



中國廣核電力股份有限公司
CGN Power Co., Ltd.



CGN POWER (1816.HK)

2016 Interim Result and Recent Operations Performance

August 2016

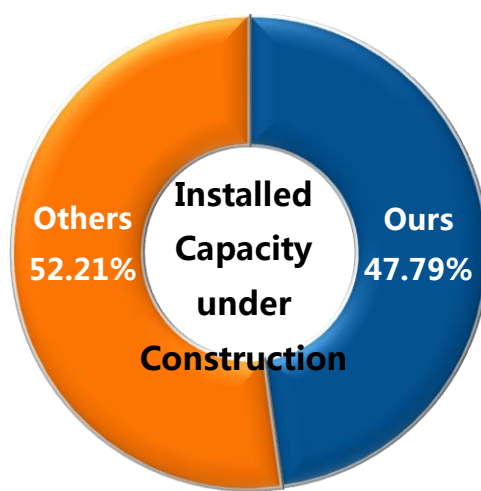
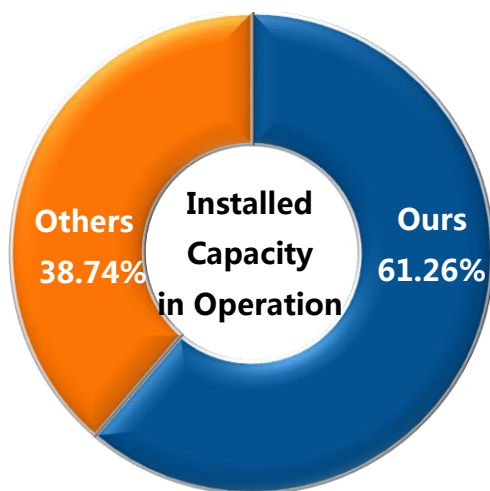
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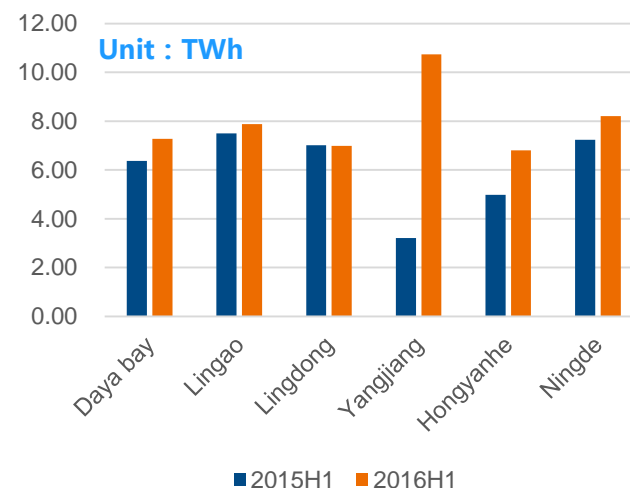
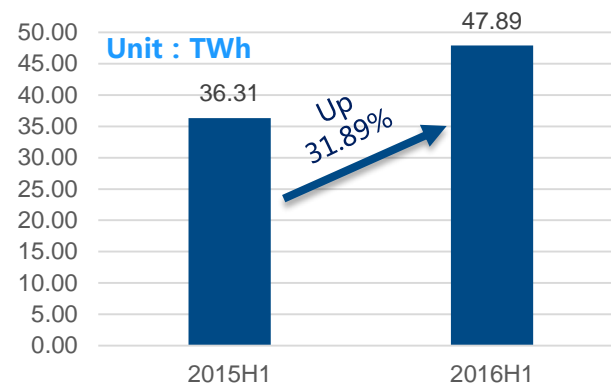
- 1 **Business** – Maintaining the status of industry leader with 2 units newly put into operation and steady growth of power generation
- 2 **Finance** – Steady growth of profit attributable to owners of the Company, with revenue growth and stable cost
- 3 **Market** – Proactive measures to strive for more unplanned power generation in the face of more challenging market
- 4 **Safety** – Strengthening nuclear safety management by reinforcing foundation and identifying weakness
- 5 **Development** – Proactive planning on new development with stable operation of in-service units and steady progress of under-construction units

Units Newly Put into Operation this Year (1)、(2)

Yangjiang Unit 3	Ningde Unit 4	Fangchenggang Unit 1
<ul style="list-style-type: none"> Commercial operation on 2016/1/1 Subsidiary, 78.20% CPR1000, 1086MW 	<ul style="list-style-type: none"> Commercial operation on 2016/7/21 Joint Venture, 32.29% CPR1000, 1089MW 	<ul style="list-style-type: none"> Commercial operation on 2016/1/1 Entrusted by controlling shareholder CPR1000, 1086MW
CGN Power		Entrusted Units



On-grid power generation



1. In-service units (as of Jul 31, 2016)

China (Chinese Mainland, same below): a total of 31 units in operation with a total installed capacity of 29.673 GW.

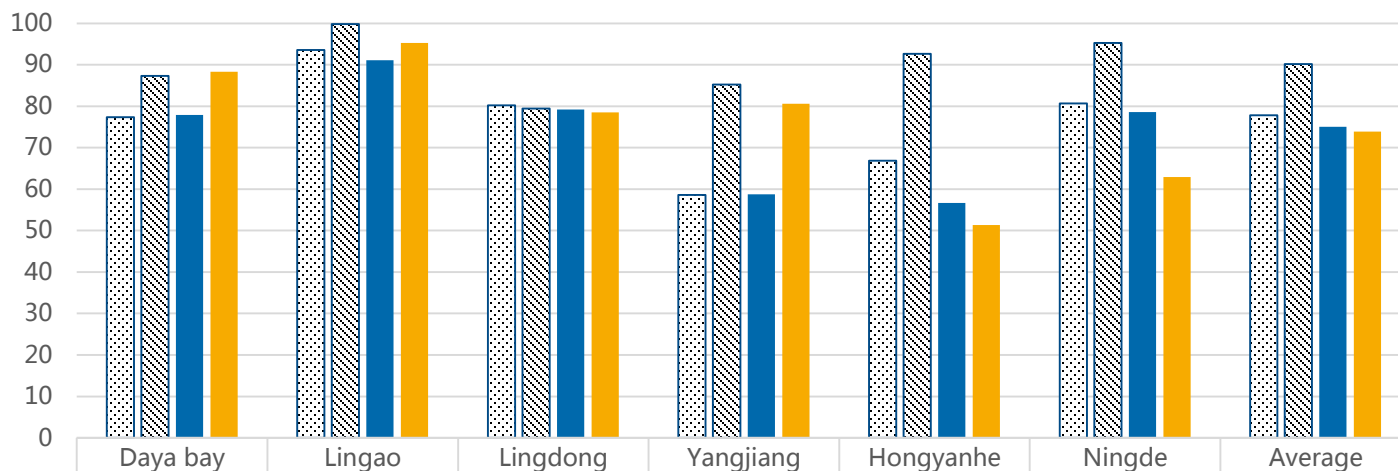
CGN Power: a total of 17 units (including the entrusted Fangchenggang Unit 1) in operation with a total installed capacity of 18.179 GW accounting for 61.26% market share.

2. Under-construction units (as of Jul 31, 2016)

China: a total of 25 units under construction with a total installed capacity of 28.379 GW

CGN Power: a total of 11 units (including the entrusted Fangchenggang Units 2, 3 and 4) under construction with a total installed capacity of 13.561 GW accounting for 47.79% market share.

In-service Unit Performance

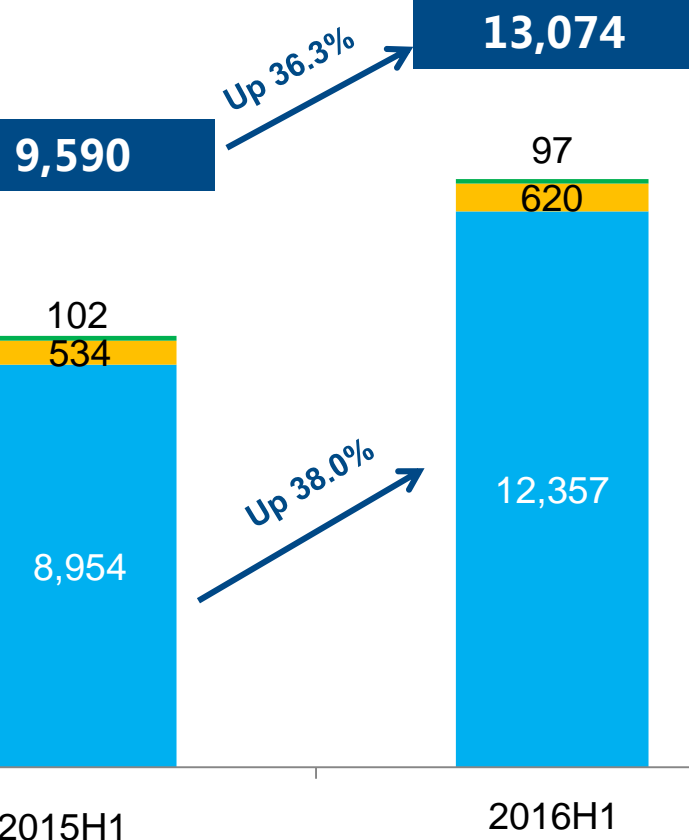


	Daya bay	Lingao	Lingdong	Yangjiang	Hongyanhe	Ningde
Capacity Factor (%) 2015H1	77.33	93.55	80.25	58.59	66.88	80.7
Capacity Factor (%) 2016H1	87.35	99.82	79.42	85.25	92.63	95.27
Load Factor (%) 2015H1	77.94	91.07	79.23	58.79	56.68	78.56
Load Factor (%) 2016H1	88.31	95.25	78.49	80.64	51.31	62.96

	Daya bay	Lingao	Lingdong	Yangjiang	Hongyanhe	Ningde
2016 H1	Unit2 Annual Outage		Unit1/2 Annual Outage	Unit2 First outage	Unit1 Annual Outage Unit1/2/3 Temporary shutdown	Unit1/2 Temporary shutdown or operation at reduced power Unit3 Beginning first outage
2015 H1	Unit1 10-year Outage	Unit2 Annual Outage	Unit1/2 Annual Outage	Unit1 First outage	Unit1 Annual outage Unit1/2 Temporary shutdown for maintenance	Unit2 First outage

Revenue ⁽¹⁾

RMB million

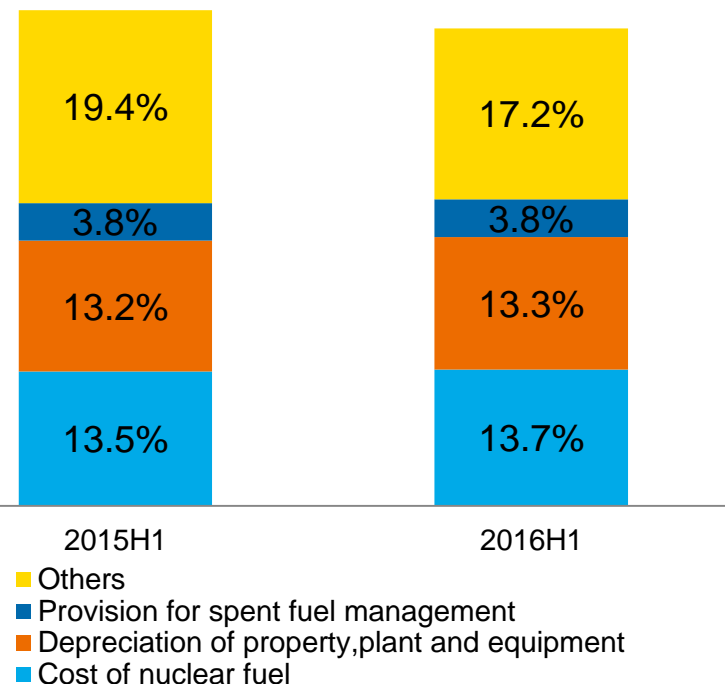


■ Sales of electricity ■ Technical and training service revenue ■ Sales of equipment and other goods

Cost of sales and services as % of revenue

49.9%

48.0%

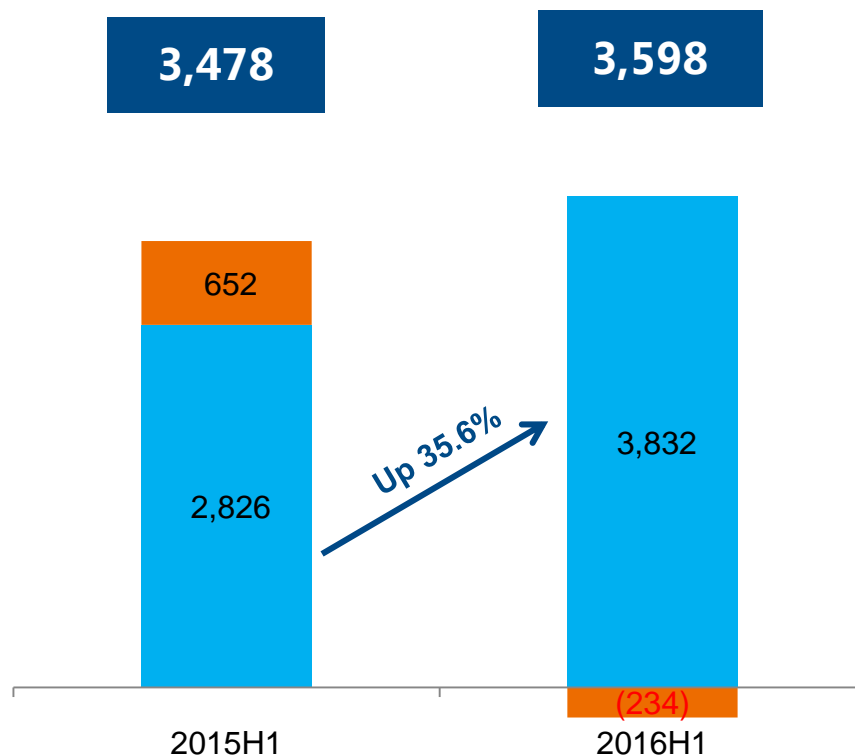


Main reason for lowered ratio of others to revenue: total aggregate calendar days of refueling outages in the first half of 2016 were less than that of 2015.

Note 1 : Hongyanhe Nuclear and Ningde Nuclear are not incorporated in the consolidated financial statements, therefore the revenue from Hongyanhe Unit 1/2/3, Ningde Unit 1/2/3 are not contained in the Company's revenue.

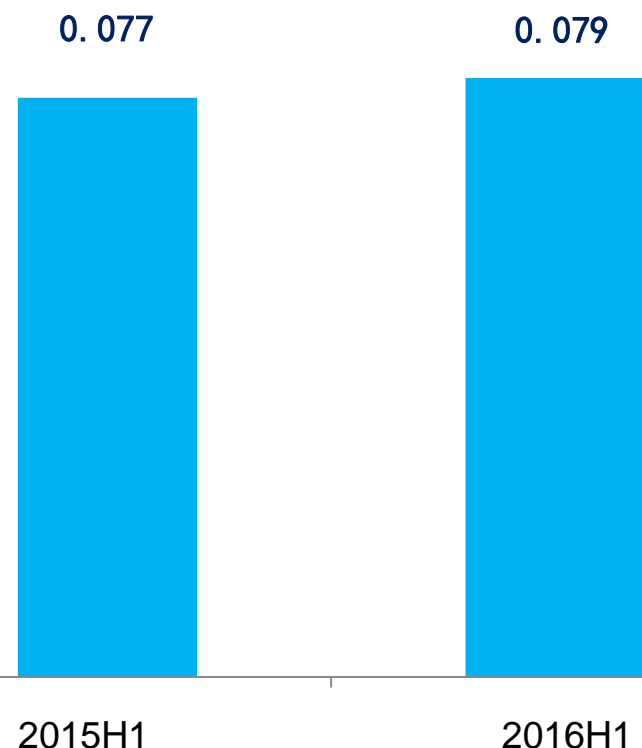
Profit for the period attributable to owners of the company

RMB million



Earnings per share attributable to owners of the Company

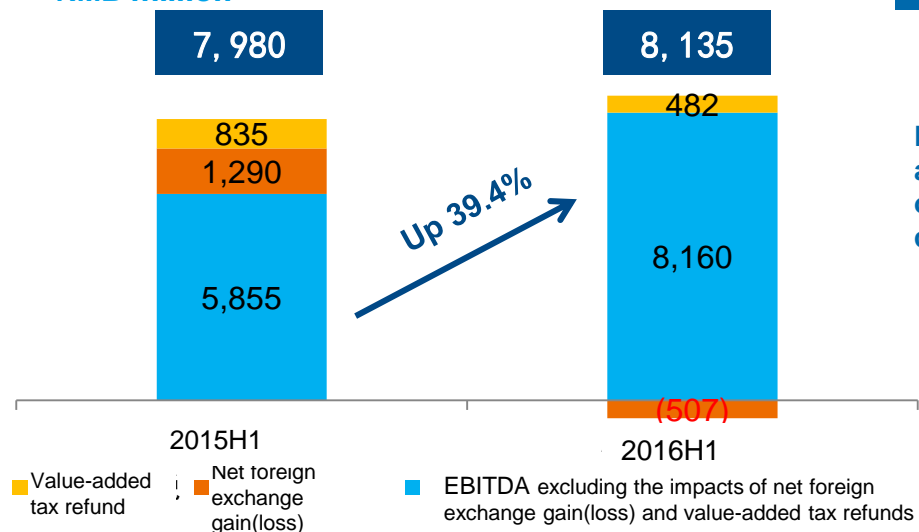
RMB



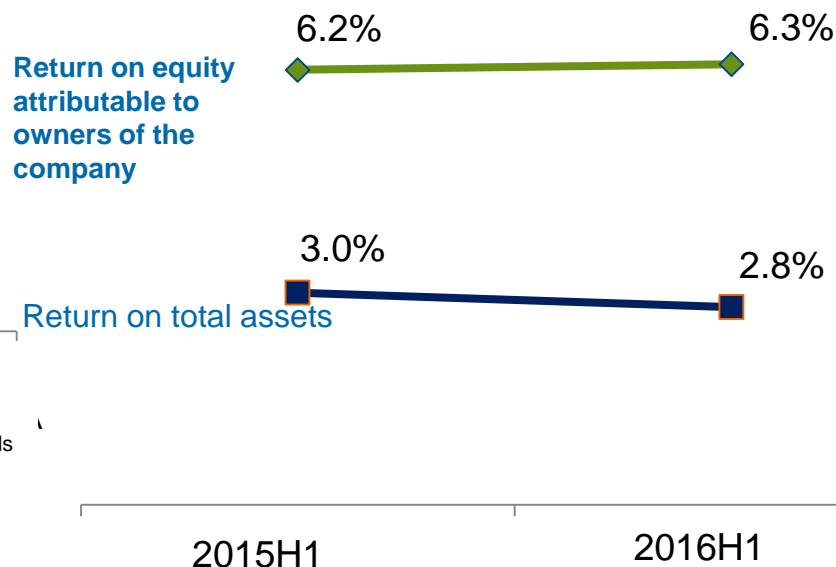
- Net foreign exchange gain(loss) attributable to owners of the company
- Excluding the impacts of net foreign exchange gain(loss)

EBITDA⁽¹⁾

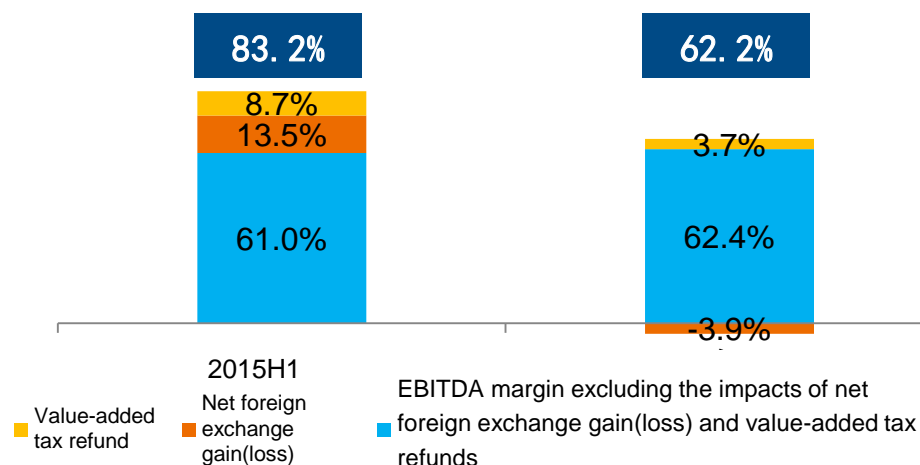
RMB million



Returns on equity attributable to owners of the company⁽³⁾ & return on total asset⁽⁴⁾



EBITDA margin⁽²⁾



Main reason for lowered return on total assets: affected by lowered net foreign exchange gains, profit before taxation in the first half of 2016 decreased by 425.9 million (or 8.5%) over the corresponding period in 2015.

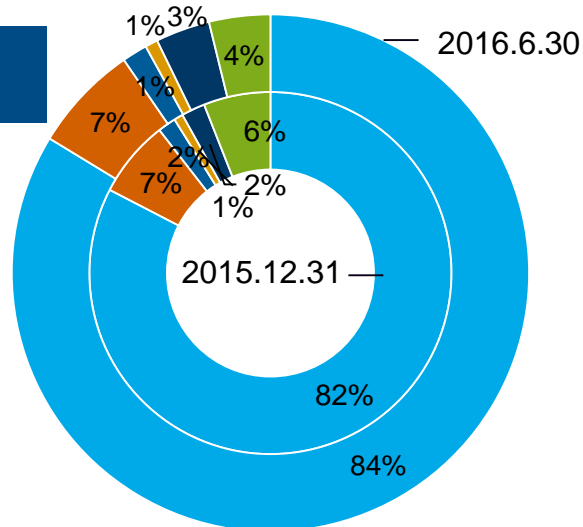
Note 3: returns on equity attributable to owners of the Company= profit for the period attributable to owners of the company/average equity attributable to owners of the Company (arithmetic mean of the opening and closing balances)* 100%
 Note 4: return on total assets= (profit before taxation + finance costs) / the average sum of current assets and non- current assets (arithmetic mean of the opening and closing balances) * 100%

Note 1: EBITDA = Profit before taxation + finance costs + Depreciation and amortization

Note 2: EBITDA margin= EBITDA/revenue * 100%

By financing channels

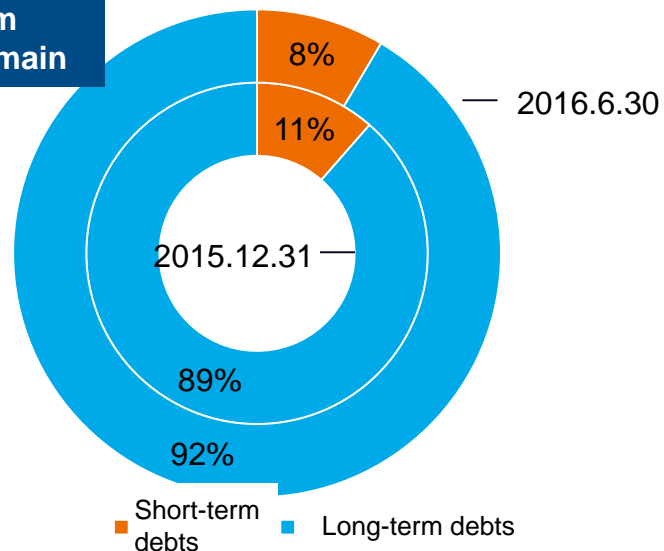
Multiple channels



- Bank borrowings
- Corporate bonds
- MTNs
- Short-term debentures
- Private placement notes
- loans from CGN and fellow subsidiaries

By maturity

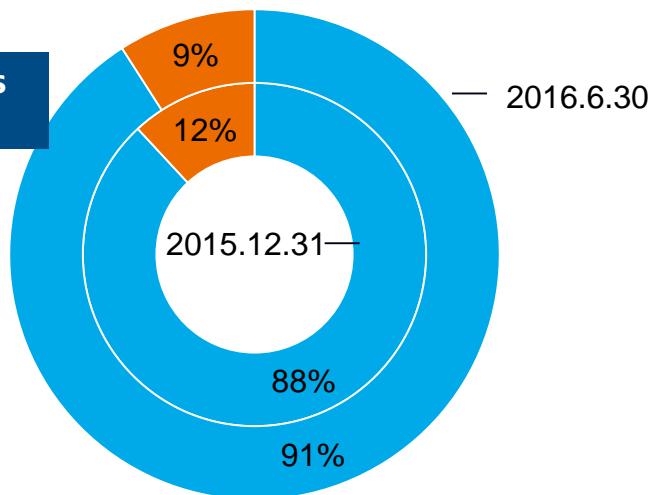
Long-term debts domain



- Short-term debts
- Long-term debts

By currency

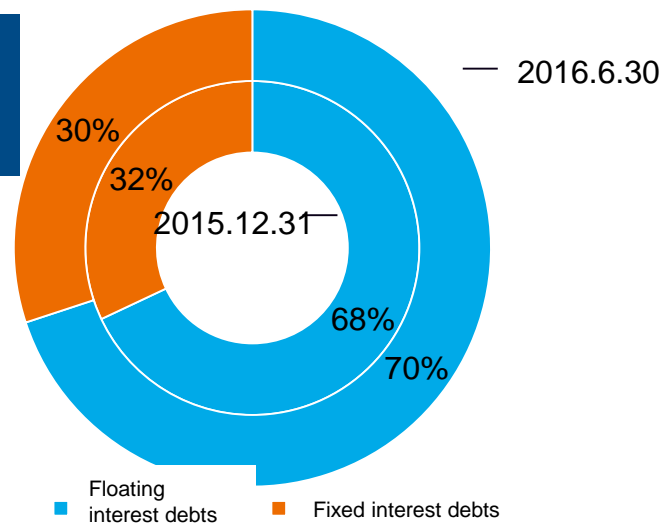
RMB debts domain



- RMB
- Euro and others

Reasonable combination of floating and fixed interest

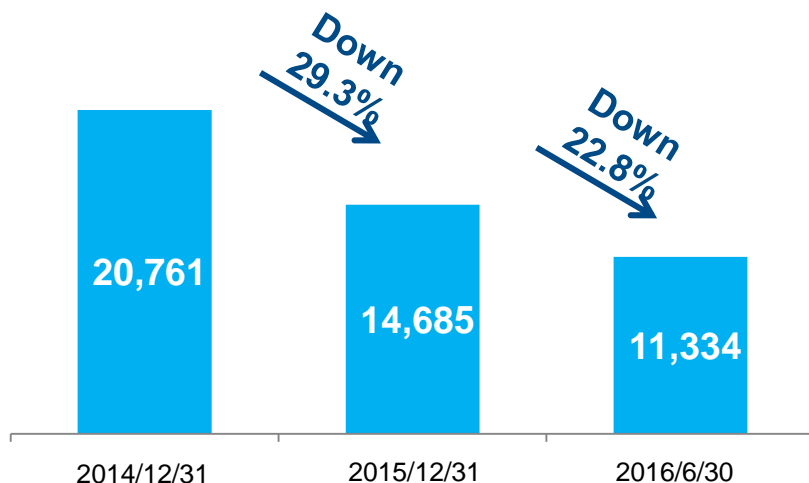
By interest structure



- Floating interest debts
- Fixed interest debts

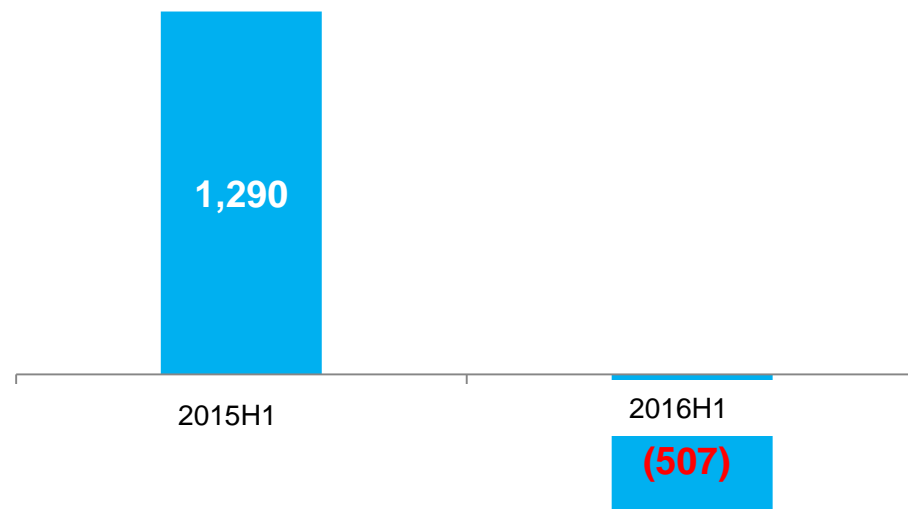
Balance of bank borrowings and other borrowings denominated in foreign currencies

RMB million (Equivalent)



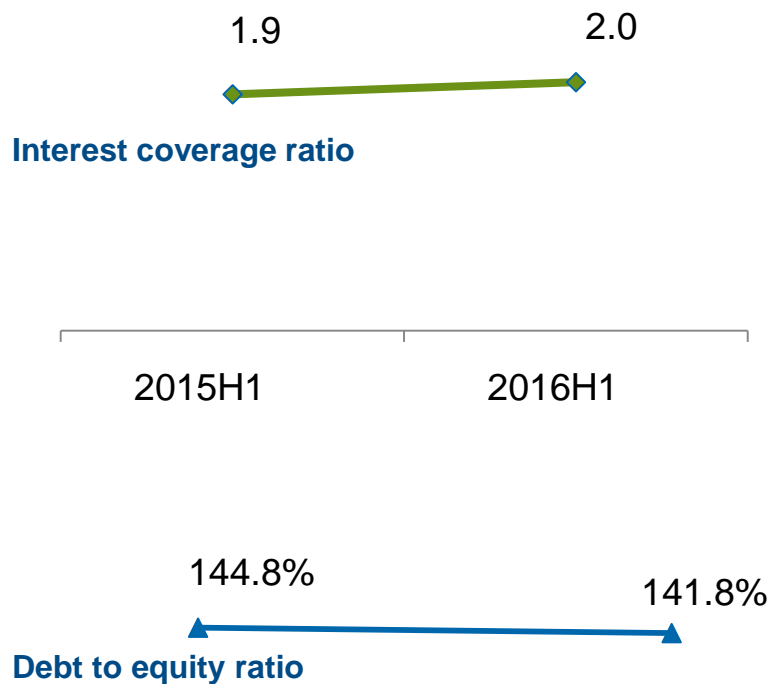
Net foreign exchange gain(loss)

RMB million



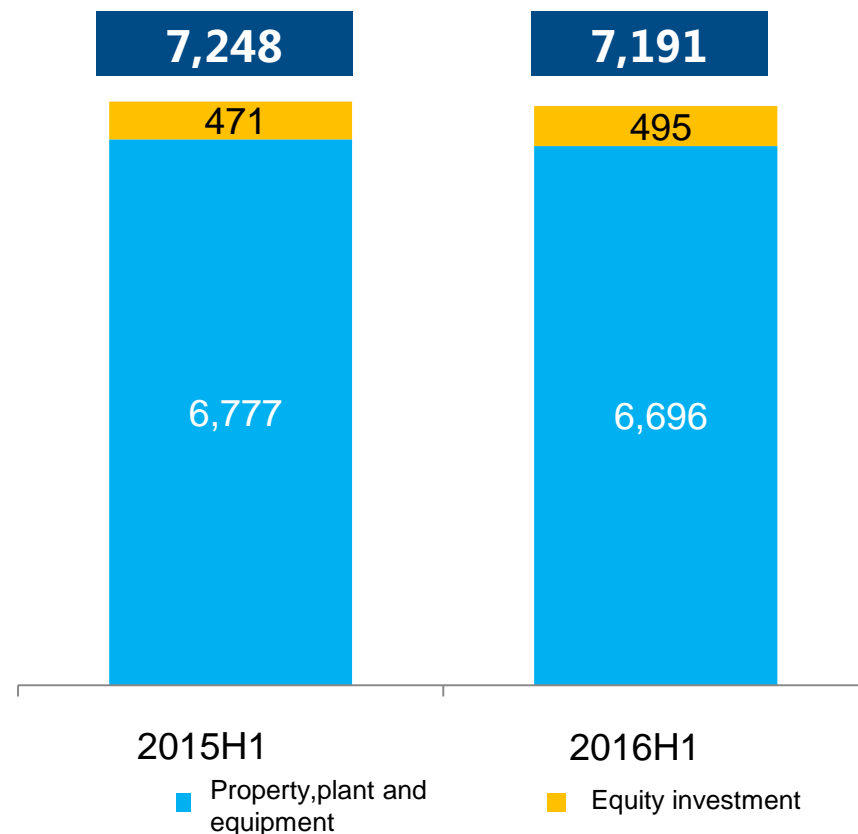
Facing the complex financial market environments, the Company adhered to the established policy and continued to take corresponding measures to reduce its exposure to foreign exchange risk associated with debts denominated in foreign currencies (mainly in USD and Euro) in the first half of 2016. However, the exchange rate of Euro and USD against RMB appreciated significantly in the first half of 2016 (while the exchange rate of Euro against RMB depreciated significantly in the same period last year), which had an impact on our net foreign exchange gains on debts denominated in foreign currencies.

Interest coverage ratio⁽¹⁾& Debt to equity ratio ⁽²⁾



Capital expenditure

RMB million

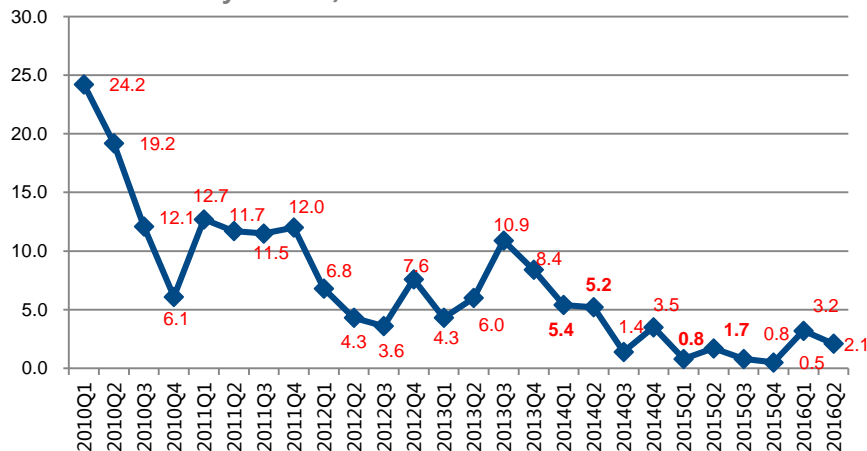


Note 1: Interest coverage ratio = (profit before taxation + finance costs) / (finance costs + interest expenses capitalized)

Note 2: 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 equity*100%

Lowered growth of nationwide power consumption

The national total electricity consumption growth (from China Electricity Council)



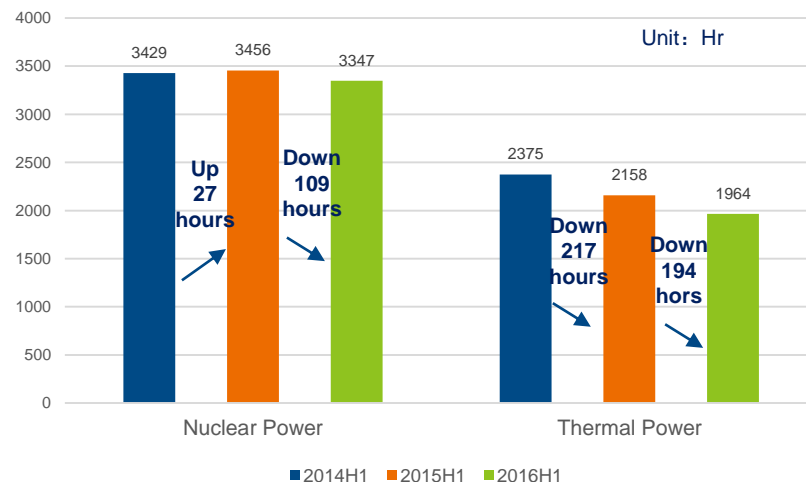
Latest policy highlights for nuclear power industry

- ◆ **13th Five-Year Development Plan for National Economic and Social Development:** safe and highly efficient development of nuclear power. Safe construction of self-developed nuclear power demonstration project with focus on coastal areas; construction of Fangchenggang HPR1000 demonstration project in Guangxi province.
- ◆ **“Work Guidance on Energy 2016”** : safe development of nuclear power, with focus on eastern China areas.
- ◆ **“Management Measures on Guaranteed Consumption of Nuclear Power” (draft for comments):** adherence to the basic principal of “safety guaranteed, on-grid priority, generation guaranteed and balanced interest”

Proactive participation in electric power trading market

- ◆ **Guangdong:** generally maintaining the utilization rate of the past
- ◆ **Fujian:** proactively striving for unplanned power generation under demand downside pressure. Following signing of “Supplementary Agreement of Compensation Agreement on Peak Load Regulation” with Economic and Information Committee of Fujian Province, Ningde Nuclear obtained an additional unplanned power generation of 1.002 TWh for this year at the end of June.
- ◆ **Liaoning:** securing planned power generation while striving for unplanned power generation. Hongyanhe Nuclear has secured a unplanned power generation of 1.406 TWh as of the end of June.
- ◆ **Guangxi:** participation in direct market trading. The entrusted Fangchenggang Nuclear has secured a unplanned power generation of 2.842 TWh as of the end of June.

Utilization hours in the first half of 2016 against the same period



Company-level "Nuclear Safety Committee" established

- ◆ Objective: to enhance multi-station management and overall nuclear safety management
- ◆ President of the Company being Chairman of the Committee
- ◆ Responsibilities:
 - Stipulation of Company-level important nuclear safety policy and system, review and decision-making for multi-station important nuclear safety issues
 - Company-level command platform for nuclear safety management

Reinforcing foundation for nuclear safety management

- ◆ Corporate Peer Review (CPR) conducted by WANO, to identify Areas for Improvements (AFI) and implement the corrective actions accordingly.
- ◆ Emergency drills of different types conducted to examine the effectiveness and responsiveness of our emergency preparedness organization.
- ◆ Campaign to encourage management of different levels to show up at the frontline to find out and resolve safety hazards .

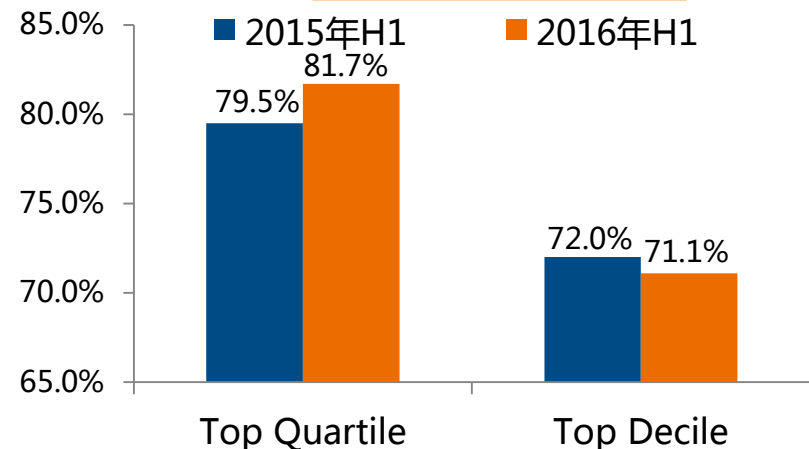
Well-recognized Safety Performance

- ◆ No occurrence of nuclear safety event of level 1 or above during the Reporting Period ⁽¹⁾ .
- ◆ We obtained good evaluation results for all the 11 safety inspections by NNSA, nuclear and radiation safety supervision station and CAEA

Note 1: in accordance with International Nuclear Event Scale (INES) issued by IAEA

World-leading safety level

WANO Indicators



<p>Safety and quality enhancement</p>	<ul style="list-style-type: none"> • In-service units: reinforcing multi-station management mode, pushing forward multi-station critical equipment management in full scale, continuing efforts on human-factor failure prevention; • Cultural development: enhancing unity by strengthening nuclear safety culture development; • Special action: “compliance with procedures and objection to violations ” campaign is handled by top leaders themselves, turning special campaign into normalized action to create a well-functioned loop.
<p>Stable Operation for in-service Units</p>	<ul style="list-style-type: none"> • Outage: laying good foundation for safe operation by optimizing outage planning, shortening outage duration and enhancing outage quality; • Cost reduction and efficiency enhancement: reducing cost and enhancing efficiency by optimizing internal management including “specialized, centralized and standardized management model” .
<p>Pushing ahead under-construction units</p>	<ul style="list-style-type: none"> • Schedule control: pressing ahead projects as planned to ensure commencement of commercial operation on time; • Cost control: controlling construction cost within expectation from the very beginning in the design stage.
<p>Enhancing capacity</p>	<ul style="list-style-type: none"> • Development of new projects: following up approval of new projects to strive for early start of early site work; • Expanding scale: paying close attention to nuclear power assets of the controlling shareholder and injection of nuclear power retaining business of the controlling shareholder at an appropriate time.
<p>Active response to electricity system reform</p>	<ul style="list-style-type: none"> • Securing tariff and competing for power generation: increasing total profit by striving for larger portion of planned power generation and more unplanned power generation; • Well-handling relation between generation and tariff: boosting economic benefits by well-handling relation between planned power generation, unplanned power generation and on-grid tariff; • Policy support: striving for national policy and its implementation in favor of guaranteed purchase of nuclear power ; • Expanding cooperation: further reinforcing and expanding cooperation with different provinces to strive for more planned power generation without lowering tariff, under the current situation of “One Province One Policy” .
<p>Control of foreign exchange risk</p>	<ul style="list-style-type: none"> • Reduced exposure: adherence to reduced exposure to foreign exchange risk associated with bank borrowings and other borrowings denominated in foreign currencies; • Expanding channels: multiple channels to ensure replacement of capital from bank borrowings and other borrowings denominated in foreign currencies.

Q&A

中广核  CGN

Natural Energy Powering Nature
Clean Energy Makes Our Future Brighter





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Many Thanks!