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CGN Power Co., Ltd.*

中國廣核電力股份有限公司

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

(Stock Code: 1816)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024

FINANCIAL HIGHLIGHTS

For the six months ended June 30, 2024:

- Operating revenue of the Group was approximately RMB39,376.7 million, representing an increase of 0.3% over the corresponding period in 2023.
- Net profit attributable to shareholders of the parent company was approximately RMB7,109.3 million, representing an increase of 2.2% over the corresponding period in 2023.
- Net profit attributable to shareholders of the parent company (excluding the effects of non-recurring gains or losses) was approximately RMB6,959.7 million, representing an increase of 0.1% over the corresponding period in 2023.

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, 2024 (the “**Reporting Period**”) together with the comparative figures for the corresponding period in 2023. The financial information of the Group for the six months ended June 30, 2024 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 2024, China's economic operation was stable in general, making progress while maintaining stability, and the power demand and supply in the PRC sustained an overall tight balance. 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. As Fangchenggang Unit 3 and Unit 4 commenced commercial operation in March 2023 and May 2024, respectively, and the refuelling outages of the nuclear power generating units in operation in the first half of 2024 were longer as compared with the corresponding period of previous year, the Group (including our associates) achieved an on-grid power generation basically the same as compared with the corresponding period of previous year.

As of June 30, 2024, the Group managed a total of 28 nuclear power generating units in operation, with a total installed capacity of 31,756 MW, and achieved an on-grid power generation of 106,009.67 GWh, representing an increase of 0.09% over the corresponding period of 2023. Our on-grid nuclear power generation in effect represented a reduction of approximately 87.0339 million tons of carbon dioxide emissions. In particular, our subsidiaries achieved an on-grid power generation of 82,012.59 GWh, representing a decrease of 0.19% over the corresponding period of 2023.

As of June 30, 2024, ten nuclear power generating units were under construction by the Group (including six units which were entrusted to the Company by the controlling shareholder of the Company for management), with a total installed capacity of 12,058 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 2024 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 2024 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, 2024
(Expressed in RMB)

	NOTES	For the six months ended June 30,	
		2024 (Unaudited)	2023 (Unaudited)
I. Operating revenue	4	39,376,736,526.09	39,275,824,322.89
Less: Operating costs	4	24,191,348,223.33	22,502,483,912.86
Tax and surcharges		439,043,837.12	427,800,364.25
Selling expenses		17,324,177.45	20,215,287.37
Administrative expenses		1,151,109,737.00	1,153,434,054.14
Research and development expenses		312,228,431.93	677,527,992.99
Finance costs	5	2,501,327,837.29	2,951,525,896.26
Including: Interest expenses		2,751,160,638.03	2,837,926,896.81
Interest income		142,504,362.11	138,856,976.35
Add: Other gains	6	1,009,401,883.27	696,082,853.15
Investment income	7	1,069,612,233.57	970,777,081.79
Including: Income from investment in associates and joint ventures	7	1,069,612,233.57	964,365,859.88
Losses from changes in fair value	8	(549,918.30)	(4,790,190.84)
Reversals/(losses) from credit impairment	9	146,923,444.56	(59,972,096.38)
Asset impairment losses		(5,298,559.72)	(9,834.01)
Gains from disposal of assets		7,116,058.54	3,017,244.01
II. Operating profit		12,991,559,423.89	13,147,941,872.74
Add: Non-operating income		15,760,738.24	5,737,502.26
Less: Non-operating expenses		46,047,481.49	83,097,316.98
III. Total profit		12,961,272,680.64	13,070,582,058.02
Less: Income tax expenses	10	2,111,993,302.83	2,160,861,154.44
IV. Net profit		10,849,279,377.81	10,909,720,903.58
(I) Classified by continuity of operations			
1. Net profit from continuing operations		10,849,279,377.81	10,909,720,903.58
2. Net profit from discontinued operations		–	–
(II) Classified by ownership			
1. Net profit attributable to shareholders of the parent company		7,109,286,616.72	6,958,915,466.46
2. Non-controlling interests		3,739,992,761.09	3,950,805,437.12

For the six months ended June 30,

	<i>NOTES</i>	2024 (Unaudited)	2023 (Unaudited)
V. Other comprehensive income, net of tax		22,662,829.89	275,603,131.70
Other comprehensive income attributable to shareholders of the parent company, net of tax		11,974,001.09	221,808,009.01
(I) Other comprehensive income that will not be reclassified to profit or loss		(20,330,610.45)	60,135,390.84
1. Change arising from remeasurement of defined benefit plan		(1,788,625.00)	(2,644,250.00)
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		642,174.55	(914,514.16)
3. Change in fair value of investment in other equity instruments		(19,184,160.00)	63,694,155.00
(II) Other comprehensive income that may be reclassified to profit or loss		32,304,611.54	161,672,618.17
1. Translation differences arising from translation of foreign currency financial statements		32,304,611.54	161,672,618.17
Other comprehensive income attributable to non-controlling interests, net of tax		10,688,828.80	53,795,122.69
VI. Total comprehensive income		10,871,942,207.70	11,185,324,035.28
Total comprehensive income attributable to shareholders of the parent company		7,121,260,617.81	7,180,723,475.47
Total comprehensive income attributable to non-controlling interests		3,750,681,589.89	4,004,600,559.81
VII. Earnings per share			
(I) Basic earnings per share	<i>11</i>	0.141	0.138
(II) Diluted earnings per share	<i>11</i>	0.141	0.138

CONSOLIDATED BALANCE SHEET

As at June 30, 2024

(Expressed in RMB)

	NOTES	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Current assets:			
Cash at bank and in hand		19,040,954,215.08	15,740,022,846.16
Bills receivable	12	10,022,131.37	624,246.68
Accounts receivable	13	9,063,560,223.18	11,826,588,472.45
Prepayments		20,152,053,730.98	18,952,354,632.94
Other receivables		61,763,844.62	72,565,694.17
Inventories		19,682,928,524.91	20,572,514,378.57
Contract assets		4,808,177,543.53	3,069,546,362.99
Other current assets		2,385,270,094.04	2,553,209,127.35
Total current assets		75,204,730,307.71	72,787,425,761.31
Non-current assets:			
Debt investments		54,568,690.91	54,568,690.91
Long-term equity investments		15,786,857,072.55	14,493,903,287.50
Other investment in equity instruments		535,729,970.13	558,299,570.13
Investment properties		130,160,462.19	147,449,898.74
Fixed assets		265,380,689,467.82	246,683,586,670.13
Construction in progress		38,043,411,017.10	56,323,899,683.56
Right-of-use assets		757,669,618.57	860,089,607.99
Intangible assets		5,278,391,437.29	5,445,847,122.89
Development costs		6,876,559,346.30	6,128,182,772.34
Goodwill		419,242,673.32	419,242,673.32
Long-term deferred expenses		1,718,744,950.42	1,673,227,838.42
Deferred tax assets		2,598,397,445.98	2,554,703,775.84
Other non-current assets		6,014,178,874.50	7,119,929,423.27
Total non-current assets		343,594,601,027.08	342,462,931,015.04
Total assets		418,799,331,334.79	415,250,356,776.35

		June 30, 2024	December 31, 2023
	<i>NOTES</i>	(Unaudited)	(Audited)
Current liabilities:			
Short-term loans	14	16,309,954,422.66	14,254,614,202.81
Derivative financial liabilities		551,419.33	–
Bills payable	15	3,092,919,651.87	6,832,625,985.08
Accounts payable	16	20,130,089,868.24	23,436,996,931.06
Receipts in advance		642,857.15	428,571.63
Contract liabilities		3,170,475,638.14	2,846,898,773.84
Employee benefits payable		54,631,562.69	57,487,731.53
Taxes payable		1,680,309,184.48	1,143,292,918.15
Other payables		9,043,087,159.66	4,706,474,580.48
Non-current liabilities due within one year	17	25,004,264,809.19	23,957,011,377.95
Other current liabilities		2,700,813,482.66	151,732,786.42
Total current liabilities		81,187,740,056.07	77,387,563,858.95
Non-current liabilities:			
Long-term loans	18	158,387,097,686.23	159,268,303,931.86
Bonds payable	19	–	2,497,316,120.08
Lease liabilities		436,390,595.61	482,827,523.50
Long-term employee benefits payable		35,339,000.00	65,302,819.30
Provisions	20	6,765,000,018.11	6,552,255,913.65
Deferred income		2,218,800,073.10	2,238,186,324.31
Deferred tax liabilities		1,509,688,652.65	1,454,653,425.63
Total non-current liabilities		169,352,316,025.70	172,558,846,058.33
Total liabilities		250,540,056,081.77	249,946,409,917.28
Shareholders' equity:			
Share capital	21	50,498,611,100.00	50,498,611,100.00
Capital reserve		10,796,890,355.54	10,794,337,306.25
Other comprehensive income		741,331,613.29	729,357,612.20
Specific reserve		158,368,368.50	104,420,586.57
Surplus reserve		6,677,117,624.13	6,677,117,624.13
Retained earnings		46,794,468,111.70	44,432,050,938.38
Total equity attributable to shareholders of the parent company		115,666,787,173.16	113,235,895,167.53
Non-controlling interests		52,592,488,079.86	52,068,051,691.54
Total shareholders' equity		168,259,275,253.02	165,303,946,859.07
Total liabilities and shareholders' equity		418,799,331,334.79	415,250,356,776.35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2024

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 Accounting Standards for Business Enterprises and relevant requirements promulgated by The Ministry of Finance of the People's Republic of China (the "Ministry of Finance"), and discloses relevant financial information in accordance with the Rules on the Preparation and Report of Information Disclosure for Companies Publicly Issuing Securities No. 15 – General Requirements for Financial Reports (Revised in 2023) (《公開發行證券的公司信息披露編報規則第15號 – 財務報告的一般規定(2023年修訂)》). In addition, the financial statements also include information disclosure according to the relevant requirements under the Hong Kong Companies Ordinance and the Listing Rules.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Changes in accounting policies and reasons thereof:

In 2024, the Group implemented the related requirements and guidelines under the Accounting Standards for Business Enterprises issued by the Ministry of Finance in recent years, which mainly include:

- Requirement of the "Classification of Liabilities as Current or Non-current" in Interpretation No. 17 of the Accounting Standards for Business Enterprises (Cai Kuai [2023] No. 21) (《企業會計準則解釋第 17 號》(財會[2023]21 號)) ("Interpretation No. 17").

The adoption of such requirement did not have a significant impact on the financial position and operating results of the Group.

4. OPERATING REVENUE AND OPERATING COSTS

Unit: RMB

Item	For the six months ended June 30,			
	2024		2023	
	Revenue	Costs	Revenue	Costs
From principal operations	39,311,069,501.47	24,147,302,482.59	39,157,078,062.53	22,432,617,667.55
Of which: Sales of electricity	30,373,749,122.13	15,571,475,081.27	30,923,922,833.90	14,460,859,650.86
Construction, installation and design services	7,998,305,650.15	7,925,128,224.61	7,499,506,996.11	7,449,789,460.48
Rendering of services	588,155,465.71	421,232,145.76	573,407,981.43	391,167,826.84
Sales of goods and others	350,859,263.48	229,467,030.95	160,240,251.09	130,800,729.37
From other operations	65,667,024.62	44,045,740.74	118,746,260.36	69,866,245.31
Total	39,376,736,526.09	24,191,348,223.33	39,275,824,322.89	22,502,483,912.86

5. FINANCE COSTS

Unit: RMB

Item	For the six months ended June 30,	
	2024	2023
Interest expenses	3,130,407,121.78	3,404,995,793.21
Less: Capitalized interest expenses	574,490,270.81	753,886,817.32
Less: Interest income	142,504,362.11	138,856,976.35
Exchange (gains)/losses, net	(117,505,912.76)	245,765,053.40
Less: Capitalized exchange (gains)/losses	(167,416.04)	799,861.78
Finance costs on the provision for NPP decommissioning	181,320,056.62	167,715,999.64
Interest expenses on the lease liabilities	13,923,730.44	19,101,921.28
Bank charges and others	10,010,058.09	7,490,784.18
Total	2,501,327,837.29	2,951,525,896.26

6. OTHER GAINS

Unit: RMB

Item	For the six months ended June 30,			
	2024	Of which: Amount included in non-recurring profit or loss	2023	Of which: Amount included in non-recurring profit or loss
Value-added tax refunds ^(Note)	923,171,054.42	–	616,400,233.20	–
Other government grants	74,695,243.28	74,695,243.28	67,285,936.19	67,285,936.19
Others	11,535,585.57	–	12,396,683.76	–
Total	1,009,401,883.27	74,695,243.28	696,082,853.15	67,285,936.19

Note: For the value-added tax (“VAT”) refunds received by the Group’s subsidiaries that satisfied the preferential VAT “levy first, refund later” policy, the Group adopted the VAT “levy first, refund later” policy in respect of its sale of electricity 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	For the six months ended June 30,	
	2024	2023
Income from long-term equity investments accounted for using the equity method	1,069,612,233.57	964,365,859.88
Others	–	6,411,221.91
Total	1,069,612,233.57	970,777,081.79

8. LOSSES FROM CHANGES IN FAIR VALUE

Unit: RMB

Item	For the six months ended June 30,	
	2024	2023
Losses from changes in fair value arising from derivative financial instruments	(549,918.30)	(682,446.62)
Losses from changes in fair value arising from cash-settled share-based payments	–	(4,107,744.22)
Total	(549,918.30)	(4,790,190.84)

9. REVERSALS/(LOSSES) FROM CREDIT IMPAIRMENT

Unit: RMB

Item	For the six months ended June 30,	
	2024	2023
Bad debts reversals/(losses) of accounts receivable	134,631,607.62	(63,573,719.66)
Reversal of bad debts of other receivables	12,245,608.07	3,550,457.56
Bad debt reversals of dividends receivable	46,228.87	51,165.72
Total	146,923,444.56	(59,972,096.38)

10. INCOME TAX EXPENSES

Unit: RMB

Item	For the six months ended June 30,	
	2024	2023
Current income tax expenses	2,038,435,209.77	2,157,793,603.54
Deferred income tax expenses	14,726,996.88	17,922,509.28
Adjustment of differences in final settlement	58,831,096.18	(14,854,958.38)
Total	2,111,993,302.83	2,160,861,154.44

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**”) and CGN Import & Export Co., Ltd. (中廣核電進出口有限公司) (“**Import & Export Company**”) were entitled to tax reduction and exemption.

Name of company or generating unit	Preferential tax rate applicable for the current period	Preferential tax rate applicable for the previous period	Reason for tax incentives
Yangjiang Unit 5	N/A	12.50%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Yangjiang Unit 6	12.50%	12.50%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Fangchenggang Unit 1 and Unit 2	15.00%	15.00%	Western development enterprise income tax preferential policy (2016-2030)
Fangchenggang Unit 3	Exempted	Exempted	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
Fangchenggang Unit 4	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	N/A	12.50%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Taishan Unit 2	12.50%	12.50%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
GNPJVC	15.00%	15.00%	Preferential tax policy for high-tech enterprises
Ling'ao Nuclear	15.00%	15.00%	Preferential tax policy for high-tech enterprises
Lingdong Nuclear	15.00%	15.00%	Preferential tax policy for high-tech enterprises
CNPRI	15.00%	15.00%	Preferential tax policy for high-tech enterprises
SNPI	15.00%	15.00%	Preferential tax policy for high-tech enterprises
Inspection Company	15.00%	15.00%	Preferential tax policy for high-tech enterprises
Radiation Monitoring Company	15.00%	15.00%	Preferential tax policy for high-tech enterprises
CGN Engineering	15.00%	15.00%	Preferential tax policy for high-tech enterprises
CGN Design	15.00%	15.00%	Preferential tax policy for high-tech enterprises
CGN Operations	15.00%	15.00%	Preferential tax policy for high-tech enterprises

Name of company or generating unit	Preferential tax rate applicable for the current period	Preferential tax rate applicable for the previous period	Reason for tax incentives
Sansha Energy	20.00%	20.00%	Preferential enterprise income tax policy for small profit-making enterprises ^(Note)
Environment Protection Company	20.00%	20.00%	Preferential enterprise income tax policy for small profit-making enterprises ^(Note)
Import & Export Company	20.00%	20.00%	Preferential enterprise income tax policy for small profit-making enterprises ^(Note)

Note: According to the requirements of the Announcement of the Ministry of Finance and the State Taxation Administration on the Preferential Income Tax Policies for Micro and Small Enterprises and Individual Industrial and Commercial Households (Cai Shui [2023] No. 6) (《財政部稅務總局關於小微企業和個體工商戶所得稅優惠政策的公告》(財稅[2023]6 號)), for the portion of annual taxable income of small profit-making enterprises less than RMB1.00 million, 25% of the amount will be reduced, and the EIT will be at the tax rate of 20%. According to the requirements of the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises (Cai Shui [2022] No. 13) (《財政部稅務總局關於進一步實施小微企業所得稅優惠政策的公告》(財稅[2022]13 號)), for the portion of annual taxable income exceeding RMB1.00 million but not exceeding RMB3.00 million, 25% of the amount will be reduced, and the EIT will be at the tax rate of 20%. The implementation period of the announcement is from January 1, 2022 to December 31, 2024. According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Tax Policies for Further Support of Development of Micro and Small Enterprises and Individual Industrial and Commercial Households (Announcement No. 12 of the Ministry of Finance and the State Administration of Taxation in 2023) (《財政部稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》(財政部稅務總局公告 2023 年第 12 號)), 25% of the taxable income of micro and small enterprises will be reduced, and the EIT will be at the tax rate of 20%, with the implementation period extended to December 31, 2027.

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,	
	2024	2023
Consolidated net profit attributable to shareholders of ordinary shares of the Company	7,109,286,616.72	6,958,915,466.46
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)	0.141	0.138

For the periods from January 1, 2024 to June 30, 2024 and from January 1, 2023 to June 30, 2023, 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, 2024	December 31, 2023
Bank acceptance bills	10,022,131.37	624,246.68

13. ACCOUNTS RECEIVABLE

Accounts receivable disclosed by category

Unit: RMB

Category	June 30, 2024					December 31, 2023				
	Carrying balance		Bad debt provisions		Carrying value	Carrying balance		Bad debt provisions		Carrying value
	Amount	Percentage	Amount	Provisions percentage		Amount	Percentage	Amount	Provisions percentage	
Accounts receivable for which provision for bad debts has been individually made	2,034,547,154.90	22.03%	74,259,091.80	3.65%	1,960,288,063.10	4,569,272,823.42	37.66%	185,023,531.65	4.05%	4,384,249,291.77
Accounts receivable for which provision for bad debts has been made	7,201,585,072.49	77.97%	98,312,912.41	1.37%	7,103,272,160.08	7,564,152,412.98	62.34%	121,813,232.30	1.61%	7,442,339,180.68
— Group 1	6,939,597,326.58	75.13%	30,004,292.38	0.43%	6,909,593,034.20	7,289,949,984.48	60.08%	29,142,881.25	0.40%	7,260,807,103.23
— Group 2	261,987,745.91	2.84%	68,308,620.03	26.07%	193,679,125.88	274,202,428.50	2.26%	92,670,351.05	33.80%	181,532,077.45
Total	9,236,132,227.39	100.00%	172,572,004.21	1.87%	9,063,560,223.18	12,133,425,236.40	100.00%	306,836,763.95	2.53%	11,826,588,472.45

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

Group 1:

Unit: RMB

Aging	June 30, 2024				December 31, 2023			
	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%	6,855,564,810.42	20,566,694.44	6,834,998,115.98	0.30%	7,173,424,422.48	21,520,273.27	7,151,904,149.21
1 to 2 years	5.00%	49,136,531.25	2,456,826.56	46,679,704.69	5.00%	105,565,370.35	5,278,268.52	100,287,101.83
2 to 3 years	20.00%	34,880,240.91	6,976,048.18	27,904,192.73	20.00%	9,437,180.31	1,887,436.06	7,549,744.25
3 to 4 years	30.00%	15,744.00	4,723.20	11,020.80	30.00%	1,523,011.34	456,903.40	1,066,107.94
Total		6,939,597,326.58	30,004,292.38	6,909,593,034.20		7,289,949,984.48	29,142,881.25	7,260,807,103.23

Group 2:*Unit: RMB*

Aging	June 30, 2024				December 31, 2023			
	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%	133,028,177.45	399,084.53	132,629,092.92	0.30%	121,090,035.75	363,270.11	120,726,765.64
1 to 2 years	10.00%	35,878,759.42	3,587,875.94	32,290,883.48	10.00%	24,820,202.60	2,482,020.26	22,338,182.34
2 to 3 years	30.00%	24,720,197.59	7,416,059.28	17,304,138.31	30.00%	39,119,532.41	11,735,859.72	27,383,672.69
3 to 4 years	50.00%	22,840,956.67	11,420,478.34	11,420,478.33	50.00%	5,085,418.82	2,542,709.41	2,542,709.41
4 to 5 years	80.00%	172,664.18	138,131.34	34,532.84	80.00%	42,703,736.87	34,162,989.50	8,540,747.37
More than 5 years	100.00%	45,346,990.60	45,346,990.60	-	100.00%	41,383,502.05	41,383,502.05	-
Total		261,987,745.91	68,308,620.03	193,679,125.88		274,202,428.50	92,670,351.05	181,532,077.45

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

14. SHORT-TERM LOANS*Unit: RMB*

Item	June 30, 2024	December 31, 2023
Credit loans	16,300,308,718.27	14,239,744,609.06
Short-term loans interest payable	9,645,704.39	14,869,593.75
Total	16,309,954,422.66	14,254,614,202.81

As at June 30, 2024 and December 31, 2023, the Group had no overdue and unsettled short-term loans.

15. BILLS PAYABLE*Unit: RMB*

Item	June 30, 2024	December 31, 2023
Bank acceptance bills	3,092,919,651.87	6,832,625,985.08

As at June 30, 2024 and December 31, 2023, the Group had no overdue and unsettled bills payable.

16. ACCOUNTS PAYABLE*Unit: RMB*

Aging	June 30, 2024	December 31, 2023
Within 1 year	15,007,741,584.33	15,925,288,435.19
1 to 2 years	1,841,326,340.14	2,674,143,352.86
2 to 3 years	741,161,013.87	1,962,379,803.22
More than 3 years	2,539,860,929.90	2,875,185,339.79
Total	20,130,089,868.24	23,436,996,931.06

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

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

Item	June 30, 2024	December 31, 2023
Long-term loans due within one year	22,115,883,446.87	21,307,583,279.79
Bonds payable due within one year	2,499,149,453.41	2,000,242,305.56
Lease liabilities due within one year	187,780,896.43	245,107,342.68
Long-term loans interest payable	171,479,429.20	286,352,127.32
Bonds payable interests payable	25,890,590.07	112,718,946.24
Post-employment benefit scheme liabilities due within one year	4,080,993.21	5,007,376.36
Total	25,004,264,809.19	23,957,011,377.95

18. LONG-TERM LOANS*Unit: RMB*

Item	June 30, 2024	December 31, 2023
Credit loans	96,277,766,609.18	91,833,451,577.96
Pledged loans ⁽¹⁾	84,225,214,523.92	88,742,435,633.69
Less: Long-term loans due within one year	22,115,883,446.87	21,307,583,279.79
Total	158,387,097,686.23	159,268,303,931.86

Note:

- (1) Pledged loans are pledged by the Group with its interests under sales agreements of electricity, construction entrustment contracts, insurance contracts and equity interest held. As at June 30, 2024, GNIC, Taishan Nuclear Power Industry Investment Co., Ltd. and the Company pledged their equity interests in Taishan Nuclear to obtain such long-term loans.

The range of annual interest rates of the above loans:

Item	For the six months ended June 30,	
	2024	2023
Range of annual interest rates of the above loans ⁽²⁾	0.51%-5.15%	2.30%-5.90%

Note:

- (2) 0.51% was the government subsidized interest rate for Fangchenggang Nuclear.

19. BONDS PAYABLE

Unit: RMB

Category	June 30, 2024	December 31, 2023
Medium-term notes ⁽¹⁾	2,499,149,453.41	4,497,558,425.64
Less: Bonds payable due within one year	2,499,149,453.41	2,000,242,305.56
Total	–	2,497,316,120.08

Note:

- (1) The Group issued 21 CGN Power MTN001 and 22 CGN Power MTN001 on April 12, 2021 and February 21, 2022, respectively. These medium-term notes, with nominal values amounting to RMB2,000,000,000.00 and RMB2,500,000,000.00, respectively, will become due and payable in April 2024 and February 2025, respectively. Among which, 21 CGN Power MTN001 has been due and paid in April 2024.

20. PROVISIONS

Unit: RMB

Item	June 30, 2024	December 31, 2023
Provision for NPP decommissioning ⁽¹⁾	6,150,544,079.61	5,853,483,619.89
Provision for low and medium level radioactive waste disposals ⁽²⁾	614,455,938.50	698,772,293.76
Total	6,765,000,018.11	6,552,255,913.65

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, 2024	December 31, 2023
Unrestricted shares		
Domestic shares (A shares)	39,334,986,100	39,334,986,100
Including: CGNPC	29,176,641,375	29,176,641,375
Guangdong Hengjian Investment Holdings Co., Ltd. (廣東恒健投資控股有限公司)	3,428,512,500	3,428,512,500
Other domestic shares	6,729,832,225	6,729,832,225
Overseas listed foreign shares (H shares)	11,163,625,000	11,163,625,000
Including: CGNPC	560,235,000	560,235,000
Other foreign shares	10,603,390,000	10,603,390,000
Total	50,498,611,100	50,498,611,100

22. DIVIDEND

On May 29, 2024, a profit distribution plan was considered and approved at the general meeting of the Company, which proposed to distribute cash dividends of RMB0.094 (tax inclusive) per share based on total shares of 50,498,611,100 shares to all shareholders in order to distribute cash dividends from the accumulated retained earnings for 2023 of equivalent to RMB4,746,869,443.40 to shareholders. As at June 30, 2024, the cash distribution has not yet been paid. As of June 30, 2024, pursuant to the Company's dividend distribution policy, payment of an interim dividend for the six months ended June 30, 2024 is not recommended.

23. SHARE-BASED PAYMENT

(1) Overall Share-based Payment

Unit: Units

Item	For the six months ended June 30,	
	2024	2023
	Second Batch	Second Batch
Total equity instruments of the Company at the beginning of the period	–	61,024,700
Total equity instruments granted by the Company during the period	–	–
Total equity instruments exercised by the Company during the period	/	14,133,500
Total equity instruments of the Company that have expired during the period	/	–
Total equity instruments of the Company at the end of the period	–	46,891,200
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
	/	0.45 year

The Group has set up a H-share Appreciation Rights (“SAR”) Scheme (the “Scheme”) for core staff who exert significant impact on the Company’s strategic target, including directors 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:

Date of Board approval	Stock price (HKD/share)	
	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
August 23, 2023	1.6440	1.5473

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

On December 14, 2023, the second stage of the implementation plan of the SAR has been fully implemented.

(2) Cash-settled Share-based Payment*Unit: RMB*

Item	For the six months ended June 30,	
	2024	2023
Methods for determining fair value of liabilities undertook by the Company and calculated by share or other equity instruments	/	Black-Scholes options valuation model
Accumulated liabilities arising from cash-settled share-based payment in liabilities	–	14,537,789.34

24. BREAKDOWN OF NON-RECURRING GAINS OR LOSSES*Unit: RMB*

Item	For the six months ended June 30,	
	2024	2023
Gains or losses from disposal of non-current assets	7,116,058.54	3,017,244.01
Government grants recognized in profit or loss for the current period (except for those closely related to the Company's normal business operations, in compliance with national policies, conform with established standards and have a lasting impact on the Company's profits or losses on an ongoing basis)	74,695,243.28	67,285,936.19
Except for the effective hedging transactions related to the normal operation of the Company, the gains or losses from changes in fair value arising from holding financial assets and liabilities by non-financial enterprises, as well as the gains or losses from disposal of financial assets and liabilities	(549,918.30)	(682,446.62)
Reversal of provision for impairment of receivables subject to individual impairment tests	110,764,439.85	–
For cash-settled share-based payments, gains or losses arising from changes in the fair value of employee benefits payable after the vesting date	–	(4,107,744.22)
Other non-operating income and expenses other than the items above, net	(30,286,743.25)	(77,359,814.72)
Other gains or losses items that meet the definition of non-recurring gains or losses	–	759,627.53
Subtotal	161,739,080.12	(11,087,197.83)
Income tax effect	11,834,608.51	(16,274,941.31)
Effect on non-controlling shareholders (after tax)	349,841.21	(1,241,054.65)
Total	149,554,630.40	6,428,798.13

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,	
	2024	2023
Indicators of profitability		
EBITDA margin (%) ⁽¹⁾	55.7	55.1
Net profit margin (%) ⁽²⁾	27.6	27.8
Indicators of investment returns		
Return on equity (excluding non-controlling interests) (%) ⁽³⁾	6.2	6.4
Return on total assets (%) ⁽⁴⁾	3.8	3.9
Indicators of solvency		
Interest coverage ⁽⁵⁾	4.7	4.4

Item	June 30,	December 31,
	2024	2023
Indicators of solvency		
Asset-liability ratio (%) ⁽⁶⁾	59.8	60.2
Debt to equity ratio (%) ⁽⁷⁾	108.8	111.2

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 - cash and cash equivalents - other deposits over three months)/total shareholders' equity * 100%

Financial Results Analysis

	For the six months ended June 30,		Fluctuations increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
	2024 RMB'000	2023 RMB'000		
Operating revenue	39,376,736.53	39,275,824.32	100,912.21	0.3
Operating costs	24,191,348.22	22,502,483.91	1,688,864.31	7.5
Finance costs ⁽¹⁾	2,501,327.84	2,951,525.90	(450,198.06)	(15.3)
Other gains ⁽²⁾	1,009,401.88	696,082.85	313,319.03	45.0
Investment income ⁽³⁾	1,069,612.23	970,777.08	98,835.15	10.2
Including: Income from investment in associates	1,069,612.23	964,365.86	105,246.37	10.9
Non-recurring gains or losses ⁽⁴⁾	161,739.08	(11,087.20)	172,826.28	1,558.8
Net profit attributable to shareholders of the parent company	7,109,286.62	6,958,915.47	150,371.15	2.2
Net profit attributable to shareholders of the parent company (excluding the effects of non-recurring gains or losses)	<u>6,959,731.99</u>	<u>6,952,486.67</u>	<u>7,245.32</u>	<u>0.1</u>

Notes:

- (1) The decrease in finance costs was primarily due to the increase in exchange gains as compared to the corresponding period of previous year.
- (2) 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.
- (3) The increase in investment income was primarily due to the higher investment income from an associate Hongyanhe Nuclear as compared to the corresponding period of previous year.
- (4) The increase in non-recurring gains or losses was primarily due to the reversal of provision for impairment of construction payment receivables by CGN Engineering in respect of CGNPC's wind power project.

Revenue from Operations

	For the six months ended June 30,		Fluctuations increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
	2024 RMB'000	2023 RMB'000		
Revenue from principal business operations	39,311,069.50	39,157,078.06	153,991.44	0.4
Including: Sales of electricity	30,373,749.12	30,923,922.83	(550,173.71)	(1.8)
Construction, installation and design services ⁽¹⁾	7,998,305.65	7,499,507.00	498,798.65	6.7
Revenue from other business operations ⁽²⁾	65,667.03	118,746.26	(53,079.23)	(44.7)
Total revenue from business operations	<u>39,376,736.53</u>	<u>39,275,824.32</u>	<u>100,912.21</u>	<u>0.3</u>

Notes:

- (1) The increase in revenue from construction, installation and design services was primarily due to the increase in the construction volume of Cangnan Nuclear Power Project, Ningde Phase II Nuclear Power Project, Huizhou Nuclear Power Project and Huizhou Phase II Nuclear Power Project of CGN Engineering.
- (2) The decrease in revenue from other business operations was primarily due to the decrease in the rental income of the offshore wind power installation platform of CGN Engineering.

Cost of Operations

	For the six months ended June 30,		Fluctuations increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
	2024 RMB'000	2023 RMB'000		
Cost of principal business operations	24,147,302.48	22,432,617.67	1,714,684.81	7.6
Including: Cost of sales of electricity	15,571,475.08	14,460,859.65	1,110,615.43	7.7
Of which: Cost of nuclear fuel	4,295,862.59	4,037,310.56	258,552.03	6.4
Depreciation of fixed assets ⁽¹⁾	5,492,020.56	4,829,239.01	662,781.55	13.7
Provision for spent fuel management ⁽²⁾	1,842,165.58	1,656,659.44	185,506.14	11.2
Construction, installation and design services ⁽³⁾	7,925,128.22	7,449,789.46	475,338.76	6.4
Other costs of business operations ⁽⁴⁾	44,045.74	69,866.24	(25,820.50)	(37.0)
Total cost of operations	<u>24,191,348.22</u>	<u>22,502,483.91</u>	<u>1,688,864.31</u>	<u>7.5</u>

Notes:

- (1) The increase in depreciation of fixed assets was primarily due to the increase in depreciation costs accrued using the production method as a result of the increase in on-grid power generation of Taishan Nuclear, as well as the increase in depreciation charges accrued upon the commencement of commercial operation of Fangchenggang Unit 4.
- (2) The increase in provision for spent fuel management was primarily due to the commencement of provision for spent fuel management as Yangjiang Unit 5 and Taishan Unit 1 had commenced commercial operation for five years.
- (3) The increase in cost of construction, installation and design services was primarily due to the increase in the construction volume of Cangnan Nuclear Power Project, Ningde Phase II Nuclear Power Project, Huizhou Nuclear Power Project and Huizhou Phase II Nuclear Power Project of CGN Engineering.
- (4) The decrease in other costs of business operations was primarily due to the decrease in the business volume of leasing the offshore wind power installation platform of CGN Engineering.

Financial Position

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

	June 30, 2024 RMB'000	December 31, 2023 RMB'000	Fluctuations increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
Bank and other borrowings ⁽¹⁾	201,802,439.30	199,313,190.25	2,489,249.05	1.2
Receivables ⁽²⁾	34,095,577.47	33,921,679.41	173,898.06	0.5
Payables ⁽³⁾	35,437,215.18	37,823,424.84	(2,386,209.66)	(6.3)
Inventories	19,682,928.52	20,572,514.38	(889,585.86)	(4.3)
Fixed assets and intangible assets ⁽⁴⁾	270,659,080.91	252,129,433.79	18,529,647.12	7.3

Notes:

- (1) Bank and other borrowings comprise short-term loans, short-term bonds payable, long-term loans, bonds payable, and long-term loans and bonds payable due within one year.
- (2) Receivables comprise bills receivable, accounts receivable, prepayments, contract assets and other receivables.
- (3) Payables comprise bills payable, accounts payable, receipts in advance, contract liabilities and other payables.
- (4) The 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 4.

Cash Flow Analysis

In the first half of 2024, the Company's net cash inflows from operating activities decreased as compared with the corresponding period of 2023, mainly due to the year-on-year increase in the amount due on bills payable; the net cash outflows from investment activities increased as compared with the corresponding period of 2023, mainly due to the year-on-year decrease in conversion of fixed deposits to current deposits, and the investment in nuclear power projects under construction as planned; the net cash outflows from financing activities decreased as compared with the corresponding period of 2023, mainly due to the year-on-year increase in external borrowings obtained.

	For the six months ended June 30,		Fluctuations increase/ (decrease) RMB'000	Percentage change increase/ (decrease) %
	2024 RMB'000	2023 RMB'000		
Net cash inflows from operating activities	12,789,004.65	15,679,972.55	(2,890,967.90)	(18.4)
Net cash outflows from investment activities	4,987,386.47	3,541,240.59	1,446,145.88	40.8
Net cash outflows from financing activities	3,137,353.10	8,091,856.20	(4,954,503.10)	(61.2)

ASSETS AND INVESTMENTS

The Group was mainly engaged in the investment in construction of nuclear power generating units, technical improvement in the NPPs in operation, and research and development of technologies related to nuclear power for the six months ended June 30, 2024.

INVESTMENT IN FIXED ASSETS

For the six months ended June 30, 2024, the Group's investment in fixed assets amounted to approximately RMB6,798.0 million, representing an increase of RMB232.6 million or 3.5% from RMB6,565.4 million in the corresponding period in 2023.

INVESTMENTS IN EQUITY

During the Reporting Period, Guangdong Nuclear Power Investment Co., Ltd., a wholly-owned subsidiary of the Company, acquired 8% equity interest in Fujian Ningde Second Nuclear Power Co., Ltd. (福建寧德第二核電有限公司) (“**Ningde Second Nuclear**”) from Datang Group Nuclear Power Co., Ltd. (大唐集團核電有限公司), a shareholder of Ningde Second Nuclear, and its shareholding increased from 43% to 51%. The equity investment amounted to RMB269.8 million.

MATERIAL ACQUISITION AND DISPOSAL

The Group had no material acquisition or disposal as of June 30, 2024.

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, 2024, there are no matters concerning the use of proceeds of the Group.

External Financing Environment

In the first half of 2024, China's economic operation was stable in general, making progress while maintaining stability. The gross domestic product in China reached RMB61.7 trillion, representing a year-on-year increase of 5.0%, with major macroeconomic indicators demonstrating recovery and improvement, and the price level being generally stable. In the first half of 2024, 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 2024, the Company comprehensively strengthened the organization, coordination, support and risk monitoring of financing, made full use of various financing channels, and promoted project financing and debt swap, thereby ensuring capital safety and controlling financing costs. At the same time, the Company continuously monitored foreign currency debt exchange rate risk exposure, exercised control over new debts denominated in foreign currencies, and prevented the risk of exchange rate fluctuations through various measures including forward transactions.

Equity Financing

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

Financing Through Convertible Corporate Bonds

On June 21, 2024, the resolutions in relation to the issuance of A-share convertible corporate bonds to non-specific investors by the Company were considered and approved at the seventh meeting of the fourth session of the Board. On August 8, 2024, the resolutions in relation to the issuance of convertible corporate bonds to non-specific investors were considered and approved at the 2024 first extraordinary general meeting, the 2024 second A shareholders' class meeting and the 2024 second H shareholders' class meeting of the Company. According to the requirements of relevant laws, regulations and regulatory documents and based on the financial position and investment plan of the Company, the total amount of proceeds raised from the proposed issuance of A-share convertible corporate bonds will not exceed RMB4,900.0 million (inclusive). The net proceeds after deducting issuance expenses are intended to be used for Guangdong Lufeng Nuclear Power Station Unit 5 and Unit 6 Project. The above matters are subject to review and approval by the SZSE as well as approval by the China Securities Regulatory Commission for issuance registration.

Debt Financing

In the first half of 2024, 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, 2024, the Group's total borrowings amounted to RMB201,802.4 million with major financing channels including borrowings from banks and other institutions (accounted for approximately 97.6%), medium-term notes (accounted for approximately 1.2%), ultra short-term financing notes (accounting for approximately 1.2%), 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 2024, the Company seized the opportunity in the bond market to issue two tranches of ultra short-term financing notes, with a total financing size of RMB2,500.0 million, which effectively met capital needs and reduced financing costs. Meanwhile, the Group continued to strengthen communication with its banking partners, seizing the market opportunity to carry out debt swap and restructuring, thereby reducing the existing and new loan interest rates.

Debt Risk Management

In recent years, we proactively eliminated our exposure to risk on foreign exchange rate associated with debts denominated in foreign currencies by stages and in batches through various measures including forward transactions, debts swaps and early repayment, and actively changed our financing methods for foreign business contracts to exercise control over new debts denominated in foreign currencies, thereby effectively reducing the impact of major risks in exchange rate. In the first half of 2024, 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 2023, the Group's total borrowings denominated in foreign currencies decreased by approximately RMB429.7 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, 2024, we had unutilized general banking line of credit of approximately RMB129,160.1 million, interbank multi-type debt financing instruments of up to RMB17,500.0 million available for public issuance at any time, shelf-offering corporate bonds of RMB20,000.0 million available for public issuance at any time, and cash at bank and in hand of approximately RMB19,041.0 million, which can provide an effective guarantee for the Company to prevent liquidity risks.

Credit Rating

In June 2024, China Chengxin International Credit Rating Co., Ltd.* (中誠信國際信用評級有限責任公司) assessed the credit rating of the Company, and based on the reasons that “the Company has nuclear power generating units of high quality and significant scale, and the regions where the Company operated have high economic development level and huge demand for electricity”, it concluded that “the Company has a huge volume of on-grid power generation, and strong profitability and cash generating ability” and maintained our AAA credit rating with stable outlook.

Contingencies

External Guarantees

The Group confirmed that, as of June 30, 2024, the Group had not provided any external guarantee.

Assets with Restricted Ownership

As of June 30, 2024, the Group's assets pledged to banks and with restricted ownership due to other reasons amounted to approximately RMB14,786.4 million in carrying value. As of December 31, 2023, the Group's assets pledged to banks and with restricted ownership due to other reasons amounted to approximately RMB14,691.5 million in carrying value.

As of June 30, 2024 and December 31, 2023, the electricity tariff collection rights of Lingdong Nuclear, Fangchenggang Nuclear, Ningde Nuclear and Taishan Nuclear were pledged to secure the banking facilities and loans from banks to these entities.

Legal Proceedings

The Group confirmed that, for the six months ended June 30, 2024, 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 2024. The Company will carry out relevant investment activities when appropriate, thereby laying a solid foundation for the Company's future development.

BUSINESS PERFORMANCE AND OUTLOOK

(I) INDUSTRY OVERVIEW

Taking active, safe and orderly steps to develop nuclear energy is a strategic direction specified at the 20th 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, building a new type of energy system, and supporting the achievement of carbon peaking and carbon neutrality. On July 18, 2024, the communique of the Third Plenary Session of the 20th Central Committee of the Communist Party of China was published, which emphasized on “further deepening reform comprehensively” and “steadily promoting green and low-carbon development”. On July 31, 2024, the State Council of the People's Republic of China (the “**State Council**”) published the Opinions on Accelerating the Comprehensive Transition Towards Green Economic and Social Development (《關於加快經濟社會發展全面綠色轉型的意見》), which pointed out the concept of “accelerating the construction of clean energy bases such as wind power and photovoltaic power in northwest China, hydropower in southwest China, offshore wind power and coastal nuclear power”. On March 5, 2024, the State Council proposed the ideas of “vigorously developing green and low-carbon economy”, “actively and steadily pushing forward the achievement of carbon peaking and carbon neutrality” and “accelerating the construction of a new type of energy system” in the Report on the Work of the Government (《政府工作報告》). On March 18, 2024, the Guiding Opinions on Energy Work in 2024 (《2024年能源工作指導意見》) published by the National Energy Administration proposed to “further implement the new strategy for energy security” and “actively, safely and orderly promote the approval for coastal NPP projects”. We believe that, as China strengthens energy security and accelerates the construction of a new type of energy system, the nuclear power industry is still in an important period of strategic opportunities. Its active, safe and orderly development will be further guaranteed, and its room for development and the market prospects will be more extensive.

According to the data released by the National Bureau of Statistics on July 15, 2024, in the first half of 2024, as departments across various regions adhered to the principles of pursuing progress while ensuring stability, promoting stability through progress, and establishing the new before abolishing the old, and effectively implemented various macro policies, the national economy maintained stable operation in general with progress being made while maintaining stability. During the first half of the year, the gross domestic product increased by 5.0% year-on-year. According to the Briefings on the Operation of the National Power Industry from January to June (《1-6 月份全國電力工業生產簡況》) in 2024 published by the China Electricity Council (the “CEC”), from January to June 2024, the total electricity consumption in the PRC increased by 8.1% year-on-year. According to the CEC’s estimate, in 2024, the power demand and supply in the PRC will sustain an overall tight balance, where power demand and supply may run tight in certain provinces and regions. We believe that, with the fulfillment of the economic and social development goals of the PRC for the year, as well as the reinforced and enhanced recovery in industrial and economic operations, the electricity consumption in China is expected to further increase in the second half of the year.

China continued to deepen its reforms in power system. On February 7, 2024, the National Development and Reform Commission (the “NDRC”) and the National Energy Administration published the Notice on Establishing and Improving the Market Price Mechanism for Power Ancillary Services (《關於建立健全電力輔助服務市場價格機制的通知》), which clarified the price standards for compensating certain ancillary services and further regulated the market prices of power ancillary services. On May 14, 2024, the NDRC published the Basic Rules for the Operation of the Electricity Market (《電力市場運行基本規則》) which became effective on July 1, 2024, making a top-level design for accelerating the construction of a unified national power market system. We believe that, the successive promulgation of relevant national rules including the Basic Rules for the Operation of the Electricity Market (《電力市場運行基本規則》), the Basic Rules for the Medium and Long-term Electricity Transactions (《電力中長期交易基本規則》) and the Basic Rules for the Electricity Spot Market (Trial) (《電力現貨市場基本規則(試行)》) facilitated the gradual coverage of medium-and long-term electricity trading, spot trading, ancillary service trading and other markets, improved the unified national power market system and mechanism, and better adapted to the needs of constructing a new type of power system. As always, we actively communicated with national ministries and commissions, local governments, power grids and relevant enterprises, conducted in-depth research on policies, constantly adapted to the new market environment, and maintained stable operations for the Company.

(II) BUSINESS PERFORMANCE AND ANALYSIS

On May 25, 2024, Fangchenggang Unit 4 was put into commercial operation. On July 28, 2024, Ningde Unit 5 reached the First Concrete Day (“FCD”) of the main plant of the nuclear reactor, and fully commenced construction. In the first half of 2024, we managed 28 nuclear power generating units in operation and 10 nuclear power generating units under construction (including six units 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 2024, 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 country, society, shareholders, employees and other stakeholders. Only with safety can our units in operation provide the society with stable and reliable power and our units under construction achieve high-quality production, and thus we can achieve constant improvement in our overall operating results.

We continued to improve our safety management system and optimize management approach. Based on our experience in nuclear power operation over the years, we have established a mature safety management system. We continued to launch regular, standardized and long-term activities such as “On-site Management”, “Upholding Compliance and Fighting against Non-compliance”, “Precautionary Education on Nuclear Safety”, “Bringing Nuclear Safety Culture into our Teams” and “Safe Production with Standardized Construction” so as to continuously enhance the nuclear safety culture awareness among all employees. We also conducted relevant special works based on our annual key working goals. In the first half of 2024, the Company made solid progress in the investigation and rectification of potential flaws identified in various special actions in the nuclear safety and safety management fields, and adopted comprehensive technical, engineering, management and other measures to further strengthen the intrinsic safety of facilities and the safety of employees’ behavior. As led by the Chairman and the senior management of the Company, we continued to conduct major safety inspections on the NPPs in operation and under construction managed by the Company, organized and conducted management analysis and discussions to dig deep into the problems existed in the management system, and established a working mechanism for the management members of each subsidiary to conduct safety inspections on their own. We continued to conduct the evaluation on the effectiveness of quality assurance system of all companies under our management, fully verified the effectiveness of our efforts to improve the quality assurance system in 2023, and effectively promoted the implementation of the plan to improve the quality assurance 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 2024, we conducted joint nuclear emergency drills with Ningde Nuclear and Fangchenggang Nuclear, respectively to continuously enhance the emergency response capability of the Group’s nuclear emergency organization.

In the first half of 2024, 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 (“**IAEA**”), 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 “incidents”, while Level 4 to Level 7 are termed “accidents”. Events below such scale are deviations without safety significance.

Nuclear power generating units in operation

As of June 30, 2024, all 28 nuclear power generating units in operation managed by us maintained safe and stable operation. The on-grid power generation figures (unit: GWh) of each of our NPPs are as follows:

Name of NPP	For the six months ended June 30,		Change rate for the same period (%)
	2024	2023	
<i>From subsidiaries</i>			
Daya Bay NPP	5,617.98	8,306.12	-32.36
Ling'ao NPP	7,921.23	6,869.99	15.30
Lingdong NPP	7,057.85	8,187.59	-13.80
Ningde NPP	15,393.80	15,673.88	-1.79
Yangjiang NPP	24,447.56	25,337.85	-3.51
Fangchenggang NPP	11,596.59	10,465.32	10.81
Taishan NPP	9,977.60	7,325.31	36.21
Subsidiaries, total	82,012.59	82,166.06	-0.19
<i>From associates</i>			
Hongyanhe NPP	23,997.08	23,752.00	1.03
Subsidiaries and associates, total	106,009.67	105,918.06	0.09

Daya Bay NPP: It conducted a refuelling outage from January to June 2024, while no refuelling outage was conducted in the corresponding period of 2023.

Ling'ao NPP: No refuelling outage was conducted from January to June 2024, while a refuelling outage was conducted in the corresponding period of 2023.

Lingdong NPP: The total duration of the refuelling outage from January to June 2024 was longer as compared with the corresponding period of 2023.

Ningde NPP: The total duration of the refuelling outage from January to June 2024 was longer as compared with the corresponding period of 2023.

Yangjiang NPP: The total duration of the refuelling outage from January to June 2024 was longer as compared with the corresponding period of 2023.

Fangchenggang NPP: Fangchenggang Unit 3 and Unit 4 commenced commercial operation on March 25, 2023 and May 25, 2024, respectively.

Taishan NPP: The total duration of the refuelling outage from January to June 2024 was shorter as compared with the corresponding period of 2023.

Hongyanhe NPP: The total duration of the refuelling outage from January to June 2024 was shorter as compared with the corresponding period of 2023.

In the first half of 2024, we completed 10 refuelling outages among the 28 nuclear power generating units in operation managed by us as planned, and the total number of calendar days for the refuelling outages was about 523 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 2024, we had 28 nuclear power generating units in operation, with an average capacity factor of 88.66%, an average load factor of 83.77% and average utilization hours of 3,659 hours, as compared with 90.59%, 86.26% and 3,747 hours of the 27 nuclear power generating units in operation in the first half of 2023. The details of the operation performance of generating units we operated and managed in the first half of 2024 are as follows:

Nuclear Power Generating Units	Capacity factor (%)		Load factor (%)		Utilization hours (hours)	
	For the six months ended June 30,		For the six months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023	2024	2023
<i>From subsidiaries</i>						
Daya Bay Unit 1	39.99	100.00	40.41	101.59	1,765	4,413
Daya Bay Unit 2	94.06	100.00	97.03	101.36	4,238	4,403
Ling'ao Unit 1	99.99	99.98	98.35	99.06	4,296	4,303
Ling'ao Unit 2	99.99	68.88	92.81	67.66	4,054	2,939
Lingdong Unit 1	81.55	99.99	80.78	98.57	3,528	4,282
Lingdong Unit 2	80.42	86.20	77.31	85.54	3,377	3,716
Yangjiang Unit 1	74.42	99.23	74.40	97.84	3,250	4,250
Yangjiang Unit 2	99.99	100.00	97.64	95.63	4,265	4,154
Yangjiang Unit 3	99.98	83.74	97.22	82.78	4,247	3,596
Yangjiang Unit 4	83.68	99.98	82.80	100.83	3,617	4,380
Yangjiang Unit 5	99.99	100.00	100.72	96.52	4,399	4,193
Yangjiang Unit 6	99.99	99.98	94.84	97.24	4,143	4,224

	Capacity factor (%)		Load factor (%)		Utilization hours (hours)	
	For the six months ended June 30,		For the six months ended June 30,		For the six months ended June 30,	
Nuclear Power Generating Units	2024	2023	2024	2023	2024	2023
Fangchenggang Unit 1	99.73	83.79	96.07	80.96	4,196	3,517
Fangchenggang Unit 2	99.98	99.99	92.53	100.16	4,042	4,351
Fangchenggang Unit 3	55.22	94.62	50.72	95.30	2,215	4,140
Fangchenggang Unit 4		Under construction		Under construction		Under construction
	99.97		82.16		3,589	
Ningde Unit 1	99.99	69.23	97.34	68.02	4,252	2,955
Ningde Unit 2	67.98	99.26	67.35	96.55	2,942	4,194
Ningde Unit 3	91.44	100.00	85.83	97.38	3,749	4,230
Ningde Unit 4	99.86	99.06	94.48	91.28	4,127	3,965
Taishan Unit 1	91.15	15.83	87.38	13.90	3,817	604
Taishan Unit 2	55.04	92.10	52.32	89.30	2,285	3,879
Average of subsidiaries	87.02	90.09	83.65	86.19	3,654	3,744
<i>From associates</i>						
Hongyanhe Unit 1	98.46	99.99	81.44	94.75	3,557	4,116
Hongyanhe Unit 2	100.00	88.27	91.95	84.67	4,017	3,678
Hongyanhe Unit 3	86.76	84.98	80.74	82.27	3,527	3,574
Hongyanhe Unit 4	99.99	99.99	97.62	92.93	4,264	4,037
Hongyanhe Unit 5	82.92	99.74	78.13	86.37	3,413	3,752
Hongyanhe Unit 6	99.98	81.17	92.67	78.89	4,048	3,427
Average of associates	94.69	92.36	87.09	86.65	3,804	3,764
<i>Average of subsidiaries and associates</i>						
	88.66	90.59	83.77	86.26	3,659	3,747

“Pursuit of Excellence” is one of the basic principles of the Company. In order to identify our inadequacies and make continuous improvements, we continue to implement benchmarking with international peers. In recent years, when compared with the one-year benchmark value of all 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 relatively high level, leading among international peers.

The following table indicates the comparison of our 27 nuclear power generating units in operation (excluding Fangchenggang Unit 4 which commenced commercial operation for less than three months and did not meet with the conditions for WANO indicators) with the one-year benchmark value of the 12 performance indicators for the PWR by the WANO for the six months ended June 30, 2024 and the corresponding period in 2023:

	For the six months ended June 30,	
	2024	2023
Number of units	27	27
Total number of indicators	324	324
Including:		
Number/percentage of indicators ranked top 1/4 (advanced level) in the world	290/89.51 %	289/89.20%
Number/percentage of indicators ranked top 1/10 (excellent level) in the world	282/87.04 %	282/87.04%

Environmental Performance

We continued to improve radioactive waste management, optimize the control over the discharge process of liquid radioactive waste and gas radioactive waste (the “**Discharge**”) and strictly complied with emission control standards. In the first half of 2024, the radioactive waste management of the 28 generating units in operation managed by us strictly complied with the national laws and regulations, met the standards of the relevant technical specifications and were not subject to any administrative penalty due to environmental issues.

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

	Year	Discharged liquid radioactive waste (radionuclides other than tritium and carbon-14) as a percentage of the approved national annual limits	Discharged gas radioactive waste (inert gases) as a percentage of the approved national annual limits	Solid radioactive waste (m ³)	Results of environmental monitoring
Daya Bay Base Area (including Daya Bay NPP, Ling'ao NPP and Lingdong NPP)	2024	0.11 %	0.23 %	53.6	Normal
	2023	0.09%	0.22%	22.4	Normal
Yangjiang NPP	2024	0.16 %	0.09 %	50.2	Normal
	2023	0.15%	0.09%	40.8	Normal
Fangchenggang Phase I Project (including Unit 1 and Unit 2)	2024	0.11 %	0.43 %	23.2	Normal
	2023	0.46%	0.92%	46.8	Normal
Fangchenggang Phase II Project (including Unit 3 and Unit 4)	2024	1.13 %	1.85 %	0	Normal
	2023	3.13%	3.06%	0	Normal
Ningde NPP	2024	0.19 %	0.13 %	22.4	Normal
	2023	0.14%	0.13%	34.8	Normal
Taishan NPP	2024	0.68 %	2.49 %	1.4	Normal
	2023	1.13%	1.22%	0	Normal
Hongyanhe Phase I Project (including Unit 1 to Unit 4)	2024	0.15 %	1.71 %	26.4	Normal
	2023	0.39%	3.29%	103.5	Normal
Hongyanhe Phase II Project (including Unit 5 and Unit 6)	2024	0.15 %	1.05 %	18.8	Normal
	2023	0.44%	2.38%	16.1	Normal

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

Nuclear power is a clean energy source that contributes to energy saving and emissions reduction in the society. In the first half of 2024, the cumulative on-grid nuclear power generation of the Group (including our associates) in effect represented a reduction of approximately 32.0573 million tons of standard coal consumption, approximately 87.0339 million tons of carbon dioxide emissions, approximately 8,200 tons of sulphur dioxide emissions, and approximately 13,300 tons of oxynitride emissions.

In active response to the national call, we conducted a series of “June 5 World Environment Day” promotion campaign. We actively carried out activities for the National Energy Conservation Week and Low-Carbon Day in May to showcase the Company’s technological innovation and good practices in energy conservation and environmental protection. We also launched various energy-saving and environmental initiatives, presented in an engaging and informative manner that resonates with the public, which encouraged all employees to engage in activities that promote ecological and environmental protection, energy conservation and carbon reduction. Furthermore, we continuously fostered an environment-oriented culture, and enhanced awareness towards environmental protection and low-carbon and consciousness of green actions.

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, 2024, among 10 nuclear power generating units under construction (including 6 units which were entrusted to the Company by the controlling shareholder of the Company for management), one was in the commissioning phase, four were in the equipment installation phase, one was in the civil construction phase, and four were in the FCD preparation phase. Lufeng Unit 5 completed the dome installation on April 29, 2024, and entered the equipment installation phase.

On July 28, 2024, Ningde Unit 5 reached FCD and fully commenced construction, and entered the civil construction phase.

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

Nuclear Power Generating Units	FCD Preparation Phase ¹	Civil Construction Phase ²	Equipment Installation Phase ³	Commissioning Phase ⁴	Grid Connection Phase ⁵	Expected Time of Commencement
<i>From subsidiaries</i>						
Lufeng Unit 5			✓			2027
Lufeng Unit 6		✓				2028
<i>From joint ventures</i>						
Ningde Unit 5		✓				2029
Ningde Unit 6	✓					–
<i>From companies which were entrusted by the controlling shareholder for management</i>						
Huizhou Unit 1					✓	2025
Huizhou Unit 2			✓			2026
Huizhou Unit 3	✓					–
Huizhou Unit 4	✓					–
Cangnan Unit 1			✓			2026
Cangnan Unit 2			✓			2027

Notes:

1. “FCD preparation” phase refers to the stage of nuclear power generating units being approved by the State Council until FCD.
2. “Civil construction” phase refers to the stage from FCD until the proper dome installation of the main plant of the nuclear reactor.
3. “Equipment installation” phase refers to the stage from the installation of nuclear island equipment upon the dome installation of the main plant of the nuclear reactor until the nuclear island main system meeting the conditions to conduct cold functional tests.
4. “Commissioning” phase refers to the stage of conducting cold functional tests for nuclear island main system and commencing joint commissioning for the power plant.
5. “Grid connection” phase refers to the commissioning 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 2024, 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”. The Company actively developed high-quality market users and facilitated its units for greater and full load power generation. In the first half of 2024, the on-grid power generation was slightly higher than the power generation plans of the Company. Affected by the decline in the market-based electricity trading prices in certain regions, the average settling tariff of the Company slightly decreased year-on-year, while the overall economic efficiency remained stable.

In the first half of 2024, our nuclear power generating units in operation achieved a total on-grid power generation of 106,009.67 GWh (including our associates), representing a year-on-year increase of 0.09%. Market-based power generation volume accounted for approximately 52.4% of the total on-grid power generation, mainly due to the fact that Fangchenggang Unit 4 did not participate in market-based electricity transactions, which was slightly lower than that of the corresponding period of 2023.

Guangdong Province: The electricity consumption in the province increased by 8.14% in the first half of 2024 over the corresponding period of previous year. According to the Notice on Doing a Good Job in Electricity Market Annual Transactions in 2024 《關於做好 2024 年電力市場年度交易工作的通知》 issued by the Energy Administration of Guangdong Province (廣東省能源局), a total of 10 units of Ling’ao Nuclear, Lingdong Nuclear and Yangjiang Nuclear 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 decreased by 1.79% year-on-year, which was mainly due to the time taken for refuelling outages of power generating units within the Guangdong Province was longer in the first half of 2024 as compared to the corresponding period of previous year.

Fujian Province: The electricity consumption in the province increased by 8.57% in the first half of 2024 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 2024, the on-grid power generation of Ningde Nuclear decreased by 1.79% year-on-year, which was mainly due to the time taken for refuelling outages of power generating units was longer in the first half of 2024 as compared to the corresponding period of previous year.

Guangxi Zhuang Autonomous Region: The electricity consumption in the region increased by 6.12% in the first half of 2024 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, while Unit 4 did not participate in the market-based electricity transactions. In the first half of 2024, the on-grid power generation of Fangchenggang Nuclear increased by 10.81% year-on-year, which was mainly due to the commencement of commercial operation of Fangchenggang Unit 3 and Unit 4 in March 2023 and May 2024, respectively.

Liaoning Province: The electricity consumption in the province increased by 4.03% in the first half of 2024 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 2024, the on-grid power generation of Hongyanhe Nuclear increased by 1.03% year-on-year, which was mainly due to the time taken for refuelling outages of power generating units was shorter in the first half of 2024 as compared to the corresponding period of previous year.

In the first half of 2024, 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 209 retail agent clients amounted to approximately 8,991.82 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 May 25, 2024, Fangchenggang Unit 4 commenced commercial operation. According to the temporary on-grid tariff approval document for the relevant unit received by Fangchenggang Nuclear in 2023, the temporary on-grid tariff of Fangchenggang Unit 4 is RMB0.4063 per kWh (tax inclusive). 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 NDRC. In the first half of 2024, the Planned Tariffs for the other nuclear power generating units in operation of the Company remain unchanged. In the first half of 2024, the average Market-based Tariffs of the Company decreased by approximately 2.10% as compared to the corresponding period of 2023, mainly due to the overall decline in the market-based electricity trading prices.

The Planned Tariffs (VAT inclusive) of our nuclear power generating units in operation as at June 30, 2024 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 4	Guangxi Power Grid Co., Ltd.	0.4063
Ningde Unit 1 and Unit 2	State Grid Fujian Electric Power Co., Ltd.	0.4153
Ningde Unit 3	State Grid Fujian Electric Power Co., Ltd.	0.3916
Ningde Unit 4	State Grid Fujian Electric Power Co., Ltd.	0.3590
Taishan Unit 1 and Unit 2	Guangdong Power Grid Co., Ltd.	0.4350
Hongyanhe Unit 1 to Unit 4	State Grid Liaoning Electric Power Co., Ltd.	0.3823
Hongyanhe Unit 5 and Unit 6	State Grid Liaoning Electric Power Co., Ltd.	0.3749

COMPREHENSIVE USE OF NUCLEAR ENERGY

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

For nuclear energy heating, we have accumulated certain experience at the Hongyanhe Nuclear Power Base, which will be properly promoted and applied in the future. The Company proactively explored the construction of multi-model energy storage projects in the provinces and regions where nuclear power is located, which will be beneficial to improving the energy utilization efficiency of nuclear power generating units and stabilizing trading prices of nuclear power.

HUMAN RESOURCES

The total number of employees of the Group was 19,259 (excluding our associates and joint ventures) as of June 30, 2024. 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 2023. The total cost of the employees for the six months ended June 30, 2024 amounted to approximately RMB5,262.24 million (excluding our associates and joint ventures).

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

We pay close attention to the occupational health of our employees who carry out work in our NPPs, including our contractors and other personnel who enter into our workplace to carry out relevant activities. We ensure each of our employees' occupational health through various means such as 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 2024 and that of 2023 at NPPs operated and managed by us:

NPP/Unit	For the six months ended June 30,	
	2024	2023
Daya Bay NPP, Ling'ao NPP and Lingdong NPP	8.767	6.359
Yangjiang NPP	8.226	4.279
Fangchenggang NPP Unit 1 to Unit 4	4.003	4.007
Ningde NPP Unit 1 to Unit 4	6.247	5.630
Taishan NPP	4.067	2.063
Hongyanhe NPP	5.140	7.345

Note: The changes in data are primarily due to the differences in outage schedules and maintenance projects during the six months ended June 30, 2024. 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 advantages.

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 (a catchall term for radioactive gas waste, radioactive liquid waste and radioactive solid waste) control and monitoring of the environment, and operational events. Each nuclear power station must announce any event occurring after the nuclear power generating unit is loaded with nuclear fuels on its information disclosure platform within two natural days (excluding the occurring day of the event) from the date on which such event is defined in accordance with relevant regulations. In the first half of 2024, each nuclear power station disclosed all the relevant information within the required time frame.

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 2024, the Company convened four media communications and press conferences.

Transparent Public Communication

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

In May 2024, 7 internet influencers from the Guangdong-Hong Kong-Macao Greater Bay Area in the fields of parenting, technology and lifestyle visited the Daya Bay Nuclear Power Base. Through activities such as visiting the NPP facilities, learning knowledge of nuclear power, and touring the natural scenery of the base, they experienced the safe, green and transparent nature of nuclear power, and posted videos and text guides on internet platforms and communities, allowing over one million netizens to enjoy an online guided tour of the Daya Bay Nuclear Power Base, and increasing their understanding and trust in nuclear power.

In May 2024, on the occasion of the 2024 National Science and Technology Workers Day and National Science and Technology Week, CNPRI held the third Blue Technology Week event, inviting the public to visit the CGN Nuclear Energy Science and Technology Museum, the Nuclear Power Robot Research and Development Laboratory, and the Daya Bay Nuclear Energy Science and Technology Museum, where lectures on nuclear power knowledge are given, in order to practice openness, transparency, and responsibility and showcase the image of technological innovation.

In June 2024, the appointment of the first batch of “Science Knowledge Promotion Ambassadors” of Ningde Nuclear and unveiling ceremony of the “Science Knowledge Promotion Station” launched at Yujing Village, Xiamen Township, Fuding City. Ningde Nuclear issued appointment letters to the first batch of “Science Knowledge Promotion Ambassadors” and unveiled a plaque for the “Science Knowledge Promotion Station” in Yujing Village. In the future, Ningde Nuclear will set up science knowledge promotion stations along the tourist route, where science knowledge promotion ambassadors will give lecture on nuclear power to tourists visiting Yujing Village without entering Ningde Nuclear Power Base.

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 March 2024, Fangchenggang Nuclear held the “Promoting the Spirit of Lei Feng, Gathering the Power of Volunteers – Launching Ceremony and Volunteer Service Rally for the 2024 Lei Feng Activity Month in Fangchenggang City” (弘揚雷鋒精神, 匯聚志願力量 – 2024 年防城港市學雷鋒活動月啟動儀式暨志願服務集中行動). At the event, various volunteer service teams provided a diverse and extensive range of volunteer services, including free health consultations, small home appliance repairs, an ethnic unity quiz with prizes, and publicity of earthquake prevention and disaster relief, and anti-telecom fraud.

In March 2024, more than 90 after-school tutors from Hongyanhe Nuclear visited the Hope Primary School (希望小學) near Hongyanhe NPP for the 11th consecutive year to give the students from 15 classes in the school a distinctive first lesson of the school year. The volunteers conducted a wide range of activities for the children, including themed classes, science lectures, and fun sporting events. They also gave away school supplies, such as books and stationery to encourage them to study hard and pursue their dreams.

In June 2024, Lufeng Nuclear launched the “Consumer Assistance Action, Helping Rural Revitalization, Contributing Efforts of Lufeng Nuclear” (消費幫扶行動, 助力鄉村振興, 貢獻陸核力量) lychee purchase activity. The activity was well received by its employees, with a total of over 100 kg of lychees sold, helping farmers in the surrounding villages of the project to increase and generate income through practical actions.

(III) OUTLOOK FOR THE SECOND HALF OF THE YEAR

In the second half of 2024, we plan to carry out the following initiatives:

- (1) We will make constant progress in various special initiatives on nuclear safety and safety management, reinforce safety risk management and control of major projects, continue to make great efforts on potential hazard inspection and rectification, continue to improve the effectiveness of the quality assurance system, enhance industrial safety, equipment and facilities, environmental protection and network information security management, ensure safe production, and spare no effort to ensure power supply during the summer peak season, in order to guarantee the absolute safety of nuclear power.
- (2) On the premise of ensuring safety and quality, we will push forward mass construction of generating units (including the entrusted management projects) in high quality as planned, fully facilitate grid connection of Huizhou Unit 1, support the major construction of generating units approved and pending for FCD in an orderly manner, and continue to proceed with the filing 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 8 refuelling outages in the second half of the year.
- (4) We will closely follow and analyze the changes in the electricity market situation in the relevant provinces and regions, strengthen the development of marketing capabilities for electricity market, adopt specialized marketing strategies, and actively develop high-quality market users, so as to prepare for our participation in market-based electricity transaction in 2025, striving for more on-grid power generation through various channels and initiatives as well as better market tariff differentials. We strive to achieve an average utilization hour of generating units in 2024 not less than the average of the average utilization hour of generating units for the last three years.
- (5) We will increase new quality productive forces for technological and innovative development, and facilitate the sustainable development of the Company. With consistent proprietary nuclear power research, we will accelerate the construction of the original technology source of advanced nuclear power, optimize the technological innovation mechanism, and strengthen the technology transfer and application to create greater economic value.

- (6) We will continuously push forward the implementation of SCS (standardization, centralization and specialization) 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.
- (7) We will closely follow the changes of national policy, domestic and international economic and financial environment, build diversified financing channels to enrich financing sources, and actively promote the implementation of our proposed issuance plan of A-share convertible corporate bonds to non-specific targets, in order to optimize our capital structure and support our business development. We will 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, 2024.

INTERIM DIVIDEND

Pursuant to the Company's dividend distribution policy, payment of an interim dividend for the six months ended June 30, 2024 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, 2024 to the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended June 30, 2024, the Company has complied with all code provisions and all recommended best practices as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the "**Stock Exchange Code**").

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 C3 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 the Audit and Risk Management Committee in compliance with the requirements of Rule 3.21 of the Listing Rules and the Stock Exchange Code with written terms of reference. The Board has delegated to the Audit and Risk Management Committee with written terms of reference. The Terms of Reference for the Audit and Risk Management Committee under the Board of Directors of CGN Power Co., Ltd.* was prepared according to the relevant requirements of the Articles of Association of CGN Power Co., Ltd., the Company Law of the PRC, the listing rules of the places where the shares of the Company are listed, and A Guide for Effective Audit Committees published by the Hong Kong Institute of Certified Public Accountants. The terms of reference are detailed in the Terms of Reference for the Audit and Risk Management Committee under the Board of Directors of CGN Power Co., Ltd.* and are available on the websites of the Company, the SZSE and the Stock Exchange. As at the date of this announcement, the Audit and Risk Management Committee comprises three independent non-executive Directors (Mr. Wong Ming Fung, Mr. Li Fuyou and Ms. Xu Hua). Ms. Xu Hua, who possesses accounting qualification, acts as the chairlady of the Audit and Risk Management Committee.

On August 19, 2024, the Audit and Risk Management Committee has reviewed and confirmed the interim results announcement for the six months ended June 30, 2024 of the Group, and the unaudited consolidated financial statements as of June 30, 2024 prepared in accordance with the CASBE.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement and the 2024 interim report of the Company containing all the information required under the Listing Rules will be published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the investor relations section at the Company's website (<http://www.cgnp.com.cn>), respectively in due course.

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

Chief Financial Officer, Joint Company Secretary and Board Secretary

The PRC, August 21, 2024

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

* *For identification purpose only*