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China Nature Energy Technology Holdings Limited

中國納泉能源科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1597)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Board of Directors (the “**Directors**” or “**Board**”) of China Nature Energy Technology Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Note	RMB'000	RMB'000
Revenue	4	47,505	49,241
Cost of sales		<u>(51,265)</u>	<u>(49,198)</u>
Gross (loss)/profit		(3,760)	43
Other revenue	5(a)	1,427	830
Other net loss	5(b)	(108)	(10)
Selling and distribution expenses		(4,092)	(4,338)
Administrative and other operating expenses		<u>(17,287)</u>	<u>(11,513)</u>
Loss from operations		(23,820)	(14,988)
Net finance costs	6(a)	<u>(945)</u>	<u>(1,714)</u>
Loss before taxation	6	(24,765)	(16,702)
Income tax	7	<u>1,216</u>	<u>1,632</u>
Loss for the period		<u>(23,549)</u>	<u>(15,070)</u>
Attributable to:			
Equity shareholders of the Company		(20,018)	(13,343)
Non-controlling interests		<u>(3,531)</u>	<u>(1,727)</u>
Loss for the period		<u>(23,549)</u>	<u>(15,070)</u>
Loss per share	8		
Basic and diluted (RMB)		<u>(0.080)</u>	<u>(0.053)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the period	<u>(23,549)</u>	<u>(15,070)</u>
Other comprehensive income for the period (after tax adjustments)		
<i>Item that will not be reclassified to profit or loss:</i>		
Exchange difference on translation of company level financial statements	(276)	205
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange difference on translation of financial statements of entities with functional currencies other than Renminbi (“RMB”)	<u>372</u>	<u>(223)</u>
Other comprehensive income for the period	<u>96</u>	<u>(18)</u>
Total comprehensive income for the period	<u>(23,453)</u>	<u>(15,088)</u>
Attributable to:		
Equity shareholders of the Company	(19,922)	(13,361)
Non-controlling interests	<u>(3,531)</u>	<u>(1,727)</u>
Total comprehensive income for the period	<u>(23,453)</u>	<u>(15,088)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
	<i>Note</i>		
Non-current assets			
Property, plant and equipment	9	104,749	111,749
Contract assets		14,116	17,102
Other receivables	11	428	416
Deferred tax assets		6,495	4,480
		<u>125,788</u>	<u>133,747</u>
Current assets			
Inventories	10	31,206	15,446
Contract assets		30,281	47,955
Trade and other receivables	11	144,218	136,706
Loans to third parties	12	4,607	4,913
Cash and cash equivalents	13(a)	15,949	51,005
Pledged and restricted deposits	13(b)	10,235	8,567
		<u>236,496</u>	<u>264,592</u>
Current liabilities			
Bank loans and other borrowings	14	45,399	67,053
Trade and other payables	15	108,582	97,886
Lease liabilities		3,329	3,150
Contract liabilities		309	148
Current taxation		355	297
		<u>157,974</u>	<u>168,534</u>
Net current assets		<u>78,522</u>	<u>96,058</u>
Total assets less current liabilities		<u>204,310</u>	<u>229,805</u>

		At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
	<i>Note</i>		
Non-current liabilities			
Trade and other payables	15	494	577
Lease liabilities		5,065	7,024
		<u>5,559</u>	<u>7,601</u>
NET ASSETS		<u>198,751</u>	<u>222,204</u>
CAPITAL AND RESERVES			
Share capital		2,168	2,168
Reserves		196,583	221,069
Total equity attributable to equity shareholders of the Company		198,751	223,237
Non-controlling interests		—	(1,033)
TOTAL EQUITY		<u>198,751</u>	<u>222,204</u>

NOTES

1 GENERAL INFORMATION

China Nature Energy Technology Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 28 November 2019 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company’s shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 20 October 2020. The Company and its subsidiaries (collectively as the “**Group**”) are principally engaged in the research and development, integration, manufacture and sales of pitch control systems and related components, wind power generation, wind farm operation and maintenance business and energy storage business in the People’s Republic of China (the “**PRC**”).

2 BASIS OF PREPARATION

The interim financial report of the Group has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“**IAS**”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“**IASB**”). It was authorised for issue on 29 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with the International Financial Reporting Standards (“**IFRS**”).

The interim financial report is unaudited.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company’s annual consolidated financial statements for that financial year but is derived from those financial statements.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the IASB to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the research and development, integration, manufacture and sales of pitch control systems and related components, sales of wind power, wind farm operation and maintenance business and energy storage business. Further details regarding the Group's principal activities are disclosed in Note 4(b).

(i) Disaggregation of revenue

Disaggregation of revenue by business lines is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
— Sales of pitch control systems and related components	29,807	19,921
— Sales of wind power	11,602	7,704
— Wind farm operation and maintenance business	2,218	7,319
— Energy storage business	3,878	14,297
	<u>47,505</u>	<u>49,241</u>

The Group's revenue from contracts with customers were recognised at a point in time for the for the six months ended 30 June 2025 and 2024. Disaggregation of revenue from contracts with customers by geographic markets is disclosed in Note 4(b)(iii).

(b) Segment reporting

The Group manages its businesses by division, which is organised by business lines (sales of pitch control systems and related components, sales of wind power, wind farm operation and maintenance business and energy storage business). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No individually mentioned operating segments have been aggregated to form the following reportable segments.

- Sales of pitch control systems and related components: it engages in the research and development, integration, manufacture and sales of the pitch control systems and related components in wind turbines manufacture;
- Sales of wind power: it engages in the sales of wind power electricity generated from wind farms;
- Wind farm operation and maintenance business: it provides wind farm operation and maintenance, upgrade and modification services and engages in the sales of wind farm consumables; and
- Energy storage business: it engages in research and development, integration, manufacture and sales of energy storage products and provision of related services.

(i) Segment results and assets

For the purpose of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results and assets attributable to each reportable segment on the following bases:

Segment assets include trade and other receivables, inventories, contract assets and property, plant and equipment, with the exception of deferred tax assets, loans to third parties, cash and cash equivalents, and pledged and restricted deposits.

The measure used for reporting segment profit/(loss) is gross profit/(loss).

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resources allocation and assessment of segment performance for the period is set out below:

	Six months ended 30 June 2025				
	Sales of pitch control systems and related components <i>RMB'000</i>	Sales of wind power <i>RMB'000</i>	Wind farm operation and maintenance business <i>RMB'000</i>	Energy storage business <i>RMB'000</i>	Total <i>RMB'000</i>
Reportable segment revenue	<u>29,807</u>	<u>11,602</u>	<u>2,218</u>	<u>3,878</u>	<u>47,505</u>
Reportable segment profit/ (loss)	<u>(4,852)</u>	<u>6,312</u>	<u>674</u>	<u>(5,894)</u>	<u>(3,760)</u>

Six months ended 30 June 2024					
	Sales of pitch control systems and related components <i>RMB'000</i>	Sales of wind power <i>RMB'000</i>	Wind farm operation and maintenance business <i>RMB'000</i>	Energy storage business <i>RMB'000</i>	Total <i>RMB'000</i>
Reportable segment revenue	<u>19,921</u>	<u>7,704</u>	<u>7,319</u>	<u>14,297</u>	<u>49,241</u>
Reportable segment profit/ (loss)	<u>(4,711)</u>	<u>3,423</u>	<u>1,701</u>	<u>(370)</u>	<u>43</u>

As at 30 June 2025					
	Sales of pitch control systems and related components <i>RMB'000</i>	Sales of wind power <i>RMB'000</i>	Wind farm operation and maintenance business <i>RMB'000</i>	Energy storage business <i>RMB'000</i>	Total <i>RMB'000</i>
Reportable segment assets	86,189	150,248	2,497	86,064	324,998

As at 31 December 2024					
	Sales of pitch control systems and related components <i>RMB'000</i>	Sales of wind power <i>RMB'000</i>	Wind farm operation and maintenance business <i>RMB'000</i>	Energy storage business <i>RMB'000</i>	Total <i>RMB'000</i>
Reportable segment assets	<u>68,270</u>	<u>141,770</u>	<u>3,906</u>	<u>115,428</u>	<u>329,374</u>

(ii) Reconciliations of reportable segment revenue and profit or loss

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Revenue		
Reportable segment revenue	<u>47,505</u>	<u>49,241</u>
Consolidated revenue	<u><u>47,505</u></u>	<u><u>49,241</u></u>
Profit		
Reportable segment (loss)/profit	(3,760)	43
Other revenue	1,427	830
Other net loss	(108)	(10)
Selling and distribution expenses	(4,092)	(4,338)
Administrative and other operating expenses	(17,287)	(11,513)
Net finance costs	<u>(945)</u>	<u>(1,714)</u>
Consolidated loss before taxation	<u><u>(24,765)</u></u>	<u><u>(16,702)</u></u>

(iii) Geographic information

IFRS 8, *Operating Segments*, requires identification and disclosure of information about an entity's geographical areas, regardless of the entity's organisation (i.e. even if the entity has a single reportable segment). The Group operates within one geographical location because all of its revenue was generated in the PRC and substantially all of its non-current assets and capital expenditure were located/incurred in the PRC. Accordingly, no geographical information is presented.

5 OTHER REVENUE AND OTHER NET LOSS

(a) Other revenue

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
VAT refund and deduction (<i>Note</i>)	1,171	789
Government subsidies	96	6
Others	<u>160</u>	<u>35</u>
	<u><u>1,427</u></u>	<u><u>830</u></u>

Note:

Pursuant to Taxation Policy for Encouraging the Development of Software and Integrated Circuits Industry (Guofa [2011] No.4), enterprises engaged in the sales of self-developed software in the PRC are entitled to a VAT refund to the extent that the effective VAT rate of the sales of the software products in the PRC exceeds 3% of the sales amounts. During the six months ended 30 June 2025 and 2024, the Group received such VAT refund of RMB311,000 and RMB17,000 respectively.

Pursuant to the VAT Policy on Wind Power Generation (Caishui [2015] No.74), enterprises selling self-generated wind power will be entitled to a 50% refund of VAT. During the six months ended 30 June 2025 and 2024, the Group received such VAT refund of RMB860,000 and RMB772,000 respectively.

(b) Other net loss

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Net exchange losses	19	17
Others	(127)	(27)
	<u>(108)</u>	<u>(10)</u>

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

(a) Net finance costs

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Interest expenses on bank loans	612	381
Interest expenses on loans due to third parties	450	827
Interest expenses on loans due to a related party	—	500
Interest expenses on lease liabilities	185	329
	<u>1,247</u>	<u>2,037</u>
Interest income	(302)	(323)
Net finance costs	<u>945</u>	<u>1,714</u>

(b) Other items

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Cost of inventories recognised as expenses (<i>Note</i>)	45,929	44,917
Depreciation charges		
— owned property, plant and equipment	9,037	5,305
— right-of-use assets	1,844	2,937
Provision for/(reversal of) ECL allowance		
— trade receivables and contract assets	6,026	(12)
— loans to a related party	—	4
Provision for write-down of inventories	1,285	927

Note:

Cost of inventories recognised as expenses includes amounts relating to staff costs, depreciation of property, plant and equipment and provision for write-down of inventories, which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

7 INCOME TAX

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current tax — PRC Corporate Income Tax		
Provision for the year	861	442
Over -provision in respect of prior years	(62)	(36)
Deferred tax		
Origination and reversal of temporary differences	(2,015)	(2,038)
	(1,216)	(1,632)

The provision for PRC income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

8 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB20,018,000 (six months ended 30 June 2024: RMB13,343,000) and the weighted average of 250,000,000 ordinary shares (2024: 250,000,000 shares) in issue during the interim period.

(b) Diluted loss per share

Diluted loss per share for the six months ended 30 June 2025 and 2024 are the same as the basic loss per share as there were no potentially dilutive ordinary shares issued.

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment with a cost of RMB3,881,000 (six months ended 30 June 2024: RMB3,090,000). No Items of property, plant and equipment were disposed of during the six months ended 30 June 2025 and 2024.

10 INVENTORIES

During six months ended 30 June 2025, RMB1,285,000 (six months ended 30 June 2024: RMB927,000) has been recognised as a reduction in the amount of inventories recognised as an expense in profit or loss during the period.

11 TRADE AND OTHER RECEIVABLES

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Current		
Trade and bills receivable, net of loss allowance	133,363	128,193
Prepayments	823	645
Other receivables	10,032	7,868
	<hr/>	<hr/>
Total	144,218	136,706
	<hr/>	<hr/>
Non-current		
Other receivables	428	416
	<hr/>	<hr/>
	144,646	137,122
	<hr/>	<hr/>

Except for the non-current other receivables related to the deposits of tenancy agreements and tariff premium receivables, all of trade and other receivables balances are expected to be recovered or recognised as an expense within one year.

Trade and bills receivable

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Measured at amortised cost		
— Trade receivables	130,113	115,131
— Bills receivable	5,178	5,694
Measured at fair value through other comprehensive income (FVOCI)		
— Bills receivable (<i>Note</i>)	478	9,361
	135,769	130,186
Less: loss allowance	(2,406)	(1,993)
	<u>133,363</u>	<u>128,193</u>

Note:

Certain amounts of the Group's bills receivable measured at FVOCI were held for collection of contractual cash flows and for selling the financial asset, where cash flows of the bills receivable represented solely payments of principal and interest.

As of the end of the reporting period, the aging analysis of trade and bills receivable, based on the revenue recognition date and net of loss allowance, is as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 year	69,540	69,200
Over 1 year but within 2 years	10,739	12,051
Over 2 years but within 3 years	13,328	12,376
Over 3 years	39,756	34,566
	<u>133,363</u>	<u>128,193</u>

Generally, the Group's trade receivables are due within 30 to 180 days from the date of billing, except for the revenue from tariff premium. The collection of such tariff premium is subject to the allocation of funds by relevant government authorities to local grid company, which takes a relatively long time for settlement. As at 30 June 2025, the tariff premium receivables included in trade and other receivables amounted to RMB77,062,000 (2024: RMB69,547,000).

Pursuant to Caijian [2020] No.5 Notice on the Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法) jointly issued by the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration in January 2020, a set of standardised procedures for the settlement of the tariff premium came into effect from 2020 and approvals on a project by project basis are required before the allocation of funds to local grid companies. The directors of the Company are of the opinion that the tariff premium receivables are fully recoverable considering that there are no loss experiences with the state owned grid company in the past and the tariff premium is funded by the PRC government.

12 LOANS TO THIRD PARTIES

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Loans to third parties	8,206	8,512
Less: loss allowance	<u>(3,599)</u>	<u>(3,599)</u>
	<u>4,607</u>	<u>4,913</u>

As at 30 June 2025, loans to third parties comprised a loan of RMB6,876,000 (2024: RMB7,182,000 as loans to a related party) due from a former joint venture and a loan of RMB1,330,000 (2024: RMB1,330,000) due from the other investor of the former joint venture.

The loan due from the former joint venture were interest-free, unsecured and repayable no later than 31 December 2024. As at 30 June 2025, the amount due but unpaid in the loan due from the former joint venture was RMB6,876,000 (2024: RMB7,182,000).

The loan due from the other investor of the former joint venture were interest-free, unsecured and repayable no later than 31 December 2025. There was no amount due but unpaid in the loan due from the other investor of the former joint venture at 30 June 2025.

13 CASH AND CASH EQUIVALENTS, PLEDGED AND RESTRICTED DEPOSITS

(a) Cash and cash equivalents comprise:

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Cash at bank	<u>15,949</u>	<u>51,005</u>

As at 30 June 2025, cash and cash equivalents situated in Chinese Mainland amounted to RMB13,207,000 (2024: RMB47,932,000). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

(b) Pledged and restricted deposits comprise:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Pledged deposits for issuance of bills payable	10,065	7,197
Restricted deposits for litigation	170	1,370
	<u>10,235</u>	<u>8,567</u>

The pledged bank deposits will be released upon the settlement of bills payable.

14 BANK LOANS AND OTHER BORROWINGS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Bank loans (<i>Note (a) below</i>)	22,993	44,038
Loans due to third parties (<i>Note (b) below</i>)	22,406	23,015
	<u>45,399</u>	<u>67,053</u>

(a) Bank loans

The maturity profile for the interest-bearing bank loans of the Group at the end of each reporting period is as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Short-term bank loans	22,993	44,038
Within 1 year or on demand	<u>22,993</u>	<u>44,038</u>

(b) Loans due to third parties

At 30 June 2025, loans due to third parties represented loans, which were subject to an interest rate ranging from 3.5% to 7% (2024: 3.5% to 7%) per annum, were unsecured and have no fixed repayment terms or repayable within one year.

15 TRADE AND OTHER PAYABLES

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Current		
Trade payables (<i>Note (a) below</i>)	63,203	55,392
Bills payable	10,045	7,208
Other payables (<i>Note (b) below</i>)	35,334	35,286
	<u>108,582</u>	<u>97,886</u>
Non-current		
Trade payables	494	577
	<u>109,076</u>	<u>98,463</u>

(a) Trade payables

As of the end of the reporting period, the aging analysis of trade payables other than non-current portion which is the warranty from certain suppliers, based on the invoice date, is as follows:

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Within 3 months	37,996	22,635
3 to 6 months	248	3,384
6 to 12 months	2,421	3,906
Over 12 months	22,538	25,467
	<u>63,203</u>	<u>55,392</u>

All of the current portion of trade payables are expected to be settled within one year or are repayable on demand.

(b) Other payables

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Interest payable	30,931	31,007
Payables for staff related costs	1,061	1,681
Others	3,342	2,598
	<u>35,334</u>	<u>35,286</u>

16 DIVIDENDS

No dividend was paid or declared by the Company for the six months ended 30 June 2025 and 2024.

17 CAPITAL COMMITMENTS

There are no significant capital commitments outstanding at the respective period end not provided for at 30 June 2025 and 31 December 2024.

18 MATERIAL RELATED PARTY TRANSACTIONS

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Guarantees to banks for granting banking facilities	<u>22,993</u>	<u>32,538</u>

Certain bank facilities granted to the Group in Note 14(a) were guaranteed by Mr. Cheng Lifu Cliff, the executive director of the Company at 30 June 2025 and 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

As a leading wind power and pitch control system solution provider in the PRC, we have established a comprehensive business system covering multiple fields. In the core business segment, we have formed a full-chain capability in the research and development, integration, manufacturing, and sales of high-voltage pitch control systems for wind turbines, providing critical technical support for the stable operation of wind power equipment. The Company is also in the wind power generation business, participating in the production of clean energy, and expanding after-market operation and maintenance services of wind power to ensure the efficient operation of wind farms.

In the extended fields of the new energy industry, the Company's energy storage business possesses multi-scenario adaptability and can widely serve different energy forms such as wind power, photovoltaic, and thermal power. Not only do we provide "source-grid-load-storage" full-chain storage solutions, but also create a smart energy service system through dispatch optimization, comprehensively assisting in building a more stable, efficient, and sustainable modern energy ecosystem.

PITCH CONTROL SYSTEM RELATED INTEGRATION, MANUFACTURE AND SALES

We develop, manufacture and sell (1) customised pitch control systems and (2) customised core components of pitch control systems, such as pitch drive controllers and motors, according to the requirements of our customers, and generate revenue from product sales and integration charges. The customers of the pitch control systems have grown from Envision Energy at the beginning to the current quality wind turbine manufacturers such as Zhejiang Windey, CRRC Group, and Sinovel. The customers of the core components include Guoneng I&C.

During the six months ended 30 June 2025, the Group delivered a total of 337 sets of pitch control system products, an increase of 80% compared with the delivery volume for the same period in 2024, and the delivered product types covered different models ranging from 5 MW to 9 MW.

WIND POWER GENERATION

We commenced our wind power generation business in 2015 by operating our Duolun Wind Farm in Inner Mongolia. Our Duolun Wind Farm is installed with 13 wind turbines with a total installed capacity of 19.5MW, where we admit electricity generated to the local power grid and sell electricity generated to the local power grid company. We collect on-grid tariff from the local power grid company based on the meter readings on a monthly basis.

During the six months ended 30 June 2025, the semi-annual utilisation hours of our Duolun Wind Farm were 1,697 hours, and the semi-annual total wind power admitted to the power grid was 33.09 million kWh.

WIND FARM OPERATION AND MAINTENANCE

We offer post market operation and maintenance services to our customers and charge service fees and cost of the sales of consumables through providing such services to customers.

ENERGY STORAGE

Providing a wide range of products and services for multiple scenarios, including wind power, photovoltaic, and thermal power, such as energy storage products and solutions, energy storage modules, pack and system equipment, EMS, intelligent energy cloud platform, and integrated energy simulation and calculation platform, covering smart energy services for energy storage and dispatch optimization, to build a more stable and efficient energy ecosystem.

OUTLOOK OF THE GROUP

The Group will continue to focus on the field of new energy power, actively explore the international market and search for new growth opportunities on the basis of stabilizing the domestic market.

FINANCIAL POSITION AND OPERATING RESULTS

In the first half of 2025, the Group maintained its wind power generation and operation and maintenance business and actively explored market development of the energy storage industry. The principal operating business was adversely affected by the business environment, but continued to develop steadily.

REVENUE

During the six months ended 30 June 2025, the Group recorded a total revenue of approximately RMB47.5 million, representing a decrease of 3% from approximately RMB49 million in the first half of 2024, which was mainly due to the decrease in orders for the energy storage business and lower demand for wind farm operation and maintenance in 2025, resulting in a decrease in overall business revenue.

The table below sets forth a breakdown of the Group's revenue during the reporting period:

	As of 30 June 2025 RMB'000	As of 30 June 2024 RMB'000
Sales of pitch control systems and related components	29,807	19,921
Wind power sales	11,602	7,704
Wind farm operation and maintenance business	2,218	7,319
Energy storage business	3,878	14,297
Total	<u>47,505</u>	<u>49,241</u>

In the first half of 2025, revenue generated from the pitch control systems business amounted to approximately RMB30 million, representing an increase of approximately RMB10 million or approximately 50% from the first half of 2024, which was mainly due to the increase in the number of pitch control systems undertaken and delivered.

In the first half of 2025, revenue generated from the wind power generation business amounted to approximately RMB12 million, representing an increase of RMB4 million or approximately 50% from the first half of 2024, which was mainly due to an increase in electricity consumption.

Revenue from wind farm operation and maintenance business amounted to approximately RMB2 million in the first half of 2025, representing a decrease of approximately RMB5 million or approximately 71% from the first half of 2024, which was mainly due to the decrease in the Group's lubricant orders, resulting in a decrease in operation and maintenance revenue.

Revenue from the energy storage business was approximately RMB4 million in the first half of 2025, representing a decrease of approximately RMB10 million or approximately 71% from the first half of 2024, which was mainly due to the decrease in energy storage business orders caused by power market reforms and changes in mandatory energy storage policy.

COST OF SALES

The Group's cost of sales during the six months ended 30 June 2025 was approximately RMB51 million, representing an increase of approximately RMB2 million or approximately 4% compared with the cost of sales in the first half of 2024.

Among them, the cost of sales of the pitch control systems business mainly includes raw materials, labor and depreciation, etc., and the cost of sales of the Group's pitch control system business in the first half of 2025 was approximately RMB35 million, representing an increase of RMB10 million or approximately 40% from approximately RMB25 million in the first half of 2024, mainly due to an increase in orders relating to the pitch control systems business.

The cost of sales of the wind power generation business is mainly depreciation and operating costs, and the cost of sales of the wind power generation business in the first half of 2025 is approximately RMB5.3 million, representing an increase of RMB1 million from approximately RMB4.3 million in the first half of 2024, mainly due to changes in the operating model.

The cost of sales of wind farm operation and maintenance business is mainly raw material and labor costs. The total cost of sales of the Group's operation and maintenance business in the first half of 2025 was approximately RMB1.5 million, representing a decrease of approximately RMB4.1 million or approximately 73% from approximately RMB5.6 million in the first half of 2024, mainly due to the decrease in revenue from the operation and maintenance of wind farms.

The cost of sales of the energy storage business mainly consists of materials, labor and depreciation. The cost of sales of the energy storage business in the first half of 2025 was approximately RMB10 million, a decrease of RMB5 million from the cost of sales of the business of approximately RMB15 million in the first half of 2024, mainly due to the decrease in orders of energy storage business, resulting in a decrease in the cost of materials.

GROSS PROFIT AND GROSS PROFIT MARGIN

During the six months ended 30 June 2025, the Group's loss was approximately RMB3.8 million, representing a decrease of approximately RMB3.8 million from gross profit of approximately RMB0 million in the first half of 2024, mainly due to the fierce competition in the market, the decrease in product prices and orders. The overall gross profit margin decreased from 0% in the first half of 2024 to -8% in the first half of 2025, mainly due to the relatively low gross profit margin of energy storage business.

The gross profit margin of the pitch control systems business increased from -24% in the first half of 2024 to -16% in the first half of 2025, mainly due to the increase of sales while the fixed costs remained stable.

The gross profit margin of the wind power generation business in the first half of 2025 was approximately 54%, representing an increase of 10% from the gross profit margin of 44% in the first half of 2024, mainly due to the increase of sales while the fixed costs remained stable.

The gross profit margin of the wind farm operation and maintenance business in the first half of 2025 was approximately 30%, representing an increase of 7% from the gross profit margin of 23% in the first half of 2024.

The energy storage business in the first half of 2025 suffered a gross loss, mainly due to the inability to cover labor and fixed costs due to the insufficient order volume.

OTHER REVENUE

For the six months ended 30 June 2025, the Group's other revenue amounted to approximately RMB1 million, which remained consistent compared to approximately RMB1 million in the first half of 2024.

SELLING AND DISTRIBUTION EXPENSES

For the six months ended 30 June 2025, the Group's selling and distribution expenses amounted to approximately RMB4 million, which remained consistent compared to the first half of 2024.

ADMINISTRATIVE AND OTHER OPERATING EXPENSES

For the six months ended 30 June 2025, the Group's administrative and other operating expenses amounted to approximately RMB17 million, representing an increase of RMB5 million as compared to approximately RMB12 million in the first half of 2024, which was mainly due to expected credit losses provided due to deterioration in customers' repayment ability.

FINANCE COSTS

Finance costs mainly represent the interest expenses on bank loans and loans due to third parties. For the six months ended 30 June 2025, the Group's finance costs amounted to approximately RMB1 million, representing a decrease of approximately RMB1 million as compared to approximately RMB2 million in the first half of 2024, which was mainly attributable to the decrease in loans.

LOSS FOR THE PERIOD

Based on the above reasons, as of 30 June 2025, the Group's loss for the period amounted to approximately RMB23.5 million, representing an increase of approximately RMB8.5 million from loss for the period of approximately RMB15 million in the first half of 2024.

LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

As of 30 June 2025, the loss attributable to the equity shareholders of the Company amounted to approximately RMB20 million. This represented an increase of approximately RMB7 million as compared to the loss attributable to the equity shareholders of the Company of approximately RMB13 million for the first half of 2024.

GEARING RATIO

Gearing ratio is calculated as the Group's total liabilities divided by total assets. For the six months ended 30 June 2025, the Group's gearing ratio was approximately 45%, representing a decrease of 1% as compared to the gearing ratio of 44% at 31 December 2024, which remained consistent.

LIQUIDITY AND CAPITAL SOURCE

The working capital of the Group is derived from the cash flows generated from our operating activities, the existing cash and cash equivalents of the Company, bank loans and net proceeds from listing. After prudent financial management and analysis, the Directors believe that the Group has sufficient working capital to meet the Group's current and future operating needs for a full year.

CASH FLOWS

As of 30 June 2025, the Group's cash and cash equivalents amounted to approximately RMB16 million, representing a decrease of approximately RMB35 million or approximately 69% from approximately RMB51 million as of 31 December 2024, which was mainly due to operating losses and repayment of borrowings.

CAPITAL EXPENDITURES

In the first half of 2025, the Group's capital expenditures amounted to approximately RMB3.9 million in total, representing an increase of RMB0.9 million as compared to the capital expenditure of RMB3 million in the first half of 2024. This was mainly due to the renovation and optimization of the Company's plants.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities.

PLEDGE OF THE GROUP'S ASSETS

As of 30 June 2025, the Group's subsidiaries had short-term bank borrowings of RMB23 million, of which RMB1 million was secured by the intellectual property rights of the Group's subsidiaries.

HUMAN RESOURCES

The Group has offices in Beijing, Shanghai, Wuxi, Shenzhen, Hong Kong and Inner Mongolia. As at 30 June 2025, the Group employed a total of 123 employees (31 December 2024: 160 employees), all of which entered into labor contracts. According to the PRC labor Law and the relevant laws and regulations, the contracts of such employees expressly stipulate the position, responsibilities, remuneration, staff benefit, training, obligation of confidentiality and other related matters of each employee.

POTENTIAL RISK EXPOSURES

Policy uncertainty risk

New energy power industry is significantly policy driven. If there is any adverse changes in the relevant supporting policy system, the whole new energy industry chain will be adversely affected, and lead to a slowdown in demand, insufficient investments in sectors such as pitch control systems, operation and maintenance and energy storage, and prolonged settlement of outstanding tariff premiums for the sales of wind power, which in turn may adversely affect the Company's operating results and its financial position, as well as its cash flow.

Financial risk

If the Group fails to generate sufficient cash flows from its business execution, it may materially affect the normal management and operations of the Group. In addition, accounts receivable and bills receivable are affected by the uncertainty of the operation of our customers, which lead to the risk of delayed cash collection. The Group will strictly adhere to its cash management system and credit policy, actively follow up on the credit period of accounts receivable and customer operation status and monitor the real-time cash status on an ongoing basis, so as to effectively control the financial risk.

Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument fluctuate as a result of changes in foreign exchange rates. Exchange rate risk arises from financial instruments denominated in foreign currencies other than the functional currency.

The Group operates primarily in the PRC and its main businesses are settled in Renminbi. However, the Company is still exposed to foreign exchange risk arising from the recognised assets and liabilities in foreign currencies and future transactions in foreign currencies (assets and liabilities and future transactions are mainly denominated in USD). The Group has not entered into any forward foreign exchange contracts to hedge its foreign exchange risk, but management will continue to monitor foreign exchange risk and take prudent measures to reduce foreign exchange risk.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2025.

EVENTS AFTER THE REPORTING PERIOD

There have been no other material events occurring after the reporting period and up to the date of this announcement.

CORPORATE GOVERNANCE

The Board is committed to achieving good corporate governance standards.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of its shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the CG Code during the six months ended 30 June 2025.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding directors’ securities transactions.

The specific enquiry has been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the six months ended 30 June 2025.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company established the audit committee with written terms of reference in compliance with the CG Code (the “**Audit Committee**”). As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely Ms. Hung Pui Yu (“**Ms. Hung**”), Mr. Kang Jian and Mr. Li Shusheng. The Audit Committee is chaired by Ms. Hung, who has appropriate professional qualifications and experience as required by Rule 3.10(2) of the Listing Rules.

The Audit Committee of the Company has discussed with the management the accounting principles and policies adopted by the Group and has reviewed the Group’s unaudited interim consolidated financial statements for the six months ended 30 June 2025.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the Company’s website at www.natureenergytech.com and the Stock Exchange’s website at www.hkexnews.hk. The interim report for the six months ended 30 June 2025 will be dispatched to the shareholders of the Company (if requested) and will be available on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
China Nature Energy Technology Holdings Limited
Cheng Liquan Richard
Chairman

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Cheng Liquan Richard and Mr. Cheng Li Fu Cliff, two non-executive Directors, namely, Mr. Li Hao and Ms. Cheng Li Qin, and three independent non-executive Directors, namely, Ms. Hung Pui Yu, Mr. Kang Jian and Mr. Li Shusheng.