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**中国核建**

**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)**

**MAJOR TRANSACTION**

**THE DEVELOPMENT OF PHASE II OF THE 20MW  
AGRICULTURAL PHOTOVOLTAICS POWER STATION**

**DEVELOPMENT OF SOLAR POWER PROJECT II**

The Board wishes to announce that subsequent to the launch of the development of the Solar Power Project I, the Company proposes to further develop the Solar Power Project II in the PRC. The Solar Power Project II, forming part of the 20MW Agricultural Photovoltaics Power Station, will be located in Taizhou City, Jiangsu Province of the PRC with an aggregate solar electricity generation capacity of approximately 10MW and will be operated by Taizhou New Energy, an indirect wholly-owned subsidiary of the Company.

**LISTING RULES IMPLICATIONS**

The development of the Solar Power Project II, in aggregate with the development of the Solar Power Project I, constitutes a major transaction for the Company and is subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing, among others, details of the development of the Solar Power Project II and the notice of the SGM is expected to be despatched to the Shareholders on or before 1 February 2016.

## **DEVELOPMENT OF SOLAR POWER PROJECT II**

Reference is made to the Company's announcement dated 18 December 2015 in relation to the development of the Solar Power Project I.

The Board wishes to announce that subsequent to the launch of the development of the Solar Power Project I, the Company proposes to further develop the Solar Power Project II in the PRC. The Solar Power Project II, forming part of the 20MW Agricultural Photovoltaics Power Station, will be located in Taizhou City, Jiangsu Province of the PRC with an aggregate solar electricity generation capacity of approximately 10MW and will be operated by Taizhou New Energy, an indirect wholly-owned subsidiary of the Company. The development of the Solar Power Project II, if materialised, is expected to be completed by 31 March 2016.

The major assets of the Solar Power Project II will comprise the Equipment. As the Solar Power Project II has not yet been put into operation, accordingly, no book value, revenue or profits associated with the Solar Power Project II were recorded in the accounts of Taizhou New Energy. The development of the Solar Power Project II will be funded by a finance lease arrangement with the Finance Lease Company, an indirect wholly-owned subsidiary of the Company.

For the purpose of development of the Solar Power Project II, Taizhou New Energy has entered into the following agreements with its fellow subsidiaries: (i) the Main Contractor Contract dated 11 January 2016 with CNI Energy (an indirect non-wholly owned subsidiary of the Company and owned as to 96.18% by the Company), pursuant to which, Taizhou New Energy will engage CNI Energy to provide the project design, engineering, construction, installation, training, warranty and other works for the construction of the Solar Power Project on a turnkey basis for the total consideration of RMB29.8 million (equivalent to approximately HK\$35.164 million), which shall be settled in instalments according to the construction progress; and (ii) the Purchase Contract dated 11 January 2016 with CNI Energy and the Finance Lease Company, pursuant to which the Finance Lease Company will entrust Taizhou New Energy to purchase the Equipment from CNI Energy for a consideration of RMB72 million (equivalent to approximately HK\$84.96 million) which shall be settled in cash upon the delivery of the Equipment. Both the Main Contractor Contract and the Purchase Contract will come into effect upon the approval of the Shareholders in relation to the development of Solar Power Project II.

## **INFORMATION ON THE COMPANY, TAIZHOU NEW ENERGY, CNI ENERGY AND THE FINANCE LEASE COMPANY**

The Company is an investment holding company. Taizhou New Energy is a company established in the PRC and an indirect wholly-owned subsidiary of the Company. It is principally engaged in development and construction of solar power stations. CNI Energy is a company established in the PRC and an indirectly non-wholly owned subsidiary of the Company. As at the date of this announcement, CNI Energy is indirectly owned as to 96.18% by the Company, and 3.82% by Triple Delight Limited, an independent third party. CNI Energy is principally engaged in contracting of new energy projects and supply of equipment for new energy projects. CNI Energy procures equipment for new energy projects from suppliers who are all independent third parties and such procurement is made in accordance with normal procurement procedure and the consideration was determined between CNI Energy and the suppliers on an arm's length basis and on normal commercial terms with

reference to the market price for the similar types of equipment. The Finance Lease Company is a company established in the PRC and an indirect wholly-owned subsidiary of the Company. It is principally engaged in finance leasing.

## **REASONS FOR AND BENEFITS OF THE DEVELOPMENT OF THE SOLAR POWER PROJECT II**

The Group is principally engaged in new energy operations (such as provision of engineering, procurement and construction services for solar energy plant developers) in the PRC, restaurants and hotels operation and property investments in Hong Kong. In addition, the Group has been participating in other businesses such as (i) inspection, maintenance, repair, construction, installation and provision of expertise in such works for nuclear power plants; and (ii) subcontracting of overseas engineering and construction projects via its subsidiaries and associated companies.

In light of the increasing demand of solar energy in the future and introduction of favourable industrial policies by the PRC government, the Directors are of the view that the operation of the 20MW Agricultural Photovoltaics Power Station (which consists of Solar Power Project I and Solar Power Project II) will provide the Group with a continuous source of income, which is in the interests of the Company and the Shareholders as a whole.

The Directors believe and consider that the development of the Solar Power Project II is on normal commercial terms, the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The development of the Solar Power Project II, in aggregate with the development of the Solar Power Project I, constitutes a major transaction for the Company and is subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing, among others, details of the development of the Solar Power Project II and the notice of the SGM is expected to be despatched to the Shareholders on or before 1 February 2016.

## **DEFINITIONS**

In the announcement, the following expressions have the meanings set out below unless the context requires otherwise.

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| “20MW Agricultural Photovoltaics Power Station” | a solar power station to be developed in Taizhou City, Jiangsu Province of the PRC with an aggregate solar electricity generation capacity of approximately 20MW, which will consist of the Solar Power Project I and Solar Power Project II |
| “Board”   | the board of Directors   |
| “CNI Energy”                                    | Nanjing CNI Energy Engineering Company Limited* (南京中核能源工程有限公司), an indirect non-wholly owned subsidiary of the Company established in the PRC  |

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|----------------------------|---|
| “Company”                  | China Nuclear Energy Technology Corporation Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange   |
| “Director(s)”              | director(s) of the Company  |
| “Equipment”                | the equipment and assets for construction and operation of the Solar Power Project II   |
| “Finance Lease Company”    | CNEC Financial Leasing (Shenzhen) Co., Ltd.* (核建融資租賃(深圳)有限公司), an indirect wholly-owned subsidiary of the Company established in the PRC  |
| “Group”                    | the Company and its subsidiaries  |
| “HK\$”                     | Hong Kong dollar(s), the lawful currency of Hong Kong   |
| “Hong Kong”                | the Hong Kong Special Administrative Region of the PRC  |
| “Listing Rules”            | The Rules Governing the Listing of Securities on the Stock Exchange   |
| “Main Contractor Contract” | the main contractor contract dated 11 January 2016 entered into between Taizhou New Energy and CNI Energy in relation to the engineering and construction of the Solar Power Project II   |
| “MW”                       | Megawatt(s), which equals 1,000,000 watts   |
| “PRC”                      | The People’s Republic of China and for the sole purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan  |
| “Purchase Contract”        | the purchase contract dated 11 January 2016 entered into among Taizhou New Energy, CNI Energy and the Finance Lease Company in relation to the purchase of the Equipment by Taizhou New Energy on behalf of the Finance Lease Company from CNI Energy |
| “RMB”                      | Renminbi, the lawful currency of the PRC  |
| “SGM”                      | the special general meeting of the Company to be convened to consider and if thought fit, approve, among other things, the development of the Solar Power Project II  |
| “Share(s)”                 | ordinary share(s) of HK\$0.10 each in the share capital of the Company  |
| “Shareholder(s)”           | holder(s) of the Share(s)   |
| “Solar Power Project I”    | phase I of the 20MW Agricultural Photovoltaics Power Station located in Taizhou City, Jiangsu Province of the PRC with an aggregate solar electricity generation capacity of approximately 10MW   |

|                          |  |
|--------------------------|--|
| “Solar Power Project II” | phase II of the 20MW Agricultural Photovoltaics Power Station located in Taizhou City, Jiangsu Province of the PRC with an aggregate solar electricity generation capacity of approximately 10MW |
| “Stock Exchange”         | The Stock Exchange of Hong Kong Limited  |
| “Taizhou New Energy”     | Taizhou Herun New Energy Ltd. 泰州核潤新能源有限公司, an indirect wholly-owned subsidiary of the Company established in the PRC   |

\* *for identification purposes only*

By order of the Board  
**China Nuclear Energy Technology Corporation Limited**  
**AI Yilun**  
*Chairman*

Hong Kong, 11 January 2016

*For the purposes of illustration only, any amount denominated in RMB in this announcement and translated into HK\$ at the rate of RMB1 = HK\$1.18. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.*

*As at the date of this announcement, the Directors are: Mr. Ai Yilun, who is the chairman and an executive Director; Mr. Chan Shu Kit, who is the vice-chairman and an executive Director; Ms. Jian Qing, Mr. Chung Chi Shing, Mr. Gao Yongping, Mr. Fu Zhigang, Mr. Tang Chuanqing and Mr. Tang Jianhua, all of whom are executive Directors; and Mr. Chan Ka Ling, Edmond, Mr. Li Baolin, Mr. Wang Jimin and Mr. Tian Aiping, all of whom are independent non-executive Directors.*