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CHINA NUCLEAR ENERGY TECHNOLOGY CORPORATION LIMITED

中國核能科技集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 611)

SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION ACQUISITION OF THE ENTIRE EQUITY INTEREST IN THE TARGET COMPANY

Reference is made to the announcement of China Nuclear Energy Technology Corporation Limited (the “**Company**”) dated 10 February 2026 (the “**Announcement**”) in relation to the discloseable transaction of the acquisition of the entire equity interest in the Target Company. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

SUPPLEMENTAL INFORMATION OF THE SELLER AND THE TARGET COMPANY

In light of the principal business activities of the Seller and the Target Company disclosed in the Announcement, the Board would like to provide further information as follows:

The Target Company generates income mainly from the (i) energy storage charging and discharging trading and (ii) frequency-regulation service through the power storage stations constructed and operated by itself. In energy storage charging and discharging trading, the power storage stations operated by the Target Company will charge electricity at off-peak periods while discharge the same at the peak periods (which is at a higher price). As such, the Target Company is able to generate income by leveraging the difference of the price in between the off-peak periods and peak periods. For frequency regulation service, the frequency of the power grid transmission must stay at 50 Hertz to keep the power grid stable and safe. This frequency will fluctuate due to certain factors such as the rising penetration of renewable energy installations and the variations in electricity load. As such, the Target Company provides frequency regulation service to the local power grid, earning service fee from its operator, State Grid Ningxia Electric Power Co., Ltd. (a subsidiary of State Grid Corporation of China).

The Seller also provides energy trading operational services, which encompass monitoring of the electricity price, analysis of trading policies and market demand, and the declaration to State Grid Ningxia Electric Power Trading Platform of the timing, power capacity, and pricing for charging, discharging, and frequency regulation activities. The Seller collects a fixed annual service fee as return, which is agreed on arm's length negotiation between the Parties.

GUARANTEE

As disclosed in the Announcement, pursuant to the Ningxia SPA, Ningxia Jiayang shall provide a bank performance guarantee (the “**Bank Performance Guarantee**”) (the terms of which shall be approved by CNI) of RMB30 million for a term of three years commencing from the date of Completion, guaranteeing the Target Company's post-transfer guaranteed income as stipulated in the operational services commissioning agreement, in which Ningxia Jiayang shall provide power trading operation services to the Target Company for the charging and discharging of the energy storage power station and the market-based frequency-regulation services to be provided by the Target Company to the power grid. The Board would like to provide further information on the Bank Performance Guarantee as follows:

The Bank Performance Guarantee shall be effective from the date of Completion and is valid for three years. Secured by the Bank Performance Guarantee, Ningxia Jiayang guarantees a cumulative gross income from the electricity price spread form transactions and the market-based frequency-regulation service over the three calendar years period (i.e. from 2026 to 2028) to be no less than RMB126 million (the “**Cumulative Target**”), with the first year's gross income from electricity price spread and frequency-regulation services of no less than RMB46 million, and each of second and third years' income from electricity price spread be no less than RMB40 million (each an “**Annual Target**”). The parties agreed not to include the revenue generated from frequency-regulation services in the Annual Target for each of second and third years since the frequency regulation market is influenced by the fluctuations in the installed capacity of renewable energy, thermal power, and grid-connected energy storage and the shifts in grid load, and thus it is difficult to make an accurate estimation of such income in each of the second and third years. Given the government's ongoing promotion of renewable energy, it is expected that the penetration of renewable energy within the total installed capacity will continue to rise, thereby stimulating demand for frequency-regulation services. In light of the foregoing, the Board remains optimistic toward the market prospects for frequency regulation services in subsequent years.

The Cumulative Target and the Annual Target for the three years were determined based on the predicted average annual income from the electricity price spread form transactions amounting to RMB40 million (calculated on the basis of the expected charging volume, discharging volume and price). In accordance with national policies, the continuous settlement and operation of the Ningxia Electric Power Spot Market has been implemented since 1 October 2025, and this spot settlement operation model will continue to be implemented. As such, the aforementioned prediction of average gross income was made with reference to (i) the historical monthly income from electricity price spread form transactions of the Target Company from October to December 2025 (i.e. when the spot settlement operation model has been implemented) amounting to approximately RMB3.685 million and (ii) the historical average monthly income from frequency-regulation service provided by Target Company to the power grid amounting to approximately RMB0.84 million. The determination of Cumulative Target and Annual Target does not consider the impact of income tax because they all refer to the difference between charging and discharging electricity prices, but value added tax is included. The Board considers the Cumulative Target and Annual Target to be achievable given that they are lower than the total historical income of electricity price spread form transactions and the frequency-regulation service in 2025 amounting to approximately RMB64,615,000 as aforementioned and the monthly target (i.e., the annual target for electricity price spread form transactions divided by 12 months) is lower than the historical average monthly income from electricity price spread form transactions from October to December 2025 after the Electric Power Spot Market has been implemented.

Annual reviews shall be conducted at the end of each calendar year during the validity period of the Bank Performance Guarantee. The Company has established internal control procedures for monitoring, reviewing and enforcing the Bank Performance Guarantee. The investment legal department of the Company will be responsible for coordinating the implementation, monitoring and review of such procedures, which will be carried out by the finance department and operations management department. Relevant internal departments will complete the annual reviews on the electricity bills of the power generation stations operated by the Target Company within 30 calendar days from the end of each calendar year for the purpose of verifying the electricity price spread during charging and discharging cycles, as well as the income derived from energy frequency regulation services.

If the Target Company fails to meet an Annual Target, consistent action will be taken as follows during the three-year validity period of the Bank Performance Guarantee. If the Target Company fails to meet an Annual Target, Ningxia Jiayang shall directly compensate the resulting losses within 10 days following the completion of annual review. The Parties agreed that the aforesaid compensation shall be first settled by way of deduction from the annual fee payable to Ningxia Jiayang, with any remaining shortfall to be settled in cash. The compensation amount shall be the shortfall between (i) the actual income of the year under review derived from the electricity price spread and frequency-regulation service, and (ii) the relevant Annual Target. If the Target Company fails to meet an Annual Target, and Ningxia Jiayang fails to fully compensate the Target Company for resulting losses within 10 days following the annual review, CNI shall have the right to directly claim RMB30 million under the Bank Performance Guarantee within its validity period, and 30% of RMB126 million (i.e. the Cumulative Target) as a liquidated damages penalty from Ningxia Jiayang, which in aggregate covers approximately 84.3% of the Consideration. If the Target Company subsequently meets the Cumulative Target, the Company will refund to Ningxia Jiayang any of the foregoing losses that Ningxia Jiayang had paid to the Company for failure to meet the relevant Annual Targets in the first two years. Once the Company enforces its right to directly claim RMB30 million under the Bank Performance Guarantee, the Company will require the Seller to provide a replacement bank performance guarantee of RMB30 million for a term of three years commencing from the date of enforcing the Bank Performance Guarantee (the terms of which will be disclosed as and when necessary, according to the Listing Rules). The Company may also pursue legal remedies against the Seller, including civil claims and applications for asset preservation measures.

The Directors believe that the terms under the Bank Performance Guarantee and the transactions thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

ISSUES CONCERNING THE PROJECT SITE

As disclosed in the Announcement, the Consideration for the Ningxia Acquisition is payable by instalments. Under the Ningxia SPA, a sum of RMB14,248,248.29 (the “**Third Instalment**”), being approximately 18% of the Consideration, shall be paid by CNI to Ningxia Jiayang within 7 Business Days after the completion of the payment conditions under the Second Instalment, and the completion of the measures to resolve certain issues concerning the Project site (the “**Project Site Issues**”). The Board would like to provide further information on the Project Site Issues as follows:

Following a due diligence review conducted by CNI, a number of ancillary construction works issues relating to the Project site were identified, including, inter alia, (i) localised cracking of hardened ground surfaces; (ii) local settlement of gravel flooring around the foundations of certain equipment; and (iii) cracking at parts of the exterior wall coating of the integrated rooms.

Ningxia Jiayang shall procure the Target Company to implement specific rectification measures to address the Project Site Issues, including, inter alia, (i) repairing and resurfacing the affected hardened ground areas by micro-groove cutting and repair; (ii) carrying out re-compaction and backfilling works around the foundations of certain equipment; and (iii) re-painting and re-coating the affected exterior walls of the integrated rooms.

If the Project Site Issues are not duly rectified, CNI is entitled to withhold the Third Instalment and will rectify the Project Site Issues funded by the Third Instalment (which exceeds the estimated cost of rectifying the Project Site Issues). The Project Site Issues has not and shall not materially affect the operation of the Project.

As at the date of this announcement, the Company does not anticipate any material difficulties in implementing the rectification works.

Having considered the above, the Directors believe that the instalment payment terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

By Order of the Board
China Nuclear Energy Technology Corporation Limited
Wang Haoying
Chairman

Hong Kong, 18 May 2026

As at the date of this announcement, the non-executive Director of the Company is Mr. Wang Haoying (Chairman); the executive Directors of the Company are Mr. Wu Rong (Vice Chairman), Mr. Qiu Wenhe (Vice Chairman), Mr. Liu Genyu, Mr. Li Xiaofeng and Ms. Du Ruili; and the independent non-executive Directors of the Company are Dr. Xu Shiqing, Dr. Su Lixin and Mr. Wang Ruzhang.