CGN Power Co., Ltd.*
中國廣核電力股份有限公司

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

(Stock Code: 1816)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

FINANCIAL HIGHLIGHTS

For the year ended December 31, 2020:

- Operating revenue of the Group was approximately RMB70,584,710,000, representing an increase of 15.95% over 2019.
- Net profit attributable to shareholders of the parent company was approximately RMB9,562,310,000, representing an increase of 1.02% over 2019.
- Net profit attributable to shareholders of the parent company (excluding the effects of non-recurring gains or losses) was approximately RMB9,408,260,000, representing an increase of 3.54% over 2019.
- The Board recommended a payment of final cash dividend of RMB0.080 (inclusive of tax) per share.

Note: For details of non-recurring gains or losses, please refer to note 24 to the financial information of this announcement.

* *For identification purpose only*

The board of directors (the "**Directors**") (the "**Board**") of CGN Power Co., Ltd. (the "**Company**", "**we**" or "**us**") hereby announces the consolidated operating results of the Company and its subsidiaries (the "**Group**") for the year ended December 31, 2020 (the "**Reporting Period**") together with the comparative figures for the year 2019. The financial data of the Group for the year ended December 31, 2020 shown in this results announcement is based on the audited consolidated financial statements prepared in accordance with the China Accounting Standards for Business Enterprises ("**CASBE**"), 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 Limited (the "**Listing Rules**").

FINANCIAL INFORMATION

The financial information set out below in this announcement is extracted from the Company's 2020 annual report (the "**2020 Annual Report**"). Such financial information has been reviewed by the audit and risk management committee of the Company (the "**Audit and Risk Management Committee**"), approved by the Board and agreed by KPMG Huazhen LLP, the external auditor of the Company. The consolidated financial statements of the Company for the year 2020 prepared in accordance with the CASBE has been audited by the external auditor of the Company with unqualified audit opinion being issued.

CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2020
(Expressed in RMB)

	NOTES	**2020 (Audited)**	2019 (Audited)
I. Operating revenue	*4*	**70,584,710,557.13**	60,875,176,254.90
Less: Operating costs	*4*	**44,419,291,782.18**	35,471,460,119.46
Taxes and surcharges		**621,738,133.27**	699,868,278.64
Selling expenses		**71,158,554.79**	78,997,912.92
Administrative expenses		**2,392,589,703.74**	2,579,433,181.20
Research and development expenses		**1,535,988,543.87**	1,483,443,965.15
Finance costs	*5*	**7,827,745,086.07**	7,697,736,375.83
Including: Interest expenses		**8,045,778,571.89**	7,996,857,031.69
Interest income		**197,865,779.92**	339,092,835.28
Add: Other gains	*6*	**2,248,487,823.24**	2,405,291,535.32
Investment income	*7*	**1,143,576,441.76**	1,307,058,211.00
Including: Income from investment in associates and joint ventures	*7*	**1,119,833,344.38**	1,096,412,691.22
Gains from changes in fair value		**5,266,866.40**	4,470,971.69
(Losses) gains from credit impairment	*8*	**(21,256,677.56)**	36,863,278.74
Asset impairment losses	*9*	**(199,469,417.80)**	(30,151,843.83)
Losses from disposal of assets		**(1,293,786.08)**	(157,727.76)
II. Operating profit		**16,891,510,003.17**	16,587,610,846.86
Add: Non-operating income		**44,318,439.93**	18,329,088.25
Less: Non-operating expenses		**85,706,966.89**	50,844,819.09
III. Total profit		**16,850,121,476.21**	16,555,095,116.02
Less: Income tax expenses	*10*	**1,974,484,793.52**	1,769,854,993.38

		NOTES	2020 (Audited)	2019 (Audited)
IV.	Net profit		**14,875,636,682.69**	14,785,240,122.64
	(I) Classified by continuity of operations			
	1. Net profit from continuing operations		**14,875,636,682.69**	14,785,240,122.64
	2. Net profit from discontinued operations		**–**	–
	(II) Classified by ownership			
	1. Net profit attributable to shareholders of the parent company		**9,562,307,621.17**	9,465,700,355.79
	2. Non-controlling interests		**5,313,329,061.52**	5,319,539,766.85
V.	Other comprehensive income, net of tax		**(482,944,109.50)**	97,934,302.89
	Other comprehensive income attributable to shareholders of the parent company, net of tax		**(361,277,953.30)**	66,730,520.92
	(I) Other comprehensive income that will not be reclassified to profit or loss		**9,681,133.09**	(26,794,950.00)
	1. Change arising from remeasurement of defined benefit plan		**902,183.89**	9,375.00
	2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		**(6,292,550.00)**	–
	3. Change in fair value of investment in other equity instruments		**15,071,499.20**	(26,804,325.00)
	(II) Other comprehensive income that may be reclassified to profit or loss		**(370,959,086.39)**	93,525,470.92
	1. Other comprehensive income that can be transferred to profit or loss under the equity method		**(5,959,867.78)**	–
	2. Translation differences arising from translation of foreign currency financial statements		**(364,999,218.61)**	93,525,470.92
	Other comprehensive income attributable to non-controlling interests, net of tax		**(121,666,156.20)**	31,203,781.97
VI.	Total comprehensive income		**14,392,692,573.19**	14,883,174,425.53
	Total comprehensive income attributable to shareholders of the parent company		**9,201,029,667.87**	9,532,430,876.71
	Total comprehensive income attributable to non-controlling interests		**5,191,662,905.32**	5,350,743,548.82
VII.	Earnings per share			
	(I) Basic earnings per share	*11*	**0.189**	0.201
	(II) Diluted earnings per share	*11*	**0.189**	0.201

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2020

(Expressed in RMB)

	NOTES	**December 31, 2020 (Audited)**	December 31, 2019 (Audited)
Current assets:			
Cash at bank and in hand		**12,128,377,221.65**	19,571,648,773.58
Derivative financial assets		**–**	3,149,401.93
Bills receivable	*12*	**1,900,481,700.00**	669,170,265.04
Accounts receivable	*13*	**8,785,607,103.39**	7,483,893,725.25
Accounts receivable financing		**4,150,220.00**	–
Prepayments		**17,994,542,411.57**	9,197,503,376.81
Other receivables		**86,973,653.03**	147,196,275.50
Inventories		**15,020,730,517.39**	18,370,637,240.89
Contract assets		**3,803,325,759.93**	3,421,177,653.57
Non-current assets due within one year		**–**	245,345.98
Other current assets		**3,520,085,850.74**	3,058,761,231.75
Total current assets		**63,244,274,437.70**	61,923,383,290.30
Non-current assets:			
Long-term equity investments		**11,924,063,022.83**	11,199,291,810.53
Other investment in equity instruments		**498,185,300.00**	391,155,000.00
Investment properties		**244,748,360.43**	183,747,207.19
Fixed assets		**248,455,556,392.34**	256,954,693,283.42
Construction in progress		**47,364,769,436.18**	39,240,570,013.29
Right-of-use assets		**939,488,041.02**	1,045,156,326.10
Intangible assets		**5,047,179,153.80**	4,937,028,458.97
Development costs		**2,795,094,194.52**	2,274,225,675.05
Goodwill		**419,242,673.32**	419,242,673.32
Long-term deferred expenses		**1,472,909,966.69**	1,473,427,773.32
Deferred tax assets		**2,177,159,194.01**	1,904,063,349.16
Other non-current assets		**7,315,703,312.89**	6,029,249,666.14
Total non-current assets		**328,654,099,048.03**	326,051,851,236.49
Total assets		**391,898,373,485.73**	387,975,234,526.79

	NOTES	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Current liabilities:			
Short-term loans	*14*	**23,123,993,448.96**	14,263,273,458.48
Bills payable	*15*	**4,418,030,262.41**	2,618,383,795.01
Accounts payable	*16*	**18,698,517,397.40**	19,983,479,765.09
Receipts in advance		**–**	40,000.00
Contract liabilities		**3,231,038,661.45**	1,543,242,352.55
Employee benefits payable		**151,071,758.52**	51,046,738.75
Taxes payable		**1,469,829,201.53**	1,456,753,322.33
Other payables		**4,541,393,615.79**	3,817,756,635.31
Non-current liabilities due within one year	*17*	**20,909,255,816.39**	22,747,589,472.72
Other current liabilities		**609,623,356.68**	536,334,171.47
Total current liabilities		**77,152,753,519.13**	67,017,899,711.71
Non-current liabilities:			
Long-term loans	*18*	**156,693,189,032.11**	167,859,812,159.47
Bonds payable	*19*	**7,489,853,934.87**	8,987,133,846.98
Lease liabilities		**576,934,707.48**	695,555,684.54
Long-term employee benefits payable		**75,070,317.95**	119,769,817.00
Provisions	*20*	**5,030,926,743.61**	4,910,629,589.95
Deferred income		**2,043,610,971.48**	1,873,337,839.76
Deferred tax liabilities		**1,205,428,001.19**	1,217,228,385.92
Total non-current liabilities		**173,115,013,708.69**	185,663,467,323.62
Total liabilities		**250,267,767,227.82**	252,681,367,035.33
Shareholders' equity:			
Share capital	*21*	**50,498,611,100.00**	50,498,611,100.00
Capital reserve		**10,784,004,133.34**	10,702,322,842.13
Other comprehensive income		**405,306,708.13**	766,584,661.43
Specific reserve		**248,862,260.50**	222,401,570.36
Surplus reserve		**4,346,624,819.53**	3,944,339,314.63
Retained earnings		**28,989,865,085.43**	23,667,716,575.70
Total equity attributable to shareholders of the parent company		**95,273,274,106.93**	89,801,976,064.25
Non-controlling interests		**46,357,332,150.98**	45,491,891,427.21
Total shareholders' equity		**141,630,606,257.91**	135,293,867,491.46
Total liabilities and shareholders' equity		**391,898,373,485.73**	387,975,234,526.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

1. COMPANY OVERVIEW

The Company was established in the People's Republic of China (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, and listed on the SME Board of the Shenzhen Stock Exchange ("**Shenzhen Stock Exchange**") on August 26, 2019.

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 of nuclear power plants ("**NPP(s)**") engineering projects; organization of the operation, repair and related businesses of 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) (《公開發行證券的公司信息披露編報規則第15號－財務報告的一般規定 (2014修訂)》). 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

Since 2020, the Group commenced the implementation of the following related requirements of the CASBE issued by the Ministry of Finance:

- Interpretation No. 13 of the Accounting Standards for Business Enterprises (Cai Kuai [2019] No. 21) (《企業會計準則解釋第13號》(財會[2019]21號))

- COVID-19 – Related Rent Concessions (Cai Kuai [2020] No. 10) (《新冠肺炎疫情相關租金減讓會計處理規定》(財會[2020年]10號))

The adoption of the above interpretation and standard did not have a significant impact on the financial position and operation results of the Group.

4. OPERATING REVENUE AND OPERATING COSTS

Unit: RMB

Item	2020		2019	
	Revenue	**Cost**	Revenue	Cost
From principal operations	**70,156,726,724.06**	**44,023,799,741.22**	60,589,245,467.36	35,185,491,661.50
Of which: Sales of electricity	**55,511,979,059.34**	**29,950,692,954.90**	52,783,020,377.01	27,743,385,671.64
Construction, installation and design services	**12,776,551,417.97**	**12,640,665,612.43**	6,163,681,030.01	6,144,634,380.26
Rendering of services	**934,409,442.09**	**674,023,497.88**	900,621,726.14	589,537,703.67
Sales of goods and others	**933,786,804.66**	**758,417,676.01**	741,922,334.20	707,933,905.93
From other operations	**427,983,833.07**	**395,492,040.96**	285,930,787.54	285,968,457.96
Total	**70,584,710,557.13**	**44,419,291,782.18**	60,875,176,254.90	35,471,460,119.46

5. FINANCE COSTS

Unit: RMB

Item	2020	2019
Interest expenses	**9,174,177,272.62**	9,965,497,005.44
Less: Capitalized interest expenses	**1,449,147,955.36**	2,265,282,162.32
Less: Interest income	**197,865,779.92**	339,092,835.28
Exchange (gains) losses	**(65,038,991.08)**	17,841,553.47
Less: Capitalized exchange (gains) losses	**(10,804,324.29)**	18,471,806.91
Interest expenses on the provision for nuclear power plant decommissioning	**279,206,423.71**	243,382,214.01
Interest expenses on the lease liabilities	**41,542,830.92**	53,259,974.56
Bank charges and others	**34,066,960.89**	40,602,432.86
Total	**7,827,745,086.07**	7,697,736,375.83

6. OTHER GAINS

Unit: RMB

Item	2020	Including: amount included in non-recurring gains or losses for the year	2019	Including: amount included in non-recurring gains or losses for 2019
Value-added tax refunds (Note)	**2,015,985,273.13**	**–**	2,079,868,288.09	–
Other government grants	**217,866,266.33**	**217,866,266.33**	315,301,019.19	315,301,019.19
Others	**14,636,283.78**	**–**	10,122,228.04	–
Total	**2,248,487,823.24**	**217,866,266.33**	2,405,291,535.32	315,301,019.19

Note: For the value-added tax ("**VAT**") refunds received by the Group's subsidiaries that satisfied the preferential VAT "levy first, refund later" policy, the Group adopted the VAT "levy first, refund later" policy in respect of its sale of electricity generated by 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**") to grid companies.

7. INVESTMENT INCOME

Unit: RMB

Item	2020	2019
Income from long-term equity investments accounted for using the equity method	**1,119,833,344.38**	1,096,412,691.22
Investment income from disposal of long-term equity investments	**–**	143,073,493.12
Income from derivative financial instruments	**11,580,810.36**	934,342.44
Investment income from holding other equity instruments	**20,344,882.77**	22,493,800.00
Income from disposal of financial assets held for trading	**–**	47,509,589.03
Others	**(8,182,595.75)**	(3,365,704.81)
Total	**1,143,576,441.76**	1,307,058,211.00

8. (LOSSES) GAINS FROM CREDIT IMPAIRMENT

Unit: RMB

Item	2020	2019
Bad debts losses of accounts receivable	**(22,632,943.73)**	(8,800,329.85)
Bad debts (losses) gains of other receivables	**(3,344,362.24)**	20,858,296.55
Bad debt gains for dividends receivable	**4,720,628.41**	25,885,115.12
Others	**–**	(1,079,803.08)
Total	**(21,256,677.56)**	36,863,278.74

9. ASSET IMPAIRMENT LOSSES

Unit: RMB

Item	2020	2019
Impairment losses of inventories	**2,474,942.46**	30,151,843.83
Impairment losses of contract assets	**196,994,475.34**	–
Total	**199,469,417.80**	30,151,843.83

10. INCOME TAX EXPENSES

Unit: RMB

Item	2020	2019
Current income tax expenses	**2,268,250,231.44**	1,904,040,504.38
Deferred income tax expenses	**(282,236,553.25)**	(101,078,797.50)
Adjustments to income tax of previous years	**(11,528,884.67)**	(33,106,713.50)
Total	**1,974,484,793.52**	1,769,854,993.38

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.

Pursuant to the PRC Enterprise Income Tax Law as revised on December 29, 2018, 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), China Nuclear Power (Shenzhen) Radiation Monitoring Technology Co., Ltd. (中廣核(深圳)輻射監測技術有限公司) ("**Radiation Company**"), 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 Power Joint Venture Co., Ltd. (台山核電合營有限公司) ("**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**"), China Nuclear Power Operations Co., Ltd. (中廣核核電運營有限公司) ("**CGN Operations**"), Sansha Advanced Energy Co., Ltd. (三沙先進能源有限公司) ("**Sansha Energy**"), Guangdong Daya Bay Nuclear Power Environment Protection Co., Ltd. (廣東大亞灣核電環保有限公司) ("**Environment Protection Company**"), CGN Import & Export Co., Ltd. (中廣核電進出口有限公司) ("**Import & Export Company**"), Shenzhen Hepeng Project Supervision Co., Ltd. (深圳市核鵬工程監理有限責任公司) ("**Supervision Company**"), CGN Power Sales Co., Ltd. (中廣核電力銷售有限公司) ("**Power Sales Company**"), Fujian Ninghe Power Sales Co., Ltd. (福建寧核售電有限公司) and Guangxi Fanghe Power Sales Co., Ltd. (廣西防核售電有限公司) were entitled to tax reduction and exemption.

Name of company or generating unit	**Preferential tax rate applicable for the current year**	**Preferential tax rate applicable for the previous year**	**Reason for tax incentives**
Yangjiang Unit 1	N/A	12.5%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation The preferential tax treatment has already expired as at December 31, 2019
Yangjiang Unit 2 and Unit 3	12.5%	12.5%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Yangjiang Unit 4	12.5%	Exempted	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Yangjiang Unit 5 and Unit 6	Exempted	Exempted	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Fangchenggang Unit 1 and Unit 2	7.5%	7.5%	Enjoy western development enterprise income tax preferential policy and tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation

Name of company or generating unit	Preferential tax rate applicable for the current year	Preferential tax rate applicable for the previous year	Reason for tax incentives
Ningde Unit 2	N/A	12.5%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation The preferential tax treatment has already expired as at December 31, 2019
Ningde Unit 3 and Unit 4	12.5%	12.5%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Taishan Unit 1	Exempted	Exempted	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Taishan Unit 2	Exempted	Exempted after commencement of commercial operations in September 2019	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
GNPJVC	15%	15%	Preferential tax policy for high-tech enterprises
Ling'ao Nuclear	15%	15%	Preferential tax policy for high-tech enterprises
Lingdong Nuclear	15%	15%	Preferential tax policy for high-tech enterprises
CNPRI	15%	15%	Preferential tax policy for high-tech enterprises
CNPSTC	15%	15%	Preferential tax policy for high-tech enterprises
SNPRI	15%	15%	Preferential tax policy for high-tech enterprises
Inspection Company	15%	15%	Preferential tax policy for high-tech enterprises
Radiation Company	15%	15%	Preferential tax policy for high-tech enterprises
CGN Engineering	15%	15%	Preferential tax policy for high-tech enterprises
CGN Design	15%	15%	Preferential tax policy for high-tech enterprises
CGN Operations	15%	15%	Preferential tax policy for high-tech enterprises

Name of company	Preferential tax rate applicable for the current year	Preferential tax rate applicable for the previous year	Policy for tax incentives
Ocean Power	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises
Hebei Thermal Power	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises
Sansha Energy	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises
Environment Protection Company	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises
Import & Export Company	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises
Supervision Company	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises
Power Sales Company	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises
Fujian Ninghe Power Sales Co., Ltd. (福建寧核售電有限公司)	20%	Applicable from its establishment on June 4, 2019	Preferential enterprise income tax policy for small profit-making enterprises
Guangxi Fanghe Power Sales Co., Ltd. (廣西防核售電有限公司)	20%	Applicable from its establishment on September 3, 2019	Preferential enterprise income tax policy for small profit-making enterprises

Note: Pursuant to the PRC Enterprise Income Tax Law and the Notice on Inclusive Tax Relief Tax Policies for Small Profit-making Enterprises (Cai Shui [2019] No. 13) (《關於實施小微企業普惠性税收減免政策的通知》([財税 2019]13 號)), for the portion of annual taxable income less than RMB1.00 million for small profit-making enterprises, 25% of the amount will be reduced, and the EIT will be at the tax rate of 20%; for the portion of annual taxable income exceeding RMB1.00 million but not exceeding RMB3.00 million, 50% of the amount will be reduced, and the EIT will be at the tax rate of 20%.

11. 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	**2020**	2019
Consolidated net profit attributable to shareholders of ordinary shares of the Company	**9,562,307,621.17**	9,465,700,355.79
Weighted average number of ordinary shares of the Company in issue	**50,498,611,100.00**	47,132,037,033.33
Basic earnings per share (RMB/share)	**0.189**	0.201

In 2020 and 2019, the Group did not have dilutive potential ordinary shares. Therefore, diluted earnings per share equaled to basic earnings per share.

12. BILLS RECEIVABLE

Unit: RMB

Item	December 31, 2020	December 31, 2019
Bank acceptance bills	**1,900,481,700.00**	669,120,265.04
Commercial acceptance bills	**–**	50,000.00
Total	**1,900,481,700.00**	669,170,265.04

13. ACCOUNTS RECEIVABLE

Unit: RMB

Item	December 31, 2020	December 31, 2019
Accounts receivable arising from contracts with customers	**8,937,108,532.09**	7,613,182,646.09
Including: Group 1	**8,449,686,854.10**	7,147,764,943.75
Group 2	**404,662,586.19**	382,333,306.49
Accounts receivable for which provision for bad debts have been individually made	**82,759,091.80**	83,084,395.85
Less: Impairment provisions	**151,501,428.70**	129,288,920.84
Including: Group 1	**30,959,714.13**	25,390,418.37
Group 2	**37,782,622.77**	20,814,106.62
Accounts receivable for which provision for bad debts have been individually made	**82,759,091.80**	83,084,395.85
Carrying value	**8,785,607,103.39**	7,483,893,725.25

As part of the Group's credit risk management, the Group uses the age of accounts receivable to assess the bad debt loss by grouping of accounts receivable with the same risk characteristics. The credit risk and expected credit loss of each group of accounts receivable are as follows:

Group 1:

Unit: RMB

	December 31, 2020				December 31, 2019			
Aging	Loss given default	Carrying balance	Bad debt provisions	Carrying value	Loss given default	Carrying balance	Bad debt provisions	Carrying value
Within 1 year	**0.30%**	**8,423,433,463.63**	**25,270,300.38**	**8,398,163,163.25**	0.30%	7,125,993,950.07	21,377,819.74	7,104,616,130.33
1 to 2 years	**5.00%**	**11,744,201.71**	**587,210.09**	**11,156,991.62**	5.00%	6,226,834.99	311,377.95	5,915,457.04
2 to 3 years	**20.00%**	**2,024,300.00**	**404,860.00**	**1,619,440.00**	20.00%	15,544,158.69	3,701,220.68	11,842,938.01
3 to 4 years	**30.00%**	**12,484,888.76**	**4,697,343.66**	**7,787,545.10**	30.00%	–	–	–
Total		**8,449,686,854.10**	**30,959,714.13**	**8,418,727,139.97**		7,147,764,943.75	25,390,418.37	7,122,374,525.38

Group 2:

Unit: RMB

	December 31, 2020				December 31, 2019			
Aging	Loss given default	Carrying balance	Bad debt provisions	Carrying value	Loss given default	Carrying balance	Bad debt provisions	Carrying value
Within 1 year	**0.30%**	**261,480,504.14**	**784,441.52**	**260,696,062.62**	0.30%	266,120,053.64	792,229.89	265,327,823.75
1 to 2 years	**10.00%**	**50,558,153.04**	**5,055,815.30**	**45,502,337.74**	10.00%	93,874,162.29	9,383,996.87	84,490,165.42
2 to 3 years	**30.00%**	**80,602,144.75**	**24,180,643.43**	**56,421,501.32**	30.00%	10,259,256.96	3,081,299.03	7,177,957.93
3 to 4 years	**50.00%**	**7,890,034.28**	**3,945,017.14**	**3,945,017.14**	50.00%	8,745,306.60	4,372,653.30	4,372,653.30
4 to 5 years	**80.00%**	**1,575,222.98**	**1,260,178.38**	**315,044.60**	80.00%	725,000.00	574,400.53	150,599.47
More than 5 years	**100.00%**	**2,556,527.00**	**2,556,527.00**	**-**	100.00%	2,609,527.00	2,609,527.00	–
Total		**404,662,586.19**	**37,782,622.77**	**366,879,963.42**		382,333,306.49	20,814,106.62	361,519,199.87

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

Unit: RMB

	December 31, 2020				December 31, 2019			
Aging	Loss given default	Carrying balance	Bad debt provisions	Carrying value	Loss given default	Carrying balance	Bad debt provisions	Carrying value
3 to 4 years	**100%**	**-**	**-**	**-**	100.00%	74,259,091.80	74,259,091.80	–
4 to 5 years	**100%**	**74,259,091.80**	**74,259,091.80**	**-**	100.00%	3,400,000.00	3,400,000.00	–
More than 5 years	**100%**	**8,500,000.00**	**8,500,000.00**	**-**	100.00%	5,425,304.05	5,425,304.05	–
Total		**82,759,091.80**	**82,759,091.80**	**-**		83,084,395.85	83,084,395.85	–

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

14. SHORT-TERM LOANS

Unit: RMB

Item	December 31, 2020	December 31, 2019
Credit loans	**21,122,443,315.86**	14,246,581,618.90
Pledged loans	**1,953,001,100.00**	–
Short-term loans interest payable	**48,549,033.10**	16,691,839.58
Total	**23,123,993,448.96**	14,263,273,458.48

As at December 31, 2020 and December 31, 2019, the Group had no overdue and unsettled short-term loans.

15. BILLS PAYABLE

Unit: RMB

Item	**December 31, 2020**	December 31, 2019
Commercial acceptance bills	**–**	24,936,897.30
Bank acceptance bills	**4,418,030,262.41**	2,593,446,897.71
Total	**4,418,030,262.41**	2,618,383,795.01

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

16. ACCOUNTS PAYABLE

Unit: RMB

Aging	**December 31, 2020**	December 31, 2019
Within 1 year	**14,526,762,424.41**	16,816,576,820.68
1 to 2 years	**3,351,245,049.36**	1,429,846,114.77
2 to 3 years	**149,745,265.48**	654,954,693.70
More than 3 years	**670,764,658.15**	1,082,102,135.94
Total	**18,698,517,397.40**	19,983,479,765.09

The aging analysis is counted starting from the date when accounts payable are recognized.

17. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

Unit: RMB

Item	**December 31, 2020**	December 31, 2019
Long-term loans due within one year	**16,188,601,190.14**	19,409,032,724.59
Long-term loans interest payable	**275,296,564.48**	318,957,134.52
Bonds payable due within one year	**3,998,270,796.35**	2,499,772,044.29
Bonds payable interest payable	**197,268,124.33**	238,679,631.17
Post-employment benefit scheme liabilities due within one year	**2,716,653.38**	2,783,999.04
Lease liabilities due within one year	**247,102,487.71**	278,363,939.11
Total	**20,909,255,816.39**	22,747,589,472.72

18. LONG-TERM LOANS

Unit: RMB

Item	December 31, 2020	December 31, 2019
Credit loans	**19,042,406,012.38**	24,379,836,231.47
Guaranteed loans(1)	**3,000,000,000.00**	3,000,000,000.00
Pledged loans(2)	**150,140,469,397.78**	159,011,962,139.45
Secured loans(3)	**698,914,812.09**	877,046,513.14
Total	**172,881,790,222.25**	187,268,844,884.06
Less: Long-term loans due within one year	**16,188,601,190.14**	19,409,032,724.59
Long-term loans due after one year	**156,693,189,032.11**	167,859,812,159.47

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 billion. The proceeds were invested in GNIC in the form of debts, and were used in the construction of nuclear power projects of Taishan Nuclear and Yangjiang Nuclear under GNIC. CGNPC provides a full unconditional irrevocable joint and several liability guarantee for all the obligations of GNIC under such contract to Taiping Asset. As at December 31, 2020, the loan had not expired.

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

(3) Secured loans are secured by the Company's subsidiaries Lingdong Nuclear, SNPRI and CGN Engineering with land use rights, buildings and equipment.

The annual interest rate range of the above loans:

	2020	2019
Annual interest rate range of the above loans	**0.40% – 5.30%**	0.49% – 5.30%

19. BONDS PAYABLE

Unit: RMB

Category	December 31, 2020	December 31, 2019
Long-term bonds	**2,000,000,000.00**	4,499,772,044.29
Medium-term notes (Note)	**9,488,124,731.22**	6,987,133,846.98
Total	**11,488,124,731.22**	11,486,905,891.27
Less:Bonds payable due within one year	**3,998,270,796.35**	2,499,772,044.29
Bonds payable due after one year	**7,489,853,934.87**	8,987,133,846.98

Note: The Group issued 18 CGN Power MTN001, MTN002, MTN003, MTN004, 19 CGN Power MTN001, MTN002 and 20 CGN Power MTN001 (medium-term notes) on April 24, 2018, April 24, 2018, August 21, 2018, October 17, 2018, January 18, 2019, July 22, 2019 and August 26, 2020, respectively. These medium-term notes, with nominal values amounting to RMB1,000,000,000.00, RMB1,000,000,000.00, RMB1,000,000,000.00, RMB1,000,000,000.00, RMB1,500,000,000.00, RMB1,500,000,000.00 and RMB2,500,000,000.00, respectively, and a total cost of issuance of RMB28,500,000.00, will become due and payable in April 2021, April 2021, August 2021, October 2021, January 2022, July 2022 and August 2023, respectively.

20. PROVISIONS

Unit: RMB

Item	December 31, 2020	December 31, 2019
Provision for nuclear power facilities decommissioning(1)	**4,601,580,302.59**	4,415,795,933.61
Provision for low and medium level radioactive waste disposal(2)	**425,666,773.00**	493,740,971.87
Others	**3,679,668.02**	1,092,684.47
Total	**5,030,926,743.61**	4,910,629,589.95

Notes:

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

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

21. SHARE CAPITAL

Unit: RMB

	December 31, 2020	December 31, 2019
Restricted shares		
Domestic shares (A shares)	**29,580,630,375.00**	37,287,744,526.00
Including: CGNPC	**29,176,641,375.00**	29,176,641,375.00
Guangdong Hengjian Investment Holdings Co., Ltd. (廣東恒健投資控股有限公司)	**–**	3,428,512,500.00
Other domestic shares	**403,989,000.00**	4,682,590,651.00
Subtotal	**29,580,630,375.00**	37,287,744,526.00
Unrestricted shares		
Domestic shares (A shares)	**9,754,355,725.00**	2,047,241,574.00
Including: Guangdong Hengjian Investment Holdings Co., Ltd. (廣東恒健投資控股有限公司)	**3,428,512,500.00**	–
Other domestic shares	**6,325,843,225.00**	2,047,241,574.00
Overseas listed foreign shares (H shares)	**11,163,625,000.00**	11,163,625,000.00
Including: CGNPC and its subsidiaries	**103,726,000.00**	–
Other foreign shares	**11,059,899,000.00**	11,163,625,000.00
Subtotal	**20,917,980,725.00**	13,210,866,574.00
Total	**50,498,611,100.00**	50,498,611,100.00

CGNPC continued to increase its holdings of H shares of the Company within 12 months from March 26, 2020 (the "**Shareholding Increase Date**"), and the cumulative increase in holdings would not exceed 2% of the total number of issued H shares of the Company as of the Shareholding Increase Date. On the Shareholding Increase Date, CGNPC, the controlling shareholder of the Company, increased its holdings by 2,970,000 H shares of the Company in total with its own funds. As at December 31, 2020, CGNPC and its subsidiaries had increased its holdings by 103,726,000 H shares of the Company in total.

22. DIVIDEND

Subsequent to the end of the Reporting Period, a final dividend of RMB0.080 per share (tax inclusive) to the shareholders of the Company (the "**Shareholders**") as of the record date of dividend payment in respect of the year ended December 31, 2020 amounting to RMB4,039,888,888.00 in total has been proposed by the Board and is subject to approval by the Shareholders in the 2020 annual general meeting.

During the Reporting Period, a final dividend of RMB0.076 per share (tax inclusive) in respect of the year ended December 31, 2019 was declared to the owners of the Company, which amounted to RMB3,837,873,606.54 in total, and was approved by the Shareholders at the 2019 annual general meeting convened on May 20, 2020. The Company had paid the dividend by July 10, 2020.

23. SHARE-BASED PAYMENT

(1) Overall Share-based Payment

Unit: unit

Item	**2020**		2019	
	First Batch	**Second Batch**	First Batch	Second Batch
Total equity instruments of the Company at the beginning of the year	**129,946,651**	**462,360,003**	207,599,986	543,640,000
Total equity instruments granted by the Company during the year	**–**	**–**	–	–
Total equity instruments exercised by the Company during the year	**–**	**3,962,500**	–	–
Total equity instruments of the Company that have expired during the year	**70,426,627**	**6,626,671**	77,653,335	81,279,997
Total equity instruments of the Company at the end of the year	**59,520,024**	**451,770,832**	129,946,651	462,360,003
The range of exercise price of outstanding share appreciation rights of the Company at the end of the year and the remaining period of the contracts	**HKD3.50**	**HKD1.84**	HKD3.50	HKD2.09
	0.96 year	**1.95 – 3.95 years**	0.96 – 1.96 years	2.95 – 4.95 years

The Group has set up an H-share Appreciation Rights ("**SAR**") Scheme (the "**Scheme**") for core staff who exert significant impact on the Company's strategic target, including certain Directors (excluding the non-executive Directors and the independent non-executive Directors), senior management and core technical and management staff of the Company who have exerted direct influence on the overall results and sustainable development of the Company ("**Incentive Recipients**"). The Scheme was approved at the annual general meeting of the Company on June 12, 2015. Supervisors of the Company (the "**Supervisors**") 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, 256,240,000 units of SAR were granted to Incentive Recipients of the Group (including Hongyanhe Nuclear ("**Hongyanhe Nuclear**")) 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 (which was expired and lapsed on December 16, 2019), one third of the total number of SAR are vested and entitled on or after December 18, 2017 (which was expired and lapsed on December 16, 2020) and the remaining one third of the total number of SAR are vested and entitled on or after December 18, 2018.

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

According to the exercise arrangement of the second grant of the incentive scheme, if events such as capitalization of capital reserve, distribution of bonus shares, share subdivision or consolidation, rights issue, secondary offering or dividend distribution occur to the listed company before the exercise of SAR, corresponding adjustment to the exercise price of SAR shall be made. However, under no circumstances shall any adjustment results in the exercise price being lower than the par value of the shares. On January 8, 2020, the Board approved the second grant of the adjustment plan of the exercise price of SAR, adjusting the exercise price of SAR granted in the second phase from HKD2.09/share to HKD1.9223/share. On May 20, 2020, the Board approved the second grant of the adjustment plan of the exercise price of SAR, adjusting the exercise price of SAR granted in the second phase from HKD1.9223/share to HKD1.8393/share, which became effective on May 22, 2020.

Each unit of SAR is notionally linked to one H Share and represents the rights conferred on the relevant Incentive Recipients to receive in cash stipulated earnings from the increase in market value of the relevant H share. The 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 achieving certain performance targets.

During this Reporting Period, a total of 70,426,627 units under the initial implementation plan of the SAR expired. A total of 6,626,671 units under the secondary implementation plan of the SAR expired. A total of 3,962,500 units under the secondary implementation plan of the SAR were exercised during this Reporting Period.

(2) Cash-Settled Share-based Payment

Unit: RMB

	2020	2019
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	**35,764,317.95**	78,312,817.00
Total fees recognized in respect of cash-settled share-based payment during the year	**(41,085,848.84)**	16,584,543.60
Aggregate unpaid fair value of cash-settled share-based payment as at the end of the year	**39,727,620.25**	116,848,373.45

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

Item	December 31, 2020	December 31, 2019
Share price (HKD)	**1.67**	2.08
Expected volatility	**21.56% – 28.12%**	18.94 – 31.94%
Expected dividend yield	**4.971%**	4.051%

The first grant under the Scheme:

Item	December 31, 2020	December 31, 2019
Exercise price (HKD)	**3.50**	3.50
Expected term	**0.96 year**	0.96 – 1.96 years
Risk-free rate	**0.080%**	1.734 – 1.831%
Fair value (HKD)	**0.0004**	0.0003 – 0.0049

The second batch of the Scheme:

Item	December 31, 2020	December 31, 2019
Exercise price (HKD)	**1.84**	2.09
Expected term	**1.95 – 3.95 years**	2.95 – 4.95 years
Risk-free rate	**0.085% – 0.217%**	1.657% – 1.716%
Fair value (HKD)	**0.10 – 0.11**	0.18 – 0.40

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

24. BREAKDOWN OF NON-RECURRING GAINS OR LOSSES

Unit: RMB

Item	**2020**	2019
Gains or losses from disposal of non-current assets	**(1,293,786.08)**	142,915,765.36
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)	**217,866,266.33**	315,301,019.19
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	**(3,357,683.91)**	50,068,406.00
Reversal of impairment provision for receivables which are impaired individually	**–**	1,297,136.47
Other non-operating income and expenses other than the items above, net	**(41,388,526.96)**	(32,515,730.84)
Other gains or losses items that meet the definition of non-recurring gains or losses	**8,624,550.31**	2,846,497.16
Total	**180,450,819.69**	479,913,093.34
Income tax effect of non-recurring gains or losses	**21,220,033.52**	58,103,067.16
Effect of non-recurring gains or losses attributable to non-controlling shareholders	**5,184,673.40**	42,410,497.94
Effect of non-recurring gains or losses attributable to shareholders of the parent company, net	**154,046,112.77**	379,399,528.24

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	2020	2019
Indicators of profitability		
EBITDA margin (%)[1]	**51.1**	57.2
Net profit margin (%)[2]	**21.1**	24.3
Indicators of investment returns		
Return on equity (excluding non-controlling interests) (%)[3]	**10.3**	11.8
Return on total assets (%)[4]	**6.4**	6.5
Indicators of solvency		
Asset-liability ratio (%)[5]	**63.9**	65.1
Debt to equity ratio (%)[6]	**138.0**	143.0
Interest coverage [7]	**2.7**	2.5

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

(6) 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%

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

Financial Results and Analysis

	For the year ended December 31,			
	2020	2019	**Fluctuations increase/ (decrease)**	**Percentage change increase/ (decrease)**
	RMB'000	RMB'000	RMB'000	%
Operating revenue	**70,584,710.56**	60,875,176.25	9,709,534.31	15.9
Operating costs	**44,419,291.78**	35,471,460.12	8,947,831.66	25.2
Finance costs (1)	**7,827,745.09**	7,697,736.38	130,008.71	1.7
Other gains (2)	**2,248,487.82**	2,405,291.54	(156,803.72)	(6.5)
Investment income (3)	**1,143,576.44**	1,307,058.21	(163,481.77)	(12.5)
Including: Income from investment in associates and joint ventures	**1,119,833.34**	1,096,412.69	23,420.65	2.1
Non-recurring gains or losses (4)	**180,450.82**	479,913.09	(299,462.27)	(62.4)
Net profit attributable to shareholders of the parent company	**9,562,307.62**	9,465,700.36	96,607.26	1.0
Net profit attributable to shareholders of the parent company (excluding the effects of non-recurring gains or losses)	**9,408,261.51**	9,086,300.83	321,960.68	3.5

Notes:

(1) The increase in finance costs was primarily due to the fact that we ceased to capitalize interest expenses and included such expenses in finance costs as a result of the commencement of commercial operation of Yangjiang Unit 6 and Taishan Unit 2 in July 2019 and September 2019, respectively on the one hand; finance costs of other companies declined in 2020 on the other hand. Finance costs increased by 1.7% as compared with 2019 as a result of the combined effects of the above two factors.

(2) The decrease in other gains was primarily due to the reduction in VAT refunds received and gains from government grants.

(3) The decrease 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 in 2019.

(4) The decrease 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 in 2019, and the decrease in government grants received in 2020 as compared with the corresponding period of previous year.

Revenue from Operations

	For the year ended December 31,			
	2020 **RMB' 000**	2019 RMB' 000	**Fluctuations increase/ (decrease)** RMB' 000	**Percentage change increase/ (decrease)** %
Revenue from principal business operations	**70,156,726.73**	60,589,245.47	9,567,481.26	15.8
Including: Sales of electricity[1]	**55,511,979.06**	52,783,020.38	2,728,958.68	5.2
Construction, installation and design services[2]	**12,776,551.42**	6,163,681.03	6,612,870.39	107.3
Revenue from other business operations	**427,983.83**	285,930.79	142,053.04	49.7
Total revenue from business operations	**70,584,710.56**	60,875,176.26	9,709,534.30	15.9

Notes:

(1) The increase in revenue from sales of electricity was primarily due to the increase of the on-grid power generation after the commencement of commercial operation of Yangjiang Unit 6 and Taishan Unit 2 in July 2019 and September 2019, respectively.

(2) The increase in revenue from construction, installation and design services was primarily due to the increase in the construction volume of Huizhou Nuclear Power Project, Cangnan Nuclear Power Project and CGNPC's wind power business of CGN Engineering.

Cost of Operations

	For the year ended December 31,			
	2020	2019	**Fluctuations increase/ (decrease)**	**Percentage change increase/ (decrease)**
	RMB' 000	RMB'000	RMB' 000	%
Cost of principal business operations	**44,023,799.74**	35,185,491.66	8,838,308.08	25.1
Including: Cost of sales of electricity	**29,950,692.95**	27,743,385.67	2,207,307.28	8.0
Of which: Cost of nuclear fuel(1)	**7,894,369.46**	8,062,452.58	(168,083.12)	(2.1)
Depreciation of fixed assets(2)	**9,680,802.36**	9,284,137.38	396,664.98	4.3
Provision for spent fuel management(3)	**2,019,610.28**	1,666,053.67	353,556.61	21.2
Construction, installation and design services(4)	**12,640,665.61**	6,144,634.38	6,496,031.23	105.7
Other costs of business operations	**395,492.04**	285,968.46	109,523.58	38.3
Total cost of operations	**44,419,291.78**	35,471,460.12	8,947,831.66	25.2

Notes:

(1) The decrease in cost of nuclear fuel was primarily due to the change in the amortized cost of nuclear fuel due to the refuelling cost and differences in the arrangement of outages.

(2) The increase in depreciation of fixed assets was primarily due to the commencement of commercial operation of Yangjiang Unit 6 and Taishan Unit 2 in July 2019 and September 2019, respectively.

(3) The increase in provision for spent fuel management was primarily due to the commencement of provision and payment for spent fuel management as Yangjiang Unit 2 and Ningde Unit 3 had commenced commercial operation for five years in 2020.

(4) The increase in cost of construction, installation and design services was primarily due to the increase in the construction volume of Huizhou Nuclear Power Project, Cangnan Nuclear Power Project and CGNPC's wind power business of CGN Engineering.

Financial Position

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

	December 31, 2020 RMB' 000	December 31, 2019 RMB' 000	**Fluctuations increase/ (decrease) RMB' 000**	**Percentage change increase/ (decrease) %**
Bank and other borrowings [1]	**207,445,359.37**	213,002,332.39	(5,556,973.02)	(2.6)
Receivables[2]	**32,575,080.85**	20,918,941.30	11,656,139.55	55.7
Payables[3]	**30,888,979.94**	27,962,902.55	2,926,077.39	10.5
Inventories[4]	**15,020,730.52**	18,370,637.24	(3,349,906.72)	(18.2)
Fixed assets and intangible assets[5]	**253,502,735.55**	261,891,721.74	(8,388,986.19)	(3.2)

Notes:

(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, accounts receivable financing, prepayments, contract assets and other receivables. The increase in receivables was primarily due to the change in the procurement of nuclear fuel from the commissioned processing method to the procurement of components. Payments made before the arrival of nuclear fuel components are included in prepayment, resulting in a significant increase in prepayments, as well as the increase in CGN Engineering's accounts receivable for CGNPC's wind power business.

(3) Payables comprise bills payable, accounts payable, receipts in advance, contract liabilities and other payables. The increase in payables was primarily due to the increase in contract liabilities of CGNPC's wind power business of CGN Engineering.

(4) The decrease in inventories was mainly due to the change in the procurement of nuclear fuel from the commissioned processing method to the procurement of components. The amount paid before the arrival of nuclear fuel components was included in prepayments, resulting in a significant reduction in the amount included in inventories.

(5) The main reason for the decrease in fixed assets and intangible assets was the decrease in asset value caused by provision for depreciation and amortization.

Analysis of Cash Usage

In 2020, the Company continuously implemented robust capital management policy. A healthy cash flow was maintained through lean management with higher capital utilization efficiency. The net cash flows from operating activities slightly decreased as compared with 2019 mainly due to the increase the cash paid for procurement of nuclear fuel components and CGN Engineering's accounts receivable for CGNPC'S wind power business. Net cash outflows from investment activities decreased drastically as compared with 2019, mainly due to the decrease in the cash paid for the acquisition of fixed assets as compared with 2019 as a result of the successive commencement of commercial operation of Yangjiang Unit 6 and Taishan Unit 2. The net cash outflows from financing activities increased as compared with 2019, mainly due to inflows of proceeds from the A share offering of the Company in 2019.

	For the year ended December 31,			
	2020 **RMB' 000**	2019 RMB' 000	**Fluctuations increase/ (decrease)** RMB' 000	**Percentage change increase/ (decrease)** %
Net cash flows from operating activities	**30,154,840.52**	30,598,898.95	(444,058.43)	(1.5)
Net cash flows from investment activities	**11,759,174.38**	14,636,838.25	(2,877,663.87)	(19.7)
Net cash flows from financing activities	**24,366,903.64**	12,823,306.93	11,543,596.71	90.0

(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 related to nuclear power for the year ended December 31, 2020.

INVESTMENT IN FIXED ASSETS

For the year ended December 31, 2020, the Group's investment in fixed assets amounted to approximately RMB10,857.0 million, representing a decrease of RMB11,040.4 million or 50.4% from RMB21,897.4 million in 2019, mainly due to the commencement of commercial operation of Yangjiang Unit 6 and Taishan Unit 2 in 2019, resulting in decreased investment in fixed assets.

MAJOR INVESTMENTS IN EQUITY

For the year ended December 31, 2020, the Group increased its capital investment in associates by RMB456.5 million, which was mainly attributable to the amounts of RMB356.2 million, RMB38.5 million, RMB37.7 million and RMB24.0 million made to Hongyanhe Nuclear, Fujian Ningde Second Nuclear Power Co., Ltd. (福建寧德第二核電有限公司), CGN Industry Investment Fund Phase I Co., Ltd (中廣核一期產業投資基金有限公司) and China Nuclear Industry Second and Third Construction Co., Ltd. (中國核工業二三建設有限公司), respectively.

MAJOR ACQUISITION AND DISPOSAL

The Group had no material acquisition or disposal for the year ended December 31, 2020.

USE OF PROCEEDS

Use of proceeds from the A share offering

As of December 31, 2019, The Company issued RMB ordinary shares on the Shenzhen Stock Exchange in August 2019 through the initial public offering, all net proceeds of which had been used.

Use of proceeds from the H share offering

As of December 31, 2020, all proceeds from the H share global offering of the Company in December 2014 had been used. In 2020, in order to improve the utilization efficiency of the proceeds from the H share offering and reduce the proceeds precipitation, the Company changed the use of the remaining unused proceeds from the H share offering by obtaining the approval at the 2019 annual general meeting on May 20, 2020, and the proceeds for overseas market development as listed in the prospectus of the Company, that is, the unused proceeds of about RMB966.74 million, had been changed for the construction of Fangchenggang Unit 3 and Unit 4, and the interest and exchange income thereby generated has also been used for the construction of Fangchenggang Unit 3 and Unit 4. As at December 31, 2020, the remaining net proceeds unused and the interest and exchange income thereby generated an aggregate amount of RMB1,155.48 million, which had been used before the end of 2020.

Unit: RMB' 000

Item			Cumulative amount **As at December 31, 2020**	As at December 31, 2019
Net proceeds from the listing			**21,603,535**	21,603,535
Less:	Proceeds used		**21,603,535**	20,636,796
	Among which:	Acquisition of 60% of the equity interest in Taishan Investment and 12.5% of the equity interest in Taishan Nuclear	**9,700,196**	9,700,196
		Capital expenditure for NPPs under construction	**8,714,300**	8,714,300
		Research and development activities	**888,900**	888,900
		Replenishment of working capital	**1,333,400**	1,333,400
		Construction of Fangchenggang Unit 3 and Unit 4 (as approved at the 2019 annual general meeting)	**966,739**	0
Proceeds unused			**0**	966,739

External Financing Environment

In 2020, in face of challenges such as the novel coronavirus pneumonia epidemic (the "**COVID-19**"), trade friction and global economic recession, the Chinese economy recorded an excellent performance with its strong resilience. The gross domestic product of the PRC exceeded RMB100 trillion and increased by 2.3% year on year, and the PRC was the only major economy in the world that recorded positive growth. The liquidity in mainland China was reasonably ample and the market interest rate of RMB stayed low. The People's Bank of China further reformed the loan prime rate to bring the finance costs of the real economy down.

In 2020, the Company comprehensively strengthened the organization, coordination, support and risk monitoring of financing, making full use of various financing channels, promoting the conversion of the pricing basis of currency interest rate, facilitating debt replacement and interest rate restructuring, ensuring capital security and controlling financing costs. At the same time, we continuously monitored foreign currency debt exchange rate risk exposure and prevented the risk of exchange rate fluctuations.

Equity Financing

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

Debt Financing

In 2020, we continued to improve diversified ways of financing, reasonable mix of currencies and term structure so as to provide stable and economical source of funding for the business development of the Company. As of December 31, 2020, the Group's total borrowings amounted to approximately RMB207,445.4 million with major financing channels including borrowings from banks and other institutions (approximately 94.5%), bond financing (approximately 5.5%) 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 2020, in pace with the trend of the interest rate liberalization reform, the Company converted the pricing basis for its existing long-term project loans to loan prime rate (LPR), and the interest rate level declined after the conversion, which had brought positive impact on the Company's finance cost saving in 2020. In 2020, the Company leveraged the monetary easing policy in the market, and underwent interest rate restructuring for nuclear power project loans. Project loans with higher fixed interest rate were swapped with loans with lower floating interest rate, thus effectively lowered the project financing costs. Meanwhile, in response to the negative impacts brought by the COVID-19, the Company continued to promote lean management. Through making full use of internal capital of the Group, repayment in advance, loan swaps and other means, the Company was able to improve capital utilization efficiency and further reduce its financing costs.

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 reducing the impact of major risks in exchange rate. In 2020, the Company adhered to the established strategies and continued to adopt relevant measures to minimize the impact from the fluctuation in RMB exchange rates. As compared with the end of 2019, the Group's total bank borrowings denominated in foreign currencies decreased by approximately RMB888.6 million 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 December 31, 2020, we had unutilized general banking line of credit of approximately RMB130,413.0 million, unissued ultra short-term financing notes up to RMB5,000.0 million available for public issuance at any time, unissued medium term notes up to RMB7,500.0 million available for public issuance at any time and cash at bank and in hand of approximately RMB12,128.4 million, which can provide sufficient cash for the operations of the Company and mitigate the effects of fluctuations in cash flows.

Credit Rating

In May 2020, China Chengxin International Credit Rating Co., Ltd. (中誠信國際信用評級有限責任公司) assessed the credit rating of the Company, and based on the reasons that "the Company's projects under construction are being put into operation and the operations of nuclear power generating units in operation are stable", it concluded that "the power generation capacity of the Company will be further strengthened and the on-grid power generation will continue to increase with stronger profitability and cash generating ability" and maintained our AAA credit rating with stable outlook.

Contingencies

External Guarantees

The Group confirmed that, for the year ended December 31, 2020, the Group had not provided any external guarantee.

Assets with Restricted Ownership

As of December 31, 2020, the Group's assets pledged to banks or with restricted ownership due to other reasons amounted to approximately RMB21,704.9 million in carrying value. As of December 31, 2019, the carrying value of the Group's assets pledged to banks or with restricted ownership due to other reasons was approximately RMB20,072.6 million.

As of December 31, 2020 and December 31, 2019, the electricity tariff collection rights of Lingdong Nuclear, Yangjiang Nuclear, Fangchenggang Nuclear, Ningde Nuclear and Taishan Nuclear were pledged to secure the facilities and loans from banks to these entities.

Legal Proceedings

The Group confirmed that, for the year ended December 31, 2020, there was no significant litigation against the Group, and the Board was not aware of any pending or threatened litigation against the Group which had or could have a material and adverse effect on the financial conditions or operations of the Group.

Investment Direction

Based on the strategies and business development needs of the Company, the Company will finance the construction of NPPs under construction according to its investment schedules, continue to fund the technological improvement in the NPPs in operation to maintain and enhance operation, make continuous investment in the research, development and innovation of technologies, and fund the acquisitions of contingent assets in 2021. 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 and relevant undertakings entered into before the listing of A shares of the Company, thereby laying a solid foundation for the Company's future development.

BUSINESS PERFORMANCE AND OUTLOOK

(I) Industry Overview

On September 22, 2020, President Xi Jinping proposed at the 75th session of the United Nations General Assembly that "China will scale up its Intended Nationally Determined Contributions by adopting more vigorous policies and measures. We aim to achieve CO_2 emissions peak before 2030 and carbon neutrality before 2060", further accelerating the progress of energy production and consumption revolutions. At the fourth session of the 13th National People's Congress held on March 5, 2021, the Government Work Report (《政府工作報告》) pointed out that the government will "take solid steps toward the goals of achieving peak carbon dioxide emissions and carbon neutrality" and "take active and well-ordered steps to develop nuclear energy on the basis of ensuring its safe use". We believe that in the 14th five-year (the "**14th Five-Year**", i.e. from 2021 to 2025) of the national economic and social development and in the medium to long run, nuclear power, as a clean, stable and efficient energy source, will have a more specific position and a more prominent role in the energy structure of the PRC. The State Council approved Zhejiang San'ao Nuclear Power Plant Phase I (i.e. Cangnan Nuclear Power Project) and Hainan Changjiang Nuclear Power Plant Phase II for the construction of two HPR1000 nuclear power generating units for each of the projects on September 2, 2020. The national policy on developing nuclear power in the medium and long run remains unchanged. The development of the nuclear power industry is still and will be in a strategic opportunity period.

On June 16, 2020, the China Nuclear Energy Association published the Report on the Development of China's Nuclear Energy 2020 (《中國核能發展報告(2020)》). In the report, it is estimated that the installed nuclear power capacity in operation and under construction of the PRC will reach 70 GW and 30 GW by 2025, respectively, and the total installed nuclear power capacity in operation and under construction will reach 200 GW by 2035. It is expected that nuclear power construction will make steady progress of having six to eight new generating units each year. In addition, according to the report, in view of the rapid development of clean energy such as wind and photovoltaics, stable base load power sources are required to complement such development. Nuclear power is a base load power source that can replace traditional fossil fuels on a large scale and can complement and synergize with clean energy such as wind and photovoltaics. According to the statistics from the 2020 National Power Industry Statistics Overview (《2020年全國電力工業統計快報》) issued by the China Electricity Council (the "**CEC**"), as of December 31, 2020, the installed capacity of nuclear power generating units in operation was 49.89 GW in the PRC (excluding Taiwan region), accounting for 2.3% of the installed capacity of power generation for the whole country. The proportion of nuclear power remains small in our national energy structure. We believe that the scope for development and the market prospects of the domestic nuclear power development are still broad.

In the beginning of 2020, the sudden COVID-19 outbreak dealt a heavy blow on the PRC's economic and social development. With the effective decision and deployment with respect to pandemic prevention and control in the PRC, the national economy continued to improve steadily, and the order of production and life restored steadily as well. According to the statistics from the CEC, in 2020, the electricity consumption in the PRC increased by 3.1% over the corresponding period of previous year. The balance between supply and demand of the power supply in the PRC changed from loose in general to balance in general. The national average utilization hours of power generating units were 3,758 hours, representing a year-on-year decrease of 70 hours. The national average utilization hours of nuclear power were 7,453 hours, representing a year-on-year increase of 59 hours.

	Ratio of installed capacity by type of energy (%)		**Ratio of generation capacity by type of energy (%)**		**Average utilization hours (hours)**	
	2020	2019	**2020**	2019	**2020**	2019
Nuclear power	**2.3**	2.4	**4.8**	4.8	**7,453**	7,394
Thermal power	**56.6**	59.2	**67.9**	68.9	**4,216**	4,307
Hydropower	**16.8**	17.7	**17.8**	17.8	**3,827**	3,697
Wind power	**12.8**	10.4	**6.1**	5.5	**2,073**	2,083
Solar power	**11.5**	10.2	**3.4**	3.1	**1,281**	1,291

Note: Data from the 2020 National Power Industry Statistics Overview (《2020年全國電力工業統計快報》) of the CEC.

In 2020, with the further reforms in the national power system, the share of electricity traded in the market further expanded. According to statistics of the CEC, the share of electricity traded in the market accounted for 42.2% of national power generation in 2020, representing an increase of three percentage points as compared with 2019.

(II) BUSINESS PERFORMANCE AND ANALYSIS

As of the end of 2020, we managed 24 nuclear power generating units in operation and seven nuclear power generating units under construction (including three units under construction which were entrusted to the Company by the controlling Shareholder for management). In 2020, a total of two new nuclear power generating units of our controlling shareholder were approved, namely Cangnan Unit 1 and Cangnan Unit 2.

As of December 31, 2020, the number and capacity of nuclear power generating units in operation and nuclear power generating units under construction managed by the Company are as follows:

		As at December 31, 2020	As at December 31, 2019	**Growth rate**
Nuclear power generating units in operation	Number	**24**	24	0.00%
	Capacity	**27,142 MW**	27,142 MW	0.00%
Nuclear power generating units under construction	Number	**4**	4	0.00%
	Capacity	**4,598 MW**	4,598 MW	0.00%
Nuclear power generating units under construction as entrusted to the Company by the controlling shareholder for management	Number	**3**	1	200.00%
	Capacity	**3,612 MW**	1,202 MW	200.50%

We will introduce and analyze the Company's business performance in 2020 in five aspects, namely safety management, nuclear power generating units in operation, nuclear power generating units under construction, sales of electricity, CSS management (centralization, standardization and specialization) and lean management.

Safety Management

Safety is crucial to any company. We highly value safety and always place safety at our top priority. We always adhere to the concept of "Nuclear Safety is Paramount" and our basic principles of "Safety First, Quality Foremost, Pursuit of Excellence", and apply them to various stages of the design, construction, operation and decommissioning of the NPPs. We believe that maintaining nuclear power safety is a great responsibility to the State, society, Shareholders, employees and other stakeholders. Only with safety can our units in operation provide the society with stable and reliable power and our units under construction achieve high quality production, and thus we can achieve constant improvement in our overall operating results.

In 2020, in the face of the sudden COVID-19 outbreak, we strictly put the pandemic prevention and control measures in place by adhering to the principle of unified command, coordination and dispatch, and fighting against the pandemic on "preventing pandemic and guaranteeing power supply". We established four lines of defense comprising personnel management, working area, production activities and support with supplies, to ensure the personal safety of employees and the safe and stable operation of our generating units, as well as the power supply guarantee for pandemic prevention and control, production and living. We were also invited to join the global nuclear power station medical expert working team organized by the World Association of Nuclear Operators ("**WANO**") to share our sound practices on pandemic prevention for nuclear power stations worldwide.

We continued to improve our safety management system and optimize management approach. Based on our experience in nuclear power operation over the years, we have established a mature safety management system. We continued to launch activities such as "On-site Management", "We Want Safety", "Observing Nuclear Safety from Compliance with Procedures", "Nuclear Safety and Leadership" and "Precautionary Education on Nuclear Safety" so as to enhance the nuclear safety culture awareness among all employees. In April 2020, we initiated the safety management leadership conference for the fifth consecutive year, which focused on "maintaining nuclear safety", aiming at continuous improvement in the Company's safety management with the spirit of perseverance and building a foundation for development in the new era. In order to further strengthen the implementation and performance of safety management actions, we implemented for the first time a special inspection and supervision mechanism for safety management led by senior management in every nuclear power base from May to June 2020, which enabled the Company to reinforce accountability at all levels and strengthen execution in safety management. In August 2020, we conducted another round of inspection and supervision of the previous safety management special inspection and improvement, as well as the safety production level of nuclear power bases, aiming to supervise nuclear power bases in achieving higher safety level.

At the same time, we continued to promote internal supervision as well as dynamic and transparent experience feedback. We organized regular emergency drills under different emergent scenarios and ensured effective operation of safety management system so as to promote the further enhancement of the Company's safety management level.

According to the International Nuclear and Radiological Event Scale (INES) set by the International Atomic Energy Agency (the "**IAEA**"), the NPPs we operated and managed had maintained our good safety record of no nuclear event at level 2[note] or above in 2020.

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 "incident", while Level 4 to Level 7 are termed "accidents". Events without safety significance are classified as "below scale/Level 0".

For other related activities of safety management, please refer to the 2020 environmental, social and governance report of the Company.

Nuclear Power Generating Units in Operation

Safe and stable operation of power generating units is the foundation of nuclear power enterprises. In 2020, all nuclear power generating units in operation managed by us maintained safe and stable operation, with a total annual on-grid power generation of 186,487.40 GWh, representing an increase of 4.20% as compared with that of 2019.

Name of NPP	**On-grid power generation from January to December 2020 (GWh)**	On-grid power generation from January to December 2019 (GWh)	**Change rate for the corresponding period %**
From subsidiaries			
Daya Bay Nuclear Power Station	**15,873.55**	15,475.75	2.57
Ling'ao Nuclear Power Station	**14,563.80**	14,381.73	1.27
Lingdong Nuclear Power Station	**14,876.95**	15,487.12	-3.94
Yangjiang Nuclear Power Station	**42,492.75**	41,287.06	2.92
Fangchenggang Nuclear Power Station	**15,820.20**	16,119.45	-1.86
Ningde Nuclear Power Station	**30,638.57**	29,277.45	4.65
Taishan Nuclear Power Station	**21,572.60**	16,177.65	33.35
Subsidiaries, total	**155,838.42**	148,206.20	5.15
From associates			
Hongyanhe Nuclear Power Station	**30,648.98**	30,763.53	-0.37
Subsidiaries and associates, total	**186,487.40**	178,969.73	4.20

Daya Bay Nuclear Power Station: It completed a refuelling outage for Unit 2 in 2020, and completed refuelling outages for two units in 2019. In particular, the duration of the refuelling outage for Unit 2 in 2020 was longer as compared with 2019.

Ling'ao Nuclear Power Station: It completed a refuelling outage for Unit 1 in 2020, and completed refuelling outages for two units in 2019. In particular, the duration of the refuelling outage for Unit 2 in 2020 was basically the same as compared with 2019.

Lingdong Nuclear Power Station: It completed refuelling outages for two units in 2020, and completed a refuelling outage for Unit 2 in 2019. In particular, the duration of the refuelling outage for Unit 2 in 2020 was shorter as compared with 2019.

Yangjiang Nuclear Power Station: It completed refuelling outages for Unit 2, Unit 3 and Unit 6 in 2020 and commenced a refueling outage carried over to the following year for Unit 5 at the end of 2020, and completed refuelling outages for Unit 1, Unit 2, Unit 4 and Unit 5 in 2019. In particular, the duration of the refuelling outage for Unit 2 in 2020 was basically the same as compared with 2019; Unit 5 completed a refuelling outage carried over to the following year in 2020, and completed the initial outage after commencement of operation in 2019 which had longer duration, being similar to that of a ten-year outage. Duration of the refuelling outage in 2020 was shorter as compared with 2019; Unit 6 commenced commercial operation on July 24, 2019, and completed the initial outage after commencement of operation in 2020 which had longer duration, being similar to that of a ten-year outage.

Fangchenggang Nuclear Power Station: It completed refuelling outages for two units in 2020, and completed a refuelling outage for Unit 2 in 2019. In particular, the duration of the refuelling outage for Unit 2 in 2020 was basically the same as compared with 2019.

Ningde Nuclear Power Station: It completed refuelling outages for Unit 1 and Unit 4 in 2020 and commenced a refueling outage carried over to the following year for Unit 3 at the end of 2020, and completed refuelling outages for Unit 2, Unit 3 and Unit 4 in 2019 and the refueling outage carried over to the following year for Unit 1 commenced at the end of 2018. Duration of refuelling outages in 2020 was shorter as compared with 2019. In particular, the duration of the refuelling outage for Unit 1 in 2020 was longer as compared with 2019; the duration of the refuelling outage for Unit 3 in 2020 was shorter as compared with 2019; and the duration of the refuelling outage for Unit 4 in 2020 was basically the same as compared with 2019.

Taishan Nuclear Power Station: It completed the initial outage for Unit 1 after commencement of operation in 2020 which had longer duration, being similar to that of a ten-year outage. Unit 2 commenced commercial operation on September 7, 2019.

Hongyanhe Nuclear Power Station: It completed refuelling outages for Unit 1, Unit 2 and Unit 4 in 2020, and completed refuelling outages for 4 units in 2019. In particular, the duration of the refuelling outages for Unit 1, Unit 2 and Unit 4 in 2020 was basically the same as compared with 2019; and Unit 3 did not arrange for a refuelling outage in 2020, and completed two refuelling outages in 2019.

Operation Performance

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

In 2020, we had 24 nuclear power generating units in operation, with an average capacity factor of 92.03%, an average load factor of 83.75% and average utilization hours of 7,309 hours, as compared with 92.42%, 86.15% and 7,507 hours of the 24 nuclear power generating units in operation in 2019. The details of the operation performance of generating units we operated and managed in 2020 are as follows:

	Capacity factor (%)		**Load factor (%)**		**Utilization hours (hours)**	
Nuclear power generating unit	**2020**	2019	**2020**	2019	**2020**	2019
From subsidiaries						
Daya Bay Unit 1	**99.99**	92.94	**101.64**	94.36	**8,930**	8,267
Daya Bay Unit 2	**89.21**	92.35	**90.41**	93.52	**7,944**	8,194
Ling'ao Unit 1	**99.99**	95.04	**90.71**	90.62	**7,965**	7,936
Ling'ao Unit 2	**89.17**	87.12	**84.18**	82.70	**7,393**	7,242

Nuclear power generating unit	Capacity factor (%) 2020	2019	Load factor (%) 2020	2019	Utilization hours (hours) 2020	2019
Lingdong Unit 1	**90.71**	99.98	**84.22**	93.22	**7,392**	8,159
Lingdong Unit 2	**92.77**	89.29	**81.86**	80.11	**7,184**	7,011
Yangjiang Unit 1	**98.50**	89.23	**90.85**	88.27	**7,980**	7,813
Yangjiang Unit 2	**85.96**	90.24	**72.91**	83.78	**6,404**	7,337
Yangjiang Unit 3	**85.51**	99.99	**73.72**	96.37	**6,476**	8,442
Yangjiang Unit 4	**96.18**	91.72	**89.02**	78.73	**7,820**	6,798
Yangjiang Unit 5	**92.64**	82.10	**81.89**	75.08	**7,194**	6,574
Yangjiang Unit 6	**81.82**	95.99	**66.56**	91.33	**5,846**	8,001
Fangchenggang Unit 1	**91.20**	99.29	**88.42**	95.85	**7,767**	8,397
Fangchenggang Unit 2	**91.98**	92.14	**88.08**	84.46	**7,737**	7,398
Ningde Unit 1	**91.39**	97.54	**83.22**	89.90	**7,310**	7,876
Ningde Unit 2	**99.99**	91.13	**90.32**	74.22	**7,934**	6,502
Ningde Unit 3	**96.73**	91.62	**87.39**	83.01	**7,676**	7,271
Ningde Unit 4	**91.22**	90.92	**81.46**	81.65	**7,156**	7,152
Taishan Unit 1	**71.56**	90.88	**63.52**	83.28	**5,580**	7,296
Taishan Unit 1	**97.71**	99.99	**86.87**	93.11	**7,631**	8,156
From associates						
Hongyanhe Unit 1	**91.09**	90.30	**85.89**	87.78	**7,544**	7,689
Hongyanhe Unit 2	**90.88**	91.57	**84.53**	87.66	**7,425**	7,679
Hongyanhe Unit 3	**99.78**	84.75	**75.63**	81.35	**6,643**	7,127
Hongyanhe Unit 4	**92.74**	92.02	**86.71**	77.17	**7,617**	6,760
From subsidiaries and associates						
Average	**92.03**	92.42	**83.75**	86.15	**7,309**	7,507

Based on the design of pressurized water reactor (the "**PWR**") NPPs, the nuclear reactor of each unit in operation must be shut down and refuelled after a certain period of time. Taking the safety and economic considerations for the NPPs into account, nuclear power operators often make use of the refuelling period to intensively conduct preventive and corrective maintenance, inspection and testing projects as well as various modifications projects, and this is usually referred to as refuelling outage of generating units. The designed refuelling intervals of Hongyanhe Unit 3 and Unit 4 are 12 months, while the designed refuelling intervals for other nuclear power generating units are 18 months. According to the technical requirements for the operation of the NPPs, inspection, testing and maintenance for major equipment are required every ten years. Such activities will be conducted during the refuelling period of generating units, and this is usually referred to as ten-year outage of generating units. In addition to the refuelling outage and ten-year outage, the refuelling outage of new generating units conducted in the next year after commencement of operation is usually referred to as initial outage.

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

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

In 2020, we planned to conduct 17 refuelling outages, and successfully completed all of them as at January 2021, including initial outage of Yangjiang Unit 6 and Taishan Unit 1. The total number of calendar days for the refueling outages in 2020 was about 553 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 all of the 12 performance indicators for the WANO peer review, for our nuclear power generating units, the ratio of performance indicators achieving the world's top 1/4 level (advanced level) and top 1/10 level (excellent level) remained at a high level, leading among industry peers. As at December 31, 2020, Ling'ao Unit 1 has been operating without unplanned reactor shutdown for more than 5,291 days (excluding refueling outages duration).

The following table indicates the comparison of 24 nuclear power generating units in operation managed by us for 2020 and the one-year benchmark value of the 12 performance indicators for the WANO peer review in 2019:

	2020	2019
Number of units	**24**	24
Total number of indicators	**288**	288
Including:		
Number/percentage of indicators ranked top 1/4 (advanced level) in the world	**209/72.57%**	220/76.39%
Number/percentage of indicators ranked top 1/10 (excellent level) in the world	**201/69.79%**	208/72.22%

Environment Performance

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

The following table sets forth the amounts of the various types of radioactive waste discharged at our NPPs for the period indicated as a percentage of the national standards. The total amounts of the 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	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Discharged liquid radioactive waste (radionuclides other than tritium) as a percentage of the national standards	**0.24%**	0.27%	**0.41%**	0.55%	**0.30%**	0.29%	**0.37%**	0.24%	**4.85%**	3.02%	**0.15%**	0.19%
Discharged gas radioactive waste (inert gases) as a percentage of the national standards	**0.42%**	0.43%	**0.21%**	0.30%	**0.30%**	0.29%	**0.30%**	0.28%	**2.19%**	1.59%	**0.14%**	0.20%
Solid radioactive waste (m^3)	**230.3**	244.8	**102.4**	60.8	**74.0**	67.6	**110.4**	124.8	**0**	0	**120.0**	118.4
Results of Environmental monitoring	**Normal**	Normal	**Normal**	Normal	**Normal**	Normal	**Normal**	Normal	**Normal**	Normal	**Normal**	Normal

Note: The main reasons for changes in the data include: the refuelling outage plan is different for every unit, maintenance projects are different, the annual discharge limit of Taishan Nuclear Power Station was different from other power stations, and there is no comparability between the power stations.

The national regulatory authorities continuously monitored the time used for absorption (the "**Airabsorbed Rates**") in the periphery of our nuclear power generating units in operation in the PRC. The monitoring data indicated that the Airabsorbed Rates fell within the fluctuation range of local background radiation levels.

Nuclear power is a clean energy source that contributes to energy saving and emissions reduction to the society. Our annual on-grid nuclear power generation in effect represented a reduction of approximately 56,971,900 tons of standard coal consumption, approximately 156,276,400 tons of CO2 emissions, approximately 34,900 tons of sulphur dioxide emissions, and approximately 36,400 tons of oxynitride emissions.

Nuclear Power Generating Units under Construction

The construction quality of nuclear power generating units under construction is the foundation for the safe and stable operations of nuclear power generating units in long term after commencement of operation. We meticulously organize project construction in strict compliance with the requirements of relevant laws and regulations as well as various safety, quality and management standards. The quality of all raw materials, equipment and major projects milestones has passed quality inspections by the relevant construction units and national regulatory authorities, which could only enter into the next phase of work after meeting the designed standards. The process subsists until the project completed commissioning and is handed over to the operating personnel At the same time, we attach importance to learning from experience feedbacks of domestic and foreign construction of nuclear power generating units, and improving of the safety and quality of our construction work.

As of December 31, 2020, among seven nuclear power generating units we construct, four were in the civil construction phase (including three units under construction which were entrusted to the Company by the controlling shareholder for management), one was in the equipment installation phase and two were in the commissioning phase.

We controlled, supervised and managed aspects including the safety, quality, progress, investment, technology and environment of our construction projects, so as to ensure that the projects under construction complied with various regulatory requirements and standards in terms of safety and quality to facilitate long-term 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)	Expected Date of Commencement of Operation
From subsidiaries					
Fangchenggang Unit 3		✓			2022
Fangchenggang Unit 4		✓ Entered this phase on January 24, 2021			2022
From associates					
Hongyanhe Unit 5			✓		Second half of 2021
Hongyanhe Unit 6			✓		First half of 2022
From the company which was entrusted by the controlling shareholder for management					
Huizhou Unit 1	✓				2025
Huizhou Unit 2	✓				2026
Cangnan Unit 1	✓				2026

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) "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 units are capable for power generation.

Nuclear power generating units may be affected by various factors during the construction process, including delays in delivery, increased costs for major equipment and materials, delays in obtaining regulatory approvals, permits, or licenses, and unexpected engineering, environmental, or geographic issues, as well as implementation of other Chinese nuclear safety regulations and safety requirements, therefore, the actual date of operation may not match the expected date, and we will publish the latest information in a timely manner in accordance with the requirements of relevant rules in case of any change in our production plan.

SALES OF ELECTRICITY

We sell the electricity generated by our NPPs based on electricity sales contracts. In 2020, the on-grid power generation of our subsidiaries was 155,838.42 GWh and the sales revenue of electricity was approximately RMB55,511.98 million, representing 78.65% of our operating revenue for the year.

In 2020, due to the impacts of the COVID-19 and the different economic development conditions of each province, the supply and demand for electricity in some provinces where our nuclear power generating units are located varied. The Company paid close attention to changes in the power market environment in various provinces and regions, and continued to adopt 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", and basically achieved the Company's annual power generation plan by carrying out targeted power marketing based on the power market environment in various provinces and regions, which guaranteed the overall economic benefits of the Company. In 2020, with respect to the further revision to the Implementation Details of the Grid Connection and Operation Management (《發電廠併網運行管理實施細則》) and the Implementation Details of the Auxiliary Service Management of Grid-connected Power Plants (《併網發電廠輔助服務管理實施細則》) (the "**Two Rules**") as well as ancillary service market trading rules in various provinces and regions, and the gradual transformation of the Two Rules compensation mechanism into a market-oriented transaction mechanism, the Company closely tracked the implementation of the new rules and the trial settlement fee changes in the relevant auxiliary service markets, analyzed their impacts on the Company, and gave timely feedback on the amendments. According to the statistics, in 2020, the Group's nuclear power generating units recorded a lower auxiliary service fee as compared with 2019.

In 2020, our nuclear power generating units in operation achieved a total on-grid power generation of 186,487.40 GWh, representing a year-on-year increase of 4.20%, of which the market-based power generation volume accounted for approximately 33.52% of the total on-grid power generation, representing an increase of 0.64 percentage point as compared with 2019.

Guangdong Province: The electricity consumption increased by 3.44% in 2020 over the corresponding period of previous year. The Company's nuclear power generating units in Guangdong province continued to participate in the electricity market in the "full capacity power generation with favorable tariff" model in 2020, and the on-grid power generation increased by 6.39% over the corresponding period of previous year.

Fujian Province: The electricity consumption increased by 3.36% in 2020 over the corresponding period of previous year. The duration of refuelling outage of Ningde Nuclear in 2020 was shorter as compared with 2019, and the on-grid power generation increased by 4.65% over the corresponding period of previous year.

Guangxi Zhuang Autonomous Region: The electricity consumption increased by 6.18% in 2020 over the corresponding period of previous year. Fangchenggang Nuclear continued to develop the incremental market, with the duration of refuelling outage in 2020 being longer as compared with 2019, and the on-grid power generation decreased by 1.86% over the corresponding period of previous year.

Liaoning Province: The electricity consumption increased by 0.91% in 2020 over the corresponding period of previous year. With proactive market expansion, Hongyanhe Nuclear entered into larger transactions within the province, and recorded a year-on-year increase in the trading volume of bilateral trades in the province and a year-on-year increase in the planned power generation. However, as the power demand in the whole society was below expectations, the on-grid power generation decreased by 0.37% over the corresponding period of previous year.

Considering the electricity market reform in provinces where our nuclear power generating units locate, the Group progressively establishes several power sales companies and proactively carries out the business of electricity sales. In 2020, Power Sales Company, being our subsidiary, made vigorous efforts in penetrating and closely tracking situations of Guangdong electricity market, with the hope of reaching more deals. The actual electricity consumption of our 14 retail agent clients amounted to 426 GWh.

We paid close attention to the on-grid tariffs of operating units. The Company's on-grid tariffs for operating units are classified into planned electricity sales tariffs ("**Planned Tariffs**") and market-based transaction tariffs ("**Market-based Tariffs**"). The Planned Tariffs are approved by the relevant government authorities, and the Market-based Tariffs are formed through market-based transactions. In 2020, the Planned Tariffs of operating units of the Company remained stable and unchanged. As the balance between national electricity trading markets had gradually become mature, rationality was restored in the market-based transactions, and the Market-based Tariffs of the Company in 2020 remained stable as compared with 2019. As of December 31, 2020, the Planned Tariffs (VAT included) of our nuclear power generating units in operation are as follows.

Nuclear Power Generating Units	Clients	On-grid Tariffs (VAT included) (RMB/kWh)
Daya Bay Unit 1 and Unit 2	Guangdong Power Grid Co., Ltd.	0.4056
Ling'ao Unit 1 and Unit 2	Guangdong Power Grid Co., Ltd.	0.4143
Lingdong Unit 1 and Unit 2	Guangdong Power Grid Co., Ltd.	0.4153
Yangjiang Units 1-6	Guangdong Power Grid Co., Ltd.	0.4153
Fangchenggang Unit 1 and Unit 2	Guangxi Power Grid Co., Ltd.	0.4063
Ningde Unit 1 and 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 and Unit 2	Guangdong Power Grid Co., Ltd.	0.4350
Hongyanhe Units 1-4	Liaoning Electric Power Co., Ltd.	0.3823

CSS MANAGEMENT AND LEAN MANAGEMENT

In 2020, we continued to promote the CSS management strategy, and achieved certain results. For instance, we utilized the big data to optimize the strategic models of spare parts inventory for improving the concentration and accuracy of spare parts demand, expanded the virtual warehouse of spare parts of the multi-site plants for implementing intra-group spare parts coordination and allocation, and improved the bargaining power of centralized procurement of spare parts for optimizing procurement channels, so as to reduce the overall procurement costs for spare parts within the Group. The average inventory of a single unit continued to decrease.

In 2020, under the lean strategy of the Company, we achieved good results in the cost management of nuclear power generating units in operation. By strengthening the lean management of minimum operating units, advancing the construction of the core capability of outages, and continuously improving the level of independent outage, the outage costs continued to achieve excellent low levels. For example, through the promotion of core capacity building on outages, we carried out the "gas replacement of generators during the operation of the half-speed turning gear" optimization project when conducting outages for the generating units of Lingdong Unit 1, Hongyanhe Unit 2 and Ningde Unit 1 to reduce the startup and shutdown times of half-speed turning gear, and added such projects as routine processes in the coming outages for generating units so as to shorten the outages period and save outage costs.

(III) FUTURE OUTLOOK

With the PRC's economy entering into a period of high-quality development from the period of rapid development, and the ongoing intensified implementation of power system reform, the Company's development and operation are facing a lot of new requirements and new changes. We will adhere to the nuclear safety culture with "Honesty and Transparency" and the basic principles of "Safety First, Quality Foremost, Pursuit of Excellence" to explore new ideas, actively plan and respond.

In 2021, we plan to carry out the following initiatives:

- In conformity with the new environment, we will continue to carry out safety standardization and international benchmarking, reinforce the implementation of centralized measures applying new technology to avoid human errors, and enhance industrial safety, fire control and network information security management, in order to promote nuclear power safety;

- In the premise of ensuring safety and quality, we will push forward construction of generating units (including entrusted management projects) as planned, in order to achieve that Hongyanhe Unit 5 to commence high quality commercial operation within 2021;

- We will ensure the safe and stable operation of all the generating units in operation. We plan to conduct 16 refuelling outages during the year (including one initial outage, two 10-year outages and two refueling outages carried over to the following year). We will conduct seven refueling outages in the first quarter, four in the second quarter, two in the third quarter, and three in the fourth quarter;

- We will adapt to the changes in the electricity market situation, strengthen the marketing system and mechanism of electricity market, as well as the development of marketing capabilities for electricity market to strive for more on-grid generation through various channels and initiatives. Upon communication and consultation with the competent authorities of the Government of Guangdong Province, it is determined that in 2021, except for the nuclear power generating units using third-generation nuclear power technology, 2.5% of the annual on-grid power generation (i.e. 2,000 GWh) of the remaining nuclear power generating units in Guangdong Province will participate in power market transactions. We will also pay close attention to the electricity market environment in other provinces and regions and adopt targeted marketing strategies, striving to achieve an average utilization hour of generating units in 2021 not less than the average of the average utilization hour of generating units for the latest three years;

- We will promote reliability of fuels and equipment, and improve safety system performance of power generating units with business growth driven by independent innovation such as technology innovation and technical transformation, in order to facilitate the sustainable development of the Company. We will strengthen the transformation and application of scientific research results to the external market to create greater economic value;

- We will continuously push forward the implementation of CSS management strategy and lean management and strengthen internal resource coordination and cooperation to strengthen our control on construction cost of units under construction as well as further control on operation and management cost of generating units in operation; and

- We will closely follow the change of national policy, domestic and international economic and financial environment, adhere to the principle of prudence, identify changes in risks in a timely manner through operation of risk management system, and adjust our measures when appropriate to ensure the steady development of the Company.

HUMAN RESOURCES

The total number of employees of the Group was 18,264 (excluding our associates) as of December 31, 2020. The Group implements remuneration policy that is competitive in the industry, and pays commissions and discretionary bonus to its employees with reference to performance of the Group and individual employees. The total cost of the employees for the year ended December 31, 2020 amounted to approximately RMB10,302.3 million (exclusive of our associates).

The Company has established a long-term share appreciation rights incentive scheme to enhance its attractiveness to key talents and create more value for Shareholders. The H Shares Appreciation Rights Scheme was approved at the 2014 annual general meeting held on June 12, 2015. The details of the grant of the SAR are set out in Note 23 to the financial information in this announcement.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended December 31, 2020.

FINAL DIVIDEND AND CLOSURE OF H SHARE REGISTER OF MEMBERS

When considering the dividend distribution ratio in the future, we will take into consideration the business performance of the Company for the year, the future development strategies of the Company and other factors, provided that it shall not be lower than 30% of the net profit attributable to shareholders of the Company for the year. In the 2018 interim report, the Company proposed to achieve the target of maintaining a reasonable increase in dividend for each of the three financial years of 2018, 2019 and 2020 based on the annual dividend per share for 2017, in the premise of no major changes in the business environment. Based on the actual dividend distribution, the Company achieved the above target with growth in dividend per share not less than 5% in 2018, 2019 and 2020 (subject to the approval at the 2020 annual general meeting).

The Board and management of the Company have full confidence in the development prospects of nuclear power and the Company's stable operation. The Company will continue to focus on cash dividends and shareholder returns. In the premise of no major changes in the business, operating results and financial position of the Group, subject to the approval at the general meeting in the relevant year, the Company will maintain a reasonable increase in the dividend ratio (i.e. total dividends/net profit attributable to the Shareholders of the Company) for the coming five years (2021-2025) (subject to the approval at the 2020 annual general meeting) based on the dividend ratio in 2020.

The Board has proposed to declare a final cash dividend of RMB0.080 (tax inclusive) per share for the year from January 1, 2020 to December 31, 2020 to our Shareholders as of the record date of dividend payment. The ratio of final dividend distribution for the year was approximately 42.2%. The distribution of dividends for 2020 shall be subject to the Shareholders' approval at the 2020 annual general meeting of the Company and it is expected to be paid on or around July 8, 2021.

The H share register of members of the Company will be closed from June 1, 2021 (Tuesday) to June 6, 2021 (Sunday) (both days inclusive) to determine H share Shareholders' entitlement to the final dividend. In order to qualify for the final dividend as H share Shareholders, all the transfer documents of the Company accompanied by relevant share certificates, must be lodged to Computershare Hong Kong Investor Services Limited, the share registrar for H shares at Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wan Chai, Hong Kong ("**H Share Registrar**") no later than 4:30 p.m. on May 31, 2021 (Monday). For details of the distribution of the final dividend of the Company, please refer to the relevant circular to be issued by the Company in due time.

EXCHANGE RATE

For the year ended December 31, 2020, the Group has not suffered any major difficulties of or impacts on its operations or liquidity due to exchange rate fluctuations. For the risk of exchange rate fluctuations of the Company, we have been adhering to the principle of prudence, conducting timely debt hedging and risk prevention arrangements to reduce the impact of financial market volatility on the Company's operating costs, expected earnings and cash flow.

SUBSEQUENT EVENT

There was no occurrence of events that had a significant impact on the Group's operation, financial and trading prospects from January 1, 2021 to the date of this announcement.

ANNUAL GENERAL MEETING AND CLOSURE OF H SHARE REGISTER OF MEMBERS

The Company intends to convene the 2020 annual general meeting on May 26, 2021. The H share register of members of the Company will be closed from April 26, 2021 (Monday) to May 26, 2021 (Wednesday) (both days inclusive) to determine H share Shareholders' entitlement to attend and vote at the annual general meeting. In order to be entitled to attend and vote at the annual general meeting as H share Shareholders, all the transfer documents of the Company accompanied by relevant share certificates, must be lodged to the H Share Registrar no later than 4:30 p.m. on April 23, 2021 (Friday). For the exact date in relation to the closure of share register, please refer to the circular of the 2020 annual general meeting to be issued by the Company in due course.

For the matters to be considered and approved at the 2020 annual general meeting and the specific arrangements of the 2020 annual general meeting, please refer to the circular of the 2020 annual general meeting to be issued by the Company in due course at a later date.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Since the date of listing, the Company has formulated the Corporate Governance Code of the Company, and has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "**Stock Exchange Codes**") contained in Appendix 14 to the Listing Rules. The Company has promptly adopted the amendments to the Stock Exchange Codes. On August 26, 2020, the Board approved the third revision of the Corporate Governance Code of the Company. This revision mainly considered and absorbed the relevant requirements of the Code of Corporate Governance of Listed Companies issued by the China Securities Regulatory Commission.

From January 1, 2020 to December 31, 2020, the Company had complied with the all code provisions contained in the Stock Exchange Codes.

According to the features of the industry, we have established the nuclear safety committee under the Board, which enables us to enhance the supervision on nuclear safety and management for the Company. The nomination committee of the Board has established the board diversity policy with indicators, set up the standards of the board composition and the quantified indicators for Directors' performance. We set up early schedules for the Board meetings, specialized committee meetings, supervisory meetings, trainings for Supervisors and inspection planning throughout the year, reporting the information on operation and production of the Company to the Board in a regular manner.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has formulated and adopted the Code for Securities Transactions by Directors and Specified Individuals, and has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions of the Company by Directors and Supervisors. According to the specific enquiry made to all Directors and Supervisors, all Directors and Supervisors have confirmed that they have strictly complied with the standards set out in the Model Code throughout the Reporting Period.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Company has established the Audit and Risk Management Committee in compliance with the requirements of Rule 3.21 of the Listing Rules and the Stock Exchange Codes with written terms of reference. The Board has delegated to the Audit and Risk Management Committee with written terms of reference. The Terms of Reference for the Audit and Risk Management Committee under the Board of Directors of CGN Power Co., Ltd. were prepared according to the relevant requirements of the Articles of Association, 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 of Directors of CGN Power Co., Ltd. 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. Gu Jian) and two independent non-executive Directors (Mr. Yang Jiayi and Mr. Li Fuyou). Mr. Yang Jiayi, who possesses accounting qualification, acts as the chairman of the Audit and Risk Management Committee.

The Audit and Risk Management Committee has reviewed the 2020 annual results and the consolidated financial statements for the year ended December 31, 2020 of the Group prepared in accordance with the CASBE.

AUDITORS

KPMG Hauzhen LLP has audited the consolidated financial statements for the year ended December 31, 2020 prepared by the Company in accordance with the CASBE, and issued an unqualified audit opinion.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

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

The Company will dispatch to the Shareholders in due course the 2020 Annual Report of the Company containing all the information required under the Listing Rules, which will also be published on the websites of the Company and the Stock Exchange.

By order of the Board
CGN Power Co., Ltd.*
Yin Engang
Chief Financial Officer, Joint Company Secretary and Board Secretary

The PRC, March 18, 2021

As at the date of this announcement, the Board comprises Mr. Gao Ligang and Mr. Jiang Dajin as executive Directors; Mr. Yang Changli, Mr. Shi Bing and Mr. Gu Jian as non-executive Directors; Mr. Li Fuyou, Mr. Yang Jiayi and Mr. Xia Ceming as independent non-executive Directors.

* *For identification purpose only*