

Clean Energy for Better Life

2022 Interim Report



中广核  CGN

中國廣核電力股份有限公司
CGN Power Co., Ltd.*

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

Stock Code: 1816

* For identification purpose only

CGN Power Co., Ltd. (“CGN Power”, the “Company”, “our Company” or “we”) was established on March 25, 2014, listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on December 10, 2014, and listed on the Shenzhen Stock Exchange (“SZSE”) on August 26, 2019. CGN Power is the sole platform for nuclear power generation of China General Nuclear Power Corporation (“CGNPC”). The Company is committed to providing nuclear power and energy supply that are safe and effective, stable and reliable, clean and low-carbon, as well as related nuclear power professional services.



In this report, we will present the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended June 30, 2022 (the “Period”, the “Reporting Period” or the “first half of 2022”) together with the comparative figures for the corresponding period in 2021, and summarize the progress in implementing our development strategy (“2022 Interim Report” or “this report”).

Unless otherwise defined in this report, the terms used in this report shall have the same meanings as those defined in the 2021 Annual Report of the Company. The term “subsidiary(ies)” in this report has the same meaning ascribed to it under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “Listing Rules”). This report has been prepared in Chinese and English respectively. In case of discrepancy, the Chinese version shall prevail.

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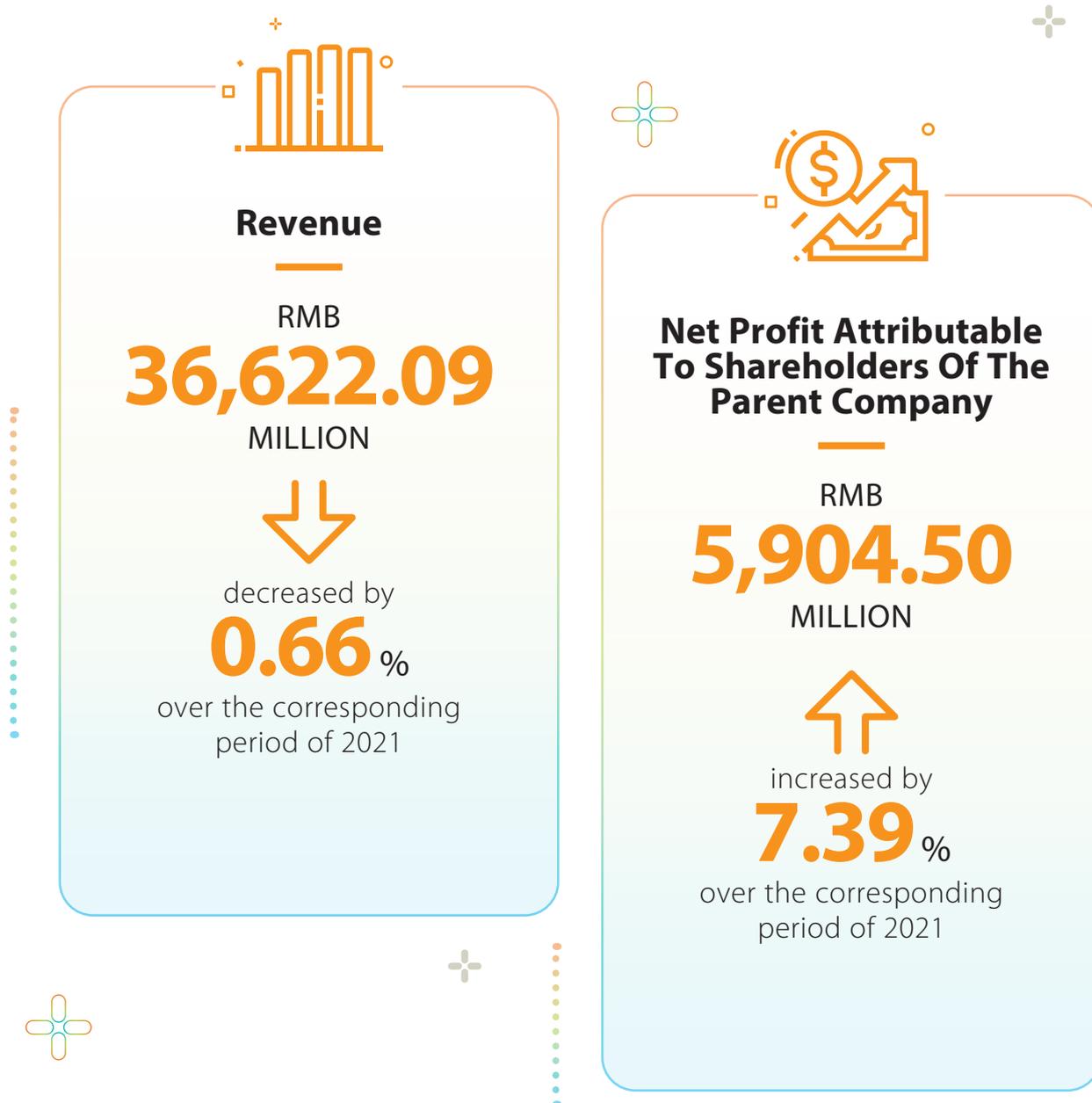
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Summary of Interim Results

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

Operation results





Emissions reduction contribution

Reduction of standard coal consumption of approximately

76.8676 MILLION TONS

of CO₂ emission for on-grid power generation (including associates)



Six nuclear power generating units under construction*

Installed capacity

7,180 MW



On-grid power generation of our subsidiaries

(20 nuclear power generating units in operation)

74,515.61 GWH

↓ decreased by **5.76** % over the corresponding period of 2021



On-grid power generation of 26 nuclear power generating units in operation

(including associates)

92,835.27 GWH

↓ decreased by **2.51** % over the corresponding period of 2021



* Including generating units managed by the Company as entrusted by the controlling shareholder.

Financial Highlights

Highlights of consolidated income statement

	For the six months ended June 30,	
	2022	2021
Operating revenue	36,622,093,484.82	36,865,672,287.30
Operating costs	21,948,110,852.25	23,174,159,755.12
Total profit	10,602,788,980.92	9,855,738,008.10
Net profit	8,852,108,295.44	8,670,410,582.50
Net profit attributable to shareholders of the parent company	5,904,498,333.83	5,498,143,474.68
Non-controlling interests	2,947,609,961.61	3,172,267,107.82

Highlights of consolidated balance sheet

	At June 30, 2022	At December 31, 2021 Restated*
Total current assets	69,821,814,668.98	67,966,150,830.45
Total non-current assets	334,262,730,047.53	332,066,722,293.02
Total assets	404,084,544,716.51	400,032,873,123.47
Total current liabilities	76,542,598,706.79	77,320,114,705.06
Total non-current liabilities	174,073,629,952.43	171,762,461,516.35
Total liabilities	250,616,228,659.22	249,082,576,221.41
Total equity attributable to shareholders of the parent company	102,836,631,931.73	100,942,138,459.49
Non-controlling interests	50,631,684,125.56	50,008,158,442.57
Total shareholders' equity	153,468,316,057.29	150,950,296,902.06
Total liabilities and shareholders' equity	404,084,544,716.51	400,032,873,123.47

*: In 2022, the Group has implemented the relevant requirements and guidelines of the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance in recent years, which mainly includes: requirement of the "accounting treatment for external sales of the fixed assets before reaching their intended use or the products or by-products produced during the R&D process" in Interpretation No. 15 of the Accounting Standards for Business Enterprises (Cai Kuai [2021] No. 35) 《企業會計準則解釋第15號》(財會[2021]35號); requirement of the "determination of onerous contracts" in Interpretation No. 15; and Notice on Relevant Issues of the Scope of Application of "Covid-19 – Related Rent Concessions" (Cai Kuai [2022] No. 13). For details, please refer to Note (III) 5 to the financial statements.

Shareholder Value

The Board, the management and employees of the Company are responsible for increasing the value for our shareholders. As such, the Company will continue to maintain stable operational development with steady growth, and we will take an active and transparent approach with integrity for maintaining a close communication with our shareholders and safeguard the shareholders' trust and confidence in the Company with rewards to them.

As at June 30, 2022, CGN Power had 279,232 registered shareholders (including 275,913 holders of A shares and 3,319 holders of H shares), but the actual number of investors would be much higher if taking into account individuals and institutions holding equity interests in the Company indirectly through intermediaries such as nominees, investment funds and the Hong Kong Central Clearing and Settlement System (CCASS), the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

Dividend Distribution

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

During the Reporting Period, a final dividend of RMB0.084 per share (tax inclusive) was declared to all shareholders of the Company, in respect of the year ended December 31, 2021, which was approved by the shareholders at the 2021 annual general meeting convened on May 27, 2022, and was paid on July 7, 2022. The dividend distribution ratio of the Company for 2021 was 43.58% of the net profit attributable to the shareholders of the Company, which fulfilled the commitment of the Dividend Distribution Plan for the Coming Five Years (2021-2025). Details of the preferential tax rate for individual shareholders under the PRC tax policies are set out in the announcements of the Company dated June 30, 2022 and August 11, 2022.

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

Communications with Shareholders and Investors for the First Half of 2022 and Shareholders' Diary of 2022

The Company maintained active communication with shareholders and investors through various channels such as general meeting, results promotion (including the results announcement conference and the results roadshow), quarterly teleconference, reverse roadshow, EasyIR platform of SZSE, investors hotline and mailbox. For more details, please refer to the Company's column on SZSE EasyIR (<http://irm.cninfo.com.cn/szse/index.html>) and the investors relationship column on the official website of the Company (www.cgnp.com.cn).

JAN

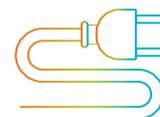


- Announcement of 2021 fourth quarter operation briefings
- 2021 fourth quarter operation teleconference



MAR

- Publication of 2021 A share annual report and H share results announcement
- 2021 annual results promotion
- Publication of 2021 ESG Report



APR

- Publication of 2021 H share annual report
- Announcement of 2022 first quarter operation briefings
- Announcement of 2022 A share first quarterly report
- 2022 first quarter operating results teleconference

MAY

- 2021 annual general meeting



JUL

- Announcement of 2022 second quarter operation briefings
- 2022 second quarter operation teleconference
- Distribution of 2021 final dividend

AUG

- Announcement of 2022 A share interim report and H share interim results announcement
- Announcement of 2022 H share interim report
- 2022 interim results promotion

OCT

- Announcement of 2022 third quarter operation briefings
- Announcement of 2022 A share third quarterly report
- 2022 third quarter operating results teleconference

NOV

- Participation in an online group reception day for investors of listed companies



Note: Any changes to the above dates will be announced on the website of the Company.

Finance, Assets and Investments

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

Financial Performance and Analysis

Key Financial Indicators

Item	For the six months ended June 30,	
	2022	2021
Indicators of profitability		
EBITDA margin (%) ⁽¹⁾	52.3	51.2
Net profit margin (%) ⁽²⁾	24.2	23.5
Indicators of investment returns		
Return on equity (excluding non-controlling interests) (%) ⁽³⁾	5.8	5.7
Return on total assets (%) ⁽⁴⁾	3.5	3.4
Indicators of solvency		
Interest coverage ⁽⁵⁾	3.3	3.2

Item	June 30,	December 31,
	2022	2021
Indicators of solvency		
Asset-liability ratio (%) ⁽⁶⁾	62.0	62.3
Debt to equity ratio (%) ⁽⁷⁾	118.6	122.3

Notes:

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

Financial Results Analysis

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

- (1) The decrease in other gains was primarily due to the progress of the VAT refunds, so the VAT refunds received for the current period was less than the corresponding period of previous year.
- (2) The increase in non-recurring gains or losses was primarily due to changes in fair value of H-share Appreciation Rights and the investment income from the disposal of the equity interest in China Nuclear Power (Beijing) Simulation Technology Corporation Ltd.* (中廣核(北京)仿真技術有限公司) ("CNPSTC").

Revenue from Operation

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

- (1) The decrease in revenue from sales of electricity was primarily due to the decrease in the on-grid power generation of the subsidiaries of the Company by 5.76% over the corresponding period of previous year.
- (2) The decrease in revenue from construction, installation and design services was primarily due to the decrease in the construction volume of CGNPC's wind power business of CGN Engineering.
- (3) The increase in revenue from other business operations was primarily due to the increase in CGN Engineering's revenue from European Utility Requirements certification for CGNPC's HPR1000.

Finance, Assets and Investments

Cost of Operations

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

- (1) The increase in provision for spent fuel management was primarily due to the commencement of provision and payment for spent fuel management as Ningde Unit 4, Fangchenggang Unit 2 and Yangjiang Unit 4 commenced commercial operation for five years in July 2021, October 2021 and March 2022 respectively since the second half of 2021.
- (2) The increase in other costs of business operations was primarily due to the increase in CGN Engineering's cost of operations from European Utility Requirements certification for CGNPC's HPR1000.

Financial Position

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

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

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

Cash Flow Analysis

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

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

Assets and Investments

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

Investment in Fixed Assets

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

Investments in Equity

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

Material Acquisition and Disposal

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

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

Finance, Assets and Investments

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, 2022, the Group had no use of proceeds.

External Financing Environment

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

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

Equity Financing

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

Debt Financing

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



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

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

Debt Risk Management

In recent years, we proactively eliminated our exposure to risk on foreign exchange rate associated with debts denominated in foreign currencies by stages and in batches through various measures including forward transactions, debts replacement and early repayment, and actively changed our financing methods for foreign business contracts to exercise control over new debts denominated in foreign currencies, thereby effectively reduced the impact of major risks in exchange rate. In the first half of 2022, the Company adhered to the established strategies and continued to adopt relevant measures to minimize the impact from the fluctuation in RMB exchange rates. As compared with the end of 2021, the Group's total borrowings denominated in foreign currencies decreased by approximately RMB466.6 million at the end of the Reporting Period.

To manage liquidity risks, we monitored and maintained our cash and cash equivalents as well as the level of unutilized banking facilities. As of June 30, 2022, we had credits for unutilized general banking facilities of approximately RMB136,143.8 million, a multi-type debt financing instruments (TDFI) being readily available for public offering of RMB13,900.0 million and cash at bank and in hand of approximately RMB18,837.5 million, for the provision of sufficient cash support for the operation of the Company and the reduction in the impact from cash flow fluctuation.

Credit Rating

In April 2022, China Chengxin International Credit Rating Co., Ltd. (中誠信國際信用評級有限責任公司) assessed the credit rating of the Company, and based on the reasons that "the Company's projects under construction are being put into operation and the operations of nuclear power generating units in operation are stable", it concluded that "the power generation capacity of the Company will be further strengthened and the installed capacity and on-grid power generation will further increase with stronger profitability and cash generating ability" and maintained our AAA credit rating with stable outlook.

Contingencies

External Guarantees

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

Assets with Restricted Ownership

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

As of June 30, 2022 and December 31, 2021, the electricity tariff collection rights of Lingdong Nuclear, Yangjiang Nuclear, Fangchenggang Nuclear, Ningde Nuclear and Taishan Nuclear were pledged to secure the facilities and loans from banks to these entities.

Legal Proceedings

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

Investment Direction

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

Business Performance and Outlook

Industry Overview

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

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

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

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



Business Performance and Outlook

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

Business Performance and Analysis

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

Safety Management

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

In the first half of 2022, in view of the sporadic resurgences of the pandemic and the complex and severe challenges in pandemic containment in China, we strictly put pandemic prevention and control measures in place, and insisted on preventing the pandemic while securing production and safety, thereby achieving zero case of infection among our employees across all NPPs, ensuring the smooth progress of the project construction of the nuclear power generating units under construction, and the safe and stable operation of our nuclear power generating units in operation, and securing power supply for pandemic prevention and control, production and life in the society.

We continued to improve our safety management system and optimize management approach. Based on our experience in nuclear power operation over the years, we have established a mature safety management system. We continued to launch activities such as “On-site Management”, “We Want Safety”, “Precautionary Education on Nuclear Safety” and “Bringing Nuclear Safety Culture into our Teams” so as to enhance the nuclear safety culture awareness among all employees. In the first half of 2022, we implemented special inspection and supervision for safety management led by our Chairman and senior management in every nuclear power base for the third consecutive year, which enabled the Company to reinforce accountability at all levels, and actively implement the safety management concept of “Involving All”. The Company reinforced accountability at all levels in safety management, in order to further consolidate the foundation of safety management of the Company.



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

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

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

Business Performance and Outlook

Nuclear power generating units in operation

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

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

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

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

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

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

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

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

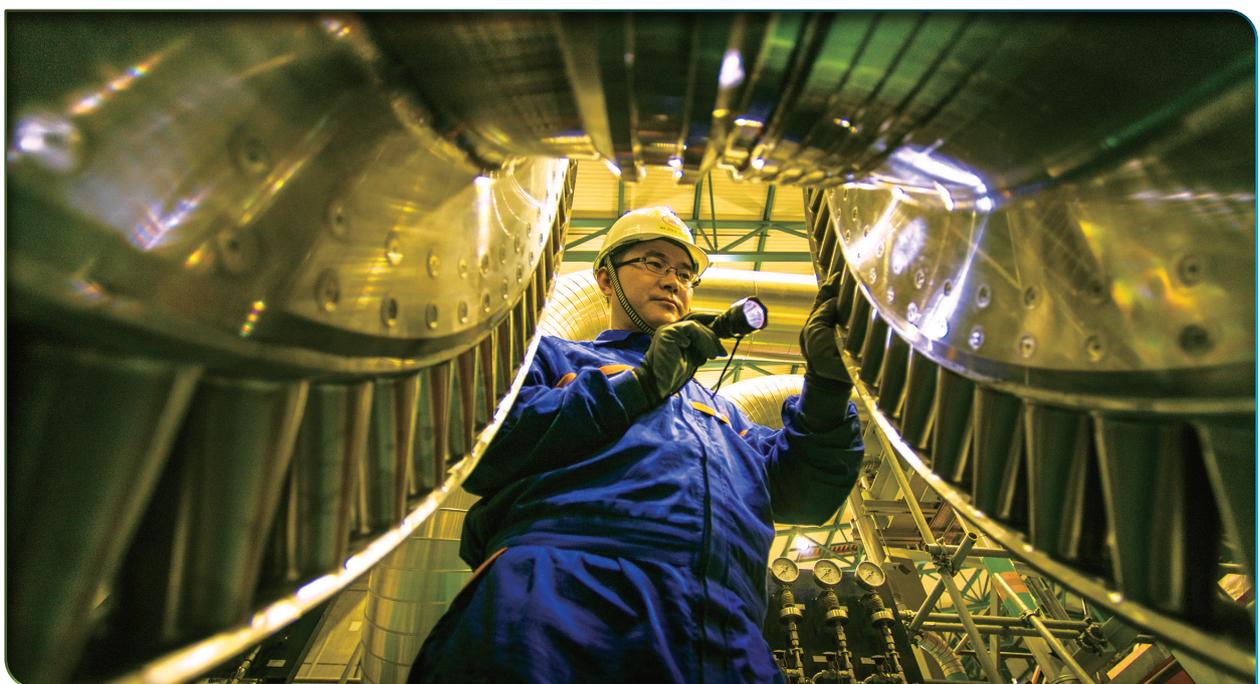
Taishan NPP: Taishan Unit 1 began shutdown and inspection on July 30, 2021. The unit has been connected to the grid for power generation on August 15, 2022. The monitoring data of Taishan NPP and its surrounding environment is normal.

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

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

Operation Performance

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



Business Performance and Outlook

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

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

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



As Taishan Unit 1 was shut down for inspection in the first half of 2022, and Hongyanhe Unit 6 has been put into commercial operation for less than three months, both of them do not fall into the statistical criteria of the WANO indicators. The following table indicates the comparison of our remaining 24 nuclear power generating units in operation of the one-year benchmark value of the 12 performance indicators for the PWR by the WANO for the six months ended June 30, 2022 and the corresponding period in 2021:

	For the six months ended June 30,	
	2022	2021
Number of units	24	24
Total number of indicators	288	288
Including:		
Number/percentage of indicators ranked top 1/4 (advanced level) in the world	243/84.38%	247/85.76%
Number/percentage of indicators ranked top 1/10 (excellent level) in the world	238/82.64%	242/84.03%

Environmental Performance

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

Business Performance and Outlook

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

	Daya Bay Base Area (including Daya Bay NPP, Ling'ao NPP and Lingdong NPP)		Yangjiang NPP		Fangchenggang NPP		Ningde NPP		Taishan NPP		Hongyanhe NPP	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Discharged liquid radioactive waste (radionuclides other than tritium) as a percentage of the national standards	0.11%	0.12%	0.24%	0.20%	0.18%	0.09%	0.13%	0.27%	1.18%	2.48%	0.21%	0.10%
Discharged gas radioactive waste (inert gases) as a percentage of the national standards	0.23%	0.23%	0.11%	0.09%	0.16%	0.14%	0.16%	0.13%	0.93%	2.08%	1.45%	0.57%
Solid radioactive waste (cubic meters)	88.1	76.1	31.6	31.6	51.3	6.8	40.4	21.2	0	0	31.6	55.2
Results of environmental monitoring	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal	Normal

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

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

Nuclear Power Generating Units under Construction

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

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

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

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

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

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

Notes:

1. "Civil construction" phase refers to the process from the first concrete day to the proper roof installation of the main plant of the nuclear reactor.
2. "Equipment installation" phase refers to the process from the installation of nuclear island equipment upon the roof installation of the main plant of the nuclear reactor to the nuclear island main system meeting the conditions to conduct cold function tests.
3. "Commissioning" phase refers to the process of conducting cold function tests for nuclear island main system and commencing joint commissioning for the power plant.
4. "Grid connection" phase refers to the commissioning of generating units upon the first grid connection with the power grid, demonstrating that the units are capable for power generation.

Business Performance and Outlook

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

Sales of Electricity

Due to the different economic development conditions of each province, the supply and demand for electricity in the provinces and regions where our nuclear power generating units are located varied slightly. In the first half of 2022, the Company continued to adopt the power sales strategy of “**striving for more shares of planned on-grid power generation, striving for better market power generation and power tariff, striving for development and utilization of incremental market and striving for more shares in power transmission across provinces and regions**”, and basically achieved the Company's power generation plan for the first half of the year. The average settling tariff rate increased year on year, which guaranteed the overall economic benefits of the Company.

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

Guangdong Province

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

Fujian Province

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

Guangxi Zhuang Autonomous Region

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

Liaoning Province

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

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

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

Business Performance and Outlook

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

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

Comprehensive Use of Nuclear Energy

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

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

Human Resources

The total number of employees of the Group was 17,575 (excluding our associates) as of June 30, 2022.

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



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

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

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

Business Performance and Outlook

Social Responsibilities

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

Proactive Disclosure of Information

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

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

Transparent Public Communication

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



In May 2022, students from the aviation class of Shenzhen Second Foreign Languages School attended the nuclear power knowledge introduction event with the theme of "Exploring the Mystical Nuclear Energy Technology" at the CGN Nuclear Energy Science and Technology Museum. Through vivid explanations on nuclear power knowledge and immersive experience in nuclear energy technology, the students acquired certain knowledge about nuclear power technology and nuclear energy applications, and gained an insight into nuclear safety culture and the work style of "Strict Compliance, Prudent Decision-making, Detail-oriented

and Fact-based Approach" of nuclear professionals, inspiring them to dream of building a strong country through science and technology and motivating them to constantly explore and innovate.

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



Win-win Community Development

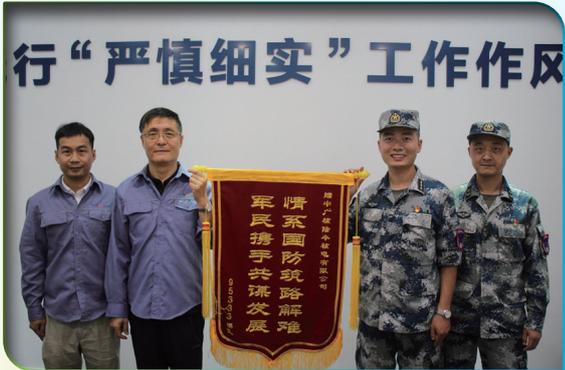
We uphold the vision of “boosting the economy and benefiting the people there in which we conduct a construction project”. We actively promote community development and at the same time, we achieve our corporate development plan by building a harmonious relationship with the surroundings. In response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

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

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



Business Performance and Outlook



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



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



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

Outlook for the Second Half of the Year

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

In conformity with the new environment, we will continue to proceed with tasks in relation to safety, quality and environment in all aspects comprehensively, thoroughly comply with production safety requirements, further strengthen risk control in daily production and health management of major equipment, continue to carry out key actions to achieve overall excellence in outage management, and complete energy supply assurance work with high quality.



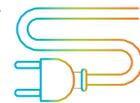
We will ensure the safe and stable operation of all the generating units in operation, and plan to conduct 8 refuelling outages in the second half of the year.



On the premise of ensuring safety and quality, we will push forward construction of generating units (including entrusted management projects) as planned, properly prevent and respond to the technical risks of the Group's first HPR1000 reactor, and strive to meet the conditions for commercial operation of Fangchenggang Unit 3 during the year. We will commence the construction of Lufeng Unit 5, and actively pursue the application and approval of other projects.

We will adapt to and actively promote the changes in the electricity market situation, strengthen the marketing system and mechanism of electricity market, as well as the development of marketing capabilities for electricity market. We will pay close attention to the electricity market environment in various provinces and regions, adopt targeted marketing strategies, continuously strengthen communications with relevant parties, strive for more and better market indicators, and endeavour to achieve an average utilization hour of generating units in 2022 for not less than the average of the average utilization hour of generating units for the last three years.

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



We will continuously push forward the implementation of SCS management strategy and lean management and strengthen internal resource coordination and cooperation to strengthen our control on construction cost of units under construction, further control operation and maintenance cost of generating units in operation, and strictly control non-production expenses.

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



Corporate Governance

Compliance with Requirements of Appendix 14 to the Listing Rules

The Company strives to maintain a high level of corporate governance to ensure the realization of the Company's strategy, to protect the interests of shareholders and to enhance enterprise value. Since the date of listing, the Company has formulated the Corporate Governance Code of CGN Power Co., Ltd. 《中國廣核電力股份有限公司企業管治守則》 (“**Corporate Governance Code of the Company**”), and has complied with the code provisions as set out in the Corporate Governance Code (the “**Stock Exchange Code**”) contained in Appendix 14 to the Listing Rules. The Corporate Governance Code of the Company covers the basic requirements of the Stock Exchange Code and stipulates standards which are higher than the recommended best practices in various aspects.

During the Reporting Period, except for code provision C.5.7 of the Part 2 of the Stock Exchange Code, the Company complied with all the code provisions and all recommended best practices.

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

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

During the Reporting Period, the Company held one annual general meeting, one H shareholders' class meeting, one A shareholders' class meeting, three regular Board meetings, two extraordinary Board meetings and three meetings of the supervisory committee of the Company (the “**Supervisory Committee**”).



The 2021 annual general meeting, 2022 first H shareholders’ class meeting and 2022 first A shareholders’ class meeting were held on May 27, 2022 in Shenzhen. The Board presented the 2021 operating results, the development for the first quarter of 2022 and the future outlook of the Company to all the shareholders present at the meetings. The Company’s profit distribution plan for the year 2021, the general mandates to issue and repurchase shares and other related proposals were considered and approved at the meetings. The Board answered questions from shareholders on issues of their concern.

Compliance with Domestic Regulatory Requirements

During the Reporting Period, the corporate governance practices of the Company were in compliance with the laws and regulations of the PRC, the relevant regulatory requirements of China Securities Regulatory Commission and the Hong Kong Stock Exchange, and will continue to comply with the updated laws and regulations. The Company, its Directors, Supervisors and senior management were not subject to any administrative penalties, notice of criticism or reprimand.

Amendments to Documents of Governance such as the Articles of Association

During the Reporting Period, there was no amendment to documents of governance such as the Articles of Association.

Changes in Directors, Supervisors and Senior Management

As of the date of this report, the list of names of the Board, the Supervisory Committee and senior management of the Company are as follows:

The Board

Non-executive Directors	Executive Directors	Independent non-executive Directors
Mr. Yang Changli (Chairman)	Mr. Gao Ligang	Mr. Li Fuyou
Mr. Shi Bing	Mr. Jiang Dajin	Mr. Yang Jiayi
Mr. Wang Hongjun		Mr. Xia Ceming
Mr. Gu Jian		Mr. Tang Chi Cheung

Supervisory Committee

Non-employee representative Supervisors	Employee representative Supervisors
Ms. Pang Xiaowen	Ms. Zhu Hui
Mr. Zhang Baishan	Mr. Wang Hongxin

- Mr. Hu Yaoqi resigned from his position as a non-employee representative Supervisor of the Company due to work reasons, which became effective on April 1, 2022.
- Mr. Chen Sui resigned from his position as the chairman of the Supervisory Committee and a non-employee representative Supervisor of the Company due to work reasons, which became effective on April 11, 2022.
- The appointment of Ms. Pang Xiaowen as a non-employee representative Supervisor of the third session of the Supervisory Committee of the Company was approved at the Company's 2021 annual general meeting, which became effective on May 27, 2022.

Senior Management

President	Vice president	Chief financial officer	Board secretary
Mr. Gao Ligang	Mr. Jiang Dajin Mr. Qin Yuxin	Mr. Yin Engang	Mr. Yin Engang

- Mr. Su Shengbing resigned from his position as a vice president of the Company as he reached his retirement age, which became effective on June 1, 2022.
- Mr. Chen Yingjian resigned from his position as a vice president of the Company as he reached his retirement age, which became effective on August 1, 2022.

The biographical details of the newly appointed Supervisor of the Company are set out as follows:



Ms. Pang Xiaowen

Born in 1979, obtained a bachelor's degree and is a senior accountant and a senior economist. Ms. Pang Xiaowen has extensive experience in corporate financial management, equity investment management, corporate governance and other aspects. Since April 2014, she served as the deputy director of the finance office (presiding over the work) of Hainan Nuclear Power Co. Ltd. (海南核電有限公司), the deputy general manager of Guangdong Hengjian Asset Management Co., Ltd. (廣東恒健資產管理公司), and deputy head of the asset management department and the deputy head of the corporate management department (presiding over the work) of Guangdong Hengjian Investment Holdings Co., Ltd. (廣東恒健投資控股有限公司). She has served as a director of Guangdong Hengfu Financial Leasing Co., Ltd. (廣東恒孚融資租賃有限公司) since May 2018, the head of the operations management department of Guangdong Hengjian Investment Holdings Co., Ltd. (廣東恒健投資控股有限公司) since November 2019, a director of Guangzhou Asset Management Co., Ltd. (廣州資產管理有限公司) since January 2020, and a director of SkyCo International Financial Leasing Co., Ltd. (天合國際融資租賃有限公司) since March 2022.

The details of the changes in the personal details of the Directors, Supervisors or senior management members (including the chief executive officer) of the Company which shall be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out as follows:



Mr. Yang Jiayi

ceased to be an executive director of the China Association of Chief Financial Officers and the Accounting Society of China in May 2022, and became a director of China Electrical Equipment Group Co., Ltd. (中國電氣裝備集團有限公司) in May 2022.



Mr. Wang Hongxin

became a director of Shanghai Engineering Science & Technology Co., Ltd. (上海中廣核工程科技有限公司) in January 2022 and a director of CGN Wind Energy Co., Ltd. (中廣核風電有限公司) in April 2022.

Save as disclosed above, there is no change in the Directors, Supervisors and senior management of the Company as of the date of this report. Meanwhile, save as disclosed above, the Directors, Supervisors and senior management of the Company have confirmed that no other information is required to be disclosed pursuant to Rules 13.51B (1) of the Listing Rules. The above changes of the personal information of the Directors, Supervisors and senior management have been updated on the website of the Company.

Compliance with Appendix 10 to the Listing Rules by Directors

The Company has formulated the Code for Securities Transactions by Directors and Specified Individuals, and has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions of the Company by all Directors. According to the special 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.

Internal Control

The Company has been continuously improving the development of an internal control system and promoting workflow of business activities. Control measures were implemented at the corresponding risk points in the internal control workflow.

For the six months ended June 30, 2022, the general issues discovered in the internal control evaluation and internal audit of the Company for 2021 had been rectified as planned. At the same time, the Company had conducted various supervision activities such as management auditing and accountability audit in accordance with the auditing plans for 2022. No material issues which may affect shareholders were discovered.

Details of the standards, procedures and effectiveness of the internal control system of the Company were set out on pages 118 to 121 of the 2021 Annual Report.

Audit and Risk Management Committee

The Company has established the audit and risk management committee (the “**Audit and Risk Management Committee**”) in compliance with the requirements of the Listing Rules and the requirements of 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 in accordance with the relevant requirements of the Articles of Association, the Company Law of the People’s Republic of China, the Listing Rules, and A Guide for Effective Audit Committees published by the Hong Kong Institute of Certified Public Accountants. The terms of reference are detailed in the Terms of Reference for the Audit and Risk Management Committee under the Board of Directors of CGN Power Co., Ltd. and are available on the websites of the Company and the Hong Kong Stock Exchange. As at the date of this report, the Audit and Risk Management Committee comprises one non-executive Director (Mr. Gu Jian) and two independent non-executive Directors (Mr. Yang Jiayi and Mr. Tang Chi Cheung). Mr. Yang Jiayi, who possesses accounting qualification, acts as the chairman of the Audit and Risk Management Committee.

On August 19, 2022, the Audit and Risk Management Committee has reviewed and confirmed the interim results announcement for the six months ended June 30, 2022 of the Group, 2022 Interim Report and the unaudited consolidated financial statements for the six months ended June 30, 2022 prepared in accordance with the Accounting Standard for Business Enterprises No. 32 – Interim Financial Reporting issued by the Ministry of Finance of the People’s Republic of China.

Changes in Remuneration

The remuneration policy and system of the Company did not change as compared with that of previous year. As of June 30, 2022, the remuneration standards and implementation basis for Directors, Supervisors and senior management remained the same as those in the corresponding period of 2021. At the 2021 annual general meeting of the Company convened on May 27, 2022, the resolutions on the remuneration of the Directors of the third session of the Board and the Supervisors of the third session of the Supervisory Committee in 2022 were approved. The resolution on the remuneration of the Company's senior management in 2022 was approved at the fourteenth meeting of the third session of the Board on March 17, 2022.

For the six months ended June 30, 2022, the statistics of the remuneration of the Directors, Supervisors and senior management of the Company are as follows:

	Fees RMB' 000	Salaries, other allowances and discretionary bonus RMB' 000	Pension scheme* contribution RMB' 000	Total RMB' 000
Directors	120	1,660	122	1,902
Supervisors	–	2,127	112	2,239
Senior management **	–	7,669	233	7,902

* Remuneration data includes the settlement of bonuses for the three-year business performance appraisal plan from 2019 to 2021.

* The Company contributes a certain proportion of the salaries of all the staff for their basic pension insurance according to the national and local regulations on pensions, and the staff will collect their pension according to the local policies upon retirement. In addition, the Company has also launched a corporation pension plan. According to the plan, the Company will contribute an amount of not exceeding 5% of the individual contracted remuneration per month and the individuals will contribute an amount of not exceeding one-third of the contribution from the Company, and the staff can collect such pension from their individual accounts every month upon retirement. Other than these, the Company has no other responsibility for the pension scheme of the staff.

** The remuneration of executive Directors concurrently serving as senior management members is only listed in the remuneration of Directors.

For the six months ended June 30, 2022, remuneration of Directors, Supervisors and senior management of the Company in aggregate amounted to approximately RMB12.04 million and the total staff costs amounted to approximately RMB4,836.44 million (excluding associates).

In order to provide incentives to key talents and create more value for our shareholders, the H-Shares Appreciation Rights (the "SAR") Scheme (the "Scheme") was approved at the 2014 annual general meeting. The Scheme is expected to be conducted in three grants with each grant taking effect in three tranches. The first grant of the SAR was approved by the Board on November 5, 2015. 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.

Corporate Governance

The second grant of the SAR of the Company was approved by the Board on December 14, 2017. At present, the first and second tranches of SAR for the second grant have taken effect since December 16, 2019 and December 15, 2020, respectively, with the exercise conditions being met.

The second exercise plan of the Second Grant of the share appreciation rights incentive scheme of the Company was approved at the fourth meeting of the third session of the Board convened by the Company on January 13, 2021. At the seventeenth meeting of the third session of the Board convened on May 20, 2022, it was decided that the exercise price should be adjusted pursuant to the calculation rules specified in the Second Grant of the share appreciation rights incentive scheme. The exercise price was changed to HK\$1.6440 per share from HK\$1.7427 per share. As at June 30, 2022, the Incentive Recipients under the first and second tranche of the Second Grant of the share appreciation rights incentive scheme exercised certain SARs. For details, please refer to Note (XI) to the financial statements of this report.

For retired/redesignated Directors and senior management, the specific arrangements for the exercise are implemented in accordance with the SAR Agreement. Since the Scheme does not involve the grant of any new share or share option over other new securities to be issued by the Company (or any of its subsidiaries), it does not fall within the ambit of, and is not subject to, the regulations of Chapter 17 of the Listing Rules. Please refer to Note (XI) of the financial statements in this report for details of the first and second grant and implementation of the SAR.

Share Capital

As of June 30, 2022, the registered share capital of the Company was RMB50,498,611,100, divided into 50,498,611,100 shares (with a nominal value of RMB1.00 each), comprising 39,334,986,100 A shares and 11,163,625,000 H shares, representing approximately 77.89% and 22.11% of the registered share capital, respectively.

Purchase, Sale or Redemption of the Company's Listed Securities

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

Interests

Interest of Directors, Supervisors and chief executive officer

As recorded in the register required by Section 352 of Part XV of the Hong Kong Securities and Futures Ordinance, none of the Directors, Supervisors and chief executive officer of the Company held any interest/short position in the shares, underlying shares and debentures of the Company and its associated corporations as of June 30, 2022.

Interest of shareholders required to be disclosed under the Hong Kong Securities and Futures Ordinance

Pursuant to Divisions 2 and 3 of Part XV of the Hong Kong Securities and Futures Ordinance, the interest/short position held by the following persons (other than Directors, Supervisors and chief executive officer of the Company) in the shares and underlying shares of the Company as of June 30, 2022 are set out in the table below.

Aggregate long positions in the shares and underlying shares of the Company

The Company has been notified by the following shareholders of the interests held in the shares of the Company (other than equity derivatives under share options, call warrants or convertible bonds) as of June 30, 2022 as follows:

Shareholders	Capacity as holder of shares	Number and class of the shares of the Company held	Approximate % of the relevant share classes	Approximate % of the issued shares of the Company
CGNPC	Beneficial owner	29,176,641,375 (A shares)	74.17%	57.78%
		528,302,000 ^(Note) (H shares)	4.73%	1.04%
Guangdong Hengjian Investment Holding Co., Ltd. (廣東恒健投資控股有限公司)	Beneficial owner	3,428,512,500 (A shares)	8.72%	6.79%
China Life Insurance Company Limited	Beneficial owner	1,114,401,000 (H shares)	9.98%	2.21%
BlackRock, Inc.	Interest of controlled corporation	559,134,805 (H shares)	5.01%	1.11%

Note: Among which including 10,000,000 H shares held by CGNPC through one of its wholly-owned subsidiaries.

Aggregate short positions in the shares and underlying shares of the Company

The Company had been notified of the following shareholders' of the short positions held in the shares of the Company as of June 30, 2022:

Shareholders	Capacity as holder of shares	Number and class of the shares of the Company held	Approximate % of the relevant share classes	Approximate % of the issued shares of the Company
BlackRock, Inc.	Interest of controlled corporation	8,366,000 ^(Note) (H shares)	0.07%	0.02%

Note: Among which including 4,258,000 H shares held in equity derivatives.

Interests of Other Persons

As of June 30, 2022, the Company has not been notified of any persons other than the above shareholders who had interests or short positions in the shares or underlying shares of the Company, under Divisions 2 and 3 of Part XV of the Hong Kong Securities and Futures Ordinance.

Events after the Reporting Period

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

Report Review

KPMG Huazhen Zhuan Zi No. 2201470

To the Shareholders of CGN Power Co., Ltd.:

We have reviewed the accompanying interim financial statements of CGN Power Co., Ltd. (“CGN Power”), which comprise the consolidated balance sheet and the balance sheet of the parent company as at June 30, 2022, and the consolidated income statement and the income statement of the parent company, the consolidated cash flow statement and the cash flow statement of the parent company, and the consolidated statement of changes in shareholders’ equity and statement of changes in shareholders’ equity of the parent company for the period from January 1 to June 30, 2022, as well as the notes to the financial statements. The management is responsible for preparing the interim financial statements in accordance with the Accounting Standards for Business Enterprises No. 32 – Interim Financial Reporting, issued by the Ministry of Finance of the People’s Republic of China. Our responsibility is to issue a review report on the interim financial statements based on our review.

We conducted our review in accordance with China Standard on Review No. 2101 – Engagements to Review Financial Statements. The standard requires us to plan and conduct a review to obtain limited assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of CGN Power relevant personnel and performing analytical procedures on the financial data. A review provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial statements of CGN Power have not been prepared in accordance with the Accounting Standards for Business Enterprises No. 32 – Interim Financial Reporting, in all material respects.

KPMG Huazhen LLP
Beijing, PRC

Certified Public Accountants
Registered in the People’s Republic of China
Chen Zimin
Wang Jie

August 24, 2022

Consolidated Balance Sheet (unaudited)

As at June 30, 2022

(Unit: RMB)

Item	Notes	June 30, 2022	December 31, 2021
Assets			
Current assets:			
Cash at bank and in hand	(V) 1	18,837,507,511.19	15,827,729,811.43
Derivative financial assets	(V) 2	2,121,876.84	–
Bills receivable	(V) 3	402,829,136.00	1,707,261,500.00
Accounts receivable	(V) 4	10,336,391,966.41	10,851,815,965.20
Prepayments	(V) 5	19,583,744,863.85	17,372,065,000.89
Other receivables	(V) 6	112,115,413.48	53,320,247.61
Inventories	(V) 7	14,886,396,889.26	15,248,475,732.06
Contract assets	(V) 8	2,965,569,478.04	3,346,751,008.49
Other current assets	(V) 9	2,695,137,533.91	3,558,731,564.77
Total current assets		69,821,814,668.98	67,966,150,830.45
Non-current assets:			
Debt investments	(V) 10	37,739,834.23	37,739,834.23
Long-term equity investments	(V) 11	13,008,571,701.80	12,457,405,017.92
Other investment in equity instruments	(V) 12	604,782,470.13	590,195,970.13
Investment properties	(V) 13	230,743,707.15	204,919,250.54
Fixed assets	(V) 14	236,463,750,346.22	239,781,814,198.65
Construction in progress	(V) 15	61,124,484,055.27	57,561,621,171.27
Right-of-use assets	(V) 16	1,037,833,468.26	1,040,777,428.86
Intangible assets	(V) 17	5,065,680,345.78	5,202,831,122.59
Development costs	(V) 18	4,185,475,900.13	3,575,421,186.66
Goodwill	(V) 19	419,242,673.32	419,242,673.32
Long-term deferred expenses	(V) 20	1,544,235,838.62	1,527,444,432.48
Deferred tax assets	(V) 21	2,456,122,545.25	2,311,931,738.14
Other non-current assets	(V) 22	8,084,067,161.37	7,355,378,268.23
Total non-current assets		334,262,730,047.53	332,066,722,293.02
Total assets		404,084,544,716.51	400,032,873,123.47

The accompanying notes to the financial statements form an integral part of these financial statements.

Item	Notes	June 30, 2022	December 31, 2021
Liabilities and shareholders' equity			
Current liabilities:			
Short-term loans	(V) 23	15,011,239,263.77	16,374,993,758.88
Bills payable	(V) 24	2,584,189,073.53	3,549,771,587.50
Accounts payable	(V) 25	18,761,054,445.24	18,817,580,701.92
Receipts in advance	(V) 26	642,857.14	–
Contract liabilities	(V) 27	3,469,343,048.78	4,124,772,960.60
Employee benefits payable	(V) 28	107,818,069.17	55,849,381.67
Taxes payable	(V) 29	1,684,247,706.58	1,561,020,572.25
Other payables	(V) 30	8,510,359,655.74	4,075,609,945.61
Non-current liabilities due within one year	(V) 31	22,458,126,283.09	22,719,658,250.53
Other current liabilities	(V) 32	3,955,578,303.75	6,040,857,546.10
Total current liabilities		76,542,598,706.79	77,320,114,705.06
Non-current liabilities:			
Long-term loans	(V) 33	157,134,673,571.36	155,921,820,998.03
Bonds payable	(V) 34	6,986,982,564.49	5,988,041,567.89
Lease liabilities	(V) 35	667,304,412.35	692,172,850.27
Long-term employee benefits payable	(V) 36	118,152,882.89	195,433,077.84
Provisions	(V) 37	5,529,955,722.46	5,334,823,453.78
Deferred income	(V) 38	2,287,138,505.14	2,361,217,837.38
Deferred tax liabilities	(V) 21	1,349,422,293.74	1,268,951,731.16
Total non-current liabilities		174,073,629,952.43	171,762,461,516.35
Total liabilities		250,616,228,659.22	249,082,576,221.41
Shareholders' equity:			
Share capital	(V) 39	50,498,611,100.00	50,498,611,100.00
Capital reserve	(V) 40	10,804,078,115.13	10,790,413,325.63
Other comprehensive income	(V) 41	611,343,597.88	345,482,066.81
Specific reserve	(V) 42	203,613,444.00	249,371,452.84
Surplus reserve	(V) 43	4,901,527,564.79	4,901,527,564.79
Retained earnings	(V) 44	35,817,458,109.93	34,156,732,949.42
Total equity attributable to shareholders of the parent company		102,836,631,931.73	100,942,138,459.49
Non-controlling interests		50,631,684,125.56	50,008,158,442.57
Total shareholders' equity		153,468,316,057.29	150,950,296,902.06
Total liabilities and shareholders' equity		404,084,544,716.51	400,032,873,123.47

These financial statements were approved by the board of directors on August 24, 2022.

The accompanying notes to the financial statements form an integral part of these financial statements.

The financial statements were signed by the following persons in charge.

Yang Changli
Legal Representative (Chairman)

Gao Ligang
Executive Director

Yin Engang
Chief Financial Officer

Shan Jing
Head of the Accounting
Department

Balance Sheet of the Parent Company (unaudited)

As at June 30, 2022

(Unit: RMB)

Item	Notes	June 30, 2022	December 31, 2021
Assets			
Current Assets:			
Cash at bank and in hand		13,637,299,822.88	9,733,956,725.88
Accounts receivable	(XV) 1	779,021,045.93	1,231,082,748.72
Prepayments		818,464,678.00	244,781,069.15
Other receivables	(XV) 2	5,216,840,526.25	1,891,933,966.37
Non-current assets due within one year		5,010,517,483.79	5,006,465,631.80
Other current assets	(XV) 3	12,696,692,635.75	18,470,729,359.93
Total current assets		38,158,836,192.60	36,578,949,501.85
Non-current assets:			
Debt investments	(XV) 4	9,987,703,160.59	8,537,703,160.59
Long-term equity investments	(XV) 5	85,154,209,441.26	82,965,665,556.21
Fixed assets		102,522,492.85	119,200,253.44
Construction in progress		73,428,052.99	70,802,824.69
Right-of-use assets		123,715,701.32	207,949,957.38
Intangible assets		237,180,631.87	285,905,825.06
Development costs		2,950,328,800.20	2,493,893,739.45
Other non-current assets		810,491,459.87	12,354.72
Total non-current assets		99,439,579,740.95	94,681,133,671.54
Total assets		137,598,415,933.55	131,260,083,173.39
Liabilities and shareholders' equity			
Current liabilities:			
Accounts payable		398,612,264.14	488,845,346.91
Contract liabilities		29,869,292.53	7,386,539.93
Employee benefits payable		5,659,331.65	2,278,203.51
Taxes payable		79,795,607.58	9,832,473.38
Other payables		15,957,756,254.12	8,365,136,771.88
Non-current liabilities due within one year		5,311,106,241.69	5,276,912,359.22
Other current liabilities	(V) 32 (1)	3,613,762,191.79	5,246,547,452.05
Total current liabilities		25,396,561,183.50	19,396,939,146.88
Non-current liabilities:			
Long-term loans	(XV) 6	800,000,000.00	800,000,000.00
Bonds payable	(V) 34	6,986,982,564.49	5,988,041,567.89
Lease liabilities		73,263,447.78	140,033,806.68
Long-term employee benefits payable		6,276,054.71	18,587,634.13
Deferred income		3,134,126.67	6,696,926.67
Total non-current liabilities		7,869,656,193.65	6,953,359,935.37
Total liabilities		33,266,217,377.15	26,350,299,082.25

The accompanying notes to the financial statements form an integral part of these financial statements.

Item	Notes	June 30, 2022	December 31, 2021
Shareholders' equity:			
Share capital		50,498,611,100.00	50,498,611,100.00
Capital reserve		31,781,695,128.05	31,781,695,128.05
Surplus reserve		4,489,836,124.69	4,489,836,124.69
Retained earnings		17,562,056,203.66	18,139,641,738.40
Total shareholders' equity		104,332,198,556.40	104,909,784,091.14
Total liabilities and shareholders' equity		137,598,415,933.55	131,260,083,173.39

These financial statements were approved by the board of directors on August 24, 2022.

The accompanying notes to the financial statements form an integral part of these financial statements.

The financial statements were signed by the following persons in charge.

Yang Changli
Legal Representative (Chairman)

Gao Ligang
Executive Director

Yin Engang
Chief Financial Officer

Shan Jing
Head of the Accounting
Department

Consolidated Income Statement (unaudited)

For the period from January 1, 2022 to June 30, 2022

(Unit: RMB)

Item	Notes	For the period from January 1, 2022 to June 30, 2022	For the period from January 1, 2021 to June 30, 2021
I. Operating revenue	(V) 45	36,622,093,484.82	36,865,672,287.30
Less: Operating costs	(V) 45	21,948,110,852.25	23,174,159,755.12
Tax and surcharges	(V) 46	373,040,564.34	320,789,155.01
Selling expenses	(V) 47	21,112,069.25	46,008,194.03
Administrative expenses	(V) 48	1,176,685,485.00	1,108,028,311.77
Research and development expenses	(V) 49	448,028,566.70	521,190,877.17
Finance costs	(V) 50	3,257,842,421.67	3,264,129,077.99
Including: Interest expenses		3,364,107,688.16	3,604,841,806.53
Interest income		80,432,534.75	73,404,727.46
Add: Other gains	(V) 51	516,882,682.63	792,976,087.93
Investment income	(V) 52	691,775,521.79	648,516,633.08
Including: Income from investment in associates and joint ventures		649,542,678.02	634,219,486.34
Gains/(losses) from changes in fair value	(V) 53	58,620,720.03	(9,529,201.08)
(Losses)/gains from credit impairment	(V) 54	(47,527,989.97)	1,464,621.82
Asset impairment gains/(losses)	(V) 55	524.48	(19,917.17)
Gains from disposal of assets	(V) 56	2,160,849.59	-
II. Operating profit		10,619,185,834.16	9,864,775,140.79
Add: Non-operating income	(V) 57	13,835,357.02	29,180,178.30
Less: Non-operating expenses	(V) 58	30,232,210.26	38,217,310.99
III. Total profit		10,602,788,980.92	9,855,738,008.10
Less: Income tax expenses	(V) 59	1,750,680,685.48	1,185,327,425.60
IV. Net profit		8,852,108,295.44	8,670,410,582.50
(I) Classified by continuity of operations			
1. Net profit from continuing operations		8,852,108,295.44	8,670,410,582.50
2. Net profit from discontinued operations		-	-
(II) Classified by ownership			
1. Net profit attributable to shareholders of the parent company		5,904,498,333.83	5,498,143,474.68
2. Non-controlling interests		2,947,609,961.61	3,172,267,107.82

The accompanying notes to the financial statements form an integral part of these financial statements.

Item	Notes	For the period from January 1, 2022 to June 30, 2022	For the period from January 1, 2021 to June 30, 2021
V. Other comprehensive income, net of tax	(V) 41	348,590,748.14	(4,683,889.25)
Other comprehensive income attributable to shareholders of the parent company, net of tax		265,861,531.07	4,793,846.81
(I) Other comprehensive income that will not be reclassified to profit or loss		17,848,254.81	32,856,180.00
1. Change arising from remeasurement of defined benefit plan		1,892,875.00	(1,461,375.00)
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		3,556,854.81	(862,670.00)
3. Change in fair value of investment in other equity instruments		12,398,525.00	35,180,225.00
(II) Other comprehensive income that may be reclassified to profit or loss		248,013,276.26	(28,062,333.19)
1. Translation differences arising from translation of foreign currency financial statements		248,013,276.26	(28,062,333.19)
Other comprehensive income attributable to non-controlling interests, net of tax		82,729,217.07	(9,477,736.06)
VI. Total comprehensive income		9,200,699,043.58	8,665,726,693.25
Total comprehensive income attributable to shareholders of the parent company		6,170,359,864.90	5,502,937,321.49
Total comprehensive income attributable to non-controlling interests		3,030,339,178.68	3,162,789,371.76
VII. Earnings per share			
(I) Basic earnings per share	(V) 60	0.117	0.109
(II) Diluted earnings per share	(V) 60	0.117	0.109

The accompanying notes to the financial statements form an integral part of these financial statements.

Income Statement of the Parent Company (unaudited)

For the period from January 1, 2022 to June 30, 2022

(Unit: RMB)

Item	Notes	For the period from January 1, 2022 to June 30, 2022	For the period from January 1, 2021 to June 30, 2021
I. Operating revenue	(XV) 7	75,319,894.28	229,003,214.78
Less: Operating costs	(XV) 7	54,604,419.88	163,018,741.20
Tax and surcharges		1,128,529.80	278,925.70
Administrative expenses		278,856,581.38	223,112,482.11
Research and development expenses		53,648,880.90	75,061,419.74
Finance costs		271,714,493.09	270,566,028.84
Including: Interest expenses		316,060,683.24	315,977,024.56
Interest income		45,365,921.81	42,021,092.26
Add: Other gains		1,414,949.81	3,057,440.67
Investment income	(XV) 8	4,235,320,492.32	1,896,449,165.45
Including: Income from investment in associates and joint ventures		178,630,087.46	161,264,538.43
Gains/(losses) from changes in fair value		11,162,774.79	(978,210.64)
Gains from credit impairment		1,398,180.34	4,804.91
Gains from disposal of assets		1,555,764.32	-
II. Operating profit		3,666,219,150.81	1,395,498,817.58
Add: Non-operating income		-	-
Less: Non-operating expenses		31,512.23	31,200.00
III. Total profit		3,666,187,638.58	1,395,467,617.58
Less: Income tax expenses		-	-
IV. Net profit		3,666,187,638.58	1,395,467,617.58
(I) Net profit from continuing operations		3,666,187,638.58	1,395,467,617.58
V. Other comprehensive income, net of tax		-	-
VI. Total comprehensive income		3,666,187,638.58	1,395,467,617.58

The accompanying notes to the financial statements form an integral part of these financial statements.

Consolidated Cash Flow Statement (unaudited)

For the period from January 1, 2022 to June 30, 2022

(Unit: RMB)

Item	Notes	For the period from January 1, 2022 to June 30, 2022	For the period from January 1, 2021 to June 30, 2021
I. Cash flows from operating activities:			
Cash received from the sales of goods and rendering of services		41,351,806,045.02	42,233,388,067.97
Tax rebate received		625,621,955.26	794,229,302.36
Other cash received relating to operating activities	(V) 62(1)	995,412,548.79	891,157,523.22
Sub-total of cash inflow from operating activities		42,972,840,549.07	43,918,774,893.55

Cash payments for goods purchased and services received		20,281,112,230.99	19,494,634,692.69
Cash payments to and on behalf of employees		4,334,781,370.11	4,319,984,463.88
Payments of various types of taxes		4,152,789,766.10	3,110,606,453.50
Other cash payments relating to operating activities	(V) 62(2)	1,267,641,295.29	1,258,073,400.79
Sub-total of cash outflow from operating activities		30,036,324,662.49	28,183,299,010.86
Net cash flows from operating activities		12,936,515,886.58	15,735,475,882.69

II. Cash flows from investing activities:			
Cash received from investment income		21,251,461.15	22,519,555.49
Net cash received from disposal of fixed assets		1,110,371.02	5,680,868.25
Other cash received relating to investing activities	(V) 62(3)	2,435,376,110.66	3,188,355,240.60
Sub-total of cash inflow from investing activities		2,457,737,942.83	3,216,555,664.34

Cash paid to purchase and construct fixed assets, intangible assets and other long-term assets		4,245,684,797.59	6,733,974,158.00
Cash paid for investments		809,754,495.00	28,295,368.96
Other cash paid relating to investing activities	(V) 62(4)	1,820,012,741.49	1,524,378,056.45
Sub-total of cash outflow from investing activities		6,875,452,034.08	8,286,647,583.41
Net cash flow used in investing activities		(4,417,714,091.25)	(5,070,091,919.07)

The accompanying notes to the financial statements form an integral part of these financial statements.

Consolidated Cash Flow Statement (unaudited)

For the period from January 1, 2022 to June 30, 2022

Item	Notes	For the period from January 1, 2022 to June 30, 2022	For the period from January 1, 2021 to June 30, 2021
III. Cash flows from financing activities:			
Cash received from borrowings		46,659,121,907.51	29,189,096,197.90
Other cash received relating to financing activities	(V) 62(5)	148,050.00	583,830,000.01
Sub-total of cash inflow from financing activities		46,659,269,957.51	29,772,926,197.91
Cash repayments of borrowings		46,270,576,137.34	31,076,480,641.01
Cash payments for distribution of dividends or profits or settlement of interest expenses		5,196,145,162.99	5,341,585,664.48
Including: Payments for distribution of dividends or profits to minority shareholders of subsidiaries		1,155,859,912.71	1,201,360,505.22
Other cash payments relating to financing activities	(V) 62(6)	144,549,035.67	159,694,190.52
Sub-total of cash outflow from financing activities		51,611,270,336.00	36,577,760,496.01
Net cash flow used in financing activities		(4,952,000,378.49)	(6,804,834,298.10)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(23,650,013.31)	(10,195,748.60)
V. Net increase in cash and cash equivalents	(V) 63(1)(b)	3,543,151,403.53	3,850,353,916.92
Add: Opening balance of cash and cash equivalents		11,571,839,016.11	8,719,143,941.04
VI. Closing balance of cash and cash equivalents	(V) 63(3)	15,114,990,419.64	12,569,497,857.96

The accompanying notes to the financial statements form an integral part of these financial statements.

Cash Flow Statement of the Parent Company (unaudited)

For the period from January 1, 2022 to June 30, 2022

(Unit: RMB)

Item	Notes	For the period from January 1, 2022 to June 30, 2022	For the period from January 1, 2021 to June 30, 2021
I. Cash flows from operating activities:			
Cash received from the sales of goods and rendering of services		554,232,502.22	373,954,595.74
Tax rebate received		41,520,104.51	–
Other cash received relating to operating activities		63,342,484.82	60,337,168.35
Sub-total of cash inflow from operating activities		659,095,091.55	434,291,764.09
II. Cash flows from investing activities:			
Cash received from disposal of investments		15,930,500,000.01	11,030,000,000.00
Cash received from investment income		740,689,384.35	1,074,878,204.01
Net cash received from disposal of fixed assets		513,841.18	51,320.00
Net cash received from disposal of subsidiaries		10,429,199.93	–
Sub-total of cash inflow from investing activities		16,682,132,425.47	12,104,929,524.01
Cash paid to purchase and construct fixed assets, intangible assets and other long-term assets		1,076,977,988.55	493,295,591.27
Cash paid for investments		14,437,754,495.00	15,252,380,005.80
Other cash paid relating to investing activities		152,083.33	762,418.22
Sub-total of cash outflow from investing activities		15,514,884,566.88	15,746,438,015.29
Net cash flows from/(used in) operating activities	(XV) 9	281,106,134.29	(133,391,817.51)
III. Cash flows from financing activities:			
Cash received from borrowings		13,055,273,956.33	10,702,767,311.93
Sub-total of cash inflow from financing activities		13,055,273,956.33	10,702,767,311.93
Cash repayments of borrowings		10,281,094,261.72	3,146,414,459.35
Cash payments for distribution of dividends or settlement of interest expenses		295,694,555.00	196,618,380.71
Other cash payments relating to financing activities		25,919,191.13	18,624,250.10
Sub-total of cash outflow from financing activities		10,602,708,007.85	3,361,657,090.16
Net cash flow from financing activities		2,452,565,948.48	7,341,110,221.77
IV. Effect of foreign exchange rate changes on cash and cash equivalents		1,473,357.13	4,365,908.48
V. Net increase in cash and cash equivalents		3,902,393,298.49	3,570,575,821.46
Add: Opening balance of cash and cash equivalents	(XV) 9	9,732,690,649.20	6,694,196,723.37
VI. Closing balance of cash and cash equivalents	(XV) 9	13,635,083,947.69	10,264,772,544.83

The accompanying notes to the financial statements form an integral part of these financial statements.

Consolidated Statement of Changes in Equity (unaudited)

For the period from January 1, 2022 to June 30, 2022

(Unit: RMB)

Item	Notes	For the period from January 1, 2022 to June 30, 2022								
		Attributable to shareholders of the Parent Company							Non-controlling interests	Total shareholders' equity
		Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Sub-total		
I. Balance at December 31, 2021 and January 1, 2022		50,498,611,100.00	10,790,413,325.63	345,482,066.81	249,371,452.84	4,901,527,564.79	34,156,732,949.42	100,942,138,459.49	50,008,158,442.57	150,950,296,902.06
II. Changes in the current period		-	13,664,789.50	265,861,531.07	(45,758,008.84)	-	1,660,725,160.51	1,894,493,472.24	623,525,682.99	2,518,019,155.23
(I) Total comprehensive income		-	-	265,861,531.07	-	-	5,904,498,333.83	6,170,359,864.90	3,030,339,178.68	9,200,699,043.58
(II) Shareholders' contributions and reduction in capital		-	13,664,789.50	-	-	-	-	13,664,789.50	(12,632,431.84)	1,032,357.66
1. Others		-	13,664,789.50	-	-	-	-	13,664,789.50	(12,632,431.84)	1,032,357.66
(III) Profit distribution		-	-	-	-	-	(4,243,773,173.32)	(4,243,773,173.32)	(2,394,181,063.85)	(6,637,954,237.17)
1. Distribution to shareholders	(V) 44	-	-	-	-	-	(4,243,773,173.32)	(4,243,773,173.32)	(2,394,181,063.85)	(6,637,954,237.17)
(IV) Specific reserve	(V) 42	-	-	-	(45,758,008.84)	-	-	(45,758,008.84)	-	(45,758,008.84)
1. Transfer to specific reserve in the period		-	-	-	111,832,427.82	-	-	111,832,427.82	-	111,832,427.82
2. Amount utilized in the period		-	-	-	(157,590,436.66)	-	-	(157,590,436.66)	-	(157,590,436.66)
III. Balance at June 30, 2022		50,498,611,100.00	10,804,078,115.13	611,343,597.88	203,613,444.00	4,901,527,564.79	35,817,458,109.93	102,836,631,931.73	50,631,684,125.56	153,468,316,057.29

(Unit: RMB)

Item	Notes	For the period from January 1, 2021 to June 30, 2021								
		Attributable to shareholders of the Parent Company							Non-controlling interests	Total shareholders' equity
		Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Sub-total		
I. Balance at December 31, 2020 and January 1, 2021		50,498,611,100.00	10,784,004,133.34	405,306,708.13	248,862,260.50	4,346,624,819.53	28,989,865,085.43	95,273,274,106.93	46,357,332,150.98	141,630,606,257.91
II. Changes in the current period		-	11,812,265.12	4,793,846.81	(31,140,191.93)	-	1,453,860,657.37	1,439,326,577.37	477,543,807.16	1,916,870,384.53
(I) Total comprehensive income		-	-	4,793,846.81	-	-	5,498,143,474.68	5,502,937,321.49	3,162,789,371.76	8,665,726,693.25
(II) Shareholders' contributions and reduction in capital		-	11,812,265.12	-	-	-	-	11,812,265.12	-	11,812,265.12
1. Others		-	11,812,265.12	-	-	-	-	11,812,265.12	-	11,812,265.12
(III) Profit distribution		-	-	-	-	-	(4,044,282,817.31)	(4,044,282,817.31)	(2,685,245,564.60)	(6,729,528,381.91)
1. Distribution to shareholders		-	-	-	-	-	(4,044,282,817.31)	(4,044,282,817.31)	(2,685,245,564.60)	(6,729,528,381.91)
(IV) Specific reserve		-	-	-	(31,140,191.93)	-	-	(31,140,191.93)	-	(31,140,191.93)
1. Transfer to specific reserve in the period		-	-	-	1,575,348.07	-	-	1,575,348.07	-	1,575,348.07
2. Amount utilized in the period		-	-	-	(32,715,540.00)	-	-	(32,715,540.00)	-	(32,715,540.00)
III. Balance at June 30, 2021		50,498,611,100.00	10,795,816,398.46	410,100,554.94	217,722,068.57	4,346,624,819.53	30,443,725,742.80	96,712,600,684.30	46,834,875,958.14	143,547,476,642.44

The accompanying notes to the financial statements form an integral part of these financial statements.

Statement of Changes in Equity of Parent Company (unaudited)

For the period from January 1, 2022 to June 30, 2022

(Unit: RMB)

	For the period from January 1, 2022 to June 30, 2022				
	Share capital	Capital reserve	Surplus reserve	Retained earnings	Total shareholders' equity
I. Balance at December 31, 2021 and January 1, 2022	50,498,611,100.00	31,781,695,128.05	4,489,836,124.69	18,139,641,738.40	104,909,784,091.14
II. Changes in the current period	-	-	-	(577,585,534.74)	(577,585,534.74)
(I) Total comprehensive income	-	-	-	3,666,187,638.58	3,666,187,638.58
(II) Profit distribution	-	-	-	(4,243,773,173.32)	(4,243,773,173.32)
1. Distribution to shareholders	-	-	-	(4,243,773,173.32)	(4,243,773,173.32)
III. Balance at June 30, 2022	50,498,611,100.00	31,781,695,128.05	4,489,836,124.69	17,562,056,203.66	104,332,198,556.40

(Unit: RMB)

	For the period from January 1, 2021 to June 30, 2021				
	Share capital	Capital reserve	Surplus reserve	Retained earnings	Total shareholders' equity
I. Balance at December 31, 2020 and January 1, 2021	50,498,611,100.00	31,781,612,580.88	3,934,933,379.43	17,185,318,779.98	103,400,475,840.29
II. Changes in the current period	-	-	-	(2,648,815,199.73)	(2,648,815,199.73)
(I) Total comprehensive income	-	-	-	1,395,467,617.58	1,395,467,617.58
(II) Profit distribution	-	-	-	(4,044,282,817.31)	(4,044,282,817.31)
1. Distribution to shareholders	-	-	-	(4,044,282,817.31)	(4,044,282,817.31)
III. Balance at June 30, 2021	50,498,611,100.00	31,781,612,580.88	3,934,933,379.43	14,536,503,580.25	100,751,660,640.56

The accompanying notes to the financial statements form an integral part of these financial statements.

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(I) COMPANY OVERVIEW

CGN Power Co., Ltd. (the "Company") is a joint stock company jointly established by 中國廣核集團有限公司 China General Nuclear Power Corporation ("CGNPC"), as the main promoter by way of contribution with equity of 11 companies involved in the development, investment, operation and research and development of NPPs as well as certain assets and liabilities in respect of the above businesses (the "Business Contribution"), together with other promoters by way of cash contribution in accordance with relevant provisions under PRC laws and administrative regulations, with approvals from the State-Owned Assets Supervision and Administration Commission of the State Council (the "SASAC") through the Reply on the Matters Related to the Main Business Restructuring and Listing of China General Nuclear Power Corporation (Guo Zi Gai Ge [2013] No. 1005) (國資改革[2013]1005 號《關於中國廣核集團有限公司核電主業改制並上市有關事項的批覆》) dated December 4, 2013 and the Reply on the Establishment of CGN Power Co., Ltd. (Guo Zi Gai Ge [2014] No. 123) (國資改革[2014]123 號《關於設立中國廣核電力股份有限公司的批覆》) dated March 14, 2014. The Company was incorporated in Shenzhen, Guangdong Province on March 25, 2014, and obtained the business license (No. 440301109037551) issued by the State Administration of Industry and Commerce.

Upon establishment, the Company's total share capital was RMB35,300,000,000.00, which was valued by 北京中企華資產評估有限責任公司(Beijing China Enterprise Appraisals Co., Ltd.), with final approval by the SASAC through the Reply on the Approval of the Asset Valuation Results to the Main Business Restructuring and Listing Project of China General Nuclear Power Corporation (Guo Zi Chan Quan [2014] No. 108) 《關於中國廣核集團有限公司核電主業改制並上市項目資產評估結果核准的批覆》(國資產權[2014]108 號)). CGNPC contributed RMB43,017,097,508.00, including valuation of the Business Contribution at RMB40,425,171,692.47 and cash contribution of RMB2,591,925,815.53, translating into 30,040,300,000 shares of the Company at a ratio of 69.83%, representing 85.10% of the total shares; Guangdong Hengjian Investment Holding Co., Ltd. contributed RMB5,054,888,074.00, translating into 3,530,000,000 at a ratio of 69.83%, representing 10.00% of the total shares; and China National Nuclear Corporation (formerly 中國核工業集團公司 China National Nuclear Corporation) ("CNNC") contributed RMB2,476,895,156.00, translating into 1,729,700,000 at a ratio of 69.83%, representing 4.90% of the total shares.

As approved by the Reply on the Approval to Issue Overseas Listed Foreign Share of CGN Power Co., Ltd. (Zheng Jian Xu Ke [2014] No. 1165) 《關於核准中國廣核電力股份有限公司發行境外上市外資股的批覆》(證監許可[2014]1165 號)) issued by China Securities Regulatory Commission on November 3, 2014, and the Letter of Consent for Listing issued by the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on December 9, 2014, the Company publicly issued overseas listed foreign shares (H shares) in December 2014 and was listed on the Main Board of the Hong Kong Stock Exchange, with an initial offering size of 8,825,000,000 overseas listed foreign shares (H shares), and 1,323,750,000 shares issued and allotted due to the exercise of over-allotment option with a nominal value of RMB1.00 per share and an issuance price of HK\$2.78 per share. Under the PRC regulations related to the disposal of state-owned shares, CGNPC, Guangdong Hengjian Investment Holding Co., Ltd. and CNNC are required to transfer the amount of domestic shares equivalent to 10% of offer shares to the National Council for Social Security Fund ("NCSSF"), totaling 1,014,875,000 shares. Upon the listing of the Company, shares held by the NCSSF were translated into H shares amounting to 1,014,875,000 shares on an one-for-one basis.

As approved by the Reply on Approval of the Initial Public Offer of Shares of CGN Power Co., Ltd. (Zheng Jian Xu Ke [2019] No. 1381) 《關於核准中國廣核電力股份有限公司首次公開發行股票的批覆》(證監許可[2019]1381 號)) issued by China Securities Regulatory Commission on July 26, 2019, the Company issued RMB ordinary shares (A shares) under the public offer in August 2019 and the shares were listed on the SME Board of the Shenzhen Stock Exchange. A total of 5,049,861,100 RMB ordinary shares (A shares) were issued with a nominal value of RMB1.00 each. The issue price was RMB2.49. The proceeds amounted to RMB12,574,154,139.00 in total. After deducting the issuance costs, the actual net proceeds amounted to RMB12,389,775,559.44, of which, RMB5,049,861,100.00 was included in the paid-in capital and RMB7,339,914,459.44 was included in the capital reserve. The status of proceeds has been verified by Deloitte Touche Tohmatsu (Certified Public Accountants LLP), which has issued the Capital Verification Report (De Shi Bao (Yan) Zi (19) No. 00386).

The headquarters of the Company is located in Shenzhen, Guangdong Province. The parent of the Company is CGNPC. The ultimate beneficial owner of the Company is the SASAC.

The scope of business of the Company and its subsidiaries (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 NPPs 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.

For the scope of consolidated financial statements for the reporting period, please refer to Note (VII) "INTEREST IN OTHER ENTITIES". For the changes in the scope of consolidated financial statements, please refer to Note (VI) "CHANGES IN CONSOLIDATION SCOPE".

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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 2014). In addition, the financial statements also include information disclosure according to the relevant disclosure requirements under the Hong Kong Companies Ordinance and the Listing Rules of the Hong Kong Stock Exchange.

Going concern

The Group has evaluated its ability of going concern for the next 12 months since July 1, 2022. There is no indication of major events that may affect the ability of going concern. Thus, the financial statements have been prepared under the assumption of going concern.

Basis of accounting and principle of measurement

The Group's financial statements have been prepared on an accrual basis. Except for certain financial instruments which are measured at fair value, the financial statements are prepared under the historical cost convention. In the event that impairment of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.

Under historical cost method, the amount of assets was measured at the fair value of cash or cash equivalents or consideration paid at the time of purchase. Liabilities were measured at the amount of money or assets and liabilities due to the current obligations actually received, or a present obligation of the contract amount, or the measurement of cash or cash equivalents in accordance with daily activities to repay the debts of the amount expected to be paid.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Whether fair value is observable or measured by valuation techniques, the measurement and disclosure in these financial statements were all based on it.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than the Level 1 inputs, that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Statement of compliance

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely reflect consolidated and the parent company's financial position of the Group as at June 30, 2022 and consolidated and the parent company's operating results and cash flows for the period from January 1 to June 30, 2022.

2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e. from January 1 to December 31.

3. Operating cycle

Operating cycle refers to period from assets purchased for production to cash or cash equivalents realized.

4. Functional currency

Apart from the functional currency of the primary economic environment of 廣東核電合營有限公司 Guangdong Nuclear Power Joint Venture Co., Ltd. ("GNPJVC"), a subsidiary of the Company, being USD, the functional currency of the primary economic environment that the Company and its other subsidiaries operate in is RMB. The Company adopts RMB to prepare the financial statements.

5. The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

If the Group obtains control of another or more companies (or a group of assets or net assets) which constitutes a business, such transaction or event constitutes a business combination. Business combinations are classified into business combination under common control and not under common control.

For business combinations not involving enterprises under common control, the purchaser will consider whether to adopt the simplified judgment method of "concentration test" when determining whether the acquired production and operation activities or the combination of assets constitute a business. If the combination passes the concentration test, it is determined not to constitute a business. If the combination fails the concentration test, it should still be determined according to business conditions.

When the Group acquires a set of assets or net assets that do not constitute a business, the purchase cost shall be allocated on the basis of the relative fair value of the identifiable assets and liabilities acquired on the purchase date, instead of the being accounted for using the following accounting treatment methods for business combinations.

(1) Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities obtained in the business combination are recognized at their carrying amounts at the date of merger as recorded by the party being combined. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination and/or aggregate face values of the shares issued is adjusted to the share premium in the capital reserves. If the share premium in the capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained profits.

Costs that are directly attributable to the combination are charged to profit or loss when incurred.

(2) Business combinations not involving enterprises under common control and goodwill

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The combination costs shall be the fair value of the assets paid, the liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for the control over the acquiree. For business combinations not involving enterprises under common control realized step by step through multiple transactions, the cost of combination is the sum of the consideration paid at the acquisition date and the fair value at the acquisition date of the acquirer's previously held interest in the acquiree. The overhead for the business combination of the combining party, including the expenses for audit, legal services, assessment, and other administrative expenses, shall be recorded in profit or loss for the period when incurred.

Identifiable assets, liabilities and contingent liabilities of acquiree qualifying for the conditions of recognition acquired by the acquirer in business combination are measured at fair value on the acquisition date.

For the difference that the combination cost is larger than the portion of fair value of net identifiable assets of acquiree acquired in combination, it is recognized as goodwill as an asset, and initially measured at cost. For those with combination cost lower than the portion of fair value of net identifiable assets of acquiree acquired in combination, re-verification is first carried out on the measurement of the fair value of all identifiable assets, liabilities and contingent liabilities as well as the combination cost. For those with combination cost still lower than the portion of fair value of net identifiable assets of acquiree acquired in combination after re-verification, they are credited to profit or loss for the period.

Goodwill occurred as a result of business combination shall be recognized separately in the consolidated financial statements and measured at cost less accumulated impairment losses.

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

6. Basis for preparation of consolidated financial statements

The scope of consolidated financial statements is determined on the basis of control. Control is achieved when the investor has power over the investee; is exposed, or has rights to receive variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. Once the relevant facts and situation changed that altered the elements define control, the Group shall re-evaluate control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination involving enterprises not under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the accounting policies and accounting periods consistently set out by the Company.

The effects of all intra-group transactions between the Company and subsidiaries and among the subsidiaries are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the parent company is treated as non-controlling interests and presented as "non-controlling interests" in the consolidated balance sheet within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to non-controlling interests is presented as "non-controlling interests" in the consolidated income statement below the "net profit" line item.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount is still allocated against non-controlling interests.

Acquisition of non-controlling interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts attributable to owners' of the parent company and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between the aggregate of the consideration received on disposal and the fair value of any retained interest(s) and the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognized as investment income in the period in which control is lost, and at the same time adjusted against goodwill. Except for the other comprehensive income arising from the change in net liabilities or net assets as a result of the remeasurement of defined benefit plan by the acquiree, other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

7. Classification of joint arrangements and accounting treatment for joint ventures

There are two types of joint arrangements – joint operations and joint ventures. The type of joint arrangements is determined based on the rights and obligations of joint operators to the joint arrangements by considering the factors, such as the structure, the legal form of the arrangements, and the contractual terms, etc. A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement.

8. Standards for determining cash and cash equivalents

Cash comprises cash in hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Translation of transactions and financial statements denominated in foreign currencies

(1) Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognized in profit or loss for the period, except that (1) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period; (2) exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting.

Foreign currency non-monetary items measured at historical cost are translated into the amounts in functional currency at the spot exchange rates on the dates of the transactions. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognized in profit and loss or as other comprehensive income.



Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(2) Translation of financial statements denominated in foreign currencies

For the purpose of preparing the consolidated financial statements, financial statements with USD as the functional currency are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; owners' equity items are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at exchange rates that approximate the actual spot exchange rates on the dates of the transactions; the difference between the translated assets and the aggregate of liabilities and shareholders' equity items is recognized as other comprehensive income and included in shareholders' equity in the consolidated financial statements.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at an exchange rate which approximates the spot exchange rate on the date of the cash flows. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the consolidated cash flow statement as "effect of foreign exchange rate changes on cash and cash equivalents".

The opening balances and the comparative figures of previous year are presented at the translated amounts in the previous year's financial statements.

On disposal of the Group's entire interest in a foreign operation, or upon a loss of control over a foreign operation due to disposal of certain interest in it or other reasons, the Group transfers the accumulated exchange differences arising on translation of financial statements of this foreign operation attributable to the shareholders' equity of the parent company and presented under shareholders' equity in the consolidated balance sheet, to profit or loss in the period in which the disposal occurs.

In case of a disposal or other reason that results in a reduction in the proportional interest held but does not result in losing control over a foreign operation, the proportionate share of accumulated exchange differences arising on translation of financial statements are re-attributed to non-controlling interests and are not recognized in profit and loss. For partial disposals of equity interests in foreign operations which are associates or joint ventures, the proportionate share of the accumulated exchange differences arising on translation of financial statements of foreign operations is reclassified to profit or loss.

10. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

For financial assets purchased and sold in regular way, the assets to be received or liabilities to be repaid on the settlement date are recognized on the transaction date, or the financial assets and receivables to be delivered on the settlement date are derecognized on the transaction date and the relevant profit or loss is recognized.

The financial assets and liabilities were initially recognized at fair value. For the financial assets and liabilities measured at fair value through profit or loss ("FVTPL"), related transaction expenses are charged to the profit or loss, for other financial assets and liabilities, related transaction expenses are included in the initial recognized amount. When initially recognized by the Group according to the Accounting Standards for Business Enterprises No.14 – Revenue" (the "New Standards for Revenue"), accounts receivable that do not contain a significant financing component or for which the financing component in the contract within 1 year is not considered are initially recognized at the transaction price defined under the New Standards for Revenue.

The effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over each accounting period.

The effective interest rate is the rate that exactly discounts estimated future cash flow through the expected life of the financial asset or financial liability to the book balance of a financial asset or to the amortized cost of a financial liability. In determining the effective interest rate, expected cash flow is estimated after taking into account all contract terms of financial assets or financial liabilities, including early repayment, extension, call option or other similar options, without considering expected credit loss.

The amortized cost of financial assets or financial liabilities is calculated by deducting repaid principal amount from initially recognized amount of the financial assets or financial liabilities, adding or subtracting the accumulated amortization amount which is the amortized difference between the initial recognition amount and the amount at the expiry date using the effective interest rate method, then further deducting the accumulated impairment of loss (only applicable to financial assets).

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(1) Classification, recognition and measurement of financial assets

(a) Classification of financial assets of the Group

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortized cost, at fair value through other comprehensive income ("FVTOCI"), or at FVTPL.

If contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows, such asset is classified into financial asset measured at amortized cost. Such financial asset mainly includes cash at bank and in hand, bills receivable, accounts receivable and other receivables, etc.

If contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows and sell the financial asset, such asset is classified into financial asset measured at FVTOCI. Such financial asset is presented as other debt investments. The debt investments due within 1 year (inclusive) from the balance sheet date are presented in non-current assets due within one year; other debt investments due within 1 year (inclusive) when they are acquired are presented in other current assets.

On initial recognition, the Group may, on the basis of individual financial asset, irrevocably designate equity instrument investments not held for trading (excluding contingent considerations) recognized in business combination not under common control as financial assets at FVTOCI. Such financial assets are stated as investment in other equity instruments.

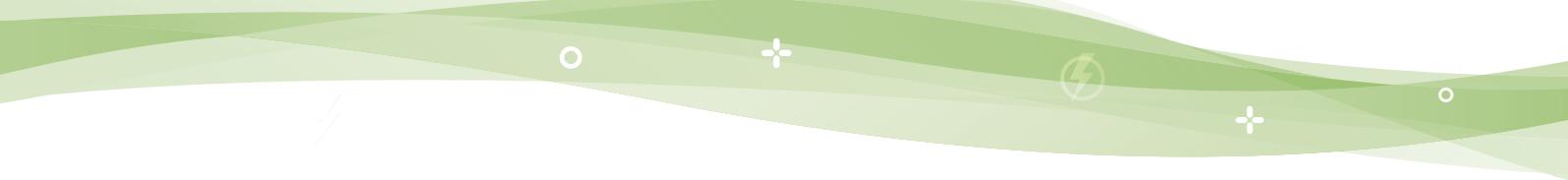
Apart from the derivative financial assets presented in financial assets held for trading, financial assets at FVTPL includes financial assets at FVTPL and those designated as at FVTPL. The assets due more than 1 year and expected to be held for more than 1 year are presented in other non-current financial assets.

- Both financial assets fail to qualify as at amortized cost or at FVTOCI are classified into financial assets at FVTPL.
- On initial recognition, the Group may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch and includes mixed contract conditions of embedded derivatives.

If a financial asset meets one of the following conditions, it is considered that such asset is held by the Group for trading:

- The purpose of obtaining such financial asset is mainly for selling in the near future.
- Such financial asset is part of the identifiable financial instrument portfolio that is centrally managed at initial recognition, and there is objective evidence that short-term profit model exists in the near future.
- Such financial asset is a derivative, except for derivatives that meet the definition given in the financial guarantee contract and derivatives that are designated as effective hedging instruments.

The business model for managing the financial assets refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows from managing financial assets will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.



In determining whether the contractual cash flows generated from a financial asset on a specific date are solely payments of principal and interest based on the principal amount outstanding, the Group assesses the characteristics of the contractual cash flows of such financial asset. For such purposes, “principal” is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

(b) Subsequent measurement of financial assets of the Group

– Financial assets at amortized cost

Financial assets at amortized cost adopt the effective interest rate method and subsequently measured at amortized cost. Gains or losses arising from impairment, reclassification or derecognition is recognized in profit or loss.

The Group adopts the effective interest rate method to recognize interest income for financial assets at amortized cost. Interest income is calculated by the carrying amount of financial assets multiplied by effective interest rate, with the following exception:

- a purchased or originated credit-impaired (“POCI”) financial asset, whose interest income is calculated since initial recognition by applying the credit-adjusted effective interest rate to its amortized cost.

– Financial assets at FVTOCI

Except for impairment losses or gains of financial assets classified as measured at FVTOCI, and interest income and exchange gains or losses calculated at effective interest rate recognized in profit or loss, the changes in fair value of the financial asset are recognized in the other comprehensive income. When the financial assets are derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in profit or loss.

After designating equity instrument investments not held for trading as financial assets at FVTOCI, changes in fair value of such financial assets are recognized in other comprehensive income. Upon derecognition, accumulated gains or losses previously recognized in other comprehensive income shall be transferred and included in retained earnings. In the duration of holding such equity instrument investments not held for trading, when the Group’s right to receive dividends is established, economic benefits related to dividends are likely to flow into the Group, and the amount of dividends may be reliably measured, dividend income shall be calculated and recognized in profit or loss.

– Financial assets at FVTPL

Financial assets at FVTPL shall be subsequently measured at fair value. Relevant gains or loss as well as dividends and interest income related to such financial assets shall be recognized in profit or loss.

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(2) Impairment of financial instruments

For financial assets measured at amortized cost, financial assets classified as measured at FVTOCI and contract assets, impairment shall be accounted for on the basis of expected credit loss and loss impairment shall be recognized.

The Group makes a loss allowance against amount of expected credit losses equal to the whole life of the contract assets or accounts receivable that exclude significant financing component or do not consider the financing component in the contract within one year arising from transactions adopting the New Standards for Revenue.

As for other financial instruments, other than purchased or POCI financial assets, the Group assesses the changes in credit risk of such financial instruments since the initial recognition at each balance sheet date. If the credit risk of such financial instrument has significantly increased since initial recognition, the Group shall make loss allowance equivalent to the amount of expected credit loss during its whole life; if the credit risk of such financial instrument has not significantly increased since initial recognition, the Group shall make loss allowance equivalent to the amount of expected credit loss for the next 12 months. Apart from financial assets classified as measured at FVTOCI, increase or reversal of credit loss allowance are recognized in profit or loss as impairment losses or gains. The Group recognizes the credit loss allowance of financial assets classified as measured at FVTOCI, while allowance losses or gains are recognized in profit or loss, without deducting its carrying amount stated in the balance sheet.

The Group has made a loss allowance against amount of expected credit losses equal to the whole life in the prior accounting period. However, at the balance sheet date, the credit risk on a financial instrument has not increased significantly since initial recognition; the Group will measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. Reversed amount of loss allowance arising from such circumstances shall be included in profit or loss as impairment gains.

– Significant increase of credit risk

The Group will make use of reasonable and supportable forward-looking information that is available to determine whether credit risk has increased significantly since initial recognition through comparing the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

The Group will take the following factors into consideration when assessing whether credit risk has increased significantly:

- Debtor's failure to make payments of principal and interest on their contractually due dates;
- An actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- An actual or expected significant deterioration in the operating results of the debtor; and
- Existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Regardless if the above assessment indicates any significant changes in credit risk, if contractual payment of a financial instrument is over due by 30 days (inclusive), it is considered that the credit risk of such instrument has significantly increased.

– Credit-impaired financial assets

When the Group expected occurrence of one or more events which may cause adverse impact on future cash flows of a financial asset, the financial asset will become a credit-impaired financial asset. Objective evidence that a financial asset is impaired includes the following observable events:

- (1) Significant financial difficulty of the issuer or obligor;
- (2) A breach of contract by the borrower, such as a default or delinquency in interest or principal payments;
- (3) The creditor, for economic or legal reasons relating to the borrower's financial difficulty, granting a concession to the borrower, which would not be made under any other circumstances;
- (4) It becoming probable that the borrower will enter bankruptcy or other financial reorganizations;
- (5) The disappearance of an active market for that financial asset because of financial difficulties of the issuer or the borrower;
- (6) Purchase or originate a financial asset with a large scale of discount, which reflects facts of credit loss incurred.

Based on its internal credit risk management, the Group considers that a default event has occurred when internal advice or externally obtained information indicates that financial instrument debtor is unable to fully repay the creditors including the Group, without consideration of any guarantees obtained by the Group.

Regardless of the results of the above assessment, the Group considers that a default event related to the financial instrument has occurred when contractual payment for such instrument is overdue by 90 days (inclusive).

– Determination of expected credit loss

The Group uses a provision matrix to determine the expected credit losses for relevant financial instruments based on a collective basis of bills receivable, accounts receivable and contract assets. The Group classifies financial instruments into different groups based on common risk characteristics. The common risk characteristics adopted by the Group include: types of financial instrument, credit risk ratings, remaining contract terms and industry in which the debtor operates, etc.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive.

The factors reflected in methods of measurement of expected credit losses of financial instruments include an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; time value of money; reasonable and supportable information about past events, current conditions and forecasts on future economic status at balance sheet date without unnecessary additional costs or efforts.

– Write-down of financial assets

When the Group will no longer reasonably expect that the contractual cash flows of financial assets can be collected in aggregate or in part, the Group will directly write down the carrying amount of the financial asset. Such write-down constitutes derecognition of relevant financial assets.

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(3) Transfer of financial assets

The Group derecognizes a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, it recognizes the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes an associated liability. The Group measures relevant liabilities as follows:

- For the transferred financial asset measured at amortized cost, the carrying amount of relevant liabilities equals to carrying amount of the continuously-involved transferred financial asset less amortized cost of rights retained by the Group (if the Group retains relevant right due to transfer of financial assets) plus amortized costs of the obligation assumed by the Group (if the Group assumes relevant obligation due to transfer of financial assets), relevant liabilities shall not be designated as financial liabilities at FVTPL.
- For the transferred financial asset measured at fair value, the carrying amount of relevant liabilities equals to carrying amount of the continuously-involved transferred financial asset less fair value of rights retained by the Group (if the Group retains relevant right due to transfer of financial assets) plus fair value of the obligation assumed by the Group (if the Group assumes relevant obligation due to transfer of financial assets), the fair value of the right and obligation is fair value measured on stand-alone basis.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between the carrying amount of the financial asset transferred on the date of derecognition and the derecognition-related part of the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized in other comprehensive income, is recognized in profit or loss. If the financial assets transferred by the Group are equity instrument not held for trading designated as financial assets at FVTOCI, cumulative gain or loss that has been recognized in other comprehensive income should be transferred from other comprehensive income to retained earnings.

If a part of the transferred financial asset qualifies for derecognition, the carrying amount of the transferred financial asset is allocated between the part derecognized and the part that continues to be recognized, based on the respective fair values of those parts on transfer date. The difference between the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income and the carrying amount allocated to the part derecognized on derecognition date; and is recognized in profit or loss. If the financial assets transferred by the Group are designated as equity instrument investment not held for trading at FVTOCI, cumulative gains or losses previously recognized in other comprehensive income are transferred to retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group will continuously recognize the transferred financial asset in its entirety. Considerations received due to transfer of assets shall be recognized as a liability upon receipts.

(4) Classification of financial liabilities and equity instruments

Financial instruments or its constituent parts issued by the Group are classified into financial liabilities or equity instruments on the basis of the contractual arrangements and the economic substance not only its legal form, together with the definition of financial liability and equity instruments.

(a) Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities.

– Financial liabilities at FVTPL

Financial liabilities at FVTPL consist of financial liabilities held for trading (including derivatives included in financial liabilities) and those designated as at FVTPL. Other than derivative financial liabilities to be set out separately, financial liabilities at FVTOCI are stated as financial liabilities held for trading.

If a financial liability meets one of the following conditions, it is considered that such liability is held by the Group for trading:

- The financial liability was acquired principally for the purpose of repurchasing in near future.
- The financial liability is part of a portfolio of identifiable financial instruments upon initial recognition, and there is objective evidence that a recent actual pattern of short-term profit-making exists.
- The financial liability is a derivative instrument, except for derivatives meeting the definition of financial guarantee contract, or designated as an effective hedging instrument.

A financial liability may be designated as measured at FVTPL upon initial recognition when one of the following conditions is satisfied: (1) such designation can eliminate or significantly reduce accounting mismatches; (2) conduct management and performance evaluation on groups of financial liabilities or groups of financial assets and financial liabilities on a fair value basis, in accordance with the Group's formally documented risk management or investment strategy, and report to key management personnel on that basis; or (3) qualified mixed financial instrument with embedded derivatives.

Financial liabilities held for trading are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any dividend or interest expenses paid on the financial liabilities are recognized in profit or loss.

For financial liabilities designated as measured at FVTPL, changes in fair value arising from the Group's own changes in credit risks are recognized in other comprehensive income, while other fair value changes are recognized in profit or loss. Upon derecognition, the cumulative changing amount of fair value arising from the Group's own changes in credit risks shall be transferred to retained earnings. Any dividend or interest expenses paid on the financial liabilities are recognized in profit or loss. If make treatment on effect of the changes in own credit risks by the aforesaid means which may cause or enlarge an accounting mismatch in profit or loss, the Group will recognize all gains or losses (including the affected amount arising from changes in the own credit risk) of the financial liability into profit or loss.

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– Other financial liabilities

Other financial liabilities, except for financial liabilities arising from transfer of financial assets does not satisfy derecognition criteria or continue involvement of transferred financial assets, are subsequently measured at amortized cost, with gain or loss arising from derecognition or amortization recognized in profit or loss.

In the event that the Group and its counterparty modify or renegotiate the contract does not result in derecognition of a financial liability subsequently measured at amortized cost but result in changes in contractual cash flows, the Group will recalculate the carrying amount of the financial liability, with relevant gain or loss recognized in profit or loss. The Group will determine carrying amount of the financial liability based on the present value of renegotiated or modified contractual cash flows discounted at the financial liability's original effective interest rate. For all costs or expenses arising from modification or renegotiation of the contract, the Group will adjust the modified carrying amount of the financial liability and make amortization during the remaining term of the modified financial liability.

(b) Derecognition of financial liabilities

The Group derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

(c) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognized as changes of equity. Change of fair value of equity instruments is not recognized by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognizes the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect total amount of shareholders' equity.

(5) Derivatives

Derivative financial instruments include foreign currency forward contracts, currency swap contracts, interest rate swap contracts, etc. Derivatives are initially measured at fair value on the date of signing of such contracts, and subsequently measured at fair value.

(6) Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

11. Receivables

(1) Receivables for which bad debt provision is individually assessed:

Reason for individual provision for bad debts	If there exists evidence that the credit risk of certain individual receivable is significant, bad debt provision is individually assessed for such receivable.
Method for bad debt provision	To be impaired individually, and the difference between the present value of the estimated future cash flows and its carrying amount is used for bad debt provision.

(2) Receivables for which bad debt provision is collectively assessed on a portfolio basis by credit risk characteristics:

Other than receivables for which bad debt provision is individually assessed, receivables are grouped based on portfolio with similar credit risk characteristics. The basis for determination and method of determining provision for bad debt of each portfolio are as follows:

Name of portfolio	Basis of determining the portfolio
Portfolio 1	Amount from debtors simultaneously having a long-term cooperation history, no history of bad debt and sound state of operation
Portfolio 2	Receivables other than Portfolio 1

Bad debt provision of above portfolios is made using expected credit loss model:

Aging	Portfolio 1	Portfolio 2
Within 1 year	0.30%	0.30%
1 to 2 years	5.00%	10.00%
2 to 3 years	20.00%	30.00%
3 to 4 years	30.00%	50.00%
4 to 5 years	50.00%	80.00%
Over 5 years	100.00%	100.00%

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12. Inventories

(1) Classification of inventories

The Group's inventories mainly include raw materials, nuclear fuel, spare parts, products in stock, consigned processing materials and reusable materials. Inventories are initially measured at cost. Inventory costs include procurement costs, processing costs and other expenses incurred to enable the inventories to reach the present site and working condition.

(2) Valuation method of inventories upon delivery

Upon delivery of inventories, actual cost of nuclear fuel is calculated using the specific identification method based on the number of refuelling batches, and included in the production cost by installments at the current and the next refuelling period based on the on-grid power generation. Actual cost of other inventories are calculated using the weighted average method or specific identification method, and are included in the production cost when they are actually consumed.

Reusable materials are materials that can be used repeatedly and still be remained in original condition after gradual transfer of their value but are not recognized as fixed assets, including packaging materials, low-value and short-lived consumables and other turnover materials. Packaging materials, low-value and short-lived consumables and other turnover materials are amortized when they are used.

(3) Recognition of net realizable value of inventories and provision for inventory impairment

At the balance sheet date, inventories are calculated at the lower of cost and net realizable value. Provision for inventory impairment is made when the net realizable value is lower than the cost. Net realizable value represents the estimated selling price of inventories minus cost estimated to incur upon completion, estimated selling costs and relevant taxes during normal course of business. The net realizable value of inventory is determined based on the actual evidences obtained while the objectives of inventories holding and the impact of post balance sheet date event are also considered.

Provision for decline in value of inventories is made based on the excess of cost of inventory over its net realizable value on an item-by-item basis.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

(4) Inventory count system

The inventory count system shall be on a perpetual basis.

13. Held-for-sale assets

When the Group recovers the book value of a non-current asset or disposal group mainly by selling (including the exchange of non-monetary assets with commercial substance) rather than using such non-current asset or disposal group on a continuous basis, the non-current asset or disposal group is classified as held-for-sale.

Non-current assets or disposal groups classified as held-for-sale shall satisfy the following conditions:

- (1) according to the practice of selling such assets or disposal groups in similar transactions, they can be sold immediately in the current condition;
- (2) the sale is highly likely, that is, the Group has made a decision on a sale plan and entered into a legally binding purchase commitment with other parties, and the sale is expected to be completed within one year.

Where the Group has lost control of a subsidiary due to reasons such as disposal of investment in a subsidiary regardless of the Group retaining part of equity investment after the disposal, upon the investment in subsidiary intended to be disposed of satisfying the conditions for classification as held-for-sale, the investment in subsidiary will be generally classified as held-for-sale in the parent's separate financial statements, and all assets and liabilities of the subsidiary is classified as held-for-sale in the consolidated financial statements.

The Group measures held-for-sale non-current assets or disposal groups at the lower of the net amount of the book value and fair value minus the cost of sale. If the book value is higher than the fair value minus the selling expenses, the book value shall be written down to the net amount after the fair value minus the selling expenses. The amount written down shall be recognized as asset impairment loss, and shall be included in the current profit or loss, and the provision for impairment of held-for-sale shall be made. In case of the net increase in the fair value of the held-for-sale non-current assets minus the selling expenses on subsequent statement of financial position date, the amount previously written down shall be recovered, and the amount of asset impairment loss recognized after being classified as held-for-sale shall be reversed, and the amount reversed shall be included in the current profit or loss.

Held-for-sale non-current assets or those in the disposal group are not depreciated or amortized, and the interest and other expenses on liabilities in the held-for-sale disposal group continue to be recognized.

The equity investment in associates or joint ventures is classified as held-for-sale assets in whole or in part, and the portion classified as held-for-sale shall be no longer measured under the equity method from the date of being classified as held-for-sale.

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14. Long-term equity investments

(1) Judgement criterion of determining joint control or significant influence over the investee

Control exists when the investor has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of an enterprise, except to control or jointly control the formulation of such policies together with other parties. In determining whether there is control or significant influence over the investee, potential voting right factors (such as the convertible corporate bonds for the period and the exercisable stock warrants for the period of the investee and other invested units held) were taken into account.

(2) Determination of initial investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the shareholders' equity of the acquiree at the date of combination in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed is adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings. If the consideration of the combination is satisfied by the issue of equity securities, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the shareholders' equity of the acquiree in the consolidated financial statements of the ultimate controlling party. The aggregate face value of the shares issued is accounted for as share capital. The difference between the initial investment cost and the aggregate face value of the shares issued is adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings.

For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost of the long-term equity investment is the cost of acquisition at the date of combination. For a business combination realized by more than one transaction and ultimately not under common control, different accounting methods are adopted by the criteria of whether those transactions are classified as "a bundle of transactions" or not. If yes, all transactions are deemed as one transaction getting control of the acquirer and are dealt with the relevant accounting method. If no, the Company regards the sum of carrying value of the equity investment of the acquirer plus added cost of investment as the initial cost of investment. For such carrying value of the equity investment, if it is accounted by equity method, then the relevant other comprehensive income is not accounted for the period.

The intermediary fees incurred by the absorbing party or acquirer such as audit, legal, valuation and consulting fees, etc. and other related administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

The long-term equity investment acquired otherwise than through a business combination is initially measured at cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously-held equity investments determined in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, and the additional investment cost.

(3) Method for subsequent measurement and profit or loss recognition

– Long-term equity investments accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the financial statements of the parent company. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognized in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

– Long-term equity investments accounted for using the equity method

Except for all or part of the investment in associates and joint ventures classified as assets held for sale, the Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence; a joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognized in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognizes its share of the net profit or loss and other comprehensive income made by the investee as investment income and other comprehensive income respectively, and adjust the carrying amount of the long-term equity investment accordingly; the carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is distributed to the Group; the share of the changes in owners' equity of the investee other than those arising from net profit or loss, other comprehensive income and profit distribution are recognized in the capital reserve and the carrying amount of the long – term equity investment is adjusted accordingly. The Group recognizes its share of the investee's net profit or loss after making appropriate adjustments based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date. Where the accounting policies and accounting period adopted by the investee are not consistent with those of the Group, the Group shall adjust the financial statements of the investee to conform to its own accounting policies and accounting period, and recognize investment income and other comprehensive income based on the adjusted financial statements.

For the Group's transactions with its associates and joint ventures where assets contributed or sold does not constitute a business, unrealized intra-group profits or losses are recognized as investment income or loss to the extent that those attributable to the Group's proportionate share of interest are eliminated. However, unrealized losses resulting from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated.

If the assets transfer made by the Group is classified as a business transaction, fair value of the asset transferred are recognized as initial cost of the additional long-term equity investment, and the difference between initial cost of investment and carrying value of asset transferred are taken in full amount into the current profit or loss, if the investor obtained long-term equity investment but not control over the investee. If the disposal of assets made by the Group is classified as a business transaction, the difference between consideration of assets sold and carrying value of the asset are taken in full amount into the current profit or loss. If assets purchased from associates and joint ventures are classified as business transactions, then full amount of profit or loss relating to the transaction are recognized, according to the requirements under the Accounting Standards for Business Enterprise No. 20 – Business Combination.

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The Group discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the investee is reduced to zero, except to the extent that the Group has an obligation to assume additional losses, in which case, the expected liability shall be recognized at the obligation to be assumed and be included in investment loss incurred during the current periods. Where net profits are subsequently made by the investee, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

(4) Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognized in profit or loss for the period. For long-term equity investments accounted for using the equity method, if the remaining interest after disposal is still accounted for using the equity method, other comprehensive income previously recognized for using the equity method is accounted for on the same basis as would have been required if the investee had directly disposed of related assets or liabilities, and transferred to profit or loss for the period on a pro rata basis; owners' equity recognized due to changes in other owners' equity of the investee (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period on a pro rata basis. For long-term equity investments accounted for using the cost method, if the remaining interest after disposal is still accounted for using the cost method, other comprehensive income previously recognized for using the equity method or in accordance with the standards for the recognition and measurement of financial instruments before obtaining the control over the investee, is accounted for on the same basis as would have been required if the investee had directly disposed of related assets or liabilities, and transferred to profit or loss for the period on a pro rata basis; changes in other owners' equity in the investee's net assets recognized under the equity method (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period on a pro rata basis.

For the remaining share equity after partial disposal which causes the Group to lose full control over the investee, equity method will be used to account and adjust for the remaining share equity as if they are accounted by the same method upon acquisition, if such equity enables the Group to exercise joint control or significant influences over the investee. If not, the difference between the fair value upon the date of losing control and the carrying value will be taken into the current profit or loss, according to the regulations of financial instrument recognition and measurement. For the other comprehensive income recognized by equity method or by financial instruments recognition and measurement before the Group takes control of the investee, the same basis the investee while disposing relative asset or liability will be adopted for accounting when the Group loses control over the investee, changes to shareholders' equity in the net asset of investee recognized by equity method, other than net profit or loss, other comprehensive income and profit distribution will be carried forward to the current profit or loss. Meanwhile, other comprehensive income and other shareholders' equity will be carried proportionately if the remaining share equity is accounted by equity method; and will be carried in full amount if the remaining share equity is accounted by financial instrument recognition and measurement.

The remaining share equity after partial disposal that causes the Group to lose joint control or significant influences over the investee are accounted by the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, difference between the fair value of such equity upon the date of losing control or significant influence and the carrying value will be taken into the current profit or loss. Other comprehensive income recognized using equity method for the previous share equity investment will be accounted using the same basis as the investee while disposing relative asset or liability, full amount of shareholders' equity recognized by other change to shareholders' equity other than net profit or loss, other comprehensive income or profit distribution will be taken into return on investment for the period when equity method stops being adopted.

15. Investment properties

Investment property refers to real estate held to earn rentals or for capital appreciation, or both, including leased land use rights, land use rights held and provided for transferring after appreciation and leased buildings, etc.

Investment property is initially measured at cost. Subsequent expenditures related to an investment property shall be included in cost of investment property only when the economic benefits associated with the asset will likely flow to the Group and its cost can be measured reliably. All other subsequent expenditures shall be included in profit or loss for the current period when incurred.

The Group adopts cost method for subsequent measurement of investment property, which is depreciated or amortized using the same policy as that for buildings and land use rights. An investment property is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The useful life, estimated net residual value rate and annual depreciation rate of investment property are as follows:

Category	Useful life	Estimated net residual value rate	Annual depreciation rate
Buildings and structures	15 – 50 years	5%	1.90% – 6.33%

When an investment property is sold, transferred, retired or damaged, the amount of proceeds on disposal of the property net of the carrying amount and related taxes is recognized in profit or loss for the current period.

16. Fixed assets

(1) Conditions for recognition of fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and have a useful life of more than one accounting period. Fixed assets are only recognized when their related economic benefits are likely to flow to the Group and their cost can be reliably measured. Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered.

A fixed asset that is ready for its intended use but before the final account for completed project is stated at cost and depreciated based on estimated value, which will be adjusted based on actual cost upon the final account for completed project without adjustment to the depreciation already made.

NPP decommissioning cost is recognized in the initial cost of fixed assets based on the discounted amount of the expected decommissioning expense. Two-third of the initial nuclear fueling costs as necessary expenses before the NPP is ready for its intended use are recognized in the construction cost of the NPP, and its depreciation is provided under the same method as the NPP. The remaining initial nuclear fueling costs are recognized in the inventory, and are included in the production cost by installments at the period between the initial fueling and the next refuelling based on the on-grid power generation.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile, the carrying amount of the replaced part is derecognized. Other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

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(2) Method for depreciation of different fixed assets

Fixed assets of the Group include nuclear power facilities and non-nuclear power facilities.

– Method for depreciation of nuclear power facilities

Method for classification and depreciation, estimated useful life and estimated net residual value of nuclear power facilities are as follows:

Except for the decommissioning costs of nuclear power facilities that are separately accounted for, other nuclear power facilities are classified into two categories, (I) the nuclear islands, regular islands, auxiliary systems, and (II) machinery, electricity, instruments, buildings and structures. Nuclear power facilities are depreciated using the units of production method, except for the buildings and structures that are depreciated using the straight-line method, since the month subsequent to the one in which it is ready for intended use. The net residual value rate of regular islands, auxiliary system machineries and non-nuclear island machinery strategic fixed assets is 5%, and the net residual value rate of other fixed assets categorized as nuclear power facilities is zero.

The estimated useful lives of the nuclear power facilities of the Group are as follows:

Category	Nuclear islands	Regular islands	Auxiliary systems
Machinery	30 – 60 years	20 – 30 years	20 – 30 years
Electricity	15 – 20 years	15 – 20 years	15 – 20 years
Instruments	10 – 15 years	10 – 15 years	10 – 15 years
Buildings	40/60 years	30 years	30 years
Structures	25 – 60 years	25 years	25 years
Decommissioning costs of nuclear power facilities	40/60 years	N/A	N/A

Calculations of depreciation by the units of production method are as follow:

Current depreciation rate=current actual on-grid power generation ÷ (current actual on-grid power generation + estimated on-grid power generation during remaining useful life)

Current depreciation amount=[cost of fixed assets as at the end of the period x (1 – estimated net residual value rate) – depreciated amount as at the beginning of the period – provision of fixed assets impairment] x current depreciation rate

- Method for depreciation of non-nuclear power facilities

Non-nuclear power facilities are depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The useful life, estimated net residual value rate and annual depreciation rate of fixed assets of non-nuclear power facilities as follows:

Category	Useful life	Estimated net residual value rate	Annual depreciation rate
Buildings and structures	20 – 50 years	5%	1.90% – 4.75%
Machinery and equipment	5 – 15 years	5%	6.33% – 19.00%
Transportation vehicles	5 years	5%	19.00%
Electronic and office equipment	5 years	5%	19.00%
Vessels	25 years	5%	3.80%

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the stage and in the condition expected at the end of its useful life.

(3) Other explanations

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the current period.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and account for any change as a change in an accounting estimate.



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17. Construction in progress

Construction in progress is measured based on the actual cost, including all expenditures incurred for construction projects, capitalized borrowing costs for the construction in progress before it is ready for its intended use, and other related expenses during the construction period. A construction in progress is not depreciated and is transferred to fixed assets when it is ready for its intended use.

18. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. If construction or production of assets qualifying capitalization is interrupted abnormally for a continuous period of more than 3 months, the capitalization of borrowing costs should be ceased until the assets resume construction or production. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings. During the capitalization period, exchange differences related to a specific-purpose borrowing denominated in foreign currency are all capitalized. Exchange differences in connection with general-purpose borrowings are recognized in profit or loss in the period in which they are incurred.

19. Intangible assets

(1) Intangible assets

An intangible asset is measured initially at cost. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortized over its estimated useful life using the straight-line method. An intangible asset with an indefinite useful life is not amortized. The amortization method, years of useful life and net residual value are as follows:

Category	Useful life
Land use rights	20 – 50 years
Computer software	5 – 10 years
Patent rights	10 – 20 years
Non-patented technology	10 years
Sea area use rights	50 years
Others	5 – 37 years

The estimated net residual values of intangible assets are zero. The Group shall review the finite useful life of an intangible asset and the amortization method applied at the end of the period and make adjustments when necessary.

(2) Internal research and development expenditure

Expenditure arising from the research phase is accounted for in profit or loss for the current period when incurred.

Expenses incurred during the development stage that satisfy the following conditions are recognized as intangible assets, while those that do not satisfy the following conditions are accounted for in the profit or loss for the current period:

- (1) it is technically feasible that the intangible asset can be used or sold upon completion;
- (2) there is intention to complete the intangible asset for use or sale;
- (3) the intangible asset can produce economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset;
- (4) there is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset;
- (5) the expenses attributable to the development stage of the intangible asset can be measured reliably.

If the expenses incurred during the research stage and the development stage cannot be distinguished separately, all research and development expenses incurred are accounted for in the profit or loss for the current period.

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20. Impairment of long-term assets

The Group assesses at each balance sheet date whether there is any indication that any long-term equity investments, investment properties, fixed assets, construction in progress, right-of-use assets and intangible assets with a finite useful life may be impaired. If there is any evidence indicating that an asset may be impaired, the recoverable amount shall be estimated for the individual asset. The intangible assets with infinite useful life and intangible assets that are not ready for intended use are tested for impairment yearly, regardless of any indication of impairment.

The recoverable amount should be estimated of the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the asset group to which the asset belongs. The recoverable amount of an asset is determined at the higher of the net amount after deducting the disposal expenses from the assets' fair value and the current value of the assets' estimated future cash flow.

If the recoverable amount of an asset is less than its carrying amount, a provision for impairment loss of the asset will be made for the reduction and is charged to profit or loss for the current period.

Goodwill is tested for impairment yearly. When conducting the impairment test for goodwill, the test is conducted through combination with its related asset group or portfolio of asset group. That is, the carrying amount of goodwill is reasonably allocated to the related asset group or each of asset group expected to benefit from the synergies of the combination from the acquisition date. If the recoverable amount of asset group or portfolio of asset group containing the allocated goodwill is lower than its carrying value, relevant impairment loss is recognized. The amount of impairment loss is first written down and allocated to the carrying amount of the goodwill of that asset group or portfolio of asset group, and is then written down to the carrying value of all other types of assets proportionally according to the weighting of the carrying value of all other types of assets other than goodwill within asset group or portfolio of asset group.

When recognizing the impairment loss of contractual costs related assets, other assets in relation to contractual costs that are recognized pursuant to other relevant corporate accounting standards shall take priority. For contractual costs related assets, the Group shall make provisions and recognize an impairment loss to the extent that the carrying amount of an asset exceeds: (1) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; (2) the estimated costs that relate to providing those goods or services.

Except for the impairment loss related to contractual costs, an impairment loss once recognized shall not be reversed in a subsequent period. The Group shall, after the impairment of contractual costs has been provided, recognized in profit or loss a reversal of the impairment loss previously recognized when the impairment conditions no longer exist or have improved. However, the increased carrying amount of the asset shall not exceed the carrying amount that would have been determined if no impairment loss had been recognized previously.

21. Long-term deferred expenses

Long-term deferred expenses are expenses which have incurred but shall be amortized over the current period and subsequent years of more than one year. Long-term deferred expenses are amortized evenly over the estimated benefit period.

22. Employee benefits

(1) Accounting treatment of short-term employee benefits

In the accounting period in which employees have rendered services, the Group shall recognize the short-term employee benefits that actually occurred as liability, and charged to profit or loss for the current period or cost of relevant assets. The Group shall recognize the amount of employee welfare that actually occurred and charged to profit or loss for the current period or cost of relevant assets. If the employee welfare expense is non-monetary welfare, it shall be measured according to its fair value.

During the accounting periods which employees rendered service, the Group makes contribution to medical insurance, work-related injury insurance, maternity insurance and other social security contributions and housing provident fund, and extracts for labor union funds and employees' education expenses as stipulated. Based on the required accrual basis and proportions in order to determine the appropriate amount of employee benefits, such employee benefits shall be recognized as corresponding liabilities, and charged to profit or loss during current period or cost of relevant assets.

(2) Accounting treatment of post-employment benefits

Post-employment benefits are classified into defined contribution plans and defined benefit plans.

For defined contribution plans, during the accounting periods which employees rendered service, the contribution payable to the plans shall be recognized as liability in profit or loss during current period or as relevant asset cost.

For defined benefit plans, the Group assigns the welfare obligation generated from the defined benefit plans to the period of rendering services using the formula determined by the projected unit credit method, and includes it in the current period profit or loss or related asset costs. Employee benefit costs generated from the defined benefit plans are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest of net liabilities or net assets of defined benefit plans (including interest income of planned assets, interest expenses of defined benefit plan liabilities and effect of asset ceiling); and
- Remeasurement of changes in net liabilities or net assets of defined benefit plans.

Service cost and net interest of net liabilities or net assets of defined benefit plans are included in the current period profit or loss or related asset costs. Remeasurement of changes in net liabilities or net assets of defined benefit plans (including actuarial gains or losses, return on plan assets excluding the amount included in the net interest of net liabilities or net assets of defined benefit plans, and changes to the asset ceiling excluding the amount included in the net interest of net liabilities or net assets of defined benefit plans) is included in other comprehensive income.

Deficit or surplus generated from the present value of the obligation of defined benefit plan less the fair value of defined benefit plan asset is recognized as a net liability or a net asset of defined benefit plan.

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(3) Accounting treatment of termination benefits

When the Group provides termination benefits to employees, employee benefit liabilities are recognized for termination benefits, with a corresponding charge to the profit or loss for the period at the earlier of: when the Group cannot unilaterally withdraw the offer of termination benefits because of the termination plan or a curtailment proposal; or when the Group recognizes costs or expenses related to restructuring that involves the payment of termination benefits.

(4) Accounting treatment of other long-term benefits

For other long-term benefits, when meeting the determined conditions for withdrawal and deposit plan, the Group will conduct accounting treatment according to the determined withdrawal and deposit plan. For net liabilities and net assets of other long-term benefits apart from the above, the Group will conduct accounting treatment according to the determined benefit plan. As at the end of the reporting period, employee welfare cost of other long-term employee welfare are recognized as service cost, net interest of net liabilities or net assets of other long-term employee welfare and remeasurement of changes in net liabilities or assets of other long-term employee welfare, and the total amount of which is recognized in profit or loss or as relevant asset cost.

23. Provisions

Provisions are recognized when the Group has a present obligation related to a contingency, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the best estimate of provision is determined by discounting the related future cash outflows.

Where all or some of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received, and the amount of reimbursement recognized does not exceed the carrying amount of the provision.

The Group's provisions primarily consist of provision for NPP decommissioning and provision for low and medium level radioactive waste management.

(1) Provision for NPP decommissioning

Provision for NPP decommissioning is the expenses expected to be incurred in the process of the Group putting nuclear reactor systems out of service safely and permanently when they reach the end of their service lives, in order to ensure staff, the public and surrounding ecological environment being not subject to the hazards of the remaining radioactive substance and other potential risks. Provision for NPP decommissioning is estimated on the basis of best estimate, and the discounted amount shall be included in the initial cost of fixed assets.

(2) Provision for low and medium level radioactive waste management

Provision for low and medium level radioactive waste management is the expenses expected to be incurred in respect of disposal of long-lived low and intermediate level radioactive waste and short-lived low and intermediate level radioactive waste from NPP. Provision for low and medium level radioactive waste management shall be made on the basis of best estimate by adopting the accrual-basis principle.

24. Share-based payment

The share-based payments of the Group are transactions that grant equity instruments or assume equity-instrument based liabilities for receiving services rendered by employees. The share-based payments of the Company are cash settled share-based payments.

(1) Cash-settled share-based payments

Cash-settled share-based payment is measured at the fair value of liabilities determined on the basis of shares or other equity instruments of the Group. As to a cash-settled share-based payment, if the right may be exercised immediately after the grant, relevant costs and expenses shall be included on the date of the grant, and the liabilities shall be increased accordingly. On each balance sheet date within the vesting period, the services obtained in the current period shall, based on the best estimate of the information about the exercisable right, be included in the relevant costs or expenses and the corresponding liabilities at the fair value of the liability undertaken by the Group. Fair values of the liabilities are remeasured and the changes are stated in profit or loss of the period on each balance sheet date and settlement date before settlement of relevant liabilities.

(2) Accounting treatment of the implementation, modification and termination of share-based payments

If fair value of the granted equity instrument is increased by the Group's modifications to the share-based payment plans, the increase in fair value shall be accordingly recognized in the increase in service obtained. If the quantity of the granted equity instruments is increased by such modifications, the increase in fair value shall be accordingly recognized in the increase in service obtained. Increase in the fair value of equity instrument is the difference between such fair value on the date of modification before and after the modification. If aggregate fair value of share-based payments are reduced by the modification, or that terms and conditions of share-based plan is otherwise modified to the disadvantage of the employees, it is considered that such modification never took place and accounting treatment shall continue to be made for services obtained, unless the granted equity instrument is partially or entirely cancelled by the Group.

During the vesting period, where the granted equity instrument is cancelled, the Group shall accelerate the exercise of rights thereunder, recognizing the outstanding amount for the remainder of the vesting period in profit or loss, while recognizing capital reserve. If employees or other parties can choose to fulfil the non-vesting conditions but have not fulfilled them during the pending period, then the equity-settled share-based payments are dealt with as cancelled.

25. Safe production expenses

Safe production expenses are provided by 中廣核工程有限公司 China Nuclear Power Engineering Co., Ltd. ("CGN Engineering") under the Measures on the Withholding and Usage of Safety Production Fees of Enterprises (Cai Qi [2012] No.16) (財企[2012]16 號《企業安全生產費用提取和使用管理辦法》) jointly issued by the Ministry of Finance and the State Administration of Work Safety on February 14, 2012, recognized in the costs of relevant products or profit or loss and transferred into specific reserves. When such safe production expenses are applied and related to revenue expenditures, specific reserve is directly offset. Where fixed assets are formed from the provision of safe production expenses, expenditure incurred under the collection of items "construction in progress" are recognized as fixed assets when completed safety projects reaching the working condition for its intended use. Meanwhile, specific reserves are written down based on costs of fixed assets formed, and accumulated depreciation of the same amount shall be recognized. No further provision for depreciation shall be made for such fixed assets in subsequent periods.

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(All amounts in RMB unless otherwise stated)

26. Revenue recognition

The Group's revenue sources mainly include the following businesses:

- sales of electricity;
- construction, installation and design services;
- provision of labor services;
- sale of goods and others.

When the Group has implemented the performance obligation in the contract, namely, when the customer acquires controls over relevant goods or services, revenues will be recognized as per transaction prices allocated to such performance obligation. Performance obligation represents the Group's commitment to transfer distinct goods or services to the customer in the contract. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer.

For performance obligations to be satisfied over time, the Group recognizes revenue over time by measuring the progress towards completion if one of the following criteria are met: (1) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; (2) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; (3) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, the Group recognizes revenue when the customer obtains control of the related goods or services.

For performance obligations to be satisfied at a certain point in time, the Group recognizes revenue at the time of acquiring control of such goods. In judging if the customer has acquired control of the goods, the Group takes into consideration: (1) the Group has a present right to payment for the goods, as in the customer has a present obligation to payment for the goods; (2) the Group has transferred the legal ownership of the good to the customer, as in the customer has acquired the legal ownership of the good; (3) the Group has transferred physical possession of the good to the customer, as in the customer is in possession of the physical good; (4) the Group has transferred the major risks and rewards of the ownership of the good to the customer, as in the customer has acquired the major risks and rewards of the ownership of the good to the customer; (5) the customer has accepted the good; and (6) other indications that the customer has acquired control of the good.

For each performance obligation satisfied over time, the Group recognizes revenue over time by measuring the progress towards completion, except when progress cannot be reasonably determined. In determination of the progress towards completion in satisfying such obligations, the Group adopts the input method or output method based on the nature of business. When the performance progress cannot be determined, the Group is expected to be reimbursed for the costs already incurred and recognize the revenue based on the costs already incurred until the performance progress can be reasonably determined.

A contract asset is the Group's right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditional on something other than the passage of time. Accounts receivable is the Group's right to consideration that is unconditional (only the passage of time is required).

For sales with quality assurance clause, if an individual service is rendered to the customer under such clause beyond providing the customer with goods or services meeting the established criteria, the quality assurance clause shall constitute a single performance obligation. Otherwise, accounting treatments shall be made according to the quality assurance liability under the Accounting Standards for Business Enterprises No.13 – Contingencies.

The Group judges its status as the main responsible party or proxy in a transaction based on whether the Group had control over the good or service prior to transferring to the customer. Where the Group had control over the good or service prior to transferring to the customer, the Group is the main responsible party, and total received or receivable consideration shall be recognized as revenue; otherwise, the Group is the proxy, and the commission or fee expected to receive shall be recognized as revenue, which is determined by deducting net payable to other parties from the total received or receivable consideration.

For receipt in advance from customers for the provision of good or service, the amount shall initially be recognized as liability, and converted into revenue when relevant performance obligations are satisfied. When it is unnecessary for the Group to return the receipt in advance and the customer may forfeit all or part of his/her contractual rights, and that the Group is entitled to the amount in respect of the contractual rights forfeited by the customer, such amount shall be recognized as revenue in proportion to the pattern of rights exercised by the customer. Otherwise, the Group only recognizes such balance of the above liability as revenue when it becomes highly unlikely that customers would demand the fulfilling of the remaining performance obligation.

(1) Revenue from sales of electricity

Revenue from sales of electricity is the primary component of revenue from sales of goods of the Group. Revenue is recognized when electricity of the Group is transferred to the grids stipulated in the electricity sales contracts, as in when the customer acquires control of the electricity.

(2) Revenue from construction, installation and design services

The Group adopts the input method to appropriately determine the progress to completion of satisfying performance obligation for construction, installation and design services. Input method is a way to determine the progress to satisfying the performance obligation based on the Group's input, for which the Group adopts costs incurred as the indicator of input. Revenue is recognized at the amount calculated by total transaction price under the contract at the date of balance sheet multiplied by progress in satisfying the performance obligation, and further deducting recognized revenue from prior accounting periods. When progress cannot be reasonably determined and the incurred costs are expected to be compensated, revenue is recognized according to costs already incurred until the reasonable determination of progress becomes practicable.

(3) Provision of labor services

The Group adopts the output method to appropriately determine the progress to completion of satisfying performance obligation for the provision of labor services. Output method is a way to determine the progress to satisfying the performance obligation based on the value of goods transferred to the customer, for which the Group adopts milestones reached as the indicator of output. Revenue is recognized at the amount calculated by total transaction price under the contract at the date of balance sheet multiplied by progress in satisfying the performance obligation, and further deducting recognized revenue from prior accounting periods. If the result of labor transaction cannot be reliably estimated, labor revenue is recognized at labor costs already incurred or that which can be compensated, and the labor costs incurred shall be stated as current expense. Labor costs already incurred not expected to be compensated shall not be recognized as revenue.

(4) Sale of goods

Revenue is recognized when the goods of the Group are delivered to the venue of the customer and the customer has accepted such goods, as in when the customer acquires control of the goods.

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27. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. Government grants are recognized when prescribed conditions are satisfied and they will be received without uncertainties.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government subsidy is a non-monetary asset, it should be measured at its fair value. If its fair value cannot be obtained in a reliable way, it should be measured at its nominal amount. Government grants measured at nominal amount are directly recognized in profit or loss.

(1) Determination basis and accounting treatment of government grants related to assets

A government grant related to an asset is recognized as deferred income, and evenly amortized to current profit or loss over the useful life of the related asset.

(2) Determination basis and accounting treatment of government grants related to income

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the period in which the related costs or loss are recognized. If the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the current period. If the nature of the government grants is difficult to differentiate, such grants are wholly classified under government grants related to income.

A government grant related to Group's business activities, is recognized as other income based on the substance of economic activities. A government grant non-related to the Group's business activities, is recognized as non-operating income.

For the repayment of a government grant already recognized, if there is any balance of related deferred income, the repayment shall be written-off against the book balance of deferred income, and any excess shall be recognized in profit or loss for the period.

28. Deferred tax assets/deferred tax liabilities

Income tax expenses include current income tax and deferred income tax.

(1) Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods shall be measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

(2) Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized or the liability is settled.

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in shareholders' equity, in which case they are recognized in other comprehensive income or in shareholders' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

(3) Offsetting of income tax

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities of the Group are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

29. Leases

A lease refers to a contract in which a lessor assigns the right to use an asset to a lessee within a certain period of time to obtain consideration.

At the commencement date of a contract, the Group evaluates whether the contract is a lease or contains a lease. Unless the contract terms and conditions change, the Group does not reassess whether the contract is a lease or contains a lease.

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(1) The Group as a lessee

(a) Allocation of leases

For a contract that contains one or more lease component and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

(b) Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset provided by the lessor is available for use by the Group). The right-of-use asset is initially measured at cost. This cost includes:

- the initial measurement amount of the lease liabilities;
- any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- any initial direct costs incurred by the Group;
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Group makes provisions for depreciation of right-of-use assets according to the relevant depreciation requirements in the Accounting Standards for Business Enterprises No. 4 – Fixed Assets. Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated over the shorter of its estimated useful life and the lease term.

The Group determines whether a right-of-use asset has been impaired in accordance with the Accounting Standards for Business Enterprises No. 8 – Asset Impairment and accounts for the identified impairment losses.

(c) Lease liabilities

At the commencement date of a lease, the Group initially measures the lease liabilities at the present value of lease payments that are unpaid at that date, except for short-term leases and low-value asset leases. In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease is not readily determinable, the incremental borrowing rate is used as the discount rate.

Lease payment refers to the amount paid by the Group to the lessor relating to the right to use an underlying asset during the lease term, including:

- fixed payments and in-substance fixed payments less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option reasonably certain to be exercised by the Group;
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate;
- amounts expected to be paid under residual value guarantees.

After the commencement date of the lease term, the Group calculates the interest expense of the lease liabilities for each period of the lease term based on a fixed periodic interest rate, and included it in the current profit or loss or the cost of underlying assets.

After the commencement date of the lease term, the Group re-measures the lease liabilities and adjusts the corresponding right-of-use asset in the following circumstances. If the carrying value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the Group will calculate the difference into the current profit or loss:

- The Group re-measures the lease liabilities based on the present value of the post-change lease payments and the revised discount rate as a result of changes in the lease term or changes in the purchase option;
- The Group re-measures the lease liabilities based on the present value of the changed lease payments and the original discount rate, based on the amount of the amount payable or the index or proportion used to determine the lease payments.

(d) Short-term leases and leases of low-value assets

The Group decides not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Short-term leases are leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. A lease of low-value asset refers to a single lease asset, when new, is of low value. Lease payments on short-term leases and leases of low-value assets are recognized in the current period profit or loss or the cost of underlying assets on a straight-line basis over the lease term.

(e) Lease modifications

The Group accounts for as a separate lease when the lease changes and the following conditions are met at the same time:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets;
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For lease changes that are not accounted for as a separate lease, the Group will reallocate the consideration of the contract after the change on the effective date of the lease change, and re-determine the lease term, and the lease liability shall be remeasured at the present value calculated based on the changed lease payment amount and the revised discount rate.

If the modification of lease results in a narrower scope of lease or a shorter lease term, the Group reduces the carrying value of the right-of-use assets to reflect the partial or complete termination of the lease. The Group recognizes the gain or loss relevant to the partial or complete termination of the leases in the current profit or loss. For other modification of lease, the Group adjusts the carrying value of the right-of-use assets accordingly.

(2) The Group as a lessor

(a) Allocation of leases

Where the contract includes both the lease and non-lease components, the Group apportions the contract consideration according to the provisions of the Accounting Standards for Business Enterprises No. 14 – Revenue on the transaction price allocation. The basis of the apportionment is the individual selling price of the leased part and the non-lease part.

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(b) Classification of leases

A lease that substantially transfers almost all the risks and rewards related to the ownership of leased assets is a financial lease. Leases other than finance leases are operating leases.

- The Group records the operating lease business as a lessor

During each period of the lease term, the Group recognizes the lease payments from operating leases as rental income using the straight-line method. The initial direct expenses incurred by the Group in relation to the operating leases are capitalized and allocated in the current period profit or loss by instalments during the lease term on the same basis as the recognition of rental income.

The variable lease payments received by the Group in connection with the operating leases that are not included in the lease payments are recognized in profit or loss in the period in which they are incurred.

30. Major accounting estimates and judgments

The preparation of the consolidated financial statements requires the management of the Group to make estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Key assumptions of the estimates and judgments of uncertainties are reviewed on an ongoing basis by the management of the Group. The effects of changes in accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Except for the accounting estimates in relation to the depreciation and amortization of assets such as investment properties, fixed assets, intangible assets, long-term deferred expenses and right-of-use assets (see Notes (III)15, 16, 19, 21 and 29) and the impairment of various assets (see Notes (V)4, 6, 7, 8, 13, 14, 15, 16, 17 and 19, and Notes (XV)1 and 2), the other major accounting estimates are as follows:

- (a) Revenue recognition—As stated in Note (III)26, the Group recognizes the revenue related to the construction, installation and design services and provision of labor service over a period of time. The recognition of the relevant revenue and profits depends on the Group's estimates of the contract results and the performance of progress. If the total cost actually incurred are higher or lower than the estimated value of the management, it will affect the amount of revenue and profit to be recognized by the Group in the future.
- (b) Note (V)21—Recognition of deferred tax assets;
- (c) Note (V)36—Post-employment benefits of defined benefit plan;
- (d) Note (V)37—Provisions;
- (e) Note (IX)—Disclosure of fair value; and
- (f) Note (XI)—Share-based payment.

31. Changes in significant accounting policies

(1) Changes in accounting policies and reasons thereof

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

- Requirement of the “accounting treatment for external sales of the fixed assets before reaching their intended use or the products or by-products produced during the R&D process” (the “accounting treatment for trial sales”) in Interpretation No. 15 of the Accounting Standards for Business Enterprises (Cai Kuai [2021] No. 35) 《企業會計準則解釋第15號》(財會[2021]35號)) (“Interpretation No. 15”);
- Requirement of the “determination of onerous contracts” in Interpretation No. 15; and
- Notice on Relevant Issues of the Scope of Application of “Covid-19 – Related Rent Concessions” (Cai Kuai [2022] No. 13).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) Cai Kuai [2022] No. 13

COVID-19 – Related Rent Concessions (Cai Kuai [2020] No. 10) 《新冠肺炎疫情相關租金減讓會計處理規定》(財會[2020]10號)) provides a simplified method for rent concession directly caused by the COVID-19 pandemic when certain conditions are met. Based on Cai Kuai [2022] No. 13, the concession of lease payables after June 30, 2022 may continue to adopt the simplified method stated in Cai Kuai [2020] No. 10.

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

Notes to the Financial Statements

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(All amounts in RMB unless otherwise stated)

(IV) TAXATION

1. Main tax categories and tax rates

	Taxation basis	Tax rate/charge rate
Value-added tax (VAT)	(Note 1)	Exempted, 3%, 5%, 6%, 9%, 11%, 13%
Education surcharges	Paid-in VAT	3%
Local education surcharges	Paid-in VAT	2%
Urban maintenance and construction tax	Paid-in VAT	1%, 5%, 7%
Real estate tax	Tax basis under relevant tax law (Note 2)	1.2% or 12%
Enterprise income tax	Taxable income	25%, 20%, 15%

Note 1: VAT payable is output tax minus deductible input tax, and the output tax is calculated based on sales and applicable VAT tax rate as determined by relevant tax law.

The revenue from sales of electricity of the subsidiaries of the Company, namely Guangdong Nuclear Power Investment Co., Ltd. ("GNIC"), GNPJVC, Yangxi Nuclear Power Limited (陽西核電有限公司), Fujian Ningde Nuclear Power Co., Ltd. (福建寧德核電有限公司) ("Ningde Nuclear"), Ling'ao Nuclear Power Co., Ltd. (嶺澳核電有限公司) ("Ling'ao Nuclear"), 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"), Taishan Nuclear Power Joint Venture Co., Ltd. (台山核電合營有限公司) ("Taishan Nuclear"), Guangxi Fangchenggang Nuclear Power Co., Ltd. (廣西防城港核電有限公司) ("Fangchenggang Nuclear"), Guangxi Fanghe Power Sale Co., Ltd. (廣西防核售電有限公司), CGN Power Sales Co., Ltd. (中廣核電力銷售有限公司) ("Power Sales Company") and Fujian Ninghe Power Sales Co., Ltd. (福建寧核售電有限公司), was subject to VAT. The revenue from sales of goods or equipment of the subsidiaries of the Company, namely China Nuclear Power Technology Research Institute (中廣核研究院有限公司) ("CNPRI"), Suzhou Nuclear Power Research Institute (蘇州熱工研究院有限公司) ("SNPI"), CGN Engineering, China Nuclear Power Design Co., Ltd. (Shenzhen) (深圳中廣核工程設計有限公司) ("CGN Design"), GNPJVC, Ningde Nuclear, Ling'ao Nuclear, Lingdong Nuclear, Yangjiang Nuclear, Taishan Nuclear, Fangchenggang Nuclear, CGN Inspection Technology Co., Ltd. (中廣核檢測技術有限公司) ("Inspection Company"), China Nuclear Power (Shenzhen) Operational Technology and Radiation Monitoring Co., Ltd. (中廣核(深圳)運營技術與輻射監測有限公司) ("Radiation Monitoring Company"), Worldwide Engineering CGNPC AREVA Nuclear Co., Ltd. (中法國際核能工程有限公司) ("Worldwide Engineering") and CGN Import & Export Co., Ltd. (中廣核電進出口有限公司), was subject to VAT. Revenue from repair service of China Nuclear Power Operations Co., Ltd. (中廣核核電運營有限公司) ("CGN Operations"), a subsidiary of the Company, was subject to VAT. Except for certain export sales of electricity of GNPJVC are exempted from taxation, the applicable VAT tax rate of the revenue from aforesaid business was 13%.

Revenue from newspaper and magazine publication of SNPI, a subsidiary of the Company, was subject to VAT at 9% using the general tax calculation method. Revenue from leasing offshore wind power installation platforms of CGN Engineering, a subsidiary of the Company, was subject to VAT at 9% using the general tax calculation method. Revenue from the production and supply of thermal power of Guizhou Yuping Clean Thermal Energy Co., Ltd. (貴州玉屏清潔熱能有限公司), a subsidiary of the Company, was subject to VAT at 9% using the general tax calculation method. The real estate rental income of Ling'ao Nuclear, Lingdong Nuclear, Fangchenggang Nuclear and GNPJVC and certain real estate rental income of SNPI was subject to VAT at 9% using the general tax calculation method. The real estate rental income of the subsidiaries of the Company, namely Inspection Company, GNIC, Yangjiang Nuclear, Ningde Nuclear, CNPRI and CGN Engineering and certain real estate rental income of SNPI, was subject to VAT at 5% using a simple tax computation method.

Revenue from technical service of the subsidiaries of the Company, namely CNPRI, SNPI, Radiation Monitoring Company, Inspection Company, CGN Engineering, CGN Design, Worldwide Engineering, Guangdong Daya Bay Nuclear Power Environment Protection Company Co., Ltd. (廣東大亞灣核電環保有限公司) and CGN Operations, was subject to VAT. Entrusted loan interest income of the subsidiaries of the Company, namely Fangchenggang Nuclear, Ling'ao Nuclear, Lingdong Nuclear, Yangjiang Nuclear, SNPI, GNIC, Radiation Monitoring Company, CGN Operations, Inspection Company, Power Sales Company, Guangxi Fangchenggang CGN Nuclear Power Industry Investment Co., Ltd. (廣西防城港中廣核核電產業投資有限公司) ("Fangchenggang Investment"), GNPJVC, CGN Import & Export Co., Ltd. (中廣核電進出口有限公司) and Guangxi Fanghe Power Sale Co., Ltd. (廣西防核售電有限公司), was subject to VAT. Revenue from outages service of the subsidiaries of the Company, namely Daya Bay Nuclear Power Operations and Management Co., Ltd. (大亞灣核電運營管理有限責任公司) ("DNMC") and CGN Operations was subject to VAT. Revenue from training of the subsidiaries of the Company, namely DNMC, CGN Operations, Yangjiang Nuclear and Fangchenggang Nuclear, was subject to VAT. Revenue from human resources services of DNMC, a subsidiary of the Company, was subject to VAT. Revenue from import and export agency service fee of CGN Import & Export Co., Ltd. (中廣核電進出口有限公司), a subsidiary of the Company, was subject to VAT. Revenue from supervision of Shenzhen Hepeng Project Supervision Co., Ltd. (深圳市核鵬工程監理有限責任公司) ("Hepeng Supervision Company"), a subsidiary of the Company, was subject to VAT. Revenue from the interest income from the funds lending of Taishan Nuclear Power Industry Investment Co., Ltd. (台山核電產業投資有限公司) ("Taishan Investment"), a subsidiary of the Company, was subject to VAT. Revenue from accommodation service of the subsidiaries of the Company, namely Fangchenggang Nuclear, Ningde Nuclear and Yangjiang Nuclear, was subject to VAT. Revenue from training service of Ningde Nuclear, a subsidiary of the Company, was subject to VAT. The applicable VAT tax rate of the revenue from aforesaid business was 6%.

Revenue from construction contracts provided by way of projects with self-supplying materials and old construction projects of CGN Engineering, a subsidiary of the Company, was subject to VAT at 3% using a simple tax computation method, while revenue from other construction contracts of CGN Engineering, CGN Design and SNPI was subject to tax rate at 9% using the general tax calculation method.

The subsidiaries of the Company, namely CGN Ninghe Investment Co., Ltd. (中廣核寧核投資有限公司), CGN Nuclear Power Investment Co., Ltd. (中廣核核電投資有限公司) and China Daya Bay Nuclear Power Technology Research Institute Co., Ltd. (中國大亞灣核電技術研究院有限公司), were subject to VAT at 3% of taxable income of small-scale taxpayers under the tax law.

Note 2: Self-occupied properties are subject to tax at 1.2% per year, with residual value after a one-time deduction of 10%-30% as tax basis; except for the properties located in Shenzhen, Guangdong Province (subject to tax at 1.2% per year, with residual value after a one-time deduction of 10%-30% as tax basis), leased properties are subject to tax at 12% per year, with the real estate lease income as tax basis.

2. Tax preference

VAT “levy first, refund later” policy

Pursuant to the Circular on Relevant Issues Concerning Taxation in Nuclear Power Industry (Cai Shui [2008] No. 38) 《關於核電行業稅收政策有關問題的通知》(財稅[2008]38 號)) issued by the Ministry of Finance and State Administration of Taxation, sales of electrical products of the Company’s subsidiaries, namely Lingdong Nuclear, Yangjiang Nuclear, Ningde Nuclear, Fangchenggang Nuclear and Taishan Nuclear, were entitled to the VAT “levy first, refund later” policy within 15 years from the second month to the commencement of commercial production of their power generating units, with the refund ratio gradually decreasing in three phases. Within 5 years from the second month to the commencement of commercial production, refund ratio is 75% of deposited tax; between 6th to 10th years from the second month to the commencement of commercial production, refund ratio is 70% of deposited tax; and between 11th to 15th years from the second month to the commencement of commercial production, refund ratio is 55% of deposited tax. After 15 years from the second month to the commencement of commercial production, the “levy first, refund later” policy is no longer applicable.

The stages of VAT “levy first, refund later” policy applicable to each generating unit are as follows:

Applicable generating unit	75% tax refund	70% tax refund	55% tax refund
Lingdong Unit 3	October 2010-September 2015	October 2015-September 2020	October 2020-September 2025
Lingdong Unit 4	September 2011-August 2016	September 2016-August 2021	September 2021-August 2026
Yangjiang Unit 1	April 2014-March 2019	April 2019-March 2024	April 2024-March 2029
Yangjiang Unit 2	July 2015-June 2020	July 2020-June 2025	July 2025-June 2030
Yangjiang Unit 3	February 2016-January 2021	February 2021-January 2026	February 2026-January 2031
Yangjiang Unit 4	April 2017-March 2022	April 2022-March 2027	April 2027-March 2032
Yangjiang Unit 5	August 2018-July 2023	August 2023-July 2028	August 2028-July 2033
Yangjiang Unit 6	August 2019-July 2024	August 2024-July 2029	August 2029-July 2034
Ningde Unit 1	May 2013-April 2018	May 2018-April 2023	May 2023-April 2028
Ningde Unit 2	June 2014-May 2019	June 2019-May 2024	June 2024-May 2029
Ningde Unit 3	July 2015-June 2020	July 2020-June 2025	July 2025-June 2030
Ningde Unit 4	August 2016-July 2021	August 2021-July 2026	August 2026-July 2031
Fangchenggang Unit 1	February 2016-January 2021	February 2021-January 2026	February 2026-January 2031
Fangchenggang Unit 2	November 2016-October 2021	November 2021-October 2026	November 2026-October 2031
Taishan Unit 1	January 2019-December 2023	January 2024-December 2028	January 2029-December 2033
Taishan Unit 2	October 2019-September 2024	October 2024-September 2029	October 2029-September 2034

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Income tax incentives

Pursuant to the PRC Enterprise Income Tax Law, the subsidiaries or generating units of the Group enjoying preferential enterprise income tax policies are as follows:

Name of company or generating unit	Preferential tax rate applicable for the current period	Preferential tax rate applicable for the corresponding period of previous year	Reason for tax incentives
Yangjiang Unit 3	N/A	12.5%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Yangjiang Unit 4	12.5%	12.5%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Yangjiang Unit 5	12.5%	12.5%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Yangjiang Unit 6	12.5%	Exempted	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Fangchenggang Unit 1 and Unit 2	15%	7.5%	Western development enterprise income tax preferential policy (2016 – 2030) and operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation (2016 – 2021)
Ningde Unit 4	N/A	12.5%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Taishan Unit 1	12.5%	12.5%	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
Taishan Unit 2	12.5%	Exempted	Operating income tax preferential treatment in relation to investment in public infrastructure projects as supported strategically by the nation
GNPJVC	15%	15%	Preferential tax policy for high-tech enterprises
Ling'ao Nuclear	15%	15%	Preferential tax policy for high-tech enterprises
Lingdong Nuclear	15%	15%	Preferential tax policy for high-tech enterprises
CNPRI	15%	15%	Preferential tax policy for high-tech enterprises
SNPI	15%	15%	Preferential tax policy for high-tech enterprises
Inspection Company	15%	15%	Preferential tax policy for high-tech enterprises
Radiation Monitoring Company	15%	15%	Preferential tax policy for high-tech enterprises
CGN Engineering	15%	15%	Preferential tax policy for high-tech enterprises
CGN Design	15%	15%	Preferential tax policy for high-tech enterprises
CGN Operations	15%	15%	Preferential tax policy for high-tech enterprises

	Tax rate applicable for the current period	Tax rate applicable for the corresponding period of previous year	Policy for tax incentives
Sansha Advanced Energy Co., Ltd. (三沙先進能源有限公司)	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises
Guangdong Daya Bay Nuclear Power Environment Protection Company Co., Ltd. (廣東大亞灣核電環保有限公司)	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises
CGN Import & Export Co., Ltd. (中廣核電進出口有限公司)	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises
Hepeng Supervision Company	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises
Fujian Ninghe Power Sales Co., Ltd. (福建寧核售電有限公司)	20%	20%	Preferential enterprise income tax policy for small profit-making enterprises

Note: Pursuant to the PRC Enterprise Income Tax Law and the Announcement of the State Administration of Taxation on Matters Concerning the Implementation of Preferential Income Tax Policies for Supporting the Development of Small Profit-making Enterprises and Individual Industrial and Commercial Businesses (Cai Shui [2021] No. 8) (《國家稅務總局關於落實支持小型微利企業和個體工商戶發展所得稅優惠政策有關事項的公告》財稅[2021]8 號)), for the portion of annual taxable income less than RMB1.00 million, 12.5% of the amount will be reduced, and the EIT will be at the tax rate of 20%; according to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises (Cai Shui [2022] No. 13) (《財政部稅務總局關於進一步實施小微企業所得稅優惠政策的公告》財稅[2022]13 號)), for the portion of annual taxable income exceeding RMB1.00 million but not exceeding RMB3.00 million, 25% of the amount will be reduced, and the EIT will be at the tax rate of 20%.

Other tax preferential policies

Pursuant to the Notice on Levy of and Exemption from Urban Land Use Tax for Land of Nuclear Power Station (Cai Shui [2007] No. 124) (《關於核電站用地徵免城鎮土地使用稅的通知》財稅[2007]124 號)) issued by the Ministry of Finance and the State Administration of Taxation, other than nuclear islands, regular islands, auxiliary plants, land for communication facilities (excluding land for underground lines) and land for living and office, other land for NPPs are exempt from urban land use tax. Taxable land of NPPs is subject to half of the urban land use tax during infrastructure construction period.

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(V) Notes to Items in the Consolidated Financial Statements

1. Cash at bank and in hand

Item	June 30, 2022	December 31, 2021
Cash at bank	18,740,958,541.09	15,723,207,414.81
– Deposits with CGN Finance	18,572,176,822.18	15,573,998,255.45
– Deposits with Huasheng Company	101,957,892.99	70,783,796.97
– Deposits with banks	66,823,825.92	78,425,362.39
Other cash at bank and in hand	96,548,970.10	104,522,396.62
Total	18,837,507,511.19	15,827,729,811.43
Include: Total amount deposited overseas	109,093,200.89	115,153,656.20
Total amount subject to restrictions in its use due to pledges, mortgages or freezes	96,548,970.10	104,522,396.62

As at June 30, 2022 and December 31, 2021, the other cash at bank and in hand as mentioned above were performance bonds in banks and land reclamation deposits by the Group, as a supplier, in accordance with the purchase and sales contracts, and their uses were restricted (please see Note (V) 64).

As at June 30, 2022 and December 31, 2021, the Group's fixed deposits of more than three months amounted to RMB3,625,968,121.45 and RMB4,151,368,398.70, respectively.

2. Derivative financial assets

Item	June 30, 2022	December 31, 2021
Foreign currency forward contracts	2,121,876.84	–

3. Bills receivable

(1) Bills receivable disclosed by category

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

(2) Bills receivable discounted but outstanding at the balance sheet date

Item	Derecognized amount at the end of the period	Not-yet derecognized amount at the end of the period
Bank acceptance bills	4,388,128,077.23	400,000,000.00

There was no bills receivable which were endorsed but outstanding at the balance sheet date. The bills receivable which were discounted but outstanding at the balance sheet date and did not meet the conditions of derecognition amounted to RMB400,000,000.00 (December 31, 2021: RMB1,700,000,000.00). Please refer to Note (V) 64 for details.

- (3) All of the bills receivable are due within one year, and the aging are counted starting from the date when bills receivable are recognized.
- (4) As at June 30, 2022 and December 31, 2021, the Group had no bills transferred to accounts receivable due to non-performance of the issuers.
- (5) The Group considers that the acceptors of its bank bills have high credit ratings and there is no significant credit risk.

4. Accounts receivable

(1) Accounts receivable disclosed by category

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

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

Group 1:

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

Group 2:

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

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

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

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

Disclosed by aging

Aging	June 30, 2022 Carrying balance	December 31, 2021 Carrying balance
Within 1 year (including 1 year)	8,918,782,762.77	10,257,478,874.64
1 to 2 years	1,462,407,205.92	603,144,051.47
2 to 3 years	43,097,516.10	44,307,416.78
More than 3 years	139,293,204.46	126,541,475.76
– 3 to 4 years	44,247,171.22	42,431,484.56
– 4 to 5 years	16,589,983.35	7,589,055.40
– More than 5 years	78,456,049.89	76,520,935.80
Total	10,563,580,689.25	11,031,471,818.65

(2) Changes in provisions for bad debts of accounts receivable

	For the period from January 1 to June 30, 2022
Opening balance	179,655,853.45
Provisions made during the period	119,712,803.60
Recovered or reversed during the period	(71,803,409.32)
Impact of disposal of subsidiaries	(456,059.12)
Exchange differences arising on translation of financial statements	79,534.23
Closing balance	227,188,722.84

(3) Top five debtors with the largest closing balances of accounts receivable

Name of entity	Carrying balance	Percentage to total accounts receivable	Closing balance of provisions for bad debts
Guangdong Power Grid Co., Ltd. (廣東電網有限責任公司)	3,162,571,552.02	29.93%	10,142,743.69
CGNPC New Energy Offshore Wind Power (Shanwei) Co., Ltd. (中廣核新能源海上風電(汕尾)有限公司)	1,474,241,966.67	13.96%	23,864,288.44
CGN New Energy (Huizhou) Co., Ltd. (中廣核新能源(惠州)有限公司)	1,008,707,481.91	9.55%	3,318,049.08
Fujian Electric Grid Co., Ltd. (國網福建省電力有限公司)	872,672,166.38	8.26%	2,618,016.50
Hong Kong Nuclear Investment Co. Ltd. (香港核電投資有限公司) (“HKNIC”)	605,965,413.39	5.74%	1,817,896.24
Total	7,124,158,580.37	67.44%	41,760,993.95

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

5. Prepayments

(1) Prepayments by aging

Aging	June 30, 2022		December 31, 2021	
	Amount	Percentage	Amount	Percentage
Within 1 year	11,665,758,162.18	59.57%	9,511,674,348.19	54.75%
1 to 2 years	4,871,419,440.71	24.87%	5,749,514,633.15	33.10%
2 to 3 years	1,310,305,717.79	6.69%	571,592,810.28	3.29%
More than 3 years	1,736,261,543.17	8.87%	1,539,283,209.27	8.86%
Total	19,583,744,863.85	100.00%	17,372,065,000.89	100.00%

Description of the reasons for the non-timely settlement of prepayments aged over 1 year and in significant amount:
Prepayments in significant amount and aged over 1 year are mainly payments for construction projects and nuclear fuel procurement, which have not yet been settled with the other party due to the long cycle of the projects and long processing cycle of nuclear fuel components.

(2) Top five entities with the largest closing balances of prepayments

Name of entity	Amount	Percentage to total prepayments
CGNPC Uranium Resources Co., Ltd.	9,876,636,272.15	50.43%
China Construction Second Engineering Bureau Ltd.	1,921,557,876.26	9.81%
China Nuclear Industry Huaxing Construction Co., Ltd. (中國核工業華興建設有限公司)	1,122,007,352.93	5.73%
Mingyang Smart Energy Group., Ltd. (明陽智慧能源集團股份公司)	657,380,629.42	3.36%
Dongfang Electric Corporation	389,759,250.72	1.99%
Total	13,967,341,381.48	71.32%

6. Other receivables

Item	June 30, 2022	December 31, 2021
Dividends receivable	2,678,911.20	10,562,708.35
Others	109,436,502.28	42,757,539.26
Total	112,115,413.48	53,320,247.61

(1) Dividends receivable

(a) Dividends receivable

Investee	June 30, 2022	December 31, 2021
CIECC Engineering Company Limited (中諮工程有限公司)	2,710,600.00	2,710,600.00
China Nuclear Industry Second and Third Construction Co., Ltd. (中國核工業二三建設有限公司)	-	7,883,797.15
Total	2,710,600.00	10,594,397.15
Less: Bad debt provision	31,688.80	31,688.80
Carrying amount	2,678,911.20	10,562,708.35

(b) Determining provision for bad debt

Item	For the period from January 1 to June 30, 2022			Total
	Phase 1 Expected credit losses within 12 months	Phase 2 Expected credit losses during the whole life (no credit impairment occurred)	Phase 3 Expected credit losses during the whole life (credit impairment occurred)	
January 1, 2022	31,688.80	-	-	31,688.80
Provisions for the period	-	-	-	-
Recovered or reversed for the period	-	-	-	-
June 30, 2022	31,688.80	-	-	31,688.80

(2) Other receivables

(a) Other receivables by nature

Nature of other receivables	June 30, 2022	December 31, 2021
Related party payments	78,178,181.28	17,549,172.90
Employee borrowings and petty cash fund	20,536,942.52	15,396,408.99
Others	38,224,706.82	37,848,724.13
Total	136,939,830.62	70,794,306.02
Less: Bad debt provision	27,503,328.34	28,036,766.76
Carrying amount	109,436,502.28	42,757,539.26

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(b) Disclosed by aging

Aging	June 30, 2022 Carrying balance	December 31, 2021 Carrying balance
Within 1 year	105,305,072.60	36,977,358.00
1 to 2 years	2,291,152.01	2,004,006.40
2 to 3 years	939,913.22	987,625.50
More than 3 years	28,403,692.79	30,825,316.12
– 3 to 4 years	1,195,699.34	3,835,846.04
– 4 to 5 years	7,615,271.94	6,315,103.41
– More than 5 years	19,592,721.51	20,674,366.67
Total	136,939,830.62	70,794,306.02

(c) Other receivables disclosed by category

Category	Closing balance					Opening balance				
	Carrying balance		Bad debt provisions			Carrying balance		Bad debt provisions		
	Amount	Percentage	Amount	Provisions percentage	Carrying amount	Amount	Percentage	Amount	Provisions percentage	Carrying amount
Receivables for which provision for bad debts has been individually made	350,000.00	0.26%	350,000.00	100.00%	-	350,000.00	0.49%	350,000.00	100.00%	-
Receivables for which provision for bad debts has been made by group	136,589,830.62	99.74%	27,153,328.34	19.88%	109,436,502.28	70,444,306.02	99.51%	27,686,766.76	39.30%	42,757,539.26
– Group 1	78,721,159.41	57.49%	17,730,913.71	22.52%	60,990,245.70	17,792,568.61	25.14%	17,549,173.01	98.63%	243,395.60
– Group 2	57,868,671.21	42.25%	9,422,414.63	16.28%	48,446,256.58	52,651,737.41	74.37%	10,137,593.75	19.25%	42,514,143.66
Total	136,939,830.62	100.00%	27,503,328.34	20.08%	109,436,502.28	70,794,306.02	100.00%	28,036,766.76	39.60%	42,757,539.26

(d) Changes in bad debt provisions for other receivables

Item	For the period from January 1 to June 30, 2022			Total
	Phase 1 Expected credit losses within 12 months	Phase 2 Expected credit losses during the whole life (no credit impairment occurred)	Phase 3 Expected credit losses during the whole life (credit impairment occurred)	
Opening balance	109,168.00	27,577,598.76	350,000.00	28,036,766.76
– Transferred to phase 2	(5,109.38)	5,109.38	–	–
Provisions for the period	289,030.77	4,319,644.74	–	4,608,675.51
Recovered or reversed for the period	(104,058.62)	(4,886,021.20)	–	(4,990,079.82)
Impact of disposal of subsidiaries	–	(266,627.60)	–	(266,627.60)
Exchange differences arising on translation of financial statements	27,030.78	87,562.71	–	114,593.49
Closing balance	316,061.55	26,837,266.79	350,000.00	27,503,328.34

(e) Top five debtors with the largest closing balances

Name of entity	Nature	Amount	Aging	Percentage to total other receivables	Closing balance of provisions for bad debts
Shanghai Engineering Science & Technology Co., Ltd. (上海中廣核工程科技有限公司)	Related party payments	50,580,000.00	Within 1 year	36.94%	151,740.00
CGN Services Group Co., Ltd. (中廣核服務集團有限公司) (“CGN Services Group”)	Related party payments	17,549,172.90	More than 5 years	12.82%	17,549,172.90
CGNPC	Related party payments	10,000,000.00	Within 1 year	7.30%	30,000.00
Huaneng Hainan Changjiang Nuclear Power Co., Ltd. (華能海南昌江核電有限公司)	Payments	8,561,000.04	Within 1 year	6.25%	25,683.00
Customs of Fangchenggang	Customs deposit	6,656,452.53	Within 1 year	4.86%	19,969.36
Total		93,346,625.47		68.17%	17,776,565.26

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

7. Inventories

(1) Inventories by category

Item	June 30, 2022			December 31, 2021		
	Carrying balance	Provision for decline in value	Carrying amount	Carrying balance	Provision for decline in value	Carrying amount
Nuclear fuel	7,403,603,841.19	-	7,403,603,841.19	8,057,601,522.06	-	8,057,601,522.06
Spare parts	6,780,407,566.16	610,983,877.54	6,169,423,688.62	6,199,192,732.13	602,318,672.38	5,596,874,059.75
Consigned processing materials	1,298,308,065.82	-	1,298,308,065.82	1,578,700,935.77	-	1,578,700,935.77
Raw materials	13,958,229.67	-	13,958,229.67	13,970,265.19	-	13,970,265.19
Goods on hand	1,060,586.84	-	1,060,586.84	1,244,014.52	-	1,244,014.52
Reusable materials	42,477.12	-	42,477.12	84,934.77	-	84,934.77
Total	15,497,380,766.80	610,983,877.54	14,886,396,889.26	15,850,794,404.44	602,318,672.38	15,248,475,732.06

(2) Provision for decline in value of inventories

Inventory categories	January 1, 2022	Additions during the period Provision	Deductions during the period Reversal and write-off	Exchange differences arising on translation of financial statements	June 30, 2022
Spare parts	602,318,672.38	-	1,271,752.47	9,936,957.63	610,983,877.54

(3) Description of the inventory balance containing the capitalized borrowing costs

One-third of the initial nuclear fueling costs is recognized in the inventory, and is included in the production cost by installments at the period between the initial fueling and the next refuelling based on the on-grid power generation. As at June 30, 2022 and December 31, 2021, no capitalized borrowing cost was included in the initial nuclear fueling costs in the Group's inventory.

8. Contract assets

(1) Contract assets

Item	June 30, 2022			December 31, 2021		
	Carrying balance	Impairment provision	Carrying amount	Carrying balance	Impairment provision	Carrying amount
Completed but unsettled assets resulting from construction contracts	3,161,881,848.07	204,515,482.17	2,957,366,365.90	3,542,015,988.29	204,515,541.12	3,337,500,447.17
Guarantee deposits	8,340,666.23	137,554.09	8,203,112.14	12,025,303.81	2,774,742.49	9,250,561.32
Total	3,170,222,514.30	204,653,036.26	2,965,569,478.04	3,554,041,292.10	207,290,283.61	3,346,751,008.49

The impairment provision made for contract assets of the Group mainly came from Mengzi Zhongneng New Energy Co., Ltd. (蒙自中能新能源有限公司). The reason for the provision was that the recoverable amount was lower than the carrying amount of the onshore wind power project entered into by the Group and Mengzi Zhongneng New Energy Co., Ltd.. As at June 30, 2022, the accumulated impairment provision made for such contract assets amounted to RMB197,796,089.10 (December 31, 2021: RMB197,796,089.10).

(2) Impairment provision made for contract assets for the period

Item	January 1, 2022	Provisions for the period	Reversal for the period	Impact of disposal of subsidiaries	June 30, 2022
Completed but unsettled assets resulting from construction contracts	204,515,541.12	–	58.95	–	204,515,482.17
Guarantee deposits	2,774,742.49	1,504.40	1,969.93	2,636,722.87	137,554.09
Total	207,290,283.61	1,504.40	2,028.88	2,636,722.87	204,653,036.26

(3) Qualitative analysis of contract assets

The amount associated with construction contracts is the project balance that should be delivered to the customer under the construction contract that CGN Engineering receives from the customer's payment based on a series of performance-based milestones. The Group firstly recognizes the completed construction as a contract asset and reclassifies the recognized contract assets to accounts receivable upon obtaining the right to unconditionally collect the consideration of contracts from the customer.

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

9. Other current assets

Item	June 30, 2022	December 31, 2021
VAT retained at the end of the period	2,676,430,696.12	3,534,796,566.46
Others	18,706,837.79	23,934,998.31
Total	2,695,137,533.91	3,558,731,564.77

10. Debt investment

Item	June 30, 2022			December 31, 2021		
	Carrying balance	Impairment provision	Carrying amount	Carrying balance	Impairment provision	Carrying amount
Others	37,739,834.23	-	37,739,834.23	37,739,834.23	-	37,739,834.23

11. Long-term equity investments

Investee	Balance at January 1, 2022	Changes in the period						Balance at June 30, 2022	Closing balance of impairment provisions
		Additional investment	Reduced investment	Investment gains/losses recognized under the equity method	Adjustment of other comprehensive income	Changes in other equity	Declared cash dividends or profits		
Associates									
Liaoning Hongyanhe Nuclear Power Co., Ltd. (遼寧紅沿河核電有限公司) ("Hongyanhe Nuclear")	7,405,269,832.26	-	-	240,347,599.43	-	-	-	7,645,617,431.69	-
Fujian Ningde Second Nuclear Power Co., Ltd. (福建寧德第二核電有限公司) ("Ningde Second Nuclear")	318,632,261.80	-	-	-	-	-	-	318,632,261.80	-
CGN Industry Investment Fund Phase 1 (Co., Ltd. (中廣核一期產業投資基金有限公司) ("CGN Fund Phase 1"))	2,601,837,377.07	-	-	178,630,087.46	-	-	-	2,780,467,464.53	-
China Nuclear Industry Second and Third Construction Co., Ltd. (中國核工業二三建設有限公司)	660,111,617.56	-	-	42,519,120.03	(234,845.19)	13,664,789.50	-	716,060,681.90	-
CGN Finance Co., Ltd. (中廣核財務有限公司) ("CGN Finance")	1,405,404,974.80	-	-	70,343,852.02	3,791,700.00	-	-	1,479,540,526.82	-
CECC Engineering Company Limited (中諮工程有限公司)	37,398,954.43	-	-	2,104,380.63	-	-	-	39,503,335.06	-
Xiong'an Xingrong Nuclear Power Innovation Center Co., Ltd. (雄安興融核電創新中心有限公司)	20,000,000.00	-	-	-	-	-	-	20,000,000.00	-
Gansu Longhe Environmental Protection Technology Co., Ltd. (甘肅龍和環保科技有限公司)	8750,000.00	-	-	-	-	-	-	8750,000.00	-
Total	12,457,405,017.92	-	-	533,945,039.57	3,556,854.81	13,664,789.50	-	13,008,571,701.80	-

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

12. Other investment in equity instruments

(1) Other investment in equity instruments

Item	June 30, 2022	December 31, 2021
Chinergy Co., Ltd. (中核能源科技有限公司)	110,000,000.00	110,000,000.00
China Nuclear Industry Huaxing Construction Co., Ltd. (中國核工業華興建設有限公司)	472,715,100.00	458,128,600.00
Fujian Power Exchange Center Co., Ltd. (福建電力交易中心有限公司)	10,960,113.30	10,960,113.30
Guangxi Power Exchange Center Co., Ltd. (廣西電力交易中心有限責任公司)	2,607,256.83	2,607,256.83
Gansu Solar Thermal Power Generation Co., Ltd. (甘肅光熱發電有限公司)	8,500,000.00	8,500,000.00
Total	604,782,470.13	590,195,970.13

(2) Investment in other equity instruments measured at fair value

Item	Reason for designated as at FVTOCI	Dividend income recognized for the period	Accumulated gains or losses before taxation included in other comprehensive income	Amount of other comprehensive income transferred to the retained earnings	Reason for other comprehensive income transferred to the retained earnings
Chinergy Co., Ltd. (中核能源科技有限公司)	Not intended to hold for recent sale or short-term profit	-	-	-	-
China Nuclear Industry Huaxing Construction Co., Ltd. (中國核工業華興建設有限公司)	Not intended to hold for recent sale or short-term profit	-	222,778,308.54	-	-
Fujian Power Exchange Center Co., Ltd. (福建電力交易中心有限公司)	Not intended to hold for recent sale or short-term profit	-	-	-	-
Guangxi Power Exchange Center Co., Ltd. (廣西電力交易中心有限責任公司)	Not intended to hold for recent sale or short-term profit	-	-	-	-
Gansu Solar Thermal Power Generation Co., Ltd. (甘肅光熱發電有限公司)	Not intended to hold for recent sale or short-term profit	-	-	-	-
Total		-	222,778,308.54	-	-

13. Investment properties

(1) Investment properties measured at cost

Item	Buildings and structures
For the period from January 1 to June 30, 2022	
I. Original carrying value	
1. Opening balance	453,183,908.24
2. Additions during the period	72,791,406.94
(1) Transfer from fixed assets	72,308,399.29
(2) Exchange differences arising on translation of financial statements	483,007.65
3. Closing balance	525,975,315.18
II. Accumulated depreciation	
1. Opening balance	248,264,657.70
2. Additions during the period	46,966,950.33
(1) Provisions	15,748,920.62
(2) Transfer from fixed assets	30,957,973.24
(3) Exchange differences arising on translation of financial statements	260,056.47
3. Closing balance	295,231,608.03
III. Impairment provisions	
1. Opening balance	–
2. Additions during the period	–
3. Deductions during the period	–
4. Closing balance	–
IV. Carrying amount	
1. Closing carrying amount	230,743,707.15
2. Opening carrying amount	204,919,250.54

(2) Undiscounted future lease receipts after the balance sheet date

Maturity analysis of undiscounted operating future lease receipts	June 30, 2022	December 31, 2021
The first year after the balance sheet date	29,767,386.75	21,290,114.61
The second year after the balance sheet date	31,925,730.61	16,905,438.03
The third year after the balance sheet date	24,216,521.10	18,133,998.33
The fourth year after the balance sheet date	22,251,191.26	18,133,998.33
The fifth year after the balance sheet date	23,044,279.99	18,519,440.91
After the sixth year after the balance sheet date	164,590,837.14	148,923,386.08
Total	295,795,946.85	241,906,376.29

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

14. Fixed assets

(1) Fixed assets

Item	Buildings and structures	Machinery and equipment	Transportation vehicles	Electronic equipment and office facilities	Cost of NPP decommissioning	Vessels	Total
For the period from January 1 to June 30, 2022							
I. Original carrying value							
1. Opening balance	71,876,233,442.55	253,968,760,518.01	182,658,902.15	3,227,791,336.65	2,632,950,930.79	420,686,049.15	332,309,081,179.30
2. Additions during the period	536,714,575.06	1,509,495,591.35	4,537,723.64	62,502,302.30	8,801,252.23	-	2,122,051,444.58
(1) Acquisition	12,653,682.46	101,098,802.20	4,151,787.32	41,599,348.20	-	-	159,503,620.18
(2) Transfer from construction in progress	271,013,755.23	272,592,868.64	-	16,535,699.28	-	-	560,142,323.15
(3) Exchange differences arising on translation of financial statements	253,047,137.37	1,135,803,920.51	385,936.32	4,367,254.82	8,801,252.23	-	1,402,405,501.25
3. Deductions during the period	84,787,179.93	76,660,140.47	2,801,472.60	82,442,683.82	-	-	246,691,476.82
(1) Disposal	12,478,780.64	76,660,140.47	2,801,472.60	82,442,683.82	-	-	174,383,077.53
(2) Self-use properties transferred to investment properties	72,308,399.29	-	-	-	-	-	72,308,399.29
4. Adjustment from final account for completed project (Note 1)	(2,849,323,883.94)	3,517,054,887.79	-	-	-	-	667,731,003.85
5. Closing balance	69,478,836,953.74	258,918,650,856.68	184,395,153.19	3,207,850,955.13	2,641,752,183.02	420,686,049.15	334,852,172,150.91
II. Accumulated depreciation							
1. Opening balance	17,722,339,193.10	71,947,605,273.64	136,303,340.36	2,180,543,569.35	477,675,965.30	42,609,378.43	92,507,076,720.18
2. Additions during the period	1,185,873,010.22	4,643,240,755.25	6,692,609.32	155,827,502.16	33,425,206.58	7,993,485.84	6,033,052,569.37
(1) Provisions	959,243,924.46	3,624,411,625.00	6,442,191.53	152,104,876.47	26,960,117.41	7,993,485.84	4,777,156,220.71
(2) Exchange differences arising on translation of financial statements	226,629,085.76	1,018,829,130.25	250,417.79	3,722,625.69	6,465,089.17	-	1,255,896,348.66
3. Deductions during the period	34,583,266.74	59,941,481.97	2,661,862.60	74,943,800.73	-	-	172,130,412.04
(1) Disposal	3,625,293.50	59,941,481.97	2,661,862.60	74,943,800.73	-	-	141,172,438.80
(2) Self-use properties transferred to investment properties	30,957,973.24	-	-	-	-	-	30,957,973.24
4. Closing balance	18,873,628,936.58	76,530,904,546.92	140,334,087.08	2,261,427,270.78	511,101,171.88	50,602,864.27	98,367,998,877.51
III. Impairment provisions							
1. Opening balance	-	20,190,260.47	-	-	-	-	20,190,260.47
2. Additions during the period	-	232,666.71	-	-	-	-	232,666.71
(1) Exchange differences arising on translation of financial statements	-	232,666.71	-	-	-	-	232,666.71
3. Closing balance	-	20,422,927.18	-	-	-	-	20,422,927.18
IV. Carrying amount							
1. Closing carrying amount	50,605,208,017.16	182,367,323,382.58	44,061,066.11	946,423,684.35	2,130,651,011.14	370,083,184.88	236,463,750,346.22
2. Opening carrying amount	54,153,894,249.45	182,000,964,983.90	46,355,561.79	1,047,247,767.30	2,155,274,965.49	378,076,670.72	239,781,814,198.65

Note 1: Taishan Nuclear completed the final accounts for completed project for its Phase I project, adjusted the value of assets and reclassified the assets based on the final accounts for completed project.

- (2) As at June 30, 2022 and December 31, 2021, the Group had no idle fixed assets.
- (3) As at June 30, 2022 and December 31, 2021, the Group had no fixed assets under operating leases.
- (4) As at June 30, 2022 and December 31, 2021, the carrying values of the properties held by the Group for which the application of title certificates was still in progress amounted to RMB781,134,150.25 and RMB350,423,043.02, respectively. The Group believed that the ongoing application for the above title certificates will not affect the use of the properties.

15. Construction in progress

(1) Construction in progress

Name of project	June 30, 2022			December 31, 2021		
	Carrying balance	Impairment provision	Carrying amount	Carrying balance	Impairment provision	Carrying amount
Fangchenggang Nuclear Phase II Project	33,605,239,776.01	-	33,605,239,776.01	30,583,724,586.64	-	30,583,724,586.64
Lufeng Nuclear Project	21,955,166,607.67	-	21,955,166,607.67	20,433,117,775.36	-	20,433,117,775.36
Baolong Industrial Park project	1,409,879,215.69	-	1,409,879,215.69	1,243,474,325.71	-	1,243,474,325.71
Others	4,288,429,717.43	134,231,261.53	4,154,198,455.90	5,435,535,745.09	134,231,261.53	5,301,304,483.56
Total	61,258,715,316.80	134,231,261.53	61,124,484,055.27	57,695,852,432.80	134,231,261.53	57,561,621,171.27

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For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(2) Changes in major construction in progress

Name of project	Budget amount	January 1, 2022	Additions during the period	Transfer to fixed assets	Proportion of investment to		Project progress (%)	Accumulated capitalized interest	Including: capitalized interest for the period	Ratio of capitalized interest for the period (%)	Sources of fund
					June 30, 2022	budget (%)					
Fangchenggang Nuclear Phase II Project	37,489,790,000.00	30,583,724,586.64	3,021,515,189.37	-	33,605,239,776.01	90.86	90.86	3,745,785,509.08	556,630,550.10	4.18	Self-owned funds, loans
Lufeng Nuclear Phase I Project (Note 1)	N/A	19,603,644,069.02	452,899,574.57	-	20,056,543,643.59	N/A	N/A	3,999,758,909.66	290,395,441.40	3.74	Self-owned funds, loans
Lufeng Nuclear Phase II Project (Note 2)	41,279,080,000.00	829,473,706.34	1,069,149,307.74	-	1,898,623,014.08	7.18	7.18	71,368,841.59	14,981,627.02	3.74	Self-owned funds, loans
Baolong Industrial Park project	2,985,000,000.00	1,243,474,325.71	166,404,889.98	-	1,409,879,215.69	47.23	47.23	61,735,600.18	14,652,743.92	4.90	Self-owned funds, loans
Total		52,260,316,687.71	4,709,968,911.66	-	56,970,285,599.37			7,878,648,860.51	876,660,362.44		

Note 1: According to the approval letter in relation to the launch of preliminary work of Lufeng Phase I from the General Office of the NDRC 《國家發改委辦公廳關於同意廣東陸豐核電一期工程開展前期工作的函》, the preliminary work of the Lufeng Nuclear Phase I Project launched by CGN Lufeng Nuclear Power Co., Ltd. ("Lufeng Nuclear") has been pursuing approval, and there is no investment budget at present.

Note 2: Currently, Lufeng Unit 5 and Unit 6 of the Lufeng Nuclear Phase II Project have been approved by the State Council in April 2022. Construction will begin when the "Permit for Nuclear Power Station Construction" from the National Nuclear Safety Administration has been obtained.

(3) The Group assessed and determined that the recoverable amount of the construction in progress of Hebei Zhongzhuang Clean Thermal Energy Co., Ltd. (河北中莊清潔熱能有限公司) was less than its carrying amount, so it made a full provision for impairment. As at June 30, 2022, the provision for impairment amounted to RMB134,231,261.53 (December 31, 2021: RMB134,231,261.53).

16. Right-of-use assets

(1) Right-of-use assets

Item	Buildings and structures	Machinery and equipment	Total
For the period from January 1 to June 30, 2022			
I. Original carrying value			
1. Opening balance	1,860,442,815.95	860,249.76	1,861,303,065.71
2. Additions during the period	185,658,289.46	382,300.88	186,040,590.34
(1) Additions	183,681,060.55	382,300.88	184,063,361.43
(2) Exchange differences arising on translation of financial statements	1,977,228.91	–	1,977,228.91
3. Deductions during the period	74,463,273.91	–	74,463,273.91
(1) Deductions due to termination of contracts	74,463,273.91	–	74,463,273.91
4. Closing balance	1,971,637,831.50	1,242,550.64	1,972,880,382.14
II. Accumulated depreciation			
1. Opening balance	820,183,311.61	342,325.24	820,525,636.85
2. Additions during the period	134,736,925.03	101,372.00	134,838,297.03
(1) Provisions	134,021,230.69	101,372.00	134,122,602.69
(2) Exchange differences arising on translation of financial statements	715,694.34	–	715,694.34
3. Deductions during the period	20,317,020.00	–	20,317,020.00
(1) Deductions due to termination of contracts	20,317,020.00	–	20,317,020.00
4. Closing balance	934,603,216.64	443,697.24	935,046,913.88
III. Impairment provisions			
1. Opening balance	–	–	–
2. Additions during the period	–	–	–
3. Deductions during the period	–	–	–
4. Closing balance	–	–	–
IV. Carrying amount			
1. Closing carrying amount	1,037,034,614.86	798,853.40	1,037,833,468.26
2. Opening carrying amount	1,040,259,504.34	517,924.52	1,040,777,428.86

(2) Amounts recognized in profit or loss

	For the period from January 1 to June 30, 2022	For the period from January 1 to June 30, 2021
Buildings and structures, machinery and equipment		
Depreciation expenses of right-of-use assets (Note 1)	133,125,041.30	142,052,366.66
Interest expenses on the lease liabilities (Note 2)	23,291,416.52	17,483,967.69
Short-term lease expenses	24,317,833.01	23,617,303.54

Note 1: For the period from January 1 to June 30, 2022, the capitalized depreciation expense of right-of-use assets amounted to RMB1,713,255.73.

Note 2: For the period from January 1 to June 30, 2022, the capitalized interest expense on the lease liabilities amounted to RMB204,778.84.

(3) For the period from January 1 to June 30, 2022, the total cash outflow of the Group's leases amounted to RMB138,194,359.12.

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

17. Intangible assets

(1) Intangible assets

Item	Land use rights	Computer software	Patent rights	Non-patented technology	Sea area use right	Others	Total
For the period from January 1 to June 30, 2022							
I. Original carrying value							
1. Opening balance	4,317,477,680.49	2,496,257,496.16	1,164,482,899.42	718,367,945.89	263,676,952.00	88,114,126.18	9,048,377,100.14
2. Additions during the period	18,398,553.48	50,957,000.65	20,469.57	95,142,441.42	-	-	164,518,465.12
(1) Acquisition	-	21,476,615.23	-	-	-	-	21,476,615.23
(2) Transfer from construction in progress	-	5,972,739.44	-	862,656.55	-	-	6,835,395.99
(3) Transfer from development cost	-	13,223,198.48	20,469.57	94,279,784.87	-	-	107,523,452.92
(4) Exchange differences arising on translation of financial statements	18,398,553.48	10,284,447.50	-	-	-	-	28,683,000.98
3. Deductions during the period	-	32,886,263.51	-	-	-	-	32,886,263.51
(1) Disposal or retirement	-	32,886,263.51	-	-	-	-	32,886,263.51
4. Reclassification	-	-	24,946,566.53	(24,946,566.53)	-	-	-
5. Closing balance	4,335,876,233.97	2,514,328,233.30	1,189,449,935.52	788,563,820.78	263,676,952.00	88,114,126.18	9,180,009,301.75
II. Accumulated amortization							
1. Opening balance	1,109,767,046.60	1,868,357,416.48	458,076,946.92	335,547,936.69	34,722,078.06	39,074,552.80	3,845,545,977.55
2. Additions during the period	65,486,760.77	140,534,601.31	55,855,968.65	28,696,481.59	3,164,097.62	856,253.46	294,594,163.40
(1) Provisions	51,431,169.64	130,487,739.27	55,855,968.65	28,696,481.59	3,164,097.62	856,253.46	270,491,710.23
(2) Exchange differences arising on translation of financial statements	14,055,591.13	10,046,862.04	-	-	-	-	24,102,453.17
3. Deductions during the period	-	25,811,184.98	-	-	-	-	25,811,184.98
(1) Disposal or retirement	-	25,811,184.98	-	-	-	-	25,811,184.98
4. Reclassification	-	-	3,244,252.01	(3,244,252.01)	-	-	-
5. Closing balance	1,175,253,807.37	1,983,080,832.81	517,177,167.58	361,000,166.27	37,886,175.68	39,930,806.26	4,114,328,955.97
III. Impairment provisions							
1. Opening balance	-	-	-	-	-	-	-
2. Additions during the period	-	-	-	-	-	-	-
3. Deductions during the period	-	-	-	-	-	-	-
4. Closing balance	-	-	-	-	-	-	-
IV. Carrying amount							
1. Closing carrying amount	3,160,622,426.60	531,247,400.49	672,272,767.94	427,563,654.51	225,790,776.32	48,183,319.92	5,065,680,345.78
2. Opening carrying amount	3,207,710,633.89	627,900,079.68	706,405,952.50	382,820,009.20	228,954,873.94	49,039,573.38	5,202,831,122.59

As at June 30, 2022 and December 31, 2021, the Group's intangible assets from internal R&D accounted for 24.68% and 23.85% of the carrying value of intangible assets, respectively.

(2) Right-of-use assets without proper title certificates

As at June 30, 2022 and December 31, 2021, the Group had no right-of-use assets without proper title certificates.

18. Development cost

Item	January 1, 2022	Additions during the period	Deductions during the period		June 30, 2022
			Recognized as intangible assets	Transfer to profit or loss during the period	
AP1000	442,650,755.90	7,256,167.88	-	-	449,906,923.78
HPR/ACPR 1000	205,632,316.26	66,436,702.08	35,900,017.04	-	236,169,001.30
Others	2,927,138,114.50	844,520,786.18	71,623,435.88	200,635,489.75	3,499,399,975.05
Total	3,575,421,186.66	918,213,656.14	107,523,452.92	200,635,489.75	4,185,475,900.13

19. Goodwill

Item	January 1, 2022 and June 30, 2022
Original carrying value	
China Daya Bay Nuclear Power Technology Research Institute Co., Ltd. (中國大亞灣核電技術研究院有限公司)	7,048,000.00
Ningde Nuclear	419,242,673.32
Subtotal	426,290,673.32
Impairment provisions	
China Daya Bay Nuclear Power Technology Research Institute Co., Ltd. (中國大亞灣核電技術研究院有限公司)	7,048,000.00
Ningde Nuclear	-
Subtotal	7,048,000.00
Total	419,242,673.32

20. Long-term deferred expenses

Item	January 1, 2022	Additions during the period	Amortization for the period	Exchange differences arising on translation of financial statements	June 30, 2022
Nuclear power production preparation staff training fee (Note 1)	1,069,756,385.36	34,813,487.59	725,694.75	-	1,103,844,178.20
Emergency passages (Note 2)	325,456,971.79	-	14,628,013.03	-	310,828,958.76
Others	132,231,075.33	6,334,561.09	9,674,832.22	671,897.46	129,562,701.66
Total	1,527,444,432.48	41,148,048.68	25,028,540.00	671,897.46	1,544,235,838.62

Note 1: The expenses incurred during the training of nuclear power production preparation staff shall be accounted as long-term deferred expenses of the Group, and shall be amortized according to the remaining working years as stipulated in the labor contract or training agreement from the conclusion of the training, and recognized in the cost of the related assets or profit or loss for the period.

Note 2: The emergency passages were constructed under funding by Ling'ao Nuclear, Lingdong Nuclear, Yangjiang Nuclear, Fangchenggang Nuclear and Ningde Nuclear. It was accounted as long-term deferred expenses by the Group, amortized based on the estimated useful life from the date of completion and recognized in cost of the related assets or the profit or loss for the period.

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(All amounts in RMB unless otherwise stated)

21. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities

Item	June 30, 2022		December 31, 2021	
	Deductible or taxable temporary differences	Deferred tax assets/liabilities	Deductible or taxable temporary differences	Deferred tax assets/liabilities
Deferred tax assets:				
Unrealized profit arising from internal transactions	9,042,706,965.64	2,260,676,741.41	8,492,048,631.72	2,123,012,157.93
Provision for asset impairment	846,040,370.53	133,763,587.01	842,548,833.09	133,250,769.14
Deferred income	401,690,515.88	60,253,577.39	404,089,185.88	60,613,377.89
Expected credit losses	231,658,702.03	35,204,274.16	191,260,724.49	29,766,186.87
Others	206,685,418.74	33,413,187.02	160,792,732.34	26,406,314.23
Subtotal	10,728,781,972.82	2,523,311,366.99	10,090,740,107.52	2,373,048,806.06
Offsetting amount	(447,925,478.17)	(67,188,821.74)	(407,447,119.41)	(61,117,067.92)
Offsetting balance	10,280,856,494.65	2,456,122,545.25	9,683,292,988.11	2,311,931,738.14
Deferred tax liabilities:				
Depreciation of fixed assets	5,013,536,616.46	1,253,224,377.07	4,661,648,394.04	1,165,412,098.58
Revaluation gain of assets for business combinations involving entities not under common control	519,879,968.52	129,969,992.13	533,711,716.88	133,427,929.22
Others	222,778,308.54	33,416,746.28	208,191,808.54	31,228,771.28
Subtotal	5,756,194,893.52	1,416,611,115.48	5,403,551,919.46	1,330,068,799.08
Offsetting amount	(447,925,478.17)	(67,188,821.74)	(407,447,119.41)	(61,117,067.92)
Offsetting balance	5,308,269,415.35	1,349,422,293.74	4,996,104,800.05	1,268,951,731.16

(2) Unrecognized deferred tax assets

Item	June 30, 2022	December 31, 2021
Deductible temporary differences	349,950,858.42	212,092,251.97
Deductible losses	4,657,954,595.86	4,527,053,611.93
Total	5,007,905,454.28	4,739,145,863.90

Note: As it is uncertain whether the Company and certain subsidiaries can obtain sufficient taxable income in the future, the above deductible temporary differences and deductible losses are not recognized as deferred tax assets.

(3) Maturity of deductible losses that are not recognized as deferred tax assets

Year	June 30, 2022	December 31, 2021
2022	78,148,961.20	78,148,961.20
2023	210,866,408.12	214,235,794.11
2024	1,137,311,404.62	1,137,311,404.62
2025	862,491,446.32	887,587,362.62
2026	1,560,064,638.93	2,209,770,089.38
2027	809,071,736.67	–
Total	4,657,954,595.86	4,527,053,611.93

22. Other non-current assets

Item	June 30, 2022	December 31, 2021
VAT retained at the end of the period	3,931,951,517.65	4,094,617,209.36
Prepayment for engineering equipment	3,136,820,526.71	3,136,894,190.45
Prepayment for increase in equity capital	809,711,221.70	–
Others	205,583,895.31	123,866,868.42
Total	8,084,067,161.37	7,355,378,268.23

23. Short-term loans

(1) Short-term loans by category

Item	June 30, 2022	December 31, 2021
Credit loans	14,602,308,605.52	14,662,738,508.67
Pledged loans (Note (V) 3)	400,000,000.00	1,700,000,000.00
Short-term loans interest payable	8,930,658.25	12,255,250.21
Total	15,011,239,263.77	16,374,993,758.88

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

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

24. Bills payable

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

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

25. Accounts payable

(1) Accounts payable by aging

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

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

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

June 30, 2022

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

26. Receipt in advance

Item	June 30, 2022	December 31, 2021
Lease rentals received in advance	642,857.14	–

27. Contract liabilities

(1) Contract liabilities

Item	June 30, 2022	December 31, 2021
Settled payments of uncompleted construction, installation and design service contracts	3,126,491,144.34	4,061,736,430.35
Payments of sales, technical services and construction, installation and design services received in advance	342,851,904.44	63,036,530.25
Total	3,469,343,048.78	4,124,772,960.60

(2) Qualitative analysis of contract liabilities

The contract liabilities associated with the construction, installation and design service contracts are the balances prepaid by the customer under the contract under construction. The balance is generated when a specific milestone payment exceeds the revenue recognized according to the performance progress.

Revenue from sales of goods is recognized when the control right of the product is transferred to the customer. When the customer purchases a product and prepays to the Group, the Group recognizes the transaction price received as the contract liabilities until the control right of the product is transferred to the customer.

Revenue from providing labor or services is recognized over a period of time. The Group recognizes the contract liabilities when it initially receives the service payment and transfers it to revenue during the service period.

28. Employee benefits payable

(1) Employee benefits payable

Item	January 1, 2022	Additions during the period	Deductions during the period	June 30, 2022
I. Short-term employee benefits payable	51,042,781.07	4,280,243,209.03	4,229,974,043.58	101,311,946.52
II. Post-employment benefits – defined contribution plan	4,806,600.60	554,003,271.28	552,303,749.23	6,506,122.65
III. Dismissal benefits	–	464,605.67	464,605.67	–
Total	55,849,381.67	4,834,711,085.98	4,782,742,398.48	107,818,069.17

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(2) Short-term employee benefits

Item	January 1, 2022	Additions during the period	Deductions during the period	June 30, 2022
1. Salaries, bonuses, allowances and subsidies	–	3,433,159,861.49	3,400,159,861.49	33,000,000.00
2. Staff welfare	–	201,227,183.41	201,227,183.41	–
3. Social insurance premiums	1,367,294.41	252,764,259.97	241,874,779.19	12,256,775.19
Including: Medical insurance	1,089,419.77	235,802,844.58	224,966,267.77	11,925,996.58
Work-related injury insurance	153,809.67	7,426,850.45	7,460,208.49	120,451.63
Maternity insurance	124,064.97	9,472,151.22	9,385,889.21	210,326.98
Others	–	62,413.72	62,413.72	–
4. Housing provident funds	–	288,806,296.26	288,745,617.90	60,678.36
5. Labor union expenditures and employees' education expenses	49,508,718.86	74,679,019.85	85,411,640.07	38,776,098.64
6. Other short-term employee benefits	166,767.80	29,606,588.05	12,554,961.52	17,218,394.33
Total	51,042,781.07	4,280,243,209.03	4,229,974,043.58	101,311,946.52

(3) Post-employment benefits – defined contribution plan

Item	January 1, 2022	Additions during the period	Deductions during the period	June 30, 2022
1. Basic pension insurance	4,672,168.57	336,329,662.53	335,464,203.89	5,537,627.21
2. Unemployment insurance	97,814.46	3,482,824.76	3,477,598.87	103,040.35
3. Corporate annuity contribution	36,617.57	214,190,783.99	213,361,946.47	865,455.09
Total	4,806,600.60	554,003,271.28	552,303,749.23	6,506,122.65

The Group participates in pension insurance and unemployment insurance schemes established by the government as required, pursuant to which, the Group contributes a stipulated proportion to pension insurance and unemployment insurance schemes respectively. In addition, according to the Group's corporate annuity management system, the Group is required to pay the corporate annuity contribution which is a fixed proportion to the Company's annual salary standard of previous year. Other than the above, the Group has no further payment responsibility. The corresponding expenses are recognized in profit or loss for the period or the cost of related assets when incurred.

29. Taxes payable

Item	June 30, 2022	December 31, 2021
VAT	398,872,751.45	402,748,479.74
Enterprise income tax	1,058,789,223.32	913,501,246.87
Withholding individual income tax	55,637,087.67	171,189,620.43
Urban maintenance and construction tax	31,829,965.47	27,911,764.71
Real estate tax	43,678,707.28	18,302,682.33
Duty stamp	1,479,952.42	2,765,022.45
Education surcharges	22,782,176.83	19,983,479.51
Others	71,177,842.14	4,618,276.21
Total	1,684,247,706.58	1,561,020,572.25

30. Other payables

Item	June 30, 2022	December 31, 2021
Dividends payable	6,229,611,723.42	808,784,268.88
Others	2,280,747,932.32	3,266,825,676.73
Total	8,510,359,655.74	4,075,609,945.61

(1) Dividends payable

Name of entity	June 30, 2022	December 31, 2021
CGNPC	2,450,837,875.50	–
H-share shareholders	873,097,956.56	–
Guangdong Energy Group Co., Ltd. (廣東省能源集團有限公司)	723,174,989.55	–
CLP Nuclear Power (Yangjiang) Limited	723,174,989.55	–
A-share shareholders	424,188,322.40	–
Guangxi GI Energy Group Co., Ltd. (廣西廣投能源集團有限公司)	308,247,028.48	–
CGN Fund Phase I	297,777,936.88	–
Guangdong Hengjian Investment Holdings Co., Ltd. (廣東恒健投資控股有限公司)	287,995,050.00	–
CNNC	141,117,574.50	–
China Energy Construction Group Guangdong Electric Power Design and Research Institute Co. Ltd. (中國能源建設集團 廣東省電力設計研究院有限公司)	–	11,821,768.88
HKNIC	–	796,962,500.00
Total	6,229,611,723.42	808,784,268.88

Note: As at June 30, 2022 and December 31, 2021, the Group had dividends payable for more than 1 year of RMB0.00 and RMB9,053,293.01, respectively.

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(2) Other payables

(a) Other payables by nature

Item	June 30, 2022	December 31, 2021
Spent fuel management fund	1,544,806,263.46	2,834,282,109.53
Related party payments	217,269,054.12	75,482,458.34
Others	518,672,614.74	357,061,108.86
Total	2,280,747,932.32	3,266,825,676.73

(b) Significant other payables with aging of over 1 year

Item	June 30, 2022	Reason for outstanding December 31, 2021 or not transfer
CGNPC	42,154,605.42	40,685,596.75 Not yet settled

31. Non-current liabilities due within one year

Item	June 30, 2022	December 31, 2021
Long-term loans due within one year (Note (V) 33)	16,691,374,423.38	16,950,174,243.56
Long-term loans interest payable	226,363,593.18	306,485,676.11
Bonds payable due within one year (Note (V) 34)	4,998,122,137.05	4,999,104,783.84
Bonds payable interests payable	231,403,135.93	185,604,014.72
Post-employment benefit scheme liabilities due within one year (Note (V) 36)	3,691,999.37	4,356,233.28
Lease liabilities due within one year (Note (V) 35)	307,170,994.18	273,933,299.02
Total	22,458,126,283.09	22,719,658,250.53

32. Other current liabilities

Item	June 30, 2022	December 31, 2021
Short-term bonds payable	3,613,762,191.79	5,246,547,452.05
Pending output tax	341,816,111.96	794,310,094.05
Total	3,955,578,303.75	6,040,857,546.10

(1) Changes in short-term bonds payable:

Name of bonds	Face value	Issue date	Term	Issue amount	Opening balance	Accrued interest		Amortization		Closing balance
						Issue during the period	based on the face value	of premiums or discounts	Repayment during the period	
21 CGN Power SCP002	1,000,000,000.00	June 8, 2021	220 days	1,000,000,000.00	1,013,724,383.56	-	861,917.81	-	1,014,586,301.37	-
21 CGN Power SCP003	2,000,000,000.00	July 6, 2021	248 days	2,000,000,000.00	2,024,618,630.13	-	9,489,863.01	-	2,034,108,493.14	-
21 CGN Power SCP005	1,200,000,000.00	September 15, 2021	120 days	1,200,000,000.00	1,207,882,520.55	-	875,835.62	-	1,208,758,356.17	-
21 CGN Power GN001	1,000,000,000.00	December 27, 2021	120 days	1,000,000,000.00	1,000,321,917.81	-	7,404,109.59	-	1,007,726,027.40	-
22 CGN Power SCP001	1,000,000,000.00	January 11, 2022	90 days	1,000,000,000.00	-	1,000,000,000.00	5,276,712.33	-	1,005,276,712.33	-
22 CGN Power SCP002	1,000,000,000.00	March 4, 2022	120 days	1,000,000,000.00	-	1,000,000,000.00	6,573,150.69	-	-	1,006,573,150.69
22 CGN Power SCP003	1,600,000,000.00	April 19, 2022	120 days	1,600,000,000.00	-	1,600,000,000.00	6,312,328.77	-	-	1,606,312,328.77
22 CGN Power SCP004	1,000,000,000.00	June 14, 2022	149 days	1,000,000,000.00	-	1,000,000,000.00	876,712.33	-	-	1,000,876,712.33
Total	9,800,000,000.00			9,800,000,000.00	5,246,547,452.05	4,600,000,000.00	37,670,630.15	-	6,270,455,890.41	3,613,762,191.79

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For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

33. Long-term loans

(1) Long-term loans by category

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

Notes for classification of long-term loans:

Note 1: In August 2012, GNIC, a subsidiary of the Company, entered into the "Taiping Asset – CGN Power Project Debt Investment Plan Investment Contract" (《太平資產 – 中廣核電項目債權投資計劃投資合同》) with Taiping Asset Management Co., Ltd. (太平資產管理有限公司) pursuant to which Taiping Asset Management Co., Ltd. initiated the establishment of "Taiping Asset – CGN Power Project Debt Investment Plan" with the actual investment proceeds of RMB3 billion. The proceeds were invested in GNIC in the form of debts, and were used in the construction of nuclear power projects of Taishan Nuclear and Yangjiang Nuclear under GNIC. CGNPC provides a full unconditional irrevocable joint and several liability guarantee for all the obligations of GNIC under such contract to Taiping Asset Management Co., Ltd. As at June 30, 2022, repayment upon maturity amounted to RMB500 million, and the remaining loans are not yet due for repayment.

Note 2: Pledged loans are pledged by the Group with its interests under sales agreements of electricity, interest in the insurance contract and equity interest held. As at June 30, 2022, GNIC, Taishan Investment and the Company pledged their equity in Taishan Nuclear to obtain the long-term loans, and GNIC, the Company and CGN Nuclear Power Investment Co., Ltd. pledged their equity in Lingdong Nuclear to obtain such long-term loans. For details of other pledges of the above pledged loans of the Group, please refer to Note 3 under Note (V) 64.

Note 3: Secured loans are secured by the Company's subsidiaries Lingdong Nuclear, CGN Engineering and Lufeng Nuclear with land use rights and equipment. For details, please refer to Notes 4 to 6 under Note (V) 64.

The range of annual interest rate of the above loans:

	For the period from January 1 to June 30, 2022	For the period from January 1 to June 30, 2021
Range of annual interest rate of the above loans	2.70%-5.30%	0.18% – 5.30%

34. Bonds payable

(1) Bonds payable

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

Note 1: The Group issued 07 CGN Debt on December 20, 2007 with a nominal value amounting to RMB2,000,000,000.00, which will become due and payable in December 2022. Agricultural Bank of China Limited provided a joint and several liability guarantee for 07 CGN Debt.

Note 2: The Group issued 19 CGN Power MTN002, 20 CGN Power MTN001, 21 CGN Power MTN001, 21 CGN Power MTN002 and 22 CGN Power MTN001 on July 22, 2019, August 24, 2020, April 12, 2021, June 15, 2021 and February 21, 2022, respectively. These medium-term notes, with nominal values amounting to RMB1,500,000,000.00, RMB2,500,000,000.00, RMB2,000,000,000.00, RMB1,500,000,000.00 and RMB2,500,000,000.00, respectively, and a total cost of issuance of RMB28,500,000.00, will become due and payable in July 2022, August 2023, April 2024, June 2023 and February 2025, respectively.

(2) Changes in bonds payable

Name of bonds	Face value	Issue date	Term	Issue amount	January 1, 2022	Issuance during the period		Accrued interest based on the face value	Amortization of premiums or discounts	Repayment during the period	June 30, 2022
07 CGN Debt	2,000,000,000.00	2007/12/20	15 years	2,000,000,000.00	2,000,000,000.00	-	58,515,068.50	-	-	-	2,000,000,000.00
19 CGN Power MTN001	1,500,000,000.00	2019/1/18	3 years	1,500,000,000.00	1,499,678,029.67	-	2,876,712.33	321,970.33	1,500,000,000.00	-	-
19 CGN Power MTN002	1,500,000,000.00	2019/7/22	3 years	1,500,000,000.00	1,499,084,986.55	-	26,406,164.39	915,013.45	-	-	1,500,000,000.00
20 CGN Power MTN001	2,500,000,000.00	2020/8/24	3 years	2,500,000,000.00	2,495,675,925.13	-	44,878,082.19	1,488,112.01	-	-	2,497,164,037.14
21 CGN Power MTN001	2,000,000,000.00	2021/4/12	3 years	2,000,000,000.00	1,995,245,782.85	-	34,613,150.68	1,248,450.87	-	-	1,996,494,233.72
21 CGN Power MTN002	1,500,000,000.00	2021/6/15	2 years	1,500,000,000.00	1,497,461,627.53	-	24,472,191.78	660,509.52	-	-	1,498,122,137.05
22 CGN Power MTN001	2,500,000,000.00	2022/2/21	3 years	2,500,000,000.00	-	2,492,500,000.00	25,687,671.23	824,293.63	-	-	2,493,324,293.63
Total	13,500,000,000.00			13,500,000,000.00	10,987,146,351.73	2,492,500,000.00	217,449,041.10	5,458,349.81	1,500,000,000.00	11,985,104,701.54	
Less: Bonds payable due within one year					4,999,104,783.84						4,998,122,137.05
Bonds payable due after one year					5,988,041,567.89						6,986,982,564.49

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(All amounts in RMB unless otherwise stated)

35. Lease liabilities

(1) Lease liabilities

Item	June 30, 2022	December 31, 2021
Lease liabilities	974,475,406.53	966,106,149.29
Less: Lease liabilities due within one year	307,170,994.18	273,933,299.02
Lease liabilities due after one year	667,304,412.35	692,172,850.27

(2) Term of lease liabilities

Item	June 30, 2022	December 31, 2021
Within 1 year	307,170,994.18	273,933,299.02
1 to 2 years (including 2 years)	212,494,209.71	302,013,007.16
2 to 5 years (including 5 years)	142,044,166.40	161,369,322.94
More than 5 years	312,766,036.24	228,790,520.17
Total	974,475,406.53	966,106,149.29

36. Long-term employee benefits payable

(1) Long-term employee benefits payable

Item	June 30, 2022	December 31, 2021
Post-employment benefits – net liabilities of defined benefit plan	46,128,999.37	57,011,233.28
Cash-settled share-based payment	75,715,882.89	142,778,077.84
Total	121,844,882.26	199,789,311.12
Less: Liabilities of post-employment benefits due within one year	3,691,999.37	4,356,233.28
Net amount	118,152,882.89	195,433,077.84

(2) Changes in defined benefit plan

The present value of obligations under the defined benefit plan:

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
I. Opening balance	57,011,233.28	42,022,653.38
II. Defined benefit cost included in profit or loss	(4,554,000.00)	17,783,000.00
1. Past service cost	(5,372,000.00)	17,120,000.00
2. Net interest	818,000.00	663,000.00
III. Defined benefit cost included in other comprehensive income	(1,951,000.00)	1,585,000.00
1. Actuarial (losses)/gains	(1,951,000.00)	1,585,000.00
IV. Other changes	(4,377,233.91)	(4,715,657.41)
1. Paid benefits	(4,377,233.91)	(4,715,657.41)
V. Closing balance	46,128,999.37	56,674,995.97

The Group applies the following discount rate and growth rate actuarial assumptions for the above results of the defined benefit plan:

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Discount rate		
Discharge benefit plan	2.52%	2.90%
Retirement benefit plan	2.83%	3.10%
Growth rate		
Discharge benefit plan	1.90%	2.10%
Retirement benefit plan	2.50%	2.80%

The defined benefit plan usually exposes the Group to interest rate risk and longevity risk:

Interest rate risk: Rising discount rate will lead to a reduction in planned liabilities;

Longevity risk: As at June 30, 2022 and December 31, 2021, the life table used in the defined benefit plan is the experience life table of the pension business in China's life insurance industry (CL(2010-2013)).

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Other explanation:

The Group provides supplementary retirement benefit plans for some resigned and retired employees. According to the plan, the supplementary retirement benefits paid by the Group include nursing recuperation fees, holiday fees, travel expenses, medical examination and vaccination fees and annually paid supplementary medical insurance in accordance with policies, and the benefits will be paid until their death.

The Group engaged China Life Pension Company Limited to estimate the present value of the retirement benefit plan obligations above in an actuarial manner based on the expected cumulative welfare unit method. The plan estimates future cash outflows based on inflation and mortality assumptions and determines its present value at a discount rate. The discount rate is determined according to the government bond market yield rate corresponding to the planned duration on the balance sheet date and the evaluation date of the defined benefit plan obligation and currency. The Group recognizes its liabilities based on the actuarial results. The relevant actuarial gains or losses are recognized in other comprehensive income and will not be reversed to profit or loss in subsequent accounting periods. Past service costs are recognized through profit or loss for the current period in which the plan is revised. The net interest is determined by multiplying the defined benefit plan net liabilities or net assets by the appropriate discount rate.

37. Provisions

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

Note 1: It is the discounted value of the best estimate of the expected cost of NPP decommissioning of the Group.

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

38. Deferred income

Item	January 1, 2022	Increase during the period	Amortization amount of the period	Exchange differences arising on translation of financial statements	June 30, 2022
Government grants	2,361,217,837.38	22,701,309.70	(116,876,587.69)	20,095,945.75	2,287,138,505.14

(1) Items related to government grants

Item	January 1, 2022	Increase in grants during the period	Amount recognized in other gains for the period	Exchange differences arising on translation of financial statements	June 30, 2022
Government grants related to asset	1,862,293,390.98	22,701,309.70	(59,559,743.35)	20,095,945.75	1,845,530,903.08
Government grants related to income	498,924,446.40	-	(57,316,844.34)	-	441,607,602.06
Total	2,361,217,837.38	22,701,309.70	(116,876,587.69)	20,095,945.75	2,287,138,505.14

(2) Details

Item	January 1, 2022	Increase in grants during the period	Amount recognized in other gains for the period	Exchange differences arising on translation of financial statements	June 30, 2022	Related to asset/ related to income
Special fund for infrastructure expenses of nuclear power equipment proprietary project from the Ministry of Finance	54,930,000.00	-	(2,746,500.00)	-	52,183,500.00	Related to asset
Grant for the R&D and test verification platform construction project of small reactor and nuclear main pump operation and maintenance technology	74,620,000.00	-	-	-	74,620,000.00	Related to asset
Grant for Energy Independent Innovation Project by Ministry of Finance in 2011	5,943,000.00	-	(5,943,000.00)	-	-	Related to asset
Grant for Daya Bay spent fuel storage facility renovation project	362,259,441.26	-	(12,343,815.28)	20,095,945.75	370,011,571.73	Related to asset
Experimental study on Critical Heat Flux of Shanghai Nuclear Engineering Research and Design Institute	62,427,800.00	-	-	-	62,427,800.00	Related to asset
Grant for large-scale thermal hydraulics and comprehensive experimental facility of advanced nuclear fuel components construction project	46,970,000.00	-	-	-	46,970,000.00	Related to asset
Subsidy with discounted interest from special funds in Guangdong Province to encourage imports of important supplies	68,346,565.87	-	(627,616.97)	-	67,718,948.90	Related to asset
Research fund for key technologies for accident-tolerant fuels from the National Energy Administration	39,407,933.34	-	(5,030,800.00)	-	34,377,133.34	Related to asset
Strategic projects of NDRC	329,905,000.00	14,245,000.00	-	-	344,150,000.00	Related to asset
Funding for the Radioactive Waste Disposal Project of the Shenzhen DRC	25,103,894.69	-	(25,103,894.69)	-	-	Related to income
Government grants related to income	473,820,551.71	-	(32,212,949.65)	-	441,607,602.06	Related to income
Government grants related to asset	817,483,650.51	8,456,309.70	(32,868,011.10)	-	793,071,949.11	Related to asset
Total	2,361,217,837.38	22,701,309.70	(116,876,587.69)	20,095,945.75	2,287,138,505.14	

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39. Share capital

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

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

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

40. Capital reserve

Item	January 1, 2022	Increase during the period	June 30, 2022
Share premium	32,850,594,313.25	–	32,850,594,313.25
– Share capital contributed by owners	36,594,105,123.18	–	36,594,105,123.18
– Business combination involving entities under common control	(4,009,274,475.26)	–	(4,009,274,475.26)
– Others	265,763,665.33	–	265,763,665.33
Restructuring valuation adjustment	(27,701,479,836.62)	–	(27,701,479,836.62)
Other capital reserve	5,641,298,849.00	13,664,789.50	5,654,963,638.50
Total	10,790,413,325.63	13,664,789.50	10,804,078,115.13

41. Other comprehensive income

Item	Amount incurred for the period					Balance as at January 1, 2022
	Balance as at June 30, 2022	Incurred amount before income tax for the period	Less: Income tax expenses	Attributable to the shareholders of parent company, after-tax	Attributable to minority shareholders, after-tax	
I. Other comprehensive income that will not be reclassified to profit or loss						
1. Change arising from remeasurement of defined benefit plan	157,381,367.97	20,094,354.81	2,187,975.00	17,848,254.81	58,125.00	175,229,622.78
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method	(11,555,691.11)	1,951,000.00	-	1,892,875.00	58,125.00	(9,662,816.11)
3. Change in fair value of investment in other equity instruments	(8,025,978.18)	3,556,854.81	-	3,556,854.81	-	(4,469,123.37)
II. Other comprehensive income that may be reclassified to profit or loss	176,963,037.26	14,586,500.00	2,187,975.00	12,398,525.00	-	189,361,562.26
1. Other comprehensive income that can be transferred to profit or loss under the equity method	188,100,698.84	330,684,368.33	-	248,013,276.26	82,671,092.07	436,113,975.10
2. Translation differences arising from translation of foreign currency financial statements	(1,833,294.26)	-	-	-	-	(1,833,294.26)
Total other comprehensive incomes	189,933,993.10	330,684,368.33	-	248,013,276.26	82,671,092.07	437,947,269.36
	345,482,066.81	350,778,723.14	2,187,975.00	265,861,531.07	82,729,217.07	611,343,597.88

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

42. Specific reserve

Item	January 1, 2022	Increase during the period	Decrease during the period	June 30, 2022
Safe production expenses	249,371,452.84	111,832,427.82	157,590,436.66	203,613,444.00

43. Surplus reserve

Item	January 1, 2022	Transfer to surplus reserve during the period	Decrease during the period	June 30, 2022
Statutory surplus reserves	4,901,527,564.79	–	–	4,901,527,564.79

44. Retained earnings

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Retained earnings at the beginning of the period	34,156,732,949.42	28,989,865,085.43
Add: Net profit attributable to shareholders of the parent company for the period	5,904,498,333.83	5,498,143,474.68
Distributable profits for shareholders	40,061,231,283.25	34,488,008,560.11
Less: Dividends payable for ordinary shares (Note 1)	4,243,773,173.32	4,044,282,817.31
Retained earnings at the end of the period (Note 2)	35,817,458,109.93	30,443,725,742.80

Note 1: On May 27, 2022, a profit distribution plan was considered and approved at the general meeting of the Company, which proposed to distribute cash dividends of RMB0.084 (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 2021 of RMB4,243,773,173.32 to shareholders. As of June 30, 2022, pursuant to the Company's dividend distribution policy, payment of an interim dividend for the six months ended June 30, 2022 is not recommended.

Note 2: As at June 30, 2022 and June 30, 2021, the balance of retained earnings of the Group included the surplus reserves used by subsidiaries which were RMB9,332,928,660.74 and RMB8,064,507,452.07, respectively.

45. Operating revenue and operating costs

Item	During the period from January 1 to June 30, 2022		During the period from January 1 to June 30, 2021	
	Revenue	Cost	Revenue	Cost
From principal operations	36,338,804,915.90	21,683,525,067.61	36,780,386,964.39	23,127,473,063.74
Of which: Sales of electricity	27,803,471,487.59	13,280,570,460.79	27,972,021,433.01	14,430,480,227.01
Construction, installation and design services	7,850,551,666.86	7,793,409,158.17	8,157,319,557.27	8,099,175,758.00
Rendering of services	611,681,071.82	543,939,564.56	599,282,435.44	544,629,246.55
Sales of goods and others	73,100,689.63	65,605,884.09	51,763,538.67	53,187,832.18
From other operations	283,288,568.92	264,585,784.64	85,285,322.91	46,686,691.38
Total	36,622,093,484.82	21,948,110,852.25	36,865,672,287.30	23,174,159,755.12

- (1) For the details of operating revenue, please refer to Note (XIV)1(2).
- (2) As at June 30, 2022, the transaction price attributable to outstanding (or partially outstanding) performance obligation and the estimated time of revenue recognition:

Item	For the period from July 1, to December 31,			After January 1, 2025	Total
	2022	2023	2024		
Construction, installation and design services	7,829,892,686.94	6,376,534,917.98	4,061,454,869.31	32,515,399,978.21	50,783,282,452.44
Rendering of services	1,377,948,835.08	1,016,230,967.13	456,735,577.32	635,641,856.54	3,486,557,236.07
Sales of goods and others	40,151,237.96	26,089,266.37	13,340,018.82	36,749,403.38	116,329,926.53
Total	9,247,992,759.98	7,418,855,151.48	4,531,530,465.45	33,187,791,238.13	54,386,169,615.04

- (3) As at June 30, 2022, there was no significant variable consideration in the transaction price of the Group.

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

46. Taxes and surcharges

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
City maintenance and construction tax	166,324,011.99	135,118,811.22
Education surcharges	118,856,551.62	96,635,023.68
Real estate tax	60,802,887.40	61,571,337.23
Stamp duty	21,586,333.19	25,366,882.82
Others	5,470,780.14	2,097,100.06
Total	373,040,564.34	320,789,155.01

47. Selling expenses

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Employees' remuneration	13,441,971.24	36,709,302.08
Others	7,670,098.01	9,298,891.95
Total	21,112,069.25	46,008,194.03

48. Administrative expenses

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Employees' remuneration	654,021,196.82	580,136,814.77
Depreciation and amortization	265,909,285.14	229,785,726.52
Information technology expenses	59,394,402.44	67,402,183.93
Labor technical service fees	54,758,896.20	42,535,977.23
Logistics service expenses	52,607,165.81	78,259,957.01
Travelling expenses	4,034,054.96	6,147,951.68
Office expenses	3,980,376.42	4,094,907.66
Rental expenses	857,275.42	1,103,441.97
Other expenses	81,122,831.79	98,561,351.00
Total	1,176,685,485.00	1,108,028,311.77

49. R&D expenses

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Inspection expenses	199,382,328.70	278,871,079.28
Employees' remuneration	156,337,033.38	134,971,856.56
Commissioning fees paid for R&D outsourcing, cooperation and others	37,442,020.58	57,129,931.90
Depreciation and amortization	29,197,825.43	32,355,381.23
Others	25,669,358.61	17,862,628.20
Total	448,028,566.70	521,190,877.17

50. Finance costs

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Interest expenses	4,083,052,559.89	4,216,452,906.98
Less: Capitalized interest expenses	895,579,721.61	772,244,362.88
Less: Interest income	80,432,534.75	73,404,727.46
Exchange gains	(36,624,006.59)	(282,437,451.97)
Less: Capitalized exchange losses/(gains)	131,479.26	(179,401.79)
Interest expenses on the provision for NPP decommissioning	153,343,433.36	143,149,294.74
Interest expenses on lease liabilities	23,291,416.52	17,483,967.69
Bank charges and others	10,922,754.11	14,950,049.10
Total	3,257,842,421.67	3,264,129,077.99

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

51. Other gains

Item	2022		2021	
	During the period from January 1 to June 30, 2022	Including: Amount included in non-recurring gains and losses.	During the period from January 1 to June 30, 2021	Including: Amount included in non-recurring gains and losses
VAT refunds (Note)	392,111,799.64	–	689,935,745.56	–
Other government grants	117,259,476.69	117,259,476.69	93,807,461.72	93,807,461.72
Individual income tax refund	7,511,406.30	–	9,232,880.65	–
Total	516,882,682.63	117,259,476.69	792,976,087.93	93,807,461.72

Note: For the value-added tax 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, Yangjiang Nuclear, Ningde Nuclear, Fangchenggang Nuclear and Taishan Nuclear. For details, please see Note (IV) 2.

52. Investment income

Details of investment income

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

53. Gains/(losses) from changes in fair value

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Gains from changes in fair value of derivative financial instruments	2,072,930.03	–
Gains/(losses) from changes in fair value arising from cash-settled share-based payments	56,547,790.00	(9,529,201.08)
Total	58,620,720.03	(9,529,201.08)

54. (Losses)/gains from credit impairment

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

55. Asset impairment gains/(losses)

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Impairment gains/(losses) of contract assets	524.48	(19,917.17)

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For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

56. Gains from disposal of assets

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Gains from early termination of leases	1,555,764.32	–
Gains from disposal of fixed assets	605,085.27	–
Total	2,160,849.59	–

57. Non-operating income

Item	During the period from January 1 to June 30, 2022	Amount included in non-recurring gains and losses	During the period from January 1 to June 30, 2021	Amount included in non-recurring gains and losses
Others	13,835,357.02	13,835,357.02	29,180,178.30	29,180,178.30

58. Non-operating expenses

Item	During the period from January 1 to June 30, 2022	Amount included in non-recurring gains and losses	During the period from January 1 to June 30, 2021	Amount included in non-recurring gains and losses
Donations	16,999,274.31	16,999,274.31	27,509,213.39	27,509,213.39
Others	13,232,935.95	13,232,935.95	10,708,097.60	10,708,097.60
Total	30,232,210.26	30,232,210.26	38,217,310.99	38,217,310.99

59. Income tax expenses

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

(1) Reconciliation of income tax expenses to accounting profits

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Accounting profits	10,602,788,980.92	9,855,738,008.10
Income tax expenses calculated at tax rate of 25%	2,650,697,245.23	2,463,934,502.03
Adjustment of income tax in previous years	15,574,485.98	3,150,370.66
Tax effect of non-taxable income	(93,782,687.61)	(172,634,931.48)
Tax effect of non-deductible expenses	13,313,895.44	12,374,011.75
Tax effect of utilization of unrecognized deductible losses and deductible temporary differences in previous years	(12,781,778.54)	(1,075,331.21)
Tax effect of unrecognized deductible losses and deductible temporary differences	231,296,875.65	74,804,507.64
The effect of the inconsistency between the income tax rate when measuring the deferred income tax and income tax rate applicable to the current period	(1,681,691.58)	(10,397,543.96)
Tax effect of tax incentives	(846,440,734.48)	(968,834,614.54)
Tax effect of tax-free income	(162,385,669.51)	(158,554,871.59)
Additional deduction for R&D costs	(44,652,129.25)	(51,921,080.53)
Others	1,522,874.15	(5,517,593.17)
Income tax expenses	1,750,680,685.48	1,185,327,425.60

Notes to the Financial Statements

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(All amounts in RMB unless otherwise stated)

60. Calculation of basic earnings per share

(1) Basic earnings per share

Basic earnings per share are calculated by dividing the consolidated net profit attributable to the holders of ordinary shares of the Company by the weighted average number of ordinary shares of the Company's in issue:

	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Consolidated net profit attributable to shareholders of ordinary shares of the Company	5,904,498,333.83	5,498,143,474.68
Weighted average number of ordinary shares of the Company in issue	50,498,611,100.00	50,498,611,100.00
Basic earnings per share (RMB/share)	0.117	0.109

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

61. Government grants

As at June 30, 2022, except for government grants related to asset and income as disclosed in Note (V) 38, the summary of other government grants included in profit and loss of the Group is as follows:

Other income	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
VAT refunds	392,111,799.64	689,935,745.56
Funding for the Radioactive Waste Disposal Project of the Shenzhen DRC	25,103,894.69	–
Grant for Daya Bay spent fuel storage facility renovation project	12,343,815.28	–
Grant for Energy Independent Innovation Project by Ministry of Finance in 2011	5,943,000.00	5,943,000.00
Research fund for key technologies for accident-tolerant fuels from the National Energy Administration	5,030,800.00	–
Special fund for infrastructure expenses of nuclear power equipment proprietary project from the Ministry of Finance	2,746,500.00	2,746,500.00
Grant for NPP hydrogen control device R&D project funding from the Administration of Science, Technology and Industry	2,165,867.54	–
Enterprise R&D Funding from the Shenzhen Science, Technology and Innovation Commission	–	5,583,000.00
Special Funding for Standard Field from the Shenzhen Administration for Market Regulation	–	4,229,206.00
National Energy Application Technology Research and Engineering Demonstration Project	–	3,108,394.52
Enterprise R&D Funding from the Science, Technology and Innovation Commission	–	3,128,000.00
Government subsidy from the Shenzhen Industrial and Information Technology Bureau	–	3,948,779.00
Others	63,925,599.18	65,120,582.20
Total	509,371,276.33	783,743,207.28

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

62. Cash flow statements items

(1) Cash received from other operating activities

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Guarantee deposits and deposits	644,876,979.93	571,133,276.82
Service payments received from related parties and engineering payments received from related parties	71,372,879.32	42,080,288.57
Government grants related to assets	59,954,164.76	49,170,629.38
Government grants related to income	382,889.00	58,809,806.09
Bank settlement and interest	65,420,307.84	46,971,751.02
Research fund	18,241,963.37	5,327,000.00
Liquidated damages, refunds and advances	18,020,555.50	36,053,741.83
Rental, consulting and other services income	8,635,461.87	11,357,710.97
Others	108,507,347.20	70,253,318.54
Total	995,412,548.79	891,157,523.22

(2) Cash paid to other operating activities

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Guarantee deposits and deposits	616,375,762.75	468,101,452.15
Service payments to related parties and engineering payments received in advance	245,492,682.49	378,100,391.16
Travelling expenses and other expenses reimbursement	106,268,208.26	107,988,271.21
Labour union fees	62,576,510.07	37,512,622.61
Consulting and other services expenses	36,773,987.18	15,856,398.14
Collection and payment of social security and provident fund	39,406,528.13	47,513,811.06
Transportation service fees	29,826,132.45	27,602,442.68
Insurance	10,467,837.13	21,644,027.28
Others	120,453,646.83	153,753,984.50
Total	1,267,641,295.29	1,258,073,400.79

(3) Cash received from other investing activities

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Recovery of fixed deposits with maturities of more than three months	2,434,417,864.97	3,180,547,020.00
Others	958,245.69	7,808,220.60
Total	2,435,376,110.66	3,188,355,240.60

(4) Cash paid to other investing activities

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Deposit of fixed deposits with maturities of more than three months	1,809,602,000.00	1,523,427,500.00
Settlement of derivative financial instruments	9,188,000.00	–
Others	1,222,741.49	950,556.45
Total	1,820,012,741.49	1,524,378,056.45

(5) Cash received from other financing activities

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Prepayment for investment Fangchenggang Nuclear Phase II Project received	–	583,830,000.01
Lease deposit recovered	148,050.00	–
Total	148,050.00	583,830,000.01

(6) Cash paid to other financing activities

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Payment of cash related to leases	138,194,359.12	141,804,336.65
Others	6,354,676.55	17,889,853.87
Total	144,549,035.67	159,694,190.52

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

63. Supplementary information to cash flow statements

(1) Supplementary information to cash flow statements

Supplementary information	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
(a) Reconciliation of net profit to cash flows from operating activities:		
Net profit	8,852,108,295.44	8,670,410,582.50
Add: Losses/(gains) from credit impairment	47,527,989.97	(1,464,621.82)
Asset impairment (gains)/loss	(524.48)	19,917.17
Depreciation of fixed assets	4,746,944,807.86	5,153,388,811.42
Amortization of intangible assets	269,301,438.65	240,699,517.65
Amortization of long-term deferred expenses	19,661,423.15	32,878,702.90
Depreciation of investment properties	15,748,920.62	15,210,338.08
Depreciation of right-of-use assets	133,125,041.30	142,052,366.66
Gains from disposal of fixed assets	(2,160,849.59)	–
Loss on retirement of fixed assets	13,020,062.08	10,523,469.24
(Gains)/losses from changes in fair value	(58,620,720.03)	9,529,201.08
Finance costs	3,247,848,138.67	3,287,229,139.67
Investment income	(691,775,521.79)	(648,516,633.08)
Increase in deferred tax assets	(144,190,807.11)	(127,152,384.89)
Increase in deferred tax liabilities	78,282,587.58	34,514,944.96
Decrease/(increase) in contract assets	383,818,777.80	(175,585,802.59)
(Decrease)/increase in contract liabilities	(655,429,911.82)	2,505,830,844.91
Decrease in inventories	354,685,390.11	1,050,290,773.77
Increase in operating receivables	(1,353,255,349.31)	(2,817,205,159.00)
Decrease in operating payables	(2,320,123,302.52)	(1,647,178,125.94)
Net cash flows from operating activities	12,936,515,886.58	15,735,475,882.69
(b) Net changes in cash and cash equivalents:		
Closing balance of cash	15,114,990,419.64	12,569,497,857.96
Less: Opening balance of cash	11,571,839,016.11	8,719,143,941.04
Add: Closing balance of cash equivalents	–	–
Less: Opening balance of cash equivalents	–	–
Net increase in cash and cash equivalents	3,543,151,403.53	3,850,353,916.92

(2) Cash received for disposal of subsidiaries and other business entities

Item	During the period from January 1 to June 30, 2022	During the period from January 1 to June 30, 2021
Cash or cash equivalents received in current period for disposal of subsidiaries	-	-
Including: China Nuclear Power (Beijing) Simulation Technology Corporation Ltd. (中廣核(北京)仿真技術有限公司)	-	-
Less: Cash and cash equivalents held by the subsidiaries at the date when control is lost	807,547.34	-
Including: China Nuclear Power (Beijing) Simulation Technology Corporation Ltd. (中廣核(北京)仿真技術有限公司)	807,547.34	-
Cash paid relating to other investing activities	807,547.34	-

(3) Composition of cash and cash equivalents

Item	June 30, 2022	December 31, 2021
I. Cash	15,114,990,419.64	11,571,839,016.11
Including: Cash in bank	-	-
Bank deposits available on demand	15,114,990,419.64	11,571,839,016.11
II. Closing balance of cash and cash equivalents	15,114,990,419.64	11,571,839,016.11

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64. Assets with restricted ownership or right of use

Item	June 30, 2022	December 31, 2021	Reason for being restricted
Cash at bank and in hand (Note 1)	96,548,970.10	104,522,396.62	Performance bonds, land reclamation deposits
Bills receivable (Note 2)	400,000,000.00	1,700,000,000.00	Pledge loans
Accounts receivable (Note 3)	3,757,435,194.82	4,718,303,237.18	Pledge loans
Fixed assets (Note 4)	13,293,112,931.11	13,711,711,339.65	Mortgage loans
Construction in progress (Note 5)	719,800,000.00	773,632,000.00	Mortgage loans
Intangible assets (Note 6)	325,225,794.06	332,617,289.40	Mortgage loans
Total	18,592,122,890.09	21,340,786,262.85	

Note 1: The performance bonds were for the bank deposits of the Group (as the supplier) according to the supply and purchase contract and the land reclamation deposits were deposited by the Lufeng Nuclear to fulfill the obligations for land reclamation as required by the government.

Note 2: According to the transaction with interest paid by buyers entered into between Ningde Nuclear and Fujian Electric Grid Co., Ltd. (國網福建省電力有限公司), Ningde Nuclear discounts on the acceptance bills to the accepting bank in advance. If the bills remain unpaid by Fujian Electric Grid when the bills become due, or if Ningde Nuclear fails to fulfill its obligations under the contract, the accepting bank has the right to recover from Ningde Nuclear the amount unpaid or advanced by the accepting bank for the bills, as well as the interest and related expenses during the delayed payment period. As at June 30, 2022, the discounted bills receivable of Ningde Nuclear that were not yet due as at the balance sheet date amounted to RMB0.4 billion.

Note 3: On August 22, 2005, Lingdong Nuclear entered into the Common Terms Agreement on Loans for Phase II of Guangdong Ling'ao Nuclear Power Plant Construction Project with China Development Bank (the "CDB"), Agricultural Bank of China Shenzhen Branch and Industrial and Commercial Bank of China Shenzhen Branch, and acquired a total loan facility equivalent to USD2.585 billion from the banks for its phase II project construction with a maturity period ranged from 15 to 22 years. Lingdong Nuclear transferred its interest in the insurance contract of the phase II of the nuclear power plant project to CDB, and pledged all rights to accounts receivable from electricity sales in the electricity sales income collection account to CDB.

On December 16, 2008, Yangjiang Nuclear entered into the Common Terms Agreement on Guangdong Yangjiang Nuclear Power Construction Project with six financial institutions including the CDB and the Bank of China. On August 21, 2018, the original agreement was changed to the Amended and Restated Common Terms Agreement on Guangdong Yangjiang Nuclear Power Construction Project. Yangjiang Nuclear obtained a total loan facility equivalent to RMB62.032 billion from the banks for its project construction. The term of the loan shall be 25 years from the date of signing the original agreement. Yangjiang Nuclear transferred its interests in the insurance contract and the general contracting contract of the Guangdong Yangjiang Nuclear Power Construction Project to CDB, and pledged the collection rights to accounts receivable from the electricity sales contract to CDB.

Taishan Nuclear entered into the Common Terms Agreement on Phase I of Guangdong Taishan NPP Construction Project with seven financial institutions (syndicate) including the CDB and the Bank of China, and obtained a total loan facility of equivalent to not more than RMB57.2 billion from the aforementioned banks. The term of the loan shall not be more than 25 years from the date of signing the agreement, and the final maturity date will not be later than September 7, 2034. Taishan Nuclear transferred its interests in the insurance contract of the phase I of Guangdong Taishan NPP Construction Project to CDB, and pledged the collection rights to accounts receivable under the electricity sales contract to CDB.

On July 29, 2010, pledging the electricity sales receivables of Fangchenggang Phase I Construction Project, Fangchenggang Nuclear entered into a series of syndicate agreements with various financial institutions including the CGN Finance (as the leader), China Construction Bank and CDB to obtain a comprehensive borrowing facility equivalent to RMB22.671 billion (equivalent to USD0.4 billion) in aggregate for the construction of its phase I project, with a term from the date of signing until September 29, 2031. In addition, Fangchenggang Nuclear pledged the electricity sales receivables from the phase II project and signed a series of syndicate agreements with various financial institutions including China Construction Bank (as the leader), CDB and Export-Import Bank on February 16, 2016, obtaining comprehensive borrowing facilities equivalent to RMB28.529 billion and equivalent to USD246 million in aggregate for the construction of its phase II project, with a term from the date of the first withdrawal to the 25th anniversary after the date of the first withdrawal.

On April 18, 2008, pledging the collection rights to electricity sales receivables under the future power sales agreement of Ningde Phase I Construction Project, the interest in construction entrustment contract and the interest in the construction insurance, Ningde Nuclear signed the Common Terms Agreement with four financial institutions including Industrial and Commercial Bank of China to obtain a borrowing equivalent to RMB39.966 billion in aggregate, with a term of 20 to 25 years.

Note 4: According to the Commitment Letter on Land Use Rights and Equipment issued by Lingdong Nuclear to CDB, during the term of the loan contract, Lingdong Nuclear shall not, in any form, dispose of, including but not limited to sell, let or pledge, any of the equipment asset with an original value over USD500,000.

According to the Mortgage Contract signed by CGN Engineering and CDB on April 26, 2019, CGN Engineering pledged the 1200T self-elevating offshore wind power installation platform owned by it.

Note 5: According to the Finance Lease Agreements signed between Lufeng Nuclear and CGNPC International Financial Leasing Co., Ltd. (中廣核國際融資租賃有限公司), Lufeng Nuclear pledged its machinery and equipment of construction in progress in exchange for bank loans.

Note 6: According to the Loan Contract of China Guangdong Nuclear Power Engineering Building Agreement signed by CGN Engineering and ICBC on March 19, 2018, CGN Engineering pledged the land use rights of New Energy Industry Base owned by it.

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(All amounts in RMB unless otherwise stated)

65. Foreign currency monetary items

(1) Foreign currency monetary items

Item	June 30, 2022			December 31, 2021		
	Foreign currency balance	Exchange rate	RMB balance	Foreign currency balance	Exchange rate	RMB balance
Cash at bank and at hand						
Including: USD	5,388,371.02	6.7114	36,163,513.26	4,304,769.11	6.3757	27,445,916.41
EUR	22,648,323.22	7.0084	158,728,508.46	22,314,714.65	7.2197	161,105,545.36
HKD	711,673,332.58	0.8552	608,615,917.29	254,644.96	0.8176	208,197.72
GBP	6,464,220.21	8.1365	52,596,127.74	6,262,465.61	8.6064	53,897,284.03
RMB	972,621,469.73	1.0000	972,621,469.73	984,472,924.06	1.0000	984,472,924.06
Accounts receivable						
Including: USD	70,355.00	6.7114	472,180.55	2,346,165.00	6.3757	14,958,444.19
EUR	917,143.42	7.0084	6,427,707.94	3,831,383.36	7.2197	27,661,438.44
GBP	960,668.09	8.1365	7,816,475.91	881,708.95	8.6064	7,588,339.91
RMB	2,695,667.99	1.0000	2,695,667.99	3,776,001.03	1.0000	3,776,001.03
Other receivables						
Including: USD	67,584.42	6.7114	453,586.08	67,584.42	6.3757	430,897.99
EUR	6,972,273.49	7.0084	48,864,481.53	7,170,794.07	7.2197	51,770,981.95
HKD	7,602.00	0.8552	6,501.15	7,602.00	0.8176	6,215.40
GBP	10,000.00	8.1365	81,365.00	10,000.00	8.6064	86,064.00
RMB	3,643,913.11	1.0000	3,643,913.11	3,298,249.48	1.0000	3,298,249.48
Accounts payable						
Including: USD	7,545,962.05	6.7114	50,643,969.70	10,358,567.99	6.3757	66,043,121.93
EUR	63,538,548.45	7.0084	445,303,562.96	74,276,290.11	7.2197	536,252,531.71
HKD	17,741,050.88	0.8552	15,171,969.30	16,341,284.29	0.8176	13,360,634.04
GBP	848,441.99	8.1365	6,903,348.25	813,400.60	8.6064	7,000,450.92
RMB	282,949,004.54	1.0000	282,949,004.54	118,940,303.52	1.0000	118,940,303.52
CHF	536,328.94	7.0299	3,770,338.82	1,560,992.94	6.9776	10,891,984.34

Item	June 30, 2022			December 31, 2021		
	Foreign currency balance	Exchange rate	RMB balance	Foreign currency balance	Exchange rate	RMB balance
Other payables						
Including: USD	3,966.00	6.7114	26,617.41	-	6.3757	-
EUR	1,503,224.27	7.0084	10,535,196.97	1,397,892.37	7.2197	10,092,363.54
HKD	40,404.00	0.8552	34,553.10	40,404.00	0.8176	33,034.31
GBP	1,484,517.15	8.1365	12,078,773.79	-	8.6064	-
RMB	193,612,316.89	1.0000	193,612,316.89	408,202,866.03	1.0000	408,202,866.03
Employee benefits payable						
Including: RMB	2,548,345.63	1.0000	2,548,345.63	2,423,347.21	1.0000	2,423,347.21
Taxes payable						
Including: RMB	246,879,716.18	1.0000	246,879,716.18	411,585,365.20	1.0000	411,585,365.20
Non-current liabilities due within one year						
Including: EUR	96,518,379.08	7.0084	676,439,407.94	96,518,379.08	7.2197	696,833,741.44
RMB	7,110,649.17	1.0000	7,110,649.17	5,659,696.20	1.0000	5,659,696.20
Long-term loans						
Including: EUR	337,814,327.12	7.0084	2,367,537,930.19	386,073,516.66	7.2197	2,787,334,968.23
Lease liabilities						
Including: RMB	6,234,051.34	1.0000	6,234,051.34	7,872,382.25	1.0000	7,872,382.25

(2) Description of overseas business entities:

The sales customers of GNPJVC are mainly GNIC and HKNIC, and all of the sales are conducted in USD. During the period of preparation for the establishment of GNPJVC, the funds required for the construction of the nuclear power plant were mainly obtained from loans for financing, the funds from which were mainly long-term USD loans, and such loans from financing activities were repaid in USD. Therefore, GNPJVC selected USD as its reporting currency.

(VI) Change of consolidation scope

1. Disposal of subsidiaries

Loss of control due to a single disposal of investment in subsidiaries

Name of entity	Consideration of equity disposal (Note: transfer consideration based on the valuation benchmark date)	Percentage of equity disposed of	Way of disposal	Time of losing control	Basis of determination of time of losing control	Difference between the consideration of disposal and the share of net assets of such subsidiary attributable to the investment disposed of within the scope of consolidated financial statements	Percentage of the remaining equity on the day of losing control	Carrying value of the remaining equity on the day of losing control	Fair value of the remaining equity on the day of losing control	Gains or losses arising from the remaining equity remeasured at fair value	Method and key assumptions used in the determination of fair value of the remaining equity on the day of losing control	Amount transferred into investment gains or losses from other comprehensive income which is related to equity investment in the former subsidiary
China Nuclear Power (Beijing) Simulation Technology Corporation Ltd. (中廣核北京仿真技術有限公司)	RMB50,580,000.00	75%	Sold to a related party	March 31, 2022	Entering into of the equity transfer agreement	RMB12,619,732.75	0%	-	-	-	N/A	-

The Group's gains from the loss of control of China Nuclear Power (Beijing) Simulation Technology Corporation Ltd. (中廣核(北京)仿真技術有限公司) amounted to RMB52,357,622.15, of which the gains from the reversal of profits from intra-group transactions amounted to RMB39,737,889.40, which were included in the investment income item in the consolidated financial statements.

2. Cancellation of subsidiaries

On March 24, 2022, the business cancellation registration for CGN Hebei Thermal Power Co., Ltd. (中廣核河北熱電有限公司), a wholly-owned subsidiary of the Company, was completed.

3. Establishment of subsidiaries

No new subsidiary has been established for the period from January 1, 2022 to June 30, 2022.

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(VII) Interests in other entities

1. Interests in subsidiaries (1) Constitution of the corporate group

Subsidiary	Principal place of operation	Place of registration	Business nature	Registered capital	Shareholding (%)		Method of acquisition
					Direct	Indirect	
GNIC (Note 1)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Investment	RMB16,000,000,000.00	100.00	-	Establishment
GNPJVC (Note 2)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power generation	USD400,000,000.00	-	75.00	Establishment
DNMFC (Note 2)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Operations and management of NPPs	RMB250,000,000.00	-	87.50	Establishment
CGN Nuclear Power Investment Co., Ltd. (中廣核電投資有限公司) (Note 1)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Investment	RMB100,000,000.00	77.78	-	Establishment
CGN Ninghe Investment Co., Ltd. (中廣核寧核投資有限公司) (Note 1)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Investment	RMB100,000,000.00	56.52	-	Establishment
Ling'ao Nuclear (Note 1)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power generation	RMB3,323,224,000.00	70.00	30.00	Establishment
Lingdong Nuclear (Note 1)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power generation	RMB5,348,000,000.00	25.00	75.00	Establishment
Yangjiang Nuclear (Note 2)	Yangjiang, Guangdong Province	Yangjiang, Guangdong Province	Nuclear power generation	RMB15,506,000,000.00	34.00	25.00	Establishment
CGN Operations (Note 1)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Provision of management, technology and consultancy services	RMB100,000,000.00	100.00	-	Establishment
CNPRI (Note 1)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power technology development	RMB1,815,550,000.00	100.00	-	Establishment
Inspection Company (Note 2)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Testing and maintenance of power stations	RMB230,000,000.00	-	81.52	Establishment
Guangdong Daya Bay Nuclear Power Environment Protection Co., Ltd. (廣東大亞灣核電環保有限公司) (Note 1)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Environment protection relating to nuclear power	RMB30,000,000.00	100.00	-	Establishment
Radiation Monitoring Company (Note 1)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Radiation detection and evaluation, instrument verification	RMB6,000,000.00	-	100.00	Establishment

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Subsidiary	Principal place of operation	Place of registration	Business nature	Registered capital	Shareholding (%)		Method of acquisition
					Direct	Indirect	
China Daya Bay Nuclear Power Technology Research Institute Co., Ltd. (中國大亞灣核電技術研究院有限公司) (Note 1)	Beijing	Beijing	Nuclear power technology development	RMB23,500,000.00	-	100.00	Business combination not under same control
SNPI (Note 1)	Suzhou, Jiangsu Province	Suzhou, Jiangsu Province	Nuclear power technology development	RMB513,950,000.00	100.00	-	Business combination not under same control
Ningde Nuclear (Note 1) (Note 3)	Ningde, Fujian Province	Ningde, Fujian Province	Nuclear power generation	RMB11,177,500,000.00	-	46.00	Business combination not under same control
Taishan Nuclear (Note 2)	Taishan, Guangdong Province	Taishan, Guangdong Province	Nuclear power generation	RMB28,600,000,000.00	12.50	57.50	Business combination under same control
Taishan Investment (Note 1)	Taishan, Guangdong Province	Taishan, Guangdong Province	Investment	RMB30,000,000.00	60.00	-	Business combination under same control
CGN Engineering (Note 1)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Construction	RMB3,286,000,000.00	100.00	-	Business combination under same control
CGN Design (Note 1)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Construction design	RMB79,360,000.00	-	60.00	Business combination under same control
Worldwide Engineering (Note 2)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Other professional technical support	RMB280,000,000.00	-	55.00	Business combination under same control
CGN Import & Export Co., Ltd. (中廣核電進出口有限公司) (Note 1)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Import and export trade	RMB10,000,000.00	-	100.00	Business combination under same control
Fangchenggang Nuclear (Note 1)	Fangchenggang, Guangxi Province	Fangchenggang, Guangxi Province	Nuclear power generation	RMB13,350,000,000.00	-	61.00	Business combination under same control
Lufeng Nuclear (Note 1)	Shanwei, Guangdong Province	Shanwei, Guangdong Province	Nuclear power generation	RMB4,998,000,000.00	100.00	-	Business combination under same control
Power Sales Company (Note 1)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Sales of electricity	RMB210,000,000.00	100.00	-	Business combination under same control
Ocean Power (Note 1)	Tianjin	Tianjin	Thermal power development	RMB170,000,000.00	100.00	-	Business combination under same control
Yangxi Nuclear Power Co., Ltd. (陽西核電有限公司) (Note 1)	Yangjiang, Guangdong Province	Yangjiang, Guangdong Province	Investment, construction and operations of NPPs	RMB123,000,000.00	-	51.00	Business combination under same control Establishment
Fangchenggang Investment (Note 1)	Fangchenggang, Guangxi	Fangchenggang, Guangxi	Investment	RMB30,000,000.00	60.00	-	Establishment

Subsidiary	Principal place of operation	Place of registration	Business nature	Registered capital	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Hebei Zhonghuang Clean Thermal Energy Co., Ltd. (河北中莊清潔熱能有限公司) (Note 1)	Xingtai, Hebei Province	Xingtai, Hebei Province	Thermal power generation	RMB141,700,000.00	100.00	-	Establishment
Sansha Advanced Energy Co., Ltd. (三沙先進能源有限公司) (Note 1)	Sansha, Hainan Province	Sansha, Hainan Province	Island energy development, smart grid investment, transmission and distribution, sales of electricity	RMB100,000,000.00	-	60.00	Establishment
Hepeng Supervision Company (Note 1)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Engineering supervision, engineering management and technical support service	RMB3,000,000.00	100.00	-	Establishment
Fujian Ninghe Power Sales Co., Ltd. (福建寧核售電有限公司) (Note 1)	Fuzhou, Fujian Province	Fuzhou, Fujian Province	Power sales, electricity supply and power distribution network maintenance service	RMB20,000,000.00	-	100.00	Establishment
Guangxi Fanghe Power Sales Co., Ltd. (廣西防核售電有限公司) (Note 1)	Fangchenggang, Guangxi	Fangchenggang, Guangxi	Power sales, electricity supply and power distribution network maintenance service	RMB201,000,000.00	-	100.00	Establishment
Shandong Zhaoyuan Nuclear Power Co., Ltd. (山東招遠核電有限公司) (Note 1)	Yantai, Shandong Province	Yantai, Shandong Province	Nuclear power generation	RMB460,000,000.00	100.00	-	Establishment
Guizhou Yuping Clean Thermal Energy Co., Ltd. (貴州玉屏清潔熱能有限公司) (Note 1)	Tongren, Guizhou Province	Tongren, Guizhou Province	Thermal power generation	RMB100,000,000.00	100.00	-	Establishment

Note 1: The company is a limited liability company established in China.

Note 2: The company is a Sino-foreign joint venture with limited liability.

Note 3: Basis for only holding half or less voting rights but still having control over the investees, as well as holding 50% or more voting rights but not having control over the investees:

CGN Ningde Investment, a subsidiary of the Company, holds 46% equity interest in Ningde Nuclear, and Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司) holds 44% equity interest in Ningde Nuclear. CGN Ninghe Investment and Datang International Power Generation Co., Ltd. entered into the Concerted Party Agreement, which became effective on January 1, 2017. Datang International Power Generation Co., Ltd. agreed to act in concert with CGN Ninghe Investment at the shareholders' meetings and the meetings of board of directors of Ningde Nuclear. Therefore, after entry into force of the Concerted Party Agreement, the Group can thus lead the relevant activities of Ningde Nuclear, and Ningde Nuclear has been changed from a joint venture of the Group to a subsidiary of the Group with unchanged shareholding

Note 4: As at June 30, 2022, none of the subsidiaries has issued any debt securities.

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(All amounts in RMB unless otherwise stated)

(2) Significant non-wholly-owned subsidiaries

Name of subsidiary	Shareholding of non-controlling shareholders	During the period from January 1 to June 30, 2022		As at June 30, 2022
		Gains or losses attributable to non-controlling shareholders	Dividends announced to be distributed to non-controlling shareholders	Balance of non-controlling interests
Yangjiang Nuclear	41.00%	1,242,334,179.28	1,744,127,915.98	9,461,029,198.85
Taishan Nuclear (Note)	30.00%	(84,890,051.28)	–	8,523,908,473.26
GNPJVC	25.00%	456,682,972.18	33,384,173.80	1,838,344,520.83
CGN Nuclear Power Investment Co., Ltd.	22.22%	202,786,621.95	–	3,457,592,650.80
CGN Ninghe Investment Co., Ltd.	43.48%	178,568,296.49	–	3,399,120,086.90
Ningde Nuclear	54.00%	482,639,495.86	–	8,681,840,124.39
Taishan Investment	40.00%	(53,762,892.91)	–	5,771,913,245.51
Fangchenggang Investment	40.00%	204,338,235.72	–	3,915,253,019.11
Fangchenggang Nuclear	39.00%	326,238,156.66	616,494,056.96	5,563,055,076.86

Note: EDF International, a minority shareholder of Taishan Nuclear, and its subsidiary EDF (China) Holding Ltd. (collectively, "EDF") hold a total of 30% equity interest in Taishan Nuclear. EDF has initiated arbitration in Singapore with the ICC International Court of Arbitration on matters related to the expected useful life of certain equipment in the Taishan NPP, seeking declaratory relief. The Company and relevant subsidiaries have made corresponding arrangements in accordance with the relevant arbitration procedures.

(3) Significant financial information of significant non-wholly-owned subsidiaries

The following table sets out the significant financial information of the above subsidiaries which represents the amounts without offsetting internal transactions, but with the adjustments made in light of the fair value at the combination date:

Name of subsidiary	June 30, 2022					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Yangjiang Nuclear	10,017,109,864.40	65,423,997,806.94	75,441,107,671.34	16,653,128,089.14	35,712,298,609.40	52,365,426,698.54
Taishan Nuclear	7,218,602,206.03	86,883,247,991.76	94,101,850,197.79	13,190,844,596.24	52,497,977,357.35	65,688,821,953.59
GNPJVC	7,146,928,839.86	4,246,970,919.20	11,393,899,759.06	1,312,315,615.61	2,728,206,060.14	4,040,521,675.75
CGN Nuclear Power Investment Co., Ltd.	1,149,092,550.57	14,411,630,450.33	15,560,723,000.90	-	-	-
CGN Ninghe Investment Co., Ltd.	6,847,644,486.63	41,420,256,344.94	48,267,900,831.57	7,089,529,874.66	24,678,867,339.19	31,768,397,213.85
Ningde Nuclear	6,844,865,254.06	41,001,013,671.62	47,845,878,925.68	7,089,529,874.66	24,678,867,339.19	31,768,397,213.85
Taishan Investment	541,643.91	14,429,250,903.83	14,429,792,547.74	9,433.96	-	9,433.96
Fangchenggang Investment	6,481,637,175.57	59,125,045,123.60	65,606,682,299.17	13,625,797,382.93	36,629,697,291.61	50,255,494,674.54
Fangchenggang Nuclear	6,158,644,674.41	59,125,045,123.60	65,283,689,798.01	14,107,835,999.59	36,629,697,291.61	50,737,533,291.20

Name of subsidiary	December 31, 2021					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Yangjiang Nuclear	10,865,333,775.49	66,927,656,988.66	77,792,990,764.15	17,734,180,713.45	35,759,241,915.21	53,493,422,628.66
Taishan Nuclear	5,232,167,184.61	87,729,460,477.27	92,961,627,661.88	17,613,405,789.70	46,652,226,790.37	64,265,632,580.07
GNPJVC	8,650,538,725.33	4,121,744,113.68	12,772,282,839.01	4,876,065,031.12	2,566,719,286.46	7,442,784,317.58
CGN Nuclear Power Investment Co., Ltd.	1,149,604,921.11	13,461,234,088.19	14,610,839,009.30	10,000.00	-	10,000.00
CGN Ninghe Investment Co., Ltd.	8,032,636,674.41	42,318,480,633.35	50,351,117,307.76	8,508,446,514.85	26,236,497,325.34	34,744,943,840.19
Ningde Nuclear	8,029,400,747.80	41,899,237,960.03	49,928,638,707.83	8,508,436,514.85	26,236,497,325.34	34,744,933,840.19
Taishan Investment	539,707.57	14,563,660,072.45	14,564,199,780.02	9,433.96	-	9,433.96
Fangchenggang Investment	5,856,419,229.97	57,134,735,813.10	62,991,155,043.07	10,235,688,166.38	37,624,868,941.07	47,860,557,107.45
Fangchenggang Nuclear	5,734,293,998.24	57,134,735,813.10	62,869,029,811.34	10,235,671,185.25	37,624,868,941.07	47,860,540,126.32

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(All amounts in RMB unless otherwise stated)

Name of subsidiary	For the period from January 1 to June 30, 2022				For the period from January 1 to June 30, 2021			
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities
Yangjiang Nuclear	8,785,208,274.19	3,030,083,364.10	3,030,083,364.10	4,342,923,697.36	8,173,767,223.91	2,508,798,951.82	2,508,798,951.82	4,861,047,332.79
Taishan Nuclear	2,504,023,096.91	(282,966,837.61)	(282,966,837.61)	1,362,556,579.35	3,834,476,322.66	346,606,080.36	346,606,080.36	2,751,229,254.50
GNP/JVC	3,629,506,400.64	1,826,731,888.73	2,157,416,257.08	1,392,628,828.19	3,136,830,749.22	1,655,402,795.47	1,617,986,351.22	1,089,965,903.50
CGN Nuclear Power Investment Co., Ltd.	-	912,631,061.87	912,631,061.87	(532,610.92)	-	595,419,367.89	595,419,367.89	(371,793.00)
CGN Ninghe Investment Co., Ltd.	4,987,984,058.91	893,330,150.15	893,330,150.15	2,400,154,933.21	5,089,334,037.27	1,146,930,830.11	1,146,930,830.11	2,740,751,891.04
Ningde Nuclear	4,987,984,058.91	893,776,844.19	893,776,844.19	2,400,629,797.24	5,089,334,037.27	1,147,070,516.59	1,147,070,516.59	2,740,907,927.81
Taishan Investment	-	(134,407,232.28)	(134,407,232.28)	1,936.34	-	164,639,322.16	164,639,322.16	(72,711.87)
Fangchenggang Investment	2,919,100,448.79	837,083,745.97	837,083,745.97	2,177,394,792.05	2,748,929,651.75	1,014,649,944.22	1,014,649,944.22	1,779,914,550.75
Fangchenggang Nuclear	2,919,100,448.79	836,508,093.99	836,508,093.99	2,176,760,171.34	2,748,929,651.75	1,013,160,860.62	1,013,160,860.62	1,779,095,803.49

(4) As at June 30, 2022 and December 31, 2021, there is no significant restriction on using the corporate group's assets and settling the corporate group's debts.

2. Interests in associates

(1) Significant associates

Name of associate	Principle place of operation	Place of registration	Business nature	Shareholding (%)		Accounting treatment for investment in associate
				Direct	Indirect	
Hongyanhe Nuclear	Dalian, Liaoning Province	Dalian, Liaoning Province	Nuclear power generation	-	45.00	Equity method
CGN Fund Phase I	Shenzhen, Guangdong Province	Beijing	Nuclear investment	31.43	-	Equity method
CGN Finance	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Financial services	-	30.00	Equity method

(2) Significant financial information of significant associates

The following table sets out the significant financial information of the significant associates of the Group which represents the amounts following the adjustments made based on the fair value on investment. In addition, the following table also sets out the reconciliation of these financial information to the carrying amounts of investment in associates of the Group under the equity method:

Item	June 30, 2022/For the period from January 1 to June 30, 2022			December 31, 2021/For the period from January 1 to June 30, 2021		
	Hongyanhe Nuclear	CGN Fund Phase I	CGN Finance	Hongyanhe Nuclear	CGN Fund Phase I	CGN Finance
Current assets	12,987,844,621.57	6,298,711.54	28,348,675,398.86	11,469,461,667.17	6,879,507.12	32,258,172,210.88
Non-current assets	69,684,104,296.99	9,063,291,576.74	16,455,001,549.29	70,449,920,833.35	8,470,737,495.38	13,286,195,250.48
Total assets	82,671,948,918.56	9,069,590,288.28	44,803,676,948.15	81,919,382,500.52	8,477,617,002.50	45,544,367,461.36
Current liabilities	7,428,542,349.00	24,290,987.26	39,831,786,705.95	9,337,718,498.77	660,327.82	40,833,978,340.71
Non-current liabilities	56,290,205,504.61	-	40,088,486.11	54,371,305,150.07	-	25,705,871.31
Total liabilities	63,718,747,853.61	24,290,987.26	39,871,875,192.06	63,709,023,648.84	660,327.82	40,859,684,212.02
Equity attributable to the shareholders of the parent						
company	18,953,201,064.95	9,045,299,301.02	4,931,801,756.09	18,210,358,851.68	8,476,956,674.68	4,684,683,249.34
Share of net assets calculated as per shareholding	8,528,940,479.23	2,842,937,570.31	1,479,540,526.82	8,194,661,483.26	2,664,307,482.85	1,405,404,974.80
Adjustments						
– Unrealized profits of internal transactions	(883,323,047.54)	(62,470,105.78)	-	(789,391,651.00)	(62,470,105.78)	-
Book value of equity investment in associates	7,645,617,431.69	2,780,467,464.53	1,479,540,526.82	7,405,269,832.26	2,601,837,377.07	1,405,404,974.80
Operating revenue	5,746,988,975.29	-	344,521,911.78	5,054,235,077.71	-	543,916,611.39
Net profit	742,842,213.29	566,590,250.67	234,475,651.24	667,363,468.62	511,055,034.87	372,943,176.70
Total comprehensive income	742,842,213.29	566,590,250.67	234,475,651.24	667,363,468.62	511,055,034.87	372,943,176.70
Dividends received from associates for the period	-	-	-	-	-	-

(3) Consolidated financial information of insignificant associates

Item	June 30, 2022/ For the period from January 1 to June 30, 2022	December 31, 2021/ For the period from January 1 to June 30, 2021
Associates:		
Total book value of investment	1,102,946,278.76	1,044,892,833.79
The sum of the following items calculated as per shareholding		
– Net profit	44,623,500.66	34,429,227.78
– Other comprehensive income	(234,845.19)	(862,670.00)
– Total comprehensive income	44,388,655.47	33,566,557.78

(4) As at June 30, 2022 and December 31, 2021, there is no significant restriction on capacity of capital transfer from associates to the Group.

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(VIII) Risks Relevant to Financial Instruments

Major financial instruments of the Group include cash at bank and in hand, derivative financial instruments, bills receivable, accounts receivable, other receivables, other investment in equity instruments, loans, bills payable, accounts payable, other payables, bonds payable, etc. See Note (V) for details of the financial instruments. The following are risks relevant to these financial instruments and the risk management policies taken by the Group for reducing these risks. The management of the Group managed and supervised these risk exposures to keep the said risks under control.

The Group adopts sensitivity analysis method to analyze the potential impact of possible appropriate change in risk variables on current profits & losses or the shareholders' equity. As any risk variable seldom changes alone and correlation between variables greatly accounts for the final amount influenced by change of a certain risk variable, the following content is conducted under the assumption that change of each variable is independent.

1. Risk management objectives and policies

The Group's risk management objective is to achieve balance between risks and return, minimize the adverse effect of risks on the operating results of the Group and maximize the interests of shareholders and other equity investors. To achieve the said objective, the Group formulated a basic strategy of defining and analyzing various risks faced by the Group, setting a bottom line of risk tolerance and conducting timely and reliable supervision on the risks to keep them under control.

(1) Foreign exchange risk

Foreign exchange risk represents the risk of loss due to exchange rate changes. The Group's exposure to foreign exchange risk is mainly related to HKD, USD, EUR, GBP and CHF. Except for the GNPJVC which mainly conducts transactions denominated in USD, the Group's other major business activities are denominated and settled in RMB. On June 30, 2022 and December 31, 2021, except for the following balances of assets and liabilities, which are denominated in non-functional currency, the other assets and liabilities of the Group are functional currency balances. The foreign exchange risk arising from the assets and liabilities of the foreign currency balances described below may have an impact on the Group's operating results.

(a) Foreign currency assets and liabilities of the Group denominated in RMB

Item	June 30, 2022	December 31, 2021
Cash at bank and in hand – HKD	608,584,421.42	178,086.24
Cash at bank and in hand – USD	36,163,513.26	27,445,916.41
Cash at bank and in hand – EUR	158,629,585.65	161,003,640.38
Cash at bank and in hand – GBP	52,563,049.73	53,862,297.38
Accounts receivable – USD	472,180.55	14,958,444.19
Accounts receivable – EUR	6,427,707.94	27,661,438.44
Accounts receivable – GBP	7,816,475.91	7,588,339.91
Other receivables – USD	453,586.08	430,897.99
Other receivables – EUR	48,864,481.53	51,770,981.95
Other receivables – GBP	81,365.00	86,064.00
Accounts payable – HKD	4,280,855.47	3,459,163.53
Accounts payable – USD	50,643,969.70	66,043,121.93
Accounts payable – EUR	437,162,566.55	531,888,132.38
Accounts payable – GBP	6,700,245.91	6,785,619.01
Accounts payable – CHF	3,770,338.82	10,891,984.34
Other payables – HKD	6,501.16	6,215.39
Other payables – USD	26,617.41	–
Other payables – EUR	10,535,196.97	10,092,363.54
Other payables – GBP	12,078,773.79	–
Non-current liabilities due within one year – EUR	676,439,407.94	696,833,741.44
Long-term loans – EUR	2,367,537,930.19	2,787,334,968.23

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(b) Foreign currency assets and liabilities of the Group denominated in USD

Item	June 30, 2022	December 31, 2021
Cash at bank and in hand – RMB	972,621,469.73	984,472,924.06
Cash at bank and in hand – GBP	33,078.01	34,986.65
Cash at bank and in hand – HKD	31,495.87	30,111.48
Cash at bank and in hand – EUR	98,922.81	101,904.98
Accounts receivable – RMB	2,695,667.99	3,776,001.03
Other receivables – RMB	3,643,913.11	3,298,249.48
Other receivables – HKD	6,501.15	6,215.40
Accounts payable – RMB	282,949,004.54	118,940,303.52
Accounts payable –HKD	10,891,113.83	9,901,470.51
Accounts payable –GBP	203,102.34	214,831.92
Accounts payable –EUR	8,140,996.41	4,364,399.33
Other payables – RMB	193,612,316.89	408,202,866.03
Other payables – HKD	28,051.94	26,818.92
Employee benefits payable – RMB	2,548,345.63	2,423,347.21
Taxes payable – RMB	246,879,716.18	411,585,365.20
Non-current liabilities due within one year – RMB	7,110,649.17	5,659,696.20
Lease liabilities – RMB	6,234,051.34	7,872,382.25

The management of the Group pays close attention to the influence of exchange rate fluctuations on the foreign exchange risk of the Group, and would consider hedging significant foreign exchange risk when necessary.

Sensitivity analysis of exchange rate risks

Assuming that all risk variables other than the exchange rate remain unchanged, as at June 30, 2022, if a foreign currency appreciated/depreciated by 5% against RMB as the reporting currency, profit before taxation of the Group would decrease or increase by RMB131,852,363.15 (December 31, 2021: decrease or increase by RMB188,662,264.64); if a foreign currency appreciated/depreciated by 5% against USD as the reporting currency, profit before taxation of the Group would increase or decrease by RMB23,809,790.68 (December 31, 2021: increase or decrease by RMB21,794,048.07).

Financial assets and financial liabilities at FVTPL held by the are measured at fair value on the balance sheet date. As at June 30, 2022, for derivative financial assets, the Group took the risk of changes in exchange rate prices. With other variables unchanged, if the changes in exchange rate prices increase/decrease by 5%, profit before taxation of the Group would increase or decrease by RMB24,399,063.95 (December 31, 2021: nil).

(2) Interest rate risk – risk of changes in cash flow

The Group's risk of changes in cash flow of financial instruments which arise from changes in interest rates is mainly associated with bank loans at floating rate (see Note (V) 23, 31 and 33 for details). The Group continues to closely monitor the impact of interest rate changes on the Group's interest rate risk. The policies of the Group aim at maintaining the floating rates of these loans and there is not any interest rate swap arrangement at present.

Sensitivity analysis of interest rate risk

As at June 30, 2022, with other variables unchanged, if interest rate increases or decreases by 1%, profit before taxation of annual interest expenses of bank loans (including short-term loans, long-term loans and non-current liabilities due within one year) held by the Group would decrease or increase by RMB1,702,643,619.64 (December 31, 2021: decrease or increase by RMB1,892,482,958.44).

(3) Credit risk

On the balance sheet date, the maximum exposure to credit risk that may cause financial losses to the Group mainly arises from the losses incurred to the financial assets of the Group due to the failure of the other party to perform its obligations, which specifically include:

The carrying amount of the financial assets recognized in the consolidated balance sheet. For financial instruments measured at fair value, the book value reflects its risk exposure, but it is not the maximum risk exposure, and its maximum risk exposure will vary in line with future changes in fair value.

In order to reduce credit risk, the Group reviews the collection of receivables on each statement of financial position date to ensure that adequate provision for expected credit loss is made for relevant financial assets.

The Group had taken necessary measures to make sure all customers have a good credit record. Except the top five accounts receivables, the Group had no other significant credit risk.

Accounts receivable from the top five customers as at June 30, 2022

Item	June 30, 2022
Accounts receivable – Guangdong Power Grid Co., Ltd.	3,162,571,552.02
Accounts receivable – CGNPC New Energy Offshore Wind Power (Shanwei) Co., Ltd. (中廣核新能源海上風電(汕尾)有限公司)	1,474,241,966.67
Accounts receivable – CGN New Energy (Huizhou) Co., Ltd. (中廣核新能源(惠州)有限公司)	1,008,707,481.91
Accounts receivable – Fujian Electric Power Co., Ltd.	872,672,166.38
Accounts receivable – HKNIC	605,965,413.39
Total	7,124,158,580.37

Accounts receivable from the top five customers as at December 31, 2021

Item	December 31, 2021
Accounts receivable – Guangdong Power Grid Co., Ltd.	3,807,658,945.86
Accounts receivable – Fujian Electric Power Co., Ltd.	1,102,725,233.76
Accounts receivable – CGN New Energy (Huizhou) Co., Ltd. (中廣核新能源(惠州)有限公司)	765,517,046.18
Accounts receivable – CGNPC New Energy Offshore Wind Power (Shanwei) Co., Ltd. (中廣核新能源海上風電(汕尾)有限公司)	705,530,783.08
Accounts receivable – CGNPC Yangjiang Offshore Wind Power Co., Ltd.	676,459,660.22
Total	7,057,891,669.10

Notes to the Financial Statements

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(All amounts in RMB unless otherwise stated)

(4) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank loans and ensures compliance with loan agreements.

As at June 30, 2022, the current liabilities of the Group exceeded the current assets by RMB6,720,784,037.81. The Group had unutilized loan facilities from banks and other financial institutions amounting to RMB136,143,766,253.60, including loan facilities of RMB82,810,222,260.16 with a term of more than 12 months. The management of the Group is of the view that the Group would have adequate financial resources to settle the financial obligations and commitments in future. Therefore, the financial statements have been prepared on the basis of going concern.

The following is the maturity analysis for financial liabilities held by the Group which is based on undiscounted remaining contractual obligations:

Item	June 30, 2022				Book value on the balance sheet
	Within one year	One to five years	Over five years	Total	
Non-derivative financial liabilities:					
Short-term loans	15,403,155,750.66	–	–	15,403,155,750.66	15,011,239,263.77
Bills payable	2,584,189,073.53	–	–	2,584,189,073.53	2,584,189,073.53
Accounts payable	18,761,054,445.24	–	–	18,761,054,445.24	18,761,054,445.24
Other payables	8,510,359,655.74	–	–	8,510,359,655.74	8,510,359,655.74
Non-current liabilities due within one year	23,183,278,970.63	–	–	23,183,278,970.63	22,458,126,283.09
Short-term bonds payable	3,625,457,534.25	–	–	3,625,457,534.25	3,613,762,191.79
Long-term loans	5,862,691,106.51	82,262,101,069.93	93,504,814,002.18	181,629,606,178.62	157,134,673,571.36
Bonds payable	159,860,821.92	7,192,611,527.78	–	7,352,472,349.70	6,986,982,564.49
Lease liabilities	–	359,332,701.67	377,755,411.32	737,088,112.99	667,304,412.35

2. Transfer of financial assets

- (1) As at June 30, 2022, the Group did not have financial assets that have been transferred but not derecognized.
- (2) As at June 30, 2022, the Group did not have financial assets that have been derecognized but continued its involvement in transferred financial assets.

(IX) Disclosure of Fair Value

1. Closing fair value of assets and liabilities measured at fair value

Item	June 30, 2022			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
Recurring fair value measurement				
Foreign currency forward contracts	-	2,121,876.84	-	2,121,876.84
Other investment in equity instruments	-	472,715,100.00	132,067,370.13	604,782,470.13
Total assets continuously measured at fair value	-	474,836,976.84	132,067,370.13	606,904,346.97
Cash-settled share-based payment	-	(75,715,882.89)	-	(75,715,882.89)
Total liabilities continuously measured at fair value	-	(75,715,882.89)	-	(75,715,882.89)

Item	December 31, 2021			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
Recurring fair value measurement				
Other investment in equity instruments	-	458,128,600.00	132,067,370.13	590,195,970.13
Total assets continuously measured at fair value	-	458,128,600.00	132,067,370.13	590,195,970.13
Cash-settled share-based payment	-	(142,778,077.84)	-	(142,778,077.84)
Total liabilities continuously measured at fair value	-	(142,778,077.84)	-	(142,778,077.84)

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

2. Qualitative and quantitative information of valuation techniques and important parameters adopted for recurring level 2 fair value measurements

Item	Fair value at June 30, 2022	Fair value at December 31, 2021	Valuation technique	Inputs
Foreign currency forward contracts	2,121,876.84	–	Discounted cash flow approach	Forward exchange rate
Other investment in equity instruments	472,715,100.00	458,128,600.00	Market method	Net profit attributable to the parent company during the reporting period, non-operational assets, average price-earnings ratio of comparable companies, liquidity discount ratio of the investee
Cash-settled share-based payment	(75,715,882.89)	(142,778,077.84)	Black-Scholes Model	Share price, expected volatility, expected dividend yield

3. Qualitative and quantitative information of valuation techniques and important parameters adopted for recurring level 3 fair value measurements

Item	Fair value at June 30, 2022	Fair value at December 31, 2021	Valuation technique	Inputs
Other investment in equity instruments	132,067,370.13	132,067,370.13	Cost method	Investment costs

4. Reconciliation between the opening and closing carrying amount for recurring level 3 fair value measurements

There was no transfer in or out between different levels for the above-mentioned assets and liabilities continuously measured at fair value of the Group during the period.

5. Fair value of financial assets and financial liabilities not measured at fair value

The management of the Group believes that the book values of financial assets and financial liabilities measured at amortized cost in the financial statements are close to the fair values of the same.

(X) Related Parties and Related Party Transactions

1. Parent company of the Company

Name of parent company	Place of registration	Nature of business	Registered capital	Shareholding of the parent company in the Company	Voting rights of the parent company in the Company
CGNPC	Shenzhen	Nuclear power industry	RMB14,873.3730 million	58.82%	58.82%

The parent company of the Company is CGNPC. The ultimate actual controlling shareholder is the SASAC.

2. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note (VII) 1.

3. Associates of the Company

Details of the significant associates of the Company are set out in Note (VII) 2.

Other associates which conduct related party transactions with the Group, or have balance arising from related party transactions with the Group in prior periods are as follows:

Name of associate	Relationship with the Company
Ningde Second Nuclear	Associate
Hongyanhe Nuclear	Associate
China Nuclear Industry Second and Third Construction Co., Ltd.	Associate
CIECC Engineering Company Limited	Associate
CGN Finance	Associate, under the control of the same party
CGN Fund Phase I	Associate, a non-controlling shareholder with significant influence on subsidiaries

4. Other related parties

Name of other related parties	Relationship with the Company
CGN Tuquan Bioenergy Co., Ltd. (中廣核突泉生物能源有限公司)	Under the control of the same party
Anhui Wuhu Nuclear Power Co., Ltd. (安徽蕪湖核電有限公司)	Under the control of the same party
Beijing Guangli Nuclear System Engineering Co., Ltd. (北京廣利核系統工程有限公司)	Under the control of the same party
Hubei Nuclear Power Co., Ltd. (湖北核電有限公司)	Under the control of the same party
Shenzhen Nuclear Power Huantong Automobile Service Co., Ltd. (深圳核電環通汽車服務有限公司)	Under the control of the same party

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

Name of other related parties	Relationship with the Company
Shenzhen Lvyuan Restaurant Management Co., Ltd. (深圳綠源餐飲管理有限公司)	Under the control of the same party
Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	Under the control of the same party
Shenzhen Nuclear Power Electrical Installation and Maintenance Co., Ltd. (深圳市核電機電安裝維修有限公司)	Under the control of the same party
Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	Under the control of the same party
Shenzhen Zhenhe Construction Engineering Project Management Co., Ltd. (深圳市振核建設工程項目管理有限公司)	Under the control of the same party
Xianning Nuclear Power Co., Ltd. (咸寧核電有限公司)	Under the control of the same party
CGN Real Estate Management Co., Ltd. (中廣核不動產管理有限公司)	Under the control of the same party
CGN Cangnan Nuclear Power Co., Ltd. (中廣核蒼南核電有限公司)	Under the control of the same party
CGN Wind Energy Co., Ltd. and its subsidiaries	Under the control of the same party
CGN Services Group	Under the control of the same party
Shenzhen Kezhi Management Consulting Co., Ltd. (深圳市科智管理諮詢有限公司)	Under the control of the same party
CGNPC International Financial Leasing Co., Ltd. (中廣核國際融資租賃有限公司)	Under the control of the same party
China Nuclear Power EPC Limited and its subsidiaries	Under the control of the same party
CGN Nuclear Technology Development Co., Ltd. (中廣核核技術發展股份有限公司) and its subsidiaries	Under the control of the same party
CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	Under the control of the same party
CGN Environmental Protection Industry Co., Ltd. (中廣核環保產業有限公司) and its subsidiaries	Under the control of the same party
CGN Huizhou Nuclear Power Co., Ltd. (中廣核惠州核電有限公司)	Under the control of the same party
CGN Jiuyuan (Chengdu) Science and Technology Co., Ltd. (中廣核久源(成都)科技有限公司)	Under the control of the same party
CGN Energy Conservation Industry Development Co., Ltd.	Under the control of the same party
CGN Energy Development Co., Ltd. and its subsidiaries	Under the control of the same party
CGN Taishan No. 2 Nuclear Power Co., Ltd. (中廣核台山第二核電有限公司)	Under the control of the same party
CGN New Energy Investment (Shenzhen) Company Limited (中廣核新能源投資(深圳)有限公司) and its subsidiaries	Under the control of the same party
CGN Uranium Resources Co., Ltd. and its subsidiaries	Under the control of the same party
CGN Capital Holdings Co., Ltd. (中廣核資本控股有限公司) and its subsidiaries	Under the control of the same party
Shenzhen Nuclear Power Material Supply Co., Ltd. (深圳市核電物資供應有限公司)	Under the control of the same party
Lingwan Nuclear Power Co., Ltd. (嶺灣核電有限公司)	Under the control of the same party
CGN Shaoguan Nuclear Power Co., Ltd. (中廣核韶關核電有限公司)	Under the control of the same party
Swakop Uranium (Pty) Ltd.	Under the control of the same party

Name of other related parties	Relationship with the Company
CGN Hongda Environmental Technology Co., Ltd. (中廣核宏達環境科技有限責任公司)	Under the control of the same party
Shenzhen Nuclear Service Garden Co., Ltd. (深圳市核服園林有限公司)	Under the control of the same party
Shanghai Engineering Science & Technology Co., Ltd. (上海中廣核工程科技有限公司) and its subsidiaries	Under the control of the same party
CGN Europe Energy and its subsidiaries	Under the control of the same party
CGN Begood Technology Co., Ltd.	Under the control of the same party
CGN New Energy Holdings Co., Ltd. and its subsidiaries	Under the control of the same party
CGN Energy International Holdings Co., Limited and its subsidiaries HKNIC	Under the control of the same party
Framatome Inc.	Non-controlling shareholders with significant influence on subsidiaries
TECNATOM, S.A.	Non-controlling shareholders with significant influence on subsidiaries
Guangdong Electric Power Design Institute of China Energy Engineering Group	Non-controlling shareholders with significant influence on subsidiaries
EDF International and its subsidiaries	Non-controlling shareholders with significant influence on subsidiaries
EDF (China) Holding Ltd.	Non-controlling shareholders with significant influence on subsidiaries
Guangdong Energy Group Co., Ltd. (廣東省能源集團有限公司)	Non-controlling shareholders with significant influence on subsidiaries
Guangxi GI Energy Group Co., Ltd. (廣西廣投能源集團有限公司)	Non-controlling shareholders with significant influence on subsidiaries
CLP Nuclear Power (Yangjiang) Limited	Non-controlling shareholders with significant influence on subsidiaries
China Datang Corporation Nuclear Power Company Limited (中國大唐集團核電有限公司)	Non-controlling shareholders with significant influence on subsidiaries
Fujian Energy Group Co., Ltd. (福建省能源集團有限責任公司) and its subsidiaries	Non-controlling shareholders with significant influence on subsidiaries
Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司)	Non-controlling shareholders with significant influence on subsidiaries
Definite Arise Limited	An associate of the ultimate controlling party
Hualong Pressurized Water Reactor Technology Corporation, Ltd. (華龍國際核電技術有限公司)	A joint venture of the ultimate controlling party
Dongfang Framatome Nuclear Pump Co., Ltd. (東方法馬通核泵有限責任公司)	Others

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

5. Related party transactions

(1) Related party transactions for purchase and sale of goods, rendering and acceptance of services:

Purchase of goods/Acceptance of services:

Related party	Related party transaction	For the period from January 1 to June 30, 2022	For the period from January 1 to June 30, 2021
CGN Uranium Resources Co., Ltd. and its subsidiaries	Purchase of goods/Acceptance	2,374,235,327.95	1,308,984,734.31
China Nuclear Industry Second and Third Construction Co., Ltd.	Purchase of goods/Acceptance	464,158,627.57	872,398,024.52
Framatome Inc.	Purchase of goods/Acceptance	450,022,045.15	690,002,913.04
Shanghai Engineering Science & Technology Co., Ltd. (上海中廣核工程科技有限公司) and its subsidiaries	Purchase of goods/Acceptance	171,629,906.72	19,841,359.55
CGN Services Group	Purchase of goods/Acceptance	140,988,307.71	190,924,725.80
Shenzhen Lvyan Restaurant Management Co., Ltd. (深圳綠源餐飲管理有限公司)	Purchase of goods/Acceptance	119,948,729.02	80,462,647.43
China Techenergy Co., Ltd. (北京廣利核系統工程有限公司)	Purchase of goods/Acceptance	113,130,911.56	61,231,143.17
Shenzhen Nuclear Power Huantong Automobile Service Co., Ltd. (深圳核電環通汽車服務有限公司)	Purchase of goods/Acceptance	92,130,563.16	74,676,636.38
Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司)	Purchase of goods/Acceptance	69,664,007.45	6,132,502.47
Shenzhen Nuclear Power Electrical Installation and Maintenance Co., Ltd. (深圳市核電機電安裝維修有限公司)	Purchase of goods/Acceptance	59,625,352.48	49,573,739.39
Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	Purchase of goods/Acceptance	24,445,490.83	43,889,807.92
CGN Environmental Protection Industry Co., Ltd. (中廣核環保產業有限公司) and its subsidiaries	Purchase of goods/Acceptance	23,731,439.63	20,422,339.26
Hongyanhe Nuclear	Purchase of goods/Acceptance	23,497,285.29	213,193.83
Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	Purchase of goods/Acceptance	23,049,422.94	9,100,592.98
EDF International and its subsidiaries	Purchase of goods/Acceptance	7,865,121.01	22,683,363.97
Shenzhen Nuclear Power Material Supply Co., Ltd. (深圳市核電物資供應有限公司)	Purchase of goods/Acceptance	4,617,902.88	3,940,337.81
Shenzhen Kezhi Management Consulting Co., Ltd. (深圳市科智管理諮詢有限公司)	Purchase of goods/Acceptance	3,462,096.50	13,488,575.81
CGN Jiuyuan (Chengdu) Science and Technology Co., Ltd. (中廣核久源(成都)科技有限公司)	Purchase of goods/Acceptance	2,107,099.88	4,205,763.90
CGNPC	Purchase of goods/Acceptance	1,315,718.00	3,187,021.53
CGN Wind Energy Co., Ltd. and its subsidiaries	Purchase of goods/Acceptance	88,495.60	9,084,650.99
CGN Nuclear Technology Development Co., Ltd. (中廣核核技術發展股份有限公司) and its subsidiaries	Purchase of goods/Acceptance	60,929.20	1,592,956.82
Others	Purchase of goods/Acceptance	11,293,857.96	17,201,038.81
Total		4,181,068,638.49	3,503,238,069.69

Sale of goods/Rendering of services:

Related party	Related party transaction	For the period from January 1 to June 30, 2022	For the period from January 1 to June 30, 2021
HKNIC	Sale of electricity	2,776,722,372.84	2,367,767,830.92
Hongyanhe Nuclear	Sale of goods/Rendering of services	446,120,616.91	307,958,925.52
CGNPC	Sale of goods/Rendering of services	201,745,853.31	-
CGN Huizhou Nuclear Power Co., Ltd. (中廣核惠州核電有限公司)	Sale of goods/Rendering of services	12,295,491.99	15,195,357.09
CGN Cangnan Nuclear Power Co., Ltd. (中廣核蒼南核電有限公司)	Sale of goods/Rendering of services	12,235,744.00	7,885,510.49
CGN Wind Energy Co., Ltd. and its subsidiaries	Sale of goods/Rendering of services	4,084,651.07	7,372,413.19
CGN Uranium Resources Co., Ltd. and its subsidiaries	Sale of goods/Rendering of services	2,715,155.23	17,013,076.43
China Nuclear Power EPC Limited and its subsidiaries	Sale of goods/Rendering of services	2,346,080.70	40,462,688.00
China Techenergy Co., Ltd. (北京廣利核系統工程有限公司)	Sale of goods/Rendering of services	1,509,434.00	1,139,622.63
CGN Tuquan Bioenergy Co., Ltd. (中廣核突泉生物能源有限公司)	Sale of goods/Rendering of services	-	1,773,584.91
Others	Sale of goods/Rendering of services	17,496,766.33	8,618,782.08
Total		3,477,272,166.38	2,775,187,791.26

Provision of construction, installation and design services:

Related party	Related party transaction	For the period from January 1 to June 30, 2022	For the period from January 1 to June 30, 2021
CGN Wind Energy Co., Ltd. and its subsidiaries	Provision of construction, installation and design services	3,885,597,683.36	4,168,307,956.02
CGN Huizhou Nuclear Power Co., Ltd. (中廣核惠州核電有限公司)	Provision of construction, installation and design services	1,892,266,096.21	1,230,467,331.93
CGN Cangnan Nuclear Power Co., Ltd. (中廣核蒼南核電有限公司)	Provision of construction, installation and design services	1,317,006,567.16	876,175,928.17
Hongyanhe Nuclear	Provision of construction, installation and design services	469,375,300.05	568,188,670.25
CGN New Energy Investment (Shenzhen) Company Limited (中廣核新能源投資(深圳)有限公司) and its subsidiaries	Provision of construction, installation and design services	199,650,040.78	668,921,206.05
Ningde Second Nuclear	Provision of construction, installation and design services	83,208,661.01	90,365,528.38
Others	Provision of construction, installation and design services	1,358,460.40	2,165,352.75
Total		7,848,462,808.97	7,604,591,973.55

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(2) Related party transactions for leasing

The Group as lessor:

Name of lessee	Type of leased assets	Rental income recognized for the period from January 1 to June 30, 2022	Rental income recognized for the period from January 1 to June 30, 2021
China Techenergy Co., Ltd. (北京廣利核系統工程有限公司)	Buildings	1,114,968.23	743,312.16
Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	Buildings	1,039,204.56	1,038,435.57
Shanghai Engineering Science & Technology Co., Ltd (上海中廣核工程科技有限公司) and its subsidiaries	Buildings	698,912.01	-
CGN Services Group	Buildings	311,794.63	311,794.63
Shenzhen Nuclear Power Electrical Installation and Maintenance Co., Ltd. (深圳市核電機電安裝維修有限公司)	Buildings	112,880.73	416,935.78
Shenzhen Lvyuan Restaurant Management Co., Ltd. (深圳綠源餐飲管理有限公司)	Buildings	52,914.28	-
Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	Buildings	40,228.57	29,714.28
CGN Environmental Protection Industry Co., Ltd. (中廣核環保產業有限公司)	Buildings	9,541.28	-
CGN Begood Technology Co., Ltd.	Buildings	-	79,619.04
Total		3,380,444.29	2,619,811.46

The Group as lessee:

Name of lessor	Type of leased assets	Transaction amount for the period from January 1 to June 30, 2022 (Note)	Transaction amount for the period from January 1 to June 30, 2021 (Note)
CGNPC	Buildings	35,209,992.20	25,825,365.87
Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	Buildings	4,857,060.24	6,623,057.16
Shanghai Engineering Science & Technology Co., Ltd (上海中廣核工程科技有限公司) and its subsidiaries	Buildings	4,623,921.87	1,923,233.95
CGN Real Estate Management Co., Ltd. (中廣核不動產管理有限公司)	Buildings	1,609,488.56	4,063,198.84
Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	Buildings	760,524.00	1,361,797.38
CGN Services Group	Buildings	548,030.22	112,860.00
Total		47,609,017.09	39,909,513.20

Note: Transaction amount includes the lease principal paid, handling fees and interest.

(3) Related party transactions for guarantees

The Group as warrantee:

Guarantor	Guaranteed amount	Start date	Expiry date	Whether the guarantee has been fulfilled
CGNPC	500,000,000.00	04/07/2013	04/07/2022	No
CGNPC	1,000,000,000.00	16/09/2013	16/09/2022	No
CGNPC	1,000,000,000.00	02/12/2013	02/12/2022	No
Total	2,500,000,000.00			

(4) Related party transactions for funds lending

Related party	Amount borrowed	Start date	Expiry date
Borrowing from CGN Finance	16,318,193,532.60	Irregular	Irregular
CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	26,997,519.59	Irregular	Irregular
Total	16,345,191,052.19		

Related party	Amount repaid	Repayment date
Repayment to CGN Finance	18,805,091,398.18	Irregular
CGNPC International Financial Leasing Co., Ltd. (中廣核國際融資租賃有限公司)	485,000,000.00	June 1, 2022
CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	28,189,543.32	Irregular
Hualong Pressurized Water Reactor Technology Corporation, Ltd. (華龍國際核電技術有限公司)	50,000,000.00	June 28, 2022
Hualong Pressurized Water Reactor Technology Corporation, Ltd. (華龍國際核電技術有限公司)	100,000,000.00	May 27, 2022
Total	19,468,280,941.50	

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(5) Emoluments for key management

Item	For the period from January 1 to June 30, 2022	For the period from January 1 to June 30, 2021
Emoluments for key management	12,044,139.11	7,454,203.45

Note: Remuneration data for the period includes the bonuses for the three-year business performance appraisal plan from 2019 to 2021.

For the period from January 1 to June 30, 2022, the remuneration of each director was as follows:

	Directors' salaries	Wages and allowances	Bonus	Retirement benefits	Total
Chairman and non-executive director					
Yang Changli	–	–	–	–	–
Executive directors and chief executives					
Gao Ligang	–	180,773.97	167,016.00	60,594.24	408,384.21
Jiang Dajin	–	386,645.97	926,064.00	61,623.36	1,374,333.33
Non-executive directors					
Shi Bing	–	–	–	–	–
Li Mingliang (Note 1)	–	–	–	–	–
Gu Jian	–	–	–	–	–
Wang Hongjun (Note 2)	–	–	–	–	–
Independent non-executive directors					
Tang Chi Cheung	30,000.00	–	–	–	30,000.00
Li Fuyou	30,000.00	–	–	–	30,000.00
Yang Jiayi	30,000.00	–	–	–	30,000.00
Xia Ceming	30,000.00	–	–	–	30,000.00
Total	120,000.00	567,419.94	1,093,080.00	122,217.60	1,902,717.54

Note 1: Appointed on May 26, 2021 and resigned on September 9, 2021.

Note 2: Appointed on October 27, 2021.

For the period from January 1 to June 30, 2021, the remuneration of each director was as follows:

	Directors' salaries	Wages and allowances	Bonus	Retirement benefits	Total
Executive directors and chief executives					
Gao Ligang	–	131,526.06	145,992.00	54,176.88	331,694.94
Jiang Dajin (Note 1)	–	332,560.08	479,883.00	57,841.20	870,284.28
Non-executive directors					
Yang Changli	–	–	–	–	–
Shi Bing	–	–	–	–	–
Li Mingliang (Note 4)	–	–	–	–	–
Gu Jian	–	–	–	–	–
Independent non-executive directors					
Tang Chi Cheung (Note 2)	10,000.00	–	–	–	10,000.00
Li Fuyou (Note 3)	30,000.00	–	–	–	30,000.00
Yang Jiayi (Note 3)	30,000.00	–	–	–	30,000.00
Xia Ceming (Note 3)	30,000.00	–	–	–	30,000.00
Total	100,000.00	464,086.14	625,875.00	112,018.08	1,301,979.22

Note 1: Resigned as the Board secretary and appointed as an executive director on August 5, 2020. Now serves as an executive director and a vice president.

Note 2: Appointed on May 26, 2021.

Note 3: Appointed on August 5, 2020.

Note 4: Appointed on May 26, 2021.

For the period from January 1 to June 30, 2022, the remuneration of each supervisor was as follows:

	Supervisors' salaries	Wages and allowances	Bonus	Retirement benefits	Total
Supervisors					
Zhu Hui	–	337,943.80	751,182.00	55,710.24	1,144,836.04
Wang Hongxin	–	354,854.30	683,299.00	56,029.92	1,094,183.22
Independent supervisors	–				
Chen Sui (Note 1)	–	–	–	–	–
Hu Yaoqi (Note 2)	–	–	–	–	–
Pang Xiaowen (Note 3)	–	–	–	–	–
Zhang Baishan	–	–	–	–	–
Yang Lanhe	–	–	–	–	–
Chen Rongzhen	–	–	–	–	–
Total	–	692,798.10	1,434,481.00	111,740.16	2,239,019.26

Note 1: Resigned on April 11, 2022.

Note 2: Resigned on April 1, 2022.

Note 3: Appointed on May 27, 2022.

For the period from January 1 to June 30, 2021, the remuneration of each supervisor was as follows:

	Supervisors' salaries	Wages and allowances	Bonus	Retirement benefits	Total
Supervisors					
Zhu Hui	–	280,762.08	510,027.95	51,922.32	842,712.35
Wang Hongxin	–	284,968.08	344,616.00	52,242.00	681,826.08
Independent supervisors					
Chen Sui	–	–	–	–	–
Hu Yaoqi	–	–	–	–	–
Zhang Baishan	–	–	–	–	–
Total	–	565,730.16	854,643.95	104,164.32	1,524,538.43

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

For the period from January 1 to June 30, 2022, the remuneration of each member of senior management was as follows:

	Senior management's salaries	Wages and allowances	Bonus	Retirement benefits	Total
Senior management					
Su Shengbing (Note 1)	–	451,350.51	2,002,731.52	51,352.80	2,505,434.83
Chen Yingjian	–	367,817.97	757,541.00	61,623.36	1,186,982.33
Yin Engang	–	350,740.64	916,867.00	58,604.64	1,326,212.28
Qin Yuxin (Note 2)	–	345,551.40	2,476,598.11	61,623.36	2,883,772.87
Total	–	1,515,460.52	6,153,737.63	233,204.16	7,902,402.31

Note 1: Resigned on June 1, 2022.

Note 2: Appointed on April 14, 2021.

For the period from January 1 to June 30, 2021, the remuneration of each member of senior management was as follows:

	Senior management's salaries	Wages and allowances	Bonus	Retirement benefits	Total
Senior management					
Su Shengbing	–	351,998.08	507,297.00	57,841.20	917,136.28
Chen Yingjian	–	337,948.40	1,137,599.40	57,841.20	1,533,389.00
Yin Engang	–	302,242.08	684,979.00	54,816.72	1,042,037.80
Qin Yuxin (Note)	–	312,390.30	764,891.22	57,841.20	1,135,122.72
Total	–	1,304,578.86	3,094,766.62	228,340.32	4,627,685.80

Note: Appointed on April 14, 2021.

For the period from January 1 to June 30, 2022 and for the period from January 1 to June 30, 2021, the five highest paid individuals were neither the directors of the Group nor the supervisors of the Group:

The remuneration of five highest paid individuals are as follows:

Unit: RMB

	For the period from January 1 to June 30, 2022	For the period from January 1 to June 30, 2021
Wages and allowances	1,713,588.41	1,527,175.66
Bonus	11,988,624.53	6,279,484.99
Retirement benefits	306,895.68	291,895.66
Total	14,009,108.62	8,098,556.31

The above wages and allowances mainly include basic salaries and travel expenses. Bonuses are determined based on the performance of the Group and individuals.

The remuneration of five highest paid individuals by band:

	For the period from January 1 to June 30, 2022	For the period from January 1 to June 30, 2021
HK\$3,000,001 to HK\$3,500,000 (Equivalent to RMB2,580,900.86 to RMB3,011,050.00)	5	5

For the period from January 1 to June 30, 2022 and for the period from January 1 to June 30, 2021, the Group did not pay any directors, supervisors or the five highest paid individuals as incentives or resignation compensation for joining the Group or when joining the Group. No director or supervisor has waived any remuneration.

(6) Other related party transactions

Item	For the period from January 1 to June 30, 2022	For the period from January 1 to June 30, 2021
Interest income – CGN Finance	64,198,445.71	71,251,138.71
Interest income – Others	109.84	–
Total	64,198,555.55	71,251,138.71
Interest expenses – CGN Finance	194,786,390.18	165,837,605.76
Interest expenses – CGNPC	12,871,111.11	12,871,111.11
Interest expenses – CGNPC International Financial Leasing Co., Ltd. (中廣核國際融資租賃有限公司)	10,106,590.41	10,118,500.00
Interest expenses – CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	359,632.86	827,804.80
Interest expenses – Hualong Pressurized Water Reactor Technology Corporation, Ltd. (華龍國際核電技術有限公司)	2,508,469.44	535,601.11
Interest expenses – Shanghai Engineering Science & Technology Co., Ltd (上海中廣核工程科技有限公 司) and its subsidiaries	–	128,484.68
Total	220,632,194.00	190,319,107.46
Fee expenses – CGN Finance	513,934.64	1,047,332.70
Total	513,934.64	1,047,332.70

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

6. Amounts due from/due to related parties

(1) Receivables

Item name	Related party	June 30, 2022		December 31, 2021	
		Carrying balance	Bad debt provisions	Carrying balance	Bad debt provisions
Cash at bank and in hand	CGN Finance	18,572,176,822.18	-	15,573,998,255.45	-
	CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)	101,957,892.99	-	70,783,796.97	-
	Total	18,674,134,715.17	-	15,644,782,052.42	-
Accounts receivable	CGN Wind Energy Co., Ltd. and its subsidiaries	3,961,707,183.42	70,260,756.57	2,853,796,005.31	33,201,013.39
	CGN New Energy Investment (Shenzhen) Company Limited (中廣核新能源投資(深圳)有限公司) and its subsidiaries	635,918,939.71	10,235,051.58	611,585,896.48	1,834,757.68
	HKNIC	605,965,413.39	1,817,896.24	466,269,844.51	1,398,809.52
	Hongyanhe Nuclear	296,805,639.65	977,010.23	276,133,282.06	1,235,379.73
	China Nuclear Power EPC Limited and its subsidiaries	18,591,300.36	234,124.25	34,480,599.84	293,239.81
	CGN Services Group	15,682,672.31	47,762.74	14,840,615.28	44,521.84
	CGN Uranium Resources Co., Ltd. and its subsidiaries	15,597,629.90	612,484.87	55,833,095.08	842,185.23
	Swakop Uranium (Pty) Ltd.	14,262,741.48	45,295.84	16,740,154.44	50,225.63
	CGN Energy International Holdings Co., Limited and its subsidiaries	13,688,156.42	308,249.38	30,198,586.30	378,082.76
	Shanghai Engineering Science & Technology Co., Ltd (上海中廣核工程科技有限公司) and its subsidiaries	11,404,466.94	34,213.41	4,817,912.43	14,453.74
	CGNPC	8,986,692.84	26,940.00	8,980,000.00	26,940.00
	CGN Huizhou Nuclear Power Co., Ltd. (中廣核惠州核電有限公司)	3,578,153.64	82,230.31	239,953,764.98	708,928.91
	China Techenergy Co., Ltd. (北京廣利核系統工程有限公司)	3,420,388.92	11,540.80	12,117,973.29	45,945.70
	CGN Energy Conservation Industry Development Co., Ltd. (中廣核節能產業發展有限公司)	3,064,517.00	153,225.85	18,008,565.24	443,677.59
	CGN Cangnan Nuclear Power Co., Ltd. (中廣核蒼南核電有限公司)	2,665,658.86	108,428.04	277,756,281.68	831,961.31
	CGN Environmental Protection Industry Co., Ltd. (中廣核環保產業有限公司) and its subsidiaries	1,768,252.00	17,186.36	1,798,318.00	86,106.31
	CGN Nuclear Technology Application Co., Ltd. (中廣核核技術應用有限公司) and its subsidiaries	277,720.00	835.20	23,791,957.07	221,813.47
	CGN Capital Holdings Co., Ltd. (中廣核資本控股有限公司) and its subsidiaries	-	-	9,572,473.00	28,717.42
	CGN Finance	-	-	6,354,834.84	19,064.50
	Others	5,224,889.74	131,925.88	16,537,339.43	134,201.35
Total	5,618,610,416.58	85,105,157.55	4,979,567,499.26	41,840,025.89	

Item name	Related party	June 30, 2022		December 31, 2021	
		Carrying balance	Bad debt provisions	Carrying balance	Bad debt provisions
Prepayments	CGN Uranium Resources Co., Ltd. and its subsidiaries	9,876,636,272.15	-	8,651,702,115.43	-
	China Nuclear Industry Second and Third Construction Co., Ltd.	262,274,460.53	-	247,380,597.58	-
	China Techenergy Co., Ltd. (北京廣利核系統工程有限公司)	68,165,994.07	-	75,038,318.82	-
	CGN Services Group	35,380,000.00	-	21,220,094.34	-
	Framatome Inc.	24,790,346.12	-	9,467,566.90	-
	Shenzhen Nuclear Power Huantong Automobile Service Co., Ltd. (深圳核電環通汽車服務有限公司)	18,500,000.00	-	15,500,000.00	-
	Shenzhen Lyuan Restaurant Management Co., Ltd. (深圳綠源餐飲管理有限公司)	14,050,000.00	-	9,750,000.00	-
	Hualong Pressurized Water Reactor Technology Corporation, Ltd. (華龍國際核電技術有限公司)	11,320,754.74	-	11,320,754.74	-
	Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	6,886,046.32	-	2,270,000.00	-
	CGN Nuclear Technology Development Co., Ltd. and its subsidiaries	2,866,927.92	-	1,771,211.20	-
	CIECC Engineering Company Limited (中諮工程有限公司)	2,461,172.26	-	2,461,172.26	-
	Others	2,030,585.58	-	1,410,759.83	-
	Total	10,325,362,559.69	-	9,049,292,591.10	-
Contract assets	Hongyanhe Nuclear	743,395.90	2,230.19	1,393,053.48	-
	Others	15,360.00	-	15,360.00	-
	Total	758,755.90	2,230.19	1,408,413.48	-
Other receivables	Shanghai Engineering Science & Technology Co., Ltd (上海中廣核工程科技有限公司) and its subsidiaries	50,580,000.00	151,740.00	-	-
	CGN Services Group	17,549,172.90	17,549,172.90	17,549,172.90	17,549,172.90
	CGNPC	10,000,000.00	30,000.00	-	-
	CIECC Engineering Company Limited (中諮工程有限公司)	2,710,600.00	31,688.80	2,710,600.00	8,131.80
	China Nuclear Industry Second and Third Construction Co., Ltd. (中國核工業二三建設有限公司)	-	-	7,883,797.15	23,557.00
	Others	49,008.38	1,222.77	-	-
	Total	80,888,781.28	17,763,824.47	28,143,570.05	17,580,861.70
Others non-current assets	CGN Uranium Resources Co., Ltd. and its subsidiaries	2,236,608,696.22	-	2,236,608,696.22	-
	China Techenergy Co., Ltd. (北京廣利核系統工程有限公司)	1,171,560.00	-	1,281,120.00	-
	Shenzhen Nuclear Power Material Supply Co., Ltd. (深圳市核電物資供應有限公司)	-	-	1,000,000.00	-
	Others	5,144,184.68	-	3,350,410.57	-
	Total	2,242,924,440.90	-	2,242,240,226.79	-

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(2) Payables

Item name	Related party	June 30, 2022	December 31, 2021
Accounts payable	China Nuclear Industry Second and Third Construction Co., Ltd. (中國核工業二三建設有限公司)	169,786,497.88	186,059,666.02
	Shanghai Engineering Science & Technology Co., Ltd. (上海中廣核工程科技有限公司) and its subsidiaries	193,118,973.55	79,599,235.03
	CGN Services Group	101,364,923.51	101,543,666.16
	CGN Uranium Resources Co., Ltd. and its subsidiaries	68,157,667.96	112,833,068.30
	Shenzhen Nuclear Power Huantong Automobile Service Co., Ltd. (深圳核電環通汽車服務有限公司)	67,807,499.76	52,071,416.54
	Shenzhen Lv Yuan Restaurant Management Co., Ltd. (深圳綠源餐飲管理有限公司)	60,751,600.61	61,005,847.31
	Shenzhen Nuclear Power Electrical Installation and Maintenance Co., Ltd. (深圳市核電機電安裝維修有限公司)	47,809,052.13	59,349,826.57
	CGN Environmental Protection Industry Co., Ltd. (中廣核環保產業有限公司) and its subsidiaries	44,476,858.29	45,840,894.07
	Shenzhen Kezhi Management Consulting Co., Ltd. (深圳市科智管理諮詢有限公司)	41,097,130.40	49,743,770.28
	China Techenergy Co., Ltd. (北京廣利核系統工程有限公司)	39,842,231.32	91,198,687.50
	Framatome Inc.	32,016,132.30	14,588,277.22
	Hualong Pressurized Water Reactor Technology Corporation, Ltd. (華龍國際核電技術有限公司)	30,377,358.51	33,962,264.16
	Dongfang Framatome Nuclear Pump Co., Ltd. (東方法馬通核泵有限責任公司)	26,652,987.60	28,304,578.83
	Hongyanhe Nuclear	22,155,397.08	6,564,330.40
	Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	19,895,722.71	28,007,790.71
	Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	19,471,327.95	14,314,626.70
	CGN Finance	12,893,904.94	-
	Shenzhen Nuclear Service Garden Co., Ltd. (深圳市核服園林有限公司)	8,625,031.57	17,906,668.24
	CGNPC	8,404,384.18	11,889,413.21
	China Nuclear Power EPC Limited and its subsidiaries	6,130,551.87	6,484,604.13
	Guangdong Electric Power Design Institute of China Energy Engineering Group	5,116,037.75	4,198,113.22
	CIECC Engineering Company Limited (中諮工程有限公司)	332,864.89	1,395,408.84
	Others	23,971,007.33	47,180,411.54
	Total	1,050,255,144.09	1,054,042,564.98
Contract liabilities	CGN Wind Energy Co., Ltd. and its subsidiaries	5,686,984.00	7,878,267.00
	Hongyanhe Nuclear	7,043,601.17	7,160,287.80
	Others	1,505,013.00	3,013,111.00
	Total	14,235,598.17	18,051,665.80

Item name	Related party	June 30, 2022	December 31, 2021
Short-term loans	CGN Finance	5,896,591,900.83	7,882,845,145.69
	CGNPC International Financial Leasing Co., Ltd. (中廣核國際融資租賃有限公司)	100,020,000.00	100,040,000.00
	CGNPC Huasheng Investment Limited (中廣核 華盛投資有限公司)	25,249,882.83	26,441,906.56
	Hualong Pressurized Water Reactor Technology Corporation, Ltd. (華龍國際核電技術有限 公司)	-	150,173,683.33
	Total	6,021,861,783.66	8,159,500,735.58
Long-term loans	CGN Finance	7,049,503,377.81	7,568,053,511.99
	CGNPC	800,000,000.00	800,000,000.00
	Total	7,849,503,377.81	8,368,053,511.99
Other payables	CGNPC	2,528,578,920.70	48,164,748.38
	Guangdong Energy Group Co., Ltd. (廣東省能 源集團有限公司)	723,174,989.55	-
	CLP Nuclear Power (Yangjiang) Limited	723,174,989.55	-
	Guangxi CI Energy Group Co., Ltd. (廣西廣投能 源集團有限公司)	308,247,028.48	-
	CGN Fund Phase I	297,777,936.88	-
	Shanghai Engineering Science & Technology Co., Ltd. (上海中廣核工程科技有限公司) and its subsidiaries	43,322,051.07	780,000.00
	Hongyanhe Nuclear	12,799,335.03	7,940,182.91
	China Nuclear Power EPC Limited and its subsidiaries	12,582,146.33	503,372.54
	CGN Huizhou Nuclear Power Co., Ltd. (中廣核 惠州核電有限公司)	8,304,521.27	1,457,503.11
	CGN Wind Energy Co., Ltd. and its subsidiaries	2,653,261.25	2,389,440.55
	China Nuclear Industry Second and Third Construction Co., Ltd. (中國核工業二三建設 有限公司)	3,477,918.78	2,350,545.28
	CGN Uranium Resources Co., Ltd. and its subsidiaries	1,855,826.08	1,847,551.28
	HKNIC	-	796,962,500.00
	Guangdong Electric Power Design Institute of China Energy Engineering Group	51,506,464.36	11,821,768.88
	Others	3,026,484.75	10,049,114.29
		Total	4,720,481,874.08

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For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

Item name	Related party	June 30, 2022	December 31, 2021
Lease liabilities	CGNPC	92,250,965.13	149,518,836.23
	CGN Real Estate Management Co., Ltd. (中廣核不動產管理有限公司)	14,777,513.35	20,551,982.32
	Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	13,923,325.97	19,953,685.65
	Shenzhen Nuclear Power Property Co., Ltd. (深圳市核電物業有限公司)	6,486,293.60	5,897,628.22
	Shanghai Engineering Science & Technology Co., Ltd. (上海中廣核工程科技有限公司) and its subsidiaries	3,721,666.70	–
	Others	419,393.93	1,009,374.10
	Total		131,579,158.68
Non-current liabilities due within one year	CGN Finance	286,425,404.40	288,874,880.50
	CGNPC	117,073,240.70	121,803,234.45
	Shenzhen Bailu Health Service Co., Ltd. (深圳市白鷺健康服務有限公司)	10,682,105.59	8,951,451.94
	Shanghai Engineering Science & Technology Co., Ltd. (上海中廣核工程科技有限公司) and its subsidiaries	10,976,146.02	3,973,631.37
	CGNPC International Financial Leasing Co., Ltd. (中廣核國際融資租賃有限公司)	–	486,670,218.75
	CGN Services Group	3,008,293.76	1,625,637.85
	CGN Real Estate Management Co., Ltd. (中廣核不動產管理有限公司)	–	3,987,608.08
	Others	2,720,750.72	3,554,176.86
Total		430,885,941.19	919,440,839.80

(XI) Share-based Payment

1. Overall share-based payment

Units: Units

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

The Group has set up a H-share Appreciation Rights (“SAR”) Scheme (the “Scheme”) for core staff who exert significant impact on the Company’s strategic target, including certain Directors (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 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 Hongyanhe Nuclear) at the exercise price of HKD3.50 per share. One third of the total number of SAR are vested and entitled on or after December 19, 2016 (which had expired and lapsed on December 16, 2019), one third of the total number of SAR are vested and entitled on or after December 18, 2017 (which had expired and lapsed on December 16, 2020) and the remaining one third of the total number of SAR are vested and entitled on or after December 18, 2018 (which had expired and lapsed on December 16, 2021).

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



Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

According to the exercise arrangement of the second stage of the implementation plan of the SAR, if events such as capitalization of capital reserve, distribution of bonus shares, share subdivision or consolidation, rights issue, secondary offering or dividend distribution occur to the listed company before the exercise of SAR, corresponding adjustment to the exercise price of SAR shall be made. However, under no circumstances shall any adjustment results in the exercise price being lower than the par value of the shares. On January 8, 2020, the Board approved the second grant of the adjustment plan of the exercise price of the SAR, adjusting the exercise price of SAR granted in the second stage from HKD2.09/share to HKD1.9223/share. On May 20, 2020, the Board approved the second grant of the adjustment plan of the exercise price of SAR, adjusting the exercise price of SAR granted in the second stage from HKD1.9223/share to HKD1.8393/share. On April 22, 2021, the Board approved the proposal on adjusting the exercise price of SAR in the second grant of the incentive scheme, adjusting the exercise price of SAR granted in the second stage from HKD1.8393/share to HKD1.7427/share. On May 20, 2022, the Board approved the proposal on adjusting the exercise price of SAR in the second grant of the incentive scheme, adjusting the exercise price of SAR granted in the second stage from HKD1.7427/share to HKD1.6440/share.

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

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

2. Cash-Settled share-based payment

Unit: RMB

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

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

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

The second stage of the implementation plan of the SAR:

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

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

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(XII) Commitments and Contingencies

1. Important commitments

Capital commitments

Item	June 30, 2022	December 31, 2021
Commitment of acquisition and construction of long-term assets	12,632,610,719.85	12,025,010,681.92
Large-amount contracts	7,760,368,000.00	6,051,692,000.00
Total	20,392,978,719.85	18,076,702,681.92

2. Contingencies

There are no important contingencies that should be disclosed by the Group.

(XIII) Events after the Balance Sheet Date

There was no major event after the balance sheet date for the current period.

(XIV) Other Important Matters

1. Segment report

(1) Basis and accounting policies of reporting segments

According to the internal organization structure, management requirements and internal reporting system of the Group, the Group's business is divided into two operating segments. The Group's management regularly evaluates the operating results of these segments to determine the resources to be allocated and evaluates its results. The Group has identified two reporting segments on the basis of the operating segments, namely nuclear power business operation, sales of electricity and related technical services segment, and engineering, construction and related technical services segment. These reporting segments are recognized based on income, nature, business model, etc. The major products and services provided by the reporting segments of the Group are electricity sales, engineering, construction and technical services.

Segment reporting information is disclosed in accordance to the accounting policies and measurement basis adopted for reporting to the management by each segment, which are consistent with the accounting policies and measurement basis for preparing the financial statements

(2) Financial information of reporting segments

Item	Nuclear power business operation, sales of electricity and related technical services segment	Engineering, construction and related technical services segment	Inter-segment eliminations	June 30, 2022/For the period from January 1 to June 30, 2022
Operating revenue	28,547,820,963.06	11,778,585,290.36	(3,704,312,768.60)	36,622,093,484.82
Revenue from external customers	27,998,992,969.80	8,623,100,515.02	-	36,622,093,484.82
Revenue from internal segments	548,827,993.26	3,155,484,775.34	(3,704,312,768.60)	-
Operating cost	13,875,592,449.52	11,272,047,707.04	(3,199,529,304.31)	21,948,110,852.25
Total assets	388,913,825,583.83	32,484,417,729.10	(17,313,698,596.42)	404,084,544,716.51
Total liabilities	235,645,953,211.95	26,039,501,058.53	(11,069,225,611.26)	250,616,228,659.22
Income from investment in associates	491,127,996.56	125,187,800.96	33,226,880.50	649,542,678.02
Long-term equity investment accounted by using the equity method	11,170,963,115.59	2,235,104,543.78	(397,495,957.57)	13,008,571,701.80
Operating profit	10,842,449,456.34	252,141,608.93	(475,405,231.11)	10,619,185,834.16
Income tax expenses	1,797,866,701.48	24,124,768.67	(71,310,784.67)	1,750,680,685.48
Net profit	9,021,012,972.81	235,189,769.07	(404,094,446.44)	8,852,108,295.44

Item	Nuclear power business operation, sales of electricity and related technical services segment	Engineering, construction and related technical services segment	Inter-segment eliminations	December 31, 2021/ For the period from January 1 to June 30, 2021
Operating revenue	28,793,723,113.29	12,456,196,426.73	(4,384,247,252.72)	36,865,672,287.30
Revenue from external customers	28,528,376,225.46	8,337,296,061.84	-	36,865,672,287.30
Revenue from internal segments	265,346,887.83	4,118,900,364.89	(4,384,247,252.72)	-
Operating cost	15,124,435,874.75	12,104,694,943.60	(4,054,971,063.23)	23,174,159,755.12
Total assets	386,721,258,176.74	31,781,922,806.04	(18,470,307,859.31)	400,032,873,123.47
Total liabilities	235,732,917,206.20	26,556,058,065.01	(13,206,399,049.80)	249,082,576,221.41
Income from investment in associates	454,814,092.41	146,053,710.17	33,351,683.76	634,219,486.34
Long-term equity investment accounted by using the equity method	10,785,212,309.20	2,102,915,546.79	(430,722,838.07)	12,457,405,017.92
Operating profit	9,980,751,114.54	177,055,530.07	(293,031,503.82)	9,864,775,140.79
Income tax expenses	1,177,785,447.98	51,496,703.19	(43,954,725.57)	1,185,327,425.60
Net profit	8,774,140,316.38	145,347,044.37	(249,076,778.25)	8,670,410,582.50

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

Revenue from external customers by location of revenue sources and non-current assets by location of assets

Item	For the period from January 1 to June 30, 2022	For the period from January 1 to June 30, 2021
Revenue from external customers in the PRC	33,835,794,011.01	34,455,633,800.85
Revenue from external customers in other countries	2,786,299,473.81	2,410,038,486.45
Total	36,622,093,484.82	36,865,672,287.30

Item	June 30, 2022	December 31, 2021
Non-current assets in the PRC	334,230,322,349.80	332,030,694,412.22
Non-current assets in other countries	32,407,697.73	36,027,880.80
Total	334,262,730,047.53	332,066,722,293.02

Dependence on major customers

Item	Operating revenue for the period from January 1 to June 30, 2022	Percentage to the operating revenue of the Group	Operating revenue for the period from January 1 to June 30, 2021	Percentage to the operating revenue of the Group
Guangdong Power Grid Co., Ltd.	17,200,777,209.04	46.97%	17,778,540,041.06	48.23%
Fujian Electric Grid Co., Ltd.	4,986,621,051.52	13.62%	4,690,555,306.44	12.72%
CGN Shanwei New Energy Co., Ltd. (中廣核汕尾新能源有限公司)	3,203,035,528.42	8.75%	–	0.00%
Guangxi Power Grid Co., Ltd.	2,875,888,753.57	7.85%	2,739,172,710.30	7.43%
HKNIC	2,776,722,372.84	7.58%	2,367,767,830.92	6.42%

(XV) Notes to Major Items in the Financial Statements of the Parent Company

1. Accounts receivable

(1) Accounts receivable disclosed by category

Type	June 30, 2022					December 31, 2021				
	Carrying balance		Bad debt provisions			Carrying balance		Bad debt provisions		
	Amount	Percentage	Amount	Provisions percentage	Carrying value	Amount	Percentage	Amount	Provisions percentage	Carrying value
Accounts receivable for which provision for bad debts has been made	780,101,321.77	100.00%	1,080,275.84	0.14%	779,021,045.93	1,233,528,873.24	100.00%	2,446,124.52	0.20%	1,231,082,748.72
Including: Accounts receivable by subsidiaries within the scope of consolidation	633,402,651.26	81.19%	-	-	633,402,651.26	882,762,937.50	71.56%	-	-	882,762,937.50
Group 1	146,631,699.76	18.80%	1,060,229.16	0.72%	145,571,470.60	350,698,964.99	28.43%	2,439,441.99	0.70%	348,259,523.00
Group 2	66,970.75	0.01%	20,046.68	29.93%	46,924.07	66,970.75	0.01%	6,682.53	9.98%	60,288.22
Total	780,101,321.77	100.00%	1,080,275.84	0.14%	779,021,045.93	1,233,528,873.24	100.00%	2,446,124.52	0.20%	1,231,082,748.72

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

Accounts receivable by subsidiaries within the scope of consolidation:

Aging	June 30, 2022				December 31, 2021			
	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value
Within 1 year	0.00%	529,793,760.63	-	529,793,760.63	0.00%	681,886,679.04	-	681,886,679.04
1 to 2 years	0.00%	60,474,807.47	-	60,474,807.47	0.00%	47,609,576.34	-	47,609,576.34
2 to 3 years	0.00%	43,134,083.16	-	43,134,083.16	0.00%	153,266,682.12	-	153,266,682.12
Total		633,402,651.26	-	633,402,651.26		882,762,937.50	-	882,762,937.50

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

Group 1:

Aging	June 30, 2022				December 31, 2021			
	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value
Within 1 year	0.30%	136,273,528.07	408,820.58	135,864,707.49	0.30%	323,503,318.44	973,909.66	322,529,408.78
1 to 2 years	5.00%	9,824,171.69	491,208.58	9,332,963.11	5.00%	26,490,646.55	1,324,532.33	25,166,114.22
2 to 3 years	20.00%	-	-	-	20.00%	705,000.00	141,000.00	564,000.00
3 to 4 years	30.00%	534,000.00	160,200.00	373,800.00	30.00%	-	-	-
Total		146,631,699.76	1,060,229.16	145,571,470.60		350,698,964.99	2,439,441.99	348,259,523.00

Group 2:

Aging	June 30, 2022				December 31, 2021			
	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value	Expected credit loss rate	Carrying balance	Bad debt provisions	Carrying value
Within 1 year	0.30%	150.00	0.45	149.55	0.30%	150.00	0.45	149.55
1 to 2 years	10.00%	-	-	-	10.00%	66,820.75	6,682.08	60,138.67
3 to 4 years	30.00%	66,820.75	20,046.23	46,774.52	30.00%	-	-	-
Total		66,970.75	20,046.68	46,924.07		66,970.75	6,682.53	60,288.22

(2) Changes in provision for bad debts of accounts receivable

	For the period from January 1 to June 30, 2022
Opening balance	2,446,124.52
Provisions	937,321.25
Recovered or reversed for the period	(2,303,169.93)
Closing balance	1,080,275.84

(3) Top five debtors with the largest closing balances of accounts receivable

2022

All of top five debtors with the largest closing balances were subsidiaries

Name of entity	Carrying balance	Percentage to total receivables	Closing balance of provisions for bad debts
Taishan Nuclear	153,053,062.69	19.62%	–
GNPJVC	89,595,253.97	11.49%	–
Ling'ao Nuclear	88,169,873.46	11.30%	–
Lingdong Nuclear	88,169,873.36	11.30%	–
Fangchenggang Nuclear	69,833,589.14	8.95%	–
Total	488,821,652.62	62.66%	–

2. Other receivables

Item	June 30, 2022	December 31, 2021
Dividends receivable	5,207,154,457.56	1,867,585,220.01
Other receivables	9,686,068.69	24,348,746.36
Total	5,216,840,526.25	1,891,933,966.37

(1) Dividends receivable

(a) Dividends receivable

All of top five debtors with the largest closing balances were subsidiaries

Investee	June 30, 2022	December 31, 2021
Yangjiang Nuclear	1,446,349,979.11	–
Lingdong Nuclear	636,666,346.22	636,666,346.22
Ling'ao Nuclear	2,444,511,940.10	551,292,681.66
CGN Engineering	679,626,192.13	679,626,192.13
Total	5,207,154,457.56	1,867,585,220.01
Less: Bad debt provisions	–	–
Carrying value	5,207,154,457.56	1,867,585,220.01

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(b) As at June 30, 2022, significant dividends receivable aged over 1 year of the Company are as follows:

Investee	Closing balance	Aging	Reason for being not recovered	Whether an impairment occurred and the basis for its judgment
Ling'ao Nuclear	306,292,681.66	2 to 3 years	Fund arrangement in the Group	No impairment occurred and Ling'ao Nuclear maintained sound operation
Lingdong Nuclear	636,666,346.22	1 to 3 years	Fund arrangement in the Group	No impairment occurred and Lingdong Nuclear maintained sound operation
CGN Engineering	679,626,192.13	3 to 4 years	Fund arrangement in the Group	No impairment occurred and CGN Engineering maintained sound operation

(2) Other receivables

(a) Other receivables disclosed by category

Item	Closing balance					Opening balance				
	Carrying balance		Bad debt provisions			Carrying balance		Bad debt provisions		
	Amount	Percentage	Amount	Provisions percentage	Carrying value	Amount	Percentage	Amount	Provisions percentage	Carrying value
Other receivables by subsidiaries within the scope of consolidation	9,125,561.82	94.06%	-	0.00%	9,125,561.82	23,358,216.17	95.74%	-	0.00%	23,358,216.17
Provision for bad debts made by group	576,312.82	5.94%	15,805.95	2.74%	560,506.87	1,038,667.80	4.26%	48,137.61	4.63%	990,530.19
– Group 1	-	0.00%	-	0.00%	-	-	0.00%	-	0.00%	-
– Group 2	576,312.82	5.94%	15,805.95	2.74%	560,506.87	1,038,667.80	4.26%	48,137.61	4.63%	990,530.19
Total	9,701,874.64	100.00%	15,805.95	0.16%	9,686,068.69	24,396,883.97	100.00%	48,137.61	0.20%	24,348,746.36

(b) Changes in bad debt provisions for other receivables

Item	For the period from January 1 to June 30, 2022			Total
	Phase 1 Expected credit losses within 12 months	Phase 2 Expected credit losses for the entire duration (no credit impairment occurred)	Phase 3 Expected credit losses for the entire duration (credit impairment occurred)	
January 1, 2022	48,137.61	–	–	48,137.61
– Transferred to phase 2	(48,036.81)	48,036.81	–	–
Provisions for the period	1,491.51	58,869.97	–	60,361.48
Recovered or reversed for the period	(100.80)	(92,592.34)	–	(92,693.14)
June 30, 2022	1,491.51	14,314.44	–	15,805.95

(c) Debtors with the largest closing balances of other receivables

Name of entity	Nature	Amount	Aging	Percentage to total other receivables (%)	Closing balance of provisions for bad debts
Fangchenggang Nuclear	Advances	4,762,457.77	Within 1 year	49.09%	–
Ningde Nuclear	Advances	4,361,640.07	Within 1 year	44.96%	–
Employees	Loans and deposits	576,312.82	0 to 3 years	5.94%	15,805.95
DNMC	Advances	1,463.98	2 to 3 years	0.01%	–
Total		9,701,874.64		100.00%	15,805.95

(d) Other receivables by nature

Item	June 30, 2022	December 31, 2021
Related party payments	9,125,561.82	23,358,216.17
Others	576,312.82	1,038,667.80
Total	9,701,874.64	24,396,883.97
Less: Bad debt provisions	15,805.95	48,137.61
Carrying value	9,686,068.69	24,348,746.36

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

3. Other current assets

Item	June 30, 2022	December 31, 2021
VAT retained at the end of the period	48,445,507.99	39,104,204.36
Loans entrusted to subsidiaries	12,637,999,999.99	18,415,000,000.00
Interest receivable for entrusted loans	10,247,127.77	16,625,155.57
Total	12,696,692,635.75	18,470,729,359.93

4. Debt investment

Item	June 30, 2022	December 31, 2021
Entrusted loans	14,960,480,810.15	14,190,963,326.36
Others	37,739,834.23	37,739,834.23
Less: Debt investment due within one year	5,010,517,483.79	5,691,000,000.00
Net	9,987,703,160.59	8,537,703,160.59

5. Long-term equity investments

(1) Long-term equity investments are classified as follows:

Item	June 30, 2022			December 31, 2021		
	Carrying balance	Impairment provisions	Carrying value	Carrying balance	Impairment provisions	Carrying value
Investment in subsidiaries	82,206,357,919.17	-	82,206,357,919.17	80,196,444,121.58	-	80,196,444,121.58
Investment in associates and joint ventures	2,947,851,522.09	-	2,947,851,522.09	2,769,221,434.63	-	2,769,221,434.63
Total	85,154,209,441.26	-	85,154,209,441.26	82,965,665,556.21	-	82,965,665,556.21

(2) Investment in subsidiaries

	Balance at January 1, 2022	Additional investment	Changes in the current period Reduced investment	Other changes	Others	Balance at June 30, 2022	Closing balance of impairment provisions	Cash dividends announced to be distributed for the period
I.Subsidiaries								
GNIC	22,734,177,521.54	-	-	-	-	22,734,177,521.54	-	-
Ling'ao Nuclear	6,883,160,867.23	-	-	-	-	6,883,160,867.23	-	2,138,219,258.44
Lingdong Nuclear	2,195,503,954.06	-	-	-	-	2,195,503,954.06	-	-
Yangjiang Nuclear	6,162,481,639.48	-	-	-	-	6,162,481,639.48	-	1,446,349,979.11
CGN Operations	118,807,136.75	-	-	-	-	118,807,136.75	-	-
CNPRI	2,390,682,040.74	-	-	-	-	2,390,682,040.74	-	-
Guangdong Daya Bay Nuclear Power Environment Protection Co., Ltd. (廣東大亞 灣核電環保有限公司)	99,602,305.72	-	-	-	-	99,602,305.72	-	-
CGN Nuclear Power Investment Co., Ltd. (中廣 核電投資有限公司)	9,562,835,909.32	-	-	-	-	9,562,835,909.32	-	-
CGN Ninghe Investment Co., Ltd. (中廣核寧核 投資有限公司)	3,306,159,962.85	-	-	-	-	3,306,159,962.85	-	-
SNPI	1,061,032,900.00	-	-	-	-	1,061,032,900.00	-	-
Taishan Nuclear	3,600,022,661.30	-	-	-	-	3,600,022,661.30	-	-
Taishan Investment	8,769,244,739.87	-	-	-	-	8,769,244,739.87	-	-
CGN Engineering	3,619,094,819.39	1,000,000,000.00	-	-	-	4,619,094,819.39	-	-
Lufeng Nuclear	4,338,000,000.00	660,000,000.00	-	-	-	4,998,000,000.00	-	-
Fangchenggang Investment	4,655,911,100.00	-	-	-	-	4,655,911,100.00	-	-
Ocean Power	130,147,205.02	-	-	-	-	130,147,205.02	-	-
CGN Hebei Thermal Power Co., Ltd. (中廣核河北熱電有限公司)	10,086,202.41	-	10,086,202.41	-	-	-	-	-
Power Sales Company	214,754,017.55	-	-	-	-	214,754,017.55	-	-
Hebei Zhongzhuang Clean Thermal Energy Co., Ltd. (河北中莊清潔熱能有限公司)	141,700,000.00	-	-	-	-	141,700,000.00	-	-
Hepeng Supervision Company	3,039,138.35	-	-	-	-	3,039,138.35	-	-
Shandong Zhaoyuan Nuclear Power Co., Ltd. (山東招遠核電有限公司)	100,000,000.00	360,000,000.00	-	-	-	460,000,000.00	-	-
Guizhou Yuping Clean Thermal Energy Co., Ltd. (貴州玉屏清潔熱能有限公司)	100,000,000.00	-	-	-	-	100,000,000.00	-	-
Total	80,196,444,121.58	2,020,000,000.00	10,086,202.41	-	-	82,206,357,919.17	-	3,584,569,237.55

Other explanations:

The Company pledged its long-term equity investment in Lingdong Nuclear and Taishan Nuclear as security for its subsidiaries' loans, and thus the ownership of which was restricted. As at June 30, 2022 and December 31, 2021, the Company's net long-term equity investment with restricted ownership in Lingdong Nuclear was RMB2,195,503,954.06. As at June 30, 2022 and December 31, 2021, the Company's long-term equity investment with restricted ownership in Taishan Nuclear was RMB3,600,022,661.30.

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(3) Investment in associates

	Balance at January 1, 2022	Changes in the current period				Balance at June 30, 2022	Closing balance of impairment provisions
		Additional investment	Reduced investment	Gains or losses from investment recognized using equity method	Adjustment of other comprehensive gains		
CGN Fund Phase I	2,749,221,434.63	-	-	178,630,087.46	-	-	-
Xiong'an Xingrong Nuclear Power Innovation Center Co., Ltd. (雄安興融核電創新中心有限公司)	20,000,000.00	-	-	-	-	20,000,000.00	-
Total	2,769,221,434.63	-	-	178,630,087.46	-	2,947,851,522.09	-

6. Long-term loans

Item	June 30, 2022	December 31, 2021
Credit loans	800,000,000.00	800,000,000.00
Total	800,000,000.00	800,000,000.00
Less: Long-term loans due within one year	–	–
Long-term loans due over one year	800,000,000.00	800,000,000.00

7. Operating revenue and operating costs

Item	For the period from January 1 to June 30, 2022		For the period from January 1 to June 30, 2021	
	Revenue	Cost	Revenue	Cost
From other operations	75,319,894.28	54,604,419.88	229,003,214.78	163,018,741.20

8. Investment income

Details of investment income

Item	For the period from January 1 to June 30, 2022	For the period from January 1 to June 30, 2021
Income from long-term equity investments accounted for using the cost method	3,584,569,237.55	1,221,068,467.86
Income from long-term equity investments accounted for using the equity method	178,630,087.46	161,264,538.43
Gains or losses from disposal of subsidiaries	342,997.52	–
Interest income from entrusted loans	471,778,169.79	514,116,159.16
Total	4,235,320,492.32	1,896,449,165.45

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

9. Supplementary information to cash flow statements

(1) Supplementary information to cash flow statements

Supplementary information	For the period from January 1 to June 30, 2022	For the period from January 1 to June 30, 2021
1. Reconciliation of net profits to cash flow from operating activities:		
Net profit	3,666,187,638.58	1,395,467,617.58
Add: Gains from credit impairment	(1,398,180.34)	(4,804.91)
Depreciation of fixed assets	16,665,724.52	13,225,662.84
Amortization of intangible assets	49,370,710.68	45,050,021.18
Depreciation of right-of-use assets	30,222,922.41	37,374,193.20
Gains from disposal of fixed assets	(1,555,764.32)	-
(Gains)/losses from changes in fair value	(11,162,774.79)	978,210.64
Finance costs	316,334,889.42	310,818,455.87
Investment income	(4,235,320,492.32)	(1,896,449,165.45)
Decrease in operating receivables	394,715,485.78	97,152,586.39
Increase/(decrease) in operating payables	57,045,974.67	(137,004,594.85)
Net cash flows from/(used in) operating activities	281,106,134.29	(133,391,817.51)
2. Net change in cash and cash equivalents:		
Closing balance of cash and cash equivalents	13,635,083,947.69	10,264,772,544.83
Less: Opening balance of cash and cash equivalents	9,732,690,649.20	6,694,196,723.37
Net increase in cash and cash equivalents	3,902,393,298.49	3,570,575,821.46

(XVI) Supplementary information

1. Breakdown of non-recurring gains or losses

Item name	For the period from January 1 to June 30, 2022	For the period from January 1 to June 30, 2021
Gains or losses from disposal of non-current assets	54,518,471.74	–
Government grants recognized in profit or loss for the current period (except for those closely related to the Company's business and for fixed or quantitative purposes in accordance with national uniform standards)	117,259,476.69	93,807,461.72
Except for the effective hedging transactions related to the normal operation of the Company, the gains or losses from changes in fair value arising from holding derivative financial instruments, as well as the investment income arising from disposal of derivative financial instruments	(7,899,765.02)	–
Other non-operating income and expenses other than the items above, net	(16,396,853.24)	(9,037,132.69)
Other gains or losses items that meet the definition of non-recurring gains or losses	56,547,790.00	(9,529,201.08)
Total	204,029,120.17	75,241,127.95
Income tax effect of non-recurring gains or losses	16,545,363.62	11,801,378.35
Effect of non-recurring gains or losses attributable to minority shareholders	7,720,938.42	(2,266,303.48)
Effect of non-recurring gains or losses attributable to shareholders of the parent company, net	179,762,818.13	65,706,053.08

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

2. Return on equity and earnings per share

The statements for return on equity and earnings per share have been prepared by CGN Power in accordance with the relevant requirements under the Rules on the Preparation and Report of Information Disclosure for Companies Publicly Issuing Securities No. 9 – Calculation and Disclosure of Return on Equity and Earnings Per Share (2010 Revision) issued by China Securities Regulatory Commission.

	Weighted average return on equity (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Profit for the reporting period (during the period from January 1 to June 30, 2022)			
Net profit attributable to holders of ordinary shares of the Company	5.72	0.117	0.117
Net profit attributable to holders of ordinary shares of the Company (excluding the non-recurring gains or losses)	5.54	0.113	0.113

	Weighted average return on equity (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Profit for the reporting period (during the period from January 1 to June 30, 2021)			
Net profit attributable to holders of ordinary shares of the Company	5.65	0.109	0.109
Net profit attributable to holders of ordinary shares of the Company (excluding the non-recurring gains or losses)	5.58	0.108	0.108

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

(1) Calculation of basic earnings per share

(a) Basic earnings per share

Please refer to Note (V) 60 for details of the calculation of basic earnings per share.

(b) Basic earnings per share (excluding non-recurring gains or losses)

Basic earnings per share (excluding non-recurring gains or losses) is calculated by dividing the consolidated net profit attributable to holders of ordinary shares of the Company (excluding non-recurring gains or losses) by the weighted average number of ordinary shares of the Company in issue:

	For the period from January 1 to June 30, 2022	For the period from January 1 to June 30, 2021
Consolidated net profit attributable to holders of ordinary shares of the Company	5,904,498,333.83	5,498,143,474.68
Non-recurring gains or losses attributable to holders of ordinary shares of the Company	179,762,818.13	65,706,053.08
Consolidated net profit attributable to holders of ordinary shares of the Company (excluding non-recurring gains or losses)	5,724,735,515.70	5,432,437,421.60
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 (excluding non-recurring gains or losses) (RMB/share)	0.113	0.108

(2) Calculation of weighted average return on equity

(a) Weighted average return on equity

Weighted average return on equity is calculated by dividing the consolidated net profit attributable to holders of ordinary shares of the Company by the weighted average consolidated net assets attributable to holders of ordinary shares of the Company:

	For the period from January 1 to June 30, 2022	For the period from January 1 to June 30, 2021
Consolidated net profit attributable to holders of ordinary shares of the Company	5,904,498,333.83	5,498,143,474.68
Weighted average consolidated net assets attributable to holders of ordinary shares of the Company	103,300,530,258.38	97,335,125,535.49
Weighted average return on equity	5.72%	5.65%

Notes to the Financial Statements

For the period from January 1, 2022 to June 30, 2022

(All amounts in RMB unless otherwise stated)

(b) Weighted average return on equity (excluding non-recurring gains or losses)

Weighted average return on equity (excluding non-recurring gains or losses) is calculated by dividing the consolidated net profit attributable to holders of ordinary shares of the Company (excluding non-recurring gains or losses) by the weighted average consolidated net assets attributable to holders of ordinary shares of the Company:

	For the period from January 1 to June 30, 2022	For the period from January 1 to June 30, 2021
Consolidated net profit attributable to holders of ordinary shares of the Company (excluding non-recurring gains or losses)	5,724,735,515.70	5,432,437,421.60
Weighted average consolidated net assets attributable to holders of ordinary shares of the Company	103,300,530,258.38	97,335,125,535.49
Weighted average return on equity (excluding non-recurring gains or losses)	5.54%	5.58%

Company Information

Headquarters in the PRC

18/F, South Tower, CGN Building, 2002 Shennan Road, Shenzhen, Guangdong Province, PRC

Principal Place of Business in Hong Kong

31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

Joint Company Secretaries

Mr. Yin Engang

Ms. Ng Sau Mei

Auditor

KPMG Huazhen LLP

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Hong Kong Law

King & Wood Mallesons

13/F, Gloucester Tower, The Landmark,

15 Queen's Road Central, Central, Hong Kong

PRC Law

King & Wood Mallesons

28/F, China Resources Tower, 2666 Keyuan South Road,

Nanshan District,

Shenzhen, PRC

Principal Bankers

China Development Bank (Shenzhen Branch)

CDB Financial Center Building,

2003, Fuzhong 3rd Road,

Futian District, Shenzhen,

Guangdong Province, PRC

Bank of China Limited (Shenzhen Branch)

1/F, International Finance Building,

2022 Jianshe Road, Luohu District, Shenzhen,

Guangdong Province, PRC

Industrial and Commercial Bank of China Limited (Shenzhen Branch)

1/F, North Tower, Financial Centre,

5005 Shennan East Road, Luohu District, Shenzhen,

Guangdong Province, PRC

Agricultural Bank of China Limited (Shenzhen Branch)

ABC Building,

5008 Shennan East Road, Luohu District, Shenzhen,

Guangdong Province, PRC

Postal Savings Bank of China Co., Ltd. (Shenzhen Branch)

2/F and 41-43/F, Postal Information Complex Building, 48

Yitian Road, Futian District, Shenzhen, Guangdong

Province, PRC

Company Information

Share Registrar

H shares

Computershare Hong Kong Investor Services Limited
Address: Shops 1712-1716, 17th Floor, Hopewell
Centre, 183 Queen's Road East, Wan Chai,
Hong Kong

A shares

Shenzhen Branch of China Securities Depository and
Clearing Corporation Limited
Address: 25th Floor, Shenzhen Stock Exchange
Building, 2012 Shennan Boulevard, Futian
District, Shenzhen, Guangdong Province,
PRC

Our Stock Name and Stock Code

H Shares

Stock Name: CGN Power
Stock Code: HKSE 1816

A Shares

Stock Name: CGN
Stock Code: SZSE 003816

Investors' Enquiry

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Collection of the Interim Report

This report will be published on the website of the Company (www.cgnpc.com.cn) on August 30, 2022 and posted to shareholders who have elected to receive corporate communications from the Company in printed form on August 31, 2022.

In response to environmental protection, the Company encourages and recommends that H shareholders to receive this report electronically.

Those shareholders who (a) received our 2022 Interim Report electronically and would like to receive a printed copy or vice versa; or (b) received a printed copy of our 2022 Interim Report in either English or Chinese language only and would like to receive a printed copy of the other language version or to receive printed copies of both language versions in the future, are requested to write to the Company or the Company's registrar or via email to the Company.

Shareholders may at any time change their choice of the language version or means of receipt of the Company's corporate communications free of charge by notice in writing to the Company or the Company's registrar or via email to the Company.

CGN Power

A world-class nuclear power supplier and service provider
with international competitiveness

