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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 2023

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2023	2022	Change
	(Unaudited)	(Unaudited)	
	HK$'000	*HK$'000*	*%*
Revenue	**909,811**	1,224,210	(25.7)
Profit before income tax expense	**72,482**	58,728	23.4
Profit for the period	**55,193**	47,250	16.8
Basic earnings per share *(HK cents per share)*	**3.29**	3.07	7.2

	30 June	31 December	
	2023	2022	Change
	(Unaudited)	(Audited)	
	HK$'000	*HK$'000*	*%*
Total assets	**9,508,016**	9,418,915	0.9
Net assets	**1,664,349**	1,693,430	(1.7)

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

Review of Industry Development Status

2023 is the first year to fully implement the spirit of "20th National People's Congress", and also the crucial year to promote the high-quality development of renewable energy. China will further improve the renewable energy policy system, accelerate the construction of wind power photovoltaic bases, strengthen the construction of hydropower pumped storage, promote the development of renewable energy hydrogen production, improve the renewable energy green power certificate system, promote the market-oriented trading, consumption and utilization of renewable energy, enhance the technological innovation and industrial competitiveness of renewable energy, and make positive contributions to the realization of the goals of new power system construction, carbon peak and carbon neutrality.

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

In March 2023, the Report on the Work of the Government delivered in Two Sessions, namely the National People's Congress and the Chinese People's Political Consultative Conference, has proposed to promote clean and efficient use of energy and technological research and development, accelerate the development of a new energy system, and increase the share of renewable energy.

In April 2023, the National Energy Administration issued the "Guiding Opinions on Energy Work in 2023" (the "**Guiding Opinions**"), which put forward a series of quantitative targets on supply security capabilities and power substitution in key areas. In 2023, the installed power generation capacity will reach approximately 2,790 million kW, the generating capacity will reach approximately 9.36 trillion kWh, the power transmission capacity of "West-to-East Power Transmission" will reach approximately 310 million kW, the proportion of non-fossil energy in total energy consumption will increase to approximately 18.3%, the proportion of non-fossil energy in total power generation will increase to approximately 51.9%, and the proportion of wind power and photovoltaic power generation in total power consumption will reach 15.3%. The Guiding Opinions clarify that China's energy industry vigorously develop wind power and solar power generation, and the annual installed capacity of wind power and photovoltaic power will increase by approximately 160 million kW; promote the grid connection and operation of the first batch of large-scale wind power photovoltaic base projects focusing on desert, Gobi and desert areas, build the second and third batches of projects, and actively promote the large-scale development of solar thermal power generation; steadily construct offshore wind power bases and plan to start the construction of offshore photovoltaic; vigorously promote the construction of distributed onshore wind power and distributed photovoltaic power generation projects. China's energy industry promote the full coverage of green certificate verification and issuance, properly connect with carbon trading, improve the renewable energy power consumption guarantee mechanism based on green certificate, and scientifically set the weight of consumption responsibility in each province (region and city).

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 a record high of 78.42GW in the first half of 2023, representing a year-on-year increase of 153.95%; and the investment in photovoltaic power generation reached RMB134,900 million, representing a year-on-year increase of 113.6%. Both the newly installed capacity and investment amount hit a record high. As of the end of June 2023, China's accumulative installed PV power generation capacity reached 470.68GW, representing a year-on-year increase of 39.8%, surpassing hydropower to become the second largest power source of installed capacity in China.

Review of Development Status of the Wind Power Generation Industry

The newly installed wind power capacity in China amounted to 22.99GW in the first half of 2023, representing a year-on-year increase of 77.67%; and the investment in wind power reached RMB76,100 million, representing a year-on-year increase of 34.3%. As of the end of June 2023, China's accumulative installed wind power capacity reached 389.21GW, representing a year-on-year increase of 13.7%.

Review of Status of the Energy Storage Industry

In the first half of 2023, the national newly installed energy storage capacity reached 8GW/18.2GWh, which exceeded the annual newly installed capacity in 2022. It is expected that the annual newly installed energy storage capacity will reach 17.7GW/41.1GWh, and by replacing the United States, China will be the largest energy storage market in the world. Among the new projects in operation, lithium-ion batteries accounted for 97%, and the cumulative installed capacity accounted for 94%.

BUSINESS REVIEW

In the first half of 2023, a major and decisive victory was achieved in domestic epidemic prevention and control, the economy and society have fully resumed normal operation, and the macro-economic policies have been proactively coordinated. Although the external environment has become more complex and severe, and the domestic economic development is also under pressure, the fundamentals of China's long-term economic improvement have not changed, the main indicators have generally improved, the new drivers have grown stronger, the quality of development has steadily improved, and people's living standards have continued to improve, laying a solid foundation for achieving the annual economic and social development targets.

During the six months ended 30 June 2023, revenue decreased by approximately 25.7% year-on-year to HK$909,811,000 (2022: HK$1,224,210,000); earnings attributable to owners of the Company amounted to HK$60,919,000 (2022: HK$45,100,000), representing an increase of approximately 35.1% over the same period of last year; The basic earnings per share was HK$3.29 cents, indicating an increase of HK$0.22 cents or approximately 7.2% from HK$3.07 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 recognised based on completion progress of the projects. Segment sales to external customers decreased by approximately 37.2% as compared to the same period of last year to HK$612,210,000 (2022: HK$975,456,000). The decrease in segment revenue was mainly due to the change in the Company'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 is gradually reducing the business scale, reducing capital occupation, and planning to gradually withdraw from this business area.

In the first half of 2023, the Group's power station EPC business covered photovoltaic, solar thermal, wind power, energy storage and other segments, showing a trend of "blossoming in multiple fields". In terms of typical projects, the second phase of Yunnan Zhenkang 40MW photovoltaic project was connected to the grid with full capacity, the 60MWh energy storage power station project in Dengkou, Inner Mongolia and the 120MWh energy storage power station project in Qingshuihe, Inner Mongolia were both completed, Jiangsu Jiangdu 12MW wind power project, Guangdong Yangchun 100MW photovoltaic project and Yunnan Boshang 300MW photovoltaic project commenced construction, and undertook the thermal rental and assembly and installation contract of Tibet Zabuye source-network-load-storage integration project.

In 2023, the Group has obtained 3 authorized patents, launched 3 new science and technology research and development projects related to the main business, initiated the review of high-tech enterprises in Jiangsu Province, and is applying for provincial and municipal capital subsidy projects and the title of the Top 100 Enterprises of the Services Industry in Nanjing. In March, it won the honorary title of "2022 Jiangsu Southern National Independent Innovation Demonstration Zone Gazelle Enterprise"; in May, it won the PVBL2023 Global Best Photovoltaic Energy Storage Case Award and the PVBL2023 Photovoltaic Industry Excellence Service Award.

Power Generation Business

In the first half of 2023, the Group continued to strengthen the independent development and construction of new energy projects, adding 875MW photovoltaic project reserves and 200MW energy storage project reserves, commencing construction of 412MW and adding grid connection of 41.3MW (excluding merger and acquisition of 10MW).

In the first half of 2023, the Group continued to improve the level of intelligent operation and maintenance of power stations, and the equipment investment rate, power generation and other indicators were at the industry-leading level. As of 30 June 2023, the Group had a total of 51 power plants in operation and maintenance, with a total operating capacity of 630MW, and completed power generation of 509 million kWh in the first six months, representing an increase of 95 million kWh or 22.9% as compared with the corresponding period of last year. Among them, the cumulative power generation of photovoltaic power stations was 312 million kWh, representing a year-on-year increase of 89.4%; the cumulative power generation of wind power stations was 196 million kWh, representing a year-on-year increase of 2.31%.

中核（南京）能源發展有限公司 (transliterated as CNI (Nanjing) Energy Development Company Limited*) ("**CNI (Nanjing)**"), an indirect wholly-owned subsidiary of the Company, entered into two sale and purchase agreements with independent third party vendors, respectively, to acquire the equity interest in 蚌埠市尚昊新能源科技有限公司 (transliterated as Bengbu Shanghao New Energy Technology Co., Ltd.*) ("**Bengbu Shanghao**") and 蚌埠市尚信新能源科技有限公司 (transliterated as Bengbu Shangxin New Energy Technology Co., Ltd.*) ("**Bengbu Shangxin**"). The aforesaid two acquisitions were completed in March 2023, and as a result, both Bengbu Shanghao and Bengbu Shangxin became wholly-owned subsidiaries of the Company, adding 10MW power station assets.

During the six months ended 30 June 2023, this segment recorded the revenue growth of approximately 19.1% as compared to the same period of last year, contributing HK$283,042,000 (2022: HK$237,705,000) to the Group's revenue, and an increase in segment profit (before deducting tax and finance cost) of approximately 11.4% to HK$148,168,000 (2022: HK$133,033,000). The increase in segment revenue was mainly due to the increase in revenue from the power generation business in the first half of 2023 as compared with the corresponding period of last year, which was mainly due to the grid connection of power station projects of Panjin Hexiang, Xuzhou Hexin, Lincang Hexiang and Bengbu Herun, each being an indirect wholly-owned subsidiary of the Company, and the completion of consolidation of Fengyang GCL, Zhenjiang Xinneng, Bengbu Shanghao and Bengbu Shangxin.

Financing Business

During the six months ended 30 June 2023, the Group's finance leasing business recorded segment revenue from external customers of HK$14,559,000 (2022: HK$11,049,000), representing an increase of approximately 31.8%, and segment profit (before deducting tax and finance cost) of HK$1,330,000 (2022: segment loss of HK$40,000). The increase in segment revenue was mainly due to a year-on-year increase of approximately HK$198 million in external projects and there was a significant year-on-year increase in the expansion of external customers.

In the first half of 2023, the Group specified 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 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. In addition to creating profit value for shareholders, CNEC Financial Leasing (Shenzhen) Co., Ltd. ("**CNEC Financial Leasing**"), an indirect wholly-owned subsidiary of the Company, is more important to give full play to the industrial synergy and leverage, prioritize capital, and empower the Group's industrial development. The development of CNEC Financial Leasing 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 the first half of 2023, CNEC Financial Leasing successively completed the implementation of the first new energy photovoltaic industry fund project of HUIXIN Zhongyi No. 5 of Triassic Photovoltaic, and completed the required fund registration process in China; vigorously advanced the work of fund contribution of the Meikesheng Energy Storage Fund, paving the way for the implementation of the first energy storage project, and promoted the application of diversified financial instruments of financial leasing, factoring and industrial funds and completed the investment and commencement of the first photovoltaic project of CNEC Financial Leasing. The CNEC Financial Leasing completed its first attempt in exploring differentiated businesses.

Environmental Policy and Performance

Adhering to the general direction of environmental protection of "strict compliance with laws and regulations, environmental protection and standardized management", the Group not only actively develops and promotes green energy, but also minimizes environmental pollution and hazards.

CNI (Nanjing), a wholly-owned subsidiary of the Company, has obtained ISO14001 and GB24001-2016 environmental management system certifications. In order to fulfill the responsibility of project production safety, protect the ecological environment and minimize the impact on the environment during the operation process, the Group has established a sound environmental protection management mechanism.

During the six months ended 30 June 2023, the Group did not violate any laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Quality, Environmental, Occupational Health and Safety Management Systems

The Group is committed to building a quality culture and standardizing quality management. It implements quality work through management innovation, supervision and inspection, benchmarking guidance, and key problem tracking and governance. While improving project quality and project investment benefits, the Group creates excellent green and low-carbon excellent assets to maximize social benefits of quality, environment, occupational health and safety. The Group has established a quality, environmental and occupational health and safety management system in accordance with the requirements of three system standards, namely quality management, environmental management and occupational safety management systems, and the actual situation of the Company. CNI (Nanjing), a wholly-owned subsidiary of the Group, was awarded the Management System Certificate of Quality, Environment, Occupational Health and Safety by Shanghai Audit Center of Quality System.

In order to ensure the smooth and effective implementation of internal policies, the Group has formulated the Quality, Environment, Occupational Health and Safety Management Manual, which has been revised and updated in accordance with relevant national policies, laws and regulations, standards and the actual situation of the Group. The management structure, management policies, management objectives and overall management process of quality, environment and occupational health and safety are clearly listed in this management manual. Specific aspects include operational emissions, the use of environment and natural resources, product liability, employee health and safety, etc.

Compliance with Relevant Laws and Regulations

During the six months ended 30 June 2023, the Board was not aware of any instances of non-compliance with the relevant laws and regulations that have significant impacts on the Group.

Relationship with Employees, Customers and Suppliers

The Group is an equal opportunity employer and does not discriminate on the basis of personal characteristics. Employee handbook outlined terms and conditions of employment, expectations for employees' behaviour and service delivery, employees' rights and benefits. The Group provides ongoing training and development opportunities to enhance employees' career progression.

The Group attaches great importance to the health and safety of employees. The Group is committed to creating a safe working environment for employees. The Group has obtained the GB/T45001-2020/ISO 45001-2018 Occupational Health and Safety Management System Certification to put occupational health and safety measures into practice more efficiently and thoroughly.

In order to continuously improve the quality of the Group's products and services, the Group has established the "Customer Satisfaction Measurement Procedure" to collect customer feedback and analyze customer satisfaction. The Group's operation department will also regularly conduct customer satisfaction surveys.

The Group is well aware of the importance of cultivating and maintaining trust with customers. Therefore, the Group is committed to protecting customer privacy and strictly complying with relevant laws and regulations. In order to clarify the procedures for receiving, transmitting, protecting, using and keeping customer information, the Group implements customer property management policies and procedures.

Suppliers are indispensable partners of the Group. The Group has established a sound and effective supplier management mechanism to reduce procurement risks, strengthen supplier management, and understand relevant environmental and social risks at the supply level. The Group has formulated the Supplier Management Measures to standardize the management of bidding and selection, daily management and annual evaluation of suppliers.

During the six months ended 30 June 2023, there is no circumstance or any event between the Group and its employees, customers and suppliers which will have a significant impact on the Group's business and the factors on which the Group's success depends.

BUSINESS PROSPECTS

"Energy Storage" Promoting the "Dual Carbon" Process

China's Photovoltaic Enterprises Continue to Dominate the Global Industrial Supply Pattern

Driven by policy guidance, technological innovation and global market demand, the domestic photovoltaic industry has made remarkable achievements through the efforts of the entire industry over the past decade and has now formed the most complete photovoltaic industry chain in the world, and China's photovoltaic enterprises continue to dominate the global industrial supply pattern.

As a pioneer in practicing China's "dual carbon goals", China's photovoltaic industry will continue to maintain a rapid growth trend in 2023, with manufacturing, import and export maintaining a high-speed development momentum. As of the end of May in 2023, photovoltaic power generation has become the second largest power source in China, second only to thermal power, ranking first in renewable energy. The prices of various links of the global industrial chain have entered a downward trend after a temporary rebound, and the market supply and demand are booming, and the photovoltaic industry will continue to maintain a vigorous upward trend.

The Photovoltaic Industry Plays a More Prominent Role in the Economy and Society

The photovoltaic industry plays a more prominent role in the economy and society. In particular, under the current weak recovery of the global economy and the downward pressure faced by the industry, all links of the photovoltaic industry chain maintain rapid growth momentum, and the photovoltaic industry has become an important starting point for stable growth in many places. In the first half of 2023, the photovoltaic industry also joined hands with lithium batteries and new energy vehicles to replace textile and home appliances, becoming a "new model" for exports.

Advancing in Photovoltaic Energy Storage in New Energy Industry

Driven by the national dual-carbon policy, the growth of the photovoltaic industry has a huge growth rate, which has led to the rise of energy storage. The industry has a clear prospect, attracting attention and continuing to be active. In addition, due to the adjustment of the national industrial structure, a large amount of funds have been transferred to the new energy industry in the past year, and equity and debt funds have entered the whole industry chain, further promoting the rapid development of the new energy industry.

Focusing on Energy Storage Business Track

The fundamental contradiction between the volatility of renewable energy and the stability of the power grid has stimulated the demand for energy storage. Energy storage is expected to become the final solution for the consumption of renewable energy, which is the core support for the development of the energy storage industry and has a long-term industrial driving logic. The energy storage development path and investment opportunities are very similar to the photovoltaic industry and are in the transition stage from demonstration projects to large-scale applications. Photovoltaic and wind power have been widely participated in and recognized by the capital market. With the rapid development of new energy power stations, demand for energy storage has emerged. Energy storage enterprises and projects have gradually received capital attention, and both equity and debt have good investment prospects.

Energy storage is an important complement to the Group's new energy strategy. Investment in energy storage projects is also a key measure for the Group to promote business diversification and industry segmentation. The Group will also adapt to market changes in the future. In the case of insufficient competition in the energy storage market, the Group will plan ahead and locate business opportunities to further expand the scope of new energy business and enhance the Group's comprehensive competitiveness in the new energy industry.

FINANCIAL REVIEW

The Group's consolidated revenue decreased by approximately 25.7% from HK$1,224,210,000 for the six months ended 30 June 2022 to HK$909,811,000 for the six months ended 30 June 2023. 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 2023. Profit attributable to owners of the Company amounted to HK$60,919,000 (2022: HK$45,100,000) which represented an increase of approximately 35.1% when compared with that for the same period last year. Basic earnings per share for the period was HK$3.29 cents when compared with HK$3.07 cents for the six months ended 30 June 2022.

REVENUE

During the period under review, the Group's revenue was HK$909,811,000 (2022: HK$1,224,210,000), representing a decrease of approximately 25.7% as compared to that of the same period last year.

Composition of revenue for the six months ended 30 June 2023 and 2022 is shown in the following table:

	For the six months ended 30 June 2023 (Unaudited)		For the six months ended 30 June 2022 (Unaudited)		
	HK$'000	*%*	*HK$'000*	*%*	% Change
Continuing operations					
EPC and consultancy and general construction	**612,210**	**67.3**	975,456	79.7	(37.2)
Power generation	**283,042**	**31.1**	237,705	19.4	19.1
Financing	**14,559**	**1.6**	11,049	0.9	31.8
	909,811	**100.0**	1,224,210	100.0	(25.7)
Discontinued operations					
Manufacturing and trading	**–**	**–**	–	–	–
Total	**909,811**	**100.0**	1,224,210	100.0	–

EPC and consultancy and general construction segment remained the major source of revenue for the Group which contributed HK$612,210,000 for the period ended 30 June 2023, representing a decrease of approximately 37.2% 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 19.1% to HK$283,042,000 (2022: HK$237,705,000).

Revenue from financing segment recorded an increase of approximately 31.8% to HK$14,559,000 (2022: HK$11,049,000) as a result of the period-to-period increased number of external customers for finance leasing and the amount of external projects invested.

PROFIT

Profit for the period ended 30 June 2023 amounted to HK$55,193,000 (2022: HK$47,250,000), representing an increase of approximately 16.8% compared to that for the period ended 30 June 2022. The increase in profit was mainly due to the fact that the Group has a total of 51 power stations under operation and maintenance with a total operating scale of 630 MW, and has completed a power generation of 509 million kWh, representing a period-to-period increase of 22.9% in power generation. Panjin Hexiang, Xuzhou Hexin, Lincang Hexiang and Bengbu Herun Power Station projects completed grid connection, and Fengyang GCL, Zhenjiang Xinneng, Bengbu Shanghao and Bengbu Shangxin grid connection. With the large scale of new grid connection projects, high operational rate of equipment and lower operation and maintenance costs compared to existing projects during the warranty period, Zhenjiang Xinneng and Guangdong Yangjiang projects generated additional revenue through green power trading. The net profit margin of the Group increased to 6.1% (2022: 3.9%). Net profit margin of the Group varied in different segments depending on its business nature. For the period ended 30 June 2023, profit attributable to owners of the Company increased by approximately 35.1% to HK$60,919,000 (2022: HK$45,100,000), while the basic earnings per share was HK$3.29 cents (2022: HK$3.07 cents).

OTHER REVENUE AND GAINS

Other revenue and gains of HK$25,646,000 (2022: HK$28,911,000 (including HK$185,000 from discontinued operations)) was mainly derived from interest income, dividend income and sundry income. The decrease was mainly due to recognition of gain on disposal of an associate of approximately HK$17,725,000 in 2022.

COST OF SALES

The Group's cost of sales decreased by approximately 30.8% to HK$713,305,000 during the first half of 2023 from HK$1,030,777,000 comparing to the first half of 2022. The decrease was mainly due to the business realignment of the EPC segment and internally developed projects, the costs were reduced on a consolidated basis.

OTHER OPERATING EXPENSES

Other operating expenses mainly included staff costs, depreciation, exchange differences, bank charges, professional fees, administrative expenses, research and development fees etc.. The Group's other operating expenses decreased by approximately 20.5% to HK$60,171,000 (2022: HK$75,656,000) as compared to that of the same period last year, which was mainly due to the decrease in bank charges and research and development expenses during the period.

FINANCE COSTS

Finance costs for the interim period increased approximately 12.3% to HK$89,434,000 (2022: HK$79,642,000) as compared to that of the same period last year. Taking into account the capital intensive nature of the energy industry whereby the Group expands its investment in its self-owned wind power stations and power stations and power generation facilities. As a result, the bank and other borrowings obtained by the Group increased for the expansion of power generation business.

INCOME TAX EXPENSE

For the period ended 30 June 2023, income tax expense of the Group increased by approximately 50.6% to HK$17,289,000 (2022: HK$11,478,000) which was mainly due to the gradual expiration of tax benefits policies for power stations during the period.

FINANCIAL POSITION

As at 30 June 2023, the total assets of the Group were HK$9,508,016,000 (31 December 2022: HK$9,418,915,000), representing an increase of approximately 0.9%. Current assets decreased by approximately 1.6% to HK$5,844,338,000 (31 December 2022: HK$5,941,456,000) and non-current assets increased by approximately 5.4% to HK$3,663,678,000 (31 December 2022: HK$3,477,459,000). The increase in total assets was due to the increase in solar power plant equipment during the period.

The total liabilities as at 30 June 2023 were HK$7,843,667,000 (31 December 2022: HK$7,725,485,000), representing an increase of approximately 1.5% as compared to that of 31 December 2022. Current liabilities as at 30 June 2023 were HK$4,912,011,000 (31 December 2022: HK$5,166,417,000), representing a decrease of approximately 4.9% as compared to that of 31 December 2022, which was mainly due to the decrease in trade and other payables. Non-current liabilities were HK$2,931,656,000 (31 December 2022: HK$2,559,068,000), representing an increase of approximately 14.6% as compared to that of 31 December 2022, 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 2023 was HK$1,644,004,000 (31 December 2022: HK$1,660,077,000), representing a decrease of approximately 1% as compared to that of 31 December 2022.

CAPITAL RAISING EXERCISE AND USE OF PROCEEDS

On 14 November 2021, the Company entered into the subscription agreement with Yahgee International (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability ("**the Subscriber**"), pursuant to which the Subscriber has conditionally agreed to subscribe for 538,942,750 subscription shares at the subscription price of HK$0.882 per subscription share. The shares subscription was completed on 10 May 2022. The gross proceeds of the subscription is HK$475,347,506. After deduction of relevant expenses in connection with the subscription, the net aggregate proceeds from the subscription were approximately HK$468,981,000. The details of intended application of net aggregate proceeds from the subscription shares are set out as follows:

Item	**Approximate % of total net proceeds** *(%)*	**Net proceeds** *(HK$ million)*	**Utilised up to 30 June 2023** *(HK$ million)*
General working capital	8.5	40	40
Repayment of bank loans	17.1	80	80
Capital injection of the Group's wholly-owned subsidiary 中核(南京)能源發展有限公司 (transliterated as CNI (Nanjing) Energy Development Company Limited) for the development of three power generation projects	74.4	348.98	348.98
	100.0	**468.98**	**468.98**

There has been no change in the intended use of net proceeds nor there is any delay in the use of proceeds, both of which are in accordance with the intentions previously disclosed by the Company.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

As at 30 June 2023, net current assets of the Group were HK$932,327,000 (31 December 2022: HK$775,039,000). Besides, the Group had cash and cash equivalents of HK$1,749,712,000 (31 December 2022: HK$1,003,887,000), of which approximately 4% was in Hong Kong dollars and 96% was in Renminbi ("**RMB**") (31 December 2022: approximately 14% was in Hong Kong dollars, 85% was in RMB, and 1% was in EUR).

As at 30 June 2023, the Group had outstanding bank and other borrowings of HK$5,589,924,000 (31 December 2022: HK$5,306,915,000), of which approximately 9% was in Hong Kong dollars and 91% was in RMB (31 December 2022: approximately 9.5% was in Hong Kong dollars and 90.5% was in RMB). All of the Group's borrowings as at 30 June 2023 were arranged on floating rate basis with effective interest rates ranged from 3.2% to 6.6% per annum (31 December 2022: ranged from 3.4% to 6.6% per annum). Except for certain bank and other borrowings which were committed loan facilities with specific maturity dates, the Group's borrowings contained repayment on demand clause at any time at the discretion of the banks. 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 2023 in accordance with the settlement term. Included in the total bank and other borrowings as at 30 June 2023, HK$2,870,991,000 (31 December 2022: HK$2,646,606,000) was loans repayable within one year and the balance of HK$2,718,933,000 (31 December 2022: HK$2,390,309,000) was repayable beyond one year.

As at 30 June 2023, the Group's gearing ratio was 3.5 (31 December 2022: 3.08), which was calculated on the basis of total debt over total equity of the Company. Total debt comprises bank and other borrowings and lease liabilities.

The Group's debt to asset ratio was 0.82 (31 December 2022: 0.82), which was calculated on the basis of total debt over total assets of the Company.

PLEDGE OF ASSETS

As at 30 June 2023, the Group had pledged bank deposits and power plants amounting to HK$472,196,000 (31 December 2022: HK$1,075,948,000) and HK$1,777,945,000 (31 December 2022: HK$1,703,687,000) respectively which have been pledged to secure the bank and other facilities granted to the Group.

Save as disclosed above, the Group had no other pledges on its assets as at 30 June 2023 (31 December 2022: 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 2023, 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 2023 (31 December 2022: 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 2023, the Group had capital expenditure of HK$243,603,000 (2022: HK$743,790,000) which was used for the acquisition of property, plant and equipment.

As at 30 June 2023, the Group did not have any capital commitments (31 December 2022: Nil).

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2023, total number of employees of the Group was 212. During the six months ended 30 June 2023, staff costs (including Directors' emoluments) amounted to HK$34,341,000 (30 June 2022: HK$27,525,000). 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 2023, together with the comparative figures for the six months ended 30 June 2022. 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 2023

		For the six months ended	
		30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	*4*	**909,811**	1,224,210
Cost of sales		**(713,305)**	(1,030,777)
Gross profit		**196,506**	193,433
Other income and gains		**25,646**	28,911
Administrative expenses		**(60,171)**	(75,656)
Expected credit losses on trade and bills receivables and contract assets, net		**(359)**	(8,687)
Finance costs	*5*	**(89,434)**	(79,642)
Share of results of an associate, net		**294**	369
Profit before income tax expense	*6*	**72,482**	58,728
Income tax expense	*7*	**(17,289)**	(11,478)
Profit for the period		**55,193**	47,250
Other comprehensive income for the period, net of tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising during the period		**(78,358)**	(64,124)
Exchange differences reclassified to profit or loss upon deregistration of a subsidiary		**(186)**	–
Exchange differences reclassified to profit or loss upon disposal of an associate		**–**	(668)
Share of other comprehensive income of an associate		**(1)**	(51)
		(78,545)	(64,843)
Total comprehensive income for the period		**(23,352)**	(17,593)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2023

		For the six months ended	
		30 June	30 June
		2023	2022
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Profit for the period attributable to:			
Owners of the Company		**60,919**	45,100
Non-controlling interests		**(5,726)**	2,150
		55,193	47,250
Total comprehensive income for the period attributable to:			
Owners of the Company		**(16,073)**	(20,348)
Non-controlling interests		**(7,279)**	2,755
		(23,352)	(17,593)
Earnings per share			
– basic and diluted *(HK cents per share)*	8	**3.29**	3.07

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	**30 June 2023 (Unaudited) *HK$'000***	31 December 2022 (Audited) *HK$'000*
Non-current assets			
Property, plant and equipment	*10*	**3,085,544**	3,081,953
Right-of-use assets		**256,727**	203,706
Financial assets at fair value through profit or loss		**35,640**	28,953
Interest in an associate	*11*	**8,131**	7,838
Finance lease receivables		**168,054**	15,264
Loan receivables		**10,784**	27,977
Prepayments for property, plant and equipment		**98,798**	111,768
		3,663,678	3,477,459
Current assets			
Trade and bills receivables	*12*	**1,594,280**	1,528,420
Loan receivables		**169,093**	241,050
Prepayments, deposits and other receivables		**909,713**	1,201,051
Contract assets		**928,425**	883,466
Finance lease receivables		**20,919**	7,644
Pledged bank deposits	*13*	**472,196**	1,075,948
Cash and cash equivalents		**1,749,712**	1,003,877
		5,844,338	5,941,456
Less: Current liabilities			
Trade and bills payables	*14*	**1,466,715**	1,529,765
Other payables and accruals		**159,335**	344,660
Contract liabilities		**388,743**	614,945
Bank and other borrowings	*15*	**2,870,991**	2,646,606
Lease liabilities		**17,126**	14,933
Tax payable		**9,101**	15,508
		4,912,011	5,166,417

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2023

	Notes	30 June 2023 (Unaudited) HK$'000	31 December 2022 (Audited) HK$'000
Net current assets		**932,327**	775,039
Total assets less current liabilities		**4,596,005**	4,252,498
Less: Non-current liabilities			
Bank and other borrowings	*15*	**2,718,933**	2,390,309
Lease liabilities		**212,723**	168,759
		2,931,656	2,559,068
Net assets		**1,664,349**	1,693,430
Capital and reserves			
Share capital	*16*	**185,204**	185,204
Reserves		**1,458,800**	1,474,873
Equity attributable to owners of the Company		**1,644,004**	1,660,077
Non-controlling interests		**20,345**	33,353
Total equity		**1,664,349**	1,693,430

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1. CORPORATE INFORMATION

China Nuclear Energy Technology Corporation Limited (the "**Company**") is incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. 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 2023, the Company and its subsidiaries (collectively referred to as the "**Group**") were engaged in the following principal activities:

- the engineering, procurement and construction ("**EPC**") and consultancy and general construction segment comprises the Group's EPC and consulting services operations relating to construction of photovoltaic power plant and general construction services;
- the power generation segment comprises the Group's power generation operations; and
- the financing segment comprises the Group's financing operations.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation and significant accounting policies

The unaudited condensed consolidated interim financial statements (the "**Interim Financial Statements**") for the six months ended 30 June 2023 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 2022, 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 2022, except for the adoption of amendments to HKFRSs effective for the financial year ending 31 December 2023 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 2023.

All new or amended HKFRSs that are effective from 1 January 2023 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 2022.

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: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
- Level 3: Unobservable inputs (i.e. not derived from market data).

3. FINANCIAL INSTRUMENTS (Continued)

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 2023.

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:

	30 June 2023 Level 3 (Unaudited)	31 December 2022 Level 3 (Audited)
	HK$'000	*HK$'000*
Financial assets at FVTPL		
– Unlisted equity investments	**35,640**	28,953

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 34% to 36% (31 December 2022: 34% to 36%) and the discount rates of 11.09% (31 December 2022: 11.09%) 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.

The Group has three (six months ended 30 June 2022: three) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies.

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**
Reportable segment revenue	**612,209**	**283,042**	**32,053**	**927,305**
Reconciliation:				
Elimination of intersegment sales				**(17,494)**
Total segment revenue from external customers				**909,811**
Segment results	**(2,250)**	**148,168**	**1,330**	**147,248**
Reconciliation:				
Unallocated corporate expenses				**(10,540)**
Interest income				**24,914**
Finance costs				**(89,434)**
Share of result of an associate, net				**294**
Profit before income tax expense				**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:				
Unallocated assets				**135,840**
Total assets				**9,508,016**
Segment liabilities	**3,642,812**	**2,872,309**	**841,377**	**7,356,498**
Reconciliation:				
Unallocated liabilities				**487,169**
Total liabilities				**7,843,667**

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 2022 (Unaudited)				
Segment revenue:				
Sales to external customers	975,456	237,705	11,049	1,224,210
Intersegment sales	–	–	19,898	19,898
Reportable segment revenue	975,456	237,705	30,947	1,244,108
Reconciliation:				
Elimination of intersegment sales				(19,898)
Total segment revenue from external customers				1,224,210
Segment results	(8,511)	133,033	(40)	124,482
Reconciliation:				
Unallocated corporate expenses				(21,262)
Interest income				7,050
Finance costs				(79,642)
Dividend income from an associate				10,006
Gain on disposal of an associate				17,725
Share of results of an associate, net				369
Profit before income tax expense				58,728
Income tax expense				(11,478)
Profit for the period				47,250
At 30 June 2022 (Unaudited)				
Segment assets	4,702,082	3,698,459	470,003	8,870,544
Reconciliation:				
Unallocated assets				514,468
Total assets				9,385,012
Segment liabilities	4,332,108	2,233,676	704,864	7,270,648
Reconciliation:				
Unallocated liabilities				385,348
Total liabilities				7,655,996

5. FINANCE COSTS

	For the six months ended	
	30 June	30 June
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank and other borrowings	**86,465**	79,125
Interest on lease liabilities	**2,969**	517
	89,434	79,642

6. PROFIT BEFORE INCOME TAX EXPENSE

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

	For the six months ended	
	30 June	30 June
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Auditor's remuneration	**990**	990
Bank charges	**1,861**	11,384
Gain on deregistration of a subsidiary	**(9)**	–
Legal and professional fee	**4,393**	4,406
Short-term and low-value lease expenses	**958**	903
Research and development	**6,782**	16,286
Staff costs (including directors' and chief executive's remuneration):		
Wages, salaries and bonuses	**31,195**	24,185
Pension scheme contributions	**3,146**	3,340
Total staff costs	**34,341**	27,525
Depreciation of property, plant and equipment	**99,815**	86,545
Depreciation of right-of-use assets	**9,658**	6,627
	109,473	93,172

Included in cost of sales are depreciation of property, plant and equipment and right-of-use assets of HK$99,108,000 (six months ended 30 June 2022: HK$83,129,000) and HK$6,913,000 (six months ended 30 June 2022: HK$2,144,000) respectively for the six months ended 30 June 2023.

7. INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided at the rate of 16.5% (for the six months ended 30 June 2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

Under the Law of People's Republics 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 2022: 25%), except for those subsidiaries described below.

Certain subsidiaries operating in the PRC were accredited as "Advanced Technology Enterprise" by the Science and Technology Bureau of relevant provinces and other authorities for a term of three years, and were registered with the local tax authorities to be eligible to the reduced 15% enterprise income tax rate.

	For the six months ended	
	30 June 2023	30 June 2022
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax for the period		
Hong Kong	**–**	–
Other than Hong Kong	**17,289**	11,478
Income tax expense	**17,289**	11,478

8. EARNINGS PER SHARE

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

Earnings

	For the six months ended	
	30 June 2023	30 June 2022
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share	**60,919**	45,100

8. **EARNINGS PER SHARE (Continued)**

Number of shares

	For the six months ended	
	30 June 2023	30 June 2022
	(Unaudited)	(Unaudited)
	'000	*'000*
Issued share capital at beginning of the period	**1,852,037**	1,313,095
Subscription of new shares *(Note)*	**–**	538,942
Issued share capital at end of the period	**1,852,037**	1,852,037
Weighted average number of ordinary share for the purposes of basic and diluted earnings per share calculation	**1,852,037**	1,467,929

Note: On 10 May 2022, 538,942,750 new shares have been allotted and issued to Yaghee International (Hong Kong) Co., Limited, pursuant to the terms of the subscription agreement, at the subscription price of HK$0.882 per share. The net proceeds from the subscription, after deduction of relevant expenses in connection with the subscription, amounted to approximately HK$468,981,000.

9. **DIVIDEND**

No dividend has been declared or proposed by the directors of the Company in respect of the six months ended 30 June 2023 (six months ended 30 June 2022: HK$Nil).

10. **ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30 June 2023, the Group acquired items of property, plant and equipment with a cost of approximately HK$243,603,000 (six months ended 30 June 2022: HK$743,790,000).

11. **INTEREST IN AN ASSOCIATE**

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Share of net assets	**8,131**	7,838

Details of the associate as at 30 June 2023 are as follows:

Name		**Place of incorporation, operation and principal activity**	**Percentage of equity attributable to the Group**
中核齊齊哈爾太陽能發電有限公司 (transliterated as Zhong He Qiqihar Solar Power Generation Company Limited)	*Note*	The PRC. Solar energy generation and sale, solar power technology consulting services, photovoltaic technology development, solar photovoltaic system construction in the PRC.	49.00%

Note: 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 normally allows credit period of 30-180 days with its customers for EPC and consultancy services and general construction services depending on the customers' creditworthiness and the length of business relationship with the customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management of the Company. Trade receivables are non-interest bearing.

	30 June 2023 (Unaudited) ***HK$'000***	31 December 2022 (Audited) *HK$'000*
Trade receivables	**1,541,105**	1,353,814
Bills receivable	**101,549**	223,105
	1,642,654	1,576,919
Less: Impairment losses	**(48,374)**	(48,499)
	1,594,280	1,528,420

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

	30 June 2023 (Unaudited) ***HK$'000***	31 December 2022 (Audited) *HK$'000*
0–90 days	**656,820**	753,665
91–180 days	**99,617**	150,535
181–365 days	**316,188**	274,924
More than 365 days	**570,029**	397,795
	1,642,654	1,576,919

The Group does not hold any collateral or other credit enhancements over these balances. Bills receivables 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$472,196,000 (31 December 2022: HK$1,075,948,000) have been pledged to secure general banking facilities and are classified as current assets.

The pledged bank deposits carry interest at fixed rates ranging from 0.3% to 3% (31 December 2022: 0.3% to 3%) per annum. The pledged bank deposits will be released upon settlement of relevant bank borrowings.

Pledged bank deposits denominated in Renminbi ("**RMB**") amounted to approximately HK$472,196,000 (31 December 2022: approximately HK$1,075,948,000) as at 30 June 2023. Remittance of funds out of the PRC is subject to exchange restriction imposed by the PRC government.

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 2023 (Unaudited) ***HK$'000***	31 December 2022 (Audited) *HK$'000*
0–90 days	**497,830**	520,462
91–180 days	**293,578**	206,374
181–365 days	**267,067**	551,013
More than 365 days	**408,240**	251,916
	1,466,715	1,529,765

The trade payables are non-interest bearing and are normally settled on 30-day term.

15. BANK AND OTHER BORROWINGS

	30 June 2023 (Unaudited) ***HK$'000***	31 December 2022 (Audited) *HK$'000*
Current		
Short-term bank borrowings, secured	**1,891,210**	1,929,694
Short-term bank borrowings, unsecured	**480,000**	291,281
Long-term bank borrowings, secured, current portion	**462,630**	406,973
Other borrowings, secured, current portion	**37,151**	18,658
	2,870,991	2,646,606
Non-current		
Long-term bank borrowings, secured	**2,563,566**	2,217,645
Long-term bank borrowings, unsecured	**10,784**	11,281
Other borrowings, secured	**144,583**	161,383
	2,718,933	2,390,309
Total bank and other borrowings	**5,589,924**	5,306,915

15. BANK AND OTHER BORROWINGS (Continued)

(i) The bank and other borrowings were secured by (i) corporate guarantee provided by the Company and subsidiaries of the Company (31 December 2022: the Company and the subsidiaries of the Company); (ii) pledged bank deposits amounted to HK$472,196,000 (31 December 2022: HK$1,075,948,000); (iii) power plants amounted to HK$1,777,945,000 (31 December 2022: HK$1,703,687,000) and (iv) the share capital of certain subsidiaries (31 December 2022: the share capital of certain subsidiaries).

(ii) All bank and other borrowings bear interest at floating rates, with effective interest rates ranging from 3.2% to 6.6% per annum (31 December 2022: 3.4% to 6.6% 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 ("**PBOC**"). The carrying amounts of bank and other borrowings approximate their fair values.

The carrying amounts of bank and other borrowings at the reporting date are denominated in the followings currencies:

	30 June 2023 (Unaudited) ***HK$'000***	31 December 2022 (Audited) *HK$'000*
HK$	**480,000**	480,000
RMB	**5,109,924**	4,556,908
United States dollar ("**USD**")	**–**	7
	5,589,924	5,036,915

At 30 June 2023, the Group had undrawn bank borrowings facilities of approximately HK$424,902,000 (31 December 2022: HK$70,000,000).

At 30 June 2023, total current and non-current bank and other borrowings were scheduled to repay as follows:

	30 June 2023 (Unaudited) ***HK$'000***	31 December 2022 (Audited) *HK$'000*
Bank borrowings		
On demand or within one year	**2,833,840**	2,627,948
More than one year, but not exceeding two years	**314,544**	339,254
More than two years, but not exceeding five years	**1,058,387**	895,568
After five years	**1,201,419**	994,104
	5,408,190	4,856,874
Other borrowings		
On demand or within one year	**37,151**	18,658
More than one year, but not exceeding two years	**21,294**	21,767
More than two years, but not exceeding five years	**66,544**	68,043
After five years	**56,745**	71,573
	181,734	180,041
	5,589,924	5,036,915

16. SHARE CAPITAL

	Number of ordinary shares	Amount
	'000	*HK$'000*
Issued and fully paid:		
At 31 December 2022 (audited) and 30 June 2023 (unaudited)	**1,852,037**	185,204

17. DISPOSAL OF AN ASSOCIATE

On 18 November 2021, the Group entered into an equity transfer agreement with a fellow subsidiary of a substantial shareholder of the Company holding approximately 21.6% of the total issued shares of the Company, 中核投資有限公司 (transliterated as China Nuclear Investment Company Limited) (the "**Purchaser**"), a company established of the PRC with limited liability, pursuant to which the Purchaser conditionally agreed to purchase 14.43% of equity interest in 中核檢修有限公司 (transliterated as China Nuclear Industry Maintenance Co., Ltd. ("**CNI Maintenance Co.,**")) at a consideration of RMB141,111,000 (equivalent to HK$166,045,000). The disposal was completed on 31 May 2022.

	HK$'000
Consideration receivable	166,045
Add: Cumulative exchange reserve reclassified to profit or loss upon disposal	668
Less: Interest in an associate	(148,988)
Gain on disposal of an associate	17,725

18. CONTINGENT LIABILITIES

The Company and the Group had no contingent liabilities as at 30 June 2023 and 31 December 2022.

19. MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	For the six months ended	
	30 June 2023	30 June 2022
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Transaction with a related company		
– Interest on lease liabilities *(note)*	**70**	18

Note:

An indirect wholly-owned subsidiary of the Company (as a lessee) entered into certain lease contracts with 中國南山開發(集團)股份有限公司 (transliterated as 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. Interest on lease liabilities of HK$70,000 (six months ended 30 June 2022: HK$18,000) and payments of lease liabilities of HK$539,000 (six months ended 30 June 2022: HK$129,000) were recognised during the six months ended 30 June 2023.

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

	For the six months ended	
	30 June 2023	30 June 2022
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Short term employee benefits	**3,333**	4,679
Pension scheme contributions	**44**	95
Total compensation paid to key management personnel	**3,377**	4,774

20. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved and authorised for issue by the board of directors of the Company on 30 August 2023.

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 14 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 2023, except the following deviation:

Code provision C.2.1 of Part 2 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The position of chief executive officer of the Company has been vacant following the resignation of Mr. Fu Zhigang ("**Mr. Fu**") from 1 July 2023. The Company is in the process of identifying a suitable candidate to fill the vacancy of the chief executive officer caused by the cessation of Mr. Fu and will publish further announcement once such appointment is confirmed.

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, Mr. Kang Xinquan and Dr. Xu Shiqing, 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 2023.

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 10 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 2023.

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

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any shares of the Company.

EVENTS AFTER THE REPORTING PERIOD

(i) Acquisition of the entire equity interests in Suining Hetai Wind Power Generation Co., Ltd.* (睢寧和泰風力發電有限公司)

On 11 August 2023, CNI (Nanjing) (as purchaser), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Mr. MA Wanjiang (as seller), pursuant to which CNI (Nanjing) conditionally agreed to to acquire, and Mr. MA Wanjiang conditionally agreed to sell, the entire equity interests in Suining Hetai Wind Power Generation Co., Ltd.* (睢寧和泰風力發電有限公司) ("**Suining Hetai**"), at a consideration of RMB412,329.46. Upon completion of the acquisition, Suining Hetai will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial results of the Group.

For details, please refer to the announcement issued by the Company on 11 August 2023.

(ii) Development of 100MW photovoltaic power stations in Yangchun City of Guangdong Province in the PRC

On 25 August 2023, CNI (Nanjiang), an indirect wholly-owned subsidiary of the Company, entered into separate equipment purchase agreements with 英利能源(中國)有限公司 (transliterated as Yingli Energy (China) Co., Ltd*) ("**Yingli Energy**") and 通威太陽能(合肥)有限公司 (transliterated as Tongwei Solar (Hefei) Co., Ltd. *) ("**Tongwei Solar**") (both as suppliers), respectively.

Under these equipment purchase agreements, CNI (Nanjing) has agreed to purchase, and Yingli Energy and Tongwei Solar have agreed to sell, their respective equipment for the development of photovoltaic power stations each with a total capacity of 50MW in Heshui Town and Pimian Town, Yangchun City, Guangdong Province in the PRC, respectively. The consideration for the equipment purchase agreement with Yingli Energy is RMB101,153,215.125 (equivalent to approximately HK$110,408,734.308). Meanwhile the consideration for the equipment purchase agreement with Tongwei Solar is RMB102,007,242.27 (equivalent to approximately HK$111,340,904.937).

The agricultural complementary photovoltaic power stations with a total installed capacity of 100MW located in Heshui Town and Pimian Town, Yangchun City, Guangdong Province in the PRC are expected to be connected to the grid on or before 30 November 2023. Upon completion of the construction, these photovoltaic power stations will be owned and operated by the Group.

For details, please refer to the announcement issued by the Company on 25 August 2023.

Save for the abovementioned events, there were no major subsequent events occurred since 30 June 2023 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 2022, 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 2023 (2022: Nil).

* *For identification purpose only*

On behalf of the Board
China Nuclear Energy Technology Corporation Limited
Chairman
Shu Qian

Hong Kong, 30 August 2023

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, Mr. Kang Xinquan and Dr. Su Lixin.