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, 2019

FINANCIAL HIGHLIGHTS

For the six months ended June 30, 2019:

- Operating revenue of the Group was approximately RMB26,522,681,420, representing an increase of 15.3% over the corresponding period in 2018.
- Net profit attributable to shareholders of the parent company was approximately RMB5,022,584,900, representing an increase of 10.0% over the corresponding period in 2018 (restated).
- Net profit attributable to shareholders of the parent company (excluding the effects of non-recurring gains or losses) was approximately RMB4,814,095,070, representing an increase of 6.1% over the corresponding period in 2018 (restated).

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

* *For identification purpose only*

The board of directors (the "**Board**") of CGN Power Co., Ltd. (the "**Company**", "**we**" or "**us**") hereby announces the unaudited consolidated operating results of the Company and its subsidiaries (the "**Group**") for the six months ended June 30, 2019 (the "**Reporting Period**") together with the comparative figures for the corresponding period in 2018. The financial information of the Group for the six months ended June 30, 2019 shown in this results announcement is based on the unaudited consolidated financial statements prepared in accordance with the China Accounting Standards for Business Enterprises ("**CASBE**") and the disclosure requirements of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) ("**Hong Kong Companies Ordinance**") and The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong (the "**Listing Rules**" or the "**Stock Exchange Listing Rules**").

OVERVIEW

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

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

As of June 30, 2019, the Group managed a total of 22 nuclear power generating units in operation, with a total installed capacity of 24,306 MW, and achieved an on-grid power generation of 79,952.31 GWh, representing an increase of 11.97% over the corresponding period of 2018. Our on-grid nuclear power generation in effect represented a reduction of approximately 67.24 million tons of carbon dioxide emissions. Our subsidiaries achieved an on-grid power generation of 65,646.52 GWh, representing an increase of 9.56% over the corresponding period of 2018.

As of June 30, 2019, six nuclear power generating units were under construction, with a total installed capacity of 7,434 MW. All units under construction were under steady progress as planned. Of which, Taishan Unit 2 and Yangjiang Unit 6 completed the first grid connection for power generation on June 23, 2019 and June 29, 2019, respectively.

FINANCIAL INFORMATION

The financial information set out below in this announcement is extracted from the Company's 2019 interim report. Such financial information has been reviewed by the audit and risk management committee of the Company ("**Audit and Risk Management Committee**"), approved by the Board and has been agreed by Deloitte Touche Tohmatsu Certified Public Accountants LLP, the external auditor of the Company. The consolidated interim financial statements of the Company for the year 2019 prepared in accordance with CASBE has been reviewed by the external auditor of the Company.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2019

(Expressed in RMB)

		NOTES	For the six months ended June 30, 2019 (Unaudited)	2018 (Audited and restated)
I.	Operating revenue	*4*	**26,522,681,415.95**	23,010,404,277.65
	Less: Operating costs	*4*	**14,830,818,161.70**	12,594,829,709.46
	Tax surcharge		**344,075,328.82**	276,234,100.45
	Selling expenses		**31,739,099.64**	44,796,932.03
	Administrative expenses		**1,198,120,648.68**	966,538,180.85
	Research and development expenses		**226,852,303.25**	170,280,688.73
	Finance costs	*5*	**3,616,099,418.28**	2,858,016,798.98
	Including: Interest expenses		**3,585,332,064.10**	2,876,797,408.03
	Interest income		**143,774,488.12**	127,507,961.21
	Add: Other gains	*6*	**1,407,113,207.22**	1,055,992,888.53
	Investment income	*7*	**639,744,281.63**	342,029,045.75
	Including: Income from investment in associates and joint ventures	*7*	**471,868,923.58**	342,408,334.97
	Gain on derecognition of financial assets measured at amortized cost		**–**	–
	Gains (losses) from changes in fair value		**(2,868,860.54)**	10,617,979.72
	Impairment losses, net of reversal	*8*	**53,496,065.42**	340,111,227.54
	Asset impairment gains (losses)		**–**	–
	Gains (losses) from disposal of assets		**–**	(19,023.30)
II.	Operating profit		**8,372,461,149.31**	7,848,439,985.39
	Add: Non-operating income		**5,526,018.57**	3,405,718.05
	Less: Non-operating expenses		**8,368,442.22**	28,945,078.91
III.	Total profit		**8,369,618,725.66**	7,822,900,624.53
	Less: Income tax expenses	*9*	**944,059,410.87**	800,076,237.48

	NOTES	For the six months ended June 30, 2019 (Unaudited)	2018 (Audited and restated)
IV. Net profit		**7,425,559,314.79**	7,022,824,387.05
(I) Classified by continuity of operations			
1. Net profit from continuing operations		**7,425,559,314.79**	7,022,824,387.05
2. Net profit from discontinued operations		**–**	–
(II) Classified by ownership			
1. Net profit attributable to shareholders of the parent company		**5,022,584,904.83**	4,566,356,980.23
2. Non-controlling interests		**2,402,974,409.96**	2,456,467,406.82
V. Other comprehensive income, net of tax		**57,706,479.66**	40,411,030.20
Other comprehensive income attributable to shareholders of the parent company, net of tax		**49,886,143.50**	33,771,101.03
(I) Other comprehensive income that will not be reclassified to profit or loss		**26,478,010.00**	12,637,188.53
1. Change arising from remeasurement of defined benefit plan		**278,375.00**	(2,220,625.00)
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		**–**	66,639,133.53
3. Change in fair value of investment in other equity instruments		**26,199,635.00**	(51,781,320.00)
(II) Other comprehensive income that may be reclassified to profit or loss		**23,408,133.50**	21,133,912.50
1. Other comprehensive income that can be transferred to profit or loss under the equity method		**–**	946,000.00
2. Translation differences arising from translation of foreign currency financial statements		**23,408,133.50**	20,187,912.50
Other comprehensive income attributable to non-controlling interests, net of tax		**7,820,336.16**	6,639,929.17
VI. Total comprehensive income		**7,483,265,794.45**	7,063,235,417.25
Total comprehensive income attributable to shareholders of the parent company		**5,072,471,048.33**	4,600,128,081.26
Total comprehensive income attributable to non-controlling interests		**2,410,794,746.12**	2,463,107,335.99
VII. Earnings per share			
(I) Basic earnings per share	*10*	**0.111**	0.100
(II) Diluted earnings per share	*10*	**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at June 30, 2019
(Expressed in RMB)

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

	NOTES	June 30, 2019 (Unaudited)	December 31, 2018 (Audited and restated)
Current liabilities:			
Short-term loans	13	**18,454,860,979.68**	16,366,742,257.35
Derivative financial liabilities		**3,458,613.45**	2,724,971.67
Bills payable	14	**1,224,781,903.98**	2,260,164,887.24
Accounts payable	15	**15,130,725,763.23**	15,986,899,682.85
Receipts in advance		**–**	2,058,361.07
Contract liabilities		**1,059,128,214.83**	835,799,748.43
Employee benefits payable		**104,542,914.39**	42,616,433.80
Taxes payable		**993,112,299.95**	1,431,294,200.96
Other payables		**3,771,896,543.01**	3,878,479,167.43
Non-current liabilities due within one year	16	**24,232,837,750.37**	18,853,766,355.93
Other current liabilities		**335,106,164.96**	964,545,364.41
Total current liabilities		**65,310,451,147.85**	60,625,091,431.14
Non-current liabilities:			
Long-term loans	17	**174,440,560,531.98**	179,639,946,139.80
Bonds payable	18	**7,488,032,453.45**	8,488,044,399.25
Lease liabilities		**764,053,316.38**	N/A
Long-term employee benefits payable		**141,558,673.12**	102,267,273.40
Provisions	19	**4,137,856,032.15**	4,001,531,754.01
Deferred income		**1,445,255,232.72**	1,395,854,838.75
Deferred tax liabilities		**1,204,312,647.32**	1,177,284,416.72
Total non-current liabilities		**189,621,628,887.12**	194,804,928,821.93
Total liabilities		**254,932,080,034.97**	255,430,020,253.07
Shareholders' equity:			
Share capital	20	**45,448,750,000.00**	45,448,750,000.00
Capital reserve		**3,353,146,382.15**	3,350,519,181.82
Other comprehensive income		**749,740,284.01**	699,854,140.51
Specific reserve		**205,776,952.04**	197,139,693.40
Surplus reserve		**3,341,495,665.44**	3,341,495,665.44
Retained earnings		**19,827,444,773.93**	18,077,156,831.53
Total equity attributable to shareholders of the parent company		**72,926,354,057.57**	71,114,915,512.70
Non-controlling interests		**41,889,832,509.96**	42,010,734,594.51
Total shareholders' equity		**114,816,186,567.53**	113,125,650,107.21
Total liabilities and shareholders' equity		**369,748,266,602.50**	368,555,670,360.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2019

1. COMPANY OVERVIEW

The Company was established in the PRC on March 25, 2014 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 ("**Stock Exchange**") on December 10, 2014.

The parent and the ultimate holding company of the Company is China General Nuclear Power Corporation (中國廣核集團有限公司) ("**CGNPC**"), a state-owned enterprise in the PRC controlled by the State-Owned Assets Supervision and Administration Commission of the State Council.

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

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

2. BASIS OF PREPARATION

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

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

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

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

For operating leases subsisting prior to the date of initial adoption, the Group as lessees shall measure lease liabilities on the date of initial adoption based on remaining lease payments discounted to present value using the incremental borrowing rate for lessees prevailing on the date of initial adoption, and where the amount of each lease is equivalent to the amount of lease liabilities, necessary adjustments are made based on rental prepayments for the measurement of right-of-use assets.

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

Unit: RMB

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

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

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

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

4. OPERATING REVENUE AND COSTS

Unit: RMB

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

5. FINANCE COSTS

Unit: RMB

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

6. OTHER GAINS

Unit: RMB

Item	For the six months ended June 30,		For the six months ended June 30, including the amount of non-recurring gains and losses	
	2019	2018	**2019**	2018
Value-added tax refunds(Note)	**1,294,313,655.82**	1,005,076,617.60	**–**	–
Other government grants	**112,178,208.53**	50,916,270.93	**112,178,208.53**	50,916,270.93
Individual income tax refund	**621,342.87**	–	**–**	–
Total	**1,407,113,207.22**	1,055,992,888.53	**112,178,208.53**	50,916,270.93

Note: For the value-added tax refunds received by the Group, the Group adopted the VAT "levy first, refund later" policy in respect of its sale of electricity to grid companies generated by Ling'ao Nuclear Power Co., Ltd. (嶺澳核電有限公司) ("**Ling'ao Nuclear**"), Lingdong Nuclear Power Co., Ltd. (嶺東核電有限公司) ("**Lingdong Nuclear**"), Yangjiang Nuclear Power Co., Ltd. (陽江核電有限公司) ("**Yangjiang Nuclear**"), Guangxi Fangchenggang Nuclear Power Co., Ltd. (廣西防城港核電有限公司) ("**Fangchenggang Nuclear**"), Fujian Ningde Nuclear Power Co., Ltd. (福建寧德核電有限公司) ("**Ningde Nuclear**") and Taishan Nuclear Power Joint Venture Co., Ltd. (台山核電合營有限公司) ("**Taishan Nuclear**").

7. INVESTMENT INCOME

Unit: RMB

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

8. IMPAIRMENT LOSSES, NET OF REVERSAL

Unit: RMB

Item	For the six months ended June 30,	
	2019	2018 (Restated)
Impairment losses reversed for accounts receivable	**5,540,206.06**	176,638,376.25
Impairment losses reversed for other receivables	**21,921,631.60**	179,004,379.45
Impairment losses reversed (recognized) for dividends receivable	**25,895,384.70**	(4,132,911.54)
Impairment losses reversed (recognized) for contract assets	**138,843.06**	(11,398,616.62)
Total	**53,496,065.42**	340,111,227.54

9. INCOME TAX EXPENSES

Unit: RMB

Item	For the six months ended June 30,	
	2019	2018 (Restated)
Current income tax expenses	**973,847,139.39**	811,059,793.97
Deferred income tax expenses	**(7,150,764.92)**	(8,537,047.40)
Adjustments to income tax of previous years	**(22,636,963.60)**	(2,446,509.09)
Total	**944,059,410.87**	800,076,237.48

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

China Nuclear Power Design Co., Ltd. (Shenzhen) (深圳中廣核工程設計有限公司) ("**CGN Design**"), Lingdong Nuclear, Guangdong Nuclear Power Joint Venture Co, Ltd. (廣東核電合營有限公司) ("**GNPJVC**"), China Nuclear Power (Shenzhen) Radiation Monitoring Technology Co., Ltd. (中廣核(深圳)輻射監測技術有限公司), China Nuclear Power (Beijing) Simulation Technology Corporation Ltd. (中廣核(北京)仿真技術有限公司) ("**CNPSTC**"), CGN Inspection Technology Co., Ltd. (中廣核檢測技術有限公司) ("**Inspection Company**"), Suzhou Nuclear Power Research Institute (蘇州熱工研究院有限公司) ("**SNPRI**"), China Nuclear Power Technology Research Institute (中廣核研究院有限公司) ("**CNPRI**"), Ling'ao Nuclear, China Nuclear Power Engineering Co., Ltd. (中廣核工程有限公司) ("**CGN Engineering**"), Yangjiang Nuclear, Fangchenggang Nuclear, CGN Lufeng Nuclear Power Co., Ltd. (中廣核陸豐核電有限公司) ("**Lufeng Nuclear**"), Ningde Nuclear, Taishan Nuclear, CGN Ocean Power Co., Ltd. (中廣核海洋能源有限公司) ("**Ocean Power**"), CGN Hebei Thermal Power Co., Ltd. (中廣核河北熱電有限公司) ("**Hebei Thermal Power**") and Sansha Advanced Energy Co., Ltd. (三沙先進能源有限公司) ("**Sansha Energy**") were entitled to tax reduction and exemption in accordance with the relevant EIT laws and regulations.

Investment tax preferential policy for public infrastructure projects

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

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

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

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

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

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

Preferential tax policy for high-tech enterprises

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

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

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

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

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

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

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

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

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

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

Other preferential tax policies

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

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

Pursuant to the PRC Enterprise Income Tax Law and the Notice on Preferential Enterprise Income Tax Policies for Small Profit-making Enterprises (Cai Shui [2015] No. 34) (《關於小型微利企業所得税優惠政策的通知》([財税2015]34號)), Ocean Power, Hebei Thermal Power and Sansha Energy were qualified as small profit-making enterprises, and they were therefore subject to EIT at 20% for the periods from January 1 to June 30, 2018 and from January 1 to June 30, 2019.

10. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit attributable to shareholders of the parent company by the weighted average number of ordinary shares of the Company in issue.

Unit: RMB

Item	For the six months ended June 30,	
	2019	2018 (Restated)
Net profit attributable to shareholders of the parent company	**5,022,584,904.83**	4,566,356,980.23
Weighted average number of ordinary shares of the Company in issue	**45,448,750,000.00**	45,448,750,000.00
Basic earnings per share	**0.111**	0.100

For the periods ended June 30, 2019 and June 30, 2018, no diluted earnings per share were presented as the Group had no potential ordinary share in issue during the periods ended June 30, 2019 and June 30, 2018.

11. BILLS RECEIVABLE

Unit: RMB

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

12. ACCOUNTS RECEIVABLE

(a) Accounts receivable disclosed by category

Unit: RMB

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

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

Group 1:

Unit: RMB

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

Group 2:

Unit: RMB

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

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

Unit: RMB

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

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

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

Unit: RMB

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

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

June 30, 2019

Unit: RMB

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

December 31, 2018

Unit: RMB

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

13. SHORT-TERM LOANS

Unit: RMB

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

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

14. BILLS PAYABLE

(1) Bills payable

Unit: RMB

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

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

15. ACCOUNTS PAYABLE

(1) Accounts payable by aging

Unit: RMB

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

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

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

June 30, 2019

Unit: RMB

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

December 31, 2018

Unit: RMB

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

16. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

Unit: RMB

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

17. LONG-TERM LOANS

Unit: RMB

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

Notes:

(1) In August 2012, Guangdong Nuclear Power Investment Co., Ltd. (廣東核電投資有限公司) ("**GNIC**"), a subsidiary of the Company, entered into the "Taiping Asset – CGN Power Project Debt Investment Plan Investment Contract" (《太平資產-中廣核核電項目債權投資計劃投資合同》) with Taiping Asset Management Co., Ltd. (太平資產管理有限公司) ("**Taiping Asset**"), pursuant to which Taiping Asset initiated the establishment of "Taiping Asset – CGN Power Project Debt Investment Plan" with the actual investment proceeds of RMB3,000,000,000.00. The proceeds were invested in GNIC in the form of debts, and were used in the construction of nuclear power projects of Taishan Nuclear and Yangjiang Nuclear under GNIC. CGN provides a full unconditional irrevocable joint and several liability guarantee for all the obligations of GNIC under such contract to Taiping Asset. As at June 30, 2019, the loan had not expired.

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

(2) Pledged loans are pledged by the Group with its interests under agreements of electricity sales, insurance contracts and equity interest held.

(3) Secured loans are secured by the Group's subsidiaries SNPRI, CGN Engineering and CNPRI with land use rights and buildings.

The range of annual interest rate of the above loans:

Item	For the six months ended June 30, 2019	For the six months ended June 30, 2018
Range of annual interest rate of the above loans	**0.37%-5.30%**	1.00%-6.35%

18. BONDS PAYABLE

Unit: RMB

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

19. PROVISIONS

Unit: RMB

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

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

(2) It is the best estimate of the expected disposal cost of long-term and short-term low and medium level radioactive waste generated by NPPs.

20. SHARE CAPITAL

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

	Number of domestic shares '000	Number of H shares '000	Share capital RMB'000
Registered, issued and fully paid ordinary shares of RMB1.00 each			
As at December 31, 2018 and June 30, 2019	34,285,125	11,163,625	45,448,750

21. DIVIDEND

During the Reporting Period, a final dividend of RMB0.072 per share (tax inclusive) was declared to the owners of the Company in respect of the year ended December 31, 2018, amounting to a total of RMB3,272,296,962.43 (tax inclusive), which was approved by the shareholders at the 2019 first extraordinary general meeting convened on April 23, 2019. The Company has paid the dividend by May 31, 2019.

22. SHARE-BASED PAYMENT

(1) Overall Share-based Payment

Unit: units

	For the six months ended June 30,	
	2019	**2018**
Total equity instruments granted by the Company during the period	**–**	–
Total equity instruments exercised by the Company during the period	**–**	–
Total equity instruments of the Company that have expired during the period	**48,530,004.00**	–
The range of exercise price of outstanding share appreciation rights of the Company at the end of the period and the remaining period of the contract	**HKD2.09/3.50** **0.46-5.46 years**	HKD2.09/3.50 1.46-6.46 years

The Group has set up an H-share Appreciation Rights ("**SAR**") Scheme (the "**Scheme**") for core staff who exert significant impact on the Company's strategic target, including certain directors of the Company ("**Directors**") (excluding independent non-executive Directors and external Directors), senior management and core technical and management staff of the Company who have exerted direct influence on the overall results and sustainable development of the Company ("**Incentive Recipients**"). The Scheme was approved at the annual general meeting of the Company on June 12, 2015. Supervisors of the Company are not Incentive Recipients.

The initial implementation plan of the SAR was approved by the Board on November 5, 2015. Pursuant to the initial scheme, 218,880,000 units of SAR were granted to the Incentive Recipients of the Group at the exercise price of HKD3.50 per share. One third of the total number of SAR are vested and entitled on or after December 19, 2016, one third of the total number of SAR are vested and entitled on or after December 18, 2017 and the remaining one third of the total number of SAR are vested and entitled on or after December 18, 2018.

The secondary implementation plan of the SAR was approved by the Board on December 14, 2017. Pursuant to the secondary scheme, 568,970,000 units of SAR were granted to the Incentive Recipients of the Group at the exercise price of HKD2.09 per share. One third of the total number of SAR are vested and entitled on or after December 16, 2019, one third of the total number of SAR are vested and entitled on or after December 15, 2020 and the remaining one third of the total number of SAR are vested and entitled on or after December 15, 2021.

Each unit of SAR is notionally linked to one H Share and represents the rights conferred on the relevant Incentive Recipients to receive in cash stipulated earnings from the increase in market value of the relevant H share. The SARs will have to be exercised within the specified services periods and the exercise period is three years after the respective vesting dates. In addition, the exercise of SAR is also subject to the performance condition of the Group and Incentive Recipients including achievements of certain performance targets.

(2) Cash-Settled Share-based Payment

Unit: RMB

	For the six months ended June 30,	
	2019	**2018**
Methods for determining fair value of liabilities undertook by the Company and calculated by share or other equity instruments	**Black-Scholes options valuation model**	Black-Scholes options valuation model
Accumulated liabilities arising from cash-settled share-based payment in liabilities	**100,844,490.59**	49,035,646.19
Total fees recognized in respect of cash-settled share-based payment during the period	**38,724,266.09**	24,085,902.88

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

Unit: RMB

Item	June 30, 2019	December 31, 2018
Share price	**2.15**	1.86
Expected volatility	**26.58－33.72%**	28.92－34.83%
Expected dividend yield	**3.919%**	4.484%

The first grant under the Scheme:

Unit: RMB

Item	June 30, 2019	December 31, 2018
Exercise price	**3.50**	3.50
Expected term	**0.46－2.46 years**	0.96－2.96 years
Risk-free rate	**1.537－2.016%**	1.731－1.758%

The second batch of the Scheme:

Unit: RMB

Item	June 30, 2019	December 31, 2018
Exercise price	**2.09**	2.09
Expected term	**3.46－5.46 years**	3.95－5.95 years
Risk-free rate	**1.382－1.475%**	1.791－1.859%

The variables and assumptions used in computing the fair value of the SAR are based on the Directors' best estimate. Changes in variables of specific assumptions may result in changes in the value of the SAR.

23. BREAKDOWN OF NON-RECURRING GAINS OR LOSSES

Unit: RMB

Item	For the six months ended June 30,	
	2019	**2018**
Gains or losses from disposal of non-current assets	**143,073,493.12**	(19,023.30)
Government grants recognized in profit or loss for the current period (except for those closely related to the Company's business and for fixed or quantitative purposes in accordance with national uniform standards)	**112,178,208.53**	50,916,270.93
Net gains or losses of the subsidiaries as a result of business combination under common control from the beginning of the period to the combination date(1)	**–**	415,889.99
Except for the effective hedging transactions related to the normal operation of the Company, the gains or losses from changes in fair value arising from holding financial assets and liabilities held for trading, as well as the investment income arising from disposal of financial assets and liabilities held for trading and available-for-sale financial assets	**1,259,271.58**	2,365,633.96
Reversal of impairment provision for receivables which are impaired individually	**1,236,300.00**	–
Other non-operating income and expenses other than the items above, net	**(2,842,423.65)**	(25,539,360.86)
Other gains or losses items that meet the definition of non-recurring gains or losses	**(1,316,174.84)**	8,373,056.54
Total	**253,588,674.74**	36,512,467.26
Income tax effect of non-recurring gains or losses	**37,713,768.36**	5,767,010.06
Effect of non-recurring gains or losses attributable to minority shareholders	**7,385,069.94**	2,622,827.99
Effect of non-recurring gains or losses attributable to shareholders of the parent company, net	**208,489,836.44**	28,122,629.21

(1) The amount of this item has taken into account the offset of internal unrealized gains and losses between related parties and the corresponding income tax effect.

FINANCE, ASSETS AND INVESTMENTS

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

(I) FINANCIAL PERFORMANCE AND ANALYSIS

Key Financial Indicators

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

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

Notes:

(1) EBITDA margin = (total profit + interest expenses recognized in profit or loss + depreciation and amortization)/ operating revenue * 100%

(2) Net profit margin = net profit/operating revenue * 100%

(3) Return on equity (excluding non-controlling interests) = net profit attributable to shareholders of the parent company/average equity attributable to shareholders of the parent company (the arithmetic mean of the opening and closing balances) * 100%

(4) Return on total assets = (total profit + interest expenses recognized in profit or loss)/average total assets (the arithmetic mean of the opening and closing balances) * 100%

(5) Interest coverage = (total profit + interest expenses recognized in profit or loss)/(interest expenses recognized in profit or loss + interest expenses capitalized)

(6) Asset-liability ratio = total liabilities/total assets * 100%

(7) Debt to equity ratio = net debt (the total amount of bank and other borrowings less cash and cash equivalents and other deposits over three months)/total shareholders' equity * 100%

Financial Results Analysis

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

(1) The increase in finance costs was primarily due to the fact that we ceased to capitalize interest expenses and included such expenses in finance costs as a result of the commencement of commercial operation of Yangjiang Unit 5 and Taishan Unit 1 in July 2018 and December 2018, respectively.

(2) Other gains mainly comprise value-added tax refunds and other government grants.

(3) The increase in investment income was primarily due to the gains of RMB143.1 million from the disposal of Shanghai Engineering Science & Technology Co., Ltd (上海中廣核工程科技有限公司) ("**Shanghai Company**"), being our subsidiary, by CGN Engineering, and the increase in investment income from CGN Finance Co., Ltd. (中廣核財務有限責任公司), being our associate.

(4) The increase in income from investment in associates and joint ventures was primarily due to the increase in investment income from CGN Finance Co., Ltd. (中廣核財務有限責任公司), being our associate.

(5) The increase in non-recurring gains or losses was primarily due to the gains of RMB143.1 million from the disposal of Shanghai Company, being our subsidiary, by CGN Engineering, and the increase in government grants (excluding those closely related to the Company's business and for fixed or quantitative purposes in accordance with national uniform standards) received in excess of RMB61.3 million in the corresponding period of previous year.

Revenue from Principal Operations

	For the six months ended June 30,			
	2019	2018	**Fluctuations increase/ (decrease)**	**Percentage change increase/ (decrease)**
	RMB'000	RMB'000	RMB'000	%
Sales of electricity(1)	**23,318,272.80**	21,177,021.16	2,141,251.64	10.1
Construction, installation and design services(2)	**2,466,203.74**	1,302,698.05	1,163,505.69	89.3
Others	**648,955.79**	460,503.38	188,452.41	40.9
Total revenue from principal operations	**26,433,432.33**	22,940,222.59	3,493,209.74	15.2

(1) The increase in revenue from sales of electricity was primarily due to the commencement of commercial operation of Yangjiang Unit 5 and Taishan Unit 1 in July 2018 and December 2018, respectively.

(2) The increase in revenue from construction, installation and design services was primarily due to the increase in the construction volume of Hongyanhe Units 5 and 6, Huizhou Nuclear Power Station and the 250MW wind power engineering, procurement and construction ("**EPC**") project in Mengzi Laozhai, Honghe Prefecture, Yunnan Province of CGN Engineering.

Cost of Principal Operations

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

(1) The increase in cost of nuclear fuel was primarily due to the commencement of commercial operation of Yangjiang Unit 5 and Taishan Unit 1 in July 2018 and December 2018, respectively.

(2) The increase in depreciation of fixed assets was primarily due to the commencement of commercial operation of Yangjiang Unit 5 and Taishan Unit 1 in July 2018 and December 2018, respectively.

(3) The increase in provision for spent fuel management was primarily due to the commencement of provision and payment for spent fuel management as Yangjiang Unit 1 and Ningde Unit 2 commenced commercial operation for five years in March 2019 and May 2019, respectively.

(4) The increase in cost of construction, installation and design services was primarily due to the increase in the construction volume of Hongyanhe Units 5 and 6, Huizhou Nuclear Power Station and the 250MW wind power EPC project in Mengzi Laozhai, Honghe Prefecture, Yunnan Province of CGN Engineering.

Financial Position

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

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

(1) Bank and other borrowings comprise short-term loans, long-term loans, bonds payable, and long-term loans and bonds payable due within one year.

(2) Receivables comprise bills receivable, accounts receivable, prepayments, contract assets and other receivables.

(3) Payables comprise bills payable, accounts payable, receipts in advance, contract liabilities and other payables. The decrease in payables was primarily due to the decrease in bills payable, and the decrease in other accounts payable after the payment for spent fuel management.

(4) The decrease in fixed assets and intangible assets was primarily due to the decrease in net fixed assets as a result of the provision of depreciation of fixed assets.

Cash Flow Analysis

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

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

(II) ASSETS AND INVESTMENTS

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

INVESTMENT IN FIXED ASSETS

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

MAJOR INVESTMENTS IN EQUITY

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

MAJOR ACQUISITION AND DISPOSAL

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

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

USE OF PROCEEDS

The Company issued 10,148,750,000 H shares by way of global offering in December 2014 with net proceeds of approximately RMB21,603.5 million (in equivalent) from the offering after deducting various issuance costs. As of June 30, 2019, the Company had used RMB20,545.6 million of the net proceeds for the purposes as set out in the prospectus, representing 95.1% of the net proceeds from the offering.

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

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

External Financing Environment

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

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

Equity Financing

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

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

Debt Financing

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

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

Debt Risk Management

In recent years, we proactively eliminated our exposure to risk on foreign exchange rate associated with debts denominated in foreign currencies by stages and in batches through various measures including forward transactions, debts replacement and early repayment, and actively changed our financing methods for foreign business contracts to exercise control over new debts denominated in foreign currencies, thereby effectively reduced the impact of major risks in exchange rate. In the first half of 2019, the Company adhered to the established strategies and continued to adopt relevant measures to minimize the impact from the fluctuation in RMB exchange rates. As compared with the end of 2018, the Group's total bank borrowings denominated in foreign currencies slightly decreased at the end of the Reporting Period.

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

Credit Rating

In June 2019, China Chengxin International Credit Rating Co., Ltd. (中誠信國際信用評級有限責任公司) assessed the credit rating of the Company, and based on the reasons that "the Company's projects under construction are being put into operation and the operations of nuclear power generating units in operation are stable", it concluded that "the power generation capacity of the Company will be further strengthened and the on-grid power generation will continue to increase with stronger profitability and cash generating ability" and maintained our AAA credit rating with stable outlook.

Contingencies

External Guarantees

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

Assets with Restricted Ownership

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

As at June 30, 2019 and December 31, 2018, the electricity tariff collection rights of Ling'ao Nuclear, Lingdong Nuclear, Yangjiang Nuclear, Fangchenggang Nuclear, Ningde Nuclear and Taishan Nuclear were pledged to secure the facilities and loans from banks and related parties to these entities.

Legal Proceedings

The Group confirmed that, for the six months ended June 30, 2019, there was no significant litigation against the Group, and the Board was not aware of any pending or threatened litigation against the Group which had or could have a material and adverse effect on the financial conditions or operations of the Group.

Investment Direction

Based on the strategies and business development needs of the Company, the Company will finance the construction of NPPs under construction according to its investment schedules, continue to fund the technological improvement in NPPs in operation to enhance operation, make continuous investment in the research, development and innovation of technologies, and fund the acquisitions of contingent assets in the second half of 2019. In addition, the Company will also carry out relevant investment activities at appropriate time by exercising its rights to acquire retained businesses as set out in the non-competition deed entered into with CGNPC, thereby laying a solid foundation for the Company's future development.

BUSINESS PERFORMANCE AND OUTLOOK

(I) Industry Overview

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

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

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

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

(II) Business performance and analysis

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

Safety management

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

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

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

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

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

Nuclear power generating units in operation

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

Name of NPP	For the six months ended June 30, 2019	2018	Change rate for the same period (%)
From subsidiaries			
Daya Bay NPP	**7,659.88**	7,340.11	4.36
Ling'ao NPP	**6,643.73**	6,464.06	2.78
Lingdong NPP	**7,245.91**	8,352.30	-13.25
Ningde NPP	**12,637.64**	15,387.46	-17.87
Yangjiang NPP	**18,620.89**	14,384.24	29.45
Fangchenggang NPP	**7,277.10**	7,989.30	-8.91
Taishan NPP[Note]	**5,561.38**	Under construction	N/A
Subsidiaries, total	**65,646.52**	59,917.46	9.56
From associates			
Hongyanhe NPP	**14,305.79**	11,487.65	24.53
Subsidiaries and associates, total	**79,952.31**	71,405.11	11.97

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

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

Operation Performance

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

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

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

Notes:

1. Daya Bay Unit 1 did not conduct any refueling outage in the first half of 2019 and completed a refueling outage for the corresponding period of previous year.

2. Daya Bay Unit 2 completed a refueling outage in the first half of 2019 and did not conduct any refueling outage for the corresponding period of previous year.

3. Ling'ao Unit 1 did not conduct any refueling outage in the first half of 2019 and completed a refueling outage for the corresponding period of previous year.

4. Ling'ao Unit 2 completed a refueling outage in the first half of 2019, and the refueling outage duration and the time of temporary operation at reduced load or shutdown at the request of power grids was longer in the first half of 2019 as compared with the corresponding period of previous year.

5. Lingdong Unit 1 had a longer time of temporary operation at reduced load at the request of power grids in the first half of 2019 as compared with the corresponding period of previous year.

6. Lingdong Unit 2 completed a refueling outage in the first half of 2019 and did not conduct any refueling outage for the corresponding period of previous year.

7. Yangjiang Unit 1 did not conduct any refueling outage in the first half of 2019 and completed a refueling outage for the corresponding period of previous year.

8. Yangjiang Unit 2 completed a refueling outage in the first half of 2019 and did not conduct any refueling outage for the corresponding period of previous year, and the time of temporary operation at reduced load or shutdown at the request of power grids was longer in the first half of 2019 as compared with the corresponding period of previous year.

9. Yangjiang Unit 3 did not conduct any refueling outage in the first half of 2019 and completed a refueling outage for the corresponding period of previous year.

10. Yangjiang Unit 4 did not conduct any refueling outage in the first half of 2019. It completed the initial outage for the corresponding period of previous year and its duration was longer, being similar to that of a 10-year outage.

11. Yangjiang Unit 5 commenced commercial operation on July 12, 2018.

12. Fangchenggang Unit 2 completed a refueling outage in the first half of 2019 and did not conduct any refueling outage for the corresponding period of previous year, and the time of temporary operation at reduced load or shutdown at the request of power grids was longer in the first half of 2019 as compared with the corresponding period of previous year.

13. Ningde Unit 1, subject to the weather conditions and at the request of power grids, had a longer time of temporary operation at reduced load or shutdown as compared with the corresponding period of previous year.

14. Ningde Unit 2 did not conduct any refueling outage in the first half of 2019 and completed a refueling outage for the corresponding period of previous year. Subject to the weather conditions and at the request of power grids, it had a longer time of temporary operation at reduced load or shutdown as compared with the corresponding period of previous year.

15. Ningde Unit 3 completed a refueling outage in the first half of 2019 and refueling outage duration was longer as compared with the corresponding period of previous year. Subject to the weather conditions and at the request of power grids, it had a longer time of temporary operation at reduced load or shutdown as compared with the corresponding period of previous year.

16. Ningde Unit 4 completed a refueling outage in the first half of 2019 and did not conduct any refueling outage for the corresponding period of previous year. Subject to the weather conditions and at the request of power grids, it had a longer time of temporary operation at reduced load or shutdown as compared with the corresponding period of previous year.

17. Taishan Unit 1 commenced commercial operation on December 13, 2018, and completed a minor repair works in the first half of 2019.

18. Hongyanhe Unit 1 completed a refueling outage in the first half of 2019 and did not conduct any refueling outage for the corresponding period of previous year, and the time of temporary operation at reduced load or shutdown at the request of power grids was longer as compared with the corresponding period of previous year.

19. Hongyanhe Unit 2 completed a refueling outage in the first half of 2019. Refueling outage duration was longer in the first half of 2019 as compared with the corresponding period of previous year.

20. Hongyanhe Unit 3 completed a refueling outage in the first half of 2019. Refueling outage duration was shorter as compared with the corresponding period of previous year, and the time of temporary operation at reduced load or shutdown at the request of power grids was shorter as compared with the corresponding period of previous year.

21. Hongyanhe Unit 4, at the request of power grids, had a shorter time of temporary operation at reduced load or shutdown in the first half of 2019 as compared with the corresponding period of previous year.

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

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

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

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

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

	For the six months ended June 30,	
	2019	2018
Number of units	**22**	20
Total number of indicators	**264**	240
Including:		
Number of indicators ranked top 1/4 level in the world (Proportion)	**222 (84.09%)**	200 (83.33%)
Number of indicators ranked top 1/10 level in the world (Proportion)	**215 (81.44%)**	186 (77.50%)

Environmental Performance

In the first half of 2019, the radioactive waste management of each nuclear power generating unit in operation operated and managed by us has strictly complied with the national laws and regulations, and has met the standards of the relevant technical specifications.

The following table sets forth the amounts and percentages of the various types of radioactive waste discharged at the NPPs for the periods indicated as a percentage of the national standards. The total amounts of radioactive discharge from our NPPs were far below the applicable national limits.

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

Nuclear power is a clean energy source that contributes to energy saving and emissions reduction in the society. In the first half of 2019, our on-grid nuclear power generation in effect represented a reduction of approximately 24.5214 million tons of standard coal consumption, approximately 67.2399 million tons of CO_2 emissions, with an equivalent effect of planting a forest of approximately 179,900 hectares.

Nuclear Power Generating Units under Construction

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

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

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

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

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

Notes:

1 "Civil construction" phase refers to the process from the First Concrete Day ("**FCD**") to the proper roof installation of the main plant of the nuclear reactor.

2 "Equipment installation" phase refers to the process from the installation of nuclear island equipment upon the roof installation of the main plant of the nuclear reactor to the nuclear island main system meeting the conditions to conduct cold function tests.

3 "Equipment commissioning" phase refers to the process of conducting cold function tests for nuclear island main system and commencing joint commissioning for the power plant.

4 "Grid connection" phase refers to the commissioning of generators upon the first grid connection with the power grid, demonstrating that the power generating units are capable for power generation.

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

Sales of Electricity

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

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

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

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

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

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

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

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

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

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

Human resources

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

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

The average individual radiation exposure index among our personnel (including staff, contractors and other personnel) who entered into the control area to work at NPPs is lower than the national standard limit (20 mSv/year/person). The table below sets out information on the maximum individual radiation exposure index (Unit: mSv) among the personnel who entered into the control area to work in the first half of 2019 and that of 2018 at NPPs operated and managed by us:

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

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

Social Responsibilities

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

Proactive Disclosure of Information

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

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

Transparent Public Communication

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

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

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

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

Win-win Community Development

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

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

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

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

(III) Outlook for the Second Half of the Year

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

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

- Under the premise of ensuring safety and quality, ensure smooth progress of the projects under construction as planned. In the second half of 2019, the Taishan Unit 2 will be put into commercial operation (the Yangjiang Unit 6 was qualified for commercial operation on July 24, 2019);

- Maintain safe and stable operation of all the operating units, with four planned refueling outages in the third quarter (including the initial outage of Yangjiang Unit 5 which started in June), and three planned major refueling outages in the fourth quarter;

- Continue the implementation of our lean management strategy, enhance internal resources allocation and cooperation, effectively control the construction cost of projects under construction and the maintenance cost of operating units;

- Track and promote the implementation of the Action Plan and the Provisional Measures for Nuclear Power Offtake under the Condition of Securing Nuclear Safety in various regions. We will proactively adapt to the changes in electricity market situation and respond to factors including increase in precipitation in summer and heating provision periods in winter, striving for more generation of power with full capacity by adopting a more flexible marketing model and multiple initiatives;

- Closely follow the changes of domestic and international economic and financial environment, adhere to the principle of prudence, prioritize capital safety; reasonably utilize proceeds from the initial public offering of A Shares in compliance with regulatory rules, improve capital use efficiency and reduce financial costs; continuously monitor capital risks and strive to minimize the effects of domestic and foreign market volatility to the Company's operation by timely adjusting our strategies according to changes in market situation.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2019.

INTERIM DIVIDEND

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

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

SUBSEQUENT EVENTS

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

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "**Stock Exchange Codes**") contained in Appendix 14 to the Stock Exchange Listing Rules. Meanwhile, on November 14, 2018, the Board approved the second revision of the Corporate Governance Code of the Company that was adopted by the Company. This revision mainly considered and absorbed the suggested revision requirements of the Stock Exchange Listing Rules. The Corporate Governance Code of the Company includes the basic requirements of the Stock Exchange Codes and in many aspects exceeds the standards of its recommended best practices.

During the period from January 1, 2019 to June 30, 2019, the Company had complied with all code provisions contained in the Stock Exchange Codes, except for the one of the best recommended practices proposed in the Stock Exchange Codes (namely a listed company should announce and publish quarterly results report). Nonetheless, we have published reports on operation data of the Company on a quarterly basis. At the end of every quarter, we publish quarterly financial statements in the domestic market in accordance with the requirements of the mainland's bond market, and also made overseas regulatory announcements on the Stock Exchange's website simultaneously to disclose the quarterly financial position based on the CASBE.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has formulated and adopted the Code for Securities Transactions by Directors and Specified Individuals on terms no less exacting than those of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. According to the specific enquiries made by the Company, all Directors, supervisors and senior management of the Company have confirmed that they had complied with the standards set out in the two codes mentioned above throughout the Reporting Period.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Company has established an Audit and Risk Management Committee in compliance with the requirements of Rule 3.21 of the Listing Rules and the Stock Exchange Codes with written terms of reference. The Board has delegated to the Audit and Risk Management Committee with written terms of reference prepared according to the relevant requirements of the articles of association of the Company, the Company Law of the PRC, the Listing Rules, and A Guide for Effective Audit Committees published by the Hong Kong Institute of Certified Public Accountants. The terms of reference are detailed in the Terms of Reference for the Audit and Risk Management Committee under the Board and set out on the websites of the Company and the Stock Exchange. As of the date of this announcement, the Audit and Risk Management Committee comprises one non-executive Director (Mr. Zhang Yong) and two independent non-executive Directors (Mr. Na Xizhi and Mr. Francis Siu Wai Keung). Mr. Francis Siu Wai Keung, who possesses accounting qualification, acts as the chairman of the Audit and Risk Management Committee.

On August 15, 2019, the Audit and Risk Management Committee has reviewed the interim results announcement for the six months ended June 30, 2019 of the Group, and the unaudited consolidated financial statements as of June 30, 2019 prepared in accordance with the CASBE.

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 despatch to its shareholders in due course all the information required by the Listing Rules together with the 2019 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 21, 2019

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*