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CGN Power Co., Ltd.*

中國廣核電力股份有限公司

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

(Stock Code: 1816)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2022

FINANCIAL HIGHLIGHTS

For the six months ended June 30, 2022:

- Operating revenue of the Group was approximately RMB36,622.09 million, representing a decrease of 0.66% over the corresponding period in 2021.
- Net profit attributable to shareholders of the parent company was approximately RMB5,904.50 million, representing an increase of 7.39% over the corresponding period in 2021.
- Net profit attributable to shareholders of the parent company (excluding the effects of non-recurring gains or losses) was approximately RMB5,724.74 million, representing an increase of 5.38% over the corresponding period in 2021.

The board of directors (the “**Board**”) of CGN Power Co., Ltd.* (the “**Company**”, “**we**” or “**us**”) hereby announces the unaudited consolidated operating results of the Company and its subsidiaries (the “**Group**”) for the six months ended June 30, 2022 (the “**Reporting Period**”) together with the comparative figures for the corresponding period in 2021. The financial information of the Group for the six months ended June 30, 2022 shown in this results announcement is based on the unaudited consolidated financial statements prepared in accordance with the China Accounting Standards for Business Enterprises (the “**CASBE**”) and the disclosure requirements of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Hong Kong Companies Ordinance**”) and The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

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

* For identification purpose only

OVERVIEW

In the first half of 2022, China's economy presented steady recovery as a whole, with steady growth in energy production and continuous optimization of the energy consumption structure, striking an overall balance between national electricity supply and demand. The nuclear power generating units in operation managed by us maintained safe and stable operation, and the construction of the nuclear power generating units under construction progressed orderly. The on-grid power generation slightly decreased over the corresponding period of 2021, which was affected by factors such as the shutdown for maintenance and inspection of Taishan Unit 1 and the heavy rainfalls in the provinces where certain nuclear power generating units are located.

As of June 30, 2022, the Group managed a total of 26 nuclear power generating units in operation, with a total installed capacity of 29,380 MW, and achieved an on-grid power generation of 92,835.27 GWh, representing a decrease of 2.51% over the corresponding period of 2021. Our on-grid nuclear power generation in effect represented a reduction of approximately 76.8676 million tons of carbon dioxide emissions. In particular, our subsidiaries achieved an on-grid power generation of 74,515.61 GWh, representing a decrease of 5.76% over the corresponding period of 2021.

As of June 30, 2022, six nuclear power generating units were under construction by the Group (including four units which were entrusted to the Company by the controlling shareholder of the Company for management), with a total installed capacity of 7,180 MW. All units under construction were under steady progress as planned.

FINANCIAL INFORMATION

The financial information set out below in this announcement is extracted from the Company's 2022 interim report. Such financial information has been reviewed by the audit and risk management committee of the Company, and approved by the Board. The consolidated interim financial statements of the Company for 2022 prepared in accordance with the CASBE have been reviewed by KPMG Huazhen LLP, the external auditor of the Company.

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

CONSOLIDATED INCOME STATEMENT
For the six months ended June 30, 2022
(Expressed in RMB)

		For the six months ended June 30,	
	<i>NOTES</i>	2022	2021
		(Unaudited)	(Unaudited)
I. Operating revenue	4	36,622,093,484.82	36,865,672,287.30
Less: Operating costs	4	21,948,110,852.25	23,174,159,755.12
Tax and surcharges		373,040,564.34	320,789,155.01
Selling expenses		21,112,069.25	46,008,194.03
Administrative expenses		1,176,685,485.00	1,108,028,311.77
Research and development expenses		448,028,566.70	521,190,877.17
Finance costs	5	3,257,842,421.67	3,264,129,077.99
Including: Interest expenses		3,364,107,688.16	3,604,841,806.53
Interest income		80,432,534.75	73,404,727.46
Add: Other gains	6	516,882,682.63	792,976,087.93
Investment income	7	691,775,521.79	648,516,633.08
Including: Income from investment in associates	7	649,542,678.02	634,219,486.34
Gains/(losses) from changes in fair value	8	58,620,720.03	(9,529,201.08)
(Losses)/gains from credit impairment	9	(47,527,989.97)	1,464,621.82
Asset impairment gains/(losses)		524.48	(19,917.17)
Gains from disposal of assets		2,160,849.59	–
II. Operating profit		10,619,185,834.16	9,864,775,140.79
Add: Non-operating income		13,835,357.02	29,180,178.30
Less: Non-operating expenses		30,232,210.26	38,217,310.99
III. Total profit		10,602,788,980.92	9,855,738,008.10
Less: Income tax expenses	10	1,750,680,685.48	1,185,327,425.60
IV. Net profit		8,852,108,295.44	8,670,410,582.50
(I) Classified by continuity of operations			
1. Net profit from continuing operations		8,852,108,295.44	8,670,410,582.50
2. Net profit from discontinued operations		–	–
(II) Classified by ownership			
1. Net profit attributable to shareholders of the parent company		5,904,498,333.83	5,498,143,474.68
2. Non-controlling interests		2,947,609,961.61	3,172,267,107.82

	<i>NOTES</i>	For the six months ended June 30,	
		2022	2021
		(Unaudited)	(Unaudited)
V. Other comprehensive income, net of tax		348,590,748.14	(4,683,889.25)
Other comprehensive income attributable to shareholders of the parent company, net of tax		265,861,531.07	4,793,846.81
(I) Other comprehensive income that will not be reclassified to profit or loss		17,848,254.81	32,856,180.00
1. Change arising from remeasurement of defined benefit plan		1,892,875.00	(1,461,375.00)
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		3,556,854.81	(862,670.00)
3. Change in fair value of investment in other equity instruments		12,398,525.00	35,180,225.00
(II) Other comprehensive income that may be reclassified to profit or loss		248,013,276.26	(28,062,333.19)
Translation differences arising from translation of foreign currency financial statements		248,013,276.26	(28,062,333.19)
Other comprehensive income attributable to non-controlling interests, net of tax		82,729,217.07	(9,477,736.06)
VI. Total comprehensive income		9,200,699,043.58	8,665,726,693.25
Total comprehensive income attributable to shareholders of the parent company		6,170,359,864.90	5,502,937,321.49
Total comprehensive income attributable to non-controlling interests		3,030,339,178.68	3,162,789,371.76
VII. Earnings per share			
(I) Basic earnings per share	<i>11</i>	0.117	0.109
(II) Diluted earnings per share	<i>11</i>	0.117	0.109

CONSOLIDATED BALANCE SHEET

As at June 30, 2022

(Expressed in RMB)

	NOTES	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Current assets:			
Cash at bank and in hand		18,837,507,511.19	15,827,729,811.43
Derivative financial assets		2,121,876.84	–
Bills receivable	12	402,829,136.00	1,707,261,500.00
Accounts receivable	13	10,336,391,966.41	10,851,815,965.20
Prepayments		19,583,744,863.85	17,372,065,000.89
Other receivables		112,115,413.48	53,320,247.61
Inventories		14,886,396,889.26	15,248,475,732.06
Contract assets		2,965,569,478.04	3,346,751,008.49
Other current assets		2,695,137,533.91	3,558,731,564.77
Total current assets		69,821,814,668.98	67,966,150,830.45
Non-current assets:			
Debt investments		37,739,834.23	37,739,834.23
Long-term equity investments		13,008,571,701.80	12,457,405,017.92
Other investment in equity instruments		604,782,470.13	590,195,970.13
Investment properties		230,743,707.15	204,919,250.54
Fixed assets		236,463,750,346.22	239,781,814,198.65
Construction in progress		61,124,484,055.27	57,561,621,171.27
Right-of-use assets		1,037,833,468.26	1,040,777,428.86
Intangible assets		5,065,680,345.78	5,202,831,122.59
Development costs		4,185,475,900.13	3,575,421,186.66
Goodwill		419,242,673.32	419,242,673.32
Long-term deferred expenses		1,544,235,838.62	1,527,444,432.48
Deferred tax assets		2,456,122,545.25	2,311,931,738.14
Other non-current assets		8,084,067,161.37	7,355,378,268.23
Total non-current assets		334,262,730,047.53	332,066,722,293.02
Total assets		404,084,544,716.51	400,032,873,123.47

	<i>NOTES</i>	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Current liabilities:			
Short-term loans	14	15,011,239,263.77	16,374,993,758.88
Bills payable	15	2,584,189,073.53	3,549,771,587.50
Accounts payable	16	18,761,054,445.24	18,817,580,701.92
Receipts in advance		642,857.14	–
Contract liabilities		3,469,343,048.78	4,124,772,960.60
Employee benefits payable		107,818,069.17	55,849,381.67
Taxes payable		1,684,247,706.58	1,561,020,572.25
Other payables		8,510,359,655.74	4,075,609,945.61
Non-current liabilities due within one year	17	22,458,126,283.09	22,719,658,250.53
Other current liabilities		3,955,578,303.75	6,040,857,546.10
Total current liabilities		76,542,598,706.79	77,320,114,705.06
Non-current liabilities:			
Long-term loans	18	157,134,673,571.36	155,921,820,998.03
Bonds payable	19	6,986,982,564.49	5,988,041,567.89
Lease liabilities		667,304,412.35	692,172,850.27
Long-term employee benefits payable		118,152,882.89	195,433,077.84
Provisions	20	5,529,955,722.46	5,334,823,453.78
Deferred income		2,287,138,505.14	2,361,217,837.38
Deferred tax liabilities		1,349,422,293.74	1,268,951,731.16
Total non-current liabilities		174,073,629,952.43	171,762,461,516.35
Total liabilities		250,616,228,659.22	249,082,576,221.41
Shareholders' equity:			
Share capital	21	50,498,611,100.00	50,498,611,100.00
Capital reserve		10,804,078,115.13	10,790,413,325.63
Other comprehensive income		611,343,597.88	345,482,066.81
Specific reserve		203,613,444.00	249,371,452.84
Surplus reserve		4,901,527,564.79	4,901,527,564.79
Retained earnings		35,817,458,109.93	34,156,732,949.42
Total equity attributable to shareholders of the parent company		102,836,631,931.73	100,942,138,459.49
Non-controlling interests		50,631,684,125.56	50,008,158,442.57
Total shareholders' equity		153,468,316,057.29	150,950,296,902.06
Total liabilities and shareholders' equity		404,084,544,716.51	400,032,873,123.47

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2022

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. Its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on December 10, 2014 and listed on the Shenzhen Stock Exchange (the "SZSE") 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 for nuclear power plants ("NPP(s)") engineering projects; organization of the operation, repair and related services for NPPs; organization of the design development and scientific research for NPPs; and engagement in related investment, import and export businesses.

2. BASIS OF PREPARATION

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

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. Details of any changes in accounting policies for the period are set out in note 3.

3. CHANGES IN ACCOUNTING POLICIES

(1) Changes in accounting policies and reasons thereof

In 2022, the Group implemented the related requirements and guidelines under the CASBE issued by the Ministry of Finance in recent years, which mainly include:

- Requirement of the "accounting treatment for external sales of the fixed assets before reaching their intended use or the products or by-products produced during the R&D process" (the "accounting treatment for trial sales") in Interpretation No. 15 of the Accounting Standards for Business Enterprises (Cai Kuai [2021] No. 35) (《企業會計準則解釋第15號》(財會[2021]35號)) ("Interpretation No. 15");
- Requirement of the "determination of onerous contracts" in Interpretation No. 15; and

- Notice on Relevant Issues of the Scope of Application of “Covid-19 – Related Rent Concessions” (Cai Kuai [2022] No. 13).

(a) Requirement of the accounting treatment for trial sales in Interpretation No. 15

According to the requirement, the revenues and costs shall be accounted respectively by the Group for external sales of products or by-products produced before fixed assets reaching their intended use (collectively, “**trial sales**”) in accordance with the Accounting Standards for Business Enterprises No.14 – Revenue, the Accounting Standards for Business Enterprises No.1 – Inventories and other requirements, and recognized such amounts in profit or loss in the period in which they are incurred. The net amount arising from relevant revenue for trial sales offsetting relevant costs for trial sales should not be written off against the cost of the fixed assets.

The above requirement became effective on January 1, 2022, and the Group made retrospective adjustments in accordance with the above requirement for the trial sales that occurred between January 1, 2021 and the date of initial adoption.

(i) Impacts of the change on the financial statements for the year

The impacts of the above change in the accounting policy on each item in the consolidated balance sheet and the balance sheet of the parent company as of June 30, 2022 are summarized as follows:

	Increase in the amount of statement items after the adoption of the change in the accounting policy	
	The Group	The Company
Assets:		
Long-term equity investments	71,179,736.15	4,646,511.42
Shareholders’ equity:		
Retained earnings	56,396,053.61	4,646,511.42
Non-controlling interests	14,783,682.54	–

The impacts of the above change in the accounting policy on each item in the consolidated income statement and the income statement of the parent company for the period from January 1, 2022 to June 30, 2022 are summarized as follows:

	Increase in the amount of statement items after the adoption of the change in the accounting policy	
	The Group	The Company
Investment income	31,314,458.06	2,044,163.06
Total profit	31,314,458.06	2,044,163.06
Less: Income tax expenses	–	–
Net profit	31,314,458.06	2,044,163.06
Including: Net profit attributable to shareholders of the parent company	24,810,598.51	–
Non-controlling interests	6,503,859.55	–

(ii) Impacts of the change on the comparative financial statements

The impacts of the above change in the accounting policy on net profit for the period from January 1, 2021 to June 30, 2021 and shareholders' equity at the beginning and the end of 2021 are summarized as follows:

	The Group		
	Net profit for the period from January 1, 2021 to June 30, 2021	Shareholders' equity at the end of 2021	Shareholders' equity at the beginning of 2021
Before the adjustment	8,670,410,582.50	150,910,431,623.97	141,630,606,257.91
Impact of trial sales	–	39,865,278.09	–
After the adjustment	8,670,410,582.50	150,950,296,902.06	141,630,606,257.91

	The Company		
	Net profit for the period from January 1, 2021 to June 30, 2021	Shareholders' equity at the end of 2021	Shareholders' equity at the beginning of 2021
Before the adjustment	1,395,467,617.58	104,907,181,742.78	103,400,475,840.29
Impact of trial sales	–	2,602,348.36	–
After the adjustment	1,395,467,617.58	104,909,784,091.14	103,400,475,840.29

The impacts of the above change in the accounting policy on each item in the consolidated balance sheet and the balance sheet of the parent company as of December 31, 2021 are summarized as follows:

	The Group		
	Before adjustment	Adjusted amount	After adjustment
Assets:			
Long-term equity investments	12,417,539,739.83	39,865,278.09	12,457,405,017.92
Shareholders' equity:			
Retained earnings	34,125,147,494.32	31,585,455.10	34,156,732,949.42
Non-controlling interests	49,999,878,619.58	8,279,822.99	50,008,158,442.57

	The Company		
	Before adjustment	Adjusted amount	After adjustment
Assets:			
Long-term equity investments	82,963,063,207.85	2,602,348.36	82,965,665,556.21
Shareholders' equity:			
Retained earnings	18,137,039,390.04	2,602,348.36	18,139,641,738.40

The above change in the accounting policy did not affect the consolidated income statement and the income statement of the parent company for the period from January 1, 2021 to June 30, 2021.

(iii) The retrospective adjustments to the above change in the accounting policy did not affect the consolidated balance sheet and the balance sheet of the parent company as of January 1, 2021.

(b) Requirement of the determination of onerous contracts in Interpretation No. 15

According to the requirement, when the Group determines an onerous contract, the estimated cost of executing the contract shall include the incremental cost of executing the contract and the share of other costs directly related to executing the contract.

The adoption of the requirement does not have a significant impact on the financial position and operation results of the Group.

(c) Cai Kuai [2022] No. 13

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]10號)) provides a simplified method for rent concession directly caused by the COVID-19 pandemic when certain conditions are met. Based on Cai Kuai [2022] No. 13, the concession of lease payables after June 30, 2022 may continue to adopt the simplified method stated in Cai Kuai [2020] No. 10.

The adoption of the requirement does not have a significant impact on the financial position and operation results of the Group.

4. OPERATING REVENUE AND OPERATING COSTS

Unit: RMB

Item	For the six months ended June 30,			
	2022		2021	
	Revenue	Costs	Revenue	Costs
From principal operations	36,338,804,915.90	21,683,525,067.61	36,780,386,964.39	23,127,473,063.74
Of which: Sales of electricity	27,803,471,487.59	13,280,570,460.79	27,972,021,433.01	14,430,480,227.01
Construction, installation and design services	7,850,551,666.86	7,793,409,158.17	8,157,319,557.27	8,099,175,758.00
Rendering of services	611,681,071.82	543,939,564.56	599,282,435.44	544,629,246.55
Sales of goods and others	73,100,689.63	65,605,884.09	51,763,538.67	53,187,832.18
From other operations	283,288,568.92	264,585,784.64	85,285,322.91	46,686,691.38
Total	36,622,093,484.82	21,948,110,852.25	36,865,672,287.30	23,174,159,755.12

5. FINANCE COSTS

Unit: RMB

Item	For the six months ended June 30,	
	2022	2021
Interest expenses	4,083,052,559.89	4,216,452,906.98
Less: Capitalized interest expenses	895,579,721.61	772,244,362.88
Less: Interest income	80,432,534.75	73,404,727.46
Exchange gains	(36,624,006.59)	(282,437,451.97)
Less: Capitalized exchange losses/(gains)	131,479.26	(179,401.79)
Interest expenses on the provision for NPP decommissioning	153,343,433.36	143,149,294.74
Interest expenses on the lease liabilities	23,291,416.52	17,483,967.69
Bank charges and others	10,922,754.11	14,950,049.10
Total	3,257,842,421.67	3,264,129,077.99

6. OTHER GAINS

Unit: RMB

Item	For the six months ended June 30,			
	2022	Of which: Amount included in non-recurring profit or loss	2021	Of which: Amount included in non-recurring profit or loss
Value-added tax refunds ^(Note)	392,111,799.64	–	689,935,745.56	–
Other government grants	117,259,476.69	117,259,476.69	93,807,461.72	93,807,461.72
Individual income tax refund	7,511,406.30	–	9,232,880.65	–
Total	516,882,682.63	117,259,476.69	792,976,087.93	93,807,461.72

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 to grid companies 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**”), Fujian Ningde Nuclear Power Co., Ltd. (福建寧德核電有限公司) (“**Ningde Nuclear**”), Guangxi Fangchenggang Nuclear Power Co., Ltd. (廣西防城港核電有限公司) (“**Fangchenggang Nuclear**”) and Taishan Nuclear Power Joint Venture Co., Ltd. (台山核電合營有限公司) (“**Taishan Nuclear**”).

7. INVESTMENT INCOME

Unit: RMB

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Income from long-term equity investments accounted for using the equity method	649,542,678.02	634,219,486.34
Investment income from disposal of long-term equity investments	52,357,622.15	–
Investment losses from disposal of derivative financial assets	(9,972,695.05)	–
Investment income from holding other equity instruments during the investment period	–	15,057,316.99
Others	(152,083.33)	(760,170.25)
Total	691,775,521.79	648,516,633.08

8. GAINS/(LOSSES) FROM CHANGES IN FAIR VALUE*Unit: RMB*

Item	For the six months ended June 30,	
	2022	2021
Gains from changes in fair value arising from derivative financial instruments	2,072,930.03	–
Gains/(losses) from changes in fair value arising from cash-settled share-based payments	56,547,790.00	(9,529,201.08)
Total	58,620,720.03	(9,529,201.08)

9. (LOSSES)/GAINS FROM CREDIT IMPAIRMENT*Unit: RMB*

Item	For the six months ended June 30,	
	2022	2021
Bad debts losses of accounts receivable	(47,909,394.28)	(2,446,186.36)
Bad debts gains of other receivables	381,404.31	3,879,344.14
Bad debt gains for dividends receivable	–	31,464.04
Total	(47,527,989.97)	1,464,621.82

10. INCOME TAX EXPENSES

Unit: RMB

Item	For the six months ended June 30,	
	2022	2021
Current income tax expenses	1,801,014,419.03	1,274,814,494.87
Deferred income tax expenses	(65,908,219.53)	(92,637,439.93)
Adjustments to income tax of previous years	15,574,485.98	3,150,370.66
Total	1,750,680,685.48	1,185,327,425.60

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 relevant EIT laws and regulations, China Nuclear Power Design Co., Ltd. (Shenzhen) (深圳中廣核工程設計有限公司) (“**CGN Design**”), Lingdong Nuclear, Guangdong Nuclear Power Joint Venture Co, Ltd. (廣東核電合營有限公司) (“**GNPJVC**”), China Nuclear Power (Shenzhen) Radiation Monitoring Technology Co., Ltd. (中廣核(深圳)運營技術與輻射監測有限公司) (“**Radiation Monitoring Company**”), 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) (“**SNPI**”), 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, Ningde Nuclear, Taishan Nuclear, 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) (“**Hepeng Supervision Company**”) and Fujian Ninghe Power Sales Co., Ltd. (福建寧核售電有限公司) were entitled to tax reduction and exemption.

Name of company or generating unit	Preferential tax rate applicable for the current period	Preferential tax rate applicable for the corresponding period of previous year	Reason for tax incentives
Yangjiang Unit 3	N/A	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%	12.5%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Yangjiang Unit 5	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 6	12.5%	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	15%	7.5%	Western development enterprise income tax preferential policy (2016-2030) and operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation (2016-2021)
Ningde Unit 4	N/A	12.5%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Taishan Unit 1	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 2	12.5%	Exempted	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
SNPI	15%	15%	Preferential tax policy for high-tech enterprises
Inspection Company	15%	15%	Preferential tax policy for high-tech enterprises
Radiation Monitoring 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 or generating unit	Tax rate applicable for the current period	Tax rate applicable for the corresponding period of previous year	Policy for tax incentives
Sansha Energy	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises (Note)
Environment Protection Company	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises (Note)
Import & Export Company	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises (Note)
Hepeng Supervision Company	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises (Note)
Fujian Ninghe Power Sales Co., Ltd	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises (Note)

Note: Pursuant to the PRC Enterprise Income Tax Law and the Announcement of the State Administration of Taxation on Matters Concerning the Implementation of Preferential Income Tax Policies for Supporting the Development of Small Profit-making Enterprises and Individual Industrial and Commercial Businesses (Cai Shui [2021] No. 8) (《國家稅務總局關於落實支持小型微利企業和個體工商戶發展所得稅優惠政策有關事項的公告》(財稅[2021]8 號)), for the portion of annual taxable income less than RMB1.00 million, 12.5% of the amount will be reduced, and the EIT will be at the tax rate of 20%; according to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises (Cai Shui [2022] No. 13) (《財政部稅務總局關於進一步實施小微企業所得稅優惠政策的公告》(財稅[2022]13 號)), for the portion of annual taxable income exceeding RMB1.00 million but not exceeding RMB3.00 million, 25% 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	For the six months ended June 30,	
	2022	2021
Consolidated net profit attributable to shareholders of ordinary shares of the Company	5,904,498,333.83	5,498,143,474.68
Weighted average number of ordinary shares of the Company in issue	50,498,611,100.00	50,498,611,100.00
Basic earnings per share (RMB/share)	0.117	0.109

For the periods from January 1, 2022 to June 30, 2022 and from January 1, 2021 to June 30, 2021, the Group did not have any dilutive potential ordinary shares. Therefore, diluted earnings per share was the same as the basic earnings per share.

12. BILLS RECEIVABLE

Unit: RMB

Item	June 30, 2022	December 31, 2021
Bank acceptance bills	402,829,136.00	1,707,261,500.00

13. ACCOUNTS RECEIVABLE

(a) Accounts receivable disclosed by category

Unit: RMB

Category	June 30, 2022					December 31, 2021				
	Carrying balance		Bad debt provisions		Carrying value	Carrying balance		Bad debt provisions		Carrying value
	Amount	Percentage	Amount	Provisions percentage		Amount	Percentage	Amount	Provisions percentage	
Accounts receivable for which provision for bad debts has been individually made	74,259,091.80	0.70%	74,259,091.80	100.00%	-	74,259,091.80	0.67%	74,259,091.80	100.00%	-
Accounts receivable for which provision for bad debts has been made	10,489,321,597.45	99.30%	152,929,631.04	1.46%	10,336,391,966.41	10,957,212,726.85	99.33%	105,396,761.65	0.96%	10,851,815,965.20
- Group 1	10,161,434,869.11	96.20%	99,493,486.39	0.98%	10,061,941,382.72	10,519,170,762.40	95.36%	58,554,291.67	0.56%	10,460,616,470.73
- Group 2	327,886,728.34	3.10%	53,436,144.65	16.30%	274,450,583.69	438,041,964.45	3.97%	46,842,469.98	10.69%	391,199,494.47
Total	10,563,580,689.25	100.00%	227,188,722.84	2.15%	10,336,391,966.41	11,031,471,818.65	100.00%	179,655,853.45	1.63%	10,851,815,965.20

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

Group 1:

Unit: RMB

Aging	June 30, 2022				December 31, 2021			
	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value
Within 1 year	0.30%	8,718,390,333.79	26,155,171.00	8,692,235,162.79	0.30%	9,951,986,452.85	29,855,959.36	9,922,130,493.49
1 to 2 years	5.00%	1,435,683,700.98	71,784,185.05	1,363,899,515.93	5.00%	565,561,343.99	28,278,067.20	537,283,276.79
2 to 3 years	20.00%	6,642,380.00	1,328,476.00	5,313,904.00	20.00%	764,245.56	152,849.11	611,396.45
3 to 4 years	30.00%	704,000.00	211,200.00	492,800.00	30.00%	809,720.00	242,916.00	566,804.00
4 to 5 years	50.00%	-	-	-	50.00%	49,000.00	24,500.00	24,500.00
More than 5 years	100.00%	14,454.34	14,454.34	-	100.00%	-	-	-
Total		10,161,434,869.11	99,493,486.39	10,061,941,382.72		10,519,170,762.40	58,554,291.67	10,460,616,470.73

Group 2:

Unit: RMB

Aging	June 30, 2022				December 31, 2021			
	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value
Within 1 year	0.30%	200,392,428.98	601,177.29	199,791,251.69	0.30%	305,492,421.79	916,477.27	304,575,944.52
1 to 2 years	10.00%	26,723,504.94	2,672,350.49	24,051,154.45	10.00%	37,582,707.48	3,758,270.75	33,824,436.73
2 to 3 years	30.00%	36,455,136.10	10,936,540.83	25,518,595.27	30.00%	43,543,171.22	13,062,951.37	30,480,219.85
3 to 4 years	50.00%	43,543,171.22	21,771,585.61	21,771,585.61	50.00%	41,621,764.56	20,810,882.27	20,810,882.29
4 to 5 years	80.00%	16,589,983.35	13,271,986.68	3,317,996.67	80.00%	7,540,055.40	6,032,044.32	1,508,011.08
More than 5 years	100.00%	4,182,503.75	4,182,503.75	-	100.00%	2,261,844.00	2,261,844.00	-
Total		327,886,728.34	53,436,144.65	274,450,583.69		438,041,964.45	46,842,469.98	391,199,494.47

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

Aging	June 30, 2022				December 31, 2021			
	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value
More than 5 years	100.00%	74,259,091.80	74,259,091.80	-	100.00%	74,259,091.80	74,259,091.80	-

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

14. SHORT-TERM LOANS*Unit: RMB*

Item	June 30, 2022	December 31, 2021
Credit loans	14,602,308,605.52	14,662,738,508.67
Pledged loans	400,000,000.00	1,700,000,000.00
Short-term loans interest payable	8,930,658.25	12,255,250.21
Total	15,011,239,263.77	16,374,993,758.88

As at June 30, 2022 and December 31, 2021, the Group had no overdue and unsettled short-term loans.

15. BILLS PAYABLE*Unit: RMB*

Item	June 30, 2022	December 31, 2021
Bank acceptance bills	2,584,189,073.53	3,549,771,587.50

As at June 30, 2022 and December 31, 2021, the Group had no overdue and unsettled bills payable.

16. ACCOUNTS PAYABLE**(1) Accounts payable by aging***Unit: RMB*

Aging	June 30, 2022	December 31, 2021
Within 1 year	12,373,418,540.71	12,859,220,938.43
1 to 2 years	3,306,264,213.42	2,854,214,040.69
2 to 3 years	2,397,296,386.24	2,379,569,517.37
More than 3 years	684,075,304.87	724,576,205.43
Total	18,761,054,445.24	18,817,580,701.92

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

(2) Significant accounts payable with aging of over 1 year*Unit: RMB*

Name of creditors	Amount	Reason for outstanding or not transfer
Mingyang Smart Energy Group Limited (明陽智慧能源集團股份公司)	706,586,369.58	Not yet settled
CCCC Third Harbor Engineering Co., Ltd. (中交第三航務工程局有限公司)	207,255,379.56	Not yet settled
China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd. (中國能源建設集團廣東火電工程有限公司)	131,068,210.49	Not yet settled
China Construction Eighth Engineering Division Corp., Ltd. (中國建築第八工程局有限公司)	101,893,636.64	Not yet settled
Ningbo Orient Wires and Cables Co., Ltd. (寧波東方電纜股份有限公司)	95,823,385.41	Not yet settled
Total	1,242,626,981.68	

17. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR*Unit: RMB*

Item	June 30, 2022	December 31, 2021
Long-term loans due within one year	16,691,374,423.38	16,950,174,243.56
Long-term loans interest payable	226,363,593.18	306,485,676.11
Bonds payable due within one year	4,998,122,137.05	4,999,104,783.84
Bonds payable interests payable	231,403,135.93	185,604,014.72
Post-employment benefit scheme liabilities due within one year	3,691,999.37	4,356,233.28
Lease liabilities due within one year	307,170,994.18	273,933,299.02
Total	22,458,126,283.09	22,719,658,250.53

18. LONG-TERM LOANS*Unit: RMB*

Item	June 30, 2022	December 31, 2021
Credit loans	40,762,754,647.74	28,492,720,834.55
Guaranteed loans ⁽¹⁾	2,500,000,000.00	3,000,000,000.00
Pledged loans ⁽²⁾	130,313,682,091.75	140,448,785,905.69
Secured loans ⁽³⁾	249,611,255.25	930,488,501.35
Total	173,826,047,994.74	172,871,995,241.59
Less: Long-term loans due within one year	16,691,374,423.38	16,950,174,243.56
Long-term loans due after one year	157,134,673,571.36	155,921,820,998.03

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 RMB3.0 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. CGN provides a full unconditional irrevocable joint and several liability guarantee for all the obligations of GNIC under such contract to Taiping Asset. As at June 30, 2022, repayment upon maturity amounted to RMB500 million, and the remaining loans are not yet due for repayment.
- (2) Pledged loans are pledged by the Group with its interests under sales agreements of electricity, insurance contracts and equity interest held. As at June 30, 2022, GNIC, Taishan Nuclear Power Industry Investment Co., Ltd. and the Company pledged their equity in Taishan Nuclear to obtain the long-term loans, and GNIC, the Company and CGN Nuclear Power Investment Co., Ltd. pledged their equity in Lingdong Nuclear to obtain such long-term loans.
- (3) Secured loans are secured by the Company’s subsidiaries Lingdong Nuclear, CGN Engineering and CGN Lufeng Nuclear Power Co., Ltd. (中廣核陸豐核電有限公司) (“Lufeng Nuclear”) with land use rights and equipment.

The range of annual interest rates of the above loans:

Item	For the six months ended June 30,	
	2022	2021
Range of annual interest rates of the above loans	2.70%-5.30%	0.18%-5.30%

19. BONDS PAYABLE

Unit: RMB

Category	June 30, 2022	December 31, 2021
Long-term bonds ⁽¹⁾	2,000,000,000.00	2,000,000,000.00
Medium-term notes ⁽²⁾	9,985,104,701.54	8,987,146,351.73
Total	11,985,104,701.54	10,987,146,351.73
Less: Bonds payable due within one year	4,998,122,137.05	4,999,104,783.84
Bonds payable due after one year	6,986,982,564.49	5,988,041,567.89

Notes:

- (1) The Group issued 07 CGN Debt on December 20, 2007 with a nominal value amounting to RMB2,000,000,000.00, which will become due and payable in December 2022. Agricultural Bank of China Limited provided a joint and several liability guarantee for 07 CGN Debt.
- (2) The Group issued 19 CGN Power MTN002, 20 CGN Power MTN001, 21 CGN Power MTN001, 21 CGN Power MTN002 and 22 CGN Power MTN001 on July 22, 2019, August 24, 2020, April 12, 2021, June 15, 2021 and February 21, 2022, respectively. These medium-term notes, with nominal values amounting to RMB1,500,000,000.00, RMB2,500,000,000.00, RMB2,000,000,000.00, 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 July 2022, August 2023, April 2024, June 2023 and February 2025, respectively.

20. PROVISIONS

Unit: RMB

Item	June 30, 2022	December 31, 2021
Provision for NPP decommissioning ⁽¹⁾	5,075,281,571.08	4,864,931,311.56
Provision for low and medium level radioactive waste disposals ⁽²⁾	454,674,151.38	469,453,033.20
Others	–	439,109.02
Total	5,529,955,722.46	5,334,823,453.78

Notes:

- (1) It is the discounted value of the best estimate of the expected cost of processing the NPP decommissioning of the Group.
- (2) It is the best estimate of the expected disposal cost of low and medium level radioactive waste generated by NPPs.

21. SHARE CAPITAL

Unit: RMB

	June 30, 2022	December 31, 2021
Restricted shares		
Domestic shares (A shares)	29,580,630,375.00	29,580,630,375.00
Including: CGNPC	29,176,641,375.00	29,176,641,375.00
Other domestic shares	403,989,000.00	403,989,000.00
Subtotal	29,580,630,375.00	29,580,630,375.00
Unrestricted shares		
Domestic shares (A shares)	9,754,355,725.00	9,754,355,725.00
Including: Guangdong Hengjian Investment Holdings Co., Ltd. (廣東恒健投資控股有限公司)	3,428,512,500.00	3,428,512,500.00
Other domestic shares	6,325,843,225.00	6,325,843,225.00
Overseas listed foreign shares (H shares)	11,163,625,000.00	11,163,625,000.00
Including: CGNPC and its subsidiaries	528,302,000.00	528,302,000.00
Other foreign shares	10,635,323,000.00	10,635,323,000.00
Subtotal	20,917,980,725.00	20,917,980,725.00
Total	50,498,611,100.00	50,498,611,100.00

CGNPC planned to increase its holdings of H shares of the Company within 12 months from March 26, 2020, and the cumulative increase in holdings would not exceed 2% of the total number of issued H shares of the Company as of March 26, 2020 (the “**First Shareholding Increase Plan**”). As at March 26, 2021, the first implementation period of the plan to increase the shareholding of CGNPC’s H shares expired, and the implementation of the First Shareholding Increase Plan was completed. From March 26, 2020 to March 25, 2021, CGNPC, together with its subsidiaries, had increased its holdings by 194,286,000 H shares of the Company in aggregate.

CGNPC planned to continue to increase its holdings of H shares of the Company within 12 months from April 26, 2021, and the cumulative increase in holdings would not exceed 5% of the total number of issued H shares of the Company as of April 26, 2021. As at April 26, 2022, the implementation period of the plan to increase the shareholding of CGNPC’s H shares has expired, and the implementation of the shareholding increase plan has been completed. From April 26, 2021 to April 25, 2022, CGNPC had increased its holdings by 334,016,000 H shares of the Company in total.

22. DIVIDEND

During the Reporting Period, a final dividend of RMB0.084 per share (tax inclusive) in respect of the year ended December 31, 2021 was declared to the owners of the Company, which amounted to RMB4,243,773,173.32 in total (tax inclusive), and was approved by the shareholders at the 2021 annual general meeting convened on May 27, 2022.

23. SHARE-BASED PAYMENT

(1) Overall share-based payment

Units: Units

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021	
	Second Batch	First Batch	Second Batch
Total equity instruments of the Company at the beginning of the period	260,504,100	59,520,024	451,770,832
Total equity instruments granted by the Company during the period	-	-	-
Total equity instruments exercised by the Company during the period	9,868,800	-	18,748,400
Total equity instruments of the Company that have expired during the period	4,646,900	2,613,334	4,533,378
Total equity instruments of the Company at the end of the period	245,988,400	56,906,690	428,489,054
The range of exercise prices of outstanding share appreciation rights of the Company at the end of the period and the remaining period of the contracts	HKD1.6440	HKD3.50	HKD1.7427
	0.45-2.45 years	0.46 years	1.45-3.45 years

The Group has set up a H-share Appreciation Rights (“**SAR**”) Scheme (the “**Scheme**”) for core staff who exert significant impact on the Company’s strategic target, including certain directors of the Company (the “**Directors**”) (excluding the non-executive Directors and independent non-executive Directors), senior management and core technical and management staff of the Company who have exerted direct influence on the overall results and sustainable development of the Company (“**Incentive Recipients**”). The Scheme was approved at the annual general meeting of the Company on June 12, 2015. Supervisors of the Company (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 by the Group to Incentive Recipients (including Liaoning Hongyanhe Nuclear Power Co., Ltd. (遼寧紅沿河核電有限公司) (“**Hongyanhe Nuclear**”)) at the exercise price of HKD3.50 per share. Since the price of H shares was yet to meet the exercise condition, all of the three tranches of SAR for the first grant expired and lapsed.

The second stage of the implementation plan of the SAR was approved by the Board on December 14, 2017. Pursuant to the scheme, 568,970,000 units of SAR were granted by the Group to Incentive Recipients (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 stage of the implementation plan of the SAR, 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. Based on the dividend distribution of the Company every year, on January 8, 2020, the Board approved the second grant of the adjustment plan of the exercise price of the SAR, adjusting the exercise price of SAR granted in the second stage 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 stage from HKD1.9223/share to HKD1.8393/share. On April 22, 2021, the Board approved the proposal on adjusting the exercise price of SAR in the second grant of the incentive scheme, adjusting the exercise price of SAR granted in the second stage from HKD1.8393/share to HKD1.7427/share. On May 20, 2022, the Board approved the proposal on adjusting the exercise price of SAR in the second grant of the incentive scheme, adjusting the exercise price of SAR granted in the second stage from HKD1.7427/share to HKD1.6440/share.

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

A total of 4,646,900 units under the second stage of the implementation plan of the SAR expired. A total of 9,868,800 units under the second stage of the implementation plan of the SAR were exercised during this Reporting Period.

(2) Cash-settled share-based payment

Unit: RMB

Item	For the period from January 1 to June 30, 2022	For the period from January 1 to June 30, 2021
Methods for determining fair value of liabilities undertaken by the Company and calculated by share or other equity instruments	Black-Scholes options valuation model	Black-Scholes options valuation model
Accumulated liabilities arising from cash-settled share-based payment in liabilities	75,715,882.89	51,513,293.20
Total fees recognized in respect of cash-settled share-based payment during the period	(56,547,790.00)	15,253,683.30

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

Item	June 30, 2022	December 31, 2021
Share price (HKD)	1.90	2.37
Expected volatility	27.94%-33.25%	28.73%-36.02%
Expected dividend yield	5.194%	4.075%

The second stage of the implementation plan of the SAR:

Item	June 30, 2022	December 31, 2021
Exercise price (HKD)	1.64	1.74
Expected term	0.45-2.45 years	0.95-2.95 years
Risk-free rate	1.468%-2.587%	0.273%-0.860%
Fair value (HKD)	0.27-0.38	0.60-0.63

The variables and assumptions used in computing the fair value of the SAR are based on the Directors' best estimate. Changes in variables of specific assumptions may result in changes in the value of the SAR. 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	For the six months ended June 30,	
	2022	2021
Gains or losses from disposal of non-current assets	54,518,471.74	–
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)	117,259,476.69	93,807,461.72
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	(7,899,765.02)	–
Other non-operating income and expenses other than the items above, net	(16,396,853.24)	(9,037,132.69)
Other gains or losses items that meet the definition of non-recurring gains or losses	56,547,790.00	(9,529,201.08)
Total	204,029,120.17	75,241,127.95
Income tax effect of non-recurring gains or losses	16,545,363.62	11,801,378.35
Effect of non-recurring gains or losses attributable to minority shareholders	7,720,938.42	(2,266,303.48)
Effect of non-recurring gains or losses attributable to shareholders of the parent company, net	179,762,818.13	65,706,053.08

FINANCE, ASSETS AND INVESTMENTS

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

FINANCIAL PERFORMANCE AND ANALYSIS

Key Financial Indicators

Item	For the six months ended	
	June 30, 2022	2021
Indicators of profitability		
EBITDA margin (%) ⁽¹⁾	52.3	51.2
Net profit margin (%) ⁽²⁾	24.2	23.5
Indicators of investment returns		
Return on equity (excluding non-controlling interests) (%) ⁽³⁾	5.8	5.7
Return on total assets (%) ⁽⁴⁾	3.5	3.4
Indicators of solvency		
Interest coverage ⁽⁵⁾	3.3	3.2
	June 30,	December 31,
Item	2022	2021
Indicators of solvency		
Asset-liability ratio (%) ⁽⁶⁾	62.0	62.3
Debt to equity ratio (%) ⁽⁷⁾	118.6	122.3

Notes:

- (1) EBITDA margin = (total profit + interest expenses recognized in profit or loss + depreciation and amortization)/operating revenue * 100%
- (2) Net profit margin = net profit/operating revenue * 100%
- (3) Return on equity (excluding non-controlling interests) = net profit attributable to shareholders of the parent company/average equity attributable to shareholders of the parent company (the arithmetic mean of the opening and closing balances) * 100%
- (4) Return on total assets = (total profit + interest expenses recognized in profit or loss)/average total assets (the arithmetic mean of the opening and closing balances) * 100%
- (5) Interest coverage = (total profit + interest expenses recognized in profit or loss)/(interest expenses recognized in profit or loss + interest expenses capitalized)
- (6) Asset-liability ratio = total liabilities/total assets * 100%
- (7) Debt to equity ratio = net debt (the total amount of bank and other borrowings less cash and cash equivalents and other deposits over three months)/total shareholders' equity * 100%

Financial Results Analysis

	For the six months ended June 30,		Fluctuations increase/ (decrease)	Percentage change increase/ (decrease)
	2022	2021	(decrease)	(decrease)
	RMB'000	RMB'000	RMB'000	%
Operating revenue	36,622,093.48	36,865,672.29	(243,578.81)	(0.7)
Operating costs	21,948,110.85	23,174,159.76	(1,226,048.91)	(5.3)
Finance costs	3,257,842.42	3,264,129.08	(6,286.66)	(0.2)
Other gains ⁽¹⁾	516,882.68	792,976.09	(276,093.41)	(34.8)
Investment income	691,775.52	648,516.63	43,258.89	6.7
Including: Income from investment in associates	649,542.68	634,219.49	15,323.19	2.4
Non-recurring gains or losses ⁽²⁾	204,029.12	75,241.13	128,787.99	171.2
Net profit attributable to shareholders of the parent company	5,904,498.33	5,498,143.47	406,354.86	7.4
Net profit attributable to shareholders of the parent company (excluding the effects of non-recurring gains or losses)	5,724,735.52	5,432,437.42	292,298.10	5.4

(1) The decrease in other gains was primarily due to the progress of the VAT refunds, so the VAT refunds received for the current period was less than the corresponding period of previous year.

(2) The increase in non-recurring gains or losses was primarily due to changes in fair value of H-share Appreciation Rights and the investment income from the disposal of the equity interest in China Nuclear Power (Beijing) Simulation Technology Corporation Ltd.* (中廣核(北京)仿真技術有限公司) (“CNPSTC”).

Revenue from Operation

	For the six months ended June 30,		Fluctuations increase/ (decrease)	Percentage change increase/ (decrease)
	2022	2021	(decrease)	(decrease)
	RMB'000	RMB'000	RMB'000	%
Revenue from principal business operations	36,338,804.91	36,780,386.97	(441,582.06)	(1.2)
Including: Sales of electricity ⁽¹⁾	27,803,471.49	27,972,021.43	(168,549.94)	(0.6)
Construction, installation and design services ⁽²⁾	7,850,551.67	8,157,319.56	(306,767.89)	(3.8)
Revenue from other business operations ⁽³⁾	283,288.57	85,285.32	198,003.25	232.2
Total revenue from business operations	36,622,093.48	36,865,672.29	(243,578.81)	(0.7)

(1) The decrease in revenue from sales of electricity was primarily due to the decrease in the on-grid power generation of the subsidiaries of the Company by 5.76% over the corresponding period of previous year.

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

(3) The increase in revenue from other business operations was primarily due to the increase in CGN Engineering's revenue from European Utility Requirements certification for CGNPC's HPR1000.

Cost of Operations

	For the six months ended		Fluctuations	Percentage
	June 30,	2021	increase/ (decrease)	change increase/ (decrease)
	2022		(decrease)	
	RMB'000	RMB'000	RMB'000	%
Cost of principal business operations	21,683,525.07	23,127,473.07	(1,443,948.00)	(6.2)
Including: Cost of sales of electricity	13,280,570.46	14,430,480.23	(1,149,909.77)	(8.0)
Of which: Cost of nuclear fuel	3,785,173.37	3,741,367.56	43,805.81	1.2
Depreciation of fixed assets	4,649,081.80	5,090,177.30	(441,095.50)	(8.7)
Provision for spent fuel management ⁽¹⁾	1,538,417.07	1,266,448.10	271,968.97	21.5
Construction, installation and design services	7,793,409.16	8,099,175.76	(305,766.60)	(3.8)
Other costs of business operations ⁽²⁾	264,585.78	46,686.69	217,899.09	466.7
Total cost of operations	<u>21,948,110.85</u>	<u>23,174,159.76</u>	<u>(1,226,048.91)</u>	<u>(5.3)</u>

(1) The increase in provision for spent fuel management was primarily due to the commencement of provision and payment for spent fuel management as Ningde Unit 4, Fangchenggang Unit 2 and Yangjiang Unit 4 commenced commercial operation for five years in July 2021, October 2021 and March 2022 respectively since the second half of 2021.

(2) The increase in other costs of business operations was primarily due to the increase in CGN Engineering's cost of operations from European Utility Requirements certification for CGNPC's HPR1000.

Financial Position

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

	June 30,	December 31,	Fluctuations	Percentage
	2022	2021	increase/ (decrease)	change increase/ (decrease)
	RMB'000	RMB'000	RMB'000	%
Bank and other borrowings ⁽¹⁾	204,413,461.30	205,468,427.55	(1,054,966.25)	(0.5)
Receivables ⁽²⁾	33,400,650.86	33,331,213.72	69,437.14	0.2
Payables ⁽³⁾	33,325,589.08	30,567,735.20	2,757,853.88	9.0
Inventories	14,886,396.89	15,248,475.73	(362,078.84)	(2.4)
Fixed assets and intangible assets ⁽⁴⁾	241,529,430.69	244,984,645.32	(3,455,214.63)	(1.4)

- (1) Bank and other borrowings comprise short-term loans, long-term loans, bonds payable, ultra short-term financing notes included in other current liabilities, and long-term loans and bonds payable due within one year.
- (2) Receivables comprise bills receivable, accounts receivable, prepayments, contract assets and other receivables.
- (3) Payables comprise bills payable, accounts payable, receipt in advance, contract liabilities and other payables. The increase in payables was primarily due to the significant increase in dividends payable on June 30, 2022 as compared to December 31, 2021 as the Company distributed the 2021 final dividend announced during the Reporting Period in July 2022.
- (4) The decrease in fixed assets and intangible assets was primarily due to the decrease in net fixed assets as a result of the provision of depreciation of fixed assets.

Cash Flow Analysis

In the first half of 2022, the Company's net cash inflows from operating activities decreased as compared with the corresponding period of 2021, mainly due to combined impacts such as the decrease in cash inflows from CGNPC's wind power business of CGN Engineering and the increase in payments of various types of taxes by the Group during the Reporting Period; the net cash outflows from investment activities decreased as compared with the corresponding period of 2021, mainly due to the decrease in expenses in relation to investment in Fangchenggang Unit 3 and Unit 4 as compared with the corresponding period of last year; the net cash outflows from financing activities decreased as compared with the corresponding period of 2021, mainly due to the increase in proceeds from issuance of medium-term notes and ultra short-term financing notes and withdrawal of bank borrowings by the Company as compared with the corresponding period of 2021.

	For the six months ended		Fluctuations	Percentage
	June 30,		increase/	change
	2022	2021	(decrease)	increase/
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	(decrease)
				%
Net cash inflows from operating activities	12,936,515.89	15,735,475.88	(2,798,960.00)	(17.79)
Net cash outflows from investment activities	4,417,714.09	5,070,091.92	(652,377.83)	(12.87)
Net cash outflows from financing activities	4,952,000.38	6,804,834.30	(1,852,833.92)	(27.23)

ASSETS AND INVESTMENTS

The Group was mainly engaged in the investment in construction of nuclear power generating units, technical improvement in the NPPs in operation, and research and development of technologies relating to nuclear power for the six months ended June 30, 2022.

INVESTMENT IN FIXED ASSETS

For the six months ended June 30, 2022, the Group's investment in fixed assets (cash flow) amounted to approximately RMB5,141.3 million, representing a decrease of RMB2,364.9 million or 31.5% from RMB7,506.2 million in the corresponding period in 2021.

INVESTMENTS IN EQUITY

The Group had no investment in equity for the six months ended June 30, 2022.

MATERIAL ACQUISITION AND DISPOSAL

On March 17, 2022, CNPRI and Shanghai Engineering Science & Technology Co., Ltd.* (上海中廣核工程科技有限公司) entered into an equity transfer agreement. Pursuant to the equity transfer agreement, CNPRI sold its 75% equity interest in CNPSTC to Shanghai Engineering Science & Technology Co., Ltd.* (上海中廣核工程科技有限公司) based on the transfer price of RMB50.58 million on the appraisal benchmark date. From the completion date of the equity transfer (i.e. March 31, 2022), the Group no longer held any equity interest in CNPSTC, and CNPSTC was no longer a subsidiary of the Group.

Save as disclosed above, the Group had no material acquisition or disposal for the six months ended June 30, 2022.

USE OF PROCEEDS

The Company had used all of the proceeds from the global offering of H shares in December 2014 and the proceeds from the initial public offering (A shares) on the Shenzhen Stock Exchange in August 2019. For the six months ended June 30, 2022, the Group had no use of proceeds.

External Financing Environment

In the first half of 2022, in view of the complex and severe international environment leading to the significant slowdown in the growth of the global economy, and the sporadic domestic resurgences of the pandemic, the stability of economic operation was affected. China's economy overcame the adverse effects of unexpected factors, and the gross domestic product ("GDP") in China recorded a year-on-year increase of 2.5%, with major macroeconomic indicators firming up, and the price level being generally stable. In the first half of 2022, the People's Bank of China further reinforced the prudent monetary policy, which maintained adequate liquidity of the banking system and kept domestic market interest rate at a relatively low level, thereby reducing the financing interest rate of the Company. At the same time, the RMB exchange rate fluctuated significantly in both directions, and the fluctuations in exchange rate had to be monitored continuously.

In the first half of 2022, the Company comprehensively strengthened the organization, coordination, support and risk monitoring of financing, made full use of various financing channels, ensured capital security and controlled financing costs. The Company carried out various financing activities in an orderly manner. At the same time, the Company continuously monitored foreign currency debt exchange rate risk exposure, exercised control over new debts denominated in foreign currencies, and prevented the risk of exchange rate fluctuations through various measures including forward transactions.

Equity Financing

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

Debt Financing

In the first half of 2022, we continued to improve diversified ways of financing, reasonable mix of currencies and term structure so as to provide stable and economical source of funding for the business development of the Company. As of June 30, 2022, the Group's total borrowings amounted to RMB204,413.5 million with major financing channels including borrowings from banks and other institutions (accounting for approximately 92.4%), corporate bonds (accounting for approximately 1.0%), medium-term notes (accounting for approximately 4.9%), ultra short-term financing notes (accounting for approximately 1.8%), etc. We maintained a debt structure mainly comprising RMB-denominated and long-term debts, which not only satisfied our operational characteristics of focusing on nuclear power projects, but also effectively prevented liquidity risks and systematic exchange rate risks.

In the first half of 2022, the Company, on the one hand, seized the opportunity in the bond market to issue four tranches of ultra short-term financing notes and one tranche of medium-term notes in total, with a total financing size of RMB7,100 million, which effectively met capital needs and reduced financing costs. On the other hand, the Group continued to strengthen communication with its banking partners, seizing the market opportunity to carry out debt replacement and restructuring, thereby reducing the existing and new loan interest rates.

The registration of shelf-offering corporate bonds of the Company with the exchange has been approved at 2021 annual general meeting of the Company in May 2022. The Company is proceeding with the preparatory work for registration. Upon completion of registration, the Company will commence the issuance when appropriate based on market conditions and its needs.

Debt Risk Management

In recent years, we proactively eliminated our exposure to risk on foreign exchange rate associated with debts denominated in foreign currencies by stages and in batches through various measures including forward transactions, debts replacement and early repayment, and actively changed our financing methods for foreign business contracts to exercise control over new debts denominated in foreign currencies, thereby effectively reduced the impact of major risks in exchange rate. In the first half of 2022, 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 2021, the Group's total borrowings denominated in foreign currencies decreased by approximately RMB466.6 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 June 30, 2022, we had credits for unutilized general banking facilities of approximately RMB136,143.8 million, a multi-type debt financing instruments (TDFI) being readily available for public offering of RMB13,900.0 million and cash at bank and in hand of approximately RMB18,837.5 million, for the provision of sufficient cash support for the operation of the Company and the reduction in the impact from cash flow fluctuation.

Credit Rating

In April 2022, 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 installed capacity and on-grid power generation will further increase with stronger profitability and cash generating ability” and maintained our AAA credit rating with stable outlook.

Contingencies

External Guarantees

The Group confirmed that, as of June 30, 2022, the Group had not provided any external guarantee.

Assets with Restricted Ownership

As of June 30, 2022, the Group’s assets pledged to banks and with restricted ownership due to other reasons amounted to approximately RMB18,592.1 million in carrying value. As of December 31, 2021, the carrying value of the Group’s assets pledged to banks and with restricted ownership due to other reasons was approximately RMB21,340.8 million.

As of June 30, 2022 and December 31, 2021, 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 six months ended June 30, 2022, there was no significant litigation against the Group, and the Board was not aware of any pending or threatened litigation against the Group which had or could have a material and adverse effect on the financial conditions or operations of the Group.

Investment Direction

Based on the strategies and business development needs of the Company, the Company will finance the construction of NPPs under construction according to its investment schedules, continue to fund the technological improvement in NPPs in operation to enhance operation, make continuous investment in the research, development and innovation of technologies, and fund the acquisitions of contingent assets in the second half of 2022.

BUSINESS PERFORMANCE AND OUTLOOK

(I) INDUSTRY OVERVIEW

On March 5, 2022, the State Council proposed the ideas of “taking well-ordered steps to achieve peak carbon emissions and carbon neutrality”, “putting into effect the action plan for peaking carbon emissions”, “ensuring energy supply” and “pushing forward the transformation toward low-carbon development” in the Report on the Work of the Government (《政府工作報告》). On March 17, 2022, the Guiding Opinions on Energy Work for 2022 (《2022 年能源工作指導意見》) published by the National Energy Administration clearly stated to “actively and orderly promote the approval for construction of new coastal NPP projects on the premise of ensuring its safety”. On April 20, 2022, three nuclear power projects, including Lufeng Unit 5 and Unit 6, were approved by the State Council.

As a clean energy, nuclear power can be a base load power source that can replace traditional fossil fuels on a large scale due to its operational stability, reliability and long refuelling intervals, and facilitate the establishment of a clean, low-carbon, safe and efficient energy supply system in coordinated development with clean energy such as wind, photovoltaics and hydropower. In view of accelerated transformation of the energy system characterized by clean and low carbon development, nuclear power will be an effective choice for securing the safety of national energy and constructing a new power system based on new energy. We believe that, as the national policy continues to focus on the active, safe and orderly development of nuclear power, the nuclear power industry is, and will still be in the long-run, in an important period of strategic opportunities.

On June 10, 2022, seven ministries and commissions, including the Ministry of Ecology and Environment, the National Development and Reform Commission and the National Energy Administration, jointly issued the Implementation Plan for the Synergy and Efficiency of Pollution Reduction and Carbon Reduction (《減污降碳協同增效實施方案》) to make systematic arrangements to promote the synergy and efficiency of pollution reduction and carbon reduction, while proposing to “coordinate energy safety and green low-carbon development, promote the cleanliness and low carbon of the energy supply system and the electrification of end-use energy consumption”. We believe that, against the backdrop of the goals of “achieving peak carbon dioxide emissions” and “carbon neutrality” as well as the Plan on Synergizing the Reduction of Pollution and Carbon Emissions (《減污降碳協同增效方案》) to be implemented by the State, the room for development and the market prospects of nuclear power and its comprehensive utilization in China will be more extensive.

According to the data released by the National Bureau of Statistics on July 16, 2022, in the first half of 2022, due to the severe international environment and the impact of the domestic pandemic, the downward pressure on the economy has increased. By virtue of the effective implementation of policies and measures to stabilize growth, China's economic operation presented steady recovery as a whole, and the GDP increased by 2.5% year on year, with steady growth in energy production and continuous optimization of the energy consumption structure. According to the Briefings on the Operation of the National Power Industry from January to June 2022 (《2022年1-6月電力工業運行簡況》) published by the China Electricity Council, in the first half of 2022, the total electricity consumption in the PRC increased by 2.9% year on year. The power demand and supply in the PRC achieved an overall balance, where power demand and supply may run tight in certain provinces and regions during the peak period. We believe that with the waning impact of the pandemic and the emerging results of national policies and measures to stabilize growth, the electricity consumption in China is expected to further increase in the second half of the year.

As the share of electricity traded in the market further increased along with the deepening reforms in the national power system, spot electricity trading has been gradually implemented in certain provinces and regions. As always, we actively communicated with local governments, power grids and relevant enterprises, paid attention to the power system reform and actively participated in market-oriented trading, striving for better transaction prices and a larger market share.

(II) BUSINESS PERFORMANCE AND ANALYSIS

On June 23, 2022, Hongyanhe Unit 6 completed all commissioning activities and commenced commercial operation. On April 20, 2022, the State Council has approved Lufeng Unit 5 and Unit 6 of Lufeng Nuclear, a subsidiary of the Company. In the first half of 2022, we managed 26 nuclear power generating units in operation and six nuclear power generating units under construction (including four units under construction which were entrusted to the Company by the controlling shareholder of the Company for management). The operations of the nuclear power generating units in operation managed by us were safe and stable, and the construction of the nuclear power generating units under construction progressed orderly. We hereby report primarily on the business performance of our nuclear power generating units during the first half of 2022, and our work in respect of human resources and social responsibilities.

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 “Safety Overriding” and our basic principles of “Safety First, Quality Foremost, Pursuit of Excellence”, and strive to apply them to various stages of the design, construction, operation and decommissioning of the NPPs. We believe that maintaining nuclear power safety is an important 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 the first half of 2022, in view of the sporadic resurgences of the pandemic and the complex and severe challenges in pandemic containment in China, we strictly put pandemic prevention and control measures in place, and insisted on preventing the pandemic while securing production and safety, thereby achieving zero case of infection among our employees across all NPPs, ensuring the smooth progress of the project construction of the nuclear power generating units under construction, and the safe and stable operation of our nuclear power generating units in operation, and securing power supply for pandemic prevention and control, production and life in the society.

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”, “Precautionary Education on Nuclear Safety” and “Bringing Nuclear Safety Culture into our Teams” so as to enhance the nuclear safety culture awareness among all employees. In the first half of 2022, we implemented special inspection and supervision for safety management led by our Chairman and senior management in every nuclear power base for the third consecutive year, which enabled the Company to reinforce accountability at all levels, and actively implement the safety management concept of “Involving All”. The Company reinforced accountability at all levels in safety management, in order to further consolidate the foundation of safety management of the Company.

At the same time, we continued to promote internal supervision of the Company as well as dynamic and transparent experience feedback. We organized regular emergency drills under different scenarios and ensured effective operation of our safety management system. In the first half of 2022, we conducted joint drills with Fangchenggang Nuclear to ensure the emergency response capability of the Group's nuclear emergency units.

In the first half of 2022, according to the International Nuclear and Radiological Event Scale (《國際核事件分級表》) (the “INES”) set by the International Atomic Energy Agency, the NPPs we operated and managed had maintained our all-time good safety record of no nuclear event at level 2^{note} or above.

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

Nuclear power generating units in operation

For the six months ended June 30, 2022, all 26 nuclear power generating units in operation managed by us maintained safe and stable operation. The on-grid power generation figures (unit: GWh) of each of our NPPs are as follows:

Name of NPP	For the six months ended June 30,		Change rate for the same period (%)
	2022	2021	
<i>From subsidiaries</i>			
Daya Bay NPP	7,744.09	7,352.71	5.32
Ling'ao NPP	6,002.56	7,225.88	-16.93
Lingdong NPP	8,379.29	6,978.83	20.07
Ningde NPP	14,093.55	15,898.38	-11.35
Yangjiang NPP	24,065.35	22,710.08	5.97
Fangchenggang NPP	7,689.45	8,770.20	-12.32
Taishan NPP	6,541.33	10,136.41	-35.47
Subsidiaries, total	74,515.61	79,072.49	-5.76
<i>From associates</i>			
Hongyanhe NPP	18,319.66	16,154.01	13.41
Subsidiaries and associates, total	92,835.27	95,226.50	-2.51

Daya Bay NPP: The total duration of the refuelling outage from January to June 2022 was shorter as compared with the corresponding period of 2021.

Ling'ao NPP: It conducted a ten-year outage from January to June 2022. The total duration of the refuelling outage was longer as compared with the corresponding period of 2021.

Lingdong NPP: The total duration of the refuelling outage from January to June 2022 was shorter as compared with the corresponding period of 2021.

Ningde NPP: The total duration of the refuelling outage from January to June 2022 was longer as compared with the corresponding period of 2021. The time of temporary operation at reduced load or shutdown for standby at the request of power grid was longer as compared with the corresponding period of 2021.

Yangjiang NPP: The total duration of the refuelling outage from January to June 2022 was shorter as compared with the corresponding period of 2021.

Fangchenggang NPP: The total duration of the refuelling outage from January to June 2022 was longer as compared with the corresponding period of 2021.

Taishan NPP: Taishan Unit 1 began shutdown and inspection on July 30, 2021. The unit has been connected to the grid for power generation on August 15, 2022. The monitoring data of Taishan NPP and its surrounding environment is normal.

Hongyanhe NPP: Hongyanhe Unit 5 commenced commercial operation on July 31, 2021. Hongyanhe Unit 6 commenced commercial operation on June 23, 2022.

We completed 11 refuelling outages among our 26 nuclear power generating units in operation in the first half of 2022 as planned. The total number of calendar days for the refuelling outages in the first half of 2022 was about 359 days.

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 the first half of 2022, we had 26 nuclear power generating units in operation, with an average capacity factor of 87.88%, an average load factor of 80.34% and average utilization hours of 3,490 hours, as compared with 89.57%, 86.55% and 3,726 hours of the 24 nuclear power generating units in operation in the first half of 2021. The details of the operation performance of generating units we operated and managed in the first half of 2022 are as follows:

Nuclear power generating unit	Capacity factor (%)		Load factor (%)		Utilization hours (hours)	
	For the six months ended June 30,		For the six months ended June 30,		For the six months ended June 30,	
	2022	2021	2022	2021	2022	2021
<i>From subsidiaries</i>						
Daya Bay Unit 1	100.00	77.67	101.69	78.87	4,418	3,427
Daya Bay Unit 2	86.38	99.99	87.70	101.21	3,810	4,397
Ling'ao Unit 1	65.29	79.18	63.14	79.21	2,743	3,440
Ling'ao Unit 2	82.17	99.97	82.57	96.24	3,587	4,179
Lingdong Unit 1	99.99	66.58	89.93	64.35	3,906	2,793
Lingdong Unit 2	99.99	100.00	98.46	92.83	4,277	4,029
Yangjiang Unit 1	100.00	77.28	98.17	76.35	4,265	3,317
Yangjiang Unit 2	83.44	99.96	82.52	96.43	3,584	4,189
Yangjiang Unit 3	99.99	98.75	100.67	87.29	4,373	3,792
Yangjiang Unit 4	99.98	78.72	88.84	78.28	3,859	3,401
Yangjiang Unit 5	85.78	88.72	85.14	83.43	3,699	3,624
Yangjiang Unit 6	87.02	96.02	86.65	90.63	3,764	3,937
Fangchenggang Unit 1	98.11	99.72	91.19	97.94	3,961	4,255
Fangchenggang Unit 2	86.09	99.99	83.77	99.42	3,639	4,319
Ningde Unit 1	99.99	99.99	89.33	95.85	3,881	4,164
Ningde Unit 2	100.00	81.29	78.83	80.41	3,424	3,493
Ningde Unit 3	84.72	90.06	76.80	81.83	3,336	3,555
Ningde Unit 4	82.19	99.98	74.31	99.95	3,228	4,342
Taishan Unit 1	0.00	95.85	0.00	90.56	0	3,934
Taishan Unit 2	91.50	58.21	91.99	52.08	3,996	2,262
<i>From associates</i>						
Hongyanhe Unit 1	85.31	99.98	80.58	97.86	3,500	4,251
Hongyanhe Unit 2	99.99	100.00	98.14	97.56	4,263	4,238
Hongyanhe Unit 3	83.50	76.14	62.05	75.22	2,695	3,268
Hongyanhe Unit 4	83.52	85.70	79.84	83.35	3,468	3,621
Hongyanhe Unit 5	99.99	Under construction	78.85	Under construction	3,425	Under construction
Hongyanhe Unit 6	100.00	Under construction	98.82	Under construction	169	Under construction
<i>From subsidiaries and associates</i>						
Average	<u>87.88</u>	<u>89.57</u>	<u>80.34</u>	<u>86.55</u>	<u>3,490</u>	<u>3,726</u>

“Pursuit of Excellence” is one of the basic principles of the Company. In order to discover our inadequacies and make sustained improvements, we continue to compare our indicators with international counterparts. In recent years, when compared with the one-year benchmark value of the 12 performance indicators for the PWR set by the World Association of Nuclear Operators (the “WANO”), for our nuclear power 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 Taishan Unit 1 was shut down for inspection in the first half of 2022, and Hongyanhe Unit 6 has been put into commercial operation for less than three months, both of them do not fall into the statistical criteria of the WANO indicators. The following table indicates the comparison of our remaining 24 nuclear power generating units in operation of the one-year benchmark value of the 12 performance indicators for the PWR by the WANO for the six months ended June 30, 2022 and the corresponding period in 2021:

	For the six months ended June 30,	
	2022	2021
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	243/84.38%	247/85.76%
Number/percentage of indicators ranked top 1/10 (excellent level) in the world	238/82.64%	242/84.03%

Environmental Performance

We continued to improve radioactive waste management, optimize the control over the discharge process of liquid radioactive waste and gas radioactive waste (the “Discharge”) and strictly comply with emission control standards. In the first half of 2022, the radioactive waste management of the 26 generating units in operation managed by us strictly complied with the relevant national laws and regulations, and met the standards of the relevant technical specifications.

The following table sets forth the emission of the various types of radioactive waste discharged at our NPPs during the Reporting Period indicated as a percentage of the national standards. The total amounts of radioactive discharge from our NPPs were far below the applicable national limits.

	Daya Bay Base Area (including Daya Bay NPP, Ling'ao NPP and Lingdong NPP)		Yangjiang NPP		Fangchenggang NPP		Ningde NPP		Taishan NPP		Hongyanhe NPP	
	2022	2021	2022	2021	For the six months ended June 30,		2022	2021	2022	2021	2022	2021
					2022	2021	2022	2021				
Discharged liquid radioactive waste (radionuclides other than tritium) as a percentage of the national standards	0.11%	0.12%	0.24%	0.20%	0.18%	0.09%	0.13%	0.27%	1.18%	2.48%	0.21%	0.10%
Discharged gas radioactive waste (inert gases) as a percentage of the national standards	0.23%	0.23%	0.11%	0.09%	0.16%	0.14%	0.16%	0.13%	0.93%	2.08%	1.45%	0.57%
Solid radioactive waste (cubic meters)	88.1	76.1	31.6	31.6	51.3	6.8	40.4	21.2	0	0	31.6	55.2
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 and the maintenance project is different, the annual discharge limit of Taishan NPP is different from other power stations, and there is no comparability between the power stations.

Nuclear power is a clean energy source that contributes to energy saving and emissions reduction in the society. In the first half of 2022, our cumulative on-grid nuclear power generation in effect represented a reduction of approximately 27.8320 million tons of standard coal consumption, approximately 76.8676 million tons of CO₂ emissions, approximately 9,400 tons of sulphur dioxide emissions, and approximately 14,100 tons of oxynitride emissions.

Nuclear Power Generating Units under Construction

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

As at June 30, 2022, we had six nuclear power generating units under construction (including units under construction which were entrusted to the Company by the controlling shareholder of the Company for management), among which three of them were in the civil construction phase, two were in the equipment installation phase and one was in the commissioning phase.

On April 20, 2022, the State Council has approved Lufeng Unit 5 and Unit 6. Lufeng Unit 5 and Unit 6 both adopt HPR1000 nuclear power technology, with a capacity of 1,200 MW for a single unit. Currently, the Company and Lufeng Nuclear are carrying out various preparatory work for the construction of Lufeng Unit 5 and Unit 6 in an orderly manner.

On June 5, 2022, Fangchenggang Unit 3 completed the thermal functional test, laying a solid foundation for its subsequent commercial operation.

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 safety and quality of the projects under construction complied with various regulatory requirements and facilitate safe, stable and economical operation of the units after commencement of commercial operation.

Nuclear Power Generating Units	Civil Construction Phase ¹	Equipment Installation Phase ²	Commissioning Phase ³	Grid Connection Phase ⁴	Expected Time of Commencement of Operation
<i>From subsidiaries</i>					
Fangchenggang Unit 3			✓		Second half of 2022
Fangchenggang Unit 4		✓			First half of 2024
<i>From companies which were entrusted by the controlling shareholder for management</i>					
Huizhou Unit 1		✓			2025
Huizhou Unit 2	✓				2026
Cangnan Unit 1	✓				2026
Cangnan Unit 2	✓				2027

Notes:

1. “Civil construction” phase refers to the process from the first concrete day 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 generating units upon the first grid connection with the power grid, demonstrating that the units are capable for power generation.

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

SALES OF ELECTRICITY

Due to the different economic development conditions of each province, the supply and demand for electricity in the provinces and regions where our nuclear power generating units are located varied slightly. In the first half of 2022, the Company 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 power generation plan for the first half of the year. The average settling tariff rate increased year on year, which guaranteed the overall economic benefits of the Company.

In the first half of 2022, our nuclear power units in operation achieved 92,835.27 GWh of on-grid electricity with a decrease of 2.51% year-on-year. Market-based power generation volume accounted for approximately 55.0% of the total on-grid power generation, representing a year-on-year increase of 17.1 percentage points.

Guangdong Province: The electricity consumption in the province decreased by 2.40% in the first half of 2022 over the corresponding period of previous year. According to the Notice on Doing a Good Job in Electricity Market Annual Transactions in 2022 (《關於做好2022年電力市場年度交易工作的通知》) issued by the Energy Administration of Guangdong Province (廣東省能源局), a total of 10 units of Ling’ao Nuclear, Lingdong Nuclear and Yangjiang Nuclear took 7,500 hours as the benchmark value, and arranged not more than 11.293 billion kWh in total to participate in power market transactions. The on-grid power generation of the nuclear power generating units within the Guangdong Province decreased by 3.07% year on year, which was mainly due to the shutdown and inspection of Taishan Unit 1 in the first half of 2022.

Fujian Province: The electricity consumption in the province increased by 2.08% in the first half of 2022 over the corresponding period of previous year. Ningde Unit 1 to Unit 4 participated in the market-based electricity transactions with their entire on-grid electricity. In the first half of 2022, affected by longer duration of operation at reduced load of the nuclear power generating units of Ningde Nuclear over the corresponding period of previous year as a result of an additional refuelling outage conducted as compared with the corresponding period of previous year and increased hydropower generation due to more rainfall in the province, the on-grid power generation of Ningde Nuclear decreased by 11.35% over the corresponding period of previous year.

Guangxi Zhuang Autonomous Region: The electricity consumption in the region decreased by 2.78% in the first half of 2022 over the corresponding period of previous year. Fangchenggang Unit 1 and Unit 2 participated in the market-based electricity transactions with their entire on-grid electricity. In the first half of 2022, affected by longer duration of operation at reduced load of the nuclear power generating units of Fangchenggang Nuclear over the corresponding period of previous year as a result of an additional refuelling outage conducted as compared with the corresponding period of previous year and increased wind and hydropower generation due to more wind and rainfall in the province, the on-grid power generation of Fangchenggang Nuclear decreased by 12.32% over the corresponding period of previous year.

Liaoning Province: The electricity consumption in the province decreased by 1.54% in the first half of 2022 over the corresponding period of previous year. Hongyanhe Unit 1 to Unit 4 participated in the market-based electricity transactions with their entire on-grid electricity. In the first half of 2022, due to the increased number of nuclear power generating units in operation of Hongyanhe Nuclear following the commencement of production of Hongyanhe Unit 5 and Unit 6 in recent two years, the on-grid power generation of Hongyanhe Nuclear increased by 13.41% over the corresponding period of previous year.

In the first half of 2022, each of our power sales companies made vigorous efforts in penetrating and closely tracking situations of electricity markets in the provinces and regions where they are located at and got involved in market transactions proactively. The actual electricity consumption of our 99 retail agent clients amounted to approximately 5,490 GWh (including agent clients other than the Group).

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 Tariffs and Market-based Tariffs. The Planned Tariffs are approved by the relevant government authorities, and the Market-based Tariffs are formed through market-based transactions. On June 16, 2022, Hongyanhe Nuclear received the approval of the on-grid tariff of Hongyanhe Unit 5 and Unit 6. The on-grid tariff for Hongyanhe Units 5 and Unit 6 is RMB0.3749 per kWh (tax inclusive) from the time they are put into commercial operation. The tariff should be adjusted in line with the new policy in case of any adjustment to the national electricity tariff policy. The on-grid tariff of Hongyanhe Unit 5 and Unit 6 is the same as the approved temporary on-grid tariff. In the first half of 2022, the Planned Tariffs for the other nuclear power generating units in operation of the Company remain unchanged. The average Market-based Tariffs of the Company in the first half of 2022 increased as compared with the corresponding period of 2021.

The Planned Tariffs (VAT inclusive) of our nuclear power generating units in operation as at June 30, 2022 are set out in the table below.

Nuclear Power Generating Units	Clients	Planned 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 Unit 1 to Unit 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 Unit 1 to Unit 4	Liaoning Electric Power Co., Ltd.	0.3823
Hongyanhe Unit 5 and Unit 6	Liaoning Electric Power Co., Ltd.	0.3749

COMPREHENSIVE USE OF NUCLEAR ENERGY

In addition to focusing on nuclear power generation as its principal business, the Company has also been actively taking an initiative to conduct research on the comprehensive use of nuclear energy, aiming to explore new technologies and new models. The Company strives to diversify its nuclear energy products and develop a complementary and comprehensive approach to use multiple forms of energy while regarding nuclear energy as the core, which will be able to support its nuclear power business, make an effective response to the impact of the market-oriented electricity system reform on the economical efficiency of nuclear power projects, and enhance market competitiveness.

For nuclear energy heating, we have accumulated certain experience at the Hongyanhe Nuclear Power Base, which will be properly promoted and applied in the future. Regarding energy storage projects related to nuclear energy, we actively seek development opportunities for pumped storage projects in the provinces and regions where nuclear power is located. As of June 30, 2022, we have obtained the controlling development rights of a pumped storage project in Guangdong Province, and participated in the construction of another pumped storage project. At the same time, we are also cooperating with other companies to jointly build a large-scale nuclear storage complementary electrochemical energy storage demonstration project in Guangdong. The supporting construction of pumped storage and electrochemical energy storage projects can improve the operational stability of nuclear power generating units, eliminate nuclear safety risks, and can effectively hedge against fluctuations in spot prices in the electricity market and stabilize trading prices of nuclear power.

HUMAN RESOURCES

The total number of employees of the Group was 17,575 (excluding our associates) as of June 30, 2022. The Group implements a 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 six months ended June 30, 2022 amounted to approximately RMB4,836.44 million (exclusive of our associates).

The Company has established the share appreciation rights long-term incentive scheme to enhance its attractiveness to key talents and create more value for shareholders. The H-Share 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.

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

The average individual radiation exposure index among our personnel (including staff, contractors and other personnel) who entered into the control area to work at NPPs is lower than the national standard limit (20 mSv/year/person). The table below sets out information on the maximum individual radiation exposure index (Unit: mSv) among the personnel who entered into the control area to work in the first half of 2022 and that of 2021 at NPPs operated and managed by us:

NPP/Unit	For the six months ended June 30,	
	2022	2021
Daya Bay NPP, Ling'ao NPP and Lingdong NPP	8.820	11.198
Yangjiang NPP	6.219	8.807
Fangchenggang NPP Unit 1 and Unit 2	3.578	0.822
Ningde NPP	5.851	3.981
Taishan NPP	0.980	3.996
Hongyanhe NPP	5.760	3.915

Note: The changes in data are primarily due to the differences in outage schedules and maintenance projects during the six months ended June 30, 2022. According to the opinions from the relevant national regulatory authorities, since 2021, the personal radiation doses generated by the Daya Bay NPP, Ling'ao NPP and Lingdong NPP located in the Daya Bay Nuclear Power Base have been consolidated.

Social Responsibilities

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

Proactive Disclosure of Information

Each of the nuclear power bases managed by us has established its professional public information platform on nuclear and radiation safety. The information made available to the public includes monthly operating data, such as capacity factor, radiation protection, industrial safety, level 1 fire risk incidents, three wastes control and monitoring of the environment, and operational incidents. Any operational incident occurring at a nuclear power generating unit after fuel loading must be published on such public information platform within two natural days from the day the incident was confirmed (excluding the day on which the incident was confirmed). In the first half of 2022, the Company disclosed all relevant information within the specified time as required.

Each of the nuclear power bases managed by us has established its own websites and social media platforms such as the official WeChat account for delivering the operational information of various NPPs proactively. The Company arranges regular press conferences, interviews and site visits by invitation, theme activities and distribution of publications to provide NPPs' related information to the competent industry regulatory departments and the media, and takes public inquiries through hotlines, facsimile and e-mail. In the first half of 2022, the Company convened five media communications and press conferences.

Transparent Public Communication

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

In May 2022, students from the aviation class of Shenzhen Second Foreign Languages School attended the nuclear power knowledge introduction event with the theme of "Exploring the Mystical Nuclear Energy Technology" at the CGN Nuclear Energy Science and Technology Museum. Through vivid explanations on nuclear power knowledge and immersive experience in nuclear energy technology, the students acquired certain knowledge about nuclear power technology and nuclear energy applications, and gained an insight into nuclear safety culture and the work style of "Strict Compliance, Prudent Decision-making, Detail-oriented and Fact-based Approach" of nuclear professionals, inspiring them to dream of building a strong country through science and technology and motivating them to constantly explore and innovate.

In June 2022, before the 51st World Environment Day, the Company organized the finals of the Nuclear Energy Knowledge Contest for University Students in Guangdong Province in cooperation with certain universities. Using "Green Nuclear Energy to Promote Carbon Emission Peak and Carbon Neutrality" as the theme, nine universities, including Sun Yat-sen University, Jinan University, South China Normal University, Chinese University of Hong Kong, Shenzhen and Harbin Institute of Technology, Shenzhen, participated in the contest. The finals was broadcast live to the public, with experts offering scientific interpretations, live interactions and online public Q&A sessions, allowing the public to learn more about nuclear energy.

Win-win Community Development

We uphold the vision of “boosting the economy and benefiting the people there in which we conduct a construction project”. We actively promote community development and at the same time, we achieve our corporate development plan by building a harmonious relationship with the surroundings. In response to the national rural revitalization strategy, we continue to promote rural revitalization in Guangxi Zhuang Autonomous Region, Guangdong Province, Fujian Province and other regions, in order to constantly improve the livelihood of the local residents and develop characteristic industries there, which consolidated and expanded the achievements made in poverty alleviation.

Yangjiang Nuclear teamed up with Dongping Town to visit the families lifted out of poverty in the town and examine the poverty prevention attainments of these families, and implemented monitoring and provided special support to prevent them from slipping back into poverty, and set up files for our support recipients.

In April 2022, Taishan Nuclear provided voluntary services to empty-nest elderly. The volunteers inspected the circuit equipment in homes of the elderly, thoroughly rectified the safety hazards, and explained the safety precautions for the use of electricity to the elderly in order to mitigate the safety risks of the use of electricity.

In May 2022, the pavement of a road in Jieshi Town, Lufeng City collapsed due to continuous raining, making it impossible for vehicles to pass. Lufeng Nuclear actively coordinated with the construction unit to load and transport the debris on site after learning about the incident, and repaired the road in a short period of time, ensuring the normal passage of vehicles.

In June 2022, after realizing that a road in Guangpo Town, where its NPP is located, had no street light installed, Fangchenggang Nuclear actively installed solar street lights there in cooperation with relevant units, and determined the follow-up maintenance and security arrangements, so that the potential safety hazards of students going to and leaving school, residents seeking medical treatments and vehicles driving at night can be eliminated.

In June 2022, Hongyanhe Nuclear offered guidance on college application for the year 2022 at Honghe Hope Middle School in Hongyanhe Town to answer the questions from the candidates and their parents about college application, and to provide scientific, reasonable and accurate guidance for college entrance examination students in Hongyanhe Town in making college application.

(III) OUTLOOK FOR THE SECOND HALF OF THE YEAR

In the second half of 2022, we plan to carry out the following initiatives:

- (1) In conformity with the new environment, we will continue to proceed with tasks in relation to safety, quality and environment in all aspects comprehensively, thoroughly comply with production safety requirements, further strengthen risk control in daily production and health management of major equipment, continue to carry out key actions to achieve overall excellence in outage management, and complete energy supply assurance work with high quality.
- (2) On the premise of ensuring safety and quality, we will push forward construction of generating units (including entrusted management projects) as planned, properly prevent and respond to the technical risks of the Group's first HPR1000 reactor, and strive to meet the conditions for commercial operation of Fangchenggang Unit 3 during the year. We will commence the construction of Lufeng Unit 5, and actively pursue the application and approval of other projects.
- (3) We will ensure the safe and stable operation of all the generating units in operation, and plan to conduct 8 refuelling outages in the second half of the year.
- (4) We will adapt to and actively promote 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. We will pay close attention to the electricity market environment in various provinces and regions, adopt targeted marketing strategies, continuously strengthen communications with relevant parties, strive for more and better market indicators, and endeavour to achieve an average utilization hour of generating units in 2022 for not less than the average of the average utilization hour of generating units for the last three years.
- (5) We will promote reliability of fuels and equipment, and improve safety system performance of generating units with business growth driven by independent innovation such as transformation and application of technology innovation results 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.
- (6) We will continuously push forward the implementation of SCS management strategy and lean management and strengthen internal resource coordination and cooperation to strengthen our control on construction cost of units under construction, further control operation and maintenance cost of generating units in operation, and strictly control non-production expenses.
- (7) We will closely follow the changes in 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 existing measures when appropriate to ensure the steady development of the Company.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2022.

INTERIM DIVIDEND

Pursuant to the Company's dividend distribution policy, payment of an interim dividend for the six months ended June 30, 2022 is not recommended.

SUBSEQUENT EVENTS

There was no occurrence of events that had a significant impact on the Group's operation, financial and trading prospects from July 1, 2022 to the date of this announcement.

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 Part 2 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the "**Stock Exchange Code**").

For the six months ended June 30, 2022, except for code provision C.5.7 of the Part 2 of the Stock Exchange Code, the Company complied with all the code provisions and all recommended best practices.

Code provision C.5.7 of the Part 2 of the Stock Exchange Code stipulated that, if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. The Board originally proposed to convene a Board meeting on March 17, 2022 (the "**Meeting**") by way of a physical meeting to consider an issue on a material conflict of interest in relation to the substantial shareholders and Directors, namely the Resolution on Consideration of the Renewal of the Engineering Services Framework Agreement of CGN Power Co., Ltd. and the Proposed Annual Transaction Cap for the Relevant Years (the "**Resolution**"). Due to the pandemic, the Company's employees were required to work from home from March 14, 2022 to March 20, 2022 in accordance with the requirements of the competent pandemic prevention and control authorities in Shenzhen. On March 14, 2022, the Company decided to convene the Meeting by way of written resolutions.

The Company has been attaching great importance to corporate governance and took a number of measures to ensure that the Directors were fully informed of the relevant information of the resolutions and collect their opinions and voting results thereon via multiple possible ways. On February 24, 2022, the Company convened a pre-Board meeting special briefing session to report to all independent non-executive Directors on the resolutions, including the Resolution. The independent non-executive Directors fully expressed their opinion on the resolutions. On March 2, 2022, the Company sent a notice of the meeting and the resolution documents to all Directors to provide them with sufficient time to understand the relevant situation of the resolutions. On March 14, 2022, the Company decided to convene the Meeting, relevant Board committee meetings and independent non-executive Directors meetings by way of written resolutions, and then immediately communicated with all Directors to obtain their opinions on the matters to be considered, which were recorded in the meeting minutes and formed the resolutions of relevant meeting.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

AUDIT AND RISK MANAGEMENT COMMITTEE

The Company has established an audit and risk management committee (the “**Audit and Risk Management Committee**”) in compliance with the requirements of Rule 3.21 of the Listing Rules and the Stock Exchange Code 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.* was prepared according to the relevant requirements of the Articles of Association of CGN Power Co., Ltd., 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 are available on the websites of the Company and the Stock Exchange. As at the date of this announcement, the Audit and Risk Management Committee comprises a non-executive Director (Mr. Gu Jian) and two independent non-executive Directors (Mr. Yang Jiayi and Mr. Tang Chi Cheung). Mr. Yang Jiayi, who possesses accounting qualification, acts as the chairman of the Audit and Risk Management Committee.

On August 19, 2022, the Audit and Risk Management Committee has reviewed and confirmed the interim results announcement for the six months ended June 30, 2022 of the Group, and the unaudited consolidated financial statements as of June 30, 2022 prepared in accordance with the CASBE.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

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

The Company will despatch to its shareholders in due course all the information required by the Listing Rules together with the 2022 interim report of the Company, which will also be published on the websites of the Company and the Stock Exchange.

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

Yin Engang

Chief Financial Officer, Joint Company Secretary and Board Secretary

The PRC, August 24, 2022

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

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

* *For identification purpose only*