMB'000	RMB'000
		(restated)
Entities under control by the PRC Government [1]	**18,133,950**	16,519,756
香港核電投資有限公司Hong Kong Nuclear Investment Co., Ltd. ("**HKNIC**")[2]	**4,791,981**	4,015,438

[1] Revenue from sales of electricity, technical and training service, sales of equipment and other goods from related parties and other government related entities

[2] Revenue from sales of electricity

Segment assets and liabilities

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

6. OTHER INCOME

	2015	2014
	RMB'000	RMB'000
		(restated)
Value-added tax refunds (note a)	**1,349,277**	1,600,174
Interest income from bank deposits	**217,374**	27,895
Interest income from fellow subsidiaries	**136,364**	144,184
Government grants		
– related to expenses items (note b)	**17,827**	11,414
– related to assets	**33,197**	27,934
Others	**—**	907
	1,754,039	1,812,508

Notes:

(a) 嶺澳核電有限公司 Ling'ao Nuclear Power Co., Ltd. ("**Ling'ao Nuclear**") and 嶺東核電有限公司 Ling Dong Nuclear Power Co., Ltd. ("**Lingdong Nuclear**"), subsidiaries of the Company, are entitled to the value-added tax refund of 75% for the first five years, 70% for the second five years and 55% for the third five years for their revenue from the sales of electricity to a grid company. The first revenue year of Ling'ao Nuclear and Lingdong Nuclear are 2002 and 2010 respectively. There were no conditions or limitations attached to these valued-added tax refunds.

(b) The amounts represent incentives from various PRC government authorities in connection with the enterprise expansion support, technology advancement support and product development support for the year ended December 31, 2015 and 2014, which had no conditions imposed by the respective PRC government authorities.

7. OTHER GAINS AND LOSSES

	2015	2014
	RMB'000	RMB'000
		(restated)
Net foreign exchange gains	**532,327**	1,990,744
Gain from disposal of a subsidiary	**—**	141,443
Gain from disposal of an associate	**19,463**	—
Reversal (recognition) of allowance for trade and other receivables (note 12)	**62**	(1,477)
Loss on disposals of property, plant and equipment	**(12,281)**	(22,772)
Others	**1,918**	(7,666)
	541,489	2,100,272

Note: Foreign exchange gains or losses were incurred mainly due to the translating of different currency rates (at the end of the year with rates on different trading days or the rates at the beginning of the year) on monetary assets and monetary liabilities denominated in currencies other than the functional currencies.

8. FINANCE COSTS

	2015	2014
	RMB'000	RMB'000
		(restated)
Interest on bank borrowings	**5,359,065**	5,214,141
Interest on borrowings from a financial institution	**37,992**	24,590
Interest on notes payable	**535,480**	454,533
Interest on loans from ultimate holding company	**187,433**	346,497
Interest on long-term payables to ultimate holding company	**156,524**	310,243
Interest on loans from fellow subsidiaries	**278,443**	350,951
Interests relating to provision for nuclear power plant decommissioning	**99,338**	87,709
Total interest expenses	**6,654,275**	6,788,664
Less: capitalised in construction in progress	**(3,684,374)**	(3,584,511)
Total finance costs	**2,969,901**	3,204,153

Borrowing costs were capitalised to the construction of the nuclear power plants based on the effective interest rates of bank and other borrowings obtained for the construction work.

9. TAXATION

	2015	2014
	RMB'000	RMB'000
		(restated)
Current tax:		
– PRC Enterprise Income Tax ("**EIT**")	**964,374**	912,448
– Over-provision in prior years	**(59)**	(85,417)
Deferred taxation:		
– Current year	**151,870**	401,010
Taxation	**1,116,185**	1,228,041

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

中廣核檢測技術有限公司 CGN Inspection Technology Co., Ltd., 蘇州熱工研究院有限公司 Suzhou Nuclear Power Research Institute, 廣東核電合營有限公司 Guangdong Nuclear Power Joint Venture Co, Ltd., 中廣核研究院有限公司 China Nuclear Power Technology Research Institute Co., Ltd. ("**CNPRI**") and Ling'ao Nuclear were approved to enjoy the preferential tax rate of 15% in accordance with the relevant EIT laws and regulations for the year ended December 31, 2015 and 2014.

Lingdong Nuclear, being enterprise engaged in public infrastructure project, was entitled to tax holiday of three years for EIT followed by 50% exemption for the next three years commencing from 2010, which is the first revenue generating year. Pursuant to the "Supplementary Notice of Tax Benefit Scheme in relation to Public Infrastructure Project" (《關於公共基礎設施專案享受企業所得稅優惠政策問題的補充通知》) issued in July 2014, the tax authority clarified that the first revenue generating year of public infrastructure project should be based on individual reactor project instead of the legal entity as a whole. The first revenue generating year of two reactor projects of Lingdong Nuclear commenced in 2010 and 2011. The applicable tax rate for Lingdong Nuclear was 12.5% for the year ended December 31, 2015 and 2014.

陽江核電有限公司 Yangjiang Nuclear Power Co., Ltd. ("**Yangjiang Nuclear**"), being enterprise engaged in public infrastructure project, was entitled to tax holiday of three years for EIT followed by 50% exemption for the next three years commencing from the first revenue generating year. The first revenue generating year of public infrastructure project should be based on individual reactor project instead of the legal entity as a whole. The first revenue generating year of two reactor projects of Yangjiang Nuclear commenced in 2014 and 2015. Therefore, Yangjiang Nuclear is tax exempted for the year ended December 31, 2015 and 2014.

Pursuant to the relevant laws and regulations in the PRC, 中廣核(北京)仿真技術有限公司 China Nuclear Power (Beijing) Simulation Technology Corporation Ltd. ("**CNPSTC**") was exempted from PRC EIT for two years commencing from its first profit making year in 2010, followed by a 50% exemption for the next three years from 2012 to 2014. Thus, the applicable tax rate for CNPSTC was 12.5% for the year ended December 31, 2014. In addition, CNPSTC was approved to enjoy the preferential tax rate of 15% in accordance with the relevant EIT laws and regulations from November 11, 2013. Therefore, the applicable tax rate for CNPSTC was 15% in 2015.

Taishan Nuclear, being enterprise engaged in public infrastructure project but not yet commenced operation at December 31, 2015, was entitled to tax holiday of three years for EIT followed by 50% exemption for the next three years commencing from its first revenue generating year.

The taxation for the year can be reconciled to the profit before taxation per consolidated statement of profit or loss and other comprehensive income as follows:

	2015	2014
	RMB'000	RMB'000
		(restated)
Profit before taxation	**9,188,761**	9,054,241
Tax at the applicable tax rate of 25%	**2,297,190**	2,263,560
Tax effect of expenses not deductible for tax purpose	**24,827**	110,132
Tax effect of value-added tax refunds not taxable for tax purpose (note)	**(330,574)**	(315,348)
Tax effect of income not taxable for tax purpose	**—**	(851)
Tax effect of share of results of associates	**(33,652)**	(58,218)
Tax effect of share of results of joint ventures	**(159,668)**	(57,108)
Tax effect of tax losses not recognised	**202,668**	134,397
Utilisation of tax losses previously not recognised	**(4,134)**	(4,645)
Additional tax benefit on research and development expenses	**(8,056)**	(8,368)
Effect of tax exemption and relief granted to subsidiaries	**(864,260)**	(735,473)
Over-provision of EIT in prior years	**(59)**	(85,417)
Others	**(8,097)**	(14,620)
	1,116,185	1,228,041

Note:

Pursuant to the Circular on Relevant Issues Concerning Taxation in Nuclear Power Industry (《關於核電行業稅收政策有關問題的通知》), the value-added tax refund for the sales of electricity by Lingdong Nuclear and Ling'ao Nuclear are exempted from EIT.

10. PROFIT FOR THE YEAR

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

	2015	2014
	RMB'000	RMB'000
		(restated)
Directors' emoluments	**4,578**	3,389
Other staff costs:		
Salaries and other benefits	**3,523,282**	2,985,169
Retirement benefit scheme contributions	**201,176**	165,458
Total staff costs	**3,729,036**	3,154,016
Less: Capitalised in construction in progress	**(721,458)**	(697,504)
Less: Capitalised in intangible assets	**(14,833)**	(76,270)
	2,992,745	2,380,242
Depreciation and amortisation of:		
– Property, plant and equipment	**3,387,041**	3,025,241
Less: Capitalised in construction in progress	**(221,867)**	(250,964)
	3,165,174	2,774,277
– Intangible assets	**100,614**	83,898
– Investment properties	**64,499**	54,969
– Prepaid lease payments	**65,743**	63,007
Less: Capitalised in construction in progress	**(24,122)**	(28,126)
	41,621	34,881
	3,371,908	2,948,025

	2015	2014
	RMB'000	RMB'000
		(restated)
Auditor's remuneration	**6,382**	6,025
Listing expenses and professional fee (included in other expenses)	**—**	26,496
(Reversal) recognition of allowance on:		
– Inventories	**31,270**	21,809
– Trade and other receivables	**(62)**	1,477
Cost of generating electricity (including cost of nuclear fuel consumed of RMB3,260,084,000 (2014:RMB3,094,614,000)) recognised as expenses	**9,566,945**	8,642,019
Gross rental income from investment properties	**(33,281)**	(18,578)
Less: Direct operating expenses including depreciation of investment properties and expenses incurred for generating rental income	**65,195**	56,009
	31,914	37,431
Research and development expenses (note)	**203,861**	196,750
Provision for spent fuel management (included in cost of sales)	**834,213**	770,454
Provision for low and medium level radioactive waste management (included in cost of sales)	**11,948**	12,762
Operating lease rentals in respect of rented premises	**116,369**	45,948

Note: Research and development expenses are reported under "other expenses" line item, and included staff cost as well as expenses incurred to improve the safety and efficiency of nuclear power operation.

11. EARNINGS PER SHARE

The basic earnings per share is calculated based on the profit attributable to the owners of the Company and the weighted average number of ordinary shares for the year (2014 : on the assumption that the reorganization had been effective since January 1, 2014).

	2015	2014 (restated)
Profit attributable to the owners of the Company (RMB'000)	**6,593,646**	6,192,761
Weighted average number of ordinary shares (in million)	**45,449**	33,306
Basic earnings per share (RMB)	**0.145**	0.186

The Group has considered the over-allotment option issued by the Company in December 2014 in the calculation of diluted earnings per share and the amount remains at RMB0.186 per share in 2014 because the over-allotment option has no significant impact on the computation of diluted earnings per share. The Group had no potential ordinary share in issue during the year ended December 31, 2014 and 2015.

12. TRADE AND BILLS RECEIVABLES

	December 31, 2015 RMB'000	December 31, 2014 RMB'000 (restated)	January 1, 2014 RMB'000 (restated)
Amounts due from third parties	**2,430,836**	1,755,982	1,402,662
Less: allowance of doubtful debts	**(8,058)**	(8,120)	(6,643)
	2,422,778	1,747,862	1,396,019
Amount due from ultimate holding company	**7,568**	9,523	5,990
Amounts due from joint ventures	**111,974**	101,318	13,995
Amounts due from associates	**290,377**	81,757	26,739
Amounts due from fellow subsidiaries	**261,040**	181,477	93,207
Amount due from a non-controlling shareholder with significant influence over the relevant subsidiary	**445,177**	218,612	79,182
Bills receivables	**50**	4,998	7,933
Total trade and bills receivables	**3,538,964**	2,345,547	1,623,065

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

	2015	2014
	RMB'000	RMB'000
		(restated)
1 day to 30 days	**3,070,857**	2,104,219
31 days to 1 year	**427,392**	200,281
1 year to 2 years	**32,090**	34,367
2 years to 3 years	**5,485**	2,188
Over 3 years	**3,140**	4,492
	3,538,964	2,345,547

Trade receivables from third parties and bills receivables of the Group, as well as amount due from non-controlling shareholder with significant influence on the relevant subsidiary, primarily represent receivables from grid companies. The credit terms granted to grid companies on the sales of electricity are 30 days. At December 31, 2015, except for an amount of RMB8,058,000 (2014: RMB8,120,000) aged above one year which are past due and fully impaired as recoverability is considered as unlikely, trade receivables due from third parties amounting to approximately RMB2,422,778,000 (2014: RMB1,747,862,000) are neither past due nor impaired and have good credit quality assessed by the management of the Group.

For other related parties, the Group has not granted any credit period and all the balances are past due but not impaired and aged within one year.

Movements in the allowance of doubtful debts for trade receivable are set out as follows:

	2015	2014
	RMB'000	RMB'000
At the beginning of the year	**8,120**	6,643
Impairment losses recognised on receivables	**—**	1,477
Impairment losses reversed on receivables	**(62)**	—
At the end of the year	**8,058**	8,120

The Group pledged trade receivables from grid companies resulting from the pledge of tariff collection rights with carrying amount of approximately RMB2,057,145,000 (2014: RMB1,191,128,000) to secure loan facilities granted to the Group as at the end of the reporting period.

Trade receivables denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	2015	2014
	RMB'000	RMB'000
USD	**—**	114,848
EURO	**14,079**	20,361
	14,079	135,209

13. PREPAYMENTS AND OTHER RECEIVABLES

	December 31, 2015	December 31, 2014	January 1, 2014
	RMB'000	RMB'000	RMB'000
		(restated)	(restated)
Value-added tax recoverable	**5,883,041**	5,741,815	4,948,189
Prepayments to third parties for materials and consumable parts	**545,323**	236,028	588,592
Prepayments to fellow subsidiaries for nuclear materials	**116,166**	110,294	12,391
Others	**49,323**	79,898	72,379
	6,593,853	6,168,035	5,621,551
Analysed for financial reporting purpose:			
Non-current (note)	**4,787,229**	5,285,730	4,471,621
Current	**1,806,624**	882,305	1,149,930
	6,593,853	6,168,035	5,621,551

Note:

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

14. TRADE AND OTHER PAYABLES

	December 31, 2015 RMB'000	December 31, 2014 RMB'000 (restated)	January 1, 2014 RMB'000 (restated)
Amounts due to third parties	**2,024,991**	1,651,385	1,861,384
Amounts due to fellow subsidiaries	**826,998**	567,500	35,454
Receipts in advance from ultimate holding company	**—**	—	3,840
Receipts in advance from a joint venture	**500**	—	29,116
Receipts in advance from associates	**—**	534	1,211
Receipts in advance from fellow subsidiaries	**10,495**	6,181	454
Receipts in advance from a non-controlling shareholder with significant influence over the relevant subsidiary	**—**	25,062	177,456
Receipts in advance from third parties	**19,646**	12,691	52,017
Total trade payables	**2,882,630**	2,263,353	2,160,932
Construction payables to third parties	**1,694,328**	1,309,712	1,415,171
Construction payables to fellow subsidiaries	**2,735,524**	2,239,863	6,190,418
Construction payables to ultimate holding company	**38,417**	25,064	27,244
Construction payables to a non-controlling shareholder with significant influence over the relevant subsidiary	**—**	8,598	3,679
Value-added tax and other tax payables	**374,828**	292,791	169,054
Staff cost payables	**33,873**	31,203	100,541
Interest on notes payable	**181,700**	297,102	89,301
Other payables and accruals to third parties	**83,925**	187,735	835,313
Total other payables	**5,142,595**	4,392,068	8,830,721
	8,025,225	6,655,421	10,991,653

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

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

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

	2015	2014
	RMB'000	RMB'000
		(restated)
Within 1 year	**2,882,630**	2,263,353

15. AMOUNTS DUE TO RELATED PARTIES/ULTIMATE HOLDING COMPANY

	December 31, 2015	December 31, 2014	January 1, 2014
	RMB'000	RMB'000	RMB'000
		(restated)	(restated)
Dividend payable to ultimate holding company	**—**	3,138,582	—
Dividends payable to non-controlling shareholders over the subsidiaries	**1,249,276**	664,650	—
Dividend payable to Guangdong Hengjian Investment Holdings Co., Ltd. ("**Hengjian Investment**")	**—**	368,812	—
Dividend payable to China National Nuclear Corporation ("**CNNC**")	**—**	180,717	—
Other payable to ultimate holding company	**206,899**	454,718	1,434,826
Other payables to fellow subsidiaries	**13,724**	50,602	167,969
Other payables to associates	**—**	336,340	239,337
	1,469,899	5,194,421	1,842,132

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

16. LOANS FROM ULTIMATE HOLDING COMPANY/FELLOW SUBSIDIARIES/ PAYABLES TO ULTIMATE HOLDING COMPANY

	December 31, 2015 RMB'000	December 31, 2014 RMB'000 (restated)	January 1, 2014 RMB'000 (restated)
Secured	**3,160,234**	4,321,233	3,188,759
Unsecured	**6,192,921**	10,083,400	18,042,500
	9,353,155	14,404,633	21,231,259

Certain borrowings were secured by land use rights, nuclear facilities and tariff collection right of the Group.

	2015 RMB'000	2014 RMB'000 (restated)
Non-current liabilities		
Loans from fellow subsidiaries repayable after twelve months	**3,775,834**	4,471,233
Payable to ultimate holding company repayable after twelve months	**—**	2,000,000
Current liabilities		
Loans from ultimate holding company	**2,000,000**	3,745,000
Loans from fellow subsidiaries	**1,581,400**	658,400
Payable to ultimate holding company	**1,995,921**	3,530,000
	9,353,155	14,404,633

	2015	2014
	RMB'000	RMB'000 (restated)
Repayable within one year		
– RMB loans	**3,579,767**	4,403,400
– RMB payable	**1,995,921**	3,530,000
– EURO loans	**1,633**	—
Repayable from one to two years		
– RMB loans	**841,214**	609,795
– RMB long-term payable	**—**	2,000,000
– EURO loans	**2,092**	1,719
Repayable from two to five years		
– RMB loans	**1,314,677**	1,579,385
– EURO loans	**11,174**	5,156
Repayable over five years		
– RMB loans	**1,576,607**	2,234,800
– EURO loans	**30,070**	40,378
	9,353,155	14,404,633

In 2015, the Group early repaid loans from fellow subsidiaries repayable after twelve months with the amount of approximately RMB293,115,000.

The floating rate loans and payables are arranged at interest rate based on LIBOR or benchmark interest rate of the People's Bank of China.

The carrying amounts of the loans and payables and the weighted average effective interest rates are as below:

	2015		2014	
	RMB'000	**%**	RMB'000 (restated)	% (restated)
Fixed rate loans and payables	**5,187,786**	**4.77**	10,782,850	5.16
Floating rate loans	**4,165,369**	**5.22**	3,621,783	6.21
	9,353,155		14,404,633	

17. PROVISIONS

The Group has made the following provisions in the consolidated financial statements:

	2015	2014
	RMB'000	RMB'000
Current liability		
Provision for spent fuel management	**834,864**	770,320
Non-current liabilities		
Provision for low and medium level radioactive waste management	**167,605**	155,416
Provision for nuclear power plant decommissioning	**1,588,127**	1,370,587
	1,755,732	1,526,003
	2,590,596	2,296,323

The movements of provisions are shown as follows:

	Provision for spent fuel management RMB'000	**Provision for low and medium level radioactive waste management RMB'000**	**Provision for nuclear power plant decommissioning RMB'000**	**Total RMB'000**
At January 1, 2014	736,819	142,335	1,144,158	2,023,312
Additions	770,454	12,762	136,783	919,999
Interest expense	—	—	87,709	87,709
Paid	(736,953)	—	—	(736,953)
Exchange differences	—	319	1,937	2,256
At December 31, 2014	770,320	155,416	1,370,587	2,296,323
Additions	834,213	11,948	78,011	924,172
Interest expense	—	—	99,338	99,338
Paid	(769,669)	—	—	(769,669)
Exchange differences	—	241	40,191	40,432
At December 31, 2015	834,864	167,605	1,588,127	2,590,596

In compliance with the regulations on nuclear power operation, the Group recognized provisions to cover all obligations related to the nuclear facilities and operation.

Provision for spent fuel management

Pursuant to the Interim Measures for the Administration of the Collection and Use of the Nuclear Power Plant Spent Fuel Treatment and Disposal Fund《核電站乏燃料處理處置基金徵收使用管理暫行辦法》("**Measures**") issued by Ministry of Finance of PRC, National Development and Reform Commission and Ministry of Industry and Information Technology of PRC, the Group is required to make contributions to a spent fuel treatment and disposal fund. For generating units that have been in operation for less than five years (inclusive) from the effective date of the Measures and those to be established in the future, provisions for spent fuel disposal fund are made starting from the sixth year after they commence operations. Such fund is used by the relevant government authorities for the treatment and disposal of spent fuel, covering transportation, away-from-reactor storage and post-treatment of spent fuel. The management of the Group estimates the amount of provision for spent fuel management by taking into account the regulatory environment and government's policies relating to the storage and disposal of spent fuel fund, as well as the charge imposed by the government authorities, which is at the rate of RMB0.026 per kilowatt/hour.

Provision for low and medium level radioactive waste management

This provision covers the expenditure for management and safe disposal of radioactive waste including emission or release of gas and liquid radioactive waste, and production of solid radioactive waste arising from the nuclear power generating activities.

In determining the amount of provision, the management of the Group estimates the quantities and radioactivity of the waste water, waste gas and other solid pollutants discharged and the expenditure required in undergoing different waste treatments and processes such as collection, purification and concentration, volume reduction and solidification, packaging, transportation, temporary storage on-site, centralized disposal. The management of the Group takes into consideration the industry policies, past experience and recommendation from technical experts in estimating the expenditure required to manage and dispose the radioactive waste.

Provision for nuclear power plant decommissioning

The provision is related to the decommissioning of nuclear power plants and losses relating to fuel in the reactor when the reactor is shut down. They are estimated on the assumption that once decommissioning is completed, the sites will be returned to their original state.

The Group has a team of industry decommissioning experts. The provision is estimated according to the team's research, which is based on the actual decommissioning cost incurred in a certain nuclear facility mainly taking into consideration of the adjustment of labor cost, complexity of the technology and most recent developments in regulations.

The relevant costs are estimated based on the economic conditions at the end of each reporting period, then spread over a forecast disbursement schedule of payment through application of a forecast long-term inflation rate.

The key assumptions to the decommissioning model applied by the Group include the discount rate which is a pre-tax rate taking into account the risks specific to the provision and effect of inflation based on the historical inflation rates in the PRC.

In the opinion of management of the Group, the decommissioning is expected to commence from 2034 to 2055 based on the expected useful lives of nuclear power plants.

18. Cash-Settled Share-based Payment

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

The estimated fair value of the SAR is approximately RMB127,738,000, which was calculated using Black-Scholes pricing model. The inputs into the model were as follows:

	SAR
Fair value at measurement date (in HKD)	0.63 – 0.73
Share price (in HKD)	2.90
Exercise price (in HKD)	3.50
Expected volatility	36.38 – 38.89%
Expected life	0.96 – 2.96 years
Expected dividend yield	1.53%
Risk-free interest rate	0.897 – 1.173%

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

The Group recognised a total expense of RMB10,690,000 for the year ended December 31, 2015 in relation to SAR approved by the Group. At December 31, 2015, the Group has recorded liabilities of RMB10,690,000. There was no lapse or exercise of SAR in 2015.

19. PAID-IN/SHARE CAPITAL

Details of the movement of the number of shares comprising the domestic shares and H shares are shown as below:

	Domestic shares	H shares
	'000	'000
Ordinary shares of RMB1.00 each		
Issue of shares at the date of establishment upon the reorganisation	27,904,643	—
Issue of shares for cash	7,395,357	—
Issue of shares upon listing of the Company's shares on the Stock Exchange on December 10, 2014	—	8,825,000
Issue of shares on the exercise of over-allotment option on December 22, 2014	—	1,323,750
Conversion of domestic shares into H shares	(1,014,875)	1,014,875
At December 31, 2014 and 2015	34,285,125	11,163,625

The Company was established on March 25, 2014 and the registered share capital was RMB35,300,000,000 divided into 35,300,000,000 ordinary shares of RMB1.00 each.

On April 25, May 9 and June 5, 2014, a total of 7,395,356,630 shares of RMB1.00 each were issued to CGNPC, CNNC and Hengjian Investment at an aggregate consideration of approximately RMB10,124 million in cash.

On December 10, 2014, 8,825,000,000 H shares of RMB1.00 each of the Company were issued at a price of HK$2.78 by way of global offering. On the same date, the Company's shares were listed on the Main Board of the Stock Exchange. The proceeds of HK$11,163,753,000 (equivalent to RMB8,825,000,000) representing the par value of the shares of the Company, were credited to the Company's share capital. The remaining proceeds of approximately HK$13,369,747,000 (equivalent to RMB10,540,522,000), before issuing expenses, were credited to capital reserve.

On December 22, 2014, 1,323,750,000 H shares of RMB1.00 each of the Company were issued at a price of HK$2.78 pursuant to the exercise of over-allotment option. The proceeds of HK$1,676,673,000 (equivalent to RMB1,323,750,000) representing the par value of the shares of the Company, were credited to the Company's share capital. The remaining proceeds of approximately HK$2,003,352,000 (equivalent to RMB1,581,667,000), before issuing expenses, were credited to capital reserve.

Pursuant to the approval by the relevant authority, the domestic shares of 1,014,875,000 were converted into H shares on a one-for-one basis in December, 2014.

20. DIVIDEND

Subsequent to the end of the reporting period, a final dividend of RMB0.042 per share in respect of the year ended December 31, 2015 amounting to approximately RMB1,908,848,000 in total has been proposed by the Board and is subject to approval by the shareholders in the forthcoming annual general meeting.

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

Pursuant to the shareholders' resolution passed on September 17, 2014, the special dividend was declared in an amount equal to the retained earnings accrued during the period from March 25, 2014 (the date of establishment) to the listing date, approximately RMB3,688,111,000 (representing approximately RMB0.10 per share), to the shareholders including CGNPC, Hengjian Investment and CNNC. The Company has paid the dividend by June 30, 2015.

(I) Financial Performance and Analysis

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

Impact of restatement of 2014 Financial Statements

The Company completed the acquisition of 60% of the equity interests in Taishan Investment and 12.5% of the equity interests in Taishan Nuclear held by CGNPC, the ultimate controlling company of the Company in 2015. As the Company, Taishan Investment and Taishan Nuclear are under common control of CGNPC, the above acquisition has been recorded as a business combination under common control. The assets and liabilities of Taishan Investment and Taishan Nuclear have been recognised in the consolidated financial statements of the Group at the carrying amounts recognised previously in CGNPC's consolidated financial statements. The financial data for 2014 in the consolidated financial statements of the Group has been restated as if the combination had occurred prior to the start of the earliest period presented. The following table sets forth the impact of the restatement on the key items included in the consolidated financial statements for 2014:

	For the year ended December 31,		
	2014 (restated)	**2014 (before restatement)**	**Movements increase/ (decrease)**
	RMB'000	**RMB'000**	**RMB'000**
Revenue	20,718,676	20,793,287	(74,611)
Net foreign exchange gains	1,990,744	608,730	1,382,014
Effects of net foreign exchange gains on the profit for the year attributable to owners of the Company	1,053,352	504,909	548,443
Profit for the year attributable to owners of the Company (net of effects of net foreign exchange gains)	5,139,409	5,207,659	(68,250)
Profit for the year attributable to owners of the Company	6,192,761	5,712,568	480,193
Total assets	220,888,499	156,926,083	63,962,416
Total liabilities	141,813,668	97,509,803	44,303,865
Total equity	79,074,831	59,416,280	19,658,551
Equity attributable to owners of the Company	59,450,087	50,788,560	8,661,527

For details of the effects of the restatements on the consolidated financial statements for 2014, please refer to note 2 to the consolidated financial statements of this announcement.

The following analysis is conducted based on the restated financial statements.

KEY FINANCIAL INDICATORS

Item	**2015**	2014 (restated)
Indicators of profitability		
EBITDA margin (%)[1]	**66.8**	73.4
Net profit margin (%)[2]	**34.7**	37.8
Indicators of investment returns		
Return on equity attributable to owners of the Company (%)[3]	**11.4**	13.7
Return on total assets (%)[4]	**5.5**	6.1
Indicators of solvency		
Asset-liability ratio (%)[5]	**63.9**	64.2
Debt to equity ratio (%)[6]	**144.8**	120.6
Interest coverage[7]	**1.8**	1.8

Notes:

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

2 Profit for the year divided by revenue and multiplied by 100%.

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

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

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

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

7 The sum of profit before taxation and finance costs divided by the sum of finance costs and interest expenses which capitalized in construction in progress.

FINANCIAL RESULTS AND ANALYSIS

	For the year ended December 31,			
	2015	2014 (restated)	**Movements increase/ (decrease)**	**Percentage change increase/ (decrease)**
	RMB'000	RMB'000	RMB'000	%
Revenue	**23,262,898**	20,718,676	2,544,222	12.3
Net foreign exchange gains	**532,327**	1,990,744	(1,458,417)	(73.3)
Effects of net foreign exchange gains on the profit for the year attributable to owners of the Company	**292,957**	1,053,352	(760,395)	(72.2)
Profit for the year attributable to owners of the Company (net of effects of net foreign exchange gains)	**6,300,689**	5,139,409	1,161,280	22.6
Profit for the year attributable to owners of the Company	**6,593,646**	6,192,761	400,885	6.5

REVENUE

	For the year ended December 31,			
	2015	2014 (restated)	**Movements increase/ (decrease)**	**Percentage change increase/ (decrease)**
	RMB'000	RMB'000	RMB'000	%
Sales of electricity	**21,542,239**	19,327,383	2,214,856	11.5
Technical and training service revenue	**1,516,722**	1,154,613	362,109	31.4
Sales of equipment and other goods	**203,937**	236,680	(32,743)	(13.8)
Total revenue	**23,262,898**	20,718,676	2,544,222	12.3

The increase in revenue from sales of electricity was primarily due to the commencement of commercial operation of Yangjiang Unit 2 on June 5, 2015 and the year-on-year increase of 10.3% in our subsidiaries' on-grid power generation for the year as a result of different refuelling outage schedules for generating units in different years.

COST OF SALES AND SERVICES

	For the year ended December 31,			
	2015	2014 (restated)	**Movements increase/ (decrease)**	**Percentage change increase/ (decrease)**
	RMB'000	RMB'000	RMB'000	%
Cost of nuclear fuel	**3,260,084**	3,094,614	165,470	5.3
Depreciation of property, plant and equipment	**2,987,994**	2,625,932	362,062	13.8
Provision for spent fuel management	**834,213**	770,454	63,759	8.3
Others	**4,660,095**	3,847,374	812,721	21.1
Total cost of sales and services	**11,742,386**	10,338,374	1,404,012	13.6

The increase in cost of nuclear fuel was primarily due to the increased on-grid power generation. The increase in depreciation of property, plant and equipment was primarily due to the longer period of depreciation of Yangjiang Unit 1 in 2015 as compared with 2014 as a result of its commencement of commercial operation on March 25, 2014, as well as the depreciation costs incurred by Yangjiang Unit 2 which was put into commercial operation on June 5, 2015. The increase in other cost of sales and services was primarily due to the impact of the year-on-year increase in the number of outage schedules as well as the increase in staff cost, mounting operation and maintenance cost included into profit or loss for the current period after commencement of operation of new generating units.

OTHER GAINS AND LOSSES

	For the year ended December 31, 2015 RMB'000	2014 (restated) RMB'000	Movements increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
Net foreign exchange gains	**532,327**	1,990,744	(1,458,417)	(73.3)
Others	**9,162**	109,528	(100,366)	(91.6)
Other gains and losses	**541,489**	2,100,272	(1,558,783)	(74.2)

Our other gains and losses decreased from the gains of RMB2,100.3 million in 2014 to the gains of RMB541.5 million in 2015, primarily due to the fact that (i) we held some debts denominated in foreign currency, most of which were held by Taishan Nuclear, for the need of purchase of equipment, spare parts and the relevant services for nuclear power project from overseas markets, hence, fluctuation of exchange rate of RMB against foreign currency will affect our profit. In respect of our foreign exchange risk management, the Company has always aimed at cost control instead of profit making. The depreciation rate of Euro against RMB was far lower in 2015 as compared with that in 2014 while the exchange rate of USD against RMB appreciated significantly, which had an impact on our net foreign exchange gains on Euro and USD denominated debts, resulting in our net foreign exchange gains to a decrease from RMB1,990.7 million in 2014 to RMB532.3 million in 2015, among which the effects of net foreign exchange gains on profit for the year attributable to owners of the Company decreased from RMB1,053.4 million in 2014 to RMB293.0 million in 2015. In February 2015, according to the changes in the domestic and foreign financial situations, the Company had reviewed the risk of exchange rate fluctuation on foreign currency debts and formulated corresponding measures to cope with the situation. In 2015, the Company reduced its exposure to foreign exchange risk associated with debts denominated in foreign currencies by stages and in batches through various measures including forward transactions, debts replacement and early repayment, and changed its financing methods for foreign business contracts to exercise control over new debts denominated in foreign currencies, thereby reducing the impact of exchange rate fluctuation. As at the end of 2015, balance of the Group's bank borrowings and other borrowings denominated in foreign currencies was RMB14,684.6 million in equivalent, representing a year-on-year decrease of 29.3%, as compared to RMB20,760.7 million as at the end of 2014, and its percentage in total bank borrowings and other borrowings was 11.9%, representing a year-on-year decrease of 4.8 percentage point, as compared to 16.7% as at the end of 2014; (ii) our realised gains on disposal of our subsidiary Yangjiang Site Development Co., Ltd. were RMB141.4 million in 2014, as compared to our realised gains of RMB19.5 million on disposal of our associate Baoyin Special Steel Pipe Co., Ltd. (寶銀特種鋼管有限公司) ("**Baoyin Company**") in 2015.

SHARE OF RESULTS OF ASSOCAITES

Our associates mainly include Liaoning Hongyanhe Nuclear Power Co., Ltd. ("**Hongyanhe Nuclear**") and CGN Industry Investment Fund Phase I Co., Ltd. ("**CGN Fund Phase I**"). Our share of results of associates decreased from RMB232.9 million in 2014 to RMB134.6 million in 2015, primarily due to the decreased profit of Hongyanhe Nuclear in 2015 as compared with 2014 as a result of various factors including the electricity market in Northeast China and the heating supply period in winter.

SHARE OF RESULTS OF JOINT VENTURES

Our joint ventures mainly include Fujian Ningde Nuclear Power Co., Ltd. ("**Ningde Nuclear**"). Our share of results of joint ventures increased from RMB228.4 million in 2014 to RMB638.7 million in 2015, primarily because Ningde Unit 3 commenced commercial operation on June 10, 2015 and started generating profits, and Ningde Unit 2 commenced commercial operation on May 4, 2014, resulting in a longer commercial operating period in 2015 as compared with that of 2014.

FINANCE COSTS

Our finance costs decreased from RMB3,204.2 million in 2014 to RMB2,969.9 million in 2015, primarily due to the decreased interest expense of the Group's new debts and certain existing debts denominated in RMB as a result of benchmark interest rate cuts by the People's Bank of China for RMB loans. In addition, the Company used RMB1,330.0 million of the net proceeds from the listing to replenish its working capital in 2015, resulting in the reduction of interest expense of debts.

FINANCIAL POSITION

	December 31, 2015	December 31, 2014 (restated)	**Movements increase/ (decrease)**	**Percentage change increase/ (decrease)**
	RMB'000	RMB'000	RMB'000	%
Total assets	**217,801,358**	220,888,499	(3,087,141)	(1.4)
Total liabilities	**139,091,585**	141,813,668	(2,722,083)	(1.9)
Total equity	**78,709,773**	79,074,831	(365,058)	(0.5)
Equity attributable to owners of the Company	**56,636,949**	59,450,087	(2,813,138)	(4.7)

NET CURRENT ASSETS

At December 31, 2015, the Group's net current assets amounted to RMB1,560.6 million, representing a decrease of RMB12,561.4 million or 88.9% as compared with RMB14,122.0 million at December 31, 2014 and the main reasons for the changes have been set out in the sections headed "Current Assets" and "Current Liabilities" in this announcement.

CURRENT ASSETS

	December 31, 2015	December 31, 2014 (restated)	**Movements increase/ (decrease)**	**Percentage change increase/ (decrease)**
	RMB'000	RMB'000	RMB'000	%
Inventories	**10,790,294**	9,346,453	1,443,841	15.4
Trade and bills receivables	**3,538,964**	2,345,547	1,193,417	50.9
Prepayments and other receivables	**1,806,624**	882,305	924,319	104.8
Cash and cash equivalents	**7,178,593**	26,962,549	(19,783,956)	(73.4)
Other deposits over three months	**2,137,858**	2,080,900	56,958	2.7
Other current assets	**1,399,262**	972,951	426,311	43.8
Total current assets	**26,851,595**	42,590,705	(15,739,110)	(37.0)

The increase in inventories was primarily due to the mounting nuclear fuel and spare parts in stock of Yangjiang Nuclear as a result of the commencement of operation of new generating units and the ongoing construction progress of generating units under construction. The increase in trade and bills receivables was primarily due to the increased receivables from sales of electricity as a result of more power generating units in operation as at the end of 2015 as compared with that of 2014 in the context of the increasing number and the differences in outage plan of units in operation. The increase in prepayments and other receivables was primarily due to the increased value-added tax recoverable and the mounting prepayments as a result of new generating units coming into commercial operation. The decrease in cash and cash equivalents was primarily due to the fact that the Company had used RMB19,763.3 million of the net proceeds from the listing for the purposes as set out in the Prospectus dated November 27, 2014 (the "**Prospectus**") as at December 31, 2015.

CURRENT LIABILITIES

	December 31, 2015	December 31, 2014 (restated)	Movements increase/ (decrease)	Percentage change increase/ (decrease)
	RMB'000	RMB'000	RMB'000	%
Trade and other payables	**8,025,225**	6,655,421	1,369,804	20.6
Amounts due to related parties	**1,469,899**	5,194,421	(3,724,522)	(71.7)
Loans from ultimate holding company	**2,000,000**	3,745,000	(1,745,000)	(46.6)
Loans from fellow subsidiaries	**1,581,400**	658,400	923,000	140.2
Payables to ultimate holding company	**1,995,921**	3,530,000	(1,534,079)	(43.5)
Bank borrowings	**7,537,358**	7,338,137	199,221	2.7
Other current liabilities	**2,681,179**	1,347,336	1,333,843	99.0
Total current liabilities	**25,290,982**	28,468,715	(3,177,733)	(11.2)

The increase in trade and other payables was mainly due to the fact that our subsidiaries used more bills to settle construction contract. The decrease in amounts due to related parties was primarily due to the fact that the Company paid a special dividend of RMB3,688.1 million (an amount equal to the retained earnings accrued during the period from the date of establishment to the listing date) to its pre-listing shareholders in the first half of 2015. The decrease in loans from ultimate holding company was primarily due to the repayment of loans of RMB1,745.0 million in 2015 by the Group. The decrease in payables to ultimate holding company was primarily due to the repayment of principal, in the amount of RMB3,530.0 million, of the medium-term notes due in 2015, as well as the addition of the medium-term notes due within one year of RMB1,995.9 million. The increase in other current liabilities was primarily due to the Company's issuance of short-term debentures of RMB1,000.0 million in 2015.

NON-CURRENT ASSETS

	December 31, 2015	December 31, 2014 (restated)	**Movements increase/ (decrease)**	**Percentage change increase/ (decrease)**
	RMB'000	RMB'000	RMB'000	%
Property, plant and equipment	**168,646,965**	155,923,218	12,723,747	8.2
Interests in associates	**6,978,505**	7,062,093	(83,588)	(1.2)
Interests in joint ventures	**4,898,505**	4,831,016	67,489	1.4
Value-added tax recoverable	**4,787,229**	5,285,730	(498,501)	(9.4)
Prepaid lease payments	**2,399,814**	2,331,432	68,382	2.9
Other non-current assets	**3,238,745**	2,864,305	374,440	13.1
Total non-current assets	**190,949,763**	178,297,794	12,651,969	7.1

The increase in property, plant and equipment was primarily due to the fact that we continued to construct Yangjiang Nuclear Power Station and Taishan Nuclear Power Station. The decrease in value-added tax recoverable was primarily due to the reclassification of the generating units' value-added tax recoverable into the current assets following the operation commencement of the new generating units. The increase in other non-current assets was primarily due to the increase in construction-related prepayment.

NON-CURRENT LIABILITIES

	December 31, 2015	December 31, 2014 (restated)	**Movements increase/ (decrease)**	**Percentage change increase/ (decrease)**
	RMB'000	RMB'000	RMB'000	%
Borrowings and notes payable	**105,380,532**	101,673,167	3,707,365	3.6
Provisions	**1,755,732**	1,526,003	229,729	15.1
Payable to ultimate holding company	**—**	2,000,000	(2,000,000)	(100.0)
Loans from fellow subsidiaries	**3,775,834**	4,471,233	(695,399)	(15.6)
Other non-current liabilities	**2,888,505**	3,674,550	(786,045)	(21.4)
Total non-current liabilities	**113,800,603**	113,344,953	455,650	0.4

The increase in borrowings and notes payable was primarily due to the increase in long-term borrowings and notes payable by Yangjiang Nuclear and Taishan Nuclear in order to meet the capital requirements for construction of nuclear power projects. The decrease in payables to the ultimate holding company was primarily due to the reclassification of medium-term notes due within one year into current liabilities. The decrease in other non-current liabilities was primarily due to the repayment of borrowings from a financial institution by Yangjiang Nuclear.

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

As we completed the acquisition of the equity interests in Taishan Investment and Taishan Nuclear in April 2015, pursuant to the merger accounting for business combinations under common control, the financial data at the beginning of this year in the Group's consolidated financial statements needs to be restated. In preparation of the Group's restated consolidated financial statements as of December 31, 2014, after the incorporation of assets and liabilities of Taishan Investment and Taishan Nuclear, adjustment was made to equity attributable to owners of the Company upon the increase of net assets as a result of the combinations. After the restatement, the Group's equity attributable to owners of the Company, as of December 31, 2014, amounted to RMB 59,450.1 million, representing an increase of RMB 8,661.5 million from RMB 50,788.6 million before restatement. As at December 31, 2015, equity attributable to owners of the Company amounted to RMB56,636.9 million, representing a decrease of RMB2,813.2 million or 4.7% as compared with RMB59,450.1 million as at December 31, 2014, primarily due to the following reasons: (i) we completed the acquisition of 60% of the equity interests in Taishan Investment and 12.5% of the equity interests in Taishan Nuclear in 2015 and the equity attributable to owners of the Company at the end of the reporting period was reduced by the final acquisition consideration of RMB9,612.2 million; (ii) our cash dividend declared in 2015 resulted in a decrease in equity attributable to owners of the Company by RMB113.6 million; and (iii) the total comprehensive income attributable to owners of the Company amounted to RMB6,912.7 million in 2015.

(II) Assets and Investment

Save for the acquisition of Taishan Nuclear project, the Group was mainly engaged in the investment in construction of nuclear power generating units, technical improvement in the nuclear power stations in operation, and research and development of technologies related to nuclear power for the year ended December 31, 2015.

CAPITAL EXPENDITURE

For the year ended December 31, 2015, capital expenditure of the Group amounted to approximately RMB15,962.4 million, representing a decrease of RMB2,784.1 million or 14.9% from RMB18,746.5 million in 2014. It was primarily used for the continuing construction of Yangjiang Nuclear Power Station and Taishan Nuclear Power Station. The capital expenditure for project construction decreased along with the ongoing construction progress of relevant projects.

MAJOR INVESTMENTS IN EQUITY

For the year ended December 31, 2015, the Group increased its capital in associates and joint ventures by RMB535.9 million, of which amounts of RMB205.5 million, RMB195.8 million and RMB82.8 million were made to Ningde Nuclear, Hongyanhe Nuclear and CGNPC Fund Phase I respectively.

MATERIAL ACQUISITION AND DISPOSAL

MAJOR ACQUISITION

Pursuant to the Equity Transfer Agreement entered into between the Company and CGNPC on October 30, 2014, we completed all relevant procedures for the acquisition of 60% of the equity interests in Taishan Investment and 12.5% of the equity interests in Taishan Nuclear held by CGNPC in 2015. The final consideration of the acquisition was RMB9,612.2 million. Following the acquisition, a total of 51% of the equity interests in Taishan Nuclear were directly and indirectly held by us.

MAJOR DISPOSAL

CNPRI and CGN Capital Holdings Co., Ltd. (中廣核資本控股有限公司), a wholly-owned subsidiary of CGNPC, entered into an agreement to dispose of 22.1% equity interests in Baoyin Company for a consideration of RMB358.2 million. The transaction has already been completed.

Saved for the acquisition and disposal project disclosed above, the Group had no other material acquisition or disposal for the year ended December 31, 2015.

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 at December 31, 2015, the Company had used RMB19,763.3 million of the net proceeds for the purposes as set out in the Prospectus, representing 91.5% of the net proceeds from the offering.

Item	**Movements** RMB'000
Net of proceeds from the Listing	21,603,535
Less: Proceeds used	19,763,276
Among which: Acquisition of 60% of the equity interests in Taishan Investment and 12.5% of the equity interests in Taishan Nuclear	9,700,196
Capital expenditure for nuclear power stations under construction	8,663,900
Research and development activities	69,180
Replenishment of working capital	1,330,000
Proceeds unused as at December 31, 2015	1,840,259

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

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

CONTINGENCIES

EXTERNAL GUARANTEES

In 2015, the Group had not provided any external guarantee.

PLEDGE OF ASSETS

As at December 31, 2015, the Group's assets (mainly property, plant and equipment) of RMB24,543.1 million in carrying value were pledged to banks and related parties to secure loans for the Group. As at December 31, 2014, the carrying value of the Group's assets pledged to banks and related parties was RMB20,762.8 million.

As at December 31, 2015 and 2014, the electricity tariff collection rights of Ling'ao Nuclear, Lingdong Nuclear, Yangjiang Nuclear and Taishan Nuclear were pledged to secure the banking facilities, loans from banks and related parties.

As at December 31, 2015, the Group's interest in Hongyanhe Nuclear was pledged to secure banking facilities of Hongyanhe Nuclear.

LEGAL PROCEEDINGS

In 2015, neither was there significant litigation, nor was the Group aware of any pending or threatened litigation against the Group which had or could have a material and adverse effect on the financial conditions or operations of the Group.

INVESTMENT DIRECTION

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

Business Performance and Analysis

(I) Industry Overview

On June 30, 2015, the PRC government officially published the program of intended nationally determined contributions/INDC, namely Enhances Action on Climate Change - China's Intended Nationally Determined Contributions (《強化應對氣候變化行動 - 中國國家自主貢獻》). On November 30, 2015, President Xi Jinping stressed again at the opening ceremony of the Conference of Climate Change in Paris that in 2030, the consumption of non-fossil energy would account for 20% of the total energy consumption in China and carbon dioxide emissions per unit of GDP would be reduced by 60% to 65% from 2005 levels. The promotion of low-carbon and recycling development as well as the safe and efficient use of nuclear power was proposed in the Recommendations from the Chinese Communist Party Central Committee regarding the Formulation of the 13th Five-Year Plan for National Economy and Social Development passed on October 29, 2015. China's energy growth model has entered a new normal status. To address the new normal status of energy and environmental protection that will become the future development tendency of energy, it is required to vigorously develop nuclear power and other clean energies, thus significant in the proportion of non-fossil energy consumption.

The drafting of the 13th five-year national nuclear power plan (2016-2020) is under progress. According to the forecast of the relevant government authorities, the nationwide installed capacity of nuclear power will reach 120 to 150 GW and the proportion of nuclear power generation will increase to 8% to 10% by 2030. According to the statistics released by China Electricity Council (the "**CEC**"), as of December 31, 2015, the nationwide installed capacity in operation of nuclear power amounted to 2,608 MW. Taking into consideration that the construction duration of a nuclear power unit usually lasts for 5 years, it is estimated that an average of 8 to 10 gigawatt-level nuclear power units will be required to commence construction in the following 10 to 15 years in order to achieve the preset goal for 2030. A total of 8 nuclear power units obtained project approval for construction in 2015, marking the highest number in the past 5 years. We believe the following 15 years will be the "period of opportunities" for the development of China's nuclear power.

A new round of power system reform (the "**Power Reform**") was launched in March 2015. In November, six supporting documents, including the Implementation Proposal for Promoting Power Transmission and Distribution Pricing Reform (《關於推進輸配電價改革的實施意見》) were published to specify the method of this round of Power Reform and to present the policy of ensuring the priority of power generation by clean energy generating units. The table below sets out the percentage of total installed generation capacity and proportion of power generated in the PRC by energy type as of December 31, 2015. As shown in the data, although the proportion of the use of nuclear power in the domestic energy structure remains relatively low, nuclear power has an advantage over other sources of energy in power generation when comparing the installed capacity to the proportion of power generated.

	Ratio of installed capacity by type of energy (%)		Ratio of generation capacity by type of energy (%)	
	2015	2014	**2015**	2014
Thermal power	**65.7**	67.4	**73.1**	75.2
Hydropower	**21.2**	22.2	**19.9**	19.2
Wind power	**8.6**	7.0	**3.3**	2.8
Nuclear power	**1.7**	1.5	**3.0**	2.3

Note: Data from 2016 National Supply and Demand of Electricity Analysis and Forecast Report of CEC and 2014 Power Industry Overview

(II) Business Performance and Analysis

As at the end of 2015, we managed 14 nuclear power generating units in operation and 14 nuclear power generating units under construction (including the Fangchenggang Nuclear Power Project entrusted by the controlling shareholder). During the year, three new nuclear power generating units commenced commercial operation, including Yangjiang Unit 2, Ningde Unit 3 and Hongyanhe Unit 3.

The following analysis is based on the nuclear power generating units owned by the Group (excluding the nuclear power projects entrusted by the controlling shareholder).

As at December 31, 2015, the number and capacity of nuclear power generating units in operation and nuclear power generating units under construction are as follows:

		As at December 31, 2015	As at December 31, 2014	Growth rate
Nuclear power generating units in operation	Number	**14**	11	27.3%
	Capacity	**14,918 MW**	11,624 MW	28.3%
Nuclear power generating units under construction	Number	**10**	11	-9.1%
	Capacity	**12,290 MW**	13,346 MW	-7.9%

Nuclear Power Generating Units in Operation

Safe and stable operation of operating units is fundamental to nuclear power companies. In 2015, all nuclear power generating units in operation managed by us maintained safe and stable operation, with a total annual on-grid power generation of 88,346.94 GWh, representing an increase of 20.36% over 2014. In 2015, we continued to maintain our safety track record of having no incidents at level 2 or above of the INES (International Nuclear Events Scale ("INES") set by the International Atomic Energy Agency).

The on-grid power generation figures (GWh) of our nuclear power stations for 2015 are as follows:

Name of nuclear power station	On-grid power generation from January to December 2015 (GWh)	On-grid power generation from January to December 2014 (GWh)	Change rate for the same period (%)
From subsidiaries	***57,529.93***	*52,176.06*	*10.26*
Daya Bay Nuclear Power Station	**14,774.85**	14,497.49	1.91
Ling'ao Nuclear Power Station	**14,728.29**	15,135.15	-2.69
Lingdong Nuclear Power Station	**15,875.11**	15,750.05	0.79
Yangjiang Nuclear Power Station [1]	**12,151.68**	6,793.37	78.88
From joint ventures			
Ningde Nuclear Power Station [2]	**18,225.59**	10,801.74	68.73
From associates			
Hongyanhe Nuclear Power Station[3]	**12,591.41**	10,423.84	20.79

Notes:

1 On-grid power generation of Yangjiang Nuclear Power Station increased by 78.88% for the same period, mainly due to the commencement of commercial operation of Yangjiang Unit 2 on June 5, 2015.

2 On-grid power generation of Ningde Nuclear Power Station increased by 68.73% for the same period, mainly due to the commencement of commercial operation of Ningde Unit 3 on June 10, 2015.

3 On-grid power generation of Hongyanhe Nuclear Power Station increased by 20.79% for the same period, mainly due to the commencement of commercial operation of Hongyanhe Unit 3 on August 16, 2015.

Operation Performance

Capacity factor, load factor and average usage hours are the three indicators normally used by us to evaluate the use of nuclear power generating units, and they are mainly subject to the effects of refuelling outages for generating units. According to the arrangements of the annual outage plan, there are certain differences between the duration of refuelling outages for different generating units, and refuelling outages may be implemented across years, resulting in small differences between the duration of outages in different years with respect to the same type of refuelling outage for the same type of generating unit.

The details of the operation performance of generating units we operated and managed in 2015 are as follows:

	Capacity factor (%)		Load factor (%)		Usage hours (hours)	
Nuclear power station	**2015**	2014	**2015**	2014	**2015**	2014
From subsidiaries						
Daya Bay Unit 1 [1]	**78.83**	99.66	**79.65**	100.02	**6,979**	8,764
Daya Bay Unit 2 [2]	**98.65**	75.58	**99.30**	75.62	**8,700**	6,625
Ling'ao Unit 1 [3]	**86.80**	90.44	**86.37**	88.59	**7,564**	7,758
Ling'ao Unit 2 [4]	**93.64**	94.55	**91.01**	93.46	**7,970**	8,184
Lingdong Unit 1 [5]	**90.10**	89.42	**88.90**	87.88	**7,781**	7,692
Lingdong Unit 2 [6]	**90.29**	90.31	**88.69**	88.35	**7,762**	7,733
Yangjiang Unit 1[7]	**79.45**	99.93	**78.86**	98.78	**6,908**	8,653
Yangjiang Unit 2	**99.64**	under construction	**99.94**	under construction	**8,755**	under construction
From joint ventures						
Ningde Unit 1 [8]	**87.16**	57.31	**85.93**	56.70	**7,527**	4,967
Ningde Unit 2 [9]	**78.95**	99.83	**73.72**	98.66	**6,458**	8,638
Ningde Unit 3	**93.24**	under construction	**81.67**	under construction	**7,185**	under construction
From associates						
Hongyanhe Unit 1 [10]	**87.75**	71.48	**82.57**	67.17	**7,233**	5,881
Hongyanhe Unit 2 [11]	**65.53**	82.68	**39.26**	76.29	**3,439**	6,558
Hongyanhe Unit 3 [12]	**100.00**	under construction	**50.31**	under construction	**4,407**	under construction

Notes:

1 Daya Bay Unit 1 completed a 10-year outage in 2015 and did not conduct any outage in 2014.

2 Daya Bay Unit 2 did not conduct any outage in 2015 and completed a 10-year outage in 2014.

3 Ling'ao Unit 1 completed a refuelling outage in 2015 and its duration was longer in 2015 compared with that of 2014.

4 Ling'ao Unit 2 completed a refuelling outage in 2015 and its duration was longer in 2015 compared with that of 2014.

5 Lingdong Unit 1 completed a refuelling outage in 2015 and its duration was longer in 2015 compared with that of 2014.

6 Lingdong Unit 2 completed a refuelling outage in 2015 and its duration in 2015 was essentially the same as that in 2014.

7 Yangjiang Unit 1 completed the first outage after commencement of operation in 2015 and its duration was longer, similar to that of a 10-year outage.

8 Ningde Unit 1 completed a refuelling outage in 2015 and its duration was shorter in 2015 compared with that of 2014.

[9] Ningde Unit 2 completed the first outage after commencement of operation in 2015, and the duration of the first outage was longer, similar to that of a 10-year outage.

[10] Hongyanhe Unit 1 completed a refuelling outage in 2015 and its duration was shorter in 2015 compared with that of 2014.

[11] Hongyanhe Unit 2 completed the first outage after commencement of operation in 2015. The duration of the first outage was longer, similar to that of a 10-year outage. Affected by the demand for electricity in northeast regions and heating period in winter, Hongyanhe Unit 2 temporarily operated at reduced load or was shut down for standby during some periods in 2015.

[12] Affected by the demand for electricity in northeast regions and heating period in winter, Hongyanhe Unit 3 temporarily operated at reduced load or was shut down for standby during certain periods in 2015.

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

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

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

With an increasing number of generating units in operation, the annual frequency of refuelling outages increases rapidly and there have been multiple cases illustrating the substantial time-overlapping in the duration of outages. In March to May 2015, we carried out refuelling outages for a number of generating units located in the four nuclear power base areas of Daya Bay, Yangjiang, Ningde and Hongyanhe, with the concurrent implementation of four refuelling outages for over one month. Through exchanges with international counterparts, we have already been fully aware that the increase in the number of generating units in operation would inevitably lead to substantial time-overlapping in the duration of refuelling outages. Therefore, apart from continuing to shorten and optimize the duration of outages, we also need to focus on the training of personnel and reserve sufficient technical staff. In 2012, we began to implement management for outages in a professional and intensive manner, built a special management team for outages reinforced training and reservation of maintenance staff and related suppliers, and to be well prepared for concurrent refuelling outages in various base areas. In 2015, we successfully completed ten refuelling outages during the year, including one 10-year outage and three first outages, and ensured the safe operation of generating units through analysis on the critical paths of outages, reasonable deployment of outage staff for inspection and maintenance and other related measures.

In 2015, the total aggregate number of calendar days for refuelling outages was 480 days.

Note: In 2014, we carried out a total of seven refuelling outages for the 11 units in operation managed by us, including four 10-year outages or first outage, each of which is equivalent to a 10-year outage, and the total number of calendar days for refuelling outages was 373 days.

We continue to implement benchmarking with international counterparts. In 2015, when compared with the one-year value benchmark of performance indicators for PWR set by WANO in 2014, among our 14 nuclear power generating units in operation, 71.4% of the indicators achieved the world's top quartile level performance, and 66.1% of the indicators achieved the world's top decile level.

Environmental Performance

In 2015, we continued to improve radioactive waste management, optimize emissions discharge process and strictly comply with emission control standards. The radioactive waste management of the 14 generating units in operation managed by us has strictly complied with national laws and regulations, and has met the standards of the relevant technical specifications.

The following table sets forth the amounts and percentages of the various types of radioactive waste discharged at the nuclear power stations for the period indicated as a percentage of the national standards. The amounts of all of the radioactive substances discharged by all of our nuclear power stations were below the applicable PRC limits.

	Daya Bay Base Area (including Daya Bay Nuclear Power Station, Ling'ao Nuclear Power Station and Lingdong Nuclear Power Station)		Yangjiang Nuclear Power Station		Ningde Nuclear Power Station		Hongyanhe Nuclear Power Station	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
Discharged liquid radioactive waste (radionuclides other than tritium) as a percentage of the national standards	**0.21%**	0.162%	**0.5%**	0.068%	**0.24%**	0.55%	**0.47%**	0.84%
Discharged gas radioactive waste (inert gases) as a percentage of the national standards	**0.133%**	0.133%	**0.18%**	0.127%	**0.15%**	0.53%	**0.144%**	0.176%
Solid radioactive waste (m^3)	**317.6**	367.2	**24.4**	0	**149.6**	100	**183.1**	125.8
Results of environmental monitoring	**Normal**	Normal	**Normal**	Normal	**Normal**	Normal	**Normal**	Normal

Note: The main reason for changes in the data: the refueling outage plan is different for every unit, maintenance projects are different, Yangjiang Unit 2, Ningde Unit 3 and Hongyanhe Unit 3 were put into commercial operations in 2015.

The Company is committed to minimizing radioactive waste by improving management practices and technical measures. In 2015, we completed the engineering modifications on the radioactive solid waste treatment system of Daya Bay Nuclear Power Station by replacing cement barrel containers with metal barrel containers to increase the inclusive rate of radioactive solid waste. Such modifications can reduce the volume of radioactive solid waste of each generating unit by about 7 to10m^3 each year.

The Ministry of Environmental Protection continuously monitored the air-absorbed rates in the periphery of our nuclear power generating units in operation in China. The monitoring data indicated that the air-absorbed rates fell within the fluctuation range of local background radiation levels.

Nuclear power is a clean energy source that contributes to energy saving and emissions reduction to the society. Our annual on-grid nuclear power generation in effect represented a reduction of approximately 28.30 million tons of standard coal consumption, approximately 69.70 million tons of CO_2 emissions, approximately 0.67 million tons of SO_2 emissions and approximately 0.44 million tons of NO_x emissions, with an equivalent effect of planting a forest of 0.19 million hectares.

Nuclear Power Generating Units under Construction

In March 2015, Hongyanhe Units 5 and 6 were approved by national authorities and construction work began on March 29, 2015 and July 24, 2015 respectively. As at December 31, 2015, we managed a total of 10 nuclear power generating units under construction (excluding those entrusted by the controlling shareholder), with one in the grid connection phase, three in the commissioning phase, three in the equipment installation phase and three in the civil construction phase.

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

Nuclear Power Generating Units	**Civil Construction Phase**[1]	**Equipment Installation Phase**[2]	**Commissioning Phase**[3]	**Grid Connection Phase**[4]	**Expected Date of Commencement of Operation**
From subsidiaries					
Yangjiang Unit 3[5]				√	First half of 2016
Yangjiang Unit 4		√			Second half of 2017
Yangjiang Unit 5		√			Second half of 2018
Yangjiang Unit 6	√				Second half of 2019
Taishan Unit 1			√		First half of 2017
Taishan Unit 2		√			Second half of 2017
From joint ventures					
Ningde Unit 4			√		Second half of 2016
From associates					
Hongyanhe Unit 4			√		First half of 2016
Hongyanhe Unit 5	√				Second half of 2020
Hongyanhe Unit 6	√				2021

Notes:

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

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

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

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

[5] Yangjiang Unit 3 commenced business operation on January 1, 2016.

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

Taking into account the excessive power surplus in 2015 resulting from lower power demand in northeast China, coupled with the impact of winter heating provision period in northeast China, we postponed the commencement date for the operation of Hongyanhe Unit 4 from the second half of 2015 to the first half of 2016. The fuel loading at Hongyanhe Unit 4 was completed on January 18, 2016, and the preparation for its commercial operation would be subsequently carried out by Hongyanhe Nuclear on schedule.

Taishan Nuclear is the latest one to commence construction among units which use the third generation nuclear power technology of EPR technology across the world. Through drawing on the experience of EPR units which have commenced construction, strengthening arrangements and coordination in the course of construction, closely tracking procurement of major equipment and continuously enhancing constructing technology, Taishan Nuclear has become the first nuclear power generating units with the fastest progress which use EPR technology across the world. As no nuclear power generating units which use EPR technology have been put into commercial operation across the world, the system integration and performance testing of such units have yet to be verified. After conducting a comprehensive evaluation on the subsequent engineering construction plan and relevant risks, we proactively adjusted the construction plan of the Taishan project. The estimated date of commencement of operation of Taishan Unit 1 and Taishan Unit 2 was rescheduled from the first half and the second half of 2016 to the first half and the second half of 2017 respectively. The cold functional test marks the commencement of full commission of the units. Taishan Unit 1 started the cold functional test on December 30, 2015 and completed it on January 27, 2016, becoming the first EPR unit to complete the test across the world, and the first domestic third generation nuclear power technology generating unit to complete the test. Subsequently, Taishan Nuclear will strengthen its cooperation with all parties participating in the construction, and spare no efforts in enhancing the construction and commissioning processes and their orderly articulation under the premise of ensuring the safety and quality of the project, so as to continue to advance the construction progress of the Taishan project.

Sales of Electricity

We derive substantially all of our revenue from the sales of electricity by our subsidiaries. We sell the electricity generated by our nuclear power stations based on electricity sales contracts. In 2015, the on-grid power generation of nuclear power stations controlled by us was 57,529.93 GWh and the sales revenue of electricity was RMB21,542.2 million, representing 92.6% of our total revenue for the same period.

According to the agreement entered into by Guangdong Nuclear Power Joint Venture Co., Ltd., Guangdong Nuclear Investment Company Limited and HKNIC on December 31, 2013 in respect of selling electricity to HKNIC, our Daya Bay Nuclear Power Station began to supply additionally approximately 10% of its annual on-grid electricity to HKNIC from the fourth quarter of 2014 to 2018 (the additional supply of annual on-grid electricity was only approximately 1% in 2014). Since 2015, the two units in Daya Bay Nuclear Power Station have been supplying 80% of their on-grid electricity to HKNIC.

In order to satisfy the public heating requirements in the northeast China in winter, our power grids increased the use of electricity from coal-fired cogeneration units. During certain periods in the first and fourth quarters of 2015, some units of Hongyanhe Nuclear temporarily operated at reduced load or was shut down for standby to meet the requirements of the power grids. We actively communicated and coordinated with relevant departments, local governments, and power-grid companies. Through the efforts of all parties, Hongyanhe Nuclear maintained the use of two units for on-grid electricity generation in most of the time in the winter of 2015, increasing the utilization rates of units to a certain extent.

The Company pays attention to the approval of tariffs of newly commenced units. We actively communicated with relevant departments by making preparations in advance to foster the timely approval of the on-grid tariffs of new units. On November 11, 2015, Fujian Provincial Price Bureau approved the on-grid tariffs of Ningde Unit 3 and Unit 4 as RMB0.43/kWh, which was in line with the benchmark tariff. On October 29, 2013, Liaoning Provincial Price Bureau approved the tariffs of Hongyanhe Unit 1 to Unit 4 at the same time. Therefore, Hongyanhe Unit 3 and Unit 4 shared the same tariffs with those of Hongyanhe Unit 1 and Unit 2 at RMB0.4142/kWh. In respect of the on-grid tariffs of Hongyanhe Unit 5 and Unit 6, we will continuously track the trend of the local tariffs, maintain communication with relevant departments, and set reasonable on-grid tariffs before the commencement of commercial operation of the units.

The on-grid tariffs of Taishan Nuclear have not yet been confirmed. The tariff plans of third generation nuclear power are determined by relevant departments of the State. We have made arrangements with the relevant authorities to conduct special studies in respect of the on-grid tariffs of Taishan Nuclear and put forward relevant suggestions so as to provide the references for the reasonable formulation of the on-grid tariffs of Taishan Nuclear subsequently, and we will continue to follow up with the tariff formulation process of the third generation nuclear power units.

Future Outlook

In the context of energy structure adjustment and the growing attention to environmental protection, the safe and efficient development of nuclear power will continue to be promoted nationwide, and therefore the following 15 years will be the opportunity period for the growth of nuclear power in China as well as for the Company, being the largest nuclear power operator in the PRC. The deepening of the reform of national power market and the changes in China's overall economic development will raise the new requirements for the operations and business of the Company. To address the need for adaptive adjustment of the existing operating model, we will conduct analysis and make preparation in advance while adhering to our nuclear safety culture concept of integrity and transparency, our principle of "Safety First, Quality Foremost, Pursuit of Excellence" and our core value of "Doing Things Right in One Go". In 2016, we plan to carry out the following tasks:

— We will push forward the construction of units as scheduled while guaranteeing the safety and quality. In addition to Yangjiang Unit 3 which was put into commercial operation on January 1, 2016, two units currently under construction (Hongyanhe Unit 4 and Ningde Unit 4) are expected to commence commercial operation in 2016;

— We will ensure the safe and stable operation of the operating units, carry out analysis and research on regional power markets, coordinate power generation strategies, and enhance the electricity sales model, so as to achieve an increase in the on-grid power generation;

— We will continue to enhance internal management to control the construction cost of units under construction and the maintenance cost of units in operation;

— We will proactively engage in the electricity tariff determination by conducting in-depth analysis and providing reasonable pricing advice to the relevant authorities;

— We will continue with the research, development and application of the nuclear power technologies to strengthen our core competencies, and implement measures in relation to technological innovation and technical improvement to enhance the safety, availability and economy of generating units;

— We will mitigate risks arising from external changes by closely following up the change of economic and financial situation at home and abroad, taking vigorous risk management measures and promptly formulating corresponding strategies.

HUMAN RESOURCES

The total number of employees of the Group was 9,180 (11,787 if employees of associates and joint ventures were included) as at December 31, 2015. The Group implements remuneration policy that is competitive in the industry, and pays commissions and discretionary bonus to its employees with reference to performance of the Group and individual employees. The total cost of the employees for the year ended December 31, 2015 amounted to RMB3,729.0 million (exclusive of our associates and joint ventures).

The Company has adopted the long-term incentive SAR Scheme to increase its attractiveness to core and key staff while creating better value for its shareholders. In accordance with the Scheme approved at the 2014 annual general meeting of the Company, the Board approved the granting of the first batch of SAR in 2015. The Scheme does not involve the grant of options over new shares or other new securities issuable by the Company (or any of its subsidiaries) and therefore, it does not fall within the ambit of, and is not subject to, the regulations of Chapter 17 of the Listing Rules. Details of the granting of the first batch of SAR for H shares were set out in note 18 to the consolidated financial statements of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended December 31, 2015.

EXCHANGE RATE

For the year ended December 31, 2015, the Group has not suffered any major difficulties of or impacts on its operations or liquidity due to exchange rate fluctuations. For the risk of exchange rate fluctuations of the Company, we have been adhering to the principle of prudence, conducting timely debt hedging and risk prevention arrangements to reduce the impact of financial market volatility on the Company's operating costs, expected earnings and cash flow. Details of exchange rate risk management were set out in the section headed "Other gains and losses" under this announcement.

FINAL DIVIDEND

The Board recommended a payment of final cash dividend of RMB0.042 (tax inclusive) per share for the year from January 1, 2015 to December 31, 2015 to shareholders of the Company as of the record date for payment of dividend. The ratio of dividend distribution for the year is based on the consideration of various factors including the specific operation results for the year 2015. In the future, the Company will take into consideration the Company's business performance, future development strategy and other factors for the relevant year when determining the dividend distribution ratio for such year, provided that it shall not be lower than 33% of the distributable net profit for such year. The distribution of dividends shall be subject to the shareholders' approval at the annual general meeting (the "**2015 Annual General Meeting**") of the Company and it is expected to be paid on or around July

13, 2016. For details of the distribution of final dividend of the Company, please refer to the circular for the 2015 Annual General Meeting to be issued by the Company in due course.

SUBSEQUENT EVENTS

There is no occurrence of events that had a significant impact on the Group's operation, financial and trading prospects from December 31, 2015 to the date of this announcement.

ANNUAL GENERAL MEETING AND CLOSURE OF SHARE REGISTER OF MEMBERS

The Company proposes to hold the 2015 Annual General Meeting in May 2016. For details of the resolutions to be considered and approved, the book closure date of H shares, the record date for payment of dividend, and the date of the 2015 Annual General Meeting, please refer to the circular for the 2015 Annual General Meeting to be issued by the Company in due course.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "**Stock Exchange Codes**") contained in Appendix 14 to the Listing Rules. Meanwhile, the Company adopted the Corporate Governance Code of CGN Power Co., Ltd. (First Edition) which covers the basic requirements of the Stock Exchange Codes and in many aspects exceeds the standards of its recommended best practices.

During the period from January 1, 2015 to December 31, 2015, the Company has complied with the all code provisions contained in the Stock Exchange Codes, except for the one of the best recommended practices proposed in the Stock Exchange Codes (namely a listed company should announce and publish quarterly results report). Nonetheless, we published the on-grid power generation information of the Company on a quarterly basis in 2015, and will publish quarterly brief reports on operation of the Company starting from 2016. At the end of every quarter, we publish quarterly financial statements in the domestic market in accordance with the requirements of mainland China's bond market, and also made overseas regulatory announcements on the Stock Exchange's website simultaneously to disclose the quarterly financial conditions based on the China Accounting Standards, and provide explanations on their discrepancies with the International Accounting Standards where appropriate.

We have established the Nuclear Safety Committee of the Board according to the characteristics of our industry to strengthen the supervision on the nuclear safety management of the Company. The nomination committee of the Board formulated the assessment indicators of the board diversity policy, the standards of the composition of the Board and the quantification indicators of the responsibilities of the directors. We have arranged the schedule for the annual Board meetings, Board committee meetings and supervisory committee meetings as well as the training for directors and supervisors and on-site inspections in advance. We have also provided the Board with operation and production information in a timely manner.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions of the Company by directors and supervisors of the Company. The Company has also formulated and adopted the Code for Securities Transactions by Directors and Specified Individuals on terms no less exacting than those of the Model Code. According to the specific enquiry made to all directors and supervisors of the Company, all directors and supervisors of the Company have confirmed that they have strictly complied with the standards set out in the Model Code throughout the reporting period.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") in compliance with the requirements of Rule 3.21 of the Listing Rules and the Stock Exchange Codes with written terms of reference. The Stock Exchange has proposed amendments to the sections regarding risk management and internal control which will take effect from the accounting periods commencing on or after January 1, 2016. The Company carried out a reassessment on the duties and responsibilities of the Audit Committee with reference to the requirements of the above amendments in 2015. On November 5, 2015, amendments to the Terms of Reference for the Audit Committee of CGN Power Co., Ltd. were reviewed and approved at the 10th meeting of the first session of the Board, and the duties and responsibilities of reviewing the risk management and internal control systems were clearly added to the duties and responsibilities of the Audit Committee, and further supplements and refinements were also added to the section of risk management. On the date of this announcement, the Audit Committee comprises one non-executive director (Mr. Zhuo Yuyun) and two independent non-executive directors (Mr. Na Xizhi and Mr. Francis Siu Wai Keung). Mr. Francis Siu Wai Keung, who possesses accounting qualification acted as the chairman of the Audit Committee.

The Audit Committee has reviewed the 2015 annual results and the consolidated financial statements for the year ended December 31, 2015 of the Group prepared in accordance with the IFRS.

AUDITORS

Deloitte Touche Tohmatsu has audited the consolidated financial statements for the year ended December 31, 2015 prepared by the Company in accordance with the IFRS.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://www.cgnp.com.cn) respectively.

The Company will dispatch to the shareholders in due course all the information required by the Listing Rules together with the 2015 annual report of the Company, which will also be published on the websites of the Company and the Stock Exchange.

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

The PRC, March 14, 2016

If there is any discrepancy between the English version and the Chinese version in respect of this announcement, the Chinese version shall prevail.

As at the date of this announcement, the Board of the Company comprises Mr. Gao Ligang as executive Director; Mr. Zhang Shanming, Mr, Zhang Weiqing, Mr. Shi Bing, Mr. Xiao Xue and Mr. Zhuo Yuyun, as non-executive Directors; Mr. Na Xizhi, Mr. Hu Yiguang and Mr. Francis Siu Wai Keung, as independent non-executive Directors.

* *For identification purposes only*