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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2017

FINANCIAL HIGHLIGHTS

In November 2016, the Company completed the acquisitions of 61% equity interest in Fangchenggang Nuclear, 100% equity interest in Lufeng Nuclear and 100% equity interest in CGN Engineering held by China General Nuclear Power Corporation (中國廣核集團有限公司) ("**CGNPC**"), the ultimate holding company of the Company (the "**2016 Acquisition**"). As the Company, Fangchenggang Nuclear, Lufeng Nuclear and CGN Engineering are under common control of CGNPC, the 2016 Acquisition constituted a business combination under common control. The financial data for the six months ended June 30, 2016 in the consolidated financial statements of the Group has been restated as if the combination had occurred prior to the start of the earliest period presented.

Pursuant to the concert party agreement entered into between CGN Ninghe Investment Co., Ltd. (中廣核寧核投資有限公司), a subsidiary of the Company, and Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司) in December 2016, Fujian Ningde Nuclear Power Co., Ltd.（福建寧德核電有限公司）("**Ningde Nuclear**") has become a subsidiary of the Group since January 1, 2017 and has been consolidated into the Group. The change of Ningde Nuclear from a joint venture to a subsidiary of the Group led to a generation of gain on remeasurement of RMB1,785,082,000 and effects on the profit for the period attributable to owners of the Company of RMB1,434,393,000.

- Revenue of the Group for the six months ended June 30, 2017 was RMB21,408,594,000, representing an increase of 41.9% over the corresponding period in 2016 (as restated).

* *For identification purpose only*

- Profit for the period attributable to owners of the Company for the six months ended June 30, 2017 was RMB6,089,133,000, representing an increase of 63.5% over the corresponding period in 2016 (as restated).
- Profit for the period attributable to owners of the Company (excluding the effects of net foreign exchange gain/loss and gain on remeasurement of previously held interest in a joint venture becoming a subsidiary) for the six months ended June 30, 2017 was RMB4,872,293,000, representing an increase of 22.5% over the corresponding period in 2016 (as restated).
- The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2017 (the corresponding period in 2016: nil).

The board of directors (the "**Board**") of CGN Power Co., Ltd.* (the "**Company**", "**we**" or "**us**") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended June 30, 2017 (the "**Period**" or "**Reporting Period**") together with the comparative figures for the corresponding period in 2016. This results announcement is prepared in accordance with International Accounting Standard 34 ("**IAS 34**") "Interim Financial Reporting", issued by the International Accounting Standards Board and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

OVERVIEW

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

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

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

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

In respect of construction, the work on all our units under construction progressed orderly. We controlled, supervised and managed the safety, quality, progress, investment, technology and environment of the units under construction, to ensure the safety and quality of the units under construction and their compliance with all regulatory requirements. After construction of almost 52 months, Yangjiang Unit 4 commenced commercial operation on March 15, 2017. As mentioned in the 2016 Annual Report, we conducted full assessment on the follow-up construction planning and relevant risks of our project in Taishan. The estimated time for commencement of commercial operation of Taishan Unit 1 and Taishan Unit 2 were adjusted to the second half of 2017 and the first half of 2018, respectively. The construction progresses of other nuclear units under construction of the Group remained normal.

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

FINANCIAL INFORMATION

The financial information set out below in this announcement is extracted from the Company's 2017 interim report. Such financial information has been reviewed by the audit and risk management committee of the Board (the "**Audit and Risk Management Committee**") and Deloitte Touche Tohmatsu, the external auditor of the Company, and has been approved by the Board.

For more detailed analysis on changes of important data contained in the financial information, please refer to the section headed "Finance, Assets and Investment" in this announcement.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2017

		Six months ended June 30,	
	NOTES	**2017**	2016
		RMB'000	RMB'000
		(Unaudited)	(Unaudited and restated)
Revenue	4	**21,408,594**	15,083,103
Less: Tax surcharge		**(277,805)**	(206,292)
Cost of sales and services		**(10,748,251)**	(7,459,867)
Gross profit		**10,382,538**	7,416,944
Other income	5	**1,119,096**	661,195
Net gain arising from changes in fair value of derivative financial instruments		**35,160**	62,480
Selling and distribution expenses		**(40,322)**	(48,428)
Other expenses		**(196,108)**	(256,233)
Administrative expenses		**(982,955)**	(904,043)
Other gains and losses	6	**1,400,818**	(541,170)
Share of results of associates		**253,573**	129,819
Share of results of joint ventures		**3,320**	286,880
Finance costs	7	**(3,149,914)**	(2,029,907)
Profit before taxation	8	**8,825,206**	4,777,537
Taxation	9	**(1,019,331)**	(294,313)
Profit for the period		**7,805,875**	4,483,224

	NOTES	Six months ended June 30, **2017** RMB'000 (Unaudited)	2016 RMB'000 (Unaudited and restated)
Other comprehensive (expenses) income:			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences arising on translation of a subsidiary		**(158,612)**	133,188
– Share of other comprehensive expenses of associates		**(94,331)**	(154,759)
– Others		**(3,558)**	1,183
Other comprehensive expenses for the period, net of income tax		**(256,501)**	(20,388)
Total comprehensive income for the period		**7,549,374**	4,462,836
Profit for the period attributable to:			
Owners of the Company		**6,089,133**	3,724,949
Non-controlling interests		**1,716,742**	758,275
		7,805,875	4,483,224
Total comprehensive income attributable to:			
Owners of the Company		**5,872,400**	3,670,081
Non-controlling interests		**1,676,974**	792,755
		7,549,374	4,462,836
Earnings per share attributable to owners of the Company, basic (RMB)	10	**0.134**	0.082

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2017

	NOTES	**June 30, 2017 RMB'000 (Unaudited)**	December 31, 2016 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**270,535,615**	216,509,163
Intangible assets		**3,449,344**	3,065,535
Investment properties		**246,073**	320,333
Goodwill	17	**419,243**	—
Interests in associates		**8,038,888**	7,837,967
Interests in joint ventures		**23,151**	4,199,132
Available-for-sale investments		**195,310**	195,310
Deferred tax assets		**1,422,827**	1,687,249
Derivative financial instruments		**1,334**	1,416
Prepayments and value-added tax recoverable	12	**6,870,303**	6,277,564
Prepaid lease payments		**3,440,352**	2,959,611
Deposits for property, plant and equipment		**896,778**	755,884
		295,539,218	243,809,164
CURRENT ASSETS			
Inventories		**18,498,828**	13,137,983
Amounts due from customers for contract work		**6,219,041**	5,300,838
Prepaid lease payments		**108,766**	85,649
Trade and bills receivables	11	**6,252,480**	5,735,493
Prepayments and other receivables	12	**9,134,392**	7,360,943
Amounts due from related parties		**1,038,641**	1,625,292
Derivative financial instruments		**7,135**	12,521
Restricted bank deposits		**8,621**	6,400
Other deposits over three months		**2,030,000**	2,047,000
Cash and cash equivalents		**8,125,851**	8,456,534
		51,423,755	43,768,653
Assets classified as held for sale		**—**	55,977
		51,423,755	43,824,630

	NOTES	June 30, 2017 RMB'000 (Unaudited)	December 31, 2016 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and other payables	13	**21,426,621**	19,294,867
Amounts due to customers for contract work		**402,928**	855,926
Amounts due to related parties	14	**7,888,696**	8,081,680
Loans from ultimate holding company	15	**800,000**	1,025,500
Loans from fellow subsidiaries	15	**3,840,003**	3,651,242
Loans from an associate	15	**5,405,922**	3,945,435
Income tax payable		**479,681**	630,519
Provisions		**583,884**	1,060,000
Bank borrowings – due within one year		**23,593,403**	20,806,759
Notes payable – due within one year		**5,500,000**	5,600,000
Derivative financial instruments		**139,649**	215,036
		70,060,787	65,166,964
Liabilities directly associated with assets classified as held for sale		**—**	699
		70,060,787	65,167,663
NET CURRENT LIABILITIES		**(18,637,032)**	(21,343,033)
TOTAL ASSETS LESS CURRENT LIABILITIES		**276,902,186**	222,466,131
NON-CURRENT LIABILITIES			
Bank borrowings – due after one year		**167,469,962**	124,482,040
Notes payable – due after one year		**7,494,715**	7,993,568
Deferred tax liabilities		**1,652,783**	1,615,117
Deferred income		**980,335**	984,873
Provisions		**3,100,171**	2,467,433
Derivative financial instruments		**1,949**	5,744
Loans from an associate	15	**2,908,320**	2,989,975
Staff cost payables		**29,652**	28,708
		183,637,887	140,567,458
NET ASSETS		**93,264,299**	81,898,673
CAPITAL AND RESERVES			
Share capital		**45,448,750**	45,448,750
Reserves		**14,644,078**	11,085,951
Equity attributable to owners of the Company		**60,092,828**	56,534,701
Non-controlling interests		**33,171,471**	25,363,972
TOTAL EQUITY		**93,264,299**	81,898,673

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The parent and the ultimate holding company of the Company is CGNPC, a state-owned enterprise in the PRC controlled by the State-Owned Assets Supervision and Administration Commission of the State Council (the "**SASAC**").

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

2. BASIS OF PRESENTATION

The condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board ("**IASB**") as well as with the applicable disclosure requirements of Appendix 16 to the Listing Rules.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2017 are the same as those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2016.

Business combinations other than involving entities under common control

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

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

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

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

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

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

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

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

Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealized Losses
Amendments to IFRS 12	As part of the Annual Improvements to IFRSs 2014-2016 Cycle

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

4. REVENUE AND SEGMENT INFORMATION

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

An analysis of the Group's revenue for each Reporting Period is as follows:

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

Information reported to the board of directors of the Company, being the chief operating decision makers ("**CODM**") of the Group, for the purposes of resources allocation and assessment of performance focuses on the types of goods or services delivered or provided.

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

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

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

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

The accounting policies of the operating segments are the same as the Group's accounting policies. The segment revenue is the same as the Group's revenue. Segment profit is the Group's profit before taxation without taking into account of unrealized gain arising from changes in fair value of derivative financial instruments, share of results of the Group's associates and joint ventures. This is the measure reported to the CODM for resources allocation and performance assessment.

Segment revenue and results

The following table presents revenue and results by reportable segments.

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

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

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

Geographical information

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

Information about major customers

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

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

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

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

Segment assets and liabilities	**At June 30, 2017**	At December 31, 2016
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Segment assets		
Nuclear power operation and sales of electricity and related technical services segment	**328,555,902**	265,001,229
Engineering construction and technical services segment	**22,561,535**	22,580,130
Total segment assets	**351,117,437**	287,581,359
Unallocated assets	**8,070,508**	12,051,036
Elimination	**(12,224,972)**	(11,998,601)
Total assets	**346,962,973**	287,633,794

	At June 30, 2017 RMB'000 (Unaudited)	At December 31, 2016 RMB'000 (Audited)
Segment liabilities		
Nuclear power operation and sales of electricity and related technical services segment	**243,116,127**	194,384,795
Engineering construction and technical services segment	**21,796,251**	20,975,863
Total segment liabilities	**264,912,378**	215,360,658
Unallocated liabilities	**141,598**	220,780
Elimination	**(11,355,302)**	(9,846,317)
Total liabilities	**253,698,674**	205,735,121

5. OTHER INCOME

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

Notes:

(a) 嶺澳核電有限公司 Ling Ao Nuclear Power Co, Ltd. ("**Ling'ao Nuclear**"), 嶺東核電有限公司 Ling Dong Nuclear Power Co, Ltd. ("**Lingdong Nuclear**"), 陽江核電有限公司 Yangjiang Nuclear Power Co., Ltd. ("**Yangjiang Nuclear**"), 廣西防城港核電有限公司 Guangxi Fangchenggang Nuclear Power Co., Ltd. ("**Fangchenggang Nuclear**") and Ningde Nuclear, subsidiaries of the Company, are entitled to the value-added tax refund for the first 15 years for their revenue from the sales of electricity since the second month of commencement of reactor projects' commercial operation. There were no conditions or limitations attached to these valued-added tax refunds. Value-added tax refunds are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them (if applicable) and that the refunds will be received.

(b) The amounts represent incentives from various PRC government authorities in connection with the enterprise expansion support, technology advancement support and product development support for the six months ended June 30, 2017, which had no conditions imposed by the respective PRC government authorities.

6. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
Net foreign exchange losses (Note)	**(455,967)**	(537,255)
Loss on disposals of property, plant and equipment	**(1,524)**	(6,507)
Gain from disposal of a subsidiary	**71,520**	—
Gain on remeasurement of previously held interest in a joint venture becoming a subsidiary (Note 17)	**1,785,082**	—
Reversal of allowance for trade and other receivables	**2,111**	—
Others	**(404)**	2,592
	1,400,818	(541,170)

Note:

Foreign exchange losses were incurred mainly due to the translating of different currency rates (at the end of the period 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.

7. FINANCE COSTS

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

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

8. PROFIT BEFORE TAXATION

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

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

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

9. TAXATION

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

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

深圳中廣核工程設計有限公司 China Nuclear Power Design Co., Ltd. (Shenzhen), 中廣核(北京)仿真技術有限公司 China Nuclear Power (Beijing) Simulation Technology Corporation Ltd., 中廣核檢測技術有限公司 CGN Inspection Technology Co., Ltd., 蘇州熱工研究院有限公司 Suzhou Nuclear Power Research Institute, 廣東核電合營有限公司 Guangdong Nuclear Power Joint Venture Co, Ltd., 中廣核研究院有限公司 China Nuclear Power Technology Research Institute, Ling'ao Nuclear and 中廣核工程有限公司 China Nuclear Power Engineering Co., Ltd. ("**CGN Engineering**") were approved to enjoy the preferential tax rate of 15% in accordance with the relevant EIT laws and regulations for the six months ended June 30, 2017 and 2016.

Lingdong Nuclear, Yangjiang Nuclear, Fangchenggang Nuclear, 台山核電合營有限公司 Taishan Nuclear Power Joint Venture Co., Ltd. ("**Taishan Nuclear**"), 中廣核陸豐核電有限公司 CGN Lufeng Nuclear Power Co., Ltd. ("**Lufeng Nuclear**"), and Ningde Nuclear, being enterprises engaged in public infrastructure project, were entitled to tax holiday of three years for EIT followed by 50% exemption for the next three years commencing from their first revenue generating year.

Pursuant to the Supplementary Notice of Tax Benefit Scheme in relation to Public Infrastructure Project 《關於公共基礎設施項目享受企業所得税優惠政策問題的補充通知》 issued in July 2014, the tax authority clarified that for these public infrastructures which were approved as a whole and constructed at batches, the first revenue generating year of public infrastructure project should be based on each batch (such as individual reactor project) instead of the legal entity as a whole.

The first revenue generating year of two reactor projects of Lingdong Nuclear commenced in 2010 and 2011 respectively. The applicable tax rate for Lingdong Nuclear's first reactor project was 25% for the six months ended June 30, 2017 and 2016 while the applicable tax rate for the second reactor project was 12.5% for the six months ended June 30, 2016 and 25% for the six months ended June 30, 2017.

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

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

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

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

10. EARNINGS PER SHARE

The basic earnings per share is calculated based on the profit for the period attributable to the owners of the Company and the number of ordinary shares for each Reporting Period.

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

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

11. TRADE AND BILLS RECEIVABLES

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

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

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

Trade receivables from third parties and bills receivables of the Group, as well as amount due from a non-controlling shareholder with significant influence on the relevant subsidiary, primarily represent receivables from grid companies. The credit terms granted to grid companies on the sales of electricity are 30 days. At June 30, 2017, except for an amount of RMB10,076,000 (December 31, 2016: RMB12,381,000) aged above one year which are past due and fully impaired as the recoverability is considered as unlikely, trade receivables due from third parties amounting to approximately RMB3,802,744,000 (December 31, 2016: RMB2,989,939,000) and the amount due from a non-controlling shareholder with significant influence over the relevant subsidiary of RMB544,077,000 (December 31, 2016: RMB538,550,000) are neither past due nor impaired and have good credit quality assessed by the management of the Group.

For other related parties, the Group has granted different credit periods according to the contracts and all the balances are neither past due nor impaired.

The Group pledged trade receivables from grid companies resulting from the pledge of tariff collection rights with carrying amount of approximately RMB2,791,520,000 (December 31, 2016: RMB1,803,953,000) to secure loan facilities granted to the Group as at the end of the Reporting Period.

12. PREPAYMENTS AND OTHER RECEIVABLES

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

Note: The amount represents value-added tax, which arose from the purchases of equipment and was not expected to be utilized within one year from the end of the respective Reporting Period. The value-added tax is expected to be utilized in offsetting the value-added tax payable arising from the Group's revenue.

13. TRADE AND OTHER PAYABLES

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

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

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

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

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

14. AMOUNTS DUE TO RELATED PARTIES

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

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

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

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

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

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

16. DIVIDEND

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

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

17. BUSINESS COMBINATION OTHER THAN INVOLVING ENTITIES UNDER COMMON CONTROL

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

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

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

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

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

Assets and liabilities recognized at the date of acquisition

	RMB'000
NON-CURRENT ASSETS	
Property, plant and equipment	49,169,352
Intangible assets	293,265
Derivative financial instruments	2,945
Prepayments and value-added tax recoverable	1,086,861
Prepaid lease payments	545,131
Deposits for property, plant and equipment	309,387
	51,406,941
CURRENT ASSETS	
Inventories	4,794,378
Prepaid lease payments	14,385
Trade receivables (note)	1,445,840
Prepayments and other receivables	892,383
Amounts due from the Group	829
Cash and cash equivalents	108,552
	7,256,367
CURRENT LIABILITIES	
Trade and other payables	2,216,608
Amounts due to the Group	641,681
Amounts due to other related parties	756,330
Loans from an associate	1,000,000
Income tax payable	17,049
Bank borrowings - due within one year	3,354,294
Derivative financial instruments	1,078
	7,987,040
NON-CURRENT LIABILITIES	
Bank borrowings - due after one year	37,988,706
Deferred tax liabilities	165,608
Provisions	464,468
Staff cost payables	2,833
	38,621,615
	12,054,653

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

Note:

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

Goodwill arising on acquisition

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

Net cash inflow arising on acquisition

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

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

Non-controlling interests

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

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

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

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

Impact of acquisition on the revenue and results of the Group

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

FINANCE, ASSETS AND INVESTMENT

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

(I) Financial Performance and Analysis

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

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

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

Key Financial Indicators

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

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

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

(2) Profit for the period divided by revenue and multiplied by 100%.

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

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

(5) The sum of profit before taxation and finance costs divided by the sum of finance costs and capitalized interest.

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

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

Financial Results and Analysis

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

Revenue

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

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

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

Cost of Sales and Services

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

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

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

Other Income

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

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

Other Gains and Losses

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

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

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

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

Share of Results of Associates

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

Share of Results of Joint Ventures

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

Finance Costs

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

Taxation

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

Financial Position

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

Current Assets

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

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

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

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

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

Current Liabilities

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

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

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

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

Non-current Assets

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

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

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

Non-current Liabilities

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

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

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

Equity Attributable to Owners of the Company

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

(II) Assets and Investment

The Group was mainly engaged in the investment in construction of nuclear power generating units, technical improvement in the nuclear power stations in operation, and research and development of technologies related to nuclear power for the six months ended June 30, 2017.

Investment in Property, Plants and Equipment

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

Major Investments in Equity

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

Material Acquisition and Disposal

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

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

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

Use of Proceeds

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

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

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

External Financing Environment

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

The Company ensured the capital safety and controlled the finance costs by various methods such as expanding the financing channels. In addition, the Company also reduced its exposure to foreign exchange risk associated with debts denominated in foreign currencies in accordance with its established strategy in order to prevent the risk from significant fluctuation in foreign exchange market.

Debt Financing

In the first half of 2017, we continued to improve diversified ways of financing, reasonable mix of currencies and term structures so as to provide stable and economical source of funding for the business development of the Company. As of June 30, 2017, the Group's total amount of debt financing was approximately RMB217,012.3 million with major financing channels including bank borrowings (approximately 88.0%), corporate bonds (approximately 3.9%), private placement notes (approximately 2.1%) and loans from CGNPC, fellow subsidiaries and associates (approximately 6.0%). We maintain a debt structure mainly comprising RMB-denominated and long-term debts, which not only satisfies our operational characteristics of focusing on nuclear power projects, but also effectively prevents liquidity risks and systematic exchange rate risks.

In the first half of 2017, the Company continued to strengthen the capital plan management and risk monitoring and control, actively expanded external financial channels, effectively implemented the debt restructuring for nuclear power projects, continuously optimized the loan terms and interest rate structures, and strived to minimize the impact of changes in the financial environment on the Company's operation.

Debt Risk Management

In recent years, we proactively eliminated our exposure to foreign exchange risk associated with debts denominated in foreign currencies by stages and in batches through various measures including forward transactions, debts replacement and early repayment, and actively changed our financing methods for foreign business contracts to exercise control over new debts denominated in foreign currencies, thereby effectively reducing the impact of major risks in exchange rate. In the first half of 2017, the Company adhered to the established strategies and continued to adopt relevant measures to minimize the impact from the fluctuation in foreign exchange rates. As compared with the end of 2016, the balance of the Group's bank borrowings and other borrowings denominated in foreign currencies at the end of the Reporting Period decreased by approximately RMB205.4 million in equivalent and its percentage in total bank borrowings and other borrowings decreased from 5.1% to 3.9%.

To manage liquidity risks, we monitor and maintain our cash and cash equivalents as well as the level of unutilized banking facilities. As of June 30, 2017, we had credits for unutilized general banking facilities of over RMB100,000.0 million, credits for notes being readily available for public offering of RMB7,000.0 million and cash and cash equivalents of RMB8,125.9 million, which can provide sufficient cash support for the operation of the Company and reduce the impact from cash flow fluctuation.

Credit Rating

In June 2017, China Chengxin International Credit Rating Co., Ltd. assessed the credit rating of the Company, and based on "the injection of power generation assets and the gradual commencement of operations of projects under construction", it concluded that "the power generation capacity of the Company will be further strengthened and the on-grid power generation will continue to increase with stronger profitability and cash generating ability" and maintained our AAA credit rating with stable outlook.

Contingencies

External Guarantees

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

Pledge of Assets

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

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

Legal Proceedings

The Group confirmed that, during the six months ended June 30, 2017, there was no significant litigation against the Group, and the Board was not aware of any pending or threatened litigation against the Group which had or could have a material and adverse effect on the financial conditions or operations of the Group.

Investment Direction

Based on the strategies and business development needs of the Company, the Company will finance the construction of nuclear power stations under construction according to investment schedules, continue to fund the technology improvement in nuclear power stations in operation, make continuous investment in the research, development and innovation of technologies, and fund the acquisitions of contingent assets in the second half of 2017. In addition, the Company will also carry out relevant investment activities at appropriate time by exercising its rights to acquire retained businesses as set out in the non-competition deed entered into between the Company and CGNPC, thereby laying a solid foundation for the Company's future development.

BUSINESS PERFORMANCE AND ANALYSIS

(I) Industry Overview

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

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

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

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

(II) Business Performance and Analysis

In the first half of 2017, we managed a total of 20 nuclear power generating units in operation and a total of eight nuclear power units under construction. The nuclear power generating units in operation managed by us operated safely and stably, and the construction of the nuclear power units under construction progressed orderly. In this announcement, we focus on the business performance of our nuclear power generating units in operation and under construction during the first half of 2017, and our work in respect of human resources and social responsibilities.

Safety Management

We always adhere to the principles of "Nuclear Safety is Paramount" and "Safety First". These principles apply to each stage of design, construction and operation of our nuclear power stations. Based on our experience in nuclear power operation over the years, we have established a mature safety management system. With the management taking the lead, "On-site Management Presence" and "Compliance with Procedures" activities, the Company enhanced the safety quality of all members and continuously improved the safety management level of the Company.

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

Emphasizing the Building of Nuclear Safety Culture

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

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

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

Enhancing Internal and External Supervisions

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

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

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

Continuously Establishing a Full-cycle Feedback System

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

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

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

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

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

Note: Nuclear incidents are classified into seven levels in the INES according to their impact on (i) people and the environment, (ii) radiological barriers and control, and (iii) defence-in-depth. Level 1 to Level 3 are termed as "incidents" and Level 4 to Level 7 are termed as "accidents". Events without safety significance are classified as "below scale/Level 0".

Nuclear Power Generating Units in Operation

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

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

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

Notes:

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

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

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

Operation Performance

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

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

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

Notes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Considering the economic factors and arrangements for related work, refuelling outage intervals of nuclear power generating units are not fixed at every 12 or 18 months. In order to ensure the safe operation of the generating units, we usually take local power load fluctuations into account and communicate with local power grid companies to reasonably arrange 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 as compared to that of a regular refuelling outage. According to the specific operating conditions of each generating unit, we continue to enhance and develop targeted refuelling outage plans, reasonably arrange inspection and maintenance projects, and actively adopt advanced technology to improve the efficiency of inspection and maintenance, in order to have good control over the duration of each refuelling outage on the premise of ensuring the quality of safety.

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

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

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

	For the six months ended 30 June,	
	2017	2016
Number of units	**20**	16*
Number of indicators in total (Number of units × 12)	**240**	192
Including:		
Number of indicators ranked top 1/4 in the world (Proportion)	**199 (82.92%)**	156 (81.25%)
Number of indicators ranked top 1/10 in the world (Proportion)	**193 (80.42%)**	137 (71.35%)

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

Environmental Performance

In the first half of 2017, the radioactive waste management of each nuclear power generating unit in operation we operated and managed has strictly complied with national laws and regulations, and has met the standards of the relevant technical specifications.

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

	Daya Bay Base Area (including Daya Bay Nuclear Power Station, Ling'ao Nuclear Power Station and Lingdong Nuclear Power Station)		Yangjiang Nuclear Power Station		Fangchenggang Nuclear Power Station		Ningde Nuclear Power Station		Hongyanhe Nuclear Power Station	
	For the six months ended June 30,									
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
Amount of discharged liquid radioactive waste (radionuclides other than tritium) as a percentage of the national standards	**0.22%**	0.10%	**0.17%**	0.18%	**0.34%**	0.033%	**0.15%**	0.10%	**0.12%**	0.15%
Amount of discharged gas radioactive waste (inert gases) as a percentage of the national standards	**0.23%**	0.08%	**0.14%**	0.27%	**0.19%**	0.144%	**0.17%**	0.06%	**0.07%**	0.12%
Solid radioactive waste (cubic meters)	**99.6**	109.8	**18.4**	6.0	**55**	6.8	**57.2**	71.2	**149.6**	68.8
Results of environmental monitoring	**Normal**	Normal	**Normal**	Normal	**Normal**	Normal	**Normal**	Normal	**Normal**	Normal

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

Nuclear Power Generating Units under Construction

The quality of nuclear power stations under construction is of utmost importance for the safe and efficient operations of nuclear power stations after commencement of operation. We meticulously organize project construction in strict compliance with the requirements of relevant laws and regulations. For all the construction quality and major construction milestones subject to the inspection of NNSA, we would first go through the inspection by NNSA and after our full compliance with the requirements having been confirmed, we would then enter into the next phase of work. We constantly learn from the feedback from the construction of other domestic and international nuclear power stations to continue improving the safety and quality of project construction and lay a solid foundation for the safe and stable operation of nuclear power generating units after commencement of commercial operations.

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

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

Nuclear Power Generating Units	Civil construction phase[1]	Equipment installation phase[2]	Commissioning phase[3]	Grid connection phase[4]	Expected time of commencement of operation
From subsidiaries					
Yangjiang Unit 5		√			Second half of 2018
Yangjiang Unit 6		√			Second half of 2019
Taishan Unit 1			√		Second half of 2017
Taishan Unit 2		√			First half of 2018
Fangchenggang Unit 3	√				2022
Fangchenggang Unit 4	√				2022
From associates					
Hongyanhe Unit 5		√			Second half of 2020
Hongyanhe Unit 6	√				2021

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

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

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

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

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

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

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

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

Sales of Electricity

In the first half of 2017, the electric power supply and demand in China was generally on ease and the situation had not improved significantly. The growth of demand for power consumption of certain provinces where the Company's nuclear power generating units are located was slow. In order to guarantee the overall economic benefit of the Company, the Company upheld the sales strategy of "Striving for More Shares of Planned On-grid Power Generation and Striving for Better Market Power Generation and Tariff". The Company took major measures on the sales of electricity including:

- keeping track of the implementation of national and local policies, actively communicating with relevant departments of provinces where our nuclear power generating units are located and pushing forward the implementation of the Tentative Measures on Guaranteed Consumption of Nuclear Power (《保障核電安全消納暫行辦法》);

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

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

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

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

Human Resources

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

We pay close attention to the occupational health of our employees who participate in the work of nuclear power stations, including our contractors and other personnel who enter into our workplace to carry out relevant activities. We ensure employees' occupational health through various means such as promotion and training, proactive prevention, identification and management of the occupational hazards.

The average individual radiation exposure index among our personnel (including staff, contractors and other personnel) who entered into the control area to work at the nuclear power stations is lower than the national standard limit (20 mSv/year/person). The table below sets out information on the maximum individual radiation exposure index (Unit: mSv) among the personnel who entered into the control area to work in the first half of 2017 and that of 2016 at the nuclear power stations operated and managed by us:

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

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

Social Responsibility

With the philosophy of "Openness and Transparency", we continue to conduct public communication, promotion of scientific knowledge and other activities so as to enhance the transparency of corporate operation. While we promote our own development, we also actively push forward the development of community industry to address the actual difficulties of community and establish harmonious "Neighborhood" relationships.

Voluntary Information Disclosure

In the first half of 2017, we and all nuclear power bases convened seven press conferences, introducing the annual business operation of the Company and all nuclear power bases and the nuclear power technology of HPR1000 (華龍一號) to the society. Through various channels such as portal websites and social media, we disclosed nuclear safety information and environmental monitoring information in a timely manner to ensure that the general public has the right to access to the operational information of nuclear power stations and nuclear safety information. In the first half of 2017, no operational events at level 1 or above under the INES occurred, and a total of 10 deviations without safety significance (below scale/Level 0 of INES) occurred, all of which were voluntarily disclosed.

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

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

Transparent Public Communication

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

Ningde Nuclear was more involved in the Fuzhou University together with Fujian Provincial Department of Environmental Protection and held seminars on popular science of clean energy and popular science of advocacy of green living. Ningde Nuclear and Fujian Provincial Department of Environmental Protection conducted interesting interaction with the teachers and students with abundant tips on nuclear power and environmental protection.

The young volunteers of Yangjiang Nuclear reached out to the surrounding communities and promoted to the locals the brand culture of clean and environment-friendly, safe and efficient nuclear power and the life concept of energy conservation and environmental protection.

Win-win Community Development

We increased investments in community development to help improve the livelihood of the locals, normalized the launch of social and community activities and developed with community together. For example, on April 27, 2017, Taishan Nuclear organized four cooperative corporations in Taishan Base to hold two on-site job fairs in Chixi town for the locals there and nearby. In mid-June 2017, Fangchenggang Nuclear successively organized two fundraising activities in order to subsidise the poverty-stricken students in Longhuai Village Center Primary School in Lingyun County. Our staff actively participated in the activities and donated money. All the proceeds from the fundraising activities were used for subsidising the poor students to continue with their studies and the school to improve its school conditions, and for purchasing students' stationery and sports supplies etc.

(III) Outlook for the Second Half of the Year

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

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

- We will strive to maintain safe and stable operation of generating units in operation. We plan to implement seven refuelling outages for the units for the second half of 2017, one of which will be conducted over to the next year;
- We will actively promote the implementation of the Tentative Measures on Guaranteed Consumption of Nuclear Power (《保障核電安全消納暫行辦法》)in different regions, take the initiative to adapt to changes in the situation of the electricity market and ensure planned power generation while actively participating in electricity market transactions according to the situation of the regional electricity market to increase the utilization of our power plants;

- We will push forward the construction of the units under construction according to the plan with insurance of safety and quality and we will strive to be qualified for commercial operation of Taishan Unit 1 in the end of the year;
- We will promote the lean management solidly, strengthen the co-ordination and synergy of internal resources and effectively control the construction cost of units under construction and operation and maintenance costs of generating units in operation; and
- We will closely follow the change of domestic and international economic and financial environment, adhere to the principle of prudence at all times, regularly review risk exposures for consistent supervision and reporting and timely adjust policies in response to market changes. Efforts will be made for minimizing impacts on the Company's operation from domestic and international financial market fluctuations.

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

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

INTERIM DIVIDEND

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

SUBSEQUENT EVENTS

In July 2017, Ningde Nuclear received the Circular on Adjustment of On-grid Tariffs of Nuclear Power by Fujian Provincial Price Bureau (《福建省物價局關於調整核電上網電價的通知》) (the "**Circular**"). Pursuant to the Circular, adjustments shall be made to the on-grid tariffs of nuclear power in Fujian Province in accordance with the Circular on Relevant Issues Concerning Improving the On-grid Tariff Mechanism for Nuclear Power (《關於完善核電上網電價機制問題的通知》) promulgated by the National Development and Reform Commission in 2013. The on-grid tariffs for Ningde Unit 1 and Unit 2 of the Group remain unchanged at RMB 0.43/kWh (tax inclusive), while the on-grid tariffs for Ningde Unit 3 and Unit 4 have been adjusted to RMB 0.4055/kWh (tax inclusive) and RMB 0.3717/kWh (tax inclusive), respectively. The above tariff adjustments shall take effect retrospectively since the respective dates on which the generating units commenced commercial operation.

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

COMPLIANCE WITH 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. The Board has approved and adopted the Corporate Governance Code of CGN Power Co., Ltd. (First Edition) (the "**Corporate Governance Code**") on November 18, 2014. Based on the changes to Board committees and the revision of the Stock Exchange Codes in relation to risk management and internal control, the Board approved the revision of the Corporate Governance Code on January 6, 2016. After such revision, the Corporate Governance Code covers the basic requirements of the Stock Exchange Codes and stipulates standards which are higher than the recommended best practices in various aspects. During the Reporting Period, the Company complied with all the code provisions contained in the Stock Exchange Codes, except for two of the recommended best practices proposed in the Stock Exchange Codes (namely a listed company should announce and publish quarterly results report and a listed company should disclose details of any remuneration payable to members of senior management, on an individual and named basis, in its annual reports). Nonetheless, we published quarterly operation briefings on a quarterly basis and quarterly financial statements for the domestic market in accordance with the requirements of the China's bond market and also made overseas regulatory announcements on the website of the Stock Exchange simultaneously to disclose the quarterly financial conditions based on the China Accounting Standards, and provided explanations on their discrepancies with the International Accounting Standards where appropriate. We plan to disclose details of the remuneration payable to members of senior management in the annual reports of the Company from 2017 onwards.

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

AUDIT AND RISK MANAGEMENT COMMITTEE

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

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

PUBLICATION OF INTERIM RESULTS AND INTERIM 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 its shareholders in due course all the information required by the Listing Rules together with the 2017 interim 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, August 28, 2017

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. Tan Jiansheng, Mr. Shi Bing, Ms. Zhong Huiling and Mr. Zhang Yong as non-executive Directors; Mr. Na Xizhi, Mr. Hu Yiguang and Mr. Francis Siu Wai Keung as independent non-executive Directors.

* *For identification purpose only*