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CGN NEW ENERGY HOLDINGS CO., LTD.

中國廣核新能源控股有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 1811)

**Interim Results Announcement
for the Six Months Ended 30 June 2026**

**HIGHLIGHTS OF THE UNAUDITED CONSOLIDATED INTERIM
RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026**

- Revenue for the six months ended 30 June 2026 amounted to US\$772.8 million, representing a decrease of 9.8% from US\$856.5 million for the six months ended 30 June 2025.
- Profit attributable to equity shareholders of the Company for the six months ended 30 June 2026 amounted to US\$82.1 million, representing a decrease of 49.8% from US\$163.5 million for the six months ended 30 June 2025.
- The decrease in profit for the six months ended 30 June 2026 was mainly attributable to the combined effect of (1) decrease in both tariff and power generation of the PRC wind projects; and (2) decrease in other gains and losses due to recognition of a gain on disposal of a PRC cogen project during the six months ended 30 June 2025.
- Earnings per share for the six months ended 30 June 2026 amounted to 1.91 US cents, representing a decrease of 49.8% from 3.81 US cents for the six months ended 30 June 2025.
- The Board has resolved to declare an interim dividend for the six months ended 30 June 2026 of 0.67 US cents per Share (equivalent to 5.20 HK cents per Share) (for the six months ended 30 June 2025: nil), totalling approximately US\$28.7 million (equivalent to approximately HK\$223.1 million), which is calculated based on 4,289,924,000 Shares in issue on 26 August 2026.

The Board announces the unaudited consolidated interim results of the Group for the six months ended 30 June 2026 together with comparative figures for the corresponding period in 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited

	Six months ended 30 June	
	2026	2025
	US\$'000	US\$'000
Revenue	<u>772,838</u>	<u>856,513</u>
Operating expenses:		
Coal, oil, gas and wood pellet	265,499	287,370
Depreciation of property, plant and equipment	199,302	176,573
Repair and maintenance	7,727	12,285
Staff costs	47,986	56,400
Others	<u>66,070</u>	<u>69,847</u>
Total operating expenses	<u>586,584</u>	<u>602,475</u>
Operating profit	186,254	254,038
Other income	6,735	8,982
Other gains and losses	(1,113)	18,514
Finance costs	(70,359)	(80,319)
Share of results of associates	<u>1,768</u>	<u>11,319</u>
Profit before taxation	123,285	212,534
Income tax	<u>(37,589)</u>	<u>(43,646)</u>
Profit for the period	<u>85,696</u>	<u>168,888</u>

	Six months ended 30 June	
	2026	2025
	US\$'000	US\$'000
Other comprehensive income for the period		
Items that are/may be reclassified subsequently to profit or loss:		
Exchange difference arising on translation of foreign operations	647	46,809
Reclassification adjustments for amounts transferred to profit or loss		
– release of cumulative gains of translation reserve to profit or loss upon disposal of a subsidiary	–	(4,264)
– release of hedging reserve	(48)	(50)
– deferred tax credit arising on release of hedging reserve	12	12
Other comprehensive income for the period	611	42,507
Total comprehensive income for the period	86,307	211,395
Profit for the period attributable to:		
Equity shareholders of the Company	82,085	163,530
Non-controlling interests	3,611	5,358
	85,696	168,888
Total comprehensive income for the period attributable to:		
Equity shareholders of the Company	78,132	205,911
Non-controlling interests	8,175	5,484
	86,307	211,395
Earnings per Share		
– Basic (<i>US cents</i>)	1.91	3.81
– Diluted (<i>US cents</i>)	1.91	3.81

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026 – unaudited

	30 June 2026 US\$'000	31 December 2025 US\$'000
NON-CURRENT ASSETS		
Property, plant and equipment	6,644,790	6,550,186
Right-of-use assets	261,059	245,976
Goodwill	135,327	131,211
Interests in associates	101,416	97,071
Deferred tax assets	29,426	29,382
Financial assets designated at fair value through other comprehensive income	3,595	3,486
Net defined benefit retirement scheme assets	274	1,020
Other non-current assets	276,395	295,511
	<u>7,452,282</u>	<u>7,353,843</u>
CURRENT ASSETS		
Inventories	41,051	44,222
Trade receivables	906,083	819,381
Contract assets	560,502	498,819
Other receivables and prepayments	122,951	124,321
Amounts due from fellow subsidiaries	26,012	16,950
Derivative financial instruments	46	–
Pledged bank deposits	88,412	68,507
Cash and cash equivalents	160,950	164,620
	<u>1,906,007</u>	<u>1,736,820</u>

	30 June 2026 US\$'000	31 December 2025 US\$'000
CURRENT LIABILITIES		
Trade payables	41,208	29,749
Contract liabilities	699	721
Other payables and accruals	378,091	372,284
Amounts due to fellow subsidiaries	19,451	14,041
Amounts due to non-controlling shareholders		
– due within one year	3,094	3,000
Loans from fellow subsidiaries		
– due within one year	877,503	1,089,828
Bank borrowings – due within one year	1,928,255	1,606,485
Lease liabilities – due within one year	12,938	6,525
Tax payable	22,410	26,193
	3,283,649	3,148,826
NET CURRENT LIABILITIES	(1,377,642)	(1,412,006)
TOTAL ASSETS LESS CURRENT LIABILITIES	6,074,640	5,941,837
NON-CURRENT LIABILITIES		
Other payables and accruals		
– due after one year	13,272	13,860
Amount due to a non-controlling shareholder		
– due after one year	1,427	1,383
Loans from a fellow subsidiary		
– due after one year	123,378	124,476
Bank borrowings – due after one year	3,757,049	3,651,109
Lease liabilities – due after one year	81,677	74,037
Government grants	15,544	15,369
Deferred tax liabilities	43,832	43,956
	4,036,179	3,924,190
NET ASSETS	2,038,461	2,017,647

	30 June 2026 US\$'000	31 December 2025 US\$'000
CAPITAL AND RESERVES		
Share capital	55	55
Reserves	<u>1,885,391</u>	<u>1,873,037</u>
Total equity attributable to equity shareholders of the Company	1,885,446	1,873,092
Non-controlling interests	<u>153,015</u>	<u>144,555</u>
TOTAL EQUITY	<u><u>2,038,461</u></u>	<u><u>2,017,647</u></u>

NOTES

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its Shares are listed on the Main Board of the Stock Exchange in October 2014. The registered office of the Company is at M Q Services Ltd., Victoria Place, 1st Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The principal place of business of the Company is at Suites 1201-3 and 7-10, 12/F, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. Its immediate holding company is CGN Energy International, a company incorporated in Hong Kong with limited liability and its ultimate holding company is CGN, a state-owned enterprise established in the PRC.

These consolidated financial statements are presented in US\$.

Prior to 1 January 2026, US\$ was the Company's functional currency. Following the change in the currency denomination of the Company's principal operating and financing activities from US\$ to RMB, the directors considered that the Company's primary economic environment had changed. Accordingly, the Company changed its functional currency from US\$ to RMB with effect from 1 January 2026. The change has been applied prospectively in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, while the Group's presentation currency remained US\$.

The financial information set out in this announcement does not constitute the unaudited interim financial report of the Group for the six months ended 30 June 2026 but is extracted from that unaudited interim financial report which has been prepared in accordance with the International Accounting Standard ("IAS") 34, *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB") as well as with the applicable disclosure provisions of the Listing Rules.

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

The financial information relating to the financial year ended 31 December 2025 set out in this announcement does not constitute the Group's consolidated financial statements for the year ended 31 December 2025, but is derived from those financial statements.

The consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The Group had net current liabilities of approximately US\$1,377.6 million as at 30 June 2026. CGN Wind Energy, a fellow subsidiary of the Company, has confirmed in writing that despite the loan from CGN Wind Energy of RMB4,700.0 million (equivalent to US\$689.7 million) which is due for repayment within twelve months from 30 June 2026, it will not cancel the existing loan facilities within twelve months from 30 June 2026 and that the loan will be extended upon expiry. Furthermore, taking into account the financial resources of the Group, the Group has unutilized general facilities of US\$1,276.9 million as at 30 June 2026 for over the next twelve months from the end of the reporting period. In addition, the directors of the Company have reviewed the Group's cash flow projections prepared by the management of the Group. The cash flow projections cover a period not less than twelve months from the end of the reporting period.

Taking into account the above-mentioned considerations, the directors of the Company are of the opinion that the Group has sufficient working capital to meet in full its financial obligations as they fall due for at least the next twelve months from the end of the reporting period and accordingly, this interim financial report has been prepared on a going concern basis.

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB to this interim financial report for the current accounting period:

Amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: disclosures Contracts referencing nature-dependent electricity*

Amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: disclosures Amendments to the classification and measurement of financial instruments*

Annual improvements to IFRS Accounting Standards Volume 11

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

The amendments do not have a material impact on these interim consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group has three reportable segments as follows:

- (1) Power plants in the PRC – Generation and supply of electricity;
- (2) Power plants in Korea – Generation and supply of electricity; and
- (3) Management companies – Provision of management services to power plants operated by CGN and its subsidiaries.

The following is an analysis of the Group's revenue and results by reportable segment:

For the six months ended 30 June 2026

	Power plants in the PRC <i>US\$'000</i>	Power plants in Korea <i>US\$'000</i>	Management companies <i>US\$'000</i>	Total <i>US\$'000</i>
Segment revenue – external	<u>422,331</u>	<u>340,121</u>	<u>10,386</u>	<u>772,838</u>
Segment results	<u>112,291</u>	<u>16,323</u>	<u>494</u>	129,108
Unallocated other income				1,260
Unallocated operating expenses				(1,865)
Unallocated finance costs				(6,986)
Share of results of associates				<u>1,768</u>
Profit before taxation				<u>123,285</u>

For the six months ended 30 June 2025

	Power plants in the PRC <i>US\$'000</i>	Power plants in Korea <i>US\$'000</i>	Management companies <i>US\$'000</i>	Total <i>US\$'000</i>
Segment revenue – external	<u>469,340</u>	<u>378,193</u>	<u>8,980</u>	<u>856,513</u>
Segment results	<u>188,102</u>	<u>29,152</u>	<u>428</u>	217,682
Unallocated other income				1,277
Unallocated operating expenses				(2,376)
Unallocated finance costs				(15,368)
Share of results of associates				<u>11,319</u>
Profit before taxation				<u>212,534</u>

4. EARNINGS PER SHARE

	Six months ended 30 June	
	2026	2025
	<i>US cents</i>	<i>US cents</i>
Earnings per share, basic and diluted – calculated based on the number of ordinary shares for the period	<u><u>1.91</u></u>	<u><u>3.81</u></u>
	<i>US\$'000</i>	<i>US\$'000</i>
Earnings for the purposes of calculating basic and diluted earnings per share (profit for the period attributable to ordinary equity shareholders of the Company)	<u><u>82,085</u></u>	<u><u>163,530</u></u>
	<i>'000</i>	<i>'000</i>
Number of ordinary shares for the purposes of calculating basic and diluted earnings per share	<u><u>4,289,924</u></u>	<u><u>4,289,924</u></u>

5. TRADE RECEIVABLES

	30 June	31 December
	2026	2025
	<i>US\$'000</i>	<i>US\$'000</i>
Trade receivables – contracts with customers	933,635	846,095
Less: allowance for credit losses	<u>(27,552)</u>	<u>(26,714)</u>
	<u><u>906,083</u></u>	<u><u>819,381</u></u>

The following is an aging analysis of trade receivables net of allowance for credit losses presented based on the invoice date at the end of the reporting period, which approximated the revenue recognition dates:

	30 June 2026 US\$'000	31 December 2025 US\$'000
0 – 60 days	148,066	146,644
61 – 90 days	19,979	17,955
91 – 180 days	72,747	78,688
Over 180 days	665,291	576,094
	<u>906,083</u>	<u>819,381</u>

As at 30 June 2026, the Group's trade receivables balances included receivables with an aggregate carrying amount of US\$108.5 million (31 December 2025: US\$100.5 million) from the sales of electricity and other services, which are due within 20 to 90 days from the date of billing.

As at 30 June 2026, the Group's trade receivables balances included receivables with an aggregate carrying amount of US\$797.6 million (31 December 2025: US\$718.9 million) from the tariff income receivables. These receivables are tariff income receivables from relevant government authorities pursuant to Cai Jian [2020] No.5 Notice on the Measures for Administration of Subsidy Funds for Tariff of Renewable Energy. The collection of tariff income receivables is subject to settlement by state grid companies upon finalization of the allocation of funds by relevant PRC government authorities to the state grid companies. As a result, the tariff income receivables are not considered as overdue or in default.

The Group measures loss allowance for trade receivables and contract assets at an amount equal to lifetime ECLs, which is measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The Group does not hold any collateral over the trade receivables balances.

6. CONTRACT ASSETS

	30 June 2026 <i>US\$'000</i>	31 December 2025 <i>US\$'000</i>
Tariff income from sales of renewable energy	583,864	521,470
Less: allowance for credit losses	<u>(23,362)</u>	<u>(22,651)</u>
	<u>560,502</u>	<u>498,819</u>

The contract assets represented tariff income receivables from sales of renewable energy to the local state grid in the PRC, with such amounts pending approval for registration in the Renewable Energy Tariff Subsidy List (the “List”) by the relevant government authorities. The contract assets are transferred to trade receivables when the relevant right becomes unconditional, upon the registration of the Group’s respective operating power plants in the List.

7. TRADE PAYABLES

The following is an aging analysis of trade payables reported based on the invoice date at the end of the reporting period:

	30 June 2026 <i>US\$'000</i>	31 December 2025 <i>US\$'000</i>
0 – 60 days	34,893	21,534
61 – 90 days	1,096	41
Over 90 days	<u>5,219</u>	<u>8,174</u>
	<u>41,208</u>	<u>29,749</u>

The average credit period on purchases of goods was 35 days (31 December 2025: 37 days) for the six months ended 30 June 2026. The Group has financial risk management policies in place to ensure all payables are settled within the credit period.

8. LOANS FROM FELLOW SUBSIDIARIES

As at 30 June 2026 and 31 December 2025, the amounts represent:

		30 June	31 December
		2026	2025
	<i>Notes</i>	US\$'000	US\$'000
Loans from fellow subsidiaries			
– due within 1 year:			
CGN Finance	<i>i(a)</i>	68,259	129,493
CGN Wind Energy	<i>ii</i>	689,655	697,132
CGNPC Huasheng	<i>iii</i>	119,589	263,203
		877,503	1,089,828
Loans from a fellow subsidiary			
– due after 1 year:			
CGN Finance	<i>i(b)</i>	123,378	124,476

Notes:

(i)(a) Loans from CGN Finance of RMB397.0 million (equivalent to US\$58.3 million) (31 December 2025: RMB892.0 million (equivalent to US\$126.9 million)) are unsecured, interest bearing at 2.40% (31 December 2025: 2.40%) per annum and repayable within one year; and

Loans from CGN Finance of RMB68.2 million (equivalent to US\$10.0 million) (31 December 2025: RMB18.2 million (equivalent to US\$2.6 million)) are unsecured, interest bearing at RMB Loan Prime Rate announced by the PRC National Interbank Funding Center (“**RMB Loan Prime Rate**”) minus 0.65% to 1.35% (31 December 2025: RMB Loan Prime Rate minus 0.65% to 1.40%) per annum and repayable within one year.

(i)(b) Loans from CGN Finance of RMB840.8 million (equivalent to US\$123.4 million) (31 December 2025: RMB874.9 million (equivalent to US\$124.5 million)) are unsecured, interest bearing at the RMB Loan Prime Rate minus 0.65% to 1.35% (31 December 2025: RMB Loan Prime Rate minus 0.65% to 1.35%) per annum and repayable in 2030 to 2040 (31 December 2025: 2030 to 2040).

- (ii) Loan from CGN Wind Energy of RMB4,700.0 million (equivalent to US\$689.7 million) (31 December 2025: RMB4,900.0 million (equivalent to US\$697.1 million)) is unsecured, interest bearing at 2.40% (31 December 2025: 2.40%) per annum and repayable in November 2026 (31 December 2025: November 2026).
- (iii) Loans from CGNPC Huasheng of RMB815.0 million (equivalent to US\$119.6 million) (31 December 2025: RMB1,850.0 million (equivalent to US\$263.2 million)) are unsecured, interest bearing at 1.90% (31 December 2025: 1.90%) per annum and repayable in December 2026 (31 December 2025: January 2026).

9. BANK BORROWINGS

The Group's total bank borrowings increased from US\$5,257.6 million as at 31 December 2025 to US\$5,685.3 million as at 30 June 2026. Details of bank borrowings are as follows:

	30 June 2026 US\$'000	31 December 2025 US\$'000
Secured	2,530,014	2,558,547
Unsecured	3,155,290	2,699,047
	<u>5,685,304</u>	<u>5,257,594</u>

The maturity profile of bank borrowings is as follows:

Within 1 year	<u>1,928,255</u>	<u>1,606,485</u>
After 1 year but within 2 years	771,577	531,841
After 2 years but within 5 years	1,297,132	1,468,825
Over 5 years	<u>1,688,340</u>	<u>1,650,443</u>
	<u>3,757,049</u>	<u>3,651,109</u>
	<u>5,685,304</u>	<u>5,257,594</u>

As at 30 June 2026, the Group had unutilized banking facilities of US\$2,527.7 million (31 December 2025: US\$1,953.9 million).

MANAGEMENT DISCUSSION AND ANALYSIS

I. Operating Results and Analysis

In the first half of 2026, the revenue of the Group amounted to US\$772.8 million, representing a decrease of US\$83.7 million or 9.8% compared with US\$856.5 million for the first half of 2025. The profit attributable to equity shareholders of the Company amounted to US\$82.1 million, representing a decrease of US\$81.4 million or 49.8% compared with US\$163.5 million for the first half of 2025.

The profit for the period of the Group amounted to US\$85.7 million, representing a decrease of US\$83.2 million or 49.3% compared with US\$168.9 million for the first half of 2025.

Revenue

In the first half of 2026, the revenue of the Group amounted to US\$772.8 million, representing a decrease of 9.8% compared with US\$856.5 million for the first half of 2025. The decrease in revenue was mainly attributable to the decrease in both tariff and power generation of PRC wind projects, as well as the decrease in tariff of Korea projects.

Operating Expenses

In the first half of 2026, the operating expenses of the Group amounted to US\$586.6 million, representing a decrease of 2.6% compared with US\$602.5 million for the first half of 2025. The decrease in operating expenses was mainly due to the decrease in gas costs of Korea gas-fired projects, as well as the decrease in coal costs following the disposal of a PRC cogen project in March 2025.

Operating Profit

In the first half of 2026, the operating profit of the Group, which is equal to revenue minus operating expenses, amounted to US\$186.2 million, representing a decrease of 26.7% compared with US\$254.0 million for the first half of 2025. The decrease in operating profit was mainly attributable to the decrease in both tariff and power generation from the PRC wind projects and the decrease in tariff for Korea projects.

Other Income

Other income of the Group mainly represented interest income and government grants. In the first half of 2026, other income of the Group amounted to US\$6.7 million, representing a decrease of US\$2.3 million compared with US\$9.0 million for the first half of 2025, mainly due to the decrease in value-added tax refund from the PRC government for the PRC wind projects.

Other Gains and Losses

In the first half of 2026, other gains and losses of the Group amounted to losses of US\$1.1 million, representing a decrease of US\$19.6 million compared with gains of US\$18.5 million for the first half of 2025. The decrease in other gains and losses was mainly attributable to recognition of a gain of US\$23.8 million on disposal of a PRC cogen project for the six months ended 30 June 2025, while no such gain was recorded for the six months ended 30 June 2026.

Finance Costs

In the first half of 2026, the finance costs of the Group amounted to US\$70.4 million, representing a decrease of US\$9.9 million compared with US\$80.3 million for the first half of 2025. The decrease in finance costs was mainly attributable to a decrease in weighted average interest rate on bank borrowings and loans from fellow subsidiaries.

Share of Results of Associates

In the first half of 2026, the share of profits of associates amounted to US\$1.8 million, representing a decrease of US\$9.5 million compared with US\$11.3 million in the first half of 2025. The decrease in profits of the associates was mainly attributable to the decrease in power generation during the period.

Income Tax

In the first half of 2026, the income tax expenses of the Group amounted to US\$37.6 million, representing a decrease of US\$6.0 million compared with US\$43.6 million for the first half of 2025, which was mainly due to a drop of profit before taxation.

Liquidity and Capital Resources

The Group's cash and cash equivalents decreased from US\$164.6 million as at 31 December 2025 to US\$161.0 million as at 30 June 2026, which was primarily due to the decrease in net cash generated from financing activities.

Net Debt/Equity Ratio

The Group's net debt/equity ratio increased from 3.13 as at 31 December 2025 to 3.20 as at 30 June 2026, which was mainly due to the increase in bank borrowings.

Interim Dividend

At the Board meeting held on 26 August 2026, the Board has resolved to declare an interim dividend for the six months ended 30 June 2026 of 0.67 US cents per Share (equivalent to 5.20 HK cents per Share) (for the six months ended 30 June 2025: nil), totalling approximately US\$28.7 million (equivalent to approximately HK\$223.1 million), which is calculated based on 4,289,924,000 Shares in issue on 26 August 2026.

Financial Position

Non-current assets increased from US\$7,353.8 million as at 31 December 2025 to US\$7,452.3 million as at 30 June 2026. The increase was mainly due to the increase in property, plant and equipment.

Current assets increased from US\$1,736.8 million as at 31 December 2025 to US\$1,906.0 million as at 30 June 2026. The increase was mainly due to the increase in trade receivables and contract assets.

Current liabilities increased from US\$3,148.8 million as at 31 December 2025 to US\$3,283.6 million as at 30 June 2026. The increase was mainly due to the increase in short-term bank borrowings.

Non-current liabilities increased from US\$3,924.2 million as at 31 December 2025 to US\$4,036.2 million as at 30 June 2026. The increase was mainly due to the increase in long-term bank borrowings.

Capital Expenditures

The Group's capital expenditures decreased by US\$202.0 million to US\$196.5 million in the first half of 2026 from US\$398.5 million in the first half of 2025, which was mainly due to the decrease in capital expenditures incurred by the wind and solar projects in the PRC as well as the gas-fired projects in Korea.

Contingent Liabilities

As at 30 June 2026 and 31 December 2025, the Group had no material contingent liabilities.

Pledged Assets

The Group pledged certain property, plant and equipment, trade receivables, contract assets and bank deposits for credit facilities granted to the Group. As at 30 June 2026, the total carrying amount of the pledged assets of the Group amounted to US\$2,159.7 million (as at 31 December 2025: US\$2,000.6 million).

Employees and Remuneration Policy

As at 30 June 2026, the Group had about 1,815 full-time employees, the majority of them were based in China. The Group provides its employees with salaries and bonuses, as well as employee benefits, including retirement schemes, medical and life insurance schemes.

Employees located in China are covered by the mandatory social security schemes required by relevant rules and regulations of the PRC, which are essentially defined contribution schemes. The Group is required by the PRC law to contribute a certain percentage of the average salaries of the employees to various schemes in accordance with the regulatory requirements in the locations of the entities and the Group's policies. The PRC government is directly responsible for the payment of the benefits to these employees.

In Hong Kong, the Group participates in a mandatory provident fund scheme established under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). Employees contribute 5.0% of their relevant income to the mandatory provident fund scheme subject to a cap of monthly relevant income of HK\$30,000 and the Group contributes 10.0% of each employee's monthly base salary.

In Korea, the Group is required by law to contribute 4.75% of the employees' monthly average salaries for the national pension, 3.595% for national health insurance (13.14% of the national health insurance contribution for long term care insurance), 0.9% for unemployment insurance, 0.706% (Seoul Office)/0.626% (Yulchon)/0.894% (Daesan) for the industrial accident compensation insurance and 0.09% for a wage claim guarantee fund.

II. Industry Overview

China's Power Market:

According to the data published by the NEA, from January to June 2026, the electricity consumption of the society was 5,099.9 TWh, representing an increase of 5.3% from the same period of last year. As at the end of June 2026, the installed power generation capacity of the PRC amounted to 4,042.5 GW, representing an increase of 10.8% from the same period of last year. In particular, the accumulated installed wind power capacity reached 678.8 GW, representing an increase of 18.5% from the same period of last year, while the accumulated installed solar power capacity recorded 1,274.1 GW, representing an increase of 15.8% from the same period of last year.

During the “14th Five-Year Plan” period, the new energy industry experienced rapid development, with a leap-forward growth in installed capacity. During the “15th Five-Year Plan” period, the power industry will shift from “scale-driven” to “value-driven”, and is currently undergoing a painful transition period amid multiple overlapping real-world pressures: absorption capacity in certain regions continues to narrow, raising risks of wind and solar curtailment; downward expectations for medium and long-term trading tariff persist in many provinces, while negative tariff incidents occasionally occur in the spot power market; competition for new energy project development remains intense, imposing higher requirements on the capabilities such as grid connection and absorption conditions, locational endowments, and integration of source-grid-load-storage; since February 2026, bidding prices for onshore wind turbines have trended upward, and compounded by the impact of the expiry and cancellation of the policy granting an immediate refund of 50% of value-added tax on wind power, squeezed the full-cycle internal rates of return; from March 2026 to date, the lower average wind speeds in most regions across the country have resulted in a year-on-year decline in wind power utilization hours, which has posed challenges to power generation stability and predictability. In addition, as existing wind and solar power stations connect to the grid for longer periods, the pressure on predictive operation and maintenance and work safety risks arising from equipment performance degradation continues to rise. Overall, most of the above pressures are structural, and medium to long-term variables, unlikely to dissipate spontaneously in the short term. Conversely, a package of policies have been intensively rolled out since 2026, opening up a definitive policy space for the industry across multiple dimensions, including absorption expansion, revenue restructuring, cost reduction and efficiency enhancement, and business model upgrading.

2026 marks the commencement of the “15th Five-Year Plan” period and represents a critical period for tackling difficulties towards achieving the carbon peak target by 2030. China’s energy development has formally entered a new stage of shifting from scale expansion to system optimization, and from prioritizing supply security to balancing security and low-carbon development. In the first half of 2026, the core logic behind the wind and solar new energy policies was “establishing mechanisms, promoting integration and strengthening constraints”. Through the rigid assessment of consumption obligation targets, the systematic planning of the new energy system and the comprehensive promotion of the direct green power connection model, policies are guiding the industry to shift from scale-oriented expansion to a new stage of high-quality, sustainable and systematic development.

First, establishing mechanisms. The “15th Five-Year Plan” for the new energy system has been implemented, with systemic coordination and high-quality development becoming the central theme. In the first half of 2026, the top-level design framework for the construction of China’s new energy system was basically finalized, formulating a complete closed loop from planning guidance, target quantification to pathways implementation. At the national level, policies have been intensively promulgated around the transformation of the energy system across three dimensions: development guidelines setting the overall direction, energy conservation and carbon reduction campaigns targeting key industries, and special plans for developing a new energy system. These policies progress in successive layers and complement one another: the guidelines establish strategic directions and a pathway featuring the simultaneous development of multiple energy sources, the campaigns drive the integrated development of traditional and new energy sources, and the special plans set medium to long-term quantitative targets and spatial layouts. Spanning from “directional guidance” through “transformation promotion” to “target setting”, the three tiers of policies form a complete institutional chain covering top-level design down to on-the-ground execution, marking a formal shift in new energy development from “scale-driven” to “systematic and systemic” construction.

In March 2026, the full text of the “Outline of the 15th Five-Year Plan for National Economic and Social Development of the People’s Republic of China” (《中華人民共和國國民經濟和社會發展第十五個五年規劃綱要》) was released, setting forth the following energy-related objectives for the “15th Five-Year Plan” period: first, to intensify the construction of new energy infrastructure. The new energy security strategy will be thoroughly implemented, accelerating the construction of a clean, low-carbon, safe and efficient new energy system and building China into a major energy powerhouse. The safe, reliable and orderly substitution of non-fossil energy for fossil energy will be advanced, adhering to the simultaneous development of multiple energy sources including wind, solar, hydro and nuclear power, and implementing a ten-year doubling action for non-fossil energy. Second, to develop and expand emerging industries. Accelerate the development of strategic emerging industries such as new-generation information technology, new energy, robotics, biomedicine, high-end equipment and aerospace. Third, to prospectively lay out future industries. Target key areas that will lead future development, build a full-chain cultivation system for future industries, and promote hydrogen energy, nuclear fusion energy, brain-computer interfaces, embodied intelligence and sixth-generation mobile communications to become new economic growth drivers. Fourth, to build new infrastructure with appropriate foresight. Promote the digital and intelligent upgrading of infrastructure in transportation, energy and water conservancy. Fifth, to strengthen the efficient supply of computing power, algorithms and data. Coordinate the planning and orderly construction of computing power facilities, and promote the large-scale, intensive, green and inclusive development of computing power resources. Sixth, to accelerate the formation of green production and lifestyle. Optimize the green tax system, launch pilot collection of environmental protection tax on volatile organic compounds, and implement tax incentives supporting resources conservation and the use of green products. Improve the green certificate trading mechanism and refine pricing policies that encourage flexible power sources to participate in system regulation. Establish and improve a green and low-carbon standards system, and promote the improvement and mutual recognition of international rules and standards.

In June 2026, the NDRC, the Ministry of Industry and Information Technology, the Ministry of Ecology and Environment, the State-owned Assets Supervision and Administration Commission of the State Council and the NEA jointly issued the “Notice on Launching the Three-Year Action for Energy Conservation and Carbon Reduction Transformation in Key Industries” (《關於開展重點行業節能降碳改造攻堅三年行動的通知》), which proposed that by the end of 2028, the proportion of production capacity reaching the prevailing energy efficiency benchmark level in key industrial sectors including steel, electrolytic aluminum, cement, flat glass, oil refining, ethylene, synthetic ammonia and methanol will increase by an average of 20 percentage points, and the coal-fired power sector will strive to increase by 15 percentage points, with production capacity below the energy efficiency baseline level basically eliminated. The cumulative energy savings will exceed 100 million tonnes of standard coal, and carbon dioxide emissions will be reduced by more than 200 million tonnes. The document also calls for implementing the requirements of the special action plan for upgrading next-generation coal-fired power; mandating retrofits to enhance efficient regulating capabilities of coal-fired power such as rapid load adjustment, deep load regulation and wide-range load flexibility wherever feasible; and encouraging the integrated development of coal-fired power and new energy. Existing coal-fired power units of 300 MW and above that meet the conditions are encouraged to undergo low-carbon retrofits through coupling with new energy, co-firing with biomass and installation of energy storage and thermal storage facilities, with carbon emissions per kWh reduced by 10% to 20%, and strive to achieve a reduction of more than 20%.

In June 2026, the NDRC and the NEA issued the “15th Five-Year Plan for the Construction of a New Energy System” (《新型能源體系建設「十五五」規劃》), which clarifies the overall objective of initially establishing a clean, low-carbon, safe and efficient new energy system by 2030, and proposes a series of core quantitative indicators: the share of non-fossil energy consumption will reach 25%, the combined installed capacity of wind and solar power will exceed 50% of the total, becoming the mainstay of power installation, the share of non-fossil energy power generation will reach 50%, becoming the mainstay of electricity consumption, coal and oil consumption will reach peak, and energy savings in key industries during the “15th Five-Year Plan” period will exceed 150 million tonnes of standard coal. In terms of spatial layout, the plan adheres to a “national coordinated approach”, promoting the formation of a non-fossil energy supply system with “four bases + distributed sources” as five major growth pillars, optimizing the construction of five major coal production bases and strategic oil and gas guarantee bases such as the Ordos Basin, and strengthening the construction of major energy transmission corridors such as west-to-east power transmission and west-to-east gas transmission, with west-to-east power transmission capacity reaching over 420 GW by 2030. The plan sets out the construction of six major systems: building an advanced and adaptable new energy infrastructure system, a resilient energy security safeguard system, a green and low-carbon energy consumption system, a self-reliant and self-sufficient energy science and technology innovation system, a synergistic and efficient modern energy governance system, and a diversified and multi-dimensional energy international cooperation system.

Second, promoting integration. The direct green power connection and on-site consumption model has been expanded comprehensively, and the integration of source-grid-load-storage has been accelerated. Policies have expanded the direct green power connection model from a “one-to-one” single-user model to a “one-to-many” multi-user sharing model, with key support for industrial parks, zero-carbon parks, computing power facilities and other scenarios to carry out direct green power connection, promoting the on-site balancing and nearby utilization of new energy. This deep integration model of “source-grid-load-storage” not only provides traceable green power solutions for export-oriented enterprises to address international carbon barriers, but also will significantly expand the consumption space for new energy, injecting new momentum into the construction of a new power system. Meanwhile, the synergy between computing power and electricity, as a critical pathway to the integrated development of new quality productivity and energy, is accelerating its transition from concept to practice – policies have introduced a two-way empowerment framework of “energy securing computing power, computing power optimizing energy” for the first time, which, through “strengthening computing with electricity and promoting electricity with computing”, drives the deep coupling of computing power infrastructure and the power system. This not only reduces the electricity costs of data centres and enhances the absorption rate of new energy, but also opens up high-value application scenarios and data value mining in the energy sector, serving as a significant pillar for driving the digital economy towards green and low-carbon transformation.

In April 2026, the NDRC, the NEA, the Ministry of Industry and Information Technology, and the National Data Administration jointly issued the “Action Plan for Promoting the Two-Way Empowerment of Artificial Intelligence and Energy” (《關於促進人工智能與能源雙向賦能的行動方案》), proposing that by 2027, a safe, green and economical energy guarantee system supporting artificial intelligence innovation and development will be initially established, and by 2030, the two-way empowerment of artificial intelligence and energy will achieve significant results. At the same time, the document clarifies the implementation pathway for the two-way empowerment of “energy securing computing power, computing power optimizing energy”, outlining 29 tasks across 9 aspects, including ensuring safe and reliable energy supply for computing power facilities, promoting green and low-carbon transformation of computing power facilities, promoting efficient and economical synergy between computing power and electricity, opening up high-value application scenarios for artificial intelligence in the energy sector, mining the value of energy data, strengthening innovation in artificial intelligence models for the energy sector, building an ecosystem for the synergistic development of artificial intelligence and energy, policy safeguards, and organizational implementation.

In May 2026, the NDRC and the NEA issued the “Notice on Matters Concerning the Orderly Promotion of Multi-User Direct Green Power Connection Development” (《關於有序推動多用戶綠電直連發展有關事項的通知》), with the core being the expansion of the direct green power connection model from “one-to-one” to “one-to-many”. The scope of application has been significantly broadened to include: new load facilities paired with renewable energy sources; existing single-user projects that incorporate new users and expand power generation capacity; enterprises with green power consumption needs that utilize nearby renewable energy resources; and the connection of all or part of the loads within industrial parks, zero-carbon parks, and incremental distribution networks to nearby renewable energy sources. The notice adheres to the principle of “determining power sources on the basis of load”, requiring that the annual self-generated and self-consumed electricity shall account for no less than 60% of total available power generation and no less than 30% of total electricity consumption (no less than 35% before 2030), and the annual on-grid electricity of grid-connected projects shall not exceed 20% of total available power generation in principle. In terms of investment models, projects must designate a primary responsible entity with legal person status (which may be a joint venture between the power source party and the load party, unilateral investment, or established by the park management committee or a third-party institution, excluding public grid enterprises operating power transmission businesses), being responsible for the investment and construction of connection lines, substation facilities, energy storage and operation platforms. The notice also gives priority support to emerging industries and future industries such as computing power facilities, green hydrogen, ammonia and methanol for carrying out direct green power connection, distributed photovoltaic may participate through centralized aggregation, at the same time, it is strictly prohibited to carry out illegal and non-compliant activities through direct green power connection.

Third, strengthening constraints. Carbon and emission reduction has shifted from “subsidy incentives” to “rigid constraints”, and green power utilization and consumption have entered a dual-assessment era. In the first half of 2026, the carbon and emission reduction policy system has fully shifted from incentive-based encouragement to rigid assessment and constraints, with two major systems in place simultaneously. First, the institutionalization of dual carbon performance assessment – the central government established, for the first time, an annual evaluation and assessment mechanism for provincial Party committees and governments on carbon peak and carbon neutrality, setting up a quantitative system comprising “5 control indicators + 9 support indicators”, and adopting a “top-down and bottom-up combined” approach to target decomposition that balances differentiation with rigid constraints. Second, the systematization of renewable energy consumption assessment – for the first time, the obligation targets for renewable energy absorption were expanded from a single focus on electricity consumption to a dual assessment framework for “electricity consumption + non-electricity consumption”. This simultaneously covers key energy-consuming industries such as electrolytic aluminium, steel, cement, and polysilicon, as well as emerging sectors such as computing power infrastructure. Electricity consumption can be fulfilled through self-generation for self-use, direct green power connections, and green certificate and green electricity trading, while non-electricity consumption can be fulfilled through renewable energy-based heating and cooling, as well as the comprehensive utilization of hydrogen, ammonia and methanol production. This dual-drive mechanism of “rigid obligations on the consumption side + territorial responsibilities on the utilization side” has completely closed the loop between supply and consumption, marking the formal entry of renewable energy development from “installation-driven” into a new stage of “dual constraints of consumption and utilization”.

In April 2026, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the “Comprehensive Evaluation and Assessment Measures for Carbon Peak and Carbon Neutrality” (《碳達峰碳中和綜合評價考核辦法》), proposing that from 2026 onwards, annual evaluation and assessment shall be conducted on the implementation of carbon peak and carbon neutrality targets and tasks by the Party committees and governments of all provinces (autonomous regions and municipalities). The assessment sets up an indicator system of “5 control indicators + 9 support indicators”, where the control indicators include core binding indicators such as total carbon emissions, reduction in carbon emission intensity, total coal consumption, total petroleum consumption and the share of non-fossil energy consumption, while the support indicators cover areas such as energy conservation, industry, urban-rural development, transportation, public institutions and carbon emission rights trading. The measures adopt a “top-down and bottom-up combined” target decomposition approach, whereby each region proposes its own targets and formulates action plans according to local conditions, which are then reviewed and approved at the state level and used as the basis for assessment, reflecting differentiated requirements and avoiding a one-size-fits-all approach.

In June 2026, the NDRC, the Ministry of Industry and Information Technology, the Ministry of Housing and Urban-Rural Development and the Ministry of Transport jointly issued the “Implementation Measures for the Minimum Proportion Target of Renewable Energy Consumption and the Obligation Targets System for Renewable Energy Electricity Consumption” (Order No. 42 of 2026) (《可再生能源消費最低比重目標和可再生能源電力消納責任權重制度實施辦法》(2026年第42號令)), which for the first time incorporated non-electricity consumption into the assessment of the minimum proportion target of renewable energy consumption. It also clarifies that the competent energy authority of the State Council, together with relevant departments, shall determine key energy-consuming industries, specify the minimum proportion target for renewable energy electricity or non-electricity consumption and the transition period for such industries, and conduct monitoring, evaluation and assessment. The industry scope shall be specified in the annual policy based on the requirements and progress of energy conservation and carbon reduction in the relevant fields. The document proposes that the minimum proportion target of renewable energy electricity consumption for key energy-consuming industries may be achieved through methods such as self-generated and self-consumed renewable energy electricity, direct green power connection, and green certificate and green electricity trading (transfer); the minimum proportion target of renewable energy non-electricity consumption may be achieved through methods such as renewable energy heating (cooling), comprehensive utilization of renewable energy for hydrogen, ammonia and methanol production, and non-electricity utilization of biomass energy.

For the industry, while the rigid obligations of carbon reduction and absorption are being continuously tightened, this has simultaneously opened up incremental windows for the absorption of new energy. Looking ahead to the “15th Five-Year Plan” period, with the full implementation of the top-level design for the new energy system in China and the approaching 2030 carbon peak target, new energy will solidify its position as the primary energy source. The industry is poised to improve quality through regulatory frameworks and thrive within constraints, entering a new phase of long-term, high-quality development.

Korea’s Power Market:

As Korea’s power market is undergoing a transformation of energy structure, in accordance with the Korean government’s policy to reduce greenhouse gas emissions, the use of carbon-free energy such as renewable energy is expected to increase in the future. As the operation of new power plants would intensify the competition in the power market, the profitability of Korean gas-fired power generation companies might be hindered. However, gas-fired power plants can respond quickly to the intermittency of power generation of renewable energy. Therefore, as renewable energy develops, the importance of gas-fired power plants also increases. Also, the clean hydrogen power generation bidding market called Clean Hydrogen Portfolio Standard (CHPS) has been opened in Korea, and gas-fired power plants can participate in this market through the conversion of co-firing with hydrogen to increase the revenue sources as well.

III. Business Review

The Group's portfolio of major assets comprises wind, solar, gas-fired, coal-fired, oil-fired, hydro and biomass power generation projects and an energy storage project, which are in the PRC and Korea's power markets. The Group's business in the PRC covers 19 provinces, two autonomous regions and two municipalities with wide geographical coverage and diversified business scope. As at 30 June 2026, the operations in the PRC and Korea accounted for approximately 80.2% and 19.8% of the Group's attributable installed capacity of 10,958.8 MW respectively. Clean and renewable energy projects (namely wind, solar, gas-fired, hydro and biomass projects) accounted for 86.3% of the Group's attributable installed capacity; and conventional energy projects (namely coal-fired and oil-fired projects) accounted for 13.7% of the Group's attributable installed capacity.

The following table sets out the results of the Group (by fuel type):

US\$' million	Korea Projects	PRC	PRC Hydro Projects	PRC Wind Projects	PRC Solar Projects	Corporate	Total
		Coal-fired, Cogen and Gas-fired Projects					
For the six months ended 30 June 2026							
Revenue	340.1	6.6	4.0	307.4	78.5	36.2	772.8
Operating expenses	(318.7)	(7.2)	(2.4)	(158.6)	(57.4)	(42.3)	(586.6)
Operating profit	21.4	(0.6)	1.6	148.8	21.1	(6.1)	186.2
Profit for the period	13.6	0.4	1.5	101.2	9.5	(40.5)	85.7
Profit attributable to equity shareholders of the Company	13.6	0.9	1.5	97.4	9.2	(40.5)	82.1
For the six months ended 30 June 2025							
Revenue	378.2	21.2	3.1	351.3	70.4	32.3	856.5
Operating expenses	(345.5)	(21.0)	(2.3)	(154.5)	(41.2)	(38.0)	(602.5)
Operating profit	32.7	0.2	0.8	196.8	29.2	(5.7)	254.0
Profit for the period	23.6	34.2	0.4	146.0	11.6	(46.9)	168.9
Profit attributable to equity shareholders of the Company	23.6	34.8	0.4	141.0	10.6	(46.9)	163.5

Korea Projects

The decrease in profit for the period from US\$23.6 million to US\$13.6 million was mainly attributable to the decrease in tariff of Korea projects.

PRC Coal-fired, Cogen and Gas-fired Projects

The decrease in profit for the period from US\$34.2 million to US\$0.4 million was mainly attributable to the gain on disposal of a PRC cogen project amounted to US\$23.8 million recognized during the six months ended 30 June 2025, while no such gain was recorded for the six months ended 30 June 2026.

PRC Wind Projects

Given both the power generation and tariff of the PRC wind projects decreased comparatively, as well as the decrease in value-added tax refund from the PRC government, the profit for the period dropped.

PRC Solar Projects

Starting from the second half of 2025, the Group's newly commissioned attributable installed capacity amounted to 309.8 MW, which contributed to an increase in revenue. However, given the tariff of the solar projects decreased due to keen market competition, the overall profit dropped.

Installed Capacity

The attributable installed capacity of the Group's power assets as at 30 June 2026 and 30 June 2025 by fuel type are set out as follows (MW):

	As at	
	30 June 2026	30 June 2025
Clean and renewable energy portfolio		
Wind	4,584.0	4,436.4
Solar	2,967.2	2,657.4
Gas-fired	1,745.0	1,745.0
Hydro	56.3	56.3
Biomass	109.5	109.5
Subtotal	9,462.0	9,004.6
Conventional energy portfolio		
Coal-fired	989.8	989.8
Oil-fired	507.0	507.0
Subtotal	1,496.8	1,496.8
Total attributable installed capacity	10,958.8	10,501.4

As at 30 June 2026, the Group's attributable installed capacity reached 10,958.8 MW, representing an increase of 457.4 MW or 4.4% from the same period of last year, of which the wind power and solar power accounted for 68.9% of the Group's attributable installed capacity. The attributable installed capacity of wind power amounted to 4,584.0 MW, representing an increase of 147.6 MW or 3.3% from the same period of last year; whereas the attributable installed capacity of solar power amounted to 2,967.2 MW, representing an increase of 309.8 MW or 11.7% from the same period of last year. As at 30 June 2026, the consolidated installed capacity of the Group's power plants reached 10,275.5 MW.

In terms of wind power business development, in the second half of 2025, the Group's newly added attributable installed capacity of 104.1 MW was mainly distributed by region as follows: (1) 64.6 MW in Tianjin Municipality; and (2) 37.5 MW for "Turbine Substitution" in Shandong Province. In the first half of 2026, the Group's newly added attributable installed capacity amounted to 43.5 MW, primarily distributed in the following regions: (1) 6.7 MW in Tianjin Municipality; and (2) 36.8 MW for "Turbine Substitution" in Shandong Province.

In terms of solar power business development, in the second half of 2025, the Group's newly added attributable installed capacity of 299.8 MW was mainly distributed by region as follows: (1) 60.0 MW in Jiangsu Province; (2) 135.0 MW in Hebei Province; and (3) 100.0 MW in Hainan Province. In the first half of 2026, the Group's newly added attributable installed capacity in Hebei Province amounted to 10.0 MW.

As of 30 June 2026, the Group owned an energy storage station project in Jiangsu Province, with a power storage capacity of 200 MW/400 MWh.

As of 30 June 2026, the Group had the following major projects under construction (total installed capacity): (1) 557.0 MW Daesan II gas-fired project in Korea; (2) 252.0 MW offshore wind power project in Zhejiang Province, the PRC; and (3) 140.0 MW solar power project in Jiangsu Province, the PRC. The 557.0 MW Daesan II gas-fired project in Korea commenced commercial operation in July 2026.

Development of Preliminary Projects

2026 marks the comprehensive commencement and start-up of the "15th Five-Year Plan", standing at a critical juncture where the transition from the "14th Five-Year Plan" is concluding and the construction of a new energy system is being advanced in depth. Against the backdrop of a complex global geopolitical landscape and intensified energy price volatility, the Company should not only maintain the steady growth momentum achieved since the "14th Five-Year Plan", but also elevate the quality of development to a new level. First, we will adhere to market-oriented precision positioning, prioritize regions with strong tariff support and favourable local consumption conditions, select wind and solar projects with excellent resource endowments for development, strictly control full-lifecycle costs and enhance market competitiveness. Second, we will strengthen the strategic upfront placement of risk prevention and control, comprehensively coordinate various risks such as electricity consumption, tariff fluctuations, transmission project supporting facilities and policy changes, so as to optimize regional investment structure and project layout. Third, we will accelerate technological and business model innovation, strengthen the refined operation of existing power stations, actively explore feasible pathways for regulating assets such as energy storage and virtual power plants, so as to achieve high-quality and sustainable development.

Marketing

Strategies for responding to national power marketing policies: in light of policy directions such as the accelerated construction of a unified power market system, the continuous improvement of medium and long-term market rules, the full rollout of spot markets and the expansion of green electricity trading channels, the Company will firmly anchor itself to the direction of market-oriented reform, systematically build a power marketing capability system adapted to the new landscape, and comprehensively enhance its market-oriented operational capabilities. In terms of trading team development, the Company established a tiered and progressive talent cultivation system, built a composite talent pool covering “policy research + market analysis + trading implementation”, established a regular mechanism for policy analysis and practical review, continuously enhancing the team’s sensitivity to rule changes and its ability to capture market opportunities. In terms of digital product development, the Company independently developed a trading decision support platform integrating tariff forecasting, trading decision-making, review and assessment and risk early warning, driving the iterative upgrading of marketing strategies through data-driven approaches. In terms of medium and long-term price stabilization, the Company continued to implement the refined “one policy per province” strategy, optimized the structure of medium and long-term contracts and the time-of-use pricing system, and deepened multi-product collaborative trading strategies, locking in basic returns and smoothing price volatility. In terms of trading risk prevention, the Company improved the full-process control system of market risk identification, monitoring, early warning and response, and strengthened compliance management in key areas such as volume-price deviations and contract performance, safeguarding the risk bottom line. In terms of green electricity value enhancement, the Company seized the policy opportunities of green electricity consumption expansion and full coverage of green certificates, deeply explored the value of green environmental rights, and expanded high-quality customer groups such as high energy-consuming enterprises and export-oriented enterprises, promoting the stable release of green electricity premiums. Guided by the policies, supported by capabilities and driven by value, the Company will consolidate its competitive advantages and achieve high-quality development in the new round of market-oriented reforms in the electric power sector.

The Group continued to strengthen its capacity to realize the value of green electricity, leverage various market-based approaches to broaden the channels for realizing the value of green energy, closely track green consumption trends and assess policy directions. In the first half of 2026, the Group completed green electricity trading of 340 million kWh and sold 862,000 green certificates.

The Group carried out the development and trading of China Certified Emission Reduction (CCER) in a standardized manner, and continuously improved the full-process management mechanism for carbon assets, effectively achieving the environmental benefits of renewable energy power and enhancing the overall participation capability in the carbon market. In the first half of 2026, the Group's Rudong H8# Offshore Wind Power Project in Jiangsu Province participated in the CCER market trading, with a trading volume of 170,000 tonnes.

Contributions to the future development of power marketing: facing the new landscape of the accelerated construction of a new power system and the deepening advancement of a national unified power market, power marketing will continue to contribute value to the Company. First, the Company will focus on improving the full-process lean management mechanism for trading and consolidate the foundation for profit growth. With a focus on the synergy of multiple products including medium and long-term contracts, spot markets, ancillary services and green electricity trading, we will deepen lean control over the entire trading process and establish a closed-loop management mechanism of “strategy formulation – bidding optimization – implementation review”. With tariff benchmarking and tariff profit-loss analysis as the core driver, we will establish and improve a full-process lean management mechanism for trading through transaction benchmarking and refined profit-loss analysis and optimization, build a standardized and orderly trading system, and guide the Company to continuously explore room for tariff hikes, thereby enhancing market competitiveness. Second, the Company will deeply explore the value of green rights and interests, and expand new room for premium revenue growth. Closely following the national “Dual Carbon” strategy and policy trends in green electricity, green certificates and carbon markets, we will systematically explore the value of green environmental rights for new energy. We will actively expand green electricity trading customers, energy substitution scenarios for certified high energy-consuming enterprises, and promote multi-year green electricity long-term agreement trading, facilitating the conversion of green electricity premiums into stable income. Third, the Company will empower through digital tools, rely on self-developed power forecasting and trading decision-making systems to connect the complete business chain of information integration, analysis and forecasting, as well as strategy generation. Following the planning timeline, we will complete large-scale deployment across multiple provinces and gradually achieve full implementation across all provincial subsidiaries, continuously forging core trading competitiveness with digital platforms as the backbone.

Party Building Work

The Company has always adhered to Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era as its guiding principle, fully implemented the spirit of the 20th National Congress of the Communist Party of China and all plenary sessions of the 20th Central Committee, earnestly studied and implemented General Secretary Xi Jinping's important thoughts on Party building, carried out solid learning and education on establishing and practicing a correct view of political achievements, unswervingly advanced the comprehensive and strict governance of the Party in greater depth, continuously enhanced the quality and effectiveness of Party building, and persistently promoted the deep integration of Party building with production and operation, thereby ensuring and leading the Company's high-quality development through high-quality Party building.

Safety Management

In the course of its development, the Company has thoroughly implemented the spirit of General Secretary Xi Jinping's important statement and important directions on safety production and always insisted on the people first and life first, upholding the work safety policy of putting safety first, prioritizing prevention and pursuing comprehensive management. The Company implements the requirements of "three musts for three managements", and abides by the fundamental principles of "Safety First, Quality Foremost and Pursuing Excellence". In 2026, centering on the "year of principal responsibility implementation", the Company practices the mission of "safeguarding the employees' lives, health and safety", strictly implements the safety production responsibility system, and further advances the fundamental campaigns to tackle root causes of work safety risks. The Company strives to enhance the effectiveness and standardized development of the quality assurance system, coordinates the progress in safety culture development, environmental compliance and informatization, and solidly carries out six special tasks, namely, contractor management, equipment governance, fire safety management, electrical rectification, experience feedback and capacity building; the Company continues to consolidate the safety management responsibilities of power stations and outsourced contractors, routinely conducts potential hazard identification and rectification, strengthens the operation and maintenance of wind turbines and photovoltaic equipment as well as the control over high-risk operations; the Company improves the mechanisms for risk identification and closed-loop rectification, and refines the emergency management system. In respect of extreme weather such as typhoons, the Company optimizes emergency plans and organizes practical drills to enhance emergency response capabilities; the Company delivers comprehensive safety education and training for all staffs, strengthens on-site management to curb unsafe acts, safeguards the bottom line of personal and equipment safety, comprehensively raises the Company's management standards in safety, quality and environment (SQE), thus enabling sustainability and stability in work safety, and ensures the stable and reliable operation of power generation projects, laying a solid foundation for the safety production.

Construction Work

2026 marks a pivotal year that kicks off the nation's "15th Five-Year Plan", laying solid foundations, accumulating momentum and pursuing quality-oriented leapfrog development. The Company aligns itself closely with the strategic arrangement to develop a new clean, low-carbon, safe and efficient energy system, and steadily advances the actions of deepening and enhancing the reform. With a focus on its core businesses of wind power and photovoltaic power generation, the Company continuously optimizes the layout and structure. Meanwhile, the Company adheres to empowering governance improvements through reform. The concept of lean construction is practiced throughout the entire process, with strict control over work procedures, acceptance of concealed works and rectification of potential hazards, striving to create high-quality projects and drive improvements in both efficiency and quality of project construction. On this basis, the Company orchestrates the planning and positioning of new projects, the expedited construction of ongoing works, and the high-standard completion of finished projects. It stimulates vitality via reform, drives improvement through capacity empowerment, and consolidates development foundations with superior quality, making strenuous efforts to build a solid underpinning for the enterprise's green and high-quality development during the "15th Five-Year Plan" period.

Power Generation

The power generation (GWh) by the projects of the Group are set out as follows:

	For the six months ended 30 June	
	2026	2025
PRC Wind Projects	4,523.6	5,506.7
PRC Solar Projects	1,562.6	1,154.5
PRC Cogen and Gas-fired Projects ⁽¹⁾	22.3	78.9
PRC Hydro Projects	94.3	84.0
Korea Projects	<u>3,104.5</u>	<u>2,751.4</u>
Total	<u>9,307.3</u>	<u>9,575.5</u>

Note:

(1) The PRC Cogen Project was disposed in the first half of 2025.

In the first half of 2026, facing adverse factors such as declining climate resources and intensifying power curtailment across the industry, the Company has consistently reinforced its primary responsibility for work safety, and vigorously advanced equipment operation risk management and closed-loop hazard rectification. With a focus on cost reduction and efficiency enhancement, the Company vigorously promoted lean management by advancing the construction of unmanned sites, reducing unplanned unit outages, optimizing operating strategies, carrying out equipment maintenance during off-peak periods, and seizing favourable windows to increase power generation. The Company also stimulated employees' enthusiasm for innovation and actively promoted the application of innovative and efficiency-enhancing achievements. By establishing internal communication platforms and strengthening technical exchanges, the Company facilitated the transformation of innovative achievements, thereby providing strong support for power production. For the six months ended 30 June 2026, the electricity generated by the Group's consolidated power generation projects amounted to 9,307.3 GWh, representing a decrease of 2.8% from 9,575.5 GWh for the six months ended 30 June 2025.

The power generation from PRC wind projects during the reporting period amounted to 4,523.6 GWh, representing a year-on-year decrease of 17.9%, primarily due to a year-on-year decrease in average wind speed in the regions where most of the Group's projects were located.

The power generation from PRC solar projects during the reporting period amounted to 1,562.6 GWh, representing a year-on-year increase of 35.3%, primarily due to a year-on-year increase in solar project capacity.

The power generation from PRC cogen and gas-fired projects during the reporting period amounted to 22.3 GWh, representing a year-on-year decrease of 71.7%, primarily due to the completion of the transfer of equity interests in the Group's cogen project in Jiangsu Province in the first half of 2025.

The power generation from PRC hydro projects during the reporting period amounted to 94.3 GWh, representing a year-on-year increase of 12.3%, primarily due to an increase in water inflow in the first half of 2026 compared to the same period of last year.

The power generation from Korea projects during the reporting period amounted to 3,104.5 GWh, primarily from gas-fired and biomass projects, representing an increase of 12.8% compared to the same period in 2025, primarily due to the technical renovation and annual overhaul respectively carried out for the gas-fired projects in Korea and the biomass project in the first half of 2025.

The following table sets out the average utilization hours applicable to the Group's power projects:

Average utilization hour by fuel type ⁽¹⁾

	For the six months ended 30 June	
	2026	2025
PRC Wind Projects ⁽²⁾	971	1,209
PRC Solar Projects ⁽³⁾	531	572
PRC Coal-fired Projects ⁽⁴⁾	1,465	2,176
PRC Cogen Project ⁽⁵⁾	–	2,123
PRC Hydro Projects ⁽⁶⁾	1,366	1,218
Korea Gas-fired Projects ⁽⁷⁾	1,733	1,517

Notes:

- (1) Average utilization hour is the gross electricity generated in a specified period divided by the average installed capacity in the same period.
- (2) Average utilization hours of the PRC wind projects in major regions such as Gansu Province, Henan Province and Jiangsu Province were 818 hours, 1,145 hours and 1,147 hours, respectively, in the first half of 2026. Average utilization hours for the PRC wind power projects decreased mainly due to a year-on-year decrease in average wind speed in the regions where most of the Group's project are located.
- (3) Average utilization hours of the PRC solar projects operating in major regions such as Anhui Province, Inner Mongolia Autonomous Region and Jiangsu Province were 515 hours, 804 hours and 518 hours, respectively, in the first half of 2026. Average utilization hours for the PRC solar power projects decreased mainly due to a year-on-year increase in grid curtailment in the first half of 2026.
- (4) Average utilization hours for the PRC coal-fired projects decreased in the first half of 2026 mainly due to the decrease in power generation arising from the decrease in local demand.
- (5) Average utilization hours for the PRC cogen project became nil in the first half of 2026 upon disposal of the PRC cogen project in the first half of 2025.
- (6) Average utilization hours of the PRC hydro projects increased in the first half of 2026 mainly due to the increase in water inflows in Sichuan Province and Guangxi Zhuang Autonomous Region.
- (7) Average utilization hours of the Korea gas-fired projects increased mainly due to the higher power generation of Yulchon I Power Project in the first half of 2026 as a result of technical renovation carried out for the gas-fired projects in the first half of 2025.

The table below sets out the weighted average tariffs (inclusive of value-added tax (“VAT”)) applicable to the projects in the PRC and Korea for the periods indicated:

Weighted average tariff – Electricity (inclusive of VAT) ⁽¹⁾

	Unit	For the six months ended 30 June	
		2026	2025
PRC Wind Projects ⁽²⁾	RMB per kWh	0.53	0.55
PRC Solar Projects ⁽³⁾	RMB per kWh	0.43	0.52
PRC Coal-fired Projects	RMB per kWh	0.46	0.46
PRC Cogen Project ⁽⁴⁾	RMB per kWh	–	0.44
PRC Hydro Projects	RMB per kWh	0.35	0.30
Korea Gas-fired Projects ⁽⁵⁾	KRW per kWh	139.84	175.67

Weighted average tariff – Steam (inclusive of VAT)⁽¹⁾

PRC Cogen Project ⁽⁴⁾	RMB per ton	–	226.76
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Notes:

- (1) The weighted average tariffs are affected not only by the change in the tariff for each project but also the change in net power generation for each project.
- (2) The weighted average tariff of our PRC wind projects decreased in the first half of 2026 mainly due to the keen competition in electricity bid trading.
- (3) The weighted average tariff of our PRC solar projects decreased in the first half of 2026 mainly due to the keen competition in electricity bid trading.
- (4) The weighted average tariff of electricity and steam of our PRC cogen project was nil in the first half of 2026 due to the disposal of the PRC cogen project in the first half of 2025.
- (5) The decrease in weighted average tariff of Korea gas-fired projects in the first half of 2026 was in line with the decrease in Korea gas price during the same period.

The following table sets out the weighted average gas and standard coal prices (exclusive of VAT) applicable to our projects in the PRC and Korea for the periods indicated:

	Unit	For the six months ended 30 June	
		2026	2025
PRC weighted average standard coal price ^{(1) (2)}	RMB per ton	921.63	915.65
Korea weighted average gas price ^{(1) (3)}	KRW per Nm ³	680.03	816.88

Notes:

- (1) The weighted average standard coal price and the weighted average gas price are determined based on the consumption of gas or coal in each applicable period.
- (2) The PRC weighted average standard coal price in the first half of 2026 increased compared to the first half of 2025 due to an increase in market coal price.
- (3) The Korea weighted average gas price in the first half of 2026 decreased compared to the first half of 2025 due to the decrease in the prices known as the Japanese Crude Cocktail, which are calculated with reference to the average prices of crude oil imported into Japan and are an important determinant of natural gas prices in Korean markets.

Scientific and Technological Innovation

The Company continues to play a leading role in technological innovation in new energy across the industrial chain, strengthen energy technology innovation capabilities, promote industrial integration and business integration through technological integration, adhere to the “value creation” orientation based on demonstration project, promote the innovation of green development mode led by new energy, strengthen the construction of digital systems operated and maintained by green power, seize the initiative in innovative development of offshore wind and solar power, and actively leverage the role of energy storage in new power systems. The Company aims to accelerate the transformation of achievements to serve the market and continues to shape new development momentum and new advantages, so as to boost high-quality development of the Company.

In the field of green power digital operation and maintenance: by focusing on integrated application scenarios that combine digital and intelligent technologies with intelligent green electricity operation and maintenance businesses for new energy, the Company centers on empowering intelligent green electricity operation and maintenance applications with next-generation artificial intelligence technologies such as self-evolving agents, forming independent core products to support the Company's business model innovation. It has independently developed an edge intelligent all-in-one machine. Leveraging the industry's large model capabilities through automatic edge computing and intelligent agent-assisted diagnosis, the machine can directly and non-invasively connect to business systems without complex link modifications, rapidly completing the full chain of business processes, covering data analysis, anomaly identification, evidence generation, report issuance, and closed-loop processing, within the new energy station environment. The Company has developed intelligent technologies for over ten core business functions, realizing closed-loop operations in areas such as vibration monitoring system data analysis and report generation, intelligent patrol monitoring of centralized control systems, and automatic fault analysis and assessment. The business process efficiency has been improved by over 80% and time consumption has been reduced from hours to seconds.

In the field of offshore wind power and offshore photovoltaic engineering: the Company already developed conceptual design capabilities for offshore floating mooring systems, supporting the future development of deep-sea offshore wind power and integrated industries. The first large-scale pile-based fixed deepwater offshore photovoltaic project in China – the Company's Zhaoyuan 400.0 MW Offshore Photovoltaic Project in Shandong Province, has created three major innovative applications in the research and development and application of photovoltaic modules, the technological design of racking units, and offshore piling, etc., which have achieved remarkable results, and have vigorously pushed forward the technological advancement of offshore photovoltaic sector.

In the field of energy storage: with the purpose of leveraging the role of energy storage in the new power system, the Company focuses on safety, efficiency and economy, and carries out research on key energy storage technologies and their application demonstrations centered on leading electrochemical technologies. The Company's Rudong 200 MW/400 MWh Shared Energy Storage Station Project in Jiangsu Province is one of the largest shared energy storage power stations in East China and is located in the Rudong Economic Development Zone in Nantong City, Jiangsu Province, a region with concentrated electricity demand. The project has enhanced the local grid flexibility and effectively improved the local renewable energy integration capacity.

In addition, the Company continues to advance the development of its technological innovation ecosystem, with a focus on cost reduction and efficiency enhancement. All business units learn from each other and leverage their complementary strengths to address challenges through innovation. In May 2026, the Company convened the “Green Heron Cup” (青鹭杯) Innovation Achievement Exchange Conference and Youth Innovation & Efficiency Symposium to implement the strategy of “driving enterprise development through scientific and technological innovation and talent cultivation”. The event showcased innovative achievements in five major areas: “technology-enabled safety, intelligent maintenance and product innovation, ingenious tooling and fixtures, craftsmanship and knowledge transfer, and digital intelligence-driven efficiency”. The event fully displayed the intellectual achievements of staff, vividly demonstrated innovation vitality and problem-solving enthusiasm at the grassroots level.

Social Responsibility

Since 2026, alongside efforts in developing our principal business, the Company has carried out public welfare projects with a high standing and has effectively fulfilled its social responsibility as a central state-owned enterprise through activities such as organizing Cardiopulmonary Resuscitation (CPR) training for surrounding villagers, promptly detecting fire hazards and assisting firefighting teams in extinguishing fires, and funding improvements to local villagers’ transportation infrastructure.

The Company’s Tianze Photovoltaic Power Station in the Inner Mongolia Autonomous Region contributes funding every year to improve local residents’ transportation conditions, resolving travel difficulties caused by muddy dirt roads during rainy seasons and icy road surfaces in winter, and supporting the upgrading of local infrastructure in the jurisdiction where it operates.

Since 2026, the Company’s Kezuo Zhongqi Photovoltaic Power Station in the Inner Mongolia Autonomous Region has actively organized its employees to provide CPR first-aid knowledge training and practical drills for surrounding Gacha villagers, in order to enhance the villagers’ capacity for self-rescue and mutual-aid. It not only demonstrates the Company’s commitment to safeguarding the life and health of neighboring residents, but also embodies the sense of corporate responsibility to take roots in grassroots and serve people’s livelihoods.

In March 2026, the Company's Tidal Flat Photovoltaic Power Station at the Haiyan Development Zone Terminal in Zhejiang Province detected a sudden fire in dry reeds and weeds near a neighbouring enterprise's wind turbine, reported the fire to emergency services immediately, contained the blaze effectively with fire extinguishers, and ultimately assisted the fire brigade in putting out the fire in full. The neighbouring enterprise issued a Letter of Appreciation, commending the Company highly for its strong sense of the bigger picture demonstrated by prioritizing power safety, acting proactively regardless of administrative boundaries and selflessly stepping forward in crisis.

In April 2026, the Company's Kangxiling Wind Power Project in Qinnan, Guangxi Province jointly set up a Party member vanguard team with the Huangwutun Town Government of Qinzhou City, Guangxi. The team distributed forest fire prevention leaflets and guides on civilized sacrificial rituals to nearby villagers to raise public fire prevention awareness and reinforce the forest safety defence line.

In May 2026, the Company's Chifeng New Golden Energy Photovoltaic Power Station in the Inner Mongolia Autonomous Region invited nearby villagers to attend training sessions on the use of Automated External Defibrillators (AED). Instruction manuals were also posted on the equipment, and nearby villagers were informed that the AED devices are available for shared use when needed.

As at June 2026, the Company's Wuhai Photovoltaic Power Station in the Inner Mongolia Autonomous Region has planted nearly 200 trees of various varieties along severely eroded river channels. These trees deliver remarkable benefits for local windbreak and sand fixation as well as river channel stabilization, and have attracted a diverse range of birds, generating substantial environmental benefits for the locality and society.

In June 2026, the Company's Kangxiling Wind Power Project in Qinnan, Guangxi Province, in conjunction with typhoon and flood prevention efforts, took the initiative to repair damaged road surfaces in surrounding villages to guarantee unobstructed travel and safe production and logistics transport for villagers.

In June 2026, the Company's Zaoyang Agricultural Photovoltaic Complementary Project in Hubei Province launched a public welfare campaign themed "No Complacency in Safe Electricity Use – Regulate Power Consumption to Prevent Fires" in nearby villages and towns. Through various means such as distributing promotional booklets and setting up warning display boards, the campaign educated villagers on safety knowledge such as safe electricity usage, electric shock first aid and fire hazard prevention, safeguarding the safety of local communities as well as the secure operation of the power station.

In June 2026, the Company's Xiangshan Wind Power Project in Zhejiang Province visited Xiangshan Special Education School to care for children with special needs. Staff accompanied the children through warm and fun games and delivered consolation care to help them celebrate the festival. The Company conveyed warmth and kindness through sincere companionship and devoted efforts to support the healthy and joyful growth of children with special needs.

Brand Promotion: Recognitions and Awards

The Company has long placed great emphasis on investor relations and ESG management. In terms of investor relations, the Company continuously optimizes communication channels, responds promptly to investors' enquiries, and enhances the transparency of information disclosure. At the same time, it deepens exchanges and cooperation with the capital market, reinforcing long-term mutual trust and win-win relationships with investors. In the field of ESG governance, the Company remains firmly focused on its core business of clean energy, proactively aligns with the nation's "Dual Carbon" strategic goals. It integrates green and low-carbon philosophy into all aspects of operation and development, and actively promotes sustainable development to embody the mission and commitment of a responsible enterprise.

In January 2026, the Company was awarded the "ESG Excellence Award" at the 9th China IR Annual Awards co-organized by Roadshow China and its sub-brand "Excellence IR". This recognition was granted for the Company's excellent practices and prominent achievements in the field of environmental, social and governance.

In June 2026, the Company won four awards at the 12th Investor Relations Awards from the Hong Kong Investor Relations Association (HKIRA), including the "Best Investor Relations Company", "Best Investor Meeting", "Best ESG (Environmental)" and "Best ESG (Corporate Governance)", for its outstanding ESG and investor relations management performance.

By deeply practicing the work style of "Stringency, Prudence, Meticulosity and Pragmatism", the Company strongly advocates the launch of quality control (QC) activity groups to elevate the corporate quality management standard, encourages employees to embrace an innovative mindset and continuously boosts their motivation to participate in innovative practices, injecting technological momentum into the Company's high-quality development. In May 2026, the "2026 Anhui Provincial Excellent QC Achievements in the Power Industry" organized by the Anhui Province Electric Association announced the results, in which, the Company's Dangtu Fishing-Photovoltaic Complementary Power Station in Anhui Province was awarded a third-class award, fully demonstrating the employees' innovative spirit and practical capabilities.

IV. Risk Factors and Risk Management

Risks Relating to the Industry

The Group's power projects are located in the PRC and Korea, both of which have undergone, and may continue to undergo, regulatory changes. Governmental regulations affect all aspects of our power project operations, including the amount and timing of electricity generation, the setting of tariffs, compliance with power grid controls, dispatch directives and environmental protection. Regulatory changes in the PRC and Korea may affect, among other things, dispatch policies, clean and renewable energy and environmental compliance policies and tariffs, and may result in a change of tariff setting procedures or mandatory installation of costly equipment and technologies to reduce environmental pollutants.

In addition, the solar power projects are highly dependent on solar illumination conditions, and the wind power projects are dependent particularly on wind conditions. Extreme wind or weather conditions could lead to downtime of the wind power projects. Solar illumination conditions and wind conditions vary across seasons and locations, and could be unpredictable and are out of our control.

Risk Relating to Fuel Cost

The non-renewable energy power projects of the Group require supplies of coal, oil and gas as fuel. Fuel costs represent a significant portion of our operating expenses and the operating expenses of our associates. The extent to which our profit is ultimately affected by the cost of fuel depends on our ability to pass through fuel costs to our customers as set out under the relevant regulatory guidelines and the terms of our power purchase agreement (PPA) for a particular project, as we currently do not take any measures to hedge our exposure to fuel price fluctuations. Our fuel costs are also affected by the volume of electricity generated because the coal consumption rate of coal-fired power projects decreases when we generate more electricity as a result of economies of scale. In the PRC, government tariff regulations limit our ability to pass through changes in fuel costs. In Korea, our Yulchon I Power Project transfers fuel price fluctuation risks through fuel cost pass-through provisions in the 20-year PPA entered into with the power utility, effective until June 2025. Our Yulchon I Power Project in Korea has completed its life extension retrofit. Starting from July 2025, the Yulchon I Power Project has transitioned to the same business model as the Yulchon II Power Project and Daesan I Power Project, receiving payments based on the system marginal price (SMP), which is influenced by gas price and the efficiency of marginal power plant in the power market. Therefore, under economic dispatch order, the SMP typically covers fuel costs. Additionally, due to system constraints, the SMP can partially offset fuel costs when mandatory dispatch order is issued to high cost, low efficiency power plants. Korea implements a Renewable Portfolio Standard (RPS) quota mechanism, which helps renewable energy plants cover additional power generation costs, including fixed costs such as investment and operations and maintenance. Therefore, the biomass power plant, as a renewable energy facility, can respond to changes in fuel costs through revenue from SMP and sales of Renewable Energy Certificate (REC). Our diversified generation portfolio enables us to diversify the risks that we would face to utilize a single resource for electricity generation. In particular, our exposure to several fuel types mitigates risks such as price increases in or the availability of any particular fuel source.

Interest Rate Risk

We are exposed to interest rate risk resulting from fluctuations in interest rates on our debt with floating interest rates based on market prevailing rates. We undertake debt obligations to support asset acquisition and general corporate purposes including capital expenditures and working capital needs. Certain amount of our indebtedness is calculated in accordance with floating interest rate or interest rate that are subject to adjustment by our lenders. We periodically review the ratio of debt with floating interest rates to debt with fixed rates, taking into account the potential impact on our profit, interest coverage and cash flows.

Foreign Exchange Risk

The functional currency of the Company is RMB, and our reportable profit is affected by fluctuations in foreign currency exchange rates. We collect most of our revenue from our projects in RMB and KRW, some of which are converted into foreign currencies to (1) purchase foreign-made equipment and parts for repair and maintenance; (2) make investments in certain joint ventures or acquire interests from other companies; (3) pay out dividends to our shareholders; and (4) repay our outstanding debt. By managing and monitoring the risks of foreign currency, we ensure that appropriate measures are adopted effectively in a timely manner.

V. Prospects for the Second Half of the Year

2026 marks the inaugural year of the “15th Five-Year Plan” and a critical period for the Company’s strategic transformation. Guided by the national “15th Five-Year Plan for the Construction of a New Energy System”, the Company will continue to uphold its work style of “Stringency, Prudence, Meticulosity and Pragmatism”, spare no effort to stabilize the basis foundation of our business operation, tackle development challenges with practical actions and a strong sense of responsibility, strive to accomplish all annual targets, so as to contribute to the construction of China’s new energy system and the establishment of a unified national power market system.

1. *Pursuing Development*

To prioritize high-quality wind and solar projects that offer superior resources, strong grid absorption capacity and stable returns. Through precise assessment of regional policies, transmission conditions and resource endowments, we will avoid inefficient and ineffective investments. We will accelerate the progress of projects under construction and handle all requisite formalities in a compliant and efficient manner, so as to ensure early completion, early grid connection and early revenue generation of projects. We will further explore value enhancement opportunities in green electricity, green certificates and carbon assets to bolster the overall profitability of our projects.

2. *Improving Efficiency*

To keep a close eye on power market trading and generation capacity and strive to “stabilize prices” and “secure output”. By precisely forecasting market trends and adhering to the principle of “one province, one policy” tariff optimization and “one site, one policy” power generation optimization strategy, we aim to ensure that our trading tariffs and utilization hours consistently exceed regional averages. In addition, we will strengthen cost control and intensify efforts to reduce costs. By fully implementing profit enhancement actions across all levels, we will reduce operation and maintenance costs through optimizing operation and maintenance management models, advancing unattended operations, and promoting centralized operation and maintenance management, and standardized quota-based cost control. Through a series of concrete measures, including continuing to optimize our financing structure and reducing finance costs, reversing the trend of significant profit decline.

3. *Promoting Reforms*

In full alignment with the national new energy development strategy and the Company’s high-quality development orientation, the Company will solidly advance the deepening and upgrading of its reforms and the optimization of internal management relationships, continuously enhance governance quality and efficiency, optimize the asset structure and layout, and rationally coordinate project investments and shareholder returns, empowering the enterprise’s high-quality and sound development through reform.

4. *Maintaining Safety*

With the “year of principal responsibility implementation” as the main theme, we will uphold Party leadership over safety, continuously improve the effectiveness of the quality assurance system and the level of standardization development, and leverage “look-back” reviews to further enhance on-site management standards. We will maintain a coordinated approach to work safety, operational security, capital safety and integrity assurance, with a focus on preventing and mitigating major risks. We will fortify the full-cycle risk defence line for project investments and establish a closed-loop investment risk management system. We will vigorously strengthen safety culture development, resolutely uphold the red line of environmental protection and the bottom line of compliance, and continuously enhance overall safety management effectiveness.

5. *Emphasis on Innovation*

Balance the improvement of current operational performance with long-term technological layout, establish a well-designed top-level framework for the research system, advance breakthrough in key scientific research projects, and develop replicable and scalable system solutions, thereby effectively translating technological innovation into operational benefits.

6. *Ensuring Implementation*

In line with our annual targets for operations, work safety, project construction as well as quality and efficiency enhancement, we will break down the remaining tasks on a monthly and role-specific basis, with clear timelines and responsible personnel. In particular, for production and marketing, we will adhere to the mechanism of “daily dispatching, weekly review and monthly summary”, dynamically track performance indicators and promptly address shortfalls and expedite progress. Task completion, operational effectiveness, and safety performance will be closely linked to performance appraisals and excellence evaluation, as we make every effort to accomplish the key tasks for the second half of the year.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

Save for the transactions disclosed in the Company's announcement dated 26 August 2026, details of which are set out in the said announcement, no important event or transaction affecting the Group and which is required to be disclosed by the Company to its shareholders has taken place after 30 June 2026.

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 (including sale or transfer of treasury Shares, if any) during the six months ended 30 June 2026. There were no treasury Shares held by the Company as at 30 June 2026.

CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2026, the Company has complied with all the applicable code provisions of the Corporate Governance Code, except for code provision C.2.1 of the Corporate Governance Code which states that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Hu Guangyao has been appointed as the Chairman of the Board and has performed the duties of the President of the Company since 6 March 2026. In view of the further time required for identifying and appointing a suitable candidate to act as the President of the Company, and the Board currently comprises six Directors, including one executive Director, two non-executive Directors and three independent non-executive Directors, the Board believes that the current arrangement does not impair the balance of power and authority. The Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules (as the case may be).

COMPLIANCE WITH MODEL CODE

The Company has adopted its own code for securities transactions by Directors, the stipulations of which are no less exacting than those set out in the Model Code, as a code of conduct for dealing in securities of the Company by the Directors.

Specific enquiries have been made with the Directors by the Company, and all Directors confirmed in writing that they have complied with the required standards in respect of securities transactions by the Directors set out in the Model Code and the Company Code during the six months ended 30 June 2026.

REVIEW OF INTERIM RESULTS

The Group's unaudited consolidated interim results for the six months ended 30 June 2026 have been reviewed by the audit committee of the Company and the auditor of the Company, KPMG.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to declare an interim dividend for the six months ended 30 June 2026 of 0.67 US cents per Share (equivalent to 5.20 HK cents per Share), totalling approximately US\$28.7 million (equivalent to approximately HK\$223.1 million), which is calculated based on 4,289,924,000 Shares in issue on 26 August 2026. The interim dividend will be payable on Thursday, 15 October 2026 to registered shareholders whose names appear on the register of members of the Company on Tuesday, 29 September 2026.

For the purpose of determining the entitlement to the interim dividend, the register of members of the Company will be closed from Thursday, 24 September 2026 to Tuesday, 29 September 2026 (both days inclusive), during which period no transfer of Shares will be registered. In order to be qualified for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 23 September 2026.

PUBLICATION OF RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.cgnne.com). The 2026 interim report of the Company containing all the information required by the applicable Listing Rules will be sent to the Shareholders and available on the above websites in due course.

DEFINITIONS

"Board"	the board of Directors
"CGN"	China General Nuclear Power Corporation (中國廣核集團有限公司), a state-owned enterprise established in the PRC and the controlling shareholder of the Company
"CGN Energy International"	CGN Energy International Holdings Co., Limited (中國廣核能源國際控股有限公司), a company incorporated in Hong Kong with limited liability, an indirectly wholly owned subsidiary of CGN and the immediate shareholder of the Company

“CGN Finance”	CGN Finance Co., Ltd.* (中廣核財務有限責任公司), a company established in the PRC and a non-wholly owned subsidiary of CGN
“CGN Wind Energy”	CGN Wind Power Company, Limited (中廣核風電有限公司), a company established in the PRC and a non-wholly owned subsidiary of CGN
“CGNPC Huasheng”	CGNPC Huasheng Investment Limited* (中廣核華盛投資有限公司), a company established in Hong Kong and a wholly owned subsidiary of CGN
“Company” or “We”	CGN New Energy Holdings Co., Ltd. (中國廣核新能源控股有限公司), an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1811)
“Company Code”	Code for Securities Transactions by Directors
“Consolidated Installed Capacity”	the aggregate installed capacity of our project companies that we fully consolidated in our consolidated financial statements. It is calculated by including 100% of the installed capacity of our project companies that we fully consolidate in our consolidated financial statements and are deemed as our subsidiaries. Consolidated Installed Capacity does not include the capacity of our associated companies
“Corporate Governance Code”	Corporate Governance Code contained in Appendix C1 to the Listing Rules
“Daesan I Power Project”	a 507.0 MW oil-fired project in Korea
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“GW”	gigawatt, equal to one million kilowatts

“GWh”	gigawatt-hour, or one million kilowatt-hours. GWh is typically used as a measure for the annual energy production of large power projects
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“IAS”	International Accounting Standards
“Korea”	the Republic of Korea
“KRW”	Korean Won, the lawful currency of Korea
“kWh”	kilowatt-hour, the standard unit of energy used in the power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“MW”	megawatt, or one million watts. The installed capacity of power projects is generally expressed in terms of MW
“NDRC”	National Development and Reform Commission of the PRC
“NEA”	National Energy Administration of the PRC
“PRC” or “China”	the People’s Republic of China, but for the purposes of this announcement and for geographical reference only and except when the context requires, references in this announcement to the PRC do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region of the PRC
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	ordinary share(s) of HK\$0.0001 each in the share capital of the Company
“State Council”	State Council of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Turbine Substitution”	for the purpose of quality improvement and efficiency enhancement of wind farms, the modification and upgrading of wind farms, including the replacement of low output single units with high output single units, the replacement of inefficient units with highly efficient units and the corresponding replacement or technological modification and upgrading of ancillary facilities like power boost substations and on-site current collectors
“US\$” or “US dollar(s)”	United States dollars, the lawful currency of the United States of America
“Yulchon I Power Project”	602.8 MW gas-fired and fuel cell projects in Korea
“Yulchon II Power Project”	a 946.3 MW gas-fired project in Korea
“%”	per cent

By Order of the Board
CGN New Energy Holdings Co., Ltd.
Hu Guangyao
Chairman and Executive Director

Hong Kong, 26 August 2026

As at the date of this announcement, the Board comprises six Directors, namely:

<i>Executive Director</i>	:	<i>Mr. Hu Guangyao (Chairman)</i>
<i>Non-executive Directors</i>	:	<i>Mr. Zhao Xianwen and Ms. Mu Wenjun</i>
<i>Independent Non-executive Directors</i>	:	<i>Mr. Wang Minhao, Mr. Yang Xiaosheng and Mr. Leung Chi Ching Frederick</i>

* *For identification purpose only*