CHINA NUCLEAR ENERGY TECHNOLOGY CORPORATION LIMITED
中國核能科技集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 611)

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

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2024	2023	Change
	(Unaudited)	(Unaudited)	
	HK$'000	*HK$'000*	*%*
Revenue	**821,101**	909,811	(9.8)
Profit before income tax expense	**101,388**	72,482	39.9
Profit for the period	**77,292**	55,193	40.0
Basic earnings per share *(HK cents per share)*	**3.84**	3.29	16.7

	30 June	31 December	
	2024	2023	Change
	(Unaudited)	(Audited)	
	HK$'000	*HK$'000*	*%*
Total assets	**10,890,790**	11,437,221	(4.8)
Net assets	**1,834,998**	1,773,810	3.4

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

Review of Industry Development Status

The year 2024 marks the 10th anniversary of the in-depth implementation of the energy security strategy of "Four Revolutions and One Cooperation", and is a critical year for accomplishing the objectives and tasks of the "14th Five-Year Plan". The Group will implement the deployment of the Central Economic Work Conference and the Report on the Work of the Government, adhere to the general guiding principle of seeking progress while maintaining stability, implement the energy security strategy in-depth, and deal with the relationships between new energy sources and traditional energy sources, the whole region and the local area, and the development and economical utilization of energy sources. Efforts will be made to enhance energy security capacity, promote the green and low-carbon transformation of energy, deepen energy reform and innovation, accelerate the planning and construction of a new energy system, and provide safe and reliable energy security to construct modernization with Chinese characteristics.

Review of Major Policies in Relation to China's Energy Industry

In December 2023, the mid-term assessment report on the implementation of the "14th Five-Year Plan for Economic and Social Development and Long-range Objectives through the Year 2035 of the People's Republic of China" was released, which proposed to better coordinate energy security and low-carbon transformation, strengthen the construction of energy production, supply, storage and marketing system, accelerate the planning and construction of a new energy system, coordinate the promotion of large-scale wind power and photovoltaic bases, support and regulate power sources and the construction of power transmission corridors, and consolidate the leading position of solar photovoltaic, power equipment, new energy vehicles, power batteries and other advantageous industries in the future.

In January 2024, the State Council issued a Discussion Paper on Comprehensively Promoting the Construction of a Beautiful China which proposed to actively and steadily promote carbon peak and carbon neutrality. The carbon peak action shall be implemented in a planned and step-by-step manner while striving to achieve a carbon peak by 2030, and laying the foundation for striving to achieve carbon neutrality by 2060.

In January 2024, the National Energy Administration published the “Key Points of Energy Regulatory Work in 2024”. A special regulation of distributed photovoltaic filing and grid connection shall be launched with a focus on tracking distributed photovoltaic filing, grid connection, trading, and settlement. Guidance shall be given to grid enterprises to further optimize the grid connection process and improve the time efficiency of grid connection, while promoting the connection of wind power and photovoltaic bases in “desert, Gobi and wilderness”, distributed power sources, energy storage, and charging piles to the grid.

In February 2024, the National Development and Reform Commission, the National Bureau of Statistics, and the National Energy Administration issued a Notice on Strengthening the Convergence of Green Electricity Certificates with Energy Conservation and Carbon Reduction Policies and Vigorously Promoting Non-Fossil Energy Consumption which proposed that green electricity certificates shall be used as the basic certificate for renewable energy power consumption. The effective convergence between green electricity certificates and dual-control policies of energy consumption shall be strengthened. The corresponding power consumption of green electricity certificates trading shall be incorporated into the accounting for assessment indicators for evaluating the energy conservation targets and responsibilities of Provincial People’s Governments in the “14th Five-Year Plan” to vigorously promote non-fossil energy consumption.

In February 2024, the National Development and Reform Commission and the National Energy Administration jointly issued the “Guiding Opinions on Strengthening the Grid Peaking, Energy Storage and Smart Dispatch Capacity Construction” which mentioned that the construction of new energy storage on the power side shall be promoted. New energy enterprises shall be encouraged to flexibly configure new energy storage through self-built, co-built and leasing. The scale of energy storage configuration shall be reasonably determined in conjunction with the system demand. The level of new energy consumption and utilization, capacity support capability and network safety performance shall be enhanced. For large-scale new energy bases focusing on desert, Gobi and wilderness regions, the construction of supporting energy storage shall be reasonably planned and its regulating capacity shall be fully utilized, to play a greater role in supporting large-scale and high-ratio transmission of new energy and promoting the development of multi-energy complementarity.

In March 2024, the 2024 Report on the Work of the Government was released, which proposed to actively and steadily promote carbon peak and carbon neutrality, and solidly carry out the "Ten Actions for Reaching Carbon Dioxide Peaking". The carbon emission accounting and verification capabilities shall be enhanced and a carbon footprint management system shall be established to expand the coverage of the national carbon market industry. The energy revolution shall be promoted in depth by controlling the consumption of fossil energy, and accelerating the construction of a new energy system. The construction of large-scale wind power and photovoltaic bases and transmission corridors shall be strengthened and the development and utilization of distributed energy resources shall be promoted. The power grid's ability to accept, allocate and regulate clean energy shall be improved. New types of energy storage shall be developed and the use of green power and international mutual recognition shall be promoted, in order to give full play to the bottoming-out role of coal and coal-fired power and ensure the energy demand for economic and social development.

In March 2024, the National Energy Administration published the "2024 Guiding Opinions on Energy Work" (the "Guiding Opinions"). By the end of 2024, the proportion of installed non-fossil energy generation will increase to about 55%, the proportion of wind power and solar power generation in national electricity generation will reach more than 17%, and the proportion of non-fossil energy in total energy consumption will increase to about 18.9%. The Guiding Opinions also call for vigorously promoting the high-quality development of non-fossil energy and steadily pushing forward the construction of large-scale wind power and photovoltaic bases. The completion and commissioning of projects shall be orderly promoted. The arrangement of offshore wind power shall be coordinated and optimized. The construction of offshore wind power bases shall be promoted, as well as the development of offshore wind power to the deep water and far-shore in a steady and orderly manner. Good planning and arrangement of the national solar thermal power generation shall be made, while continuing to promote the development of large-scale solar thermal power generation. The promotion of distributed wind power and distributed photovoltaic power development shall be accelerated according to local conditions. The implementation of the "Thousands of Villages Wind Power Coverage Action" and the "Thousands of Households Photovoltaic Coverage Action" shall be organized in regions with necessary conditions.

In May 2024, the State Council issued the "2024-2025 Energy Conservation and Carbon Reduction Action Plan" (the "Action Plan") which indicated that by 2025, the proportion of non-fossil energy consumption will reach about 20%. The construction of large-scale wind power and photovoltaic bases focusing on deserts, Gobi, and wilderness shall be accelerated. Offshore wind power shall be developed in a reasonable and orderly manner, the large-scale development and utilization of ocean energy shall be promoted, and the development and utilization of distributed new energy shall be advanced. The construction of transmission channels for large-scale wind power and photovoltaic bases shall be accelerated to enhance cross-provincial and cross-regional power transmission capabilities. The transformation of distribution networks shall be accelerated to enhance the carrying capacity of distributed new energy. Pumped storage and new energy storage shall be actively developed.

In June 2024, the National Energy Administration issued the "Notice on Safeguarding High Quality Development of New Energy for Better Use of New Energy" which required that the targets of new energy utilization rate for various regions shall be determined scientifically. The targets of new energy utilization rate for certain regions with more sufficient resources shall be relaxed in an appropriate manner to no less than 90% in principle, and annual dynamic assessment shall be carried out as per consumption patterns.

Review of Development Status of the PV Power Generation Industry

According to the statistics from the National Energy Administration, the newly installed PV power generation capacity in China reached 102.48GW in the first half of 2024, representing a year-on-year increase of 30.7% and a significant slowdown in the rate of increase over the same period last year. As of the end of June, China's accumulative installed PV power generation capacity reached 713.5GW, representing a year-on-year increase of 51.6%.

As the iteration of PV new technology has sped up, the conversion efficiency for cells has unceasingly enhanced. HJT maximum module reached 24.7% efficiency, BC maximum module reached 27.09% efficiency and Longi's silicon-perovskite tandem solar cells reached 34.6% efficiency. The efficiency for new models of stacked cells could reach 43% in the future.

Large size has been the trend for technology development. The power of large size module was over 700W and is expected to reach over 750W, suggesting that more power can be generated in the same space for such installation and overall efficiency of the power station will be enhanced accordingly.

The cost of the entire industry chain is collectively under pressure. At present, the four major components, namely silicon materials, wafers, batteries and modules have basically fallen below the cash cost, of which the price of TOPCon modules has dropped from RMB0.9/W at the beginning of the year to RMB0.78/W at present. Overall, prices of modules are stabilizing, and there will be limited room for price up or down.

Review of Development Status of the Wind Power Generation Industry

The newly installed wind power capacity in China amounted to 25.84GW in the first half of 2024, representing a year-on-year increase of 12.4% and a slight slowdown in the rate of increase over the same period last year. As of the end of June, China's accumulative installed wind power capacity reached 466.71GW, representing a year-on-year increase of 19.9%.

The trend of large-scale wind turbines has been accelerating. In May, the tenders for onshore wind turbines accounted for a higher proportion of 5-7MW models, while the tenders for offshore wind turbines were dominated by 16MW models. The application of long blades and high towers is leading the world, with the longest blade length reaching 143 meters and the highest wheel hub height reaching 180 meters.

Technological advances have boosted domestic substitution. The wind power industrial chain has generally been built domestically, with over 95% of parts and components made in China, and a major breakthrough has been made in domestic substitution of spindle bearings. Significant progress has been made in deep-sea floating wind power, and technological advances, including flexible direct current transmission, have promoted cost reduction and efficiency enhancement in deep-sea projects.

The price of the wind turbine remained stable with a slight decline. The cost of the onshore wind turbine has decreased from RMB4/W in 2020 to about RMB1/W at present through technological advancement. The average price of successful tender for the offshore wind turbine (including tower drum) dropped to RMB3.3/W, while the price for the offshore wind turbine (excluding tower drum) dropped to RMB2.8/W.

Review of Status of the Energy Storage Industry

The newly installed capacity for energy storage power plants in China amounted to 14.40GW/35.39GWh in the first half of 2024, achieving 69% of the annual installed capacity in 2023. With respect to the scenario distribution, grid-side energy storage accounted for 63.3%, with independent energy storage power plants as the focus, the total volume for micro-grid projects like desktop energy storage is relatively low but the growth rate is higher; power-side energy storage accounted for 29.5%, with the wind and solar distribution storage as the focus; user-side accounted for 7.1%, with the industrial and commercial energy storage as the focus, while the household storage displayed an increase of a small extent in domestic application.

The substitution of 314Ah batteries is accelerating, and the verification of non-lithium technologies is going on smoothly. In the first half of 2024, the penetration rate of 314Ah batteries in source-grid-side energy storage (lithium-ion energy storage) projects reached about 9.7%, and it is expected that the substitution of storage batteries of 314Ah for those of 280Ah will be accelerated. In terms of non-lithium energy storage technologies, non-lithium energy storage technologies such as compressed air, all-vanadium liquid current batteries, sodium ion batteries and molten salt storage are in the stage of continuous verification, with a total capacity of 817MW/3929MWh installed.

Technological advancement promoted the reduction of cost. By increasing the capacity of battery cells and systems, and implementing liquid cooling and other means to improve efficiency and minimize degradation, we are promoting cost reduction in the life cycle of energy storage at the technology level. Currently, the spot price has dropped from the peak of about RMB600,000/tonne in early 2023 to around RMB90,000/tonne; the price of the 2h energy storage system has dropped from RMB1.57/Wh in early 2023 to around RMB0.6/Wh; and the price of the energy storage cell has dropped from RMB0.95/Wh in early 2023 to around RMB0.35/Wh.

BUSINESS REVIEW

In the first half of 2024, at the macro level, the heightening of the complexity, severity and uncertainty of the external environment and the continual intensifying of the domestic structural adjustment posed new challenges, but the effect of the macro policy continued to release, external demand has warmed up, and the new matter productivity accelerated its development, forming a new support. At the industrial level, the development of new energy, represented by wind power and photovoltaic power generation, in China in recent years has achieved remarkable results, but the lack of adaptability of the power system to large-scale and high proportion of new energy connected to the grid and consumed has become one of the most important factors restricting the development of new energy, and the policy on centralized and ground-based distributed projects has been tightened, and the competition for high-quality projects has intensified. Under such circumstances, the Group seized opportunities externally, increased market development and actively sought quality projects; internally, the Group strengthened collaboration, closely adhered to its core values and pushed for quality and efficiency improvement.

During the first half of the year, the Group promoted the steady development of the Company's new energy business through, among others, resource sharing and business synergies with the support from its shareholders. Outside the Group, the Group has improved its market layout and strengthened the development of quality projects to realize collaborative development. We won the bidding for the 100MW distributed project in Luoping, and obtained the indicators for the construction scale of the 50MW photovoltaic project in Yuduo, Taizhou, the 50MW photovoltaic project in Shaji, Suining and the 100MW/200MWh energy storage project in Linxiang Phase I. The Group is now tracking the projects with the scale of more than 4GW. Within the Group, the Group has strengthened industrial synergies, utilized the rooftop resources of the logistics park and industrial park of its shareholder, built rooftop distributed power stations, developed industrial and commercial energy storage projects, and tested the viability of the new development of a zero-carbon park.

During the six months ended 30 June 2024, revenue decreased by approximately 9.8% year-on-year to HK$821,101,000 (2023: HK$909,811,000); profit attributable to owners of the Group amounted to HK$71,129,000 (2023: HK$60,919,000), representing an increase of approximately 16.7% over the same period of last year. The basic earnings per share was HK3.84 cents, indicating an increase of HK0.55 cents or approximately 16.7% from HK3.29 cents in the same period of last year.

EPC and Consultancy and General Construction Business

Revenue from the EPC and consultancy and general construction segment was recognized based on the completion progress of the projects. Segment sales to external customers decreased by approximately 34.8% as compared to the same period of last year to HK$398,858,000 (2023: HK$612,210,000). The decrease in segment revenue was mainly due to the change in the Group's business strategic direction. Firstly, the new energy EPC business mainly focused on self-invested and self-built projects, and most of the revenue recognized was offset at the company consolidation level; secondly, due to the competition pressure on municipal EPC business and the fall in gross profit margin, the Company has continued to scale down the business, reduce capital occupation, and plan a withdrawal from this business.

In the first half of 2024, the Group undertook 6 new energy EPC projects and 4 power station operation and maintenance contracts with a contract sum of approximately HK$510 million. The scope of business has covered, among others, centralized photovoltaic, distributed photovoltaic and energy storage. In terms of typical projects, the Boshang project with a capacity of 300MW and the Zhenkang project with a capacity of 360MW were connected to the grid at full capacity, and the Zhabuye solar thermal project completed the construction of 58 collector circuits (190 circuits in total).

The Group takes high-quality development as its core and attaches great importance to project quality and safety management. The Group has always adhered to the principle of "safety first, prevention as the priority and comprehensive management", and closely monitored the implementation of systems and responsibilities, increased investment in safety production, strengthened the investigation and management of safety hazards, and built up a strong line of defense for safety production, which effectively prevented and curbed the occurrence of various types of safety accidents. There were no safety production accidents above the general level in the first half of the year. The Group deeply promoted the standardized construction of quality management and implemented the first-piece sample system, strengthening the quality inspection and sampling frequency. The Group strictly controlled the quality of intermediate handovers to ensure a 100% acceptance rate in the first half of the year with no quality accidents or customer complaints.

In the first half of 2024, the Group's qualification for general contracting for power engineering construction and specialized contracting for construction, mechanical and electrical installation was upgraded from Grade 3 to Grade 2, and the design qualification for new energy and wind power generation was extended to 2029. In addition, the Group focused on its main business and promoted research and development in science and technology. In the first half of the year, the Group started 3 new research and development projects, applied for 8 patents and obtained 3 invention patents. The Group was once again selected as a high-tech enterprise in Jiangsu Province and received support from the enterprise income tax exemption policy, which empowered the innovative development of the enterprise.

Power Generation Business

In the first half of 2024, the Group accelerated the promotion of grid connection of projects, with the full capacity of the Boshang project, the Zhenkang project, the Tianjin Baowan project and the Taizhou Liancheng project connected to the grid, the Yangchun project connected to the grid with a capacity of 26MW, and the Xuzhou Airport connected to the grid with a capacity of 22MW, resulting in the newly installed grid-connected reaching a record-high scale of 607MW.

As of 30 June 2024, the Group had a total of 63 power plants in operation and maintenance, with a total operating capacity of 1,685MW (in terms of actual installed generating capacity) and completed power generation of 927 million kWh in the first six months. Among them, the cumulative power generation of photovoltaic power stations was 661 million kWh and the cumulative power generation of wind power stations was 266 million kWh. The Group has actively participated in green electricity trading and green electricity certificate trading as evidenced by additional revenue of approximately HK$1.88 million generated through green power trading from two projects, namely Zhenjiang Xinneng and Guangdong Yangjiang, as well as additional revenue of approximately HK$0.32 million from trading of 83,726 green electricity certificates.

The Group continued to promote the standardized operation of power plants and enhance the level of smart operation and maintenance. In the first half of the year, 3 systems, including the "6S Management Standards for Standardized Power Plants", were issued to promote cost reduction and efficiency enhancement at power plants. The Group utilized real-time monitoring and control and stepped up inspection and troubleshooting at power plants by drone inspection, etc. The input rate of power generation equipment at power plants was 99.63%, which was 0.63 percentage points higher than the industry standard. The self-developed smart operation and maintenance system was put to test, which not only meets the needs of multiple scenarios, such as photovoltaic, wind power, energy storage, carbon management, but also significantly reduces the input of data collection equipment.

During the six months ended 30 June 2024, this segment recorded a revenue growth of approximately 44.9% as compared to the same period of last year, contributing HK$410,046,000 (2023: HK$283,042,000) to the revenue, and an increase in segment profit (before deducting tax and finance cost) of approximately 33.4% to HK$197,695,000 (2023: HK$148,168,000). The segment revenue increased as compared with the corresponding period of last year, which was mainly due to the revenue growth resulting from the completion of grid connection of power station projects held by the indirect wholly-owned subsidiaries of the Company, such as the Boshang project with a capacity of 300MW, the Zhenkang project with a capacity of 360MW and the Jiangdu wind power project with a capacity of 12MW.

Financing Business

During the six months ended 30 June 2024, the Group's finance leasing business recorded segment revenue from external customers of HK$12,197,000 (2023: HK$14,559,000), representing a year-on-year decrease of 16.2%. The decrease in segment revenue was mainly due to intense competition among the peers and hurdles for project expansion, resulting in a decrease in revenue from external customers.

In 2024, the Group adhered to its development direction and positioning, dedicated to the Greater Bay Area, focused on the new energy industry, developed financial leasing and factoring business, and grasped market opportunities to make timely investments in distributed photovoltaic power station and industrial and commercial energy storage projects. The financial leasing segment continued to focus on new energy as its core business and the Company's core foundation for specialized and refined development, with a focus on supporting the construction of photovoltaic power stations and energy storage.

The financial attributes of "financing property" + "financing assets" of financial leasing are highly in line with the development of the real industry. The development of CNEC Financial Leasing (Shenzhen) Co., Ltd. ("**CNEC Financial Leasing**"), an indirect wholly-owned subsidiary of the Company, requires determining the main business and avoiding the systematic risks caused by the high concentration of a single industry, which requires the establishment of a differentiated product plan and a standardized risk control system. Therefore, CNEC Financial Leasing put forward the development strategy of "one core, two wings and three drives", sought differentiated development based on the status quo of CNEC Financial Leasing and the characteristics of the industry, focused on the cultivation of creditor's rights, fund operation tools and professionals, created the integration of finance, investment and management, and maintained the healthy development of business scale.

In 2024, new breakthroughs were made in the financial business project promotion/reserve project channel, in which the number of cooperation projects with Meikesheng Energy Storage increased, with 2 projects having passed the meeting, 3 projects to be submitted to the meeting, and 3 projects in the reserve, all with a larger project scale and better quality of the power users. Meanwhile, the Group has reached strategic cooperation with several companies, including Hengqin Huatong Financial Leasing (橫琴華通金租), for which the Group intends to provide rent factoring for its distributed photovoltaic finance leasing projects to enrich and optimize its long-term funding sources, and Anyang Puzhong Power Co., Ltd. (安陽市普眾電力有限公司), for which the Group has reached a cooperation agreement to provide financial leasing support for a distributed wind power project with a capacity of 25MW in Long'an District, Anyang City, Henan Province, thus achieving a zero breakthrough in the market-based distributed wind power business.

BUSINESS PROSPECTS

According to the forecast of the "Analysis and Forecast Report on the National Power Supply and Demand Situation in 2023-2024" released by the China Electricity Council, it is predicted that the newly-commissioned installed power generation capacity will again exceed 300 million KW in 2024. For the first time, the cumulative installed new energy power generation capacity will exceed that of coal-fired power. Driven by the continuous and rapid development of new energy power generation, it is expected that the national newly installed power generation capacity will again exceed 300 million KW in 2024, with the new capacity basically equivalent to that in 2023. As of the end of 2024, it is expected that the national installed power generation capacity will amount to 3.25 billion KW, representing a year-on-year increase of approximately 12%. Thermal power generation will reach 1.46 billion KW, of which about 1.2 billion KW will be coal-fired power generation, representing a decrease to 37% of the total installed capacity. The total installed non-fossil energy power generation capacity amounts to 1.86 billion KW, representing an increase to approximately 57% of the total installed capacity, of which, grid-connected wind power generation accounts for 530 million KW and grid-connected solar power generation accounts for 780 million KW. The total installed grid-connected wind power generation and solar power generation capacity will exceed that of coal-fired power, representing an increase to approximately 40% of the total installed capacity. The pressure on new energy consumption in some regions is prominent.

The Group will focus on the "new energy + energy storage" layout, base its investment in the PV and wind power generation, develop the energy storage business, and expand the layout in the new energy industry to form an integrated new energy management platform.

PV

The dropping price in the photovoltaic industry chain, the terminal installed cost improvement and the increase in project yield stimulated downstream installation demand and the installed capacity continuously exceeded expectations. In addition, the new energy consumption red line has been relaxed to 90%, while domestic installation space is expected to be further opened. It is expected that the newly installed PV generation capacity will exceed 200GW in 2024.

Wind Power

With the implementation of the "Thousands of Villages Wind Power Coverage Action" policy, 2,000GW of rural wind power installed capacity can be realized. It is expected that the distributed wind power installed capacity is expected to reach 10GW/year in 2024-2025, and an average of about 20GW/year during the 15th Five-Year Plan period. With the continuous release of favorable policies in various coastal regions, the development of offshore wind power will be accelerated once again. It is estimated that the domestic newly installed wind power generation capacity is expected to reach about 80GW in 2024.

Energy Storage

Domestic spot trading and support services rules are improving. Energy storage opens up a new business model with much-improved economics. Industrial and commercial energy storage application scene continues to increase while regional market differentiation is obvious. Economically developed regions will account for most of the market demand and some enterprises will take the lead in the regional market to form brand awareness and channel influence. It is expected that domestic new energy storage installations will exceed 35GW in 2024, being the third consecutive year in which the new installations exceed the cumulative installed capacity, and the industrial and commercial energy storage will maintain a growth rate of more than 30%.

FINANCIAL REVIEW

The Group's consolidated revenue decreased by approximately 9.8% from HK$909,811,000 for the six months ended 30 June 2023 to HK$821,101,000 for the six months ended 30 June 2024. The decrease in revenue was mainly attributable to the reduced earnings from the EPC and consultancy and general construction segment for the six months ended 30 June 2024. Profit attributable to owners of the Company amounted to HK$71,129,000 (2023: HK$60,919,000) which represented an increase of approximately 16.7% when compared with that for the same period last year. Basic earnings per share for the period was HK3.84 cents when compared with HK3.29 cents for the six months ended 30 June 2023.

REVENUE

During the period under review, the Group's revenue was HK$821,101,000 (2023: HK$909,811,000), representing a decrease of approximately 9.8% as compared to that of the same period last year.

Composition of revenue for the six months ended 30 June 2024 and 2023 is shown in the following table:

	For the six months ended 30 June 2024 (Unaudited)		For the six months ended 30 June 2023 (Unaudited)		
	HK$'000	***%***	*HK$'000*	*%*	% Change
Continuing operations EPC and consultancy and general construction	**398,858**	**48.6**	612,210	67.3	(34.8)
Power generation	**410,046**	**49.9**	283,042	31.1	44.9
Financing	**12,197**	**1.5**	14,559	1.6	(16.2)
Total	**821,101**	**100.0**	909,811	100.0	(9.8)

EPC and consultancy and general construction segment remained the major source of revenue for the Group which contributed HK$398,858,000 for the period ended 30 June 2024, representing a decrease of approximately 34.8% as compared with the same period last year.

Benefited from the increase in the scale of self-owned solar power stations, the revenue derived from power generation segment recorded an increase of approximately 44.9% to HK$410,046,000 (2023: HK$283,042,000).

Revenue from financing segment recorded a decrease of approximately 16.2% to HK$12,197,000 (2023: HK$14,559,000).

PROFIT

Profit for the period ended 30 June 2024 amounted to HK$77,292,000 (2023: HK$55,193,000), representing an increase of approximately 40.0% compared to that for the period ended 30 June 2023. The increase in profit was mainly due to the fact that the Group has a total of 63 power stations under operation and maintenance with a total operating scale of 1,685MW (in terms of actual installed capacity). These power stations generated 927 million kWh of electricity in the first six months, representing an increase of 82.1% in power generation as compared with the same period of last year. The power station projects held by the indirect wholly-owned subsidiaries of the Company, including Boshang 300MW project, Zhenkang 360MW project and Jiangdu 12MW wind power project, completed grid connection. The new grid-connected projects are large scale operations with a high equipment input rate. These projects are currently in the warranty period, resulting in lower operation and maintenance costs compared to existing projects. Additionally, the Zhenjiang Xinneng and Guangdong Yangjiang projects are generating additional revenue through green power trading. The net profit margin of the Group increased to 9.4% (2023: 6.1%). Net profit margin of the Group varied in different segments depending on its business nature. For the period ended 30 June 2024, profit attributable to owners of the Company increased by approximately 16.7% to HK$71,129,000 (2023: HK$60,919,000), while the basic earnings per share was HK3.84 cents (2023: HK3.29 cents).

OTHER INCOME AND GAINS

Other income and gains of HK$11,461,000 (2023: HK$25,646,000) was mainly derived from interest income, dividend income and sundry income. The decrease was mainly due to lower interest settlements as a result of the reduction in pledged bank deposits.

COST OF SALES

The Group's cost of sales decreased by approximately 20.7% to HK$565,944,000 during the first half of 2024 from HK$713,305,000 comparing to the first half of 2023. The decrease was mainly due to the business realignment of the EPC segment.

OTHER OPERATING EXPENSES

Other operating expenses mainly included staff costs, depreciation, bank charges, professional fees, administrative expenses, research and development fees etc. The Group's other operating expenses decreased by approximately 12.9% to HK$52,435,000 (2023: HK$60,171,000) as compared to that of the same period last year, which was mainly due to the decrease in research and development expenses during the period.

FINANCE COSTS

Finance costs for the interim period increased approximately 26.8% to HK$113,399,000 (2023: HK$89,434,000) as compared to that of the same period last year. Taking into account the capital intensive nature of the energy industry, the Group expanded its investment in owned wind power stations and power stations and facilities for power generation income. As a result, the long-term bank loans and other borrowings by the Group increased for the expansion of power generation businesses.

INCOME TAX EXPENSE

For the period ended 30 June 2024, income tax expense of the Group increased by approximately 39.4% to HK$24,096,000 (2023: HK$17,289,000) which was in line with the proportionate growth of the Group's overall business.

FINANCIAL POSITION

As at 30 June 2024, the total assets of the Group were HK$10,890,790,000 (31 December 2023: HK$11,437,221,000), representing a decrease of approximately 4.8%. Current assets decreased by approximately 20.0% to HK$3,839,160,000 (31 December 2023: HK$4,797,072,000) and non-current assets increased by approximately 6.2% to HK$7,051,630,000 (31 December 2023: HK$6,640,149,000).

The total liabilities as at 30 June 2024 were HK$9,055,792,000 (31 December 2023: HK$9,663,411,000), representing a decrease of approximately 6.3% as compared to that of 31 December 2023. Current liabilities as at 30 June 2024 were HK$3,302,252,000 (31 December 2023: HK$3,971,881,000), representing a decrease of approximately 16.9% as compared to that of 31 December 2023, which was mainly due to the decrease in short-term bank and other borrowings. Non-current liabilities were HK$5,753,540,000 (31 December 2023: HK$5,691,530,000), representing an increase of approximately 1.1% as compared to that of 31 December 2023, which was mainly due to the increase in long-term bank and other borrowings.

The total equity attributable to owners of the Company as at 30 June 2024 was HK$1,794,079,000 (31 December 2023: HK$1,738,071,000), representing an increase of approximately 3.2% as compared to that of 31 December 2023.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

As at 30 June 2024, net current assets of the Group were HK$536,908,000 (31 December 2023: HK$825,191,000). Besides, the Group had cash and cash equivalents of HK$997,328,000 (31 December 2023: HK$1,779,293,000), of which approximately 1.4% was in Hong Kong dollars, 97.5% was in RMB and 1.1% was in United States dollars (31 December 2023: approximately 1.4% was in Hong Kong dollars, 98.2% was in RMB and 0.4% was in United States dollars).

As at 30 June 2024, the Group had outstanding bank and other borrowings of HK$7,097,947,000 (31 December 2023: HK$7,450,889,000), of which approximately 3.9% was in Hong Kong dollars and 96.1% was in RMB (31 December 2023: approximately 6.4% was in Hong Kong dollars and 93.6% was in RMB). All of the Group's borrowings as at 30 June 2024 were arranged on floating rate basis with effective interest rates ranged from 2.8% to 6.9% per annum (31 December 2023: ranged from 2.9% to 7.0% per annum). Under Hong Kong Accounting Standards, the Group separated and classified the bank and other borrowings as current and non-current liabilities in the condensed consolidated statement of financial position as at 30 June 2024 in accordance with the settlement term. Included in the total bank and other borrowings as at 30 June 2024, HK$1,661,651,000 (31 December 2023: HK$2,066,829,000) was loans repayable within one year and the balance of HK$5,436,296,000 (31 December 2023: HK$5,384,060,000) was repayable beyond one year.

As at 30 June 2024, the Group's gearing ratio was 4.05 (31 December 2023: 4.39), which was calculated on the basis of total debt over total equity of the Company. Total debt comprises loans included in bank and other borrowings and lease liabilities.

The Group's debt to asset ratio was 0.83 (31 December 2023: 0.84), which was calculated on the basis of total debt over total assets of the Company.

PLEDGE OF ASSETS

As at 30 June 2024, pledged deposits amounting to HK$179,568,000 (2023: HK$341,774,000) of the Group have been pledged to secure general banking facilities and bills payables. As at 30 June 2024, the Group had finance lease receivables amounting to HK$112,069,000 (2023: HK$163,232,000), trade and bills receivables approximately amounting to HK$529,016,000 (2023: HK$456,255,000) and power plants amounting to HK$2,314,132,000 (2023: HK$2,434,093,000) respectively, which have been pledged to secure the bank and other borrowings of the Group.

Save as disclosed above, the Group had no other pledges on its assets as at 30 June 2024 (31 December 2023: Nil).

CAPITAL STRUCTURE

The Group generally finances its operations with internally generated resources, bank and other borrowings and capital raising activities. The liquidity and financing requirements of the Group are reviewed regularly.

As the Group's bank balances and cash are mainly denominated in Hong Kong dollars, RMB and the United States dollars, the directors of the Company ("**Directors**") considered the Group was exposed to limited exchange risk. During the period ended 30 June 2024, the Group did not use any financial instruments for hedging purpose and the Group did not have any hedging instruments outstanding as at 30 June 2024 (31 December 2023: Nil).

The Group will monitor closely the exchange rate risk arising from the Group's existing operations and any new investments in future and will implement necessary hedging arrangement to mitigate any significant foreign exchange risk when and if appropriate.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

CAPITAL EXPENDITURE AND COMMITMENTS

During the six months ended 30 June 2024, the Group had capital expenditure of HK$696,606,000 (2023: HK$243,603,000) which was used for the acquisition of property, plant and equipment.

As at 30 June 2024, the Group has contractual commitments of HK$724,454,000 (31 December 2023: HK$291,271,000) for power plants construction.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2024, total number of employees of the Group was 325. During the six months ended 30 June 2024, staff costs (including Directors' emoluments) amounted to HK$36,606,000 (30 June 2023: HK$34,341,000). Remuneration of the employees which included salary and discretionary bonus was based on the Group's results and individual performance. Medical and retirement benefits schemes were made available to qualified personnel.

The board of directors (the "**Board**") of China Nuclear Energy Technology Corporation Limited (the "**Company**") is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2024, together with the comparative figures for the six months ended 30 June 2023. These condensed consolidated interim financial statements have not been reviewed and audited by the Group's auditors, but have been reviewed with no disagreement by the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		Six months ended 30 June	
	Notes	**2024**	2023
		(Unaudited)	(Unaudited)
		HK$'000	*HK$'000*
REVENUE	*4*	**821,101**	909,811
Cost of sales		**(565,944)**	(713,305)
Gross profit		**255,157**	196,506
Other income and gains		**11,461**	25,646
Administrative expenses		**(52,435)**	(60,171)
Reversal of impairment/(impairment losses) on trade and bills receivables and contract assets		**407**	(359)
Finance costs	*5*	**(113,399)**	(89,434)
Share of profits and losses of an associate		**197**	294
PROFIT BEFORE TAX	*6*	**101,388**	72,482
Income tax expense	*7*	**(24,096)**	(17,289)
PROFIT FOR THE PERIOD		**77,292**	55,193
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		**(15,992)**	(78,358)
Exchange differences reclassified to profit or loss upon disposal of an associate		**–**	(186)
Share of other comprehensive loss of an associate		**(112)**	(1)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
For the six months ended 30 June 2024

		Six months ended 30 June	
	Note	**2024**	2023
		(Unaudited)	(Unaudited)
		HK$'000	*HK$'000*
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		**(16,104)**	(78,545)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**61,188**	(23,352)
Profit attributable to:			
Owners of the parent		**71,129**	60,919
Non-controlling interests		**6,163**	(5,726)
		77,292	55,193
Total comprehensive income/(loss) attributable to:			
Owners of the parent		**56,008**	(16,073)
Non-controlling interests		**5,180**	(7,279)
		61,188	(23,352)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
Basic and dulited			
– For profit for the period		**HK3.84 cents**	HK3.29 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	Notes	**As at 30 June 2024 (Unaudited)** ***HK$'000***	As at 31 December 2023 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**6,222,030**	5,701,297
Right-of-use assets		**385,248**	382,540
Investment in an associate	*11*	**8,316**	8,231
Financial assets at fair value through profit or loss		**43,001**	37,803
Finance lease receivables		**227,472**	240,495
Loan receivables		**8,532**	10,647
Prepayment for property, plant and equipment		**157,031**	259,136
Total non-current assets		**7,051,630**	6,640,149
CURRENT ASSETS			
Trade and bills receivables	*12*	**1,535,534**	1,518,915
Contract assets		**262,608**	289,953
Finance lease receivables		**26,073**	31,481
Loan receivables		**113,088**	114,431
Prepayments, other receivables and other assets		**724,961**	721,225
Pledged bank deposits	*13*	**179,568**	341,774
Cash and cash equivalents		**997,328**	1,779,293
Total current assets		**3,839,160**	4,797,072
CURRENT LIABILITIES			
Trade and bills payables	*14*	**1,391,901**	1,525,648
Contract liabilities		**104,777**	235,434
Other payables and accruals		**111,811**	107,408
Bank and other borrowings	*15*	**1,661,651**	2,066,829
Lease liabilities		**23,279**	22,949
Tax payable		**8,833**	13,613
Total current liabilities		**3,302,252**	3,971,881

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2024

	Notes	As at 30 June 2024 (Unaudited) HK$'000	As at 31 December 2023 (Audited) HK$'000
NET CURRENT ASSETS		**536,908**	825,191
TOTAL ASSETS LESS CURRENT LIABILITIES		**7,588,538**	7,465,340
NON-CURRENT LIABILITIES			
Bank and other borrowings	*15*	**5,436,296**	5,384,060
Lease liabilities		**313,335**	305,672
Deferred tax liabilities		**3,909**	1,798
Total non-current liabilities		**5,753,540**	5,691,530
Net assets		**1,834,998**	1,773,810
EQUITY			
Equity attributable to owners of the parent			
Share capital	*16*	**185,204**	185,204
Reserves		**1,608,875**	1,552,867
		1,794,079	1,738,071
Non-controlling interests		**40,919**	35,739
Total equity		**1,834,998**	1,773,810

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2024

1. CORPORATE INFORMATION

China Nuclear Energy Technology Corporation Limited (the "**Company**") is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is located at Room 2801, 28th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

During the six months ended 30 June 2024, the Company and its subsidiaries (collectively referred to as the "**Group**") were involved in the following principal activities:

- engineering, procurement and construction ("**EPC**") and consultancy and general construction services

- power generation

- financing service

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements (the "**Interim Financial Statements**") for the six months ended 30 June 2024 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure provisions of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

The accounting policies applied and the significant judgements made by the management are consistent with those described in the annual financial statements for the year ended 31 December 2023, except for the adoption of amendments to HKFRSs effective for the financial year ending 31 December 2024 as described below.

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the accounting period beginning on 1 January 2024.

All new or amended HKFRSs that are effective from 1 January 2024 did not have any material impact on the Group's accounting policies. The Group has not early adopted any new standard, interpretation or amendment that has been issued but is not yet effective for the current accounting period. There is no change in the accounting policies in the preparation of the interim consolidated financial information with those applied of the Group's annual consolidated financial statements for the year ended 31 December 2023.

3. FINANCIAL INSTRUMENTS

A number of assets and liabilities included in the Group's Interim Financial Statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "**fair value hierarchy**"):

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

There were no transfers between levels during the six months ended 30 June 2024.

The directors of the Company consider that except for financial assets at fair value through profit or loss ("**FVTPL**"), the carrying amounts of financial and non-financial assets and financial liabilities recognised in the Interim Financial Statements approximate to their fair values.

The following table presents the fair value of the Group's financial instruments that are measured at fair value at the end of the reporting period:

	As at 30 June 2024 (Unaudited) *HK$'000*	As at 31 December 2023 (Audited) *HK$'000*
Financial assets at FVTPL		
– Unlisted equity investments	**43,001**	37,803

The following methods and assumptions were used to estimate the fair values:

The fair value of unlisted equity investments classified as FVTPL has been estimated by using income approach or recent transaction price, where appropriate. Under the income approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investees, based on an appropriate discount rate and long-term pre-tax operating margins, taking into account management's experience and knowledge of market conditions of the specific industries, ranged from 31% to 35% (31 December 2023: 31% to 35%) and the discount rates of 10.67% (31 December 2023: 10.67%) were adopted, determined using a Capital Asset Pricing Model.

4. SEGMENT REPORTING AND REVENUE

Operating segments and the amounts of each segment item reported in these Interim Financial Statements are identified from the financial information provided regularly to the Group's top management for the purposes of allocating resources to and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of business activities.

For management purposes, the Group is organised into business units based on their products and services and has three (six months ended 30 June 2023: three) reportable operating segments as follows:

(a) the EPC and consultancy and general construction segment comprises the Group's EPC and consulting services operations relating to construction of photovoltaic power plants and general construction services;

(b) the power generation segment comprises the Group's power generation operations; and

(c) the financing segment comprises the Group's financing operations.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, dividend income, change in fair value of financial asset at fair value through profit or loss, gain on disposal of an associate, share of results of an associate as well as head office and corporate expenses are excluded from such measurement.

All assets are allocated to operating segments, except for certain property, plant and equipment, right-of-use assets, prepayment, other receivables and other assets and cash and cash equivalents of head office, financial asset at fair value through profit or loss and investment in an associate.

All liabilities are allocated to operating segments, except for other payables and accruals and bank borrowings of head office.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. SEGMENT REPORTING AND REVENUE (CONTINUED)

	EPC and consultancy and general construction *HK$'000*	Power generation *HK$'000*	Financing *HK$'000*	Total *HK$'000*
For the six months ended 30 June 2024 (Unaudited)				
Segment revenue				
Sales to external customers	**398,858**	**410,046**	**12,197**	**821,101**
Intersegment sales	**–**	**–**	**15,407**	**15,407**
Total segment revenue	**398,858**	**410,046**	**27,604**	**836,508**
Reconciliation:				
Elimination of intersegment sales				**(15,407)**
Revenue from external customers				**821,101**
Segment results	**16,104**	**197,695**	**(2,969)**	**210,830**
Reconciliation:				
Interest income				**9,598**
Corporate and other unallocated expenses				**(5,838)**
Finance costs				**(113,399)**
Share of results of an associate				**197**
Profit before tax				**101,388**
Income tax expense				**(24,096)**
Profit for the period				**77,292**
At 30 June 2024 (Unaudited)				
Segment assets	**1,847,499**	**8,139,219**	**493,906**	**10,480,624**
Reconciliation:				
Corporate and other unallocated assets				**410,166**
Total assets				**10,890,790**
Segment liabilities	**2,119,541**	**5,645,905**	**787,983**	**8,553,429**
Reconciliation:				
Corporate and other unallocated liabilities				**502,363**
Total liabilities				**9,055,792**

4. SEGMENT REPORTING AND REVENUE (CONTINUED)

	EPC and consultancy and general construction *HK$'000*	Power generation *HK$'000*	Financing *HK$'000*	Total *HK$'000*
For the six months ended 30 June 2023 (Unaudited)				
Segment revenue				
Sales to external customers	612,210	283,042	14,559	909,811
Intersegment sales	–	–	17,494	17,494
Total segment revenue	612,210	283,042	32,053	927,305
Reconciliation:				
Elimination of intersegment sales				(17,494)
Revenue from external customers				909,811
Segment results	(2,250)	148,168	1,330	147,248
Reconciliation:				
Interest income				24,914
Corporate and other unallocated expenses				(10,540)
Finance costs				(89,434)
Share of results of an associate				294
Profit before tax				72,482
Income tax expense				(17,289)
Profit for the period				55,193
At 30 June 2023 (Unaudited)				
Segment assets	4,357,007	4,480,993	534,176	9,372,176
Reconciliation:				
Corporate and other unallocated assets				135,840
Total assets				9,508,016
Segment liabilities	3,642,812	2,872,309	841,377	7,356,498
Reconciliation:				
Corporate and other unallocated liabilities				487,169
Total liabilities				7,843,667

5. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank and other borrowings	**110,489**	86,465
Interest on lease liabilities	**2,910**	2,969
	113,399	89,434

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
(Reversal of impairment)/Impairment losses on trade and bills receivables and contract assets	**(407)**	359
Auditor's remuneration	**990**	990
Bank charges	**2,788**	1,861
Legal and professional fee	**2,309**	4,393
Short-term and low-value lease expenses	**1,699**	958
Research and development expenses	**80**	6,782
Administrative expenses:		
Staff costs (including directors' and chief executive's remuneration):		
Wages, salaries and bonuses	**29,620**	31,195
Pension scheme contributions	**6,986**	3,146
Total staff costs	**36,606**	34,341
Depreciation of property, plant and equipment*	**173,966**	99,815
Depreciation of right-of-use assets*	**13,493**	9,658
	187,459	109,473

* Included in cost of sales are depreciation of property, plant and equipment and right-of-use assets of HK$172,690,000 (six months ended 30 June 2023: HK$99,108,000) and HK$10,241,000 (six months ended 30 June 2023: HK$6,913,000) respectively for the six months ended 30 June 2024.

7. INCOME TAX

Hong Kong Profits Tax has been provided at the rate of 16.5% (for the six months ended 30 June 2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. No provision for Hong Kong profits has been made for both periods as the Group did not generate any assessable profits arising in Hong Kong.

Under the Law of the People's Republic of China (the "**PRC**") on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25% (for the six months ended 30 June 2023: 25%), except for those subsidiaries described below.

A subsidiary operating in the PRC was accredited as "Advanced Technology Enterprise" by the Science and Technology Bureau of relevant provinces and other authorities for a term of three years, and was registered with the local tax authorities to be eligible to the reduced 15% enterprise income tax rate for the period from 2023 to 2025.

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current – Chinese Mainland		
Charge for the period	**20,799**	15,522
Underprovision in prior years	**1,186**	1,767
Deferred tax	**2,111**	–
Income tax expense	**24,096**	17,289

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share calculation	**71,129**	60,919

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

	Number of shares Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	'000	*'000*
Issued share capital at beginning and end of the period	**1,852,037**	1,852,037
Weighted average number of ordinary shares for the purposes of basic earnings per share calculation	**1,852,037**	1,852,037

9. DIVIDENDS

No dividend has been declared or proposed by the directors of the Company in respect of the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

10. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment with a cost of approximately HK$696,606,000 (six months ended 30 June 2023: HK$243,603,000).

11. INVESTMENT IN AN ASSOCIATE

	30 June 2024	31 December 2023
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Share of net assets	**8,316**	8,231

11. INVESTMENT IN AN ASSOCIATE (CONTINUED)

Particulars of the associate as at 30 June 2024 are as follows:

Name	**Particulars of issued shares held**	**Place of incorporation/ registration and business**	**Percentage of ownership interest attributable to the Group**	**Principal activities**
Zhong He Qiqihar Solar Power Generation Company Limited	CNY10,000,000	PRC/ Chinese Mainland	49	Solar energy generation and sale, solar power technology consulting services, photovoltaic technology development, solar photovoltaic system construction in the PRC

The primary business of Zhong He Qiqihar Solar Power Generation Company Limited is solar energy generation and sale, solar power technology consulting services, photovoltaic technology development, solar photovoltaic system construction in the PRC. This is in alignment with the Group's power generation segment.

12. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally three months, extending up to one year for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management of the Company. Trade and bills receivables are non-interest bearing.

	30 June 2024 (Unaudited) ***HK$'000***	31 December 2023 (Audited) *HK$'000*
Trade receivables	**1,544,053**	1,527,141
Bills receivable	**24,796**	25,460
Impairment	**(33,315)**	(33,686)
Net carrying amount	**1,535,534**	1,518,915

12. TRADE AND BILLS RECEIVABLES (CONTINUED)

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and before net of loss allowance, is as follows:

	30 June 2024 (Unaudited) *HK$'000*	31 December 2023 (Audited) *HK$'000*
0 to 90 days	**217,025**	751,525
91 to 180 days	**128,730**	151,304
181 to 365 days	**707,332**	132,204
Over 365 days	**515,762**	517,568
Total	**1,568,849**	1,552,601

Bills receivable are received from the customers under EPC and consultancy and general construction segment and are due within six months from date of billing.

13. PLEDGED BANK DEPOSITS

Pledged bank deposits represents deposits pledged to banks to secure general banking facilities granted to the Group. Deposits amounting to HK$179,568,000 (31 December 2023: HK$341,774,000) have been pledged to secure general banking facilities and bills payables and are classified as current assets.

The pledged bank deposits carry interest at fixed rates ranging from 0.2% to 1.9% (31 December 2023: 0.2% to 1.8%) per annum. The pledged bank deposits will be released upon settlement of relevant bank borrowings. The pledged bank deposits are deposited with creditworthy banks with no recent history of default.

Pledged bank deposits denominated in RMB amounted to approximately HK$179,568,000 (31 December 2023: HK$341,774,000) as at 30 June 2024. The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

14. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2024 (Unaudited) *HK$'000*	31 December 2023 (Audited) *HK$'000*
0 to 90 days	**447,694**	839,746
91 to 180 days	**228,572**	135,574
181 to 365 days	**363,813**	211,337
Over 365 days	**351,822**	338,991
Total	**1,391,901**	1,525,648

The trade and bills payables are non-interest bearing.

15. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2024 (Unaudited) *HK$'000*	31 December 2023 (Audited) *HK$'000*
Current		
Short-term bank borrowings, secured	**843,897**	1,167,488
Short-term bank borrowings, unsecured	**499,863**	499,863
Long-term bank borrowings, secured, current portion	**297,347**	383,983
Other borrowings, secured, current portion	**20,544**	15,495
Total – current	**1,661,651**	2,066,829
Non-current		
Long-term bank borrowings, secured	**5,311,272**	5,236,323
Other borrowings, secured	**125,024**	147,737
Total – non-current	**5,436,296**	5,384,060
Total	**7,097,947**	7,450,889

15. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

The secured bank and other borrowings were secured by (i) corporate guarantee provided by subsidiaries of the Company (31 December 2023: subsidiaries of the Company); (ii) finance lease receivables amounting to HK$112,069,000 (31 December 2023: HK$163,232,000); (iii) trade and bills receivables approximately amounting to HK$529,016,000 (31 December 2023: HK$456,255,000); (iv) power plants amounting to HK$2,314,132,000 (31 December 2023: HK$2,434,093,000) and (v) the share capital of certain subsidiaries of the Company (31 December 2023: share capital of certain subsidiaries).

All bank and other borrowings bear interest at floating rates, with effective interest rates ranging from 2.8% to 6.9% per annum (31 December 2023: 2.9% to 7.0% per annum). The interest rates are adjusted and reset based on changes in the prevailing benchmark lending interest rates promulgated by the People's Bank of China. The carrying amounts of bank and other borrowings approximate to their fair values.

The carrying amounts of borrowings are denominated in the following currencies:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
	HK$'000	*HK$'000*
Hong Kong dollar	**280,000**	480,000
RMB	**6,817,947**	6,970,889
Total	**7,097,947**	7,450,889

As at 30 June 2024, the Group had undrawn bank loans facilities of HK$1,493,450,000 (31 December 2023: approximately HK$2,046,387,000).

15. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

As at 30 June 2024, total current and non-current bank and other borrowings were scheduled to repay as follows:

	30 June 2024 (Unaudited) ***HK$'000***	31 December 2023 (Audited) *HK$'000*
Analysed into:		
Bank borrowings:		
Within one year	**1,641,107**	2,051,334
More than one year, but not exceeding two years	**725,604**	502,211
More than two years, but not exceeding five years	**746,957**	1,047,771
After five years	**3,838,711**	3,686,341
Subtotal	**6,952,379**	7,287,657
Other borrowings:		
Within one year	**20,544**	15,495
More than one year, but not exceeding two years	**20,974**	21,178
More than two years, but not exceeding five years	**70,789**	69,674
After five years	**33,261**	56,885
Subtotal	**145,568**	163,232
Total	**7,097,947**	7,450,889

16. SHARE CAPITAL

	Number of shares in issue *'000*	**Share capital** *HK$'000*
Issued and fully paid:		
At 31 December 2023 (audited) and 30 June 2024 (unaudited)	1,852,037	185,204

17. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at the end of reporting period (31 December 2023: Nil).

18. COMMITMENTS

As at 30 June 2024, the Group has contractual commitments of HK$724,454,000 (31 December 2023: HK$291,271,000) for power plants construction.

19. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related party during the period:

		Six months ended 30 June	
		2024	2023
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Addition of right of use assets from related companies	*(i)*	**2,954**	–
Interest on lease liabilities paid to related companies	*(i)*	**145**	70
Payment of lease liabilities to related companies	*(i)*	**888**	539
Sales of electricity to related companies	*(ii)*	**1,031**	–

(i) Certain indirect wholly-owned subsidiaries of the Company (as a lessee) entered into certain lease contracts with China Nanshan Development (Group) Incorporation (as a lessor), a holding company of a substantial shareholder of the Company holding approximately 29.1% of the total issued shares of the Company between 2022 and 2024. Interest on lease liabilities of HK$145,000 (six months ended 30 June 2023: HK$70,000) and payments of lease liabilities of HK$888,000 (six months ended 30 June 2023: HK$539,000) were recognised during the period.

(ii) The sales of electricity to related companies were made according to the published prices and conditions offered to the major customers of the Group.

19. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related party:

	30 June 2024 (Unaudited) *HK$'000*	31 December 2023 (Audited) *HK$'000*
Lease liabilities to related companies	**6,488**	4,485
Trade and bills receivables from related companies	**400**	–

(c) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2024 (Unaudited) *HK$'000*	2023 (Unaudited) *HK$'000*
Short term employee benefits	**1,321**	3,333
Pension scheme contribution	**155**	44
Total compensation paid to key management personnel	**1,476**	3,377

20. APPROVAL OF THE FINANCIAL STATEMENTS

The Interim Financial Statements were approved and authorised for issue by the board of directors of the Company on 26 August 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance Practices

The Company has applied the principles of Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange** ") and has complied with applicable code provisions of the CG Code throughout the six months ended 30 June 2024.

Audit Committee

The Company has established an audit committee (the "**Audit Committee**") in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and supervising the Group's financial reporting process, risk management and internal control. The Audit Committee comprises three members, namely, Dr. Su Lixin, Dr. Xu Shiqing and Mr. Wang Ruzhang, all of whom are independent non-executive Directors. The Audit Committee, together with the management of the Company, has reviewed the accounting principles and practices adopted by the Group and also discussed the financial reporting matters including the review of the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2024.

Model Code For Securities Transactions by the Directors

The Company has adopted its own code of conduct regarding directors' dealings in the Company's securities (the "**Code of Conduct** ") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. In response to specific enquiries made, all Directors confirmed that they complied with the required standard of dealings as set out in the Code of Conduct and Model Code throughout the six months ended 30 June 2024.

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

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any shares of the Company.

EVENTS AFTER THE REPORTING PERIOD

There were no major subsequent events occurred since 30 June 2024 and up to the date of this announcement.

The directors are of the opinion that there have been no material changes to the information published in its annual report for the year ended 31 December 2023, other than those disclosed in this interim results announcement.

INTERIM DIVIDEND

The Board did not declare any interim dividend for the six months ended 30 June 2024 (2023: Nil).

By Order of the Board
China Nuclear Energy Technology Corporation Limited
Chairman
Shu Qian

Hong Kong, 26 August 2024

As at the date of this announcement, the executive Directors of the Company are Mr. Shu Qian (Chairman), Mr. Wu Yuanchen (Vice Chairman), Mr. Li Hongwei (Vice Chairman), Mr. Liu Genyu, Ms. Huang Yan and Ms. Liu Jianrong; and the independent non-executive Directors of the Company are Dr. Xu Shiqing, Dr. Su Lixin and Mr. Wang Ruzhang.