中广核 CGN

一次把事情做好

中國廣核電力股份有限公司
CGN Power Co., Ltd.

CGN POWER CO.,LTD.（1816.HK）

2016 Annual Results

March 2017

Disclaimer

This presentation contains forecast statements, which may involve risks and unforeseeable factors. These statements generally apply words of predicative implications, such as think, expect, estimate, plan, predict, aim at, might, would and other similar words, which are utilized to express expectations, actions to adopt in the future, or possible results brought about by these actions. You should not excessively rely on these predicative statements in the presentation, since they are based on the Company's own materials and other materials the Company consider reliable. The Company's actual performance might be different from these predicted figures, which might be a cause of the fluctuations of the Company's H-share price.

Contents

Part I
Development Strategy

Striving to be a World-class Company and Continuing to Create Best Benefits

Vision	World-class Nuclear Power Suppliers and Service Providers with International Competitiveness
Purpose	Continuing to Create Optimal Interests for Our Clients, Shareholders, Employees and Society
Basic Principles	Safety First, Quality Foremost, Pursuing Excellence
Core Value	Doing Things Right In One GO

Remain Vision-oriented and Continue to Promote the Strategy Implementation

Ensure Safety and Quality

- Continue to strengthen nuclear safety culture development, promote the implementation of safety and quality responsibility, effectively prevent risks and improve the safety management level
- Continue to benchmark, optimize equipment and outage management, guarantee the safe and stable operation of generating units

Strengthen Market Awareness

- Enhance market awareness, improve management and technology via increasing competitiveness
- Actively adapt to the trends of market , fight for preferential policies, and strive for more on-grid power generation

Control Overall Cost

- Continue to promote the management strategies of specialization, standardization and centralization, in order to achieve cost reduction and efficiency improvement
- Control Construction Cost: Led by design-first principle, and implement the "quality, progress and construction cost" control, control construction cost
- Reduce the cost of debt financing: Continue to broaden the financing channels, optimize debt structure, actively conduct debt restructuring

Maintain Sustainable Development

- Actively carry forward the approval of new projects and new unit construction
- Optimize capital structure, reinforce the strategic partnership
- Implement science and technology innovation to realize sustainable development the company

Enhance Corporate Governance

- Reinforce the functions of the board committees and strengthen the role of board of directors and supervisory committee
- Regulate connected transaction to improve transparency
- Adapt to business environment, focus on shareholders' communication and feedback in order to improve the company management

Stable Operation in 2016, Results Achieved Expectation

Safety and Quality

- Stable operation with more WANO indicators achieving world's top quartile
- The number of unplanned automatic scrams was smaller than international peers, the average capacity factor has reached the highest level since 2012
- 12 outages have been successfully completed with optimized plan in 2016

Market Share

- With 5 units began commercial operations and 1 unit FCD, maintaining the leading position in terms of in-service installed capacity and under-construction installed capacity
- Precisely grasp the relationship between the overall and partial benefits, planned and market generation. Overcome the consumption challenges in different regions. On-grid power generation achieved a large growth year on year.
- Hongyanhe Station achieved first-ever three units full-load generation for some time during the heating supply period.

Shareholder Returns

- Steady growth of attributable profit
- Stable returns on equity attributable to the Company shareholders

Corporate Governance

- Strengthen the role of the board committees, expand audit committee to audit and risk management committee, improve risk management system
- Reinforce control on connected transaction by establishing and optimizing the internal control on major connected transaction

Environmental Benefit

- Achieve a total on-grid nuclear power generation of 115,584 GWh, the emission reduction effect of which is equivalent to 250,000 hectares of forest

Key Tasks in 2017

Stable Operation

- Fully implement the actions and responsibilities of nuclear safety management to enhance safety
- Ensure the safe and stable operation of the stations and successfully implement 13 Outages

Construction Promotion

- Advance the construction of units as scheduled while guaranteeing the safety and quality to ensure the commercial operation of two units
- Well prepare the preparatory work of new projects, push forward the approval and construction

Costs Control

- Comprehensively conduct lean management, carry out fuel management research based on electricity market demand, reduce spare parts inventory to reduce KWH cost
- Strengthen the management on construction cost, target breakdown, responsibility implementation and improve the management mechanism on key nodes

Income Growth by Marketing

- Adapt to the trend of market situation, strengthen marketing to ensure planned on-grid power generation and guaranteed tariff, expand trading generation
- Adopt“One Station One Tactic" marketing mechanism: Establish overall plan and hierarchical authorization based on regional differentiation

Part II
Business Performance

With 5 Units Began Commercial Operations and 1 Unit FCD, We are Maintaining the Leading Position

5 Units Began Commercial Operations

Yangjiang Unit 3
- Commercial operation on 1st January 2016
- Subsidiary, 78.20%
- CPR1000 , 1086MW

Fangchenggang Unit 1
- Commercial operation on 1st January 2016
- Subsidiary, 61%
- CPR1000 , 1086MW

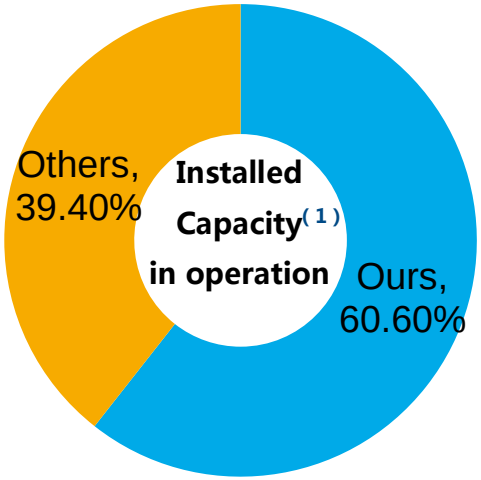
Hongyanhe Unit 4
- Commercial operation on 8th June 2016
- Associate, 38.14%
- CPR1000 , 1119MW

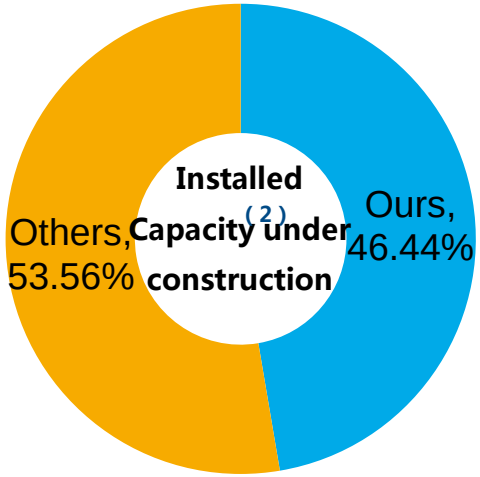
Ningde Unit 4
- Commercial operation on 21st July 2016
- Joint Venture, 32.29%
- CPR1000 , 1089MW

Fangchenggang Unit 2
- Commercial operation on 1st October 2016
- Subsidiary, 61%
- CPR1000 , 1086MW

1 Unit FCD

Fangchenggang Unit 4
- FCD on 23rd December 2016
- Subsidiary, 61%
- HPR1000 , 1180MW





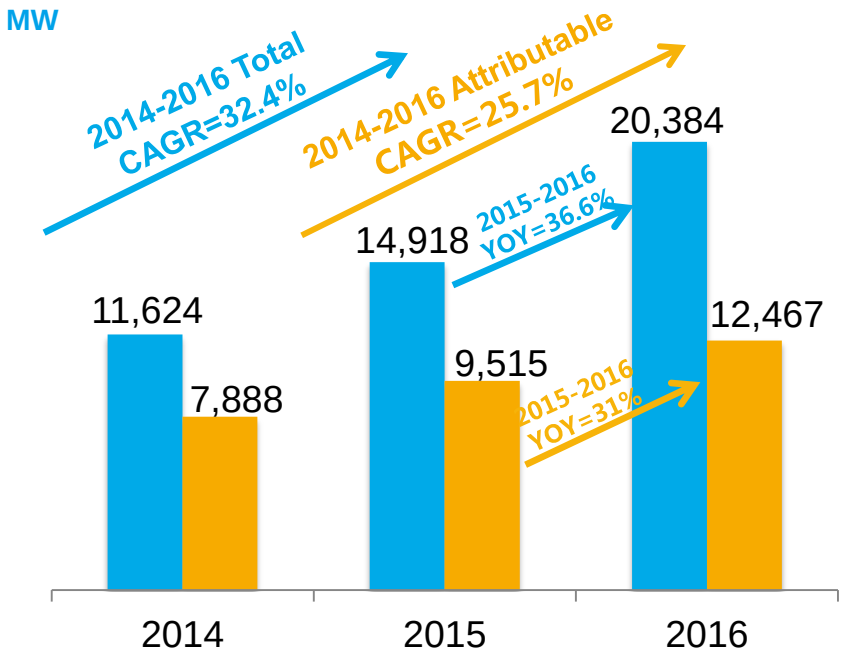
Note 1: As at 31 December 2016, 35 units in operation across China with total installed capacity of 33,635 MW (only refers to the mainland China, the same below). Among these, CGNP runs 19 of them, with total installed capacity of 20,384 MW, accounting for approximately 60.6% of the market share.

Note 2: As at 31 December 2016, 21 units under construction across China with total capacity of 24,453 MW. Among these, CGNP managed total 9 units under construction, with total capacity of 11,356 MW and a market share of approximately 46.44%.

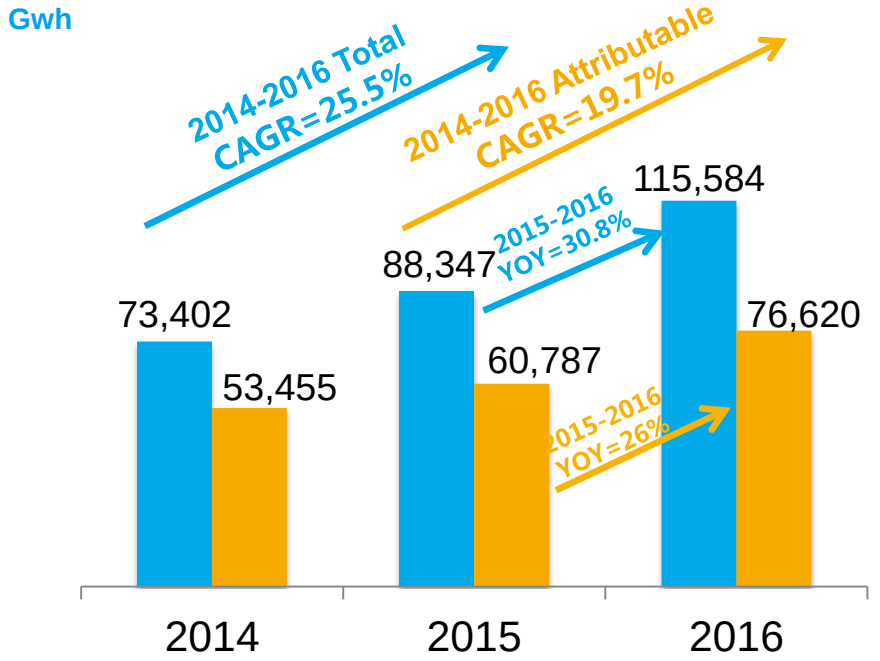
Rapid Growth in Installed Capacity and Power Generation, Safe and Stable Operation and Outages

善用自然的能量

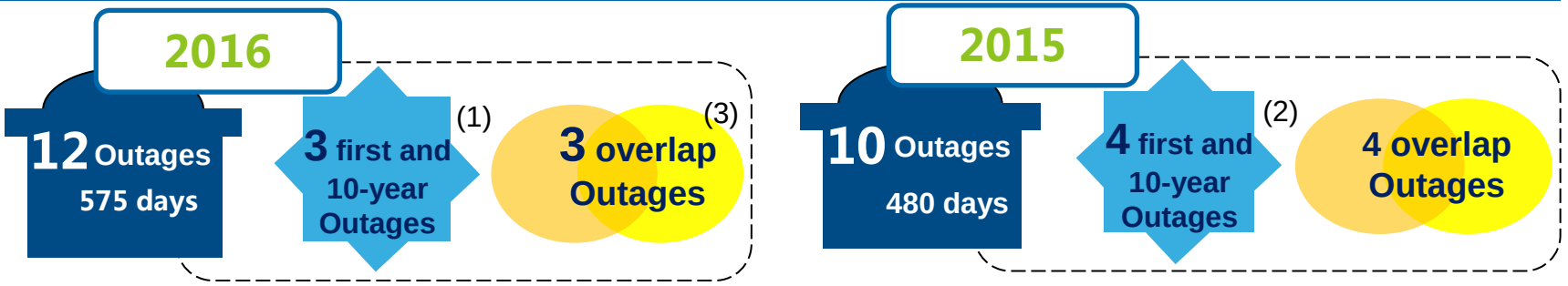
Installed Capacity Rapidly Increased Year on Year



On-grid Power Generation Rapidly Increased Year on Year



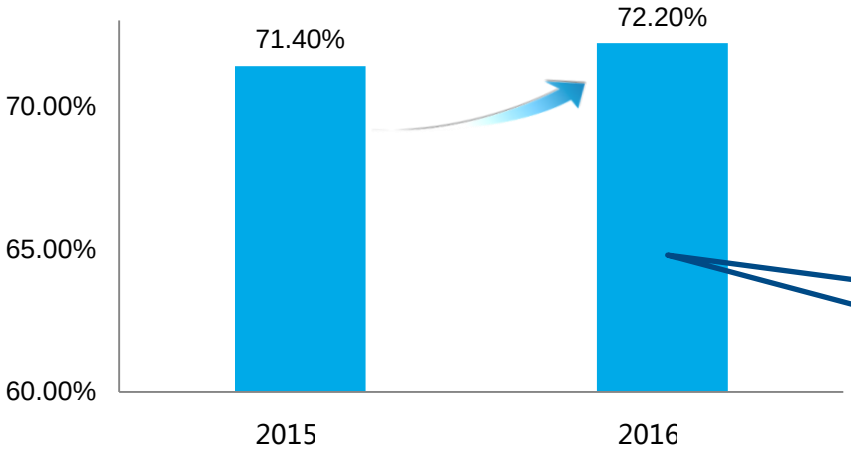
12 outages have been successfully completed



Note 1: three first outages and nine annual outages.
Note 2: three first outages, one 10-year outages and six annual outages.
Note 2: Overlap Outages: the maximum number of outages we conducting at the same time throughout the year(same as below)

Strengthen and Stabilize the Basic, Safety Level of Mature Units Improves Successfully

WANO indicators that achieved world's top quartile were increasing steadily (1)

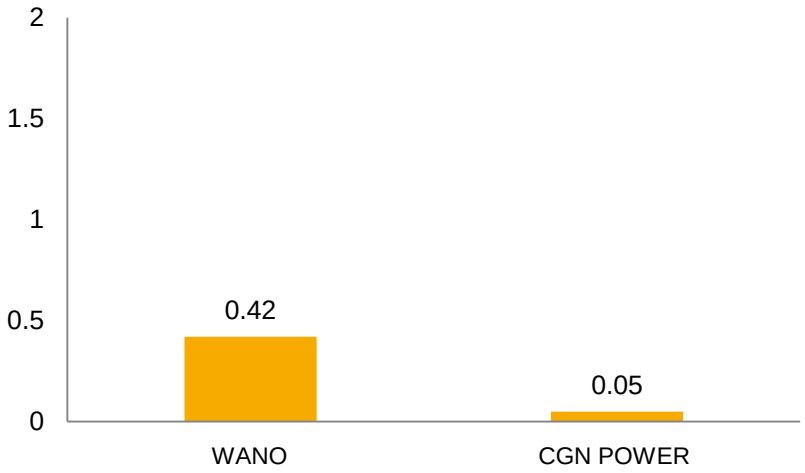


WANO

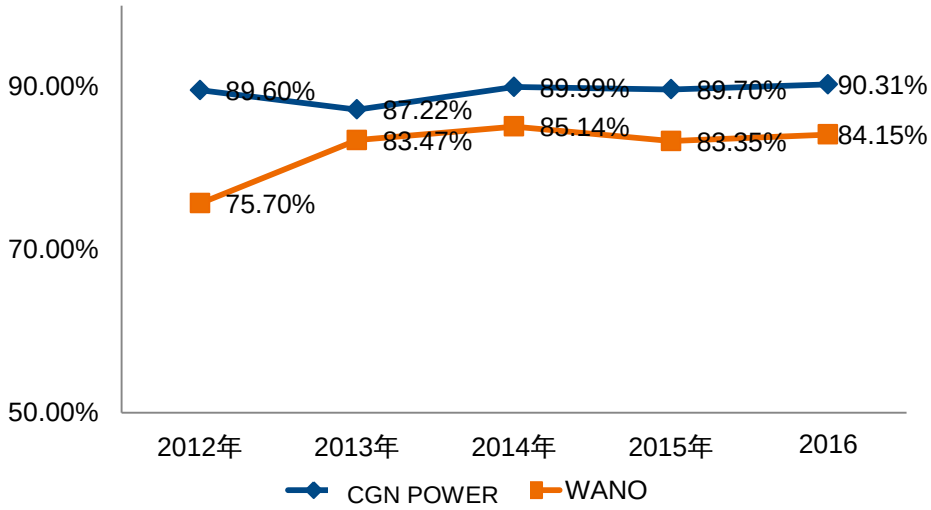
World Association of Nuclear Operators

72.20% of 12 WANO indicators for every unit ranked among Top Quartile globally.

The Average Unplanned Automatic Scrams in Each Unit is Lower than the International Peers (2)



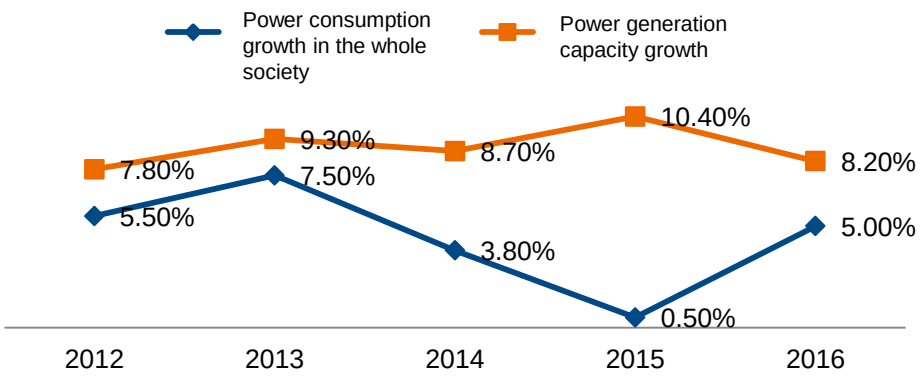
First Time the Average Capacity Factor Break Through 90% Since 2012 (3)



Note 1,2,3: According to WANO calculation rules, unit which operates less than one quarter throughout a year is not included for performance indicators calculation. For convenience of comparison, we count the performance indicators through 18 operating units (exclude Fangchenggang Unit 2) in 2016, and count the performance indicators through 14 operating units during the same period in 2015. Besides, we use the average values during the past three years as assumed 2016 indicator values due to the reason 2016 WANO Performance Indicators has not announced yet.

Overcome Challenges, Actively Strive for Power Consumption

Continuing ease power supply, power consumption faced with challenges



Actively Tackle, Expand Unplanned Power Generation

About 6,000 GWh unplanned on-grid generation throughout the year

Hongyanhe Station achieved first-ever three units full-load generation for some time during heating supply period

Name	Capacity Factor%		Load Factor%		Utilization Hours		Outage	
	2015	2016	2015	2016	2015	2016	2015	2016
Daya Bay Unit 1	78.83 ↑	86.58	79.65 ↑	87.48	6,979 ↑	7,685	10-year Outage	Annual Outage
Daya Bay Unit 2	98.65 ↓	87.42	99.30 ↓	88.05	8,700 ↓	7,736		Annual Outage
Ling'ao Unit 1	86.80 ↑	99.81	86.37 ↑	99.11	7,564 ↑	8,703	Annual Outage	--
Ling'ao Unit 2	93.64 ↓	88.65	91.01 ↓	83.94	7,970 ↓	7,371	Annual Outage	Annual Outage
Lingdong Unit 1	90.10 ↑	91.62	88.90 ↑	89.23	7,781 ↑	7,831	Annual Outage	Annual Outage
Lingdong Unit 2	90.29 ↓	87.84	88.69 ↓	80.72	7,762 ↓	7,084	Annual Outage	Annual Outage
Yangjiang Unit 1	79.45 ↑	81.56	78.86 ↑	79.16	6,908 ↑	6,953	First Outage	Annual Outage
Yangjiang Unit 2	99.64 ↓	77.68	99.94 ↓	77.29	8,755 ↓	6,789	--	First Outage
Yangjiang Unit 3	Under construction	91.24	Under construction	85.11	Under construction	7,476	--	--

Overcome Challenges, Actively Strive for Power Consumption(Continued)

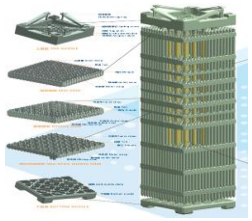
Name	Capacity Factor%		Load Factor%		Utilization Hours		Outage	
	2015	2016	2015	2016	2015	2016	2015	2016
Fangchenggang Unit 1	Under construction	99.02	Under construction	81.21	Under construction	7,133	--	--
Fangchenggang Unit 2	Under construction	——	Under construction	84.13	Under construction	7,389	--	--
Ningde Unit 1	87.16 ↑	98.13	85.93 ↓	76.44	7,527 ↓	6,714	Annual Outage	--
Ningde Unit 2	78.95 ↑	86.38	73.72 ↓	65.46	6,458 ↓	5,750	First Outage	Annual Outage
Ningde Unit 3	93.24 ↓	80.08	81.67 ↓	68.91	7,185 ↓	6,053	--	First Outage
Ningde Unit 4	Under construction	99.98	Under construction	92.47	Under construction	8,122	--	--
Hongyanhe Unit 1	87.75 →	87.19	82.57 ↓	66.36	7,233 ↓	5,827	Annual Outage	Annual Outage
Hongyanhe Unit 2	65.53 ↑	87.49	39.26 ↑	57.56	3,439 ↑	5,056	First Outage	Annual Outage
Hongyanhe Unit 3	100.00 ↓	94.90	50.31 ↑	59.90	4,407 ↑	5,262	--	Annual Outage
Hongyanhe Unit 4	Under construction	99.98	Under construction	49.02	Under construction	1,926	--	--
Average(1)	**88.14**	**90.31**	**79.31**	**77.45**	**7,085**	**6,673**	--	--

Note 1: According to WANO calculation rules, unit which operates less than one quarter throughout a year in not included for performance indicators calculation. For convenience of comparison, we count the performance indicators through 18 operating units (exclude Fangchenggang Unit 2) in 2016, and count the performance indicators through 14 operating units during the same period in 2015.

Construction orderly, Safety and Progress under Control

Unit	Technology	Civil Construction	Equipment Installation	Commissioning Phase	Grid-Connection	Expected Date of Commencement of Operation
Subsidiaries						
Yangjiang Unit 4	CPR1000			 (1)		2017H2
Yangjiang Unit 5	ACPR1000					2018H2
Yangjiang Unit 6	ACPR1000					2019H2
Taishan Unit 1	EPR					2017H2
Taishan Unit 2	EPR					2018H1
Fangchenggang Unit 3	HPR1000					2022
Fangchenggang Unit 4	HPR1000					2022
Associate						
Hongyanhe Unit 5	ACPR1000					2020H2
Hongyanhe Unit 6	ACPR1000					2021

Note 1： Yangjiang Unit 4 began commercial operation on March 15, 2017



Nuclear fuel Assembly Autonomy (STEP-12)

- **Break the monopoly:** Self-development, which is conducive to controlling the cost and opening new markets.
- **R&D on schedule:** In the irradiation test of commercial reactor in 2016, no anomaly on online test and damage detection was found.

ACPR50S Small Modular Reactor (SMR)

- **Support sustainable development:** This reactor matches the market demand and enriches our product line.
- **Planning:** Listed in 13th Five-year Plan on Energy Technology Innovation.
- **Listing:** It is also listed in International SMR Entries by IAEA

Verification and Validation System for Nuclear-grade DCS Software

- **Enhance system safety and reliability:** This system is of international advanced standard capable of not only eliminating software flaws but improving safety and reliability of digital control system of nuclear safety level.
- **Effective transformation:** Applied in DCS generic platform “FirmSys”, which is the first of a kind that China owns full independent intellectual property right.

Management

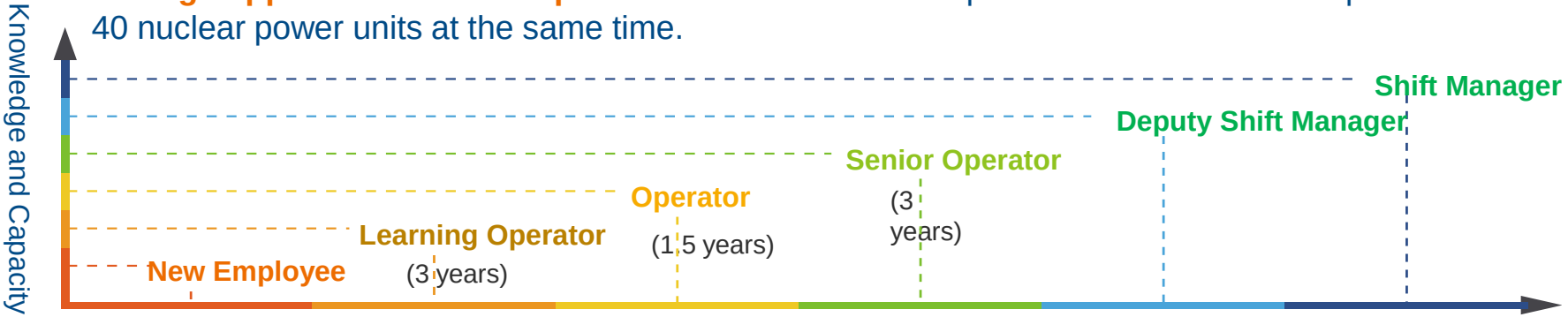
- **Diverse Background :** Our directors each have extensive experience in the power industry, financial and accounting, legal, audit and other aspects, to understand their responsibilities, powers and duties, and can perform their duties with faith, integrity and diligence.
- **Experienced in the industry:** Our executives have extensive industry experience, solid expertise and international perspective, leading the company to achieve sustained robust growth performance, continuing to create value for shareholders.

Honor of the Company

- **Best Listed Company:** "China Finance" magazine "2016 Best Listed Company"
- **Best Secretary of the Board:** China Securities Bauhinia "Best Secretary of the Board" in 2016

Reactor Operator Cultivation

- **Effectively improve professionalism:** As of December 31, 2016, we (including our affiliates) have 592 licensed operators, 410 senior operators.
- **Strong support for the development:** Current number of operators are sufficient to operate about 40 nuclear power units at the same time.



Voluntary Information Disclosure

- **Ensuring effective communication by information disclosure platform:** With "nuclear power station nuclear and radiation safety information disclosure" platform , the company protects the public's right to access to the operation information of nuclear power stations.
- **Report to government regulator voluntarily:** Any operation events of in-service units are disclosed within 2 working days. Persisting in this principle, in 2016 the company reported all the deviations to government regulators voluntarily.

Daya Bay Information Disclosure Platform

Hongyanhe Information Disclosure Platform

Ningde Information Disclosure Platform

Yangjiang Information Disclosure Platform

Fangchenggang Information Disclosure Platform

Sound environment monitoring system

- **Well-developed environment monitoring system:** In accordance with national regulations, our nuclear power bases have unified environment monitoring, forming a well-developed environment monitoring system.
- **Normal ambient monitoring results:** Each nuclear power station obtains normal ambient monitoring results.

Radioactive waste management optimization

- **Emissions less than the national emission standards:** Our Radioactive waste gases and liquid waste emissions are far less than the national emission standards.
- **Amount lower than the design criteria:** Our radioactive solid waste are generated in the amount lower than the design criteria.

Data of 2016	Daya Bay (1)	Yangjiang	Ningde	Hongyanhe	Fangchenggang
Radioactive liquid waste according to national standards expressed as a ratio of (Non-gaseous radionuclides) emissions	0.170%	0.490%	0.324%	0.227%	0.090%
Radioactive waste gases expressed as a ratio of national standards (Inert gas) emissions	0.142%	0.350%	0.578%	0.176%	0.260%
Environment monitoring results	Normal	Normal	Normal	Normal	Normal

Note 1 : Daya Bay Base includes Daya Bay Station, Ling'ao Station and Lingdong Station.

On-grid nuclear power in 2016:
115,584 GWh

=

Reduction of standard coal consumption of around 37.20 million tons

CO_2

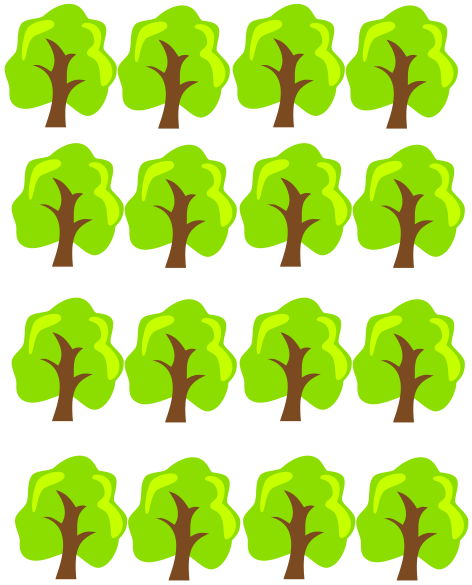
Reduction of carbon dioxide Emission of around 90.00million tons

SO_2

Reduction of sulfur dioxide emission of around 0.88million tons

NO_X

Reduction of nitrogen oxides emission of around 0.57 million tons



Reduction effect of emissions=
250,000 hectares of forest covering almost the whole Shenzhen

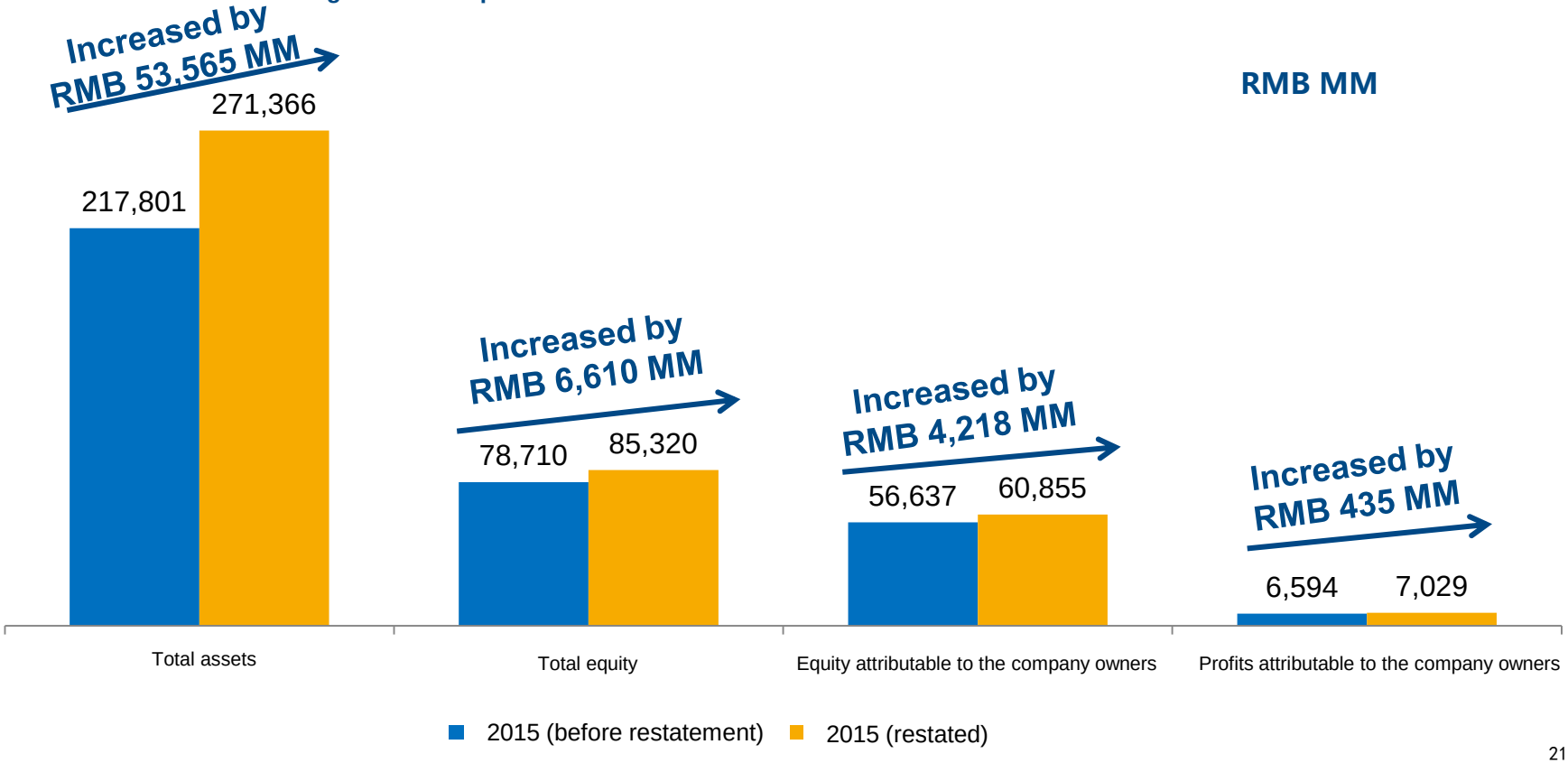
Part III
Financial Performance

Important Impacts of 2015 Financial Results Restatement

The financial data for 2015 in the consolidated financial statements of the Group has been restated. Except for where specially noted, the 2015 financials all refer to the restated data. The Company has completed the acquisition of 61% of Fangchenggang Nuclear, 100% of Lufeng Nuclear and 100% of CGN Engineering, which were held by China General Nuclear Power Corporation (CGN), the Company's ultimate holding company, in 2016.

As the Company, Fangchenggang Nuclear, Lufeng Nuclear and CGN Engineering were all controlled by CGN, the above-mentioned acquisition has been recorded as a business combination under common control.

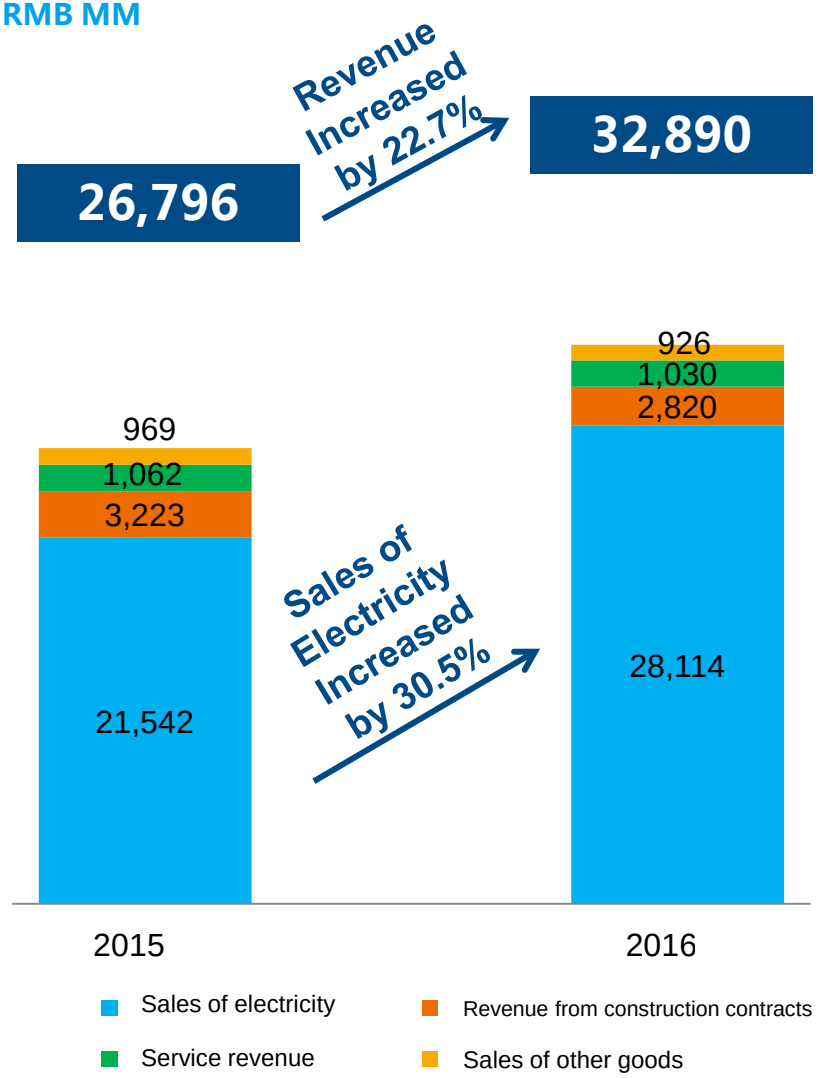
The assets as well as liabilities of Fangchenggang Nuclear, Lufeng Nuclear and the engineering company have been confirmed on the basis of the book value recognized in the previous consolidated financial statements.



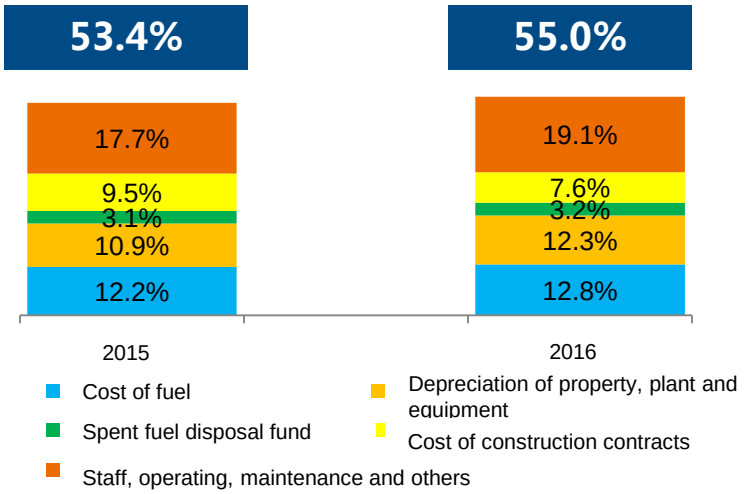
Steady growth of income and Stability of cost

Revenue and revenue in sales of electricity (1)

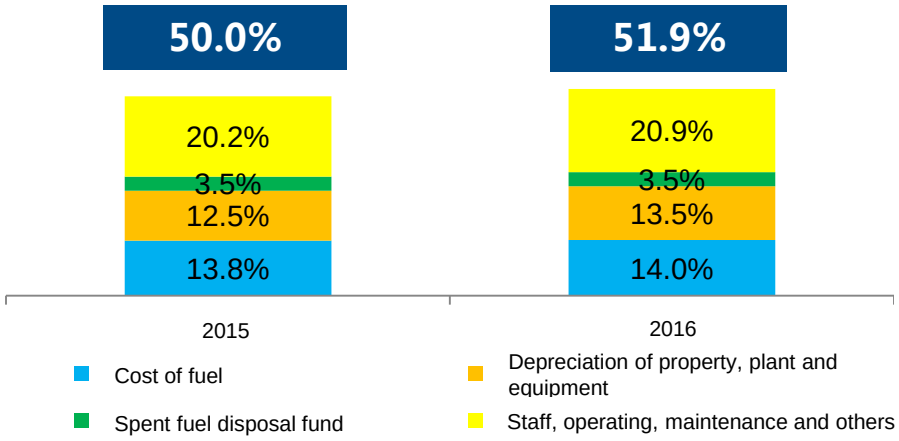
RMB MM



The Operating Cost as % of Revenue



The Operating Cost as % of Revenue (not including construction and design business)



Note 1 : Hongyanhe Nuclear and Ningde Nuclear are not included in the consolidated financial statements, therefore the income from Hongyanhe Unit 1, Unit 2, Unit 3 and Unit 4 as well as Ningde Unit 1, Unit 2, Unit 3 and Unit 4 are not included into the Company's revenue.

Steady Growth of attributable profit and EPS

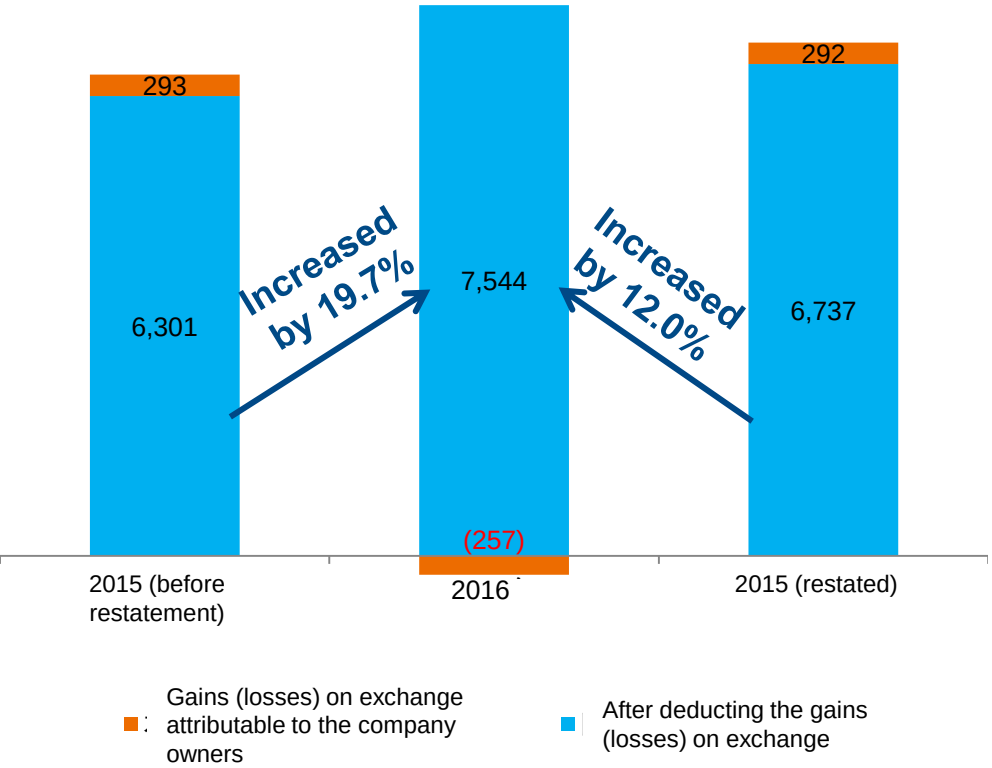
Profits attributable to the Company owners

RMB MM

6,594 | 7,287 | 7,029

10.5% ↑ *VS before restatement*

VS restated ↑ 3.7%

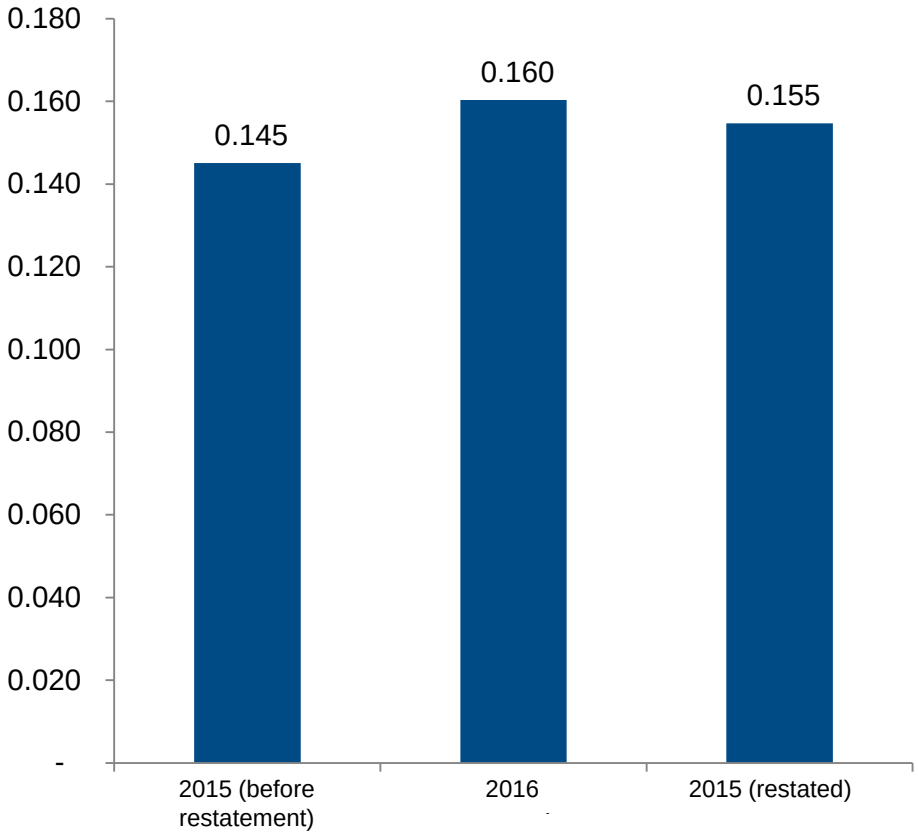


Gains (losses) on exchange attributable to the company owners

After deducting the gains (losses) on exchange

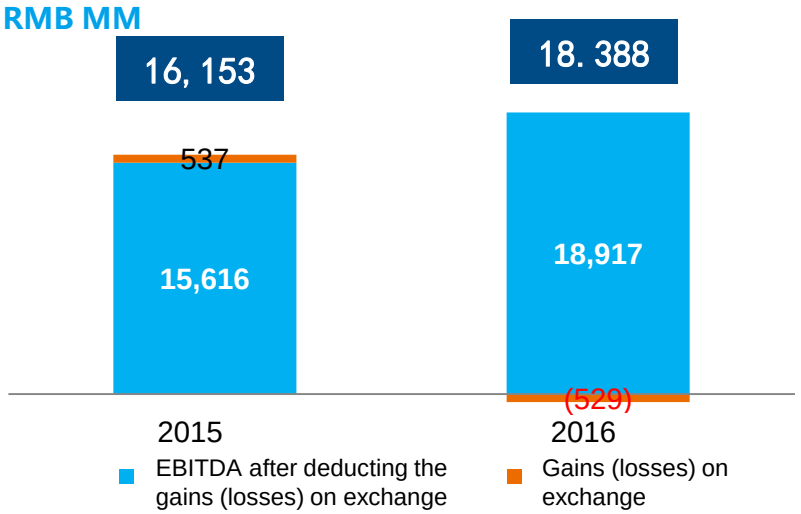
Earnings per share attributable to the Company owners

RMB

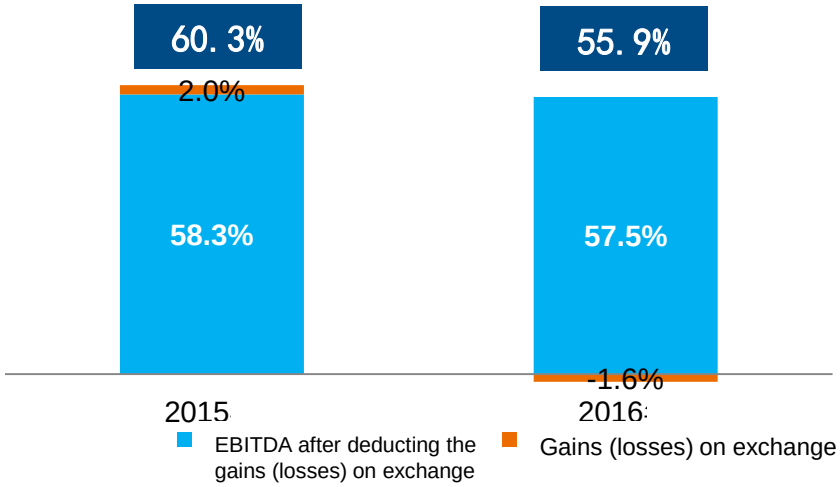


EBITDA Steadily Increased, with Overall Stable Returns

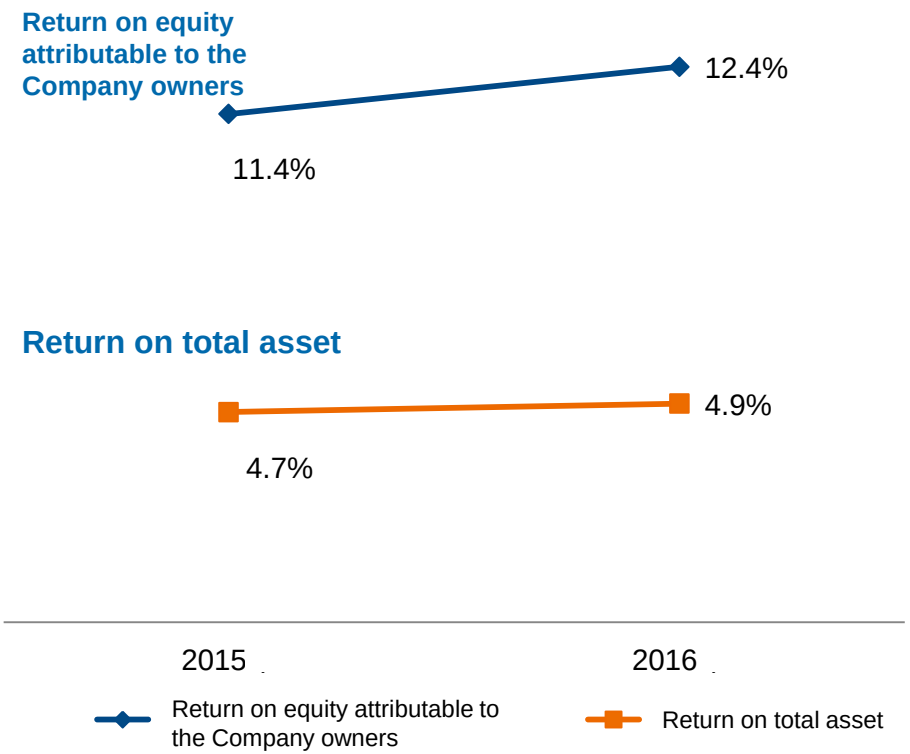
EBITDA(1)



EBITDA%(2)



Returns on equity attributable to the Company owners (3) and return on total asset (4)



Note 1: EBITDA = Profit before tax + Finance cost + Depreciation and amortization

Note 2: EBITDA profitability= EBITDA/Income * 100%

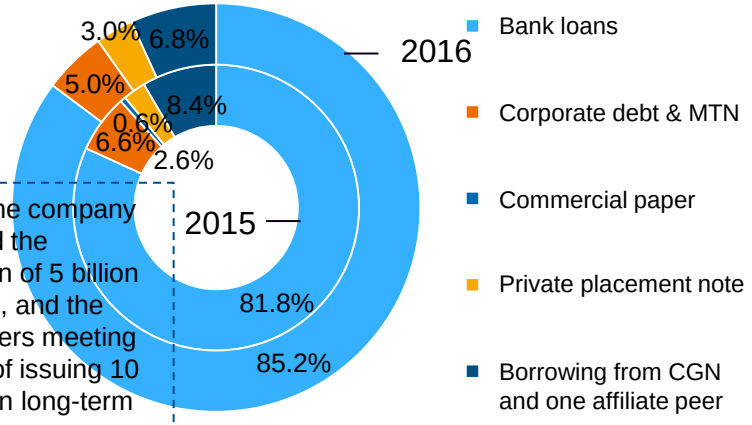
Note 3: Returns on equity attributable to the Company owners= Annual profits attributable to the Company owners/Average equity interest attributable to the Company owners (arithmetic mean of the opening and ending number)* 100%

Note 4: Total return on asset= (Profit before tax + Finance cost) /Total average working capital and non-working capital (arithmetic mean of the opening and ending number) * 100%

Robust Debt Structure to Ensure Capital Security

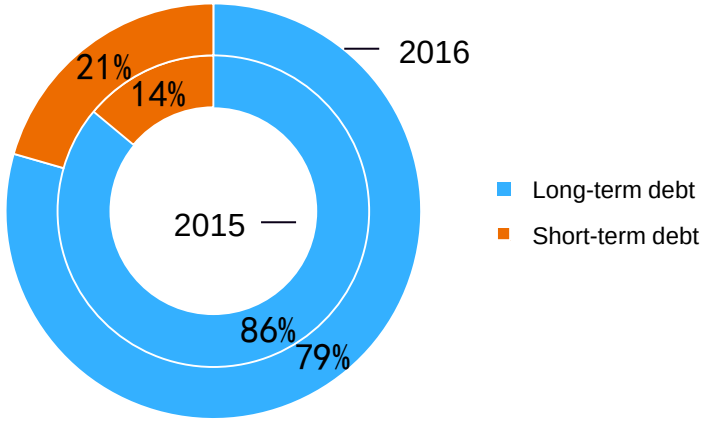
The company follows the principles of considering both cost and security, pursues competitive financing costs, but does not put the lowest financing cost as the sole goal, so as not to damage the financing security.

Adapt to the needs of funds, continue to broaden the financing channels

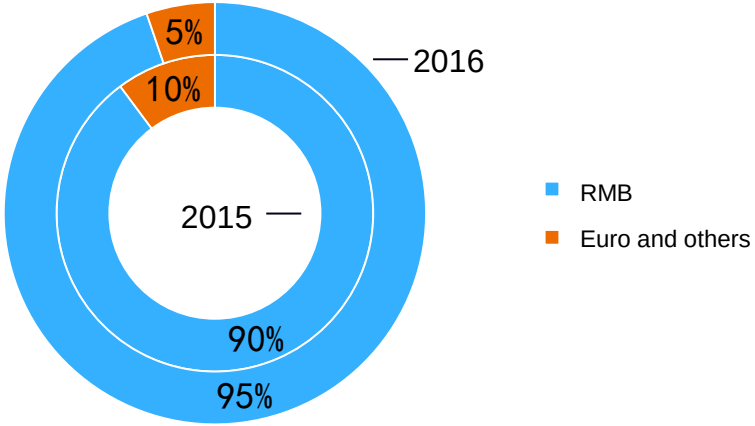


In 2016, the company completed the registration of 5 billion yuan SCP, and the shareholders meeting approval of issuing 10 billion yuan long-term bond.

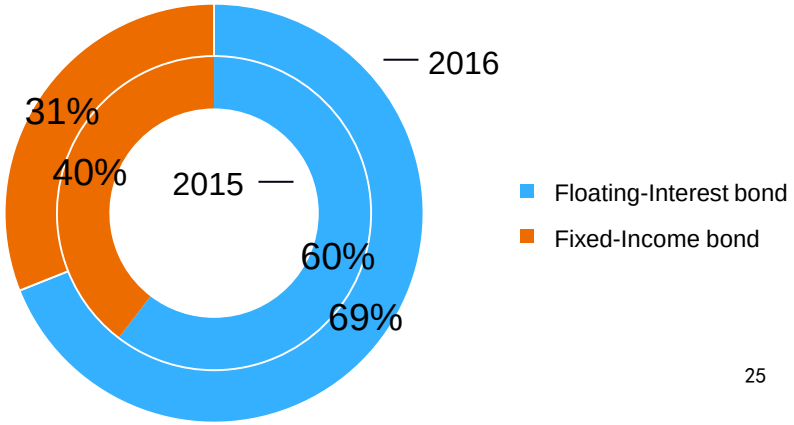
Maintain long-term debt and reduce the risk of refinancing



Reduce foreign currency debt as well as the risk of exchange rate fluctuations



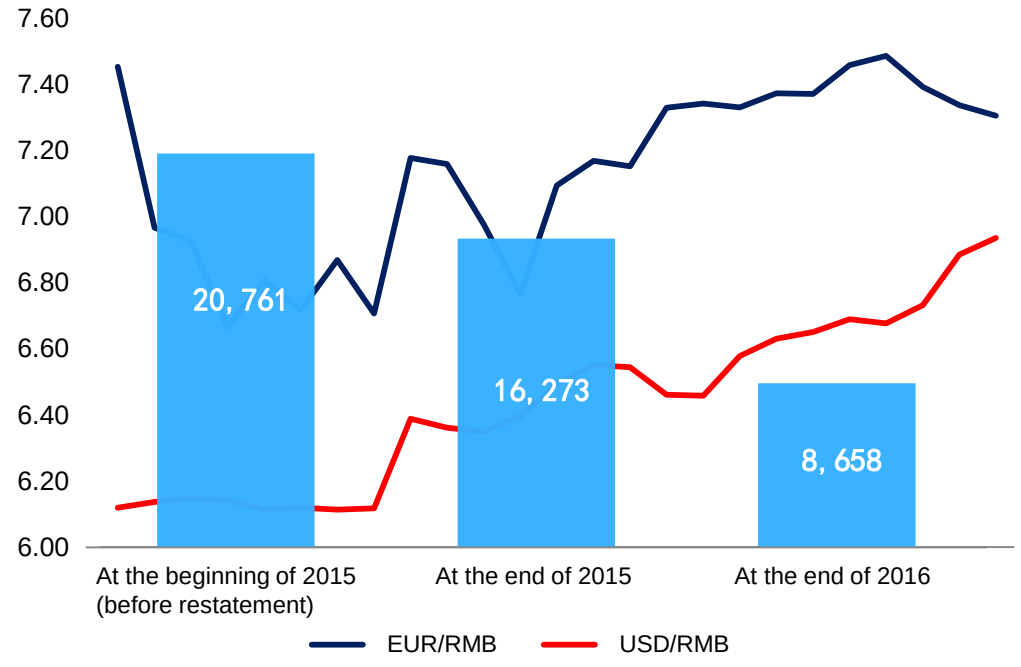
Make Appropriate reorganizations to optimize the balance of floating-interest bond and fixed-income bond



Continuously Reduce the Exchange Rate Exposure and its Impact

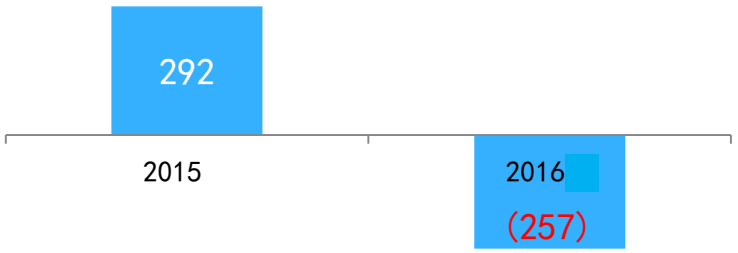
Balance of Foreign Currency Bank Loans and Other Borrowings

RMB MM (Equivalent)



Gains (Losses) on Exchange equity attributable to the Company owners

RMB MM

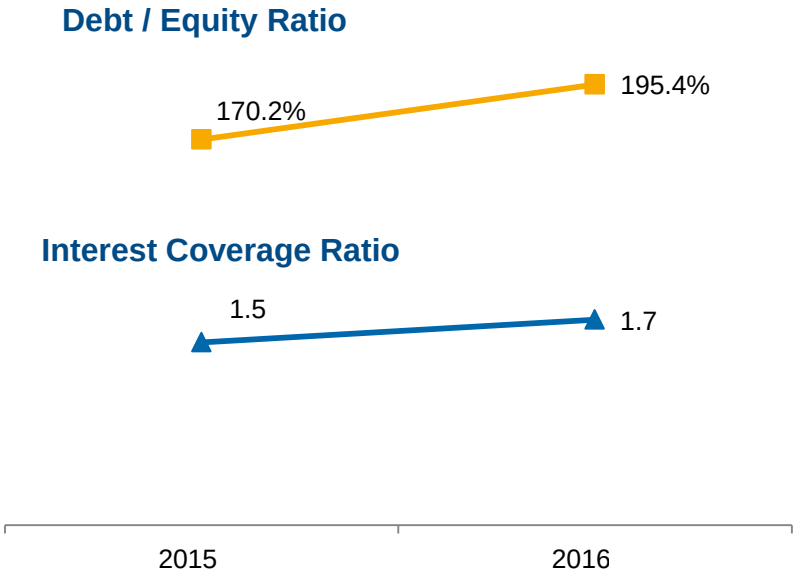


In 2016, in the face of a complex financial market environment, the Company continued to take effective actions to reduce the exchange rate exposure of foreign currency debt (mainly US dollar and Euro debt) and its impact.

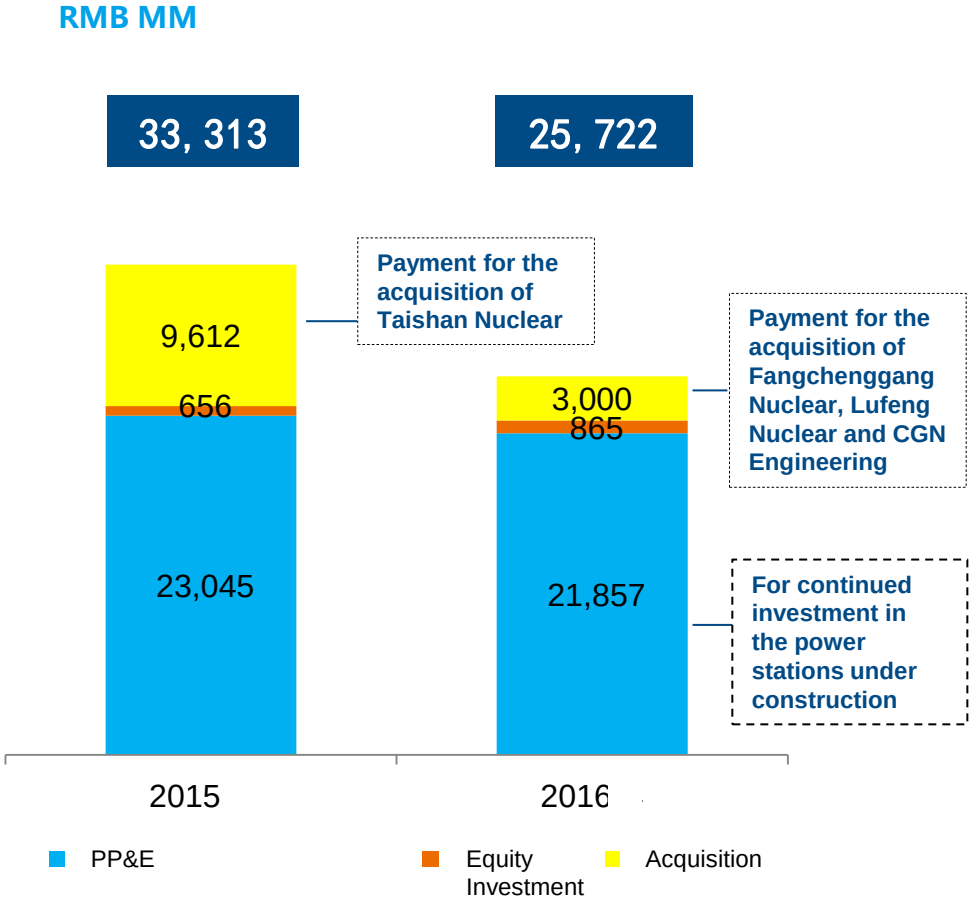
In 2016, as the Euro, the US dollar against the RMB sharply appreciated (in the same period last year, the Euro against the RMB depreciated, and the US dollar against the RMB appreciated less than 2016), the Company reduced the impact of exchange losses as much as possible.

Debt Risk Under Control, CAPEX in Orderly Manner

Debt / Equity Ratio [1]& Interest Coverage Ratio [2]



Capital Expenditure



Note 1: Debt / equity ratio = Net debt (i.e., bank loans and other borrowings minus cash and cash equivalents and other bank deposits with maturity of more than 3 months) / Total equity*100%
Note 2: Interest coverage ratio = (EBT + Finance expense) / (Finance expense + Capitalized interest).

Part IV
Q&A

中广核 CGN

一次把事情做好

中國廣核電力股份有限公司
CGN Power Co., Ltd.

Thanks!