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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)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2023**

### **FINANCIAL HIGHLIGHTS**

For the year ended December 31, 2023:

- Operating revenue of the Group was approximately RMB82,548.6 million, representing a decrease of 0.3% over 2022.
- Net profit attributable to shareholders of the parent company was approximately RMB10,724.6 million, representing an increase of 7.6% over 2022 (restated).
- Net profit attributable to shareholders of the parent company (excluding the effects of non-recurring gains or losses) was approximately RMB10,612.9 million, representing an increase of 8.6% over 2022 (restated).
- The Board recommended a payment of final cash dividend of RMB0.094 (inclusive of tax) per share.

The board of directors (the “**Directors**”) (the “**Board**”) of CGN Power Co., Ltd.\* (the “**Company**”, “**we**” or “**us**”) hereby announces the consolidated operating results of the Company and its subsidiaries (the “**Group**”) for the year ended December 31, 2023 (the “**Reporting Period**”) together with the comparative figures for the year 2022. The financial data of the Group for the year ended December 31, 2023 shown in this results announcement is based on the audited consolidated financial statements prepared in accordance with the China Accounting Standards for Business Enterprises (“**CASBE**”), the disclosure requirements of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (“**Hong Kong Companies Ordinance**”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

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

\* For identification purpose only

## FINANCIAL INFORMATION

The financial information set out below in this announcement is extracted from the Company's 2023 annual report (the "2023 Annual Report"). Such financial information has been reviewed by the audit and risk management committee of the Company (the "Audit and Risk Management Committee"), approved by the Board and agreed by KPMG Huazhen LLP, the external auditor of the Company. The consolidated financial statements of the Company for the year 2023 prepared in accordance with the CASBE has been audited by the external auditor of the Group with unqualified audit opinion being issued.

### CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2023

(Expressed in RMB)

	NOTES	2023 (Audited)	2022 (Audited and restated)
I. Operating revenue	4	82,548,643,150.32	82,822,403,586.43
Less: Operating costs	4	52,857,623,128.12	55,280,973,105.26
Tax and surcharges		875,270,345.07	806,025,863.88
Selling expenses		41,057,574.00	47,349,032.18
Administrative expenses		2,663,944,617.32	2,419,767,020.20
Research and development expenses		2,419,777,159.85	1,869,791,343.35
Finance costs	5	5,665,969,106.29	6,592,241,766.41
Including: Interest expenses		5,759,954,182.21	6,465,851,164.62
Interest income		274,888,234.46	194,704,466.66
Add: Other gains	6	1,305,494,431.42	1,450,689,383.51
Investment income	7	1,604,201,549.01	1,678,084,450.13
Including: Income from investment in associates and joint ventures	7	1,567,930,335.69	1,601,313,387.52
(Losses)/gains from changes in fair value		(9,641,502.81)	55,548,413.93
Reversals/(losses) from credit impairment	8	8,169,705.91	(128,834,101.51)
Asset impairment losses	9	(342,624,971.55)	(22,401,046.89)
Gains from disposal of assets		3,893,976.92	6,229,587.41
II. Operating profit		20,594,494,408.57	18,845,572,141.73
Add: Non-operating income		18,959,566.56	23,802,356.82
Less: Non-operating expenses		82,890,761.59	169,241,771.62
III. Total profit		20,530,563,213.54	18,700,132,726.93
Less: Income tax expenses	10	3,484,791,577.91	3,458,594,950.96

	<i>NOTES</i>	2023 (Audited)	2022 (Audited and restated)
IV. Net profit		<b>17,045,771,635.63</b>	15,241,537,775.97
(I) Classified by continuity of operations			
1. Net profit from continuing operations		<b>17,045,771,635.63</b>	15,241,537,775.97
2. Net profit from discontinued operations		-	-
(II) Classified by ownership			
1. Net profit attributable to shareholders of the parent company		<b>10,724,570,116.68</b>	9,963,793,122.97
2. Non-controlling interests		<b>6,321,201,518.95</b>	5,277,744,653.00
V. Other comprehensive income, net of tax		<b>(3,277,707.75)</b>	540,520,768.82
Other comprehensive income attributable to shareholders of the parent company, net of tax		<b>(12,405,170.72)</b>	396,280,716.11
(I) Other comprehensive income that will not be reclassified to profit or loss		<b>(39,997,727.57)</b>	(36,069,692.02)
1. Change arising from remeasurement of defined benefit plan		<b>(1,445,000.00)</b>	1,716,750.00
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		<b>1,885,273.86</b>	6,608,160.12
3. Change in fair value of investment in other equity instruments		<b>(40,438,001.43)</b>	(44,394,602.14)
(II) Other comprehensive income that may be reclassified to profit or loss		<b>27,592,556.85</b>	432,350,408.13
1. Other comprehensive income that can be transferred to profit or loss under the equity method		<b>167.91</b>	-
2. Translation differences arising from translation of foreign currency financial statements		<b>27,592,388.94</b>	432,350,408.13
Other comprehensive income attributable to non-controlling interests, net of tax		<b>9,127,462.97</b>	144,240,052.71
VI. Total comprehensive income		<b>17,042,493,927.88</b>	15,782,058,544.79
Total comprehensive income attributable to shareholders of the parent company		<b>10,712,164,945.96</b>	10,360,073,839.08
Total comprehensive income attributable to non-controlling interests		<b>6,330,328,981.92</b>	5,421,984,705.71
VII. Earnings per share			
(I) Basic earnings per share	<i>11</i>	<b>0.212</b>	0.197
(II) Diluted earnings per share	<i>11</i>	<b>0.212</b>	0.197

## CONSOLIDATED BALANCE SHEET

As at December 31, 2023

(Expressed in RMB)

	NOTES	December 31, 2023 (Audited)	December 31, 2022 (Audited and restated)
<b>Current assets:</b>			
Cash at bank and in hand		15,740,022,846.16	14,840,775,400.46
Bills receivable	12	624,246.68	3,605,535.11
Accounts receivable	13	11,826,588,472.45	14,937,561,118.67
Prepayments		18,952,354,632.94	17,506,790,909.33
Other receivables		72,565,694.17	334,927,504.46
Inventories		20,572,514,378.57	17,775,458,321.06
Contract assets		3,069,546,362.99	2,860,873,537.43
Other current assets		2,553,209,127.35	2,244,917,768.57
<b>Total current assets</b>		<b>72,787,425,761.31</b>	<b>70,504,910,095.09</b>
<b>Non-current assets:</b>			
Debt investments		54,568,690.91	48,917,096.53
Long-term equity investments		14,493,903,287.50	13,657,204,477.07
Other investment in equity instruments		558,299,570.13	569,823,570.13
Investment properties		147,449,898.74	180,474,430.77
Fixed assets		246,683,586,670.13	232,763,516,089.38
Construction in progress		56,323,899,683.56	68,299,405,441.78
Right-of-use assets		860,089,607.99	1,041,919,328.49
Intangible assets		5,445,847,122.89	5,205,320,306.21
Development costs		6,128,182,772.34	5,031,087,404.91
Goodwill		419,242,673.32	419,242,673.32
Long-term deferred expenses		1,673,227,838.42	1,563,607,925.18
Deferred tax assets		2,554,703,775.84	2,408,465,630.34
Other non-current assets		7,119,929,423.27	7,322,023,246.40
<b>Total non-current assets</b>		<b>342,462,931,015.04</b>	<b>338,511,007,620.51</b>
<b>Total assets</b>		<b>415,250,356,776.35</b>	<b>409,015,917,715.60</b>

	<i>NOTES</i>	<b>December 31, 2023</b>	December 31, 2022
		<b>(Audited)</b>	(Audited and restated)
<b>Current liabilities:</b>			
Short-term loans	<i>14</i>	<b>14,254,614,202.81</b>	11,930,482,045.91
Bills payable	<i>15</i>	<b>6,832,625,985.08</b>	5,094,227,695.25
Accounts payable	<i>16</i>	<b>23,436,996,931.06</b>	22,967,701,771.92
Receipts in advance		<b>428,571.63</b>	450,000.00
Contract liabilities		<b>2,846,898,773.84</b>	2,713,506,296.40
Employee benefits payable		<b>57,487,731.53</b>	57,289,658.73
Taxes payable		<b>1,143,292,918.15</b>	2,099,287,224.92
Other payables		<b>4,706,474,580.48</b>	6,756,582,982.51
Non-current liabilities due within one year	<i>17</i>	<b>23,957,011,377.95</b>	21,370,443,527.73
Other current liabilities		<b>151,732,786.42</b>	3,142,463,824.40
<b>Total current liabilities</b>		<b>77,387,563,858.95</b>	76,132,435,027.77
<b>Non-current liabilities:</b>			
Long-term loans	<i>18</i>	<b>159,268,303,931.86</b>	160,074,949,905.97
Bonds payable	<i>19</i>	<b>2,497,316,120.08</b>	4,492,066,733.52
Lease liabilities		<b>482,827,523.50</b>	651,291,464.61
Long-term employee benefits payable		<b>65,302,819.30</b>	60,783,521.25
Provisions	<i>20</i>	<b>6,552,255,913.65</b>	5,959,875,294.10
Deferred income		<b>2,238,186,324.31</b>	2,325,356,501.66
Deferred tax liabilities		<b>1,454,653,425.63</b>	1,386,207,340.79
<b>Total non-current liabilities</b>		<b>172,558,846,058.33</b>	174,950,530,761.90
<b>Total liabilities</b>		<b>249,946,409,917.28</b>	251,082,965,789.67
<b>Shareholders' equity:</b>			
Share capital	<i>21</i>	<b>50,498,611,100.00</b>	50,498,611,100.00
Capital reserve		<b>10,794,337,306.25</b>	10,807,810,823.13
Other comprehensive income		<b>729,357,612.20</b>	741,762,782.92
Specific reserve		<b>104,420,586.57</b>	200,139,433.39
Surplus reserve		<b>6,677,117,624.13</b>	5,740,452,568.88
Retained earnings		<b>44,432,050,938.38</b>	39,037,526,815.66
<b>Total equity attributable to shareholders of the parent company</b>		<b>113,235,895,167.53</b>	107,026,303,523.98
Non-controlling interests		<b>52,068,051,691.54</b>	50,906,648,401.95
<b>Total shareholders' equity</b>		<b>165,303,946,859.07</b>	157,932,951,925.93
Total liabilities and shareholders' equity		<b>415,250,356,776.35</b>	409,015,917,715.60

## NOTES TO THE FINANCIAL INFORMATION

For the year ended December 31, 2023

### 1. COMPANY OVERVIEW

The Company was established in the People's Republic of China (the "PRC") on March 25, 2014 as a joint stock company with limited liability under the Company Law of the PRC, and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (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 of nuclear power plants ("NPP(s)") engineering projects; organization of the operation, repair and related businesses of NPPs; organization of the design development and scientific research for NPPs; and engagement in related investment, import and export businesses.

### 2. BASIS OF PREPARATION

The Group adopts the CASBE and relevant requirements promulgated by the Ministry of Finance 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 2023) (《公開發行證券的公司信息披露編報規則第 15 號 – 財務報告的一般規定(2023年修訂)》). In addition, the financial statements also disclose information according to the relevant disclosure requirements under the Hong Kong Companies Ordinance and the Listing Rules.

### 3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

#### Changes in accounting policies and reasons thereof

In 2023, the Group implemented the related requirements and guidelines under the Accounting Standards for Business Enterprises issued by the Ministry of Finance in recent years, which mainly include:

- Requirement of the “Accounting Treatment for Initial Recognition Not Applicable to Deferred Tax related to Assets and Liabilities Arising from a Single Transaction” in Interpretation No. 16 of the Accounting Standards for Business Enterprises (Cai Kuai [2022] No. 31) (《企業會計準則解釋第16號》(財會[2022]31號)) (“**Interpretation No. 16**”).

#### **Accounting Treatment for Initial Recognition Not Applicable to Deferred Tax related to Assets and Liabilities Arising from a Single Transaction**

According to the requirements of Interpretation No. 16, for single transaction that is not a business combination, does not affect accounting profits nor taxable profits (or deductible losses) on the date of transaction, and does not incur equivalent taxable temporary differences and deductible temporary differences as a result of the initial recognition of assets and liabilities, the requirement of waiver regarding initial recognition of deferred tax liabilities and deferred tax assets under the Accounting Standards for Business Enterprises No. 18 – Income Tax is not applicable. For taxable temporary differences and deductible temporary differences arising from initial recognition of assets and liabilities under such transaction, the Group recognizes respective deferred tax liabilities and deferred tax assets on the date of transaction according to relevant requirements under the Accounting Standards for Business Enterprises No. 18 – Income Tax.

The Group made retrospective adjustments in accordance with the above requirement for single transaction applicable to such requirement that occurred between January 1, 2022 and the date of initial adoption. For taxable temporary differences and deductible temporary differences arising from recognition of lease liabilities and right-of-use assets for single transaction applicable to such requirement that occurred as at January 1, 2022, the Group adjusted the opening retained earnings for the earliest financial reporting period and other relevant items in the financial statements against the cumulative affected amount in accordance with such requirement and the Accounting Standards for Business Enterprises No. 18 – Income Tax.

**(i) Impacts of the changes on the financial statements for the period**

The impacts of the above changes in the accounting policy on each item in the consolidated balance sheet and the balance sheet of the parent company as of December 31, 2023 are summarized as follows:

*Unit: RMB*

	<b>(Decrease)/increase in the amount of statement items after the adoption of the changes in the accounting policy</b>	
	<b>The Group</b>	<b>The Company</b>
Assets:		
Long-term equity investments	787,726.37	318,637.79
Deferred tax assets	(3,693,648.49)	–
Liabilities:		
Deferred tax liabilities	(3,264,870.08)	–
Shareholders' equity:		
Surplus reserve	31,863.78	31,863.78
Retained earnings	(4,244,206.79)	286,774.01
Non-controlling interests	4,571,290.97	–

The impacts of the above changes in the accounting policy on each item in the consolidated income statement and the income statement of the parent company for 2023 are summarized as follows:

*Unit: RMB*

	<b>(Decrease)/increase in the amount of statement items after the adoption of the changes in the accounting policy</b>	
	<b>The Group</b>	<b>The Company</b>
Investment income	1,181,139.89	94,476.03
Total profit	1,181,139.89	94,476.03
Less: Income tax expenses	3,852,267.72	–
Net profit	(2,671,127.83)	94,476.03
Including: Net profit attributable to shareholders of the parent company	(2,849,974.62)	94,476.03
Non-controlling interests	178,846.79	–



**(ii) Impacts of the changes on the comparative financial statements**

The impacts of the above changes in the accounting policy on net profit for 2022 and shareholders' equity at the beginning and the end of 2022 are summarized as follows:

*Unit: RMB*

	The Group		
	Net profit/(loss) for 2022	Shareholders' equity at the end of 2022	Shareholders' equity at the beginning of 2022
Net profits and shareholders' equity before adjustment	15,242,750,434.76	157,929,921,850.14	150,950,296,902.06
Impact of initial recognition not applicable to deferred tax related to assets and liabilities arising from a single transaction	(1,212,658.79)	3,030,075.79	4,242,734.58
Net profits and shareholders' equity after adjustment	15,241,537,775.97	157,932,951,925.93	150,954,539,636.64

*Unit: RMB*

	The Company		
	Net profit/(loss) for 2022	Shareholders' equity at the end of 2022	Shareholders' equity at the beginning of 2022
Net profits and shareholders' equity before adjustment	8,386,423,530.67	109,052,434,448.49	104,909,784,091.14
Impact of initial recognition not applicable to deferred tax related to assets and liabilities arising from a single transaction	(15,878.82)	224,161.76	240,040.58
Net profits and shareholders' equity after adjustment	8,386,407,651.85	109,052,658,610.25	104,910,024,131.72

The impacts of the above changes in the accounting policy on each item in the consolidated balance sheet and the balance sheet of the parent company as of December 31, 2022 are summarized as follows:

*Unit: RMB*

	The Group		
	Before adjustment	Adjusted amount	After adjustment
Assets:			
Long-term equity investments	13,657,597,890.59	(393,413.52)	13,657,204,477.07
Deferred tax assets	2,407,719,951.15	745,679.19	2,408,465,630.34
Liabilities:			
Deferred tax liabilities	1,388,885,150.91	(2,677,810.12)	1,386,207,340.79
Shareholders' equity:			
Surplus reserve	5,740,430,152.70	22,416.18	5,740,452,568.88
Retained earnings	39,038,911,600.23	(1,384,784.57)	39,037,526,815.66
Non-controlling interests	50,902,255,957.77	4,392,444.18	50,906,648,401.95

Unit: RMB

	<b>The Company</b>		
	<b>Before adjustment</b>	<b>Adjusted amount</b>	<b>After adjustment</b>
Assets:			
Long-term equity investments	86,604,309,314.03	224,161.76	86,604,533,475.79
Shareholders' equity:			
Surplus reserve	5,328,738,712.60	22,416.18	5,328,761,128.78
Retained earnings	21,443,389,507.84	201,745.58	21,443,591,253.42

The impacts of the above changes in the accounting policy on each item in the consolidated income statement and the income statement of the parent company for 2022 are summarized as follows:

Unit: RMB

	<b>The Group</b>		
	<b>Before adjustment</b>	<b>Adjusted amount</b>	<b>After adjustment</b>
Investment income	1,677,126,744.30	957,705.83	1,678,084,450.13
Total profit	18,699,175,021.10	957,705.83	18,700,132,726.93
Less: Income tax expenses	3,456,424,586.34	2,170,364.62	3,458,594,950.96
Net profit	15,242,750,434.76	(1,212,658.79)	15,241,537,775.97
Including: Net profit attributable to shareholders of the parent company	9,964,854,412.04	(1,061,289.07)	9,963,793,122.97
Non-controlling interests	5,277,896,022.72	(151,369.72)	5,277,744,653.00

Unit: RMB

	<b>The Company</b>		
	<b>Before adjustment</b>	<b>Adjusted amount</b>	<b>After adjustment</b>
Investment income	9,662,123,045.32	(15,878.82)	9,662,107,166.50
Total profit	8,386,423,530.67	(15,878.82)	8,386,407,651.85
Net profit	8,386,423,530.67	(15,878.82)	8,386,407,651.85

(iii) *After the retrospective adjustment of the above accounting policy changes, the amounts in the consolidated balance sheet and the balance sheet of the parent company as of January 1, 2022 are follows:*

*Unit: RMB*

	<b>The Group</b>	<b>The Company</b>
Assets		
Current assets:		
Cash at bank and in hand	<b>15,827,729,811.43</b>	9,733,956,725.88
Bills receivable	<b>1,707,261,500.00</b>	–
Accounts receivable	<b>10,851,815,965.20</b>	1,231,082,748.72
Prepayments	<b>17,372,065,000.89</b>	244,781,069.15
Other receivables	<b>53,320,247.61</b>	1,891,933,966.37
Non-current assets due within one year	–	5,006,465,631.80
Inventories	<b>15,248,475,732.06</b>	–
Contract assets	<b>3,346,751,008.49</b>	–
Other current assets	<b>3,558,731,564.77</b>	18,470,729,359.93
Total current assets	<b>67,966,150,830.45</b>	36,578,949,501.85
Non-current assets:		
Debt investments	<b>37,739,834.23</b>	8,537,703,160.59
Long-term equity investments	<b>12,456,053,898.57</b>	82,965,905,596.79
Other investment in equity instruments	<b>590,195,970.13</b>	–
Investment properties	<b>204,919,250.54</b>	–
Fixed assets	<b>239,781,814,198.65</b>	119,200,253.44
Construction in progress	<b>57,561,621,171.27</b>	70,802,824.69
Right-of-use assets	<b>1,040,777,428.86</b>	207,949,957.38
Intangible assets	<b>5,202,831,122.59</b>	285,905,825.06
Development costs	<b>3,575,421,186.66</b>	2,493,893,739.45
Goodwill	<b>419,242,673.32</b>	–
Long-term deferred expenses	<b>1,527,444,432.48</b>	–
Deferred tax assets	<b>2,318,230,311.02</b>	–
Other non-current assets	<b>7,355,378,268.23</b>	12,354.72
Total non-current assets	<b>332,071,669,746.55</b>	94,681,373,712.12
Total assets	<b>400,037,820,577.00</b>	131,260,323,213.97

	<b>The Group</b>	The Company
Liabilities and shareholders' equity		
Current liabilities:		
Short-term loans	<b>16,374,993,758.88</b>	–
Bills payable	<b>3,549,771,587.50</b>	–
Accounts payable	<b>18,817,580,701.92</b>	488,845,346.91
Contract liabilities	<b>4,124,772,960.60</b>	7,386,539.93
Employee benefits payable	<b>55,849,381.67</b>	2,278,203.51
Taxes payable	<b>1,561,020,572.25</b>	9,832,473.38
Other payables	<b>4,075,609,945.61</b>	8,365,136,771.88
Non-current liabilities due within one year	<b>22,719,658,250.53</b>	5,276,912,359.22
Other current liabilities	<b>6,040,857,546.10</b>	5,246,547,452.05
Total current liabilities	<b>77,320,114,705.06</b>	19,396,939,146.88
Non-current liabilities:		
Long-term loans	<b>155,921,820,998.03</b>	800,000,000.00
Bonds payable	<b>5,988,041,567.89</b>	5,988,041,567.89
Lease liabilities	<b>692,172,850.27</b>	140,033,806.68
Long-term employee benefits payable	<b>195,433,077.84</b>	18,587,634.13
Provisions	<b>5,334,823,453.78</b>	–
Deferred income	<b>2,361,217,837.38</b>	6,696,926.67
Deferred tax liabilities	<b>1,269,656,450.11</b>	–
Total non-current liabilities	<b>171,763,166,235.30</b>	6,953,359,935.37
Total liabilities	<b>249,083,280,940.36</b>	26,350,299,082.25
Shareholders' equity:		
Share capital	<b>50,498,611,100.00</b>	50,498,611,100.00
Capital reserve	<b>10,790,413,325.63</b>	31,781,695,128.05
Other comprehensive income	<b>345,482,066.81</b>	–
Specific reserve	<b>249,371,452.84</b>	–
Surplus reserve	<b>4,901,811,803.69</b>	4,490,120,363.59
Retained earnings	<b>34,156,147,631.20</b>	18,139,597,540.08
Total equity attributable to shareholders of the parent company	<b>100,941,837,380.17</b>	–
Non-controlling interests	<b>50,012,702,256.47</b>	–
Total shareholders' equity	<b>150,954,539,636.64</b>	104,910,024,131.72
Total liabilities and shareholders' equity	<b>400,037,820,577.00</b>	131,260,323,213.97

#### 4. OPERATING REVENUE AND OPERATING COSTS

Unit: RMB

Item	2023		2022	
	Revenue	Cost	Revenue	Cost
From principal operations	<b>82,347,292,629.72</b>	<b>52,684,511,265.83</b>	82,333,240,527.94	54,862,143,033.92
Of which: Sales of electricity	<b>62,516,995,149.32</b>	<b>33,852,086,980.07</b>	58,104,820,052.83	31,318,491,132.55
Construction, installation and design services	<b>17,898,137,857.86</b>	<b>17,557,054,957.41</b>	22,697,431,207.82	22,490,541,370.22
Rendering of services	<b>1,457,249,933.38</b>	<b>997,269,119.51</b>	1,100,304,876.55	771,964,504.35
Sales of goods and others	<b>474,909,689.16</b>	<b>278,100,208.84</b>	430,684,390.74	281,146,026.80
From other operations	<b>201,350,520.60</b>	<b>173,111,862.29</b>	489,163,058.49	418,830,071.34
Total	<b>82,548,643,150.32</b>	<b>52,857,623,128.12</b>	82,822,403,586.43	55,280,973,105.26

#### 5. FINANCE COSTS

Unit: RMB

Item	2023	2022
Interest expenses	<b>6,731,778,756.56</b>	7,897,357,283.09
Less: Capitalized interest expenses	<b>1,349,333,228.11</b>	1,785,720,888.05
Less: Interest income	<b>274,888,234.46</b>	194,704,466.66
Exchange losses, net	<b>162,005,265.22</b>	297,647,593.82
Less: Capitalized exchange losses	<b>1,419,524.01</b>	270,889.54
Finance costs on the provision for NPP decommissioning	<b>341,074,578.69</b>	312,365,531.97
Interest expenses on the lease liabilities	<b>36,434,075.07</b>	41,849,237.61
Bank charges and others	<b>20,317,417.33</b>	23,718,364.17
Total	<b>5,665,969,106.29</b>	6,592,241,766.41

## 6. OTHER GAINS

Unit: RMB

Item	2023	Including: amount included in non-recurring gains or losses for the year	2022	Including: amount included in non-recurring gains or losses for 2022
Value-added tax refunds (Note)	<b>1,124,235,386.17</b>	–	1,198,666,468.01	–
Other government grants	<b>168,002,150.90</b>	<b>168,002,150.90</b>	226,078,193.21	226,078,193.21
Others	<b>13,256,894.35</b>	–	25,944,722.29	–
Total	<b>1,305,494,431.42</b>	<b>168,002,150.90</b>	1,450,689,383.51	226,078,193.21

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

## 7. INVESTMENT INCOME

Unit: RMB

Item	2023	2022(Restated)
Income from long-term equity investments accounted for using the equity method	<b>1,567,930,335.69</b>	1,601,313,387.52
Investment income from disposal of long-term equity investments	–	53,572,716.38
Investment losses from disposal of derivative financial assets	<b>(475,307.58)</b>	(14,091,817.31)
Dividend income from other equity instruments during the investment period	<b>36,050,119.33</b>	31,856,543.70
Others	<b>696,401.57</b>	5,433,619.84
Total	<b>1,604,201,549.01</b>	1,678,084,450.13

**8. REVERSALS/(LOSSES) FROM CREDIT IMPAIRMENT***Unit: RMB*

<b>Item</b>	<b>2023</b>	<b>2022</b>
Bad debts reversals/(losses) of accounts receivable	<b>5,260,693.39</b>	(133,456,842.07)
Bad debts reversals of other receivables	<b>2,915,604.05</b>	4,642,217.48
Bad debt losses for dividends receivable	<b>(6,591.53)</b>	(19,476.92)
<b>Total</b>	<b>8,169,705.91</b>	(128,834,101.51)

**9. ASSET IMPAIRMENT LOSSES***Unit: RMB*

<b>Item</b>	<b>2023</b>	<b>2022</b>
Impairment losses of inventories	<b>(108,167,851.98)</b>	(6,628,469.25)
Impairment (losses)/reversals of contract assets	<b>(204,727,836.58)</b>	1,265,206.72
Impairment losses of fixed assets	<b>(29,729,282.99)</b>	(17,037,784.36)
<b>Total</b>	<b>(342,624,971.55)</b>	(22,401,046.89)

**10. INCOME TAX EXPENSES***Unit: RMB*

<b>Item</b>	<b>2023</b>	<b>2022 (Restated)</b>
Current income tax expenses	<b>3,567,200,160.74</b>	3,312,369,991.08
Deferred income tax expenses	<b>(70,655,942.76)</b>	34,149,912.92
Adjustments to income tax of previous years	<b>(11,752,640.07)</b>	112,075,046.96
<b>Total</b>	<b>3,484,791,577.91</b>	3,458,594,950.96

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

Pursuant to the PRC Enterprise Income Tax Law as revised on December 29, 2018, China Nuclear Power Design Co., Ltd. (Shenzhen) (深圳中廣核工程設計有限公司) (“**CGN Design**”), Lingdong Nuclear, Guangdong Nuclear Power Joint Venture Co., Ltd. (廣東核電合營有限公司), China Nuclear Power (Shenzhen) Radiation Monitoring Technology Co., Ltd. (中廣核(深圳)輻射監測技術有限公司) (“**Radiation 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, 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**”) and CGN Import & Export Co., Ltd. (中廣核電進出口有限公司) (“**Import & Export Company**”) were entitled to tax reduction and exemption.

<b>Name of company or generating unit</b>	<b>Preferential tax rate applicable for the current year</b>	<b>Preferential tax rate applicable for the previous year</b>	<b>Reason for tax incentives</b>
Yangjiang Unit 4	N/A	12.50%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Yangjiang Unit 5	12.50%	12.50%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Yangjiang Unit 6	12.50%	12.50%	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	15.00%	15.00%	Western development enterprise income tax preferential policy (2016-2030)
Fangchenggang Unit 3	Exempted	N/A	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
Taishan Unit 1	12.50%	12.50%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Taishan Unit 2	12.50%	12.50%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Guangdong Nuclear Power Joint Venture Co., Ltd. (廣東核電合營有限公司)	15.00%	15.00%	Preferential tax policy for high-tech enterprises
Ling’ao Nuclear	15.00%	15.00%	Preferential tax policy for high-tech enterprises
Lingdong Nuclear	15.00%	15.00%	Preferential tax policy for high-tech enterprises
CNPRI	15.00%	15.00%	Preferential tax policy for high-tech enterprises
SNPI	15.00%	15.00%	Preferential tax policy for high-tech enterprises
Inspection Company	15.00%	15.00%	Preferential tax policy for high-tech enterprises



Name of company or generating unit	Preferential tax rate applicable for the current year	Preferential tax rate applicable for the previous year	Reason for tax incentives
Radiation Monitoring Company	15.00%	15.00%	Preferential tax policy for high-tech enterprises
CGN Engineering	15.00%	15.00%	Preferential tax policy for high-tech enterprises
CGN Design	15.00%	15.00%	Preferential tax policy for high-tech enterprises
CGN Operations	15.00%	15.00%	Preferential tax policy for high-tech enterprises
Sansha Energy	20.00%	20.00%	Preferential enterprise income tax policy for small profit-making enterprises
Environment Protection Company	20.00%	20.00%	Preferential enterprise income tax policy for small profit-making enterprises
Import & Export Company	20.00%	20.00%	Preferential enterprise income tax policy for small profit-making enterprises

Note: Pursuant to the requirements of 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%. The preferential tax policy was terminated on December 31, 2022. According to the requirements of the Announcement of the Ministry of Finance and the State Taxation Administration on the Preferential Income Tax Policies for Micro and Small Enterprises and Individual Industrial and Commercial Households (Cai Shui [2023] No. 6) 《財政部稅務總局關於小微企業和個體工商戶所得稅優惠政策的公告》(財稅[2023]6號)), for the portion of annual taxable income of small profit-making enterprises less than RMB1.00 million, 25% of the amount will be reduced, and the EIT will be at the tax rate of 20%. According to the requirements of 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%. The implementation period of the announcement is from January 1, 2022 to December 31, 2024.

## 11. EARNINGS PER SHARE

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

*Unit: RMB*

Item	2023	2022(Restated)
Consolidated net profit attributable to shareholders of ordinary shares of the Company	<b>10,724,570,116.68</b>	9,963,793,122.97
Weighted average number of ordinary shares of the Company in issue	<b>50,498,611,100.00</b>	50,498,611,100.00
Basic earnings per share (RMB/share)	<b>0.212</b>	0.197

In 2023 and 2022, the Group did not have dilutive potential ordinary shares. Therefore, diluted earnings per share equaled to basic earnings per share.

## 12. BILLS RECEIVABLE

Unit: RMB

Item	December 31, 2023	December 31, 2022
Bank acceptance bills	624,246.68	3,605,535.11
Total	624,246.68	3,605,535.11

## 13. ACCOUNTS RECEIVABLE

Unit: RMB

Item	December 31, 2023	December 31, 2022
Accounts receivable arising from contracts with customers	12,133,425,236.40	15,250,386,517.53
Including: Group 1	7,289,949,984.48	13,907,734,857.26
Group 2	274,202,428.50	1,268,392,568.47
Accounts receivable for which provision for bad debts have been individually made	4,569,272,823.42	74,259,091.80
Less: Impairment provisions	306,836,763.95	312,825,398.86
Including: Group 1	29,142,881.25	163,697,613.72
Group 2	92,670,351.05	74,868,693.34
Accounts receivable for which provision for bad debts have been individually made	185,023,531.65	74,259,091.80
Carrying value	11,826,588,472.45	14,937,561,118.67

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 aging risk portfolio of accounts receivable are as follows:

### Group 1:

Unit: RMB

Aging	December 31, 2023				December 31, 2022			
	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%	7,173,424,422.48	21,520,273.27	7,151,904,149.21	0.30%	12,267,515,735.02	36,802,547.20	12,230,713,187.82
1 to 2 years	5.00%	105,565,370.35	5,278,268.52	100,287,101.83	5.00%	1,340,991,719.56	67,049,585.98	1,273,942,133.58
2 to 3 years	20.00%	9,437,180.31	1,887,436.06	7,549,744.25	20.00%	299,227,402.68	59,845,480.54	239,381,922.14
3 to 4 years	30.00%	1,523,011.34	456,903.40	1,066,107.94	30.00%	-	-	-
Total		7,289,949,984.48	29,142,881.25	7,260,807,103.23		13,907,734,857.26	163,697,613.72	13,744,037,243.54

**Group 2:***Unit: RMB*

Aging	December 31, 2023				December 31, 2022			
	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%	121,090,035.75	363,270.11	120,726,765.64	0.30%	1,098,602,753.67	3,295,808.25	1,095,306,945.42
1 to 2 years	10.00%	24,820,202.60	2,482,020.26	22,338,182.34	10.00%	62,107,324.38	6,210,732.44	55,896,591.94
2 to 3 years	30.00%	39,119,532.41	11,735,859.72	27,383,672.69	30.00%	18,458,308.19	5,537,492.46	12,920,815.73
3 to 4 years	50.00%	5,085,418.82	2,542,709.41	2,542,709.41	50.00%	43,450,858.27	21,725,429.14	21,725,429.13
4 to 5 years	80.00%	42,703,736.87	34,162,989.50	8,540,747.37	80.00%	38,370,464.56	30,696,371.65	7,674,092.91
More than 5 years	100.00%	41,383,502.05	41,383,502.05	-	100.00%	7,402,859.40	7,402,859.40	-
Total		274,202,428.50	92,670,351.05	181,532,077.45		1,268,392,568.47	74,868,693.34	1,193,523,875.13

**14. SHORT-TERM LOANS***Unit: RMB*

<b>Item</b>	<b>December 31, 2023</b>	December 31, 2022
Credit loans	<b>14,239,744,609.06</b>	11,921,386,787.04
Short-term loans interest payable	<b>14,869,593.75</b>	9,095,258.87
<b>Total</b>	<b>14,254,614,202.81</b>	11,930,482,045.91

As at December 31, 2023 and December 31, 2022, the Group had no overdue and unsettled short-term loans.

**15. BILLS PAYABLE***Unit: RMB*

<b>Item</b>	<b>December 31, 2023</b>	December 31, 2022
Bank acceptance bills	<b>6,832,625,985.08</b>	5,094,227,695.25
<b>Total</b>	<b>6,832,625,985.08</b>	5,094,227,695.25

As at December 31, 2023 and December 31, 2022, the Group had no overdue and unsettled bills payable.

**16. ACCOUNTS PAYABLE***Unit: RMB*

<b>Aging</b>	<b>December 31, 2023</b>	December 31, 2022
Within 1 year	<b>15,925,288,435.19</b>	15,429,335,596.47
1 to 2 years	<b>2,674,143,352.86</b>	2,667,755,529.73
2 to 3 years	<b>1,962,379,803.22</b>	2,424,836,499.10
More than 3 years	<b>2,875,185,339.79</b>	2,445,774,146.62
<b>Total</b>	<b>23,436,996,931.06</b>	22,967,701,771.92

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

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

<b>Item</b>	<b>December 31, 2023</b>	December 31, 2022
Long-term loans due within one year	<b>21,307,583,279.79</b>	16,682,623,230.22
Long-term loans interest payable	<b>286,352,127.32</b>	233,861,779.59
Bonds payable due within one year	<b>2,000,242,305.56</b>	3,996,403,438.97
Bonds payable interests payable	<b>112,718,946.24</b>	172,034,716.01
Post-employment benefit scheme liabilities due within one year	<b>5,007,376.36</b>	4,065,909.85
Lease liabilities due within one year	<b>245,107,342.68</b>	281,454,453.09
<b>Total</b>	<b>23,957,011,377.95</b>	21,370,443,527.73

**18. LONG-TERM LOANS***Unit: RMB*

<b>Item</b>	<b>December 31, 2023</b>	December 31, 2022
Credit loans	<b>91,833,451,577.96</b>	49,937,703,288.16
Pledged loans <sup>(1)</sup>	<b>88,742,435,633.69</b>	126,587,969,848.03
Secured loans <sup>(2)</sup>	–	231,900,000.00
Less: Long-term loans due within one year	<b>21,307,583,279.79</b>	16,682,623,230.22
<b>Total</b>	<b>159,268,303,931.86</b>	160,074,949,905.97

Notes:

- (1) Pledged loans are pledged by the Group with its interests under sales agreements of electricity, insurance contracts and equity interest held. As at December 31, 2023, Guangdong Nuclear Power Investment Co., Ltd. (“GNIC”), Taishan Nuclear Power Industry Investment Co., Ltd. (台山核電產業投資有限公司) and the Company pledged the equity of Taishan Nuclear to obtain long-term loans, and GNIC, the Company and CGN Nuclear Power Investment Co., Ltd. pledged the equity of Lingdong Nuclear to obtain long-term loans.
- (2) Secured loans are secured by the Company’s subsidiaries Lingdong Nuclear and CGN Engineering with equipment.

The range of annual interest rates of the above loans:

	<b>2023</b>	2022
Range of annual interest rates of the above loans	<b>1.50%-5.15%</b>	2.49%-5.15%

## 19. BONDS PAYABLE

Unit: RMB

Category	December 31, 2023	December 31, 2022
Medium-term notes (Note)	<b>4,497,558,425.64</b>	8,488,470,172.49
Less: Bonds payable due within one year	<b>2,000,242,305.56</b>	3,996,403,438.97
Total	<b>2,497,316,120.08</b>	4,492,066,733.52

Note: The Group issued 20 CGN Power MTN001, 21 CGN Power MTN001, 21 CGN Power MTN002 and 22 CGN Power MTN001 on August 24, 2020, April 12, 2021, June 15, 2021 and February 21, 2022, respectively. These medium-term notes, with nominal values amounting to 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 RMB24,000,000.00, will become due and payable in August 2023, April 2024, June 2023 and February 2025, respectively. Among which, 21 CGN Power MTN002 and 20 CGN Power MTN001 have been due and paid in June and August 2023.

## 20. PROVISIONS

Unit: RMB

Item	December 31, 2023	December 31, 2022
Provision for NPP decommissioning <sup>(1)</sup>	<b>5,853,483,619.89</b>	5,372,623,933.88
Provision for low and medium level radioactive waste disposals <sup>(2)</sup>	<b>698,772,293.76</b>	587,251,360.22
Total	<b>6,552,255,913.65</b>	5,959,875,294.10

Notes:

- (1) It is the discounted value of the best estimate of the expected cost of 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

	December 31, 2023	December 31, 2022
Unrestricted shares		
Domestic shares (A shares)	39,334,986,100	39,334,986,100
Including: CGNPC	29,176,641,375	29,176,641,375
Guangdong Hengjian Investment Holdings Co., Ltd. (廣東恒健投資控股有限公司)	3,428,512,500	3,428,512,500
Other domestic shares	6,729,832,225	6,729,832,225
Overseas listed foreign shares (H shares)	11,163,625,000	11,163,625,000
Including: CGNPC and its subsidiaries	560,235,000	570,235,000
Other foreign shares	10,603,390,000	10,593,390,000
Total	50,498,611,100	50,498,611,100

CGNPC has increased its holdings of H shares of the Company since March 26, 2020, and increased its holdings of H shares of the Company during the periods from March 26, 2020 to March 25, 2021 and from April 26, 2021 to April 25, 2022 by 194,286,000 shares and 334,016,000 shares, respectively (the “**Previous Shareholding Increases**”).

On November 1, 2022, CGNPC increased its holdings of H shares of the Company by a total of 10,000,000 shares (the “**Shareholding Increase**”), and planned to continue to increase its holdings of H shares of the Company within 12 months since the Shareholding Increase, and the cumulative increase in shareholding would not exceed 5% of the total number of issued H shares of the Company as of November 1, 2022 (including the shares acquired in the Shareholding Increase). From November 1, 2022 to the completion of Shareholding Increase, CGNPC increased its holdings of H shares of the Company by 41,933,000 shares in aggregate via the Shenzhen-Hong Kong Stock Connect of the SZSE. From the completion of Shareholding Increase to December 31, 2023, subsidiaries of CGNPC decreased all their holdings of H shares of the Company by 10,000,000 shares in aggregate. As at December 31, 2023, CGNPC increased its holdings of H shares of the Company by 560,235,000 shares in aggregate (including those acquired in the Previous Shareholding Increases).

## 22. DIVIDEND

Subsequent to the end of the Reporting Period, a final dividend of RMB0.094 per share (tax inclusive) to the shareholders of the Company (the “**Shareholders**”) as of the record date of dividend payment in respect of the year ended December 31, 2023 amounting to RMB4,746,869,443.40 in total has been proposed by the Board and is subject to approval by the Shareholders at the 2023 annual general meeting.

## 23. SHARE-BASED PAYMENT

### (1) Overall Share-based Payment

Unit: unit

Item	2023	2022
	Second Batch	Second Batch
Total equity instruments of the Company at the beginning of the year	61,024,700	260,504,100
Total equity instruments granted by the Company during the year	–	–
Total equity instruments exercised by the Company during the year	56,668,500	39,837,100
Total equity instruments of the Company that have expired during the year	4,356,200	159,642,300
Total equity instruments of the Company at the end of the year	–	61,024,700
The range of exercise prices of outstanding share appreciation rights of the Company at the end of the year and the remaining period of the contracts	–	HKD1.6440
	–	0.95 year

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 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. The first grant of the SAR was all expired and lapsed on December 16, 2021.

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 (invalid upon expiry), 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. However, as some performance indicators did not meet the conditions for exercising the rights, the remaining SAR did not take effect, and the relevant costs and expenses recognized in the previous periods amounting to RMB54,436,365.58 were reversed in 2022.



According to the exercise arrangement of the second grant of the incentive scheme, if events such as capitalization of capital reserve, distribution of bonus shares, share subdivision or consolidation, rights issue, secondary offering or dividend distribution occur to the listed company before the exercise of SAR, corresponding adjustment to the exercise price of SAR shall be made. However, under no circumstances shall any adjustment results in the exercise price being lower than the par value of the shares. The adjustments to the exercise price of SAR are as follows:

<b>Date of Board approval</b>	<b>Stock price (HKD/share)</b>	
	<b>Before adjustment</b>	<b>After adjustment</b>
January 8, 2020	2.0900	1.9223
May 20, 2020	1.9223	1.8393
April 22, 2021	1.8393	1.7427
May 20, 2022	1.7427	1.6440
August 23, 2023	1.6440	1.5473

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 achieving certain performance targets.

A total of 4,356,200 units under the second stage of the implementation plan of the SAR expired. A total of 56,668,500 units under the second stage of the implementation plan of the SAR were exercised during the Reporting Period. On December 14, 2023, the second stage of the implementation plan of the SAR has been fully implemented.

**(2) Cash-settled share-based payment**

*Unit: RMB*

<b>Item</b>	<b>2023</b>	<b>2022</b>
Methods for determining fair value of liabilities undertaken by the Company and calculated by share or other equity instruments	<b>Black-Scholes options valuation model</b>	Black-Scholes options valuation model
Accumulated liabilities arising from cash-settled share-based payment in liabilities	<b>15,215,819.30</b>	16,013,521.25

***Share-based payment expenses during the year***

*Unit: RMB*

<b>Category of grantee</b>	<b>Cash-settled share-based payment expenses</b>
Directors, senior management and other key personnel	<b>9,641,502.81</b>

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

<b>Item</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Share price (HKD)	/	1.8600
Expected volatility	/	28.24%
Expected dividend yield	/	5.306%

The second stage of the implementation plan of the SAR:

Item	December 31, 2023	December 31, 2022
Exercise price (HKD)	/	1.6440
Expected term	/	0.95 year
Risk-free rate	/	4.300%
Fair value (HKD)	/	0.2938

The variables and assumptions used in computing the fair value of the SAR are based on the Board's 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 of the Company's management on the restrictions imposed in respect of the non-transferability and behavioral considerations.

## 24. BREAKDOWN OF NON-RECURRING GAINS OR LOSSES

*Unit: RMB*

Item	2023
Gains or losses from disposal of non-current assets	<b>4,654,589.46</b>
Government grants recognized in profit or loss for the current period (except for those closely related to the Company's normal business operations, in compliance with national policies, conform with established standards and have a lasting impact on the Company's profits or losses on an ongoing basis)	<b>168,002,150.90</b>
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 by non-financial enterprises, as well as the gains or losses from disposal of financial assets and liabilities	<b>(475,307.58)</b>
For cash-settled share-based payments, gains or losses arising from changes in the fair value of employee benefits payable after the vesting date	<b>(9,641,502.81)</b>
Other non-operating income and expenses other than the items above, net	<b>(63,931,195.03)</b>
Subtotal	<b>98,608,734.94</b>
Income tax effect	<b>(15,136,483.42)</b>
Effect on non-controlling shareholders (after tax)	<b>2,025,910.19</b>
Total	<b>111,719,308.17</b>

## FINANCE, ASSETS AND INVESTMENTS

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

### (I) FINANCIAL PERFORMANCE AND ANALYSIS

#### Key Financial Indicators

Category	Item	2023	2022 (Restated)
Indicators of profitability	EBITDA margin (%) <sup>(1)</sup>	<b>46.7</b>	43.4
	Net profit margin (%) <sup>(2)</sup>	<b>20.6</b>	18.4
Indicators of investment returns	Return on equity (excluding non-controlling interests) (%) <sup>(3)</sup>	<b>9.7</b>	9.6
	Return on total assets (%) <sup>(4)</sup>	<b>6.4</b>	6.2
Indicators of solvency	Asset-liability ratio (%) <sup>(5)</sup>	<b>60.2</b>	61.4
	Debt to equity ratio (%) <sup>(6)</sup>	<b>111.2</b>	117.3
	Interest coverage <sup>(7)</sup>	<b>3.7</b>	3.0

Notes:

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

## Financial Results and Analysis

	For the year ended December 31,		Fluctuations	Percentage change
	2023	2022	increase/(decrease)	increase/(decrease)
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	%
		<i>(Restated)</i>		
Operating revenue	<b>82,548,643.15</b>	82,822,403.59	(273,760.44)	(0.3)
Operating costs	<b>52,857,623.13</b>	55,280,973.11	(2,423,349.98)	(4.4)
Finance costs <sup>(1)</sup>	<b>5,665,969.11</b>	6,592,241.77	(926,272.66)	(14.1)
Other gains <sup>(2)</sup>	<b>1,305,494.43</b>	1,450,689.38	(145,194.95)	(10.0)
Investment income	<b>1,604,201.55</b>	1,678,084.45	(73,882.90)	(4.4)
Including: Income from investment in associates and joint ventures	<b>1,567,930.34</b>	1,601,313.39	(33,383.05)	(2.1)
Non-recurring gains or losses <sup>(3)</sup>	<b>98,608.73</b>	181,897.68	(83,288.95)	(45.8)
Net profit attributable to shareholders of the parent company	<b>10,724,570.12</b>	9,963,793.12	760,777.00	7.6
Net profit attributable to shareholders of the parent company (excluding the effects of non-recurring gains or losses)	<b>10,612,850.81</b>	9,768,584.80	844,266.01	8.6

### Notes:

- (1) The decrease in finance costs was primarily due to the decrease in the overall debt financing costs of the Company and the decrease in interest expenses as a result of the repayment of debts due in 2023.
- (2) The decrease in other gains was primarily due to the VAT refunds received during the period being less than that in 2022 as affected by the progress of VAT refunds.
- (3) The decrease in non-recurring gains or losses was primarily due to the investment income from the disposal of equity interest in China Nuclear Power (Beijing) Simulation Technology Corporation Ltd. (中廣核(北京)仿真技術有限公司) in 2022 and the change in fair value of the H-share SAR.

## Revenue from Operations

	For the year ended December 31,		Fluctuations increase/(decrease) RMB'000	Percentage change increase/(decrease) %
	2023 RMB'000	2022 RMB'000		
Revenue from principal business operations	<b>82,347,292.63</b>	82,333,240.53	14,052.10	0.0
Including: Sales of electricity	<b>62,516,995.15</b>	58,104,820.05	4,412,175.10	7.6
Construction, installation and design services <sup>(1)</sup>	<b>17,898,137.86</b>	22,697,431.21	(4,799,293.35)	(21.1)
Revenue from other business operations <sup>(2)</sup>	<b>201,350.52</b>	489,163.06	(287,812.54)	(58.8)
Total revenue from business operations	<b>82,548,643.15</b>	82,822,403.59	(273,760.44)	(0.3)

Notes:

- (1) 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.
- (2) The decrease in revenue from other business operations was primarily due to CGN Engineering's revenue from European Utility Requirements certification for CGNPC's HPR1000 recorded in 2022.

## Cost of Operations

	For the year ended December 31,		Fluctuations increase/(decrease) RMB'000	Percentage change increase/(decrease) %
	2023 RMB'000	2022 RMB'000		
Cost of principal business operations	<b>52,684,511.27</b>	54,862,143.03	(2,177,631.76)	(4.0)
Including: Cost of sales of electricity	<b>33,852,086.98</b>	31,318,491.13	2,533,595.85	8.1
Of which: Cost of nuclear fuel	<b>8,418,127.52</b>	8,362,111.19	56,016.33	0.7
Depreciation of fixed assets <sup>(1)</sup>	<b>10,450,378.93</b>	9,307,327.97	1,143,050.96	12.3
Provision for spent fuel management	<b>3,456,951.31</b>	3,280,977.26	175,974.05	5.4
Construction, installation and design services <sup>(2)</sup>	<b>17,557,054.96</b>	22,490,541.37	(4,933,486.41)	(21.9)
Other costs of business operations <sup>(3)</sup>	<b>173,111.86</b>	418,830.07	(245,718.21)	(58.7)
Total cost of operations	<b>52,857,623.13</b>	55,280,973.11	(2,423,349.98)	(4.4)

Notes:

- (1) The increase in depreciation of fixed assets was primarily due to the increase in depreciation costs accrued using the production method as a result of the increase in on-grid power generation, as well as the increase in depreciation charges accrued upon the commencement of commercial operation of Fangchenggang Unit 3.
- (2) The decrease in cost of 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 decrease in other costs of business operations was primarily due to CGN Engineering's cost from European Utility Requirements certification for CGNPC's HPR1000 recorded in 2022.

## Financial Position

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

	December 31, 2023 <i>RMB'000</i>	December 31, 2022 <i>RMB'000</i>	Fluctuations increase/ (decrease) <i>RMB'000</i>	Percentage change increase/ (decrease) %
Bank and other borrowings <sup>(1)</sup>	<b>199,313,190.25</b>	199,967,430.10	(654,239.85)	(0.3)
Receivables <sup>(2)</sup>	<b>33,921,679.41</b>	35,643,758.61	(1,722,079.20)	(4.8)
Payables <sup>(3)</sup>	<b>37,823,424.84</b>	37,532,468.75	290,956.09	0.8
Inventories <sup>(4)</sup>	<b>20,572,514.38</b>	17,775,458.32	2,797,056.06	15.7
Fixed assets and intangible assets	<b>252,129,433.79</b>	237,968,836.40	14,160,597.39	6.0

Notes:

- (1) Bank and other borrowings comprise short-term loans, short-term bonds payable, long-term loans, bonds payable, and long-term loans and bonds payable due within one year.
- (2) Receivables comprise bills receivable, accounts receivable, prepayments, contract assets and other receivables.
- (3) Payables comprise bills payable, accounts payable, receipts in advance, contract liabilities and other payables.
- (4) The main reason for the increase in inventories was primarily due to the increase in procurement of nuclear fuel as well as the increase in the inventories of nuclear fuel and spare parts upon the commencement of commercial operation of Fangchenggang Unit 3.

## Analysis of Cash Usage

In 2023, the Company's net cash inflows from operating activities increased as compared with 2022, mainly due to the year-on-year increase in the on-grid power generation of subsidiaries; the net cash outflows from investment activities decreased as compared with 2022, mainly due to the increase in cash inflows from investment activities as a result of the maturity of fixed deposits; the net cash outflows from financing activities decreased as compared with 2022, mainly due to the increase in cash paid to repay debts by seizing the opportunity of downward interest rates in 2022 to carry out debt swaps.

	For the year ended December 31,		Fluctuations	Percentage change
	2023	2022	increase/(decrease)	increase/(decrease)
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	%
Net cash inflows from operating activities	<b>33,119,894.27</b>	31,368,408.49	1,751,485.78	5.6
Net cash outflows from investment activities	<b>12,512,613.67</b>	14,379,365.57	(1,866,751.90)	(13.0)
Net cash outflows from financing activities	<b>19,088,238.03</b>	20,896,395.22	(1,808,157.19)	(8.7)

## (II) ASSETS AND INVESTMENTS

The Group was mainly engaged in the investment in construction of nuclear power generating units, technical improvement in the NPPs in operation, and R&D of technologies related to nuclear power for the year ended December 31, 2023.

### INVESTMENT IN FIXED ASSETS

For the year ended December 31, 2023, the Group's investment in fixed assets amounted to approximately RMB15,595.4 million, representing an increase of RMB1,970.0 million or 14.5% from RMB13,625.4 million in 2022.

### INVESTMENTS IN EQUITY

For the year ended December 31, 2023, the Group invested a total of RMB660.0 million in associates, which was mainly attributable to RMB600.0 million to increase its investment in CGN Finance Co., Ltd.\* (中廣核財務有限責任公司) and RMB60.0 million to increase its investment in Huizhou Zhongdong Energy Storage and Power Generation Co., Ltd.\* (惠州中洞蓄能發電有限公司).

### MAJOR ACQUISITION AND DISPOSAL

The Group had no material acquisition or disposal for the year ended December 31, 2023.

## **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 year ended December 31, 2023, the Group had no use of proceeds.

## **External Financing Environment**

In 2023, China embraced an economic rebound, and the gross domestic product (“GDP”) in China reached RMB126.1 trillion, representing a year-on-year increase of 5.2%, with major macroeconomic indicators firming up, and the price level being generally stable. In 2023, domestic monetary policy was relatively stable, which maintained reasonably adequate liquidity of the banking system, while domestic market interest rate remained stable with a declining trend. 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 2023, the Company comprehensively strengthened the organization, coordination and risk monitoring of financing, made full use of various financing channels, and promoted project financing and debt swap, thereby ensuring capital security and controlling financing costs. 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, we consolidated the long-term capital of the Company through equity financing 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 2023, we continued to improve diversified ways of financing, reasonable mix of currencies and term structure so as to provide a stable and economical source of funding for the business development of the Company. As of December 31, 2023, the Group’s total borrowings amounted to approximately RMB199,313.2 million with major financing channels including borrowings from banks and other institutions (accounted for approximately 97.7%), and medium-term notes (accounted for approximately 2.3%), 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 2023, the Company registered multi-type debt financing instruments (TDFI) with the National Association of Financial Market Institutional Investors. Financing notes or bills that can be issued by the Company included ultra short-term financing notes, short-term financing notes, medium-term notes, perpetual notes, asset-backed notes, green debt financing instruments and targeted debt financing instruments, etc. In 2023, the Company did not issue financing bonds or notes.



## **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 swaps and early repayment, and actively changed our financing methods for foreign business contracts to exercise control over new debts denominated in foreign currencies, thereby effectively reducing the impact of major risks in exchange rate. In 2023, the Company adhered to the established strategies and continued to adopt relevant measures to minimize the impact from the fluctuation in RMB exchange rates. Guangdong Nuclear Power Joint Venture Co., Ltd.\* (廣東核電合營有限公司) carried out forward foreign exchange settlement for approximately RMB35.4 million, achieving the goal of exchange rate risk preservation. Compared with the end of 2022, the total amount of borrowings denominated in foreign currency of the Group at the end of the Reporting Period decreased by approximately RMB618.4 million.

To manage liquidity risks, we monitored and maintained our cash and cash equivalents as well as the level of unutilized banking facilities. As of December 31, 2023, we had unutilized general banking line of credit of approximately RMB126,924.3 million, multi-type debt financing instruments of up to RMB20,000.0 million available for public issuance at any time, shelf-offering corporate bonds of up to RMB20,000.0 million available for public issuance at any time, and cash at bank and in hand of approximately RMB15,740.0 million, which can provide sufficient cash for the operations of the Company and mitigate the effects of fluctuations in cash flows.

## **Credit Rating**

In September 2023, 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 has nuclear power generating units of high quality and significant scale, and the regions where the Company operated have high economic development level and huge demand for electricity”, it concluded that “the Company has a huge volume of on-grid power generation, and strong profitability and cash generating ability” and maintained our AAA credit rating with stable outlook.

## **Contingencies**

### ***External Guarantees***

The Group confirmed that, for the year ended December 31, 2023, the Group had not provided any external guarantee.

### ***Assets with Restricted Ownership***

As of December 31, 2023, the Group’s assets pledged to banks or with restricted ownership due to other reasons amounted to approximately RMB14,691.5 million in carrying value. As of December 31, 2022, the Group’s assets pledged to banks or with restricted ownership due to other reasons amounted to approximately RMB16,894.3 million in carrying value.

As of December 31, 2023 and December 31, 2022, the electricity tariff collection rights of Lingdong Nuclear, Fangchenggang Nuclear, Ningde Nuclear and Taishan Nuclear were pledged to secure the banking facilities and loans from banks to these entities.

## ***Legal Proceedings***

For the year ended December 31, 2023, 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 maintain and enhance operation, make continuous investment in the innovation of technologies, and fund the acquisitions of contingent assets in 2024. The Company will carry out relevant investment activities when appropriate, thereby laying a solid foundation for the Company's future development.

## **BUSINESS PERFORMANCE AND OUTLOOK**

### **(I) INDUSTRY OVERVIEW**

Taking active, safe and orderly steps to develop nuclear energy is a strategic direction specified at the 20th CPC National Congress and also an integral part of the national energy strategy, playing a vital role in optimizing the national energy structure, ensuring energy security, building a new energy system, and supporting the achievement of carbon peaking and carbon neutrality. On March 5, 2023, the State Council proposed the ideas of “maintaining safe and stable energy supply and low-carbon green development” and “accelerating the construction of new energy system” in the Report on the Work of the Government (《政府工作報告》). On April 6, 2023, the Guiding Opinions on Energy Work in 2023 (《2023年能源工作指導意見》) published by the National Energy Administration proposed “actively and orderly promote the approval for construction of coastal NPP projects on the premise of ensuring their safety”. In 2023, five nuclear power projects, including Ningde Unit 5 and Unit 6 and Huizhou Unit 3 and Unit 4, were approved by the State.

The National Ecosystem and Environmental Protection Conference was convened on July 17, 2023, at which “actively and steadily pushing forward the achievement of carbon peaking and carbon neutrality” and “developing a clean, low-carbon, safe and efficient energy system” were highlighted. On August 22, 2023, ten government bodies including the National Development and Reform Commission, Ministry of Science and Technology, and Ministry of Industry and Information Technology jointly published the Implementation Plan for Demonstration Projects Applying Green and Low-Carbon Advanced Technologies (《綠色低碳先進技術示範工程實施方案》), which specified key directions including demonstration of advanced nuclear power generation and comprehensive use of nuclear energy. Pursuant to the Nuclear Energy Development and Prospects in China (2023) (《中國核能發展與展望(2023)》) issued by the China Nuclear Energy Association in July 2023, China has retained its number one position in the world ranking in terms of the size of nuclear power generating units under construction. The installed capacity of nuclear power generating units is expected to further expand in China, and the use of nuclear energy will play multiple roles. We believe that, in light of the deepening of the national “dual carbon” strategy and the energy reform, as well as the propelled construction of a clean, low-carbon, safe and efficient new energy system, the nuclear power industry is still in an important period of strategic opportunities at a predictable pace of development, and its room for development and the market prospects will be more extensive.

According to the statistics from the 2023 National Power Industry Statistics Overview (《2023年全國電力工業統計快報》) issued by the China Electricity Council (the “CEC”), as of December 31, 2023, the installed capacity of nuclear power generating units in operation was 56.91 GW in

the PRC (excluding Taiwan region), accounting for 1.9% of the total installed capacity of power generation. The proportion of nuclear power remains small in our national energy structure.

According to the data released by the National Bureau of Statistics on January 17, 2024, the gross domestic product in 2023 increased by 5.2% year on year, representing growth of 2.2 percentage points over 2022, which demonstrated the economic rebound and firmer high-quality development in China. In 2023, the national average utilization hours of power generating units were 7,670 hours, representing a year-on-year increase of 54 hours.

	Ratio of installed capacity by type of energy (%)		Ratio of generation capacity by type of energy (%)		Average utilization hours (hours)	
	2023	2022	2023	2022	2023	2022
Nuclear power	<b>1.9</b>	2.2	<b>4.7</b>	4.8	<b>7,670</b>	7,616
Thermal power	<b>47.6</b>	52.0	<b>65.7</b>	65.9	<b>4,466</b>	4,379
Hydropower	<b>14.4</b>	16.1	<b>13.8</b>	15.6	<b>3,133</b>	3,412
Wind power	<b>15.1</b>	14.3	<b>9.5</b>	8.8	<b>2,225</b>	2,221
Solar power	<b>20.9</b>	15.3	<b>6.3</b>	4.9	<b>1,286</b>	1,337

Note: Data from the 2023 National Power Industry Statistics Overview (《2023年全國電力工業統計快報》) of the CEC. The data on the installed capacity of power generation and the proportion of power generation are on a full consolidated basis. The average utilization hours are the utilization hours of power generation facilities in NPPs of 6,000 kilowatts and above.

According to a press conference held by the National Energy Administration for the first quarter on January 25, 2024, the construction of the unified national power market system achieved positive results in 2023. Market-based power generation volume continued to rise, and the multi-tiered power market system sustained effective operation. In particular, medium and long-term transactions well acted as an anchor to stabilize the overall market size and transaction price. Spot electricity transactions were launched in Shanxi, Guangdong, southern China, the Yangtze River Delta and other regions one after another, playing a positive role on the optimal allocation of power resources. The rules of the electricity market were further improved. Documents such as the Basic Rules for the Operation of the Electricity Market (《電力市場運行基本規則》) and the Basic Rules for the Electricity Spot Market (Trial) (《電力現貨市場基本規則(試行)》) were successively revised and released. According to statistics of the CEC, the share of electricity traded in the market accounted for 61.4% of national power generation in 2023, representing an increase of 0.6 percentage point year on year, of which medium and long-term electricity traded accounted for more than 90% of the market power generation.

## (II) BUSINESS PERFORMANCE AND ANALYSIS

As at the end of 2023, we managed 27 nuclear power generating units in operation and 11 nuclear power generating units approved and pending for the First Concrete Day (“FCD”) of the main plant of the nuclear reactor and under construction (including six units which were entrusted to the Company by the controlling shareholder of the Company for management). On March 25, 2023, Fangchenggang Unit 3 was put into commercial operation. On July 31, 2023, Ningde Unit 5 and Unit 6 were approved. On August 26, 2023, Lufeng Unit 6 fully commenced construction. On December 29, 2023, Huizhou Unit 3 and Unit 4 were approved.

As at December 31, 2023, the number and capacity of nuclear power generating units in operation and nuclear power generating units approved and pending for FCD and under construction managed by the Company are as follows:

		<b>As at December 31, 2023</b>	As at December 31, 2022	<b>Growth/ (decline) rate</b>
Nuclear power generating units in operation	Number	<b>27</b>	26	3.85%
	Capacity	<b>30,568 MW</b>	29,380 MW	4.04%
Nuclear power generating units approved and pending for FCD and under construction	Number	<b>5</b>	4	25.00%
	Capacity	<b>6,008 MW</b>	4,776 MW	25.80%
Nuclear power generating units approved and pending for FCD and under construction which were entrusted to the Company by the controlling shareholder for management	Number	<b>6</b>	4	50.00%
	Capacity	<b>7,238 MW</b>	4,820 MW	50.17%

We will introduce and analyze the Company's business performance in 2023 in six aspects, namely safety management, nuclear power generating units in operation, nuclear power generating units under construction, sales of electricity, SCS (standardization, centralization and specialization) management and lean management and comprehensive use of nuclear energy.

## **Safety Management**

Safety is crucial to any company. We highly value safety and always place safety at our top priority. We always adhere to the concept of "Nuclear Safety is Our Overriding Priority" 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 a great responsibility to the State, society, Shareholders, employees and other stakeholders. Only with safety can our units in operation provide the society with stable and reliable power and our units under construction achieve high quality production, and thus we can achieve constant improvement in our overall operating results.

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 regular, standardized and long-term activities such as "On-site Management", "Upholding Compliance and Fighting against Non-compliance", "Precautionary Education on Nuclear Safety", "Bringing Nuclear Safety Culture into our Teams", "Safety, Quality and Environmental Protection Benchmark Assessment" and "Five-star Plant Evaluation" so as to continuously enhance the nuclear safety culture awareness among all employees. We also conducted relevant special works based on our annual key working goals. In 2023, the Company conducted the evaluation on the effectiveness of quality assurance system of all companies under its management for the first time, and supervised all units to continuously improve the integrity and effectiveness of safety, quality and environmental protection system. We made solid progress in the implementation of the Action Plan for Nuclear Power Safety and Quality Improvement (2022-2025) (《核電安全質量提升行動計劃(2022-2025)》) which had taken effect. We conducted the major safety inspection on nuclear power bases led by the Chairman and the senior management of the Company for the fourth consecutive year, covering all nuclear power

bases managed by us, in order to identify problems and eliminate hidden hazards at the grassroots level. Aiming at supervising and implementing the principal responsibility of safe production, we conducted inspections on the performance of safe production responsibilities of all members of the management of these companies to further reinforce safety responsibilities.

At the same time, we continued to promote safety supervision as well as dynamic and transparent experience feedback. We organized regular emergency drills under different scenarios and ensured effective operation of safety management system. In 2023, the Company organized 6 comprehensive nuclear emergency drills, covering all NPPs in operation managed by the Company, to continuously enhance the emergency response capability of the Company's nuclear emergency units.

According to the International Nuclear and Radiological Event Scale (《國際核事件分級表》)<sup>Note</sup> (the “INES”) set by the International Atomic Energy Agency (“IAEA”), the NPPs we operated and managed had maintained our all-time good safety record of no nuclear event at level 2 or above in 2023.

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

For the related activities of safety management, please refer to the 2023 environmental, social and governance report of the Company.

### Nuclear Power Generating Units in Operation

In 2023, all nuclear power generating units in operation managed by us maintained safe and stable operation, with a total annual on-grid power generation of 214,146.46 GWh, representing an increase of 7.95% as compared with 2022.

Name of NPP	On-grid power generation from January to December 2023 (GWh)	On-grid power generation from January to December 2022 (GWh)	Change rate for the corresponding period %
<b><i>From subsidiaries</i></b>			
Daya Bay NPP	14,489.30	15,433.91	-6.12
Ling'ao NPP	14,867.38	14,300.03	3.97
Lingdong NPP	17,118.69	16,398.04	4.39
Ningde NPP	32,360.06	31,406.13	3.04
Yangjiang NPP	50,032.88	49,929.01	0.21
Fangchenggang NPP	23,251.17	16,583.29	40.21
Taishan NPP	14,952.36	12,410.94	20.48
<b>Subsidiaries, total</b>	<b>167,071.83</b>	<b>156,461.35</b>	<b>6.78</b>
<b><i>From associates</i></b>			
Hongyanhe NPP	47,074.63	41,913.45	12.31
<b>Subsidiaries and associates, total</b>	<b>214,146.46</b>	<b>198,374.80</b>	<b>7.95</b>

Daya Bay NPP: The total duration of the refuelling outage from January to December 2023 was longer as compared with 2022.

Ling'ao NPP: The total duration of the refuelling outage from January to December 2023 was shorter as compared with 2022.

Lingdong NPP: The total duration of the refuelling outage from January to December 2023 was shorter as compared with 2022. The time taken for operations at reduced load or shutdown for standby in coordination with the requirements of the power grid was shorter than 2022.

Ningde NPP: The total duration of the refuelling outage from January to December 2023 was longer as compared with 2022. The time taken for operations at reduced load and shutdown for standby in coordination with the requirements of the power grid was shorter than 2022.

Yangjiang NPP: The total duration of the refuelling outage from January to December 2023 was shorter as compared with 2022. The time taken for operations at reduced load in coordination with the requirements of the power grid was longer than 2022.

Fangchenggang NPP: Fangchenggang Unit 3 commenced commercial operation on March 25, 2023.

Taishan NPP: The total duration of the refuelling outage from January to December 2023 was shorter as compared with the total duration of the refuelling outage and shutdown for inspection in 2022.

Hongyanhe NPP: Hongyanhe Unit 6 commenced commercial operation on June 23, 2022.

### ***Operation Performance***

Capacity factor, load factor and utilization hours are the three indicators used to evaluate the utilization of nuclear power generating units. They are mainly affected by the effects of refuelling outages for the generating units. Meanwhile, load factor and utilization hours of nuclear power generating units are also affected by load reduction and being put on standby due to transmission line maintenance or as a result of demand and supply conditions in the electricity market.

In 2023, we had 27 nuclear power generating units in operation, with an average capacity factor of 89.43%, an average load factor of 85.72% and average utilization hours of 7,509 hours, as compared with 89.74%, 85.45% and 7,311 hours of the 26 nuclear power generating units in operation in 2022. The details of the operation performance of generating units we operated and managed in 2023 are as follows:

Nuclear Power Generating Unit	Capacity factor (%)		Load factor (%)		Utilization hours (hours)	
	2023	2022	2023	2022	2023	2022
<b><i>From subsidiaries</i></b>	<b>89.29</b>	88.46	<b>85.90</b>	83.78	<b>7,522</b>	7,339
Daya Bay Unit 1	<b>99.64</b>	91.96	<b>100.88</b>	93.02	<b>8,837</b>	8,148
Daya Bay Unit 2	<b>74.25</b>	93.24	<b>74.93</b>	94.22	<b>6,564</b>	8,254
Ling'ao Unit 1	<b>95.53</b>	82.03	<b>95.01</b>	80.73	<b>8,323</b>	7,070
Ling'ao Unit 2	<b>84.56</b>	91.14	<b>83.86</b>	91.39	<b>7,346</b>	8,003
Lingdong Unit 1	<b>99.99</b>	89.65	<b>98.80</b>	84.35	<b>8,655</b>	7,383
Lingdong Unit 2	<b>93.15</b>	99.77	<b>92.13</b>	98.70	<b>8,070</b>	8,638
Yangjiang Unit 1	<b>99.61</b>	94.41	<b>98.92</b>	92.43	<b>8,665</b>	8,185
Yangjiang Unit 2	<b>94.04</b>	91.78	<b>90.58</b>	91.07	<b>7,935</b>	7,978
Yangjiang Unit 3	<b>91.93</b>	99.99	<b>90.15</b>	100.38	<b>7,897</b>	8,793
Yangjiang Unit 4	<b>99.99</b>	93.07	<b>100.50</b>	87.50	<b>8,804</b>	7,665
Yangjiang Unit 5	<b>92.34</b>	92.72	<b>89.48</b>	92.15	<b>7,838</b>	8,073
Yangjiang Unit 6	<b>90.91</b>	93.56	<b>89.45</b>	93.13	<b>7,836</b>	8,158
Fangchenggang Unit 1	<b>91.84</b>	98.93	<b>89.43</b>	94.88	<b>7,834</b>	8,312
Fangchenggang Unit 2	<b>90.78</b>	93.09	<b>90.37</b>	91.80	<b>7,916</b>	8,042
Fangchenggang Unit 3		Under construction		Under construction		Under construction
	<b>98.20</b>		<b>96.54</b>		<b>8,457</b>	
Ningde Unit 1	<b>84.07</b>	99.99	<b>82.74</b>	94.40	<b>7,248</b>	8,269
Ningde Unit 2	<b>99.63</b>	93.65	<b>97.40</b>	82.48	<b>8,532</b>	7,225
Ningde Unit 3	<b>96.42</b>	92.41	<b>94.13</b>	87.92	<b>8,246</b>	7,702
Ningde Unit 4	<b>91.48</b>	91.16	<b>87.19</b>	86.61	<b>7,637</b>	7,587
Taishan Unit 1	<b>15.45</b>	29.03	<b>14.48</b>	29.00	<b>1,269</b>	2,540
Taishan Unit 2	<b>91.33</b>	57.65	<b>89.98</b>	57.93	<b>7,882</b>	5,074
<b><i>From associates</i></b>	<b>89.91</b>	94.00	<b>85.19</b>	82.68	<b>7,462</b>	7,243
Hongyanhe Unit 1	<b>80.53</b>	92.71	<b>76.90</b>	82.84	<b>6,736</b>	7,257
Hongyanhe Unit 2	<b>92.47</b>	99.99	<b>88.25</b>	96.50	<b>7,730</b>	8,453
Hongyanhe Unit 3	<b>90.83</b>	91.81	<b>87.12</b>	78.51	<b>7,632</b>	6,877
Hongyanhe Unit 4	<b>88.80</b>	91.82	<b>84.21</b>	86.98	<b>7,377</b>	7,619
Hongyanhe Unit 5	<b>99.86</b>	87.93	<b>90.83</b>	68.04	<b>7,957</b>	5,960
Hongyanhe Unit 6	<b>86.98</b>	99.76	<b>83.81</b>	83.69	<b>7,342</b>	7,331
<b><i>From subsidiaries and associates</i></b>						
Average	<b>89.43</b>	89.74	<b>85.72</b>	85.45	<b>7,509</b>	7,311

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

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

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

In 2023, we conducted 19 refuelling outages in total, including an initial outage and four ten-year outages. During the year, we completed 17 refuelling outages, and a ten-year outage and an annual refuelling outage were conducted over to the next year. The total number of days for the refuelling outages in 2023 was about 920 days.

“Pursuit of Excellence” is one of the basic principles of the Company. In order to discover our inadequacies and make continuous improvements, we continue to implement benchmarking with international peers. When compared with the one year benchmark value of all of the 12 performance indicators for the World Association of Nuclear Operators (“WANO”) peer review, for our nuclear power generating units, the ratio of performance indicators achieving the world’s top 1/4 level (advanced level) and top 1/10 level (excellent level) remained at a relatively high level, leading among industry peers.



The following table indicates the comparison of 27 nuclear power generating units in operation managed by us for 2023 and the one-year benchmark value of the 12 performance indicators for the WANO peer review in 2022:

	<b>2023</b>	2022
Number of units	<b>27</b>	26
Total number of indicators	<b>324</b>	312
Including:		
Number/percentage of indicators ranked top 1/4 (advanced level) in the world	<b>251/77.47%</b>	247/79.17%
Number/percentage of indicators ranked top 1/10 (excellent level) in the world	<b>242/74.69%</b>	240/76.92%

### ***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 complied with emission control standards. In 2023, the radioactive waste management of all 27 generating units in operation managed by us strictly complied with the national laws and regulations, met the standards of the relevant technical specifications and were not subject to any administrative penalty due to environmental issues.

The following table sets forth the emission of the various types of radioactive waste discharged at our NPPs during the 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)				Fangchenggang Phase I Project (including Unit 1 and Unit 2)				Fangchenggang Phase II Project (including Unit 3 and Unit 4 under construction)				Ningde NPP				Taishan NPP				Hongyanhe Phase I Project (including Unit 1 to Unit 4)				Hongyanhe Phase II Project (including Unit 5 and Unit 6)			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022		
Discharged liquid radioactive waste (radionuclides other than tritium and carbon-14) as a percentage of the approved national annual limits	0.19%	0.22%	0.43%	0.40%	0.46%	0.34%	3.14%	0.27%	0.29%	0.31%	1.74%	2.72%	0.41%	0.39%	0.34%	0.44%												
Discharged gas radioactive waste (inert gases) as a percentage of the approved national annual limits	0.45%	0.46%	0.19%	0.19%	0.92%	0.42%	3.06%	0.38%	0.26%	0.29%	2.90%	2.50%	3.08%	3.29%	2.21%	2.38%												
Solid radioactive waste (m <sup>3</sup> )	112.0	186.1	99.6	97.8	46.8	64.5	0	0	55.2	70.0	3.3	0	131.4	103.5	17.4	16.1												
Results of environmental monitoring	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal		

Note: Different nuclear power projects in the same nuclear power base may have different effluent emission limits approved by relevant national regulatory agencies, and the emission data between nuclear power projects are not comparable; the emission data of the same nuclear power project in different years are subject to refuelling outage arrangements and maintenance projects of generating units.

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

Nuclear power is a clean energy source that contributes to energy saving and emission reduction to the society. Our annual on-grid nuclear power generation in effect represented a reduction of approximately 64.6722 million tons of standard coal consumption, approximately 176.4567 million tons of CO<sub>2</sub> emissions, approximately 17,800 tons of sulphur dioxide emissions, and approximately 28,500 tons of oxynitride emissions.

## Nuclear Power Generating Units under Construction

The construction quality of nuclear power generating units under construction is the foundation for the long-term safe and stable 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 as well as various safety, quality and management standards. The quality of all raw materials, equipment and major projects milestones has passed quality inspections by the relevant construction units and national regulatory authorities, only the design standards being met can the next phase of work be commenced. The process subsists until the project completed commissioning and is handed over to the operating personnel. At the same time, we attach importance to learning from experience feedbacks of domestic and foreign construction of nuclear power generating units, and continuously improving of the safety and quality of construction work.

As at December 31, 2023, among 11 nuclear power generating units approved and pending for FCD and under construction managed by the Group (including units under construction which were entrusted to the Company by the controlling shareholder of the Company for management), two were in the commissioning phase, three were in the equipment installation phase, two were in the civil construction phase, and four were in the FCD preparation phase. In particular, Ningde Unit 5 and Unit 6 and Huizhou Unit 3 and Unit 4 were approved by the State Council on July 31 and December 29, 2023, respectively, which were all in the FCD preparation phase; Lufeng Unit 6 fully commenced construction on August 26, 2023, and entered the civil construction phase. Cangnan Unit 2 completed the dome installation on September 28, 2023, and entered the equipment installation phase. Fangchenggang Unit 4 completed the hot functional test on November 12, 2023, laying a solid foundation for its subsequent commercial operation. Huizhou Unit 1 commenced the cold functional test on December 22, 2023, and entered the commissioning phase.

We controlled, supervised and managed aspects including the safety, quality, progress, investment, technology and environment of our construction projects with high standards and strict requirements, so as to ensure that the projects under construction complied with various regulatory requirements and standards in terms of safety and quality to facilitate long-term safe, stable and economical operation of the units after commencement of commercial operation.

Nuclear Power Generating Units	FCD Preparation Phase <sup>(1)</sup>	Civil Construction Phase <sup>(2)</sup>	Equipment Installation Phase <sup>(3)</sup>	Commissioning Phase <sup>(4)</sup>	Grid Connection Phase <sup>(5)</sup>	Expected Time of Commencement of Operation
<i>From subsidiaries</i>						
Fangchenggang Unit 4				✓		First half of 2024
Lufeng Unit 5		✓				2027
Lufeng Unit 6		✓				2028
<i>From associates</i>						
Ningde Unit 5	✓					–
Ningde Unit 6	✓					–
<i>From companies which were entrusted by the controlling shareholder for management</i>						
Huizhou Unit 1				✓		2025
Huizhou Unit 2			✓			2026
Huizhou Unit 3	✓					–
Huizhou Unit 4	✓					–
Cangnan Unit 1			✓			2026
Cangnan Unit 2			✓			2027

Notes:

1. “FCD preparation” phase refers to the stage of nuclear power generating units being approved by the State Council until FCD.
2. “Civil construction” phase refers to the stage from FCD until the proper dome installation of the reactor building.
3. “Equipment installation” phase refers to the stage from the installation of nuclear island equipment upon the dome installation of the reactor building until the nuclear island main system meeting the conditions to conduct cold functional tests.
4. “Commissioning” phase refers to the stage of conducting cold functional tests for nuclear island main system and commencing joint commissioning for the power plant.
5. “Grid connection” phase refers to the commissioning upon the first grid connection between the generator and the power grid, demonstrating that the unit is 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, 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 date. We will disclose updated information pursuant to the relevant requirements from time to time.

## **SALES OF ELECTRICITY**

We sell the electricity generated by our NPPs based on electricity sales contracts. In 2023, the on-grid power generation of our subsidiaries was 167,071.83 GWh. CGN Power Sales Co., Ltd. (中廣核電力銷售有限公司), being our subsidiary, recorded actual electricity consumption of agent clients other than the Group of approximately 14,850.03 GWh. In 2023, our sales revenue of electricity was approximately RMB62,517.00 million in total, representing 75.73% of our operating revenue for the year.

In 2023, the total electricity consumption in the PRC reached 9,224.1 billion kWh, representing an increase of 6.7% year on year. 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 2023, the Company continued to adopt the power sales strategy of “striving for more on-grid power generation quota, 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”. With the increase in the proportion of nuclear power generating units participating in market-based transactions in each province and region, the Company actively developed high-quality market users and facilitated its units for greater and full load power generation. The Company basically achieved its power generation plans for the year and the average settling tariff basically remained stable, ensuring the overall economic efficiency of the Company.

Guangdong Province: The electricity consumption in the province in 2023 increased by 8.0% over the corresponding period of previous year. According to the “Notice on Doing a Good Job in Electricity Market Annual Transactions in 2023” (《關於做好2023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 annual market-based power generation of approximately 19.5 billion kWh in total. The on-grid power generation of the nuclear power generating units within the Guangdong Province increased by 2.76% year on year, which was mainly due to the time taken for operations at reduced load and shutdown for standby of power generating units within the Guangdong Province was shorter in 2023 as compared to the corresponding period of previous year.

Fujian Province: The electricity consumption in the province increased by 6.6% in 2023 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 2023, the on-grid power generation of Ningde Nuclear increased by 3.04% over the corresponding period of previous year, which was mainly due to the time taken for operations at reduced load or shutdown for standby was shorter in 2023 as compared to the corresponding period of previous year.

Guangxi Zhuang Autonomous Region: The electricity consumption in the province increased by 10.5% in 2023 over the corresponding period of previous year. Fangchenggang Unit 1 to Unit 3 participated in the market-based electricity transactions with their entire on-grid electricity. In 2023, the on-grid power generation of Fangchenggang Nuclear increased by 40.21% over the corresponding period of previous year, which was mainly due to the commencement of commercial operation of Fangchenggang Unit 3 on March 25, 2023.

Liaoning Province: The electricity consumption in the province increased by 4.4% in 2023 over the corresponding period of previous year. Hongyanhe Unit 1 to Unit 4 participated in the market-based electricity transactions with their on-grid electricity. In 2023, the on-grid power generation of Hongyanhe Nuclear increased by 12.31% over the corresponding period of previous year, which was mainly due to the commencement of commercial operation of Hongyanhe Unit 6 in June 2022.

In 2023, our nuclear power generating units in operation achieved a total on-grid power generation of 214,146.46 GWh (including our associates), representing a year-on-year increase of 7.95%. Market-based power generation volume accounted for approximately 57.3% of the total on-grid power generation, which was basically the same as that of 2022.

In 2023, 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 167 retail agent clients amounted to approximately 20,249.91 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 March 20, 2023, Fangchenggang Nuclear received the approval of the temporary on-grid tariff of Fangchenggang Unit 3 and Unit 4. The temporary on-grid tariff for Fangchenggang Unit 3 and Unit 4 (i.e. phase II project of Fangchenggang Nuclear) is RMB0.4063 per kWh (tax inclusive) from the time when they are officially put into commercial operation respectively. The phase II project of Fangchenggang Nuclear is the demonstrative project of HPR1000 technology as approved by the State. The tariff should be in line with the new policy following a new on-grid tariff mechanism is formed as approved or implemented by the National Development and Reform Commission. In 2023, 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 2023 was basically the same as that of 2022.

The Planned Tariffs (VAT inclusive) of our nuclear power generating units in operation as at December 31, 2023 are set out in the table below.

<b>Nuclear Power Generating Units</b>	<b>Clients</b>	<b>Planned Tariffs (VAT included) (RMB/kWh)</b>
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 to Unit 3	Guangxi Power Grid Co., Ltd.	0.4063
Ningde Unit 1 and Unit 2	State Grid Fujian Electric Power Co., Ltd.	0.4153
Ningde Unit 3	State Grid Fujian Electric Power Co., Ltd.	0.3916
Ningde Unit 4	State Grid 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	State Grid Liaoning Electric Power Co., Ltd.	0.3823
Hongyanhe Unit 5 and Unit 6	State Grid Liaoning Electric Power Co., Ltd.	0.3749

## **SCS MANAGEMENT AND LEAN MANAGEMENT**

In 2023, we continued to promote SCS management and lean management strategies and maintained sound production safety. For example, we progressively facilitated the research and development of spare parts localization, realizing the application of the first nuclear island verified lubricating grease and turbine engine oil filter. We also successfully achieved localization of expansion joints of multi-base essential service water system, thus reducing supply chain risk. Centering on the construction goal of “improving projects one by one and optimizing generating units one by one”, we comprehensively facilitated the in-depth application of advanced construction technologies and digital transformation. Hence, the mass construction capability of third-generation nuclear power projects had been strengthened.

In 2023, we continued to enhance our safety quality management, improve outage arrangement and planning, and facilitate continuous optimization of outage through technology innovation. For example, the Chinese technical specifications with proprietary intellectual property rights was successfully applied in Daya Bay Nuclear Power Base, thus optimizing the maintenance windows for major projects including dismantling of main transformers and house transformers and core reactor neutron fluence and measure thermocouple, improving flexibility of operation of generating units, and enhancing the safety and cost-effectiveness of maintenance. The optimized Siemens full inspection technology for high pressure cylinders was successfully applied in the refuelling outage of Fangchenggang Unit 2, which streamlined the procedures for dismantling and installing turbine engines, enhanced the safety of equipment inspection and maintenance, improved the inspection and maintenance efficiency of turbine engines, shortened the outage period and reduced the cost of outage.

## 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 with 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. The Company proactively explored the construction of multi-model energy storage projects in the provinces and regions where nuclear power is located, which will be beneficial to improving the energy utilization efficiency of nuclear power generating units and stabilizing trading prices of nuclear power.

### (III) FUTURE OUTLOOK

The power sector is a fundamental energy industry of great significance in the development of the national economy. As a safe, efficient, clean and low-carbon power source providing support, nuclear power has a prominent role and position. In view of the national strategy of pursuing carbon peaking and carbon neutrality, the development of the nuclear power industry is still in an important strategic opportunity period. The Company's development and operation are subject to a lot of new requirements and new changes. We will adhere to the nuclear safety culture of honesty and transparency and the basic principles of "Safety First, Quality Foremost, Pursuit of Excellence" to explore new ideas, actively plan and respond.

The year 2024 is a critical year for achieving the goals and missions of the "14th Five-Year Plan". Aiming to achieve the strategic goals of the "14th Five-Year Plan" and the 2035 long-term goals, the Company will seize the favorable window of opportunity arising from national investment in clean energy. With the goal of accelerating its development as a world-class nuclear energy enterprise with international competitiveness, the Company will facilitate industry development and expansion by paying special attention to production and operation, project construction, technological innovation, operational efficiency, corporate governance and other key areas and crucial process, thereby achieving fairer, more sustainable and safer development with higher quality and better efficiency. We plan to carry out the following initiatives:

- 1 We will strengthen the construction of nuclear safety culture and carry out special initiatives on nuclear safety management. We will improve the safety, quality and environment system, reinforce safety risk management and control of major projects, continue to improve management efficiency and intrinsic safety levels, and ensure the absolute safety of nuclear power;
- 2 We will continue to strengthen market development, push ahead project approval, and promote the construction of major projects with high quality. On the premise of ensuring safety and quality, we will push forward construction of generating units (including entrusted management projects) in high quality as planned, in order to achieve the high quality commercial operation of Fangchenggang Unit 4;
- 3 We will ensure the safe and stable operation of all the generating units in operation. We plan to conduct new 18 refuelling outages during the year (including four 10-year outages and one initial outage). We will conduct seven refuelling outages in the first quarter, three in the second quarter, five in the third quarter, and three in the fourth quarter;

- 4 We will closely follow and analyze the changes in the electricity market environment, enhance the marketing system and mechanism of electricity market, and further strengthen the development of marketing capabilities for electricity market to strive for more on-grid power generation through various channels and initiatives as well as better price difference. According to the “Notice on Doing a Good Job in Electricity Market Annual Transactions in 2024” (《關於做好2024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 will continue to take 7,500 hours as the benchmark value, and arrange approximately 19.5 billion kWh in total to participate in power market transactions. We will also pay close attention to the electricity market environment in other provinces and regions, adopt targeted marketing strategies and strengthen exchange of experiences, striving to achieve an average utilization hour of generating units in 2024 not less than the average of the average utilization hour of generating units for the last three years;
- 5 We will boost business growth through proprietary innovation and facilitate the sustainable development of the Company. With consistent proprietary nuclear power research, we will accelerate the construction of original technology source and long industrial chains, optimize the technological innovation mechanism, and strengthen the technology transfer and application to create greater economic value;
- 6 We will continuously push forward the implementation of SCS management strategy and lean management and strengthen internal resources coordination and cooperation to strengthen our control on construction cost of generating units under construction as well as the continuous control over operation and maintenance cost of generating units in operation; and
- 7 We will closely follow the change of national policy, domestic and international economic and financial environment, adhere to the principle of prudence, identify changes in risks in a timely manner through operation of risk management system, and adjust our existing measures when appropriate to ensure the steady development of the Company.

## **HUMAN RESOURCES**

The total number of employees of the Group was 19,038 (exclusive of our associates) as of December 31, 2023. The Group implements remuneration policy that is competitive in the industry, and pays commissions and discretionary bonus to its employees with reference to performance of the Group and individual employees. The total cost of the employees for the year ended December 31, 2023 amounted to approximately RMB11,374.6 million (exclusive of our associates).

The Company has established a long-term share 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.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year ended December 31, 2023.



## FINAL DIVIDEND AND CLOSURE OF H SHARE REGISTER OF MEMBERS

When considering the dividend distribution ratio in the future, we will take into consideration the business performance of the Company for the year, the future development strategies of the Company and other factors, provided that it shall not be lower than 30% of the net profit attributable to shareholders of the Company for the year. The Board and management of the Company have full confidence in the development prospects of nuclear power and the Company's stable operation, and the Dividend Distribution Plan for the Coming Five Years (2021-2025) (《未來五年(2021年－2025年)股東分紅回報規劃》) of the Company was approved at the 2020 AGM convened on May 26, 2021. On the premise of no major changes in the business, operating results and financial position of the Group, subject to the approval at the general meeting in the relevant year, the Company will maintain a reasonable increase in the dividend distribution ratio from 2021 to 2025 based on the dividend ratio in 2020 (42.25%).

The final dividend for the year ended December 31, 2022 was RMB0.087 (tax inclusive) per share and was paid by the Company on July 7, 2023. The dividend distribution ratio of the Company for 2022 was 44.09% of the net profit attributable to the shareholders of the Company. The total annual dividends paid by the Company since its listing in 2014 reached RMB27,216.52 million.

The Board has proposed to declare a final cash dividend of RMB0.094 (tax inclusive) per share for the year from January 1, 2023 to December 31, 2023 to our Shareholders as at the record date of dividend payment. The dividend distribution ratio of the final dividend of this year (total dividends/net profit attributable to shareholders of the parent company\*100%) was approximately 44.26%. All dividend in 2023 will be distributed after being approved by our Shareholders at the 2023 annual general meeting of the Company and is expected to be distributed on around July 10, 2024.

The H share register of members of the Company will be closed from June 6, 2024 (Thursday) to June 11, 2024 (Tuesday) (both days inclusive) to determine H share holders' entitlement to the final dividend. In order to qualify for the final dividend as H share holders, all the transfer documents of the Company accompanied by relevant share certificates, must be lodged to Computershare Hong Kong Investor Services Limited, the share registrar for H shares at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong ("**H Share Registrar**") no later than 4:30 p.m. on June 5, 2024 (Wednesday). For details of the distribution of the final dividend of the Company, please refer to the relevant circular to be issued by the Company in due course.

## EXCHANGE RATE

For the year ended December 31, 2023, the Group has not suffered any major difficulties of or impacts on its operations or liquidity due to exchange rate fluctuations. For the risk of exchange rate fluctuations of the Company, we have been adhering to the principle of prudence, conducting timely debt hedging and risk prevention arrangements to reduce the impact of financial market volatility on the Company's operating costs, expected earnings and cash flow.

## **SUBSEQUENT EVENT**

There was no occurrence of events that had a significant impact on the Group's operation, financial and trading prospects from January 1, 2024 to the date of this announcement.

## **ANNUAL GENERAL MEETING AND CLOSURE OF H SHARE REGISTER OF MEMBERS**

The Company intends to convene the 2023 annual general meeting on May 29, 2024. The H share register of members of the Company will be closed from April 29, 2024 (Monday) to May 29, 2024 (Wednesday) (both days inclusive) to determine H share holders' entitlement to attend and vote at the annual general meeting. In order to be entitled to attend and vote at the annual general meeting as H share holders, all the transfer documents of the Company accompanied by relevant share certificates must be lodged to the H Share Registrar no later than 4:30 p.m. on April 26, 2024 (Friday). For the exact date in relation to the closure of share register of members, please refer to the circular of the 2023 annual general meeting to be issued by the Company in due course.

For the matters to be considered and approved at the 2023 annual general meeting and the specific arrangements of the 2023 annual general meeting, please refer to the circular of the 2023 annual general meeting to be issued by the Company in due course at a later date.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

From January 1, 2023 to December 31, 2023, the Company has complied with all code provisions and all recommended best practices as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the "**Stock Exchange Code**").

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

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has formulated the Code for Securities Transactions by Directors and Specified Individuals as the code of conduct regarding securities transactions of the Company by all Directors, and its terms are no less exact than those under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. 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 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 of places where our shares are listed, 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, SZSE and the Stock Exchange. As at the date of this announcement, the Audit and Risk Management Committee comprises three independent non-executive Directors (Mr. Wong Ming Fung, Mr. Li Fuyou and Ms. Xu Hua). Ms. Xu Hua, who possesses accounting qualification, acts as the chairlady of the Audit and Risk Management Committee.

The Audit and Risk Management Committee has reviewed the 2023 annual results and the consolidated financial statements for the year ended December 31, 2023 of the Group prepared in accordance with the CASBE.

## **AUDITORS**

KPMG Hauzhen LLP has audited the consolidated financial statements for the year ended December 31, 2023 prepared by the Company in accordance with the CASBE, and issued an unqualified audit opinion.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement and the 2023 Annual Report of the Company containing all the information required under the Listing Rules will be published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Investor Relations section at the Company's website (<http://www.cgnp.com.cn>), respectively in due course.

By Order of the Board  
**CGN Power Co., Ltd.\***

**Yin Engang**

*Chief Financial Officer, Joint Company Secretary and Board Secretary*

The PRC, March 27, 2024

*As at the date of this announcement, the Board of the Company comprises Mr. Gao Ligang as an executive Director; Mr. Yang Changli, Ms. Li Li, Mr. Pang Songtao, Mr. Feng Jian and Mr. Liu Huanbing as non-executive Directors; Mr. Wong Ming Fung, Mr. Li Fuyou and Ms. Xu Hua as independent non-executive Directors.*

\* For identification purpose only