CGN Power Co., Ltd.*
中國廣核電力股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1816)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2023

FINANCIAL HIGHLIGHTS

For the six months ended June 30, 2023:

- Operating revenue of the Group was approximately RMB39,275.82 million, representing an increase of 7.25% over the corresponding period in 2022.
- Net profit attributable to shareholders of the parent company was approximately RMB6,958.92 million, representing an increase of 17.91% over the corresponding period in 2022 (restated).
- Net profit attributable to shareholders of the parent company (excluding the effects of non-recurring gains or losses) was approximately RMB6,952.49 million, representing an increase of 21.50% over the corresponding period in 2022 (restated).

The board of directors (the "**Board**") of CGN Power Co., Ltd.* (the "**Company**", "**we**" or "**us**") hereby announces the unaudited consolidated operating results of the Company and its subsidiaries (the "**Group**") for the six months ended June 30, 2023 (the "**Reporting Period**") together with the comparative figures for the corresponding period in 2022. The financial information of the Group for the six months ended June 30, 2023 shown in this results announcement is based on the unaudited consolidated financial statements prepared in accordance with the China Accounting Standards for Business Enterprises (the "**CASBE**"), the disclosure requirements of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "**Hong Kong Companies Ordinance**") and The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

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

* *For identification purpose only*

OVERVIEW

In the first half of 2023, China's economy presented promising recovery as a whole, with steady growth in energy production and rapid growth in energy consumption, striking an overall tight balance between national electricity supply and demand. The nuclear power generating units in operation managed by us maintained safe and stable operation, and the construction of the nuclear power generating units under construction progressed orderly. The on-grid power generation increased over the corresponding period of 2022, mainly due to Hongyanhe Unit 6 and Fangchenggang Unit 3 were put into commercial operation in June 2022 and March 2023, respectively.

As of June 30, 2023, the Group managed a total of 27 nuclear power generating units in operation, with a total installed capacity of 30,568 MW, and achieved an on-grid power generation of 105,918.06 GWh, representing an increase of 14.09% over the corresponding period of 2022. Our on-grid nuclear power generation in effect represented a reduction of approximately 87.2765 million tons of carbon dioxide emissions. In particular, our subsidiaries achieved an on-grid power generation of 82,166.06 GWh, representing an increase of 10.27% over the corresponding period of 2022.

As of June 30, 2023, six nuclear power generating units were under construction by the Group (including four units which were entrusted to the Company by the controlling shareholder of the Company for management), with a total installed capacity of 7,208 MW. All units under construction were under steady progress as planned.

FINANCIAL INFORMATION

The financial information set out below in this announcement is extracted from the Company's 2023 interim report. Such financial information has been reviewed by the audit and risk management committee of the Company, and approved by the Board. The consolidated interim financial statements of the Company for 2023 prepared in accordance with the CASBE have been reviewed by KPMG Huazhen LLP, the external auditor of the Company.

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

CONSOLIDATED INCOME STATEMENT
For the six months ended June 30, 2023
(Expressed in RMB)

	NOTES	For the six months ended June 30, 2023 (Unaudited)	2022 (Unaudited, restated)
I. Operating revenue	*4*	**39,275,824,322.89**	36,622,093,484.82
Less: Operating costs	*4*	**22,502,483,912.86**	21,948,110,852.25
Tax and surcharges		**427,800,364.25**	373,040,564.34
Selling expenses		**20,215,287.37**	21,112,069.25
Administrative expenses		**1,153,434,054.14**	1,176,685,485.00
Research and development expenses		**677,527,992.99**	448,028,566.70
Finance costs	*5*	**2,951,525,896.26**	3,257,842,421.67
Including: Interest expenses		**2,837,926,896.81**	3,364,107,688.16
Interest income		**138,856,976.35**	80,432,534.75
Add: Other gains	*6*	**696,082,853.15**	516,882,682.63
Investment income	*7*	**970,777,081.79**	691,518,217.33
Including: Income from investment in associates and joint ventures	*7*	**964,365,859.88**	649,285,373.56
(Losses)/gains from changes in fair value	*8*	**(4,790,190.84)**	58,620,720.03
Losses from credit impairment	*9*	**(59,972,096.38)**	(47,527,989.97)
Asset impairment (losses)/reversal		**(9,834.01)**	524.48
Gains from disposal of assets		**3,017,244.01**	2,160,849.59
II. Operating profit		**13,147,941,872.74**	10,618,928,529.70
Add: Non-operating income		**5,737,502.26**	13,835,357.02
Less: Non-operating expenses		**83,097,316.98**	30,232,210.26
III. Total profit		**13,070,582,058.02**	10,602,531,676.46
Less: Income tax expenses	*10*	**2,160,861,154.44**	1,752,783,720.63
IV. Net profit		**10,909,720,903.58**	8,849,747,955.83
(I) Classified by continuity of operations			
1. Net profit from continuing operations		**10,909,720,903.58**	8,849,747,955.83
2. Net profit from discontinued operations		**–**	–
(II) Classified by ownership			
1. Net profit attributable to shareholders of the parent company		**6,958,915,466.46**	5,901,975,375.42
2. Non-controlling interests		**3,950,805,437.12**	2,947,772,580.41

	NOTES	For the six months ended June 30, 2023 (Unaudited)	2022 (Unaudited, restated)
V. Other comprehensive income, net of tax		**275,603,131.70**	348,590,748.14
Other comprehensive income attributable to shareholders of the parent company, net of tax		**221,808,009.01**	265,861,531.07
(I) Other comprehensive income that will not be reclassified to profit or loss		**60,135,390.84**	17,848,254.81
1. Change arising from remeasurement of defined benefit plan		**(2,644,250.00)**	1,892,875.00
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		**(914,514.16)**	3,556,854.81
3. Change in fair value of investment in other equity instruments		**63,694,155.00**	12,398,525.00
(II) Other comprehensive income that may be reclassified to profit or loss		**161,672,618.17**	248,013,276.26
Translation differences arising from translation of foreign currency financial statements		**161,672,618.17**	248,013,276.26
Other comprehensive income attributable to non-controlling interests, net of tax		**53,795,122.69**	82,729,217.07
VI. Total comprehensive income		**11,185,324,035.28**	9,198,338,703.97
Total comprehensive income attributable to shareholders of the parent company		**7,180,723,475.47**	6,167,836,906.49
Total comprehensive income attributable to non-controlling interests		**4,004,600,559.81**	3,030,501,797.48
VII. Earnings per share			
(I) Basic earnings per share	*11*	**0.138**	0.117
(II) Diluted earnings per share	*11*	**0.138**	0.117

CONSOLIDATED BALANCE SHEET
As at June 30, 2023
(Expressed in RMB)

	NOTES	**June 30, 2023 (Unaudited)**	December 31, 2022 (Audited, restated)
Current assets:			
Cash at bank and in hand		**16,894,754,734.05**	14,840,775,400.46
Bills receivable	*12*	**5,230,000.00**	3,605,535.11
Accounts receivable	*13*	**14,080,122,442.81**	14,937,561,118.67
Prepayments		**18,237,017,470.03**	17,506,790,909.33
Other receivables		**49,681,922.91**	334,927,504.46
Inventories		**18,143,422,209.64**	17,775,458,321.06
Contract assets		**3,526,669,456.16**	2,860,873,537.43
Other current assets		**2,001,988,092.20**	2,244,917,768.57
Total current assets		**72,938,886,327.80**	70,504,910,095.09
Non-current assets:			
Debt investments		**54,568,690.91**	48,917,096.53
Long-term equity investments		**14,714,156,011.85**	13,657,204,477.06
Other investment in equity instruments		**644,757,870.13**	569,823,570.13
Investment properties		**162,827,639.56**	180,474,430.77
Fixed assets		**250,475,995,320.56**	232,763,516,089.38
Construction in progress		**49,948,188,189.65**	68,299,405,441.78
Right-of-use assets		**946,091,483.29**	1,041,919,328.49
Intangible assets		**5,298,400,931.62**	5,205,320,306.21
Development costs		**5,233,326,730.76**	5,031,087,404.91
Goodwill		**419,242,673.32**	419,242,673.32
Long-term deferred expenses		**1,622,742,218.44**	1,563,607,925.18
Deferred tax assets		**2,446,022,466.88**	2,408,447,920.36
Other non-current assets		**8,233,671,190.17**	7,322,023,246.40
Total non-current assets		**340,199,991,417.14**	338,510,989,910.52
Total assets		**413,138,877,744.94**	409,015,900,005.61

	NOTES	June 30, 2023 (Unaudited)	December 31, 2022 (Audited, restated)
Current liabilities:			
Short-term loans	*14*	**12,258,644,610.54**	11,930,482,045.91
Derivative financial liabilities		**707,561.54**	–
Bills payable	*15*	**4,577,101,770.22**	5,094,227,695.25
Accounts payable	*16*	**22,063,645,910.02**	22,967,701,771.92
Receipts in advance		**642,857.15**	450,000.00
Contract liabilities		**2,983,704,059.65**	2,713,506,296.40
Employee benefits payable		**72,647,139.34**	57,289,658.73
Taxes payable		**1,889,884,016.45**	2,099,287,224.92
Other payables		**10,153,848,688.05**	6,756,582,982.51
Non-current liabilities due within one year	*17*	**22,120,454,280.35**	21,370,443,527.73
Other current liabilities		**1,984,125,949.14**	3,142,463,824.40
Total current liabilities		**78,105,406,842.45**	76,132,435,027.77
Non-current liabilities:			
Long-term loans	*18*	**159,426,359,900.87**	160,074,949,905.97
Bonds payable	*19*	**2,495,723,694.78**	4,492,066,733.52
Lease liabilities		**517,628,747.96**	651,291,464.61
Long-term employee benefits payable		**59,979,789.34**	60,783,521.25
Provisions	*20*	**6,268,175,903.76**	5,959,875,294.10
Deferred income		**2,319,011,928.94**	2,325,356,501.66
Deferred tax liabilities		**1,452,944,541.59**	1,386,207,340.79
Total non-current liabilities		**172,539,824,507.24**	174,950,530,761.90
Total liabilities		**250,645,231,349.69**	251,082,965,789.67
Shareholders' equity:			
Share capital	*21*	**50,498,611,100.00**	50,498,611,100.00
Capital reserve		**10,830,498,981.95**	10,807,810,823.13
Other comprehensive income		**963,570,791.93**	741,762,782.92
Specific reserve		**232,296,598.65**	200,139,433.39
Surplus reserve		**5,740,430,152.70**	5,740,430,152.70
Retained earnings		**41,603,067,822.60**	39,037,531,521.85
Total equity attributable to shareholders of the parent company		**109,868,475,447.83**	107,026,285,813.99
Non-controlling interests		**52,625,170,947.42**	50,906,648,401.95
Total shareholders' equity		**162,493,646,395.25**	157,932,934,215.94
Total liabilities and shareholders' equity		**413,138,877,744.94**	409,015,900,005.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 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. Its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on December 10, 2014 and listed on the Shenzhen Stock Exchange (the "**SZSE**") on August 26, 2019.

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

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

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

2. BASIS OF PREPARATION

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

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies for the period are set out in note 3.

3. CHANGES IN ACCOUNTING POLICIES

(1) Changes in accounting policies and reasons thereof

In 2023, the Group implemented the related requirements and guidelines under the CASBE issued by the Ministry of Finance in recent years, which mainly include:

– Requirement of the "Accounting Treatment for 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 change on the financial statements for the period

The impacts of the above change in the accounting policy on each item in the consolidated balance sheet and the balance sheet of the parent company as of June 30, 2023 are summarized as follows:

Unit: RMB

	(Decrease)/increase in the amount of statement items after the adoption of the change in the accounting policy	
	The Group	**The Company**
Assets:		
Long-term equity investments	(697,114.50)	(128,355.72)
Deferred tax assets	(3,099,097.04)	–
Liabilities:		
Deferred tax liabilities	(119,414.31)	–
Shareholders' equity:		
Retained earnings	(4,501,549.64)	(128,355.72)
Non-controlling interests	824,752.41	–

The impacts of the above change in the accounting policy on each item in the consolidated income statement and the income statement of the parent company for the period from January 1, 2023 to June 30, 2023 are summarized as follows:

Unit: RMB

	(Decrease)/increase in the amount of statement items after the adoption of the change in the accounting policy	
	The Group	**The Company**
Investment income	(303,700.97)	(352,517.47)
Total profit	(303,700.97)	(352,517.47)
Less: Income tax expenses	6,385,462.06	–
Net profit	(6,689,163.03)	(352,517.47)
Including: Net profit attributable to shareholders of the parent company	(3,121,471.26)	–
Non-controlling interests	(3,567,691.77)	–

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

The impacts of the above change in the accounting policy on net profit for the period from January 1, 2022 to June 30, 2022 and shareholders' equity at the beginning and the end of 2022 are summarized as follows:

Unit: RMB

	The Group		
	Net profit/(loss) for the period from January 1, 2022 to June 30, 2022	**Shareholders' equity at the end of 2022**	**Shareholders' equity at the beginning of 2022**
Net profits and shareholders' equity before adjustment	8,852,108,295.44	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	(2,360,339.61)	3,012,365.80	5,713,860.65
Net profits and shareholders' equity after adjustment	8,849,747,955.83	157,932,934,215.94	150,956,010,762.71

Unit: RMB

	The Company		
	Net profit/(loss) for the period from January 1, 2022 to June 30, 2022	Shareholders' equity at the end of 2022	Shareholders' equity at the beginning of 2022
Net profits and shareholders' equity before adjustment	3,666,187,638.58	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	(168,413.48)	224,161.75	240,040.57
Net profits and shareholders' equity after adjustment	3,666,019,225.10	109,052,658,610.24	104,910,024,131.71

The impacts of the above change in the accounting policy on each item in the consolidated balance sheet and the balance sheet of the parent company as of December 31, 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	(393,413.53)	13,657,204,477.06
Deferred tax assets	2,407,719,951.15	727,969.21	2,408,447,920.36
Liabilities:			
Deferred tax liabilities	1,388,885,150.91	(2,677,810.12)	1,386,207,340.79
Shareholders' equity:			
Retained earnings	39,038,911,600.23	(1,380,078.38)	39,037,531,521.85
Non-controlling interests	50,902,255,957.77	4,392,444.18	50,906,648,401.95

Unit: RMB

	The Company		
	Before adjustment	Adjusted amount	After adjustment
Assets:			
Long-term equity investments	86,604,309,314.03	224,161.75	86,604,533,475.78
Shareholders' equity:			
Retained earnings	21,443,389,507.84	224,161.75	21,443,613,669.59

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

Unit: RMB

	The Group		
	Before adjustment	**Adjusted amount**	**After adjustment**
Investment income	691,775,521.79	(257,304.46)	691,518,217.33
Total profit	10,602,788,980.92	(257,304.46)	10,602,531,676.46
Less: Income tax expenses	1,750,680,685.48	2,103,035.15	1,752,783,720.63
Net profit	8,852,108,295.44	(2,360,339.61)	8,849,747,955.83
Including: Net profit attributable to shareholders of the parent company	5,904,498,333.83	(2,522,958.41)	5,901,975,375.42
Non-controlling interests	2,947,609,961.61	162,618.80	2,947,772,580.41

Unit: RMB

	The Company		
	Before adjustment	**Adjusted amount**	**After adjustment**
Investment income	4,235,320,492.32	(168,413.48)	4,235,152,078.84
Total profit	3,666,187,638.58	(168,413.48)	3,666,019,225.10
Net profit	3,666,187,638.58	(168,413.48)	3,666,019,225.10

(iii) The impacts of the above change in the accounting policy on each item in the consolidated balance sheet and the balance sheet of the parent company as of January 1, 2022 are summarized as follows:

Unit: RMB

	(Decrease)/increase in the amount of statement items after the adoption of the change in the accounting policy	
	The Group	**The Company**
Assets:		
Long-term equity investments	(377,534.71)	240,040.57
Deferred tax assets	6,796,114.31	–
Liabilities:		
Deferred tax liabilities	704,718.95	–
Shareholders' equity:		
Retained earnings	906,177.98	240,040.57
Non-controlling interests	4,807,682.67	–

4. OPERATING REVENUE AND OPERATING COSTS

Unit: RMB

Item	For the six months ended June 30,			
	2023		2022	
	Revenue	**Costs**	Revenue	Costs
From principal operations	**39,157,078,062.53**	**22,432,617,667.55**	36,338,804,915.90	21,683,525,067.61
Of which: Sales of electricity	**30,923,922,833.90**	**14,460,859,650.86**	27,803,471,487.59	13,280,570,460.79
Construction, installation and design services	**7,499,506,996.11**	**7,449,789,460.48**	7,850,551,666.86	7,793,409,158.17
Rendering of services	**573,407,981.43**	**391,167,826.84**	611,681,071.82	543,939,564.56
Sales of goods and others	**160,240,251.09**	**130,800,729.37**	73,100,689.63	65,605,884.09
From other operations	**118,746,260.36**	**69,866,245.31**	283,288,568.92	264,585,784.64
Total	**39,275,824,322.89**	**22,502,483,912.86**	36,622,093,484.82	21,948,110,852.25

5. FINANCE COSTS

Unit: RMB

Item	For the six months ended June 30,	
	2023	2022
Interest expenses	**3,404,995,793.21**	4,083,052,559.89
Less: Capitalized interest expenses	**753,886,817.32**	895,579,721.61
Less: Interest income	**138,856,976.35**	80,432,534.75
Exchange losses/(gains)	**245,765,053.40**	(36,624,006.59)
Less: Capitalized exchange losses	**799,861.78**	131,479.26
Finance costs on the provision for NPP decommissioning	**167,715,999.64**	153,343,433.36
Interest expenses on the lease liabilities	**19,101,921.28**	23,291,416.52
Bank charges and others	**7,490,784.18**	10,922,754.11
Total	**2,951,525,896.26**	3,257,842,421.67

6. OTHER GAINS

Unit: RMB

Item	For the six months ended June 30,			
	2023	**Of which: Amount included in non-recurring profit or loss**	2022	Of which: Amount included in non-recurring profit or loss
Value-added tax refunds (Note)	**616,400,233.20**	**–**	392,111,799.64	–
Other government grants	**67,285,936.19**	**67,285,936.19**	117,259,476.69	117,259,476.69
Individual income tax refund	**12,396,683.76**	**–**	7,511,406.30	–
Total	**696,082,853.15**	**67,285,936.19**	516,882,682.63	117,259,476.69

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

7. INVESTMENT INCOME

Unit: RMB

Item	**During the period from January 1 to June 30, 2023**	During the period from January 1 to June 30, 2022 (Restated)
Income from long-term equity investments accounted for using the equity method	**964,365,859.88**	649,285,373.56
Investment income from disposal of long-term equity investments	**–**	52,357,622.15
Investment losses from disposal of derivative financial assets	**–**	(9,972,695.05)
Others	**6,411,221.91**	(152,083.33)
Total	**970,777,081.79**	691,518,217.33

8. (LOSSES)/GAINS FROM CHANGES IN FAIR VALUE

Unit: RMB

Item	For the six months ended June 30,	
	2023	2022
(Losses)/gains from changes in fair value arising from derivative financial instruments	**(682,446.62)**	2,072,930.03
(Losses)/gains from changes in fair value arising from cash-settled share-based payments	**(4,107,744.22)**	56,547,790.00
Total	**(4,790,190.84)**	58,620,720.03

9. LOSSES FROM CREDIT IMPAIRMENT

Unit: RMB

Item	For the six months ended June 30,	
	2023	2022
Bad debts losses of accounts receivable	**(63,573,719.66)**	(47,909,394.28)
Reversal of bad debts of other receivables	**3,601,623.28**	381,404.31
Total	**(59,972,096.38)**	(47,527,989.97)

10. INCOME TAX EXPENSES

Unit: RMB

Item	For the six months ended June 30,	
	2023	2022 (Restated)
Current income tax expenses	**2,157,793,603.54**	1,801,014,419.03
Deferred income tax expenses	**17,922,509.28**	(63,805,184.38)
Adjustment of differences in final settlement	**(14,854,958.38)**	15,574,485.98
Total	**2,160,861,154.44**	1,752,783,720.63

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

Pursuant to the relevant EIT laws and regulations, China Nuclear Power Design Co., Ltd. (Shenzhen) (深圳中廣核工程設計有限公司) ("**CGN Design**"), Lingdong Nuclear, Guangdong Nuclear Power Joint Venture Co, Ltd. (廣東核電合營有限公司) ("**GNPJVC**"), China Nuclear Power (Shenzhen) Radiation Monitoring Technology Co., Ltd. (中廣核(深圳)運營技術與輻射監測有限公司) ("**Radiation Monitoring Company**"), CGN Inspection Technology Co., Ltd. (中廣核檢測技術有限公司) ("**Inspection Company**"), Suzhou Nuclear Power Research Institute (蘇州熱工研究院有限公司) ("**SNPI**"), China Nuclear Power Technology Research Institute (中廣核研究院有限公司) ("**CNPRI**"), Ling'ao Nuclear, China Nuclear Power Engineering Co., Ltd. (中廣核工程有限公司) ("**CGN Engineering**"), Yangjiang Nuclear, Fangchenggang Nuclear, Taishan Nuclear, China Nuclear Power Operations Co., Ltd. (中廣核核電運營有限公司) ("**CGN Operations**"), Sansha Advanced Energy Co., Ltd. (三沙先進能源有限公司) ("**Sansha Energy**"), Guangdong Daya Bay Nuclear Power Environment Protection Co., Ltd. (廣東大亞灣核電環保有限公司) ("**Environment Protection Company**"), CGN Import & Export Co., Ltd. (中廣核電進出口有限公司) ("**Import & Export Company**"), Fujian Ninghe Power Sales Co., Ltd. (福建寧核售電有限公司) and Guangxi Fanghe Power Sales Co., Ltd. (廣西防核售電有限公司) were entitled to tax reduction and exemption.

Name of company or generating unit	Preferential tax rate applicable for the current period	Preferential tax rate applicable for the corresponding period of previous year	Reason for tax incentives
Yangjiang Unit 4	N/A	12.5%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Yangjiang Unit 5	12.5%	12.5%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Yangjiang Unit 6	12.5%	12.5%	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%	15%	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	12.5%	12.5%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Taishan Unit 2	12.5%	12.5%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
GNPJVC	15%	15%	Preferential tax policy for high-tech enterprises
Ling'ao Nuclear	15%	15%	Preferential tax policy for high-tech enterprises
Lingdong Nuclear	15%	15%	Preferential tax policy for high-tech enterprises
CNPRI	15%	15%	Preferential tax policy for high-tech enterprises
SNPI	15%	15%	Preferential tax policy for high-tech enterprises
Inspection Company	15%	15%	Preferential tax policy for high-tech enterprises
Radiation Monitoring Company	15%	15%	Preferential tax policy for high-tech enterprises
CGN Engineering	15%	15%	Preferential tax policy for high-tech enterprises
CGN Design	15%	15%	Preferential tax policy for high-tech enterprises
CGN Operations	15%	15%	Preferential tax policy for high-tech enterprises

Name of company or generating unit	Tax rate applicable for the current period	Tax rate applicable for the corresponding period of previous year	Policy for tax incentives
Sansha Energy	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises (Note)
Environment Protection Company	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises (Note)
Import & Export Company	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises (Note)
Fujian Ninghe Power Sales Co., Ltd.	N/A	20%	Preferential enterprise income tax policy for small profit-making enterprises (Note)
Guangxi Fanghe Power Sales Co., Ltd.	20%	N/A	Preferential enterprise income tax policy for small profit-making enterprises (Note)

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 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	For the six months ended June 30,	
	2023	2022 (Restated)
Consolidated net profit attributable to shareholders of ordinary shares of the Company	**6,958,915,466.46**	5,901,975,375.42
Weighted average number of ordinary shares of the Company in issue	**50,498,611,100.00**	50,498,611,100.00
Basic earnings per share (RMB/share)	**0.138**	0.117

For the periods from January 1, 2023 to June 30, 2023 and from January 1, 2022 to June 30, 2022, the Group did not have any dilutive potential ordinary shares. Therefore, diluted earnings per share was the same as the basic earnings per share.

12. BILLS RECEIVABLE

Unit: RMB

Item	June 30, 2023	December 31, 2022
Bank acceptance bills	**5,230,000.00**	3,605,535.11

13. ACCOUNTS RECEIVABLE

(a) Accounts receivable disclosed by category

Unit: RMB

Category	June 30, 2023					December 31, 2022				
	Carrying balance		Bad debt provisions			Carrying balance		Bad debt provisions		
	Amount	Percentage	Amount	Provisions percentage	Carrying value	Amount	Percentage	Amount	Provisions percentage	Carrying value
Accounts receivable for which provision for bad debts has been individually made	74,259,091.80	0.51%	74,259,091.80	100.00%	–	74,259,091.80	0.49%	74,259,091.80	100.00%	–
Accounts receivable for which provision for bad debts has been made	14,382,111,257.96	99.49%	301,988,815.15	2.10%	14,080,122,442.81	15,176,127,425.73	99.51%	238,566,307.06	1.57%	14,937,561,118.67
– Group 1	14,008,113,398.21	96.90%	224,268,860.95	1.60%	13,783,844,537.26	13,907,734,857.26	91.20%	163,697,613.72	1.18%	13,744,037,243.54
– Group 2	373,997,859.75	2.59%	77,719,954.20	20.78%	296,277,905.55	1,268,392,568.47	8.31%	74,868,693.34	5.90%	1,193,523,875.13
Total	14,456,370,349.76	100.00%	376,247,906.95	2.60%	14,080,122,442.81	15,250,386,517.53	100.00%	312,825,398.86	2.05%	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 group of accounts receivable are as follows:

Group 1:

Unit: RMB

Aging	June 30, 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%	12,152,530,643.01	36,457,591.93	12,116,073,051.08	0.30%	12,267,515,735.02	36,802,547.20	12,230,713,187.82
1 to 2 years	5.00%	1,226,321,102.97	61,316,055.15	1,165,005,047.82	5.00%	1,340,991,719.56	67,049,585.98	1,273,942,133.58
2 to 3 years	20.00%	622,832,817.89	124,566,563.58	498,266,254.31	20.00%	299,227,402.68	59,845,480.54	239,381,922.14
3 to 4 years	30.00%	6,428,834.34	1,928,650.29	4,500,184.05	30.00%	–	–	–
Total		14,008,113,398.21	224,268,860.95	13,783,844,537.26		13,907,734,857.26	163,697,613.72	13,744,037,243.54

Group 2:

Unit: RMB

Aging	June 30, 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%**	**222,723,877.90**	**668,171.63**	**222,055,706.27**	0.30%	1,098,602,753.67	3,295,808.25	1,095,306,945.42
1 to 2 years	**10.00%**	**49,187,231.15**	**4,918,723.13**	**44,268,508.02**	10.00%	62,107,324.38	6,210,732.44	55,896,591.94
2 to 3 years	**30.00%**	**11,924,695.05**	**3,577,408.52**	**8,347,286.53**	30.00%	18,458,308.19	5,537,492.46	12,920,815.73
3 to 4 years	**50.00%**	**18,951,938.88**	**9,475,969.44**	**9,475,969.44**	50.00%	43,450,858.27	21,725,429.14	21,725,429.13
4 to 5 years	**80.00%**	**60,652,176.43**	**48,521,741.14**	**12,130,435.29**	80.00%	38,370,464.56	30,696,371.65	7,674,092.91
More than 5 years	**100.00%**	**10,557,940.34**	**10,557,940.34**	**–**	100.00%	7,402,859.40	7,402,859.40	–
Total		**373,997,859.75**	**77,719,954.20**	**296,277,905.55**		1,268,392,568.47	74,868,693.34	1,193,523,875.13

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

Unit: RMB

Aging	June 30, 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
More than 5 years	**100.00%**	**74,259,091.80**	**74,259,091.80**	**–**	100.00%	74,259,091.80	74,259,091.80	–

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

14. SHORT-TERM LOANS

Unit: RMB

Item	June 30, 2023	December 31, 2022
Credit loans	**12,246,975,559.23**	11,921,386,787.04
Short-term loans interest payable	**11,669,051.31**	9,095,258.87
Total	**12,258,644,610.54**	11,930,482,045.91

As at June 30, 2023 and December 31, 2022, the Group had no overdue and unsettled short-term loans.

15. BILLS PAYABLE

Unit: RMB

Item	June 30, 2023	December 31, 2022
Bank acceptance bills	**4,577,101,770.22**	5,094,227,695.25

As at June 30, 2023 and December 31, 2022, the Group had no overdue and unsettled bills payable.

16. ACCOUNTS PAYABLE

(1) Accounts payable by aging

Unit: RMB

Aging	June 30, 2023	December 31, 2022
Within 1 year	**15,389,992,513.17**	15,429,335,596.47
1 to 2 years	**2,488,342,515.24**	2,667,755,529.73
2 to 3 years	**1,821,072,616.91**	2,424,836,499.10
More than 3 years	**2,364,238,264.70**	2,445,774,146.62
Total	**22,063,645,910.02**	22,967,701,771.92

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

(2) Significant accounts payable with aging of over 1 year

June 30, 2023

Unit: RMB

Name of creditors	Amount	Reason for outstanding or not transfer
Mingyang Smart Energy Group Limited (明陽智慧能源集團股份公司)	1,579,895,441.04	Not yet settled
Zhongtian Technology Submarine Cable Co., Ltd. (中天科技海纜股份有限公司)	283,712,145.99	Not yet settled
CCCC Third Harbor Engineering Co., Ltd. (中交第三航務工程局有限公司)	227,043,751.18	Not yet settled
China Construction Eighth Engineering Division Corp., Ltd. (中國建築第八工程局有限公司)	137,875,272.94	Not yet settled
China Energy Engineering Group Guangdong Thermal Power Engineering Co., Ltd. (中國能源建設集團廣東火電工程有限公司)	130,492,799.23	Not yet settled
Total	2,359,019,410.38	

17. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

Unit: RMB

Item	June 30, 2023	December 31, 2022
Long-term loans due within one year	**16,975,131,478.00**	16,682,623,230.22
Long-term loans interest payable	**193,963,573.47**	233,861,779.59
Bonds payable due within one year	**4,498,870,754.26**	3,996,403,438.97
Bonds payable interests payable	**117,221,138.01**	172,034,716.01
Post-employment benefit scheme liabilities due within one year	**4,370,909.83**	4,065,909.85
Lease liabilities due within one year	**330,896,426.78**	281,454,453.09
Total	**22,120,454,280.35**	21,370,443,527.73

18. LONG-TERM LOANS

Unit: RMB

Item	June 30, 2023	December 31, 2022
Credit loans	**84,966,897,823.89**	49,937,703,288.16
Pledged loans (1)	**91,434,593,554.98**	126,587,969,848.03
Secured loans (2)	**–**	231,900,000.00
Total	**176,401,491,378.87**	176,757,573,136.19
Less: Long-term loans due within one year	**16,975,131,478.00**	16,682,623,230.22
Long-term loans due after one year	**159,426,359,900.87**	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 June 30, 2023, GNIC, Taishan Nuclear Power Industry Investment Co., Ltd. and the Company pledged their equity interests in Taishan Nuclear to obtain the long-term loans, and GNIC, the Company and CGN Nuclear Power Investment Co., Ltd. pledged their equity interests in Lingdong Nuclear to obtain such long-term loans.

(2) Secured loans are secured by the Company's subsidiary CGN Engineering with equipment. As at June 30, 2023, such loans have been fully repaid.

The range of annual interest rates of the above loans:

Item	For the six months ended June 30,	
	2023	2022
Range of annual interest rates of the above loans	**2.30%-5.90%**	2.70%-5.30%

19. BONDS PAYABLE

Unit: RMB

Category	June 30, 2023	December 31, 2022
Medium-term notes (1)	**6,994,594,449.04**	8,488,470,172.49
Total	**6,994,594,449.04**	8,488,470,172.49
Less: Bonds payable due within one year	**4,498,870,754.26**	3,996,403,438.97
Bonds payable due after one year	**2,495,723,694.78**	4,492,066,733.52

Note:

(1) 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 has been due and paid in June 2023.

20. PROVISIONS

Unit: RMB

Item	**June 30, 2023**	December 31, 2022
Provision for NPP decommissioning [1]	**5,721,973,395.90**	5,372,623,933.88
Provision for low and medium level radioactive waste disposals [2]	**546,202,507.86**	587,251,360.22
Total	**6,268,175,903.76**	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

	June 30, 2023	December 31, 2022
Unrestricted shares		
Domestic shares (A shares)	**39,334,986,100.00**	39,334,986,100.00
Including: CGNPC	**29,176,641,375.00**	29,176,641,375.00
Guangdong Hengjian Investment Holdings Co., Ltd. (廣東恒健投資控股有限公司)	**3,428,512,500.00**	3,428,512,500.00
Other domestic shares	**6,729,832,225.00**	6,729,832,225.00
Overseas listed foreign shares (H shares)	**11,163,625,000.00**	11,163,625,000.00
Including: CGNPC and its subsidiaries	**570,235,000.00**	570,235,000.00
Other foreign shares	**10,593,390,000.00**	10,593,390,000.00
Total	**50,498,611,100.00**	50,498,611,100.00

CGNPC and its subsidiaries have increased their holdings of H shares of the Company since March 26, 2020, and increased their 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 and its subsidiaries increased their holdings of H shares of the Company by a total of 10,000,000 shares (the "**Current Shareholding Increase**"), and planned to continue to increase their holdings of H shares of the Company within 12 months since the Current 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 Current Shareholding Increase). From November 1, 2022 to December 31, 2022, CGNPC and its subsidiaries increased their holdings of H shares of the Company by 41,933,000 shares in aggregate via the Shenzhen-Hong Kong Stock Connect of the SZSE. CGNPC and its subsidiaries did not increase their holdings of the shares of the Company from January 1, 2023 to June 30, 2023. As at June 30, 2023, CGNPC and its subsidiaries increased their holdings of H shares of the Company by 570,235,000 shares in aggregate (including those acquired in the Previous Shareholding Increases).

22. DIVIDEND

During the Reporting Period, a final dividend of RMB0.087 per share (tax inclusive) in respect of the year ended December 31, 2022 was declared to the owners of the Company, which amounted to RMB4,393,379,165.71 in total (tax inclusive), and was approved by the shareholders at the 2022 annual general meeting convened on May 25, 2023.

23. SHARE-BASED PAYMENT

(1) Overall share-based payment

Unit: Units

Item	**During the period from January 1 to June 30, 2023**	During the period from January 1 to June 30, 2022
	Second Batch	Second Batch
Total equity instruments of the Company at the beginning of the period	**61,024,700**	260,504,100
Total equity instruments granted by the Company during the period	**–**	–
Total equity instruments exercised by the Company during the period	**14,133,500**	9,868,800
Total equity instruments of the Company that have expired during the period	**–**	4,646,900
Total equity instruments of the Company at the end of the period	**46,891,200**	245,988,400
The range of exercise prices of outstanding share appreciation rights of the Company at the end of the period and the remaining period of the contracts	**HKD1.6440**	HKD1.6440
	0.45 year	0.45-2.45 years

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

The initial implementation plan of the SAR was approved by the Board on November 5, 2015. Pursuant to the initial scheme, 256,240,000 units of SAR were granted by the Group to Incentive Recipients (including Liaoning Hongyanhe Nuclear Power Co., Ltd. (遼寧紅沿河核電有限公司) ("**Hongyanhe Nuclear**")) at the exercise price of HKD3.50 per share. Since the price of H shares was yet to meet the exercise condition, all of the three tranches of SAR for the first grant expired and lapsed.

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

	Stock price (HKD/share)	
Date of Board approval	**Before adjustment**	**After adjustment**
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

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

A total of 0 unit under the second stage of the implementation plan of the SAR expired. A total of 14,133,500 units under the second stage of the implementation plan of the SAR were exercised during this period.

(2) Cash-settled share-based payment

Unit: RMB

Item	For the period from January 1 to June 30, 2023	For the period from January 1 to June 30, 2022
Methods for determining fair value of liabilities undertook by the Company and calculated by share or other equity instruments	**Black-Scholes options valuation model**	Black-Scholes options valuation model
Accumulated liabilities arising from cash-settled share-based payment in liabilities	**14,537,789.34**	75,715,882.89
Total fees recognized in respect of cash-settled share-based payment during the period	**4,107,744.22**	(56,547,790.00)

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

Item	June 30, 2023	December 31, 2022
Share price (HKD)	**1.8900**	1.8600
Expected volatility	**21.70%**	28.24%
Expected dividend yield	**5.119%**	5.306%

The second stage of the implementation plan of the SAR:

Item	June 30, 2023	December 31, 2022
Exercise price (HKD)	**1.6440**	1.6440
Expected term	**0.45 year**	0.95 year
Risk-free rate	**4.185%**	4.300%
Fair value (HKD)	**0.3363**	0.2938

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

24. BREAKDOWN OF NON-RECURRING GAINS OR LOSSES

Unit: RMB

Item	For the six months ended June 30,	
	2023	2022
Gains or losses from disposal of non-current assets	**3,017,244.01**	54,518,471.74
Government grants recognized in profit or loss for the current period (except for those closely related to the Company's business and for fixed or quantitative purposes in accordance with national uniform standards)	**67,285,936.19**	117,259,476.69
Except for the effective hedging transactions related to the normal operation of the Company, the gains or losses from changes in fair value arising from holding financial assets and liabilities held for trading, as well as the investment income arising from disposal of financial assets and liabilities held for trading and available-for-sale financial assets	**(682,446.62)**	(7,899,765.02)
Other non-operating income and expenses other than the items above, net	**(77,359,814.72)**	(16,396,853.24)
Other gains or losses items that meet the definition of non-recurring gains or losses	**(3,348,116.69)**	56,547,790.00
Total	**(11,087,197.83)**	204,029,120.17
Income tax effect of non-recurring gains or losses	**(16,274,941.31)**	16,545,363.62
Effect of non-recurring gains or losses attributable to minority shareholders	**(1,241,054.65)**	7,720,938.42
Effect of non-recurring gains or losses attributable to shareholders of the parent company, net	**6,428,798.13**	179,762,818.13

FINANCE, ASSETS AND INVESTMENTS

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

FINANCIAL PERFORMANCE AND ANALYSIS

Key Financial Indicators

Item	For the six months ended June 30, 2023	2022 (Restated)
Indicators of profitability		
EBITDA margin (%)[1]	**55.1**	52.3
Net profit margin (%)[2]	**27.8**	24.2
Indicators of investment returns		
Return on equity (excluding non-controlling interests) (%)[3]	**6.4**	5.8
Return on total assets (%)[4]	**3.9**	3.5
Indicators of solvency		
Interest coverage [5]	**4.4**	3.3

Item	June 30, 2023	December 31, 2022 (Restated)
Indicators of solvency		
Asset-liability ratio (%)[6]	**60.7**	61.4
Debt to equity ratio (%)[7]	**110.1**	115.5

Notes:

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

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

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

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

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

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

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

Financial Results Analysis

	For the six months ended June 30, 2023 *RMB'000*	2022 *RMB'000* *(Restated)*	Fluctuations increase/ (decrease) *RMB'000*	Percentage change increase/ (decrease) *%*
Operating revenue	**39,275,824.32**	36,622,093.48	2,653,730.84	7.2
Operating costs	**22,502,483.91**	21,948,110.85	554,373.06	2.5
Finance costs	**2,951,525.90**	3,257,842.42	(306,316.52)	(9.4)
Other gains (1)	**696,082.85**	516,882.68	179,200.17	34.7
Investment income (2)	**970,777.08**	691,518.22	279,258.86	40.4
Including: Income from investment in associates	**964,365.86**	649,285.37	315,080.49	48.5
Non-recurring gains or losses (3)	**(11,087.20)**	204,029.12	(215,116.32)	(105.4)
Net profit attributable to shareholders of the parent company(4)	**6,958,915.47**	5,901,975.38	1,056,940.09	17.9
Net profit attributable to shareholders of the parent company (excluding the effects of non-recurring gains or losses)	**6,952,486.67**	5,722,212.56	1,230,274.11	21.5

Notes:

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

(2) The increase in investment income was primarily due to the increase in investment income from Hongyanhe Nuclear as a result of the commencement of commercial operation of Hongyanhe Unit 6 in June 2022.

(3) The decrease in non-recurring gains or losses was primarily due to the decrease in 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) ("**CNPSTC**") in the corresponding period of previous year and the gains from change in fair value of the H-share SAR as compared to the corresponding period of previous year.

(4) The increase in net profit attributable to shareholders of the parent company was primarily due to the increase in the on-grid power generation of subsidiaries and the increase in investment income.

Revenue from Operation

	For the six months ended June 30, 2023 RMB'000	2022 RMB'000	Fluctuations increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
Revenue from principal business operations	**39,157,078.06**	36,338,804.91	2,818,273.15	7.8
Including: Sales of electricity (1)	**30,923,922.83**	27,803,471.49	3,120,451.34	11.2
Construction, installation and design services (2)	**7,499,507.00**	7,850,551.67	(351,044.67)	(4.5)
Revenue from other business operations (3)	**118,746.26**	283,288.57	(164,542.31)	(58.1)
Total revenue from business operations	**39,275,824.32**	36,622,093.48	2,653,730.84	7.2

Notes:

(1) The increase in revenue from sales of electricity was primarily due to the year-on-year increase in the on-grid power generation of subsidiaries.

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

(3) The 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 during the corresponding period of previous year.

Cost of Operations

	For the six months ended June 30,		Fluctuations	Percentage change
	2023	2022	increase/ (decrease)	increase/ (decrease)
	RMB'000	*RMB'000*	*RMB'000*	*%*
Cost of principal business operations	**22,432,617.67**	21,683,525.07	749,092.60	3.5
Including: Cost of sales of electricity	**14,460,859.65**	13,280,570.46	1,180,289.19	8.9
Of which: Cost of nuclear fuel	**4,037,310.56**	3,785,173.37	252,137.19	6.7
Depreciation of fixed assets	**4,829,239.01**	4,649,081.80	180,157.21	3.9
Provision for spent fuel management	**1,656,659.44**	1,538,417.07	118,242.37	7.7
Construction, installation and design services	**7,449,789.46**	7,793,409.16	(343,619.70)	(4.4)
Other costs of business operations [(1)]	**69,866.24**	264,585.78	(194,719.54)	(73.6)
Total cost of operations	**22,502,483.91**	21,948,110.85	554,373.06	2.5

Note:

(1) 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 during the corresponding period of previous year.

Financial Position

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

	June 30, 2023	December 31, 2022	**Fluctuations increase/ (decrease)**	**Percentage change increase/ (decrease)**
	RMB'000	*RMB'000*	*RMB'000*	*%*
Bank and other borrowings[(1)]	**197,443,061.39**	199,967,430.10	(2,524,368.71)	(1.3)
Receivables[(2)]	**35,898,721.29**	35,643,758.61	254,962.68	0.7
Payables[(3)]	**39,778,943.29**	37,532,468.75	2,246,474.54	6.0
Inventories	**18,143,422.21**	17,775,458.32	367,963.89	2.1
Fixed assets and intangible assets[(4)]	**255,774,396.25**	237,968,836.40	17,805,559.85	7.5

Notes:

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

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

(3) Payables comprise bills payable, accounts payable, receipt in advance, contract liabilities and other payables.

(4) The increase in fixed assets and intangible assets was primarily due to the transfer of construction in progress to fixed assets upon the commencement of commercial operation of Fangchenggang Unit 3.

Cash Flow Analysis

In the first half of 2023, the Company's net cash inflows from operating activities increased as compared with the corresponding period of 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 the corresponding period of 2022, mainly due to the year-on-year increase in conversion of fixed deposits to current deposits; the net cash outflows from financing activities increased as compared with the corresponding period of 2022, mainly due to the year-on-year increase in cash outflows from due borrowings repaid by self-owned funds of the Company.

	For the six months ended June 30,		**Fluctuations increase/ (decrease)**	**Percentage change increase/ (decrease)**
	2023	2022		
	RMB'000	*RMB'000*	*RMB'000*	*%*
Net cash inflows from operating activities	**15,679,972.55**	12,936,515.89	2,743,456.66	21.2
Net cash outflows from investment activities	**3,541,240.59**	4,417,714.09	(876,473.50)	(19.8)
Net cash outflows from financing activities	**8,091,856.20**	4,952,000.38	3,139,855.82	63.4

ASSETS AND INVESTMENTS

The Group was mainly engaged in the investment in construction of nuclear power generating units, technical improvement in the NPPs in operation, and research and development of technologies relating to nuclear power for the six months ended June 30, 2023.

INVESTMENT IN FIXED ASSETS

For the six months ended June 30, 2023, the Group's investment in fixed assets (cash flow) amounted to approximately RMB6,565.4 million, representing an increase of RMB1,424.1 million or 27.7% from RMB5,141.3 million in the corresponding period in 2022.

INVESTMENTS IN EQUITY

The Group had no investment in equity for the six months ended June 30, 2023.

MATERIAL ACQUISITION AND DISPOSAL

The Group had no material acquisition or disposal for the six months ended June 30, 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 SZSE in August 2019. For the six months ended June 30, 2023, the Group had no use of proceeds.

External Financing Environment

In the first half of 2023, China's economy is recovering, and the gross domestic product ("**GDP**") in China reached RMB59.3 trillion, representing a year-on-year increase of 5.5%, with major macroeconomic indicators firming up, and the price level being generally stable. In the first half of 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 the first half of 2023, the Company comprehensively strengthened the organization, coordination, support and risk monitoring of financing, made full use of various financing channels, ensured capital security and controlled financing costs. The Company carried out various financing activities in an orderly manner. At the same time, the Company continuously monitored foreign currency debt exchange rate risk exposure, exercised control over new debts denominated in foreign currencies, and prevented the risk of exchange rate fluctuations through various measures including forward transactions.

Equity Financing

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

Debt Financing

In the first half of 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 June 30, 2023, the Group's total borrowings amounted to RMB197,443.1 million with major financing channels including borrowings from banks and other institutions (accounting for approximately 95.6%), medium-term notes (accounting for approximately 3.5%), ultra short-term financing notes (accounting for approximately 0.9%), etc. We maintained a debt structure mainly comprising RMB-denominated and long-term debts, which not only satisfied our operational characteristics of focusing on nuclear power projects, but also effectively prevented liquidity risks and systematic exchange rate risks.

In the first half of 2023, the Group continued to strengthen communication with its banking partners, seizing the advantages of phrasal credit financing to meet capital needs and replace due debts with bank borrowing at a better interest rate, thereby reducing financing costs.

The registration of interbank multi-type debt financing instruments of the Company has been approved at 2022 annual general meeting of the Company in May 2023. The Company is proceeding with the preparatory work for registration. Upon completion of registration, the Company will commence the issuance when appropriate based on market conditions and its needs.

Debt Risk Management

In recent years, we proactively eliminated our exposure to risk on foreign exchange rate associated with debts denominated in foreign currencies by stages and in batches through various measures including forward transactions, debts replacement and early repayment, and actively changed our financing methods for foreign business contracts to exercise control over new debts denominated in foreign currencies, thereby effectively reduced the impact of major risks in exchange rate. In the first half of 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. As compared with the end of 2022, the Group's total borrowings denominated in foreign currencies decreased by approximately RMB219.0 million at the end of the Reporting Period.

To manage liquidity risks, we monitored and maintained our cash and cash equivalents as well as the level of unutilized banking facilities. As of June 30, 2023, we had credits for unutilized general banking facilities of approximately RMB191,060.8 million, interbank multi-type debt financing instruments being readily available for public offering of RMB15,700.0 million, shelf-offering corporate bonds being readily available for public offering of RMB20,000.0 million, and cash at bank and in hand of approximately RMB16,894.8 million, for the provision of sufficient cash support for the operation of the Company and the reduction in the impact from cash flow fluctuation.

Credit Rating

In May 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 in which the Company operated has high level of economic development with huge demand on electricity consumption", it concluded that "the on-grid power generation of the Company will be huge with strong profitability and cash generating ability" and maintained our AAA credit rating with stable outlook.

Contingencies

External Guarantees

The Group confirmed that, as of June 30, 2023, the Group had not provided any external guarantee.

Assets with Restricted Ownership

As of June 30, 2023, the Group's assets pledged to banks and with restricted ownership due to other reasons amounted to approximately RMB15,280.1 million in carrying value. As of December 31, 2022, the carrying value of the Group's assets pledged to banks and with restricted ownership due to other reasons was approximately RMB16,894.3 million.

As of June 30, 2023 and December 31, 2022, the electricity tariff collection rights of Lingdong Nuclear, Yangjiang Nuclear, Fangchenggang Nuclear, Ningde Nuclear and Taishan Nuclear were pledged to secure the facilities and loans from banks to these entities.

Legal Proceedings

The Group confirmed that, for the six months ended June 30, 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 the second half of 2023. 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 National Congress of the Communist Party of China and also an integral part of the national energy strategy, playing a vital role in optimizing the national energy structure, ensuring energy security, and building a new energy system. 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》). 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 July 31, 2023, three nuclear power projects, including Ningde Unit 5 and Unit 6, were approved by the State Council. We believe that, as the state actively pushes forward the achievement of carbon peaking and carbon neutrality, strengthening energy security, and accelerating the construction of a new energy system, the nuclear power industry is still in an important period of strategic opportunities, and the room for development and the market prospects will be more extensive.

According to the data released by the National Bureau of Statistics on July 17, 2023, in the first half of 2023, as departments in different regions adhered to the working principle of making progress while maintaining stability, coupled with the effects of macroeconomic policies, China's economic operation presented promising recovery. During the first half of the year, the GDP increased by 5.5% year on year, with steady energy supply and accelerated growth in energy consumption. According to the Briefings on the Operation of the National Power Industry from January to June 2023 (《2023年1-6月電力工業運行簡況》) published by the China Electricity Council, in the first half of 2023, the total electricity consumption in the PRC increased by 5.0% year on year. The power demand and supply in the PRC achieved an overall tight balance, where power demand and supply may run tight in certain provinces and regions during the specific period. We believe that with the implementation of various national policies, the electricity consumption in China is expected to further increase in the second half of the year.

China continues to deepen its reforms in power system, accelerates the establishment of a clean, low-carbon, safe and abundant, cost-effective, supply-demand coordinated, flexible and smart new power system, optimizes systems and mechanisms compatible with new power system, and facilitates market mechanism innovation. As proposed in the Bluebook on the Development of New Power System (《新型電力系統發展藍皮書》) issued by the National Energy Administration on June 2, 2023, it is the rapid transition period for new power system from 2023 to 2030, and a unified national power market system will be basically formed. As always, we actively communicated with local governments, power grids and relevant enterprises, paid attention to the power system reform and actively participated in market-oriented trading, striving for better transaction prices and a larger market share.

(II) BUSINESS PERFORMANCE AND ANALYSIS

On March 25, 2023, Fangchenggang Unit 3 was put into commercial operation. On July 31, 2023, Ningde Unit 5 and Unit 6 of Fujian Ningde Second Nuclear Power Co., Ltd.* (福建寧德第二核電有限公司) ("**Ningde Second Nuclear**"), an associate of the Company, were approved by the State Council. In the first half of 2023, we managed 27 nuclear power generating units in operation and six nuclear power generating units under construction (including four units under construction which were entrusted to the Company by the controlling shareholder of the Company for management). The operations of the nuclear power generating units in operation managed by us were safe and stable, and the construction of the nuclear power generating units under construction progressed orderly. We hereby report primarily on the business performance of our nuclear power generating units during the first half of 2023, and our work in respect of human resources and social responsibilities.

Safety Management

Safety is crucial to any company. We highly value safety and always place safety at our top priority. We always adhere to the concept of "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" and "Bringing Nuclear Safety Culture into our Teams" so as to continuously enhance the nuclear safety culture awareness among all employees. We conducted relevant special works based on our annual key working goals. In the first half of 2023, the Company continued to conduct the major safety inspection on nuclear power bases led by the Chairman and the senior management of the Company, covering all nuclear power bases managed by us. Centering on issues discovered, the Company conducted the 2023 special inspection and rectification on potential hazards of major incidents, focusing on facilitating potential major issues. The Company conducted the evaluation on the effectiveness of quality management system of all subsidiaries, associates and management companies as entrusted by the controlling shareholder for the first time, and supervised all units to continuously improve the completeness and effectiveness of safety quality and environmental protection system.

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 the first half of 2023, we conducted joint drills with Ningde Nuclear to continuously enhance the emergency response capability of the Group's nuclear emergency units.

In the first half of 2023, according to the International Nuclear and Radiological Event Scale (《國際核事件分級表》) (the "**INES**") set by the International Atomic Energy Agency, the NPPs we operated and managed had maintained our all-time good safety record of no nuclear event at level 2[note] or above.

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

Nuclear power generating units in operation

As of June 30, 2023, all 27 nuclear power generating units in operation managed by us maintained safe and stable operation. The on-grid power generation figures (unit: GWh) of each of our NPPs are as follows:

Name of NPP	**For the six months ended June 30, 2023**	2022	Change rate for the same period (%)
From subsidiaries			
Daya Bay NPP	**8,306.12**	7,744.09	7.26
Ling'ao NPP	**6,869.99**	6,002.56	14.45
Lingdong NPP	**8,187.59**	8,379.29	-2.29
Ningde NPP	**15,673.88**	14,093.55	11.21
Yangjiang NPP	**25,337.85**	24,065.35	5.29
Fangchenggang NPP	**10,465.32**	7,689.45	36.10
Taishan NPP	**7,325.31**	6,541.33	11.99
Subsidiaries, total	**82,166.06**	74,515.61	10.27
From associates			
Hongyanhe NPP	**23,752.00**	18,319.66	29.65
Subsidiaries and associates, total	**105,918.06**	92,835.27	14.09

Daya Bay NPP: No refuelling outage was conducted from January to June 2023, while a refueling outage was conducted in the corresponding period of 2022.

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

Lingdong NPP: It conducted a refuelling outage from January to June 2023, while no refueling outage was conducted in the corresponding period of 2022. The time taken for operations at reduced load or shut down for standby in coordination with the requirements of the power grid was shorter than the corresponding period of 2022.

Ningde NPP: The total duration of the refuelling outage from January to June 2023 was shorter as compared with the corresponding period of 2022. The time taken for operations at reduced load or shut down for standby in coordination with the requirements of the power grid was shorter than the corresponding period of 2022.

Yangjiang NPP: The total duration of the refuelling outage from January to June 2023 was shorter as compared with the corresponding period of 2022.

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

Taishan NPP: The duration of the refuelling outage of Taishan Unit 1 from January to June 2023 was shorter than that of shutdown and inspection in the corresponding period of 2022.

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

We completed 7 refuelling outages among our 27 nuclear power generating units in operation in the first half of 2023 as planned. The total number of calendar days for the refuelling outages in the first half of 2023 was about 413 days.

Operation Performance

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

In the first half of 2023, we had 27 nuclear power generating units in operation, with an average capacity factor of 90.59%, an average load factor of 86.26% and average utilization hours of 3,747 hours, as compared with 87.88%, 80.34% and 3,490 hours of the 26 nuclear power generating units in operation in the first half of 2022. The details of the operation performance of generating units we operated and managed in the first half of 2023 are as follows:

	Capacity factor (%) For the six months ended June 30,		**Load factor (%) For the six months ended June 30,**		**Utilization hours (hours) For the six months ended June 30,**	
Nuclear power generating unit	**2023**	2022	**2023**	2022	**2023**	2022
From subsidiaries						
Daya Bay Unit 1	**100.00**	100.00	**101.59**	101.69	**4,413**	4,418
Daya Bay Unit 2	**100.00**	86.38	**101.36**	87.70	**4,403**	3,810
Ling'ao Unit 1	**99.98**	65.29	**99.06**	63.14	**4,303**	2,743
Ling'ao Unit 2	**68.88**	82.17	**67.66**	82.57	**2,939**	3,587
Lingdong Unit 1	**99.99**	99.99	**98.57**	89.93	**4,282**	3,906
Lingdong Unit 2	**86.20**	99.99	**85.54**	98.46	**3,716**	4,277
Yangjiang Unit 1	**99.23**	100.00	**97.84**	98.17	**4,250**	4,265
Yangjiang Unit 2	**100.00**	83.44	**95.63**	82.52	**4,154**	3,584
Yangjiang Unit 3	**83.74**	99.99	**82.78**	100.67	**3,596**	4,373
Yangjiang Unit 4	**99.98**	99.98	**100.83**	88.84	**4,380**	3,859
Yangjiang Unit 5	**100.00**	85.78	**96.52**	85.14	**4,193**	3,699
Yangjiang Unit 6	**99.98**	87.02	**97.24**	86.65	**4,224**	3,764
Fangchenggang Unit 1	**83.79**	98.11	**80.96**	91.19	**3,517**	3,961
Fangchenggang Unit 2	**99.99**	86.09	**100.16**	83.77	**4,351**	3,639

Nuclear power generating unit	Capacity factor (%) For the six months ended June 30, **2023**	2022	Load factor (%) For the six months ended June 30, **2023**	2022	Utilization hours (hours) For the six months ended June 30, **2023**	2022
Fangchenggang Unit 3	**94.62**	Under construction	**95.30**	Under construction	**4,140**	Under construction
Ningde Unit 1	**69.23**	99.99	**68.02**	89.33	**2,955**	3,881
Ningde Unit 2	**99.26**	100.00	**96.55**	78.83	**4,194**	3,424
Ningde Unit 3	**100.00**	84.72	**97.38**	76.80	**4,230**	3,336
Ningde Unit 4	**99.06**	82.19	**91.28**	74.31	**3,965**	3,228
Taishan Unit 1	**15.83**	0.00	**13.90**	0.00	**604**	0
Taishan Unit 2	**92.10**	91.50	**89.30**	91.99	**3,879**	3,996
Average of subsidiaries	**90.09**	86.63	**86.19**	80.41	**3,744**	3,493
From associates						
Hongyanhe Unit 1	**99.99**	85.31	**94.75**	80.58	**4,116**	3,500
Hongyanhe Unit 2	**88.27**	99.99	**84.67**	98.14	**3,678**	4,263
Hongyanhe Unit 3	**84.98**	83.50	**82.27**	62.05	**3,574**	2,695
Hongyanhe Unit 4	**99.99**	83.52	**92.93**	79.84	**4,037**	3,468
Hongyanhe Unit 5	**99.74**	99.99	**86.37**	78.85	**3,752**	3,425
Hongyanhe Unit 6	**81.17**	100.00	**78.89**	98.82	**3,427**	169
Average of associates	**92.36**	92.05	**86.65**	80.04	**3,764**	3,477
Average of subsidiaries and associates	**90.59**	87.88	**86.26**	80.34	**3,747**	3,490

"**Pursuit of Excellence**" is one of the basic principles of the Company. In order to identify our inadequacies and make sustained improvements, we continue to compare our indicators with international counterparts. In recent years, when compared with the one-year benchmark value of the 12 performance indicators for the PWR set by the World Association of Nuclear Operators (the "**WANO**"), the ratio of performance indicators achieving the world's top 1/4 level (advanced level) and top 1/10 level (excellent level) remained at a high level, leading among industry peers.

The following table indicates the comparison of our 27 nuclear power generating units in operation with the one-year benchmark value of the 12 performance indicators for the PWR by the WANO for the six months ended June 30, 2023 and the corresponding period in 2022:

	For the six months ended June 30, **2023**	2022
Number of units	**27**	24*
Total number of indicators	**324**	288
Including:		
Number/percentage of indicators ranked top 1/4 (advanced level) in the world	**289/89.20%**	243/84.38%
Number/percentage of indicators ranked top 1/10 (excellent level) in the world	**282/87.04%**	238/82.64%

* During the first half of 2022, Taishan Unit 1 was shut down for inspection and Hongyanhe Unit 6 commenced commercial operation for less than three months. Hence, the aforesaid two units do not meet with the conditions for WANO indicators.

Environmental Performance

We continued to improve radioactive waste management, optimize the control over the discharge process of liquid radioactive waste and gas radioactive waste (the "**Discharge**") and strictly comply with emission control standards. In the first half of 2023, the radioactive waste management of the 27 generating units in operation managed by us strictly complied with the relevant national laws and regulations, and met the standards of the relevant technical specifications.

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

	Daya Bay Base Area (including Daya Bay NPP, Ling'ao NPP and Lingdong NPP)		Yangjiang NPP		Fangchenggang NPP		Ningde NPP		Taishan NPP		Hongyanhe NPP	
	For the six months ended June 30,											
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Discharged liquid radioactive waste (radionuclides other than tritium) as a percentage of the national standards	**0.09%**	0.11%	**0.15%**	0.24%	**0.53%**	0.18%	**0.14%**	0.13%	**1.13%**	1.18%	**0.16%**	0.21%
Discharged gas radioactive waste (inert gases) as a percentage of the national standards	**0.22%**	0.23%	**0.09%**	0.11%	**0.72%**	0.16%	**0.13%**	0.16%	**1.22%**	0.93%	**1.34%**	1.45%
Solid radioactive waste (cubic meters)	**22.4**	88.1	**40.8**	31.6	**17.6**	51.3	**34.8**	40.4	**0**	0	**41.2**	31.6
Results of environmental monitoring	**Normal**	Normal	**Normal**	Normal	**Normal**	Normal	**Normal**	Normal	**Normal**	Normal	**Normal**	Normal

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

Nuclear power is a clean energy source that contributes to energy saving and emissions reduction in the society. In the first half of 2023, the cumulative on-grid nuclear power generation of the Group (including our associates) in effect represented a reduction of approximately 31.7542 million tons of standard coal consumption, approximately 87.2765 million tons of CO_2 emissions, approximately 8,800 tons of sulphur dioxide emissions, and approximately 14,100 tons of oxynitride emissions.

In active response to the national call, we conducted a series of "June 5 World Environment Day" promotion campaign. We published the ecosystem and environmental protection initiative, promoting the concepts of "developing clean energy and reducing carbon emission at source", "adhering to innovation and building new development trend", "promoting eco-friendly culture and enhancing the awareness on conservation".

Nuclear Power Generating Units under Construction

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

As at June 30, 2023, we had six nuclear power generating units under construction (including units under construction which were entrusted to the Company by the controlling shareholder of the Company for management), among which two of them were in the civil construction phase, three were in the equipment installation phase and one was in the commissioning phase.

On April 28, 2023, Fangchenggang Unit 4 commenced the cold functional test and entered the commissioning phase.

On July 31, 2023, Ningde Unit 5 and Unit 6 were approved by the State Council. Adopting our HPR1000 technology, Ningde Unit 5 and Unit 6 have unit capacity of 1,210 MW.

At present, the Group has been conducting preparatory works for the construction of Lufeng Unit 6, and Ningde Unit 5 and Unit 6 in an orderly manner.

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

Nuclear Power Generating Units	Civil Construction Phase [1]	Equipment Installation Phase [2]	Commissioning Phase [3]	Grid Connection Phase [4]	Expected Time of Commencement of Operation
From subsidiaries					
Fangchenggang Unit 4			✓		First half of 2024
Lufeng Unit 5	✓				2027
From companies which were entrusted by the controlling shareholder for management					
Huizhou Unit 1		✓			2025
Huizhou Unit 2		✓			2026
Cangnan Unit 1		✓			2026
Cangnan Unit 2	✓				2027

Notes:

1. "Civil construction" phase refers to the process from the first concrete day to the proper roof installation of the main plant of the nuclear reactor.

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

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

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

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

SALES OF ELECTRICITY

Due to the different economic development conditions of each province, the supply and demand for electricity in the provinces and regions where our nuclear power generating units are located varied slightly. In the first half of 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 refined its units in service for greater and full load power generation. In the first half of 2023, the on-grid power generation was slightly higher than the power generation plans of the Company and the average settling tariff was basically the same as that of corresponding period of previous year, ensuring the overall economic benefits of the Company.

In the first half of 2023, our nuclear power generating units in operation achieved a total on-grid power generation of 105,918.06 GWh (including our associates), representing a year-on-year increase of 14.09%. Market-based power generation volume accounted for approximately 55.5% of the total on-grid power generation, which was basically the same as that of the corresponding period of 2022.

Guangdong Province: The electricity consumption in the province increased by 7.51% in the first half of 2023 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 6.25% year on year, which was mainly due to the time taken for operations at reduced load or shut down for standby of power generating units within the Guangdong Province was shorter in the first half of 2023 as compared to the corresponding period of previous year.

Fujian Province: The electricity consumption in the province increased by 5.92% in the first half of 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 the first half of 2023, the on-grid power generation increased by 11.21% year on year, which was mainly due to the time taken for operations at reduced load or shut down for standby of Ningde nuclear power generating units was shorter in the first half of 2023 as compared to the corresponding period of previous year.

Guangxi Zhuang Autonomous Region: The electricity consumption in the province increased by 10.13% in the first half of 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 the first half of 2023, the on-grid power generation of Fangchenggang Nuclear increased by 36.10% year on year, which was mainly due to the increase in number of nuclear power generation units in operation of Fangchenggang Nuclear following the commencement of production of Fangchenggang Unit 3 in March 2023.

Liaoning Province: The electricity consumption in the province increased by 3.28% in the first half of 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 the first half of 2023, the on-grid power generation of Hongyanhe Nuclear increased by 29.65% year on year, which was due to the commencement of production of Hongyanhe Unit 6 in June 2022.

In the first half of 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 162 retail agent clients amounted to approximately 9,186.06 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. 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 the first half of 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 the first half of 2023 was basically the same as that of the corresponding period of 2022.

The Planned Tariffs (VAT inclusive) of our nuclear power generating units in operation as at June 30, 2023 are set out in the table below.

Nuclear Power Generating Units	**Clients**	**Planned Tariffs (VAT included) (RMB/kWh)**
Daya Bay Unit 1 and Unit 2	Guangdong Power Grid Co., Ltd.	0.4056
Ling'ao Unit 1 and Unit 2	Guangdong Power Grid Co., Ltd.	0.4143
Lingdong Unit 1 and Unit 2	Guangdong Power Grid Co., Ltd.	0.4153
Yangjiang Unit 1 to Unit 6	Guangdong Power Grid Co., Ltd.	0.4153
Fangchenggang Unit 1 to Unit 3	Guangxi Power Grid Co., Ltd.	0.4063
Ningde Unit 1 and Unit 2	Fujian Electric Power Co., Ltd.	0.4153
Ningde Unit 3	Fujian Electric Power Co., Ltd.	0.3916
Ningde Unit 4	Fujian Electric Power Co., Ltd.	0.3590
Taishan Unit 1 and Unit 2	Guangdong Power Grid Co., Ltd.	0.4350
Hongyanhe Unit 1 to Unit 4	Liaoning Electric Power Co., Ltd.	0.3823
Hongyanhe Unit 5 and Unit 6	Liaoning Electric Power Co., Ltd.	0.3749

COMPREHENSIVE USE OF NUCLEAR ENERGY

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

For nuclear energy heating, we have accumulated certain experience at the Hongyanhe Nuclear Power Base, which will be properly promoted and applied in the future. The supporting construction of pumped storage and electrochemical energy storage projects can improve the operational stability of nuclear power generating units to a certain extent, reduce nuclear safety risks, and stabilize trading prices of nuclear power. We actively seek development opportunities for pumped storage projects in the provinces and regions where nuclear power is located. Based on the latest state policies and requirements, we are pushing forward the preliminary works on projects in an orderly and high-quality manner. As of June 30, 2023, the construction of equity-participation pumped storage power station project invested by the Company has commenced as planned, while full efforts are made to include pumped storage power station development project with controlling stake into the state development plan. At the same time, we are also cooperating with other companies to jointly build a large-scale nuclear storage complementary electrochemical energy storage demonstration project in the Guangdong province. Relevant feasibility study is in progress.

HUMAN RESOURCES

The total number of employees of the Group was 18,265 (excluding our associates) as of June 30, 2023. The Group implements a remuneration policy that is competitive in the industry, and pays commissions and discretionary bonuses to its employees with reference to performance of the Group and individual employees. The remuneration policy and system, the salary standard and their basis of implementation of the Company remain unchanged from the corresponding period in 2022. The total cost of the employees for the six months ended June 30, 2023 amounted to approximately RMB5,049.55 million (exclusive of our associates).

The Company has established the share appreciation rights long-term incentive scheme to enhance its attractiveness to key talents and create more value for shareholders. The H-Share Appreciation Rights Scheme was approved at the 2014 annual general meeting held on June 12, 2015. The details of the grant of the SAR are set out in Note 22 to the financial information in this announcement.

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

The average individual radiation exposure index among our personnel (including staff, contractors and other personnel) who entered into the control area to work at NPPs is lower than the national standard limit (20 mSv/year/person). The table below sets out information on the maximum individual radiation exposure index (Unit: mSv) among the personnel who entered into the control area to work in the first half of 2023 and that of 2022 at NPPs operated and managed by us:

	For the six months ended June 30,	
NPP/Unit	**2023**	2022
Daya Bay NPP, Ling'ao NPP and Lingdong NPP	**6.359**	8.820
Yangjiang NPP	**4.279**	6.219
Fangchenggang NPP Unit 1 to Unit 3	**4.007**	3.578
Ningde NPP	**5.630**	5.851
Taishan NPP	**2.063**	0.980
Hongyanhe NPP	**7.345**	5.760

Note: The changes in data are primarily due to the differences in outage schedules and maintenance projects during the six months ended June 30, 2023. According to the opinions from the relevant national regulatory authorities, since 2021, the personal radiation doses generated by the Daya Bay NPP, Ling'ao NPP and Lingdong NPP located in the Daya Bay Nuclear Power Base have been consolidated.

Social Responsibilities

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

Proactive Disclosure of Information

Each of the nuclear power bases in operation managed by us has established its public information platform on nuclear safety. The information made available to the public includes monthly operating data, such as capacity factor, radiation protection, industrial safety, level 1 fire risk incidents, three wastes control and monitoring of the environment, and operational events. Any operational event occurring in power units in operation as required to be disclosed under relevant national and local laws and regulations must be announced within two natural days (excluding the occurring day of the event) from the date on which such event is defined. In the first half of 2023, the nuclear power bases disclosed all the relevant safety production information as required.

Each of the nuclear power bases managed by us has established its own websites and social media platforms such as the official WeChat account for delivering the operational information of various NPPs proactively. The Company arranges regular press conferences, interviews and site visits by invitation, theme activities and distribution of publications to provide NPPs' related information to the competent industry regulatory departments and the media, and takes public inquiries through hotlines, facsimile and e-mail. In the first half of 2023, the Company convened seven media communications and press conferences.

Transparent Public Communication

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

In March 2023, Hongyanhe Nuclear organized the "Hongyanhe Nuclear Happy Tutoring (紅核輔導•快樂前行)" for the first class of the semester voluntary campaign by young volunteers at Liaohe Hope Primary School (遼核希望小學). Brainstormed by volunteers, multi-perspective activities such as ideas enlightenment, fun games, creative painting, sports events, quizzes, experiments were conducted, so the kids could learn more and exercise their bodies in a pleasant atmosphere.

In April 2023, in cooperation with China Association for Science and Technology, at the tenth anniversary of the commencement of commercial operation of Ningde Unit 1, the Company conducted live streaming on popular science. Over 1.20 million audiences joined the virtual tour at Ningde Nuclear Station through different platforms such as China Science Communication, m.yangshipin.cn and SASAC WeChat Official Account etc., enjoying the glamour of nuclear power and technology.

In May 2023, Fangchenggang Nuclear visited high school in Nanning for the first time and conducted a nuclear power and popular science talk under the theme of "HPR1000 Nuclear Power Technology at Campus (華龍一號硬'核'走進校園)" for over 700 students at Nanning No. 14 High School. While making more teenagers to get to know about nuclear power, it also promoted the environmental protection concept of clean energy, green energy and low-carbon.

Win-win Community Development

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

In April 2023, Yangjiang Nuclear conducted charity donation at Yangdong Peizhi School (陽東區培智學校), helping the school to improve its conditions and teaching standards, thereby offering a quality platform for healthy growth of children with special needs and excellent learning and education environment, as well as boosting the education development in the neighborhoods.

In June 2023, Fangchenggang Nuclear conducted voluntary services and campaign in Longhuai Village, Jiayou Town, Lingyun County. In accordance with the Guidelines on Equipment Maintenance at Tea Factory (茶葉廠設備維修大綱), Fangchenggang Nuclear conducted inspection on the lubrication condition of machine and equipment, and performed necessary maintenance. Tea production equipment underwent deep cleaning using specialized detergent. In addition, Fangchenggang Nuclear prepared customized equipment tags for tea production equipment, making equipment management more convenient, thus promoting the long-term safe operation of equipment.

(III) OUTLOOK FOR THE SECOND HALF OF THE YEAR

In the second half of 2023, we plan to carry out the following initiatives:

(1) We will work further on the construction of safety, quality and environment system, reinforce the safety risk management and control of key projects, make great efforts on potential hazard inspection and rectification, continue to improve the intrinsic safety level, enhance nuclear safety, industrial safety, equipment and facilities, environmental protection and network information security management, and ensure safe production, in order to guarantee the absolute safety of nuclear power;

(2) 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, fully facilitate various works in the commissioning stage of Fangchenggang Unit 4, commence various preparatory work for construction before FCD of approved units in an orderly manner, and proceed with the licensing application and approval of other projects;

(3) We will ensure the safe and stable operation of all the generating units in operation. We plan to conduct 10 refuelling outages in the second half of the year;

(4) We will closely follow and analyze the changes in the electricity market situation, further enhance the marketing system and mechanism of electricity market, strengthen the development of marketing capabilities for electricity market and adopt specialized marketing strategies to strive for more on-grid power generation through various channels and initiatives as well as better tariff. We strive to achieve an average utilization hour of generating units in 2023 not less than the average of the average utilization hour of generating units for the last three years;

(5) We will enhance research and development works driven by self-innovation, continue to make more efforts to achieve breakthrough in nuclear technology development, and accelerate the construction of original technology source. We will also promote the digitalization of nuclear power, boost business growth through proprietary innovation and facilitate the sustainable development of the Company. We will strengthen the transformation and application of scientific research results to the external market to create greater economic value;

(6) We will continuously push forward the implementation of SCS management strategy and lean management and strengthen internal 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.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2023.

INTERIM DIVIDEND

Pursuant to the Company's dividend distribution policy, payment of an interim dividend for the six months ended June 30, 2023 is not recommended.

SUBSEQUENT EVENTS

There was no occurrence of events that had a significant impact on the Group's operation, financial and trading prospects from July 1, 2023 to the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended June 30, 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 14 to the Listing Rules (the "**Stock Exchange Code**").

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

AUDIT AND RISK MANAGEMENT COMMITTEE

The Company has established an audit and risk management committee (the "**Audit and Risk Management Committee**") in compliance with the requirements of Rule 3.21 of the Listing Rules and the Stock Exchange Code with written terms of reference. The Board has delegated to the Audit and Risk Management Committee with written terms of reference. The Terms of Reference for the Audit and Risk Management Committee under the Board of Directors of CGN Power Co., Ltd.* was prepared according to the relevant requirements of the Articles of Association of CGN Power Co., Ltd., the Company Law of the PRC, the Listing Rules, and A Guide for Effective Audit Committees published by the Hong Kong Institute of Certified Public Accountants. The terms of reference are detailed in the Terms of Reference for the Audit and Risk Management Committee under the Board of Directors of CGN Power Co., Ltd.* and are available on the websites of the Company, SZSE and the Stock Exchange. As at the date of this announcement, the Audit and Risk Management Committee comprises a non-executive Director (Mr. Gu Jian) and two independent non-executive Directors (Mr. Yang Jiayi and Mr. Tang Chi Cheung). Mr. Yang Jiayi, who possesses accounting qualification, acts as the chairman of the Audit and Risk Management Committee.

On August 17, 2023, the Audit and Risk Management Committee has reviewed and confirmed the interim results announcement for the six months ended June 30, 2023 of the Group, and the unaudited consolidated financial statements as of June 30, 2023 prepared in accordance with the CASBE.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

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

The Company will despatch to its shareholders in due course all the information required by the Listing Rules together with the 2023 interim report of the Company, which will also be published on the websites of the Company, SZSE and the Stock Exchange.

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

The PRC, August 23, 2023

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

* *For identification purpose only*