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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** about any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your securities in China Nuclear Energy Technology Corporation Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser, transferee or the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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**

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Capitalised terms used in this cover have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 3 to 9 of this circular.

A notice convening the special general meeting of the Company to be held at Jade Terrace Restaurant, 2nd Floor, Peninsula Centre, 67 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 26 February 2016 at 11:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular. Whether or not you are able to attend the special general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the office of the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the special general meeting or any adjourned meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the special general meeting or any adjourned meeting (as the case may be) should you so wish.

5 February 2016

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## DEFINITIONS

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*In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:*

“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
“Company”	China Nuclear Energy Technology Corporation Limited (中國核能科技集團有限公司), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Directors”	Director(s) of the Company
“Equipment”	the equipment and assets for construction and operation of the Solar Power Project II, including multi-crystalline silicon modules, solar modules frames, invertors, power cables and other equipment for construction and operation of solar power projects
“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
“Latest Practicable Date”	3 February 2016, being the latest practicable date prior to the despatch of this circular for the purpose of ascertaining certain information contained herein
“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 to 1,000,000 watts

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## DEFINITIONS

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“PRC”	The People’s Republic of China and for the sole purpose of this circular, 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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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 Shares
“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 purpose only*

*For the purposes of illustration only, any amount denominated in RMB in this circular and translated into HK\$ at the rate of RMB1.0 = HK\$1.18. Such translations 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.*



# 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)

*Executive Directors:*

Mr. Ai Yilun (*Chairman*)  
Mr. Chan Shu Kit (*Vice-Chairman*)  
Ms. Jian Qing  
Mr. Chung Chi Shing  
Mr. Gao Yongping  
Mr. Fu Zhigang (*Chief Executive Officer*)  
Mr. Tang Chuanqing  
Mr. Tang Jianhua

*Independent non-executive Directors:*

Mr. Chan Ka Ling, Edmond  
Mr. Li Baolin  
Mr. Wang Jimin  
Mr. Tian Aiping

*Registered Office:*

Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08  
Bermuda

*Head Office and principal place of  
business in Hong Kong:*

Room 2801  
28/F., China Resources Building  
26 Harbour Road  
Wanchai  
Hong Kong

5 February 2016

*To the Shareholders,*

Dear Sir or Madam,

## MAJOR TRANSACTION

### INTRODUCTION

Reference is made to the announcement of the Company dated 11 January 2016.

The purpose of this circular is to provide you with, among others, details of the development of the Solar Power Project II and a notice of the SGM.

### DEVELOPMENT OF SOLAR POWER PROJECT II

Subsequent to the launch of the development of the Solar Power Project I (details of which are disclosed in the announcement of the Company dated 18 December 2015), 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

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## LETTER FROM THE BOARD

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generation capacity of approximately 10MW and will be operated by Taizhou New Energy, an indirect wholly-owned subsidiary of the Company. The total investment of the development of Solar Power Project II is estimated to be approximately RMB101.8 million (equivalent to HK\$120.12 million). The development of the Solar Power Project II, if materialised, is expected to be completed by 31 March 2016. The 20MW Agricultural Photovoltaics Power Station will consist of Solar Power Project I and Solar Power Project II, which will generate electricity separately. As at the Latest Practicable Date, the construction of the Solar Power Project I has been completed. The development of the Solar Power Project II is not conditional on the completion of the construction of Solar Power Project I.

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 internal resources through a finance lease arrangement (the “**Finance Lease Arrangement**”) with the Finance Lease Company, an indirect wholly-owned subsidiary of the Company. Pursuant to the Finance Lease Arrangement, the Finance Lease Company will entrust Taizhou New Energy to purchase the Equipment; and the Finance Lease Company will lease the Equipment to Taizhou New Energy for a period of three years, which is expected to commence upon the payment of the purchase price of the Equipment (“**Purchase Price**”), for an aggregate lease consideration of approximately RMB49.65 million (equivalent to approximately HK\$58.59 million), which includes the principal amount of the part of the Purchase Price paid by the Finance Lease Company and the interest payment, to be paid in 12 quarterly instalments in cash. The interest rate under the Finance Lease Arrangement is calculated on the basis of 5.7% annum, being 20% above the benchmark lending rate of the same term given by the People’s Bank of China (“**PBOC**”). Corresponding adjustment will be made to the interest rate under the Finance Lease Arrangement according to the adjustment of the benchmark lending rate made by PBOC. Upon payment of the Purchase Price, the legal ownership will be transferred to the Finance Lease Company despite the possession of the Equipment by Taizhou New Energy. At the end of the lease period and subject to fulfillment of all of its obligations under the Finance Lease Arrangement, Taizhou New Energy will be entitled to purchase the Equipment on an “as-is” basis at a nominal consideration of RMB100. The Company has no fund raising plan for the development of the Solar Power Project II as the development of the Solar Power Project II will be funded by internal resources of the Company.

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## LETTER FROM THE BOARD

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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**

*Date*

11 January 2016

*Parties*

- (1) Taizhou New Energy
- (2) CNI Energy

As at the Latest Practicable Date, CNI Energy is an indirect non-wholly owned subsidiary of the Company and owned as to 96.18% by the Company and 3.82% by Triple Delight Limited, an independent third party.

*Nature of Transaction*

Pursuant to the Main Contractor Contract, 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 II on a turnkey basis. The works shall be commenced upon notice being given by Taizhou New Energy to CNI Energy. The quality assurance period shall be one year from the delivery of the Solar Power Project II.

*Consideration*

The total consideration of the Main Contractor Contract is RMB29.8 million (equivalent to approximately HK\$35.164 million), which shall be settled in the following manners:

- (1) 30% of the total consideration to be settled as advance payment within seven days after CNI Energy has provided Taizhou New Energy with the invoice which has been verified by Taizhou New Energy;
- (2) 65% of the total consideration to be settled monthly with reference to the construction progress on the 25th day of each month; and
- (3) 5% of the total consideration to be settled within three months after the completion of the construction.

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## LETTER FROM THE BOARD

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### (ii) The Purchase Contract

#### *Date*

11 January 2016

#### *Parties*

- (1) Taizhou New Energy
- (2) CNI Energy; and
- (3) the Finance Lease Company.

#### *Nature of Transaction*

Pursuant to the Purchase Contract, the Finance Lease Company will entrust Taizhou New Energy to purchase the Equipment from CNI Energy at Purchase Price. The legal ownership will be transferred to the Finance Lease Company upon settlement of the Purchase Price.

#### *Purchase Price*

The Purchase Price of RMB72 million (equivalent to approximately HK\$84.96 million), among which, RMB45 million shall be settled in cash by the Finance Lease Company, and RMB27 million shall be settled by Taizhou New Energy upon the delivery of the Equipment.

#### *Delivery*

The Equipment shall be delivered at the time and the delivery address as informed by Taizhou New Energy at the cost of CNI Energy.

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 Latest Practicable Date, 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

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## LETTER FROM THE BOARD

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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 on 23 October 2012 and an indirect wholly-owned subsidiary of the Company. Its business scope includes finance leasing, leasing, purchasing leased assets domestically and overseas, the salvage value processing and maintenance of leased assets, consultation and guarantee of leasing transactions.

### **POSSIBLE FINANCIAL EFFECTS OF THE DEVELOPMENT OF THE SOLAR POWER PROJECT II**

Set out in Appendix II to this circular is the unaudited pro forma financial information of the Group which illustrates the financial effects of the development of the Solar Power Project II on the assets and liabilities of the Group assuming the Solar Power Project II had been completed on 30 June 2015.

Based on the unaudited pro forma financial information of the Group in Appendix II to this circular, upon completion of the Solar Power Project II and assuming the completion had taken place on 30 June 2015, the total assets and total liabilities of the Group would not be affected.

### **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 inspection, maintenance, repair, construction, installation and provision of expertise in such works for nuclear power plants.

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.

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## LETTER FROM THE BOARD

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### 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.

### SGM

The SGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the development of the Solar Power Project II.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the development of the Solar Power Project II. As such, no Shareholder is required to abstain from voting on the necessary resolution to be proposed at the SGM to approve the development of the Solar Power Project II.

A notice convening the SGM at which an ordinary resolution will be proposed to consider and, if thought fit, to approve the development of the Solar Power Project II to be held at Jade Terrace Restaurant, 2nd Floor, Peninsula Centre, 67 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 26 February 2016 at 11:00 a.m., is set out on pages SGM-1 to SGM-3 of this circular. Whether or not you are able to attend the SGM in person, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the SGM or any adjourned meeting (as the case may be). Completion and return of the accompanying form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting (as the case may be) should you so wish.

### RECOMMENDATION

The Directors considers 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. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to approve the development of the Solar Power Project II at the SGM.

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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this circular and the notice of the SGM as set out on pages SGM-1 to SGM-3, which form part of this circular.

Yours faithfully,  
For and on behalf of  
**China Nuclear Energy Technology Corporation Limited**  
**AI Yilun**  
*Chairman*

**THREE-YEAR FINANCIAL INFORMATION**

Financial information of the Group for each of the three years ended 31 December 2014, 2013 and 2012 are disclosed in the annual reports of the Company for the years ended 31 December 2014, 2013 and 2012 respectively, which are published on both the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company (<http://www.cnetcl.com>).

**INDEBTEDNESS**

As at the close of business on 31 December 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the total indebtedness of the Group was as follows:

**Borrowings**

As at the close of business on 31 December 2015, the Group's borrowings as follows:

	<i>HK\$</i>
Convertible bonds at fair value	286,842,012
Shareholders' loan from non-controlling interest shareholders	11,506,795
Loan from fellow subsidiary	<u>60,245,000</u>
	<u><u>358,593,807</u></u>

**Facilities**

As at the close of business on 31 December 2015, the Group has a banking facility of HK\$60,245,000 (approximately RMB50,000,000).

**Capital commitment**

The Group had no capital commitment as at 31 December 2015.

**Disclaimer**

Save as aforesaid or as otherwise disclosed herein, as at the close of business on 31 December 2015, and apart from intra-group liabilities, the Group did not have any loan capital issued and outstanding or agreed to be issued, or any outstanding bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

**WORKING CAPITAL**

Taking into account the expected completion of the development of the Solar Power Project II and the financial resources available to the Group, including the internally generated funds and the available banking facilities, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, that if for at least the next 12 months from the date of this circular.

**MATERIAL ADVERSE CHANGE**

The Directors are not aware as at the Latest Practicable Date of any material adverse change in the financial or trading position or prospect of the Group since 31 December 2014, the date to which the latest published audited financial statements of the Group were made up.

**FINANCIAL AND TRADING PROSPECTS**

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 inspection, maintenance, repair, construction, installation and provision of expertise in such works for nuclear power plants.

The Group will strive to improve its core competitiveness and increase its earnings in response to the development trend of China's economy, and 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 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 Group will put more resources in the clean energy field. Meanwhile, the Group will continue to explore the related business growth model to create better returns for the Shareholders.

*For illustrative purpose only, set up below is the unaudited pro forma financial information of the Group to show the effect of the development of the Solar Power Project II as if it had been completed at the relevant dates which is prepared for the purpose of incorporated in this circular.*

**A. UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE GROUP**

The accompanying unaudited pro forma statement of assets and liabilities of the Group (the “**Statement**”) has been prepared to illustrate the effect of the development on the Solar Power project II in the PRC (the “**Major Transaction**”), assuming the transaction had been completed as at 30 June 2015, might have affected the financial position of the Group.

The Statement is prepared based on the unaudited consolidated statement of financial position of the Group as at 30 June 2015 as extracted from the interim report of the Group for the six months ended 30 June 2015 after making certain pro forma adjustments resulting from the Major Transaction.

The Statement is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the Statement, it may not give a true picture of the actual financial position of the Group that would have been attained had the Major Transaction actually occurred on 30 June 2015. Furthermore, the Statement does not purport to predict the Group’s future financial position.

The Statement should be read in conjunction with the financial information of the Group as set out in the interim report of the Group for the six months ended 30 June 2015 and other financial information included elsewhere in this circular.

	The Group at 30 June 2015 (Unaudited) <i>HK\$'000</i> <i>Note 1</i>	Unaudited Pro forma adjustment <i>HK\$'000</i> <i>Note 2</i>	Unaudited Pro forma assets and liabilities of the Group after the Major Transaction (Unaudited) <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment	21,588	120,124	141,712
Investment property	38,000		38,000
Prepaid land lease payments	6,644		6,644
Available-for-sales investment	500		500
Interest in associate	74,708		74,708
Deferred tax assets, net	3,755		3,755
	<u>145,195</u>	<u>120,124</u>	<u>265,319</u>
<b>Current assets</b>			
Inventories	5,446		5,446
Trade and bills receivables	113,648		113,648
Prepayments, deposits and other receivables	25,497		25,497
Amounts due from customers for contract work	1,385		1,385
Tax prepayment	233		233
Cash and cash equivalents	589,468	(120,124)	469,344
	<u>735,677</u>	<u>(120,124)</u>	<u>615,553</u>
<b>Current liabilities</b>			
Trade payables	77,057		77,057
Other payables and accruals	51,668		51,668
Provision for long service payments	3,205		3,205
Convertible bonds	289,715		289,715
	<u>421,645</u>		<u>421,645</u>
<b>Net current assets</b>	<u>314,032</u>	<u>(120,124)</u>	<u>193,908</u>
<b>Total assets less current liabilities</b>	<u>459,227</u>		<u>459,227</u>
<b>Non-current liabilities</b>			
Receipt in advance	1,070		1,070
	<u>1,070</u>		<u>1,070</u>
<b>Net assets</b>	<u>458,157</u>		<u>458,157</u>

*Notes:*

1. The figures are extracted from the condensed consolidated statement of financial position of the Group as at 30 June 2015, as set out in the published interim report of the Group for the six months ended 30 June 2015. No audit or review report on the Condensed Consolidated Statement of Financial Position was issued.
2. The adjustment represents the total consideration of proposed development, the Solar Power Project II, which form part of the 20MW Agricultural Photovoltaics Power Station, and will generate electricity separately. Accordingly, the Group entered into the Main Contractor Contract dated 11 January 2016 between Taizhou New Energy, an indirect wholly-owned subsidiary of the Company, and CNI Energy, an indirect non-wholly owned subsidiary of the Company, and the Purchase Contract dated 11 January 2016 among Taizhou New Energy, CNI Energy and the Finance Lease Company, an indirect wholly-owned subsidiary of the Company.

The Finance Lease Company would help to finance the proposed development after the approval of the shareholders. CNI Energy will procure the equipment from independent third parties on arm's length basis with reference to the market price for the similar types of equipment, CNI Energy will settle the bill with suppliers on normal commercial terms by cash.

The consideration of the Main Contractor Contract and the Purchase Contract were estimated based on previous and current market price of equipment. Such consideration is the budget for the Group to procure equipment from independent third parties. Therefore, actual purchase price between the Group and the suppliers may be different from the total consideration of the two contracts.

	<i>RMB</i>	<i>HK\$</i>
Solar Power Project II		
Main Contractor Contract	29,800,000	35,164,000
Purchase Contract	<u>72,000,000</u>	<u>84,960,000</u>
	<u>101,800,000</u>	<u>120,124,000</u>

As above, the total consideration of the two contracts were approximately HK\$120,124,000.

3. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2015.



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## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

### To the Directors of China Nuclear Energy Technology Corporation Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Nuclear Energy Technology Corporation Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities of the Group as at 30 June 2015 and related notes as set out on page 12 to 14 of the circular issued by the Company dated 5 February 2016 (the “**Circular**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages 12 to 14 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the further development of the Solar Power Project II (the “**Major Transaction**”) on the Group’s financial position as at 30 June 2015 as if the Major Transaction had taken place at 30 June 2015. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s condensed consolidated financial statements for the six months ended 30 June 2015, on which no review report has been published.

### Directors’ Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “**Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars**” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

### Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “**Code of Ethics for Professional Accountants**” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “**Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements**” and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting Accountant’s Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conduct our engagement in accordance with Hong Kong Standard on Assurance engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2015 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma financial adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- a. the unaudited pro forma financial information has been properly compiled on the basis stated;
- b. such basis is consistent with the accounting policies of the Group; and
- c. the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**BDO Limited**

*Certified Public Accountants*

Hong Kong

5 February 2016

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

*Long position in the Shares:*

Name of Directors	Nature of interests	Number of Shares held	Approximate percentage† of the issued share capital of the Company (%)
Mr. Chan Shu Kit ( <i>Note</i> )	Interest of a controlled corporation	114,240,000	10.08

*Note:*

Such Shares were held by Hoylake Holdings Limited, a company incorporated in the British Virgin Islands wholly owned by Mr. Chan Shu Kit, an executive Director.

† The percentage represents the number of ordinary Shares interested divided by the number of the Company's issued Shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were

required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules.

**(b) Interests of substantial shareholders of the Company**

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following persons (other than a Director) had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

*Long position in the Shares:*

Name	Nature of interests	Number of Shares held	Approximate percentage <sup>†</sup> of the issued share capital of the Company (%)
中國核工業建設集團公司 (China Nuclear Engineering Group Co.*) (“CNEGC”) (Note 1)	Interest of controlled corporations	400,000,000	35.30
ZOC Investment Co., Ltd. (中核投資有限公司) (“ZOC”) (Note 1)	Interest of controlled corporations	400,000,000	35.30
China He Investment (Hong Kong) Company Limited (中核投資(香港)有限公司) (“China He Investment”) (Note 1)	Beneficial owner	400,000,000	35.30

Name	Nature of interests	Number of Shares held	Approximate percentage <sup>†</sup> of the issued share capital of the Company (%)
Hoylake Holdings Limited ( <i>Note 2</i> )	Beneficial owner	114,240,000	10.08
Zhao Xu Guang ( <i>Note 3</i> )	Interest of controlled corporations	84,676,000	7.47
Prosper Alliance Investments Limited ( <i>Note 3</i> )	Beneficial owner	60,000,000	5.30
Cheung Mui ( <i>Note 4</i> )	Interest of a controlled corporation	60,000,000	5.30
Grand Honest Limited ( <i>Note 4</i> )	Beneficial owner	60,000,000	5.30

*Notes:*

1. ZOC was deemed to be interested in 400,000,000 shares of the Company held by China He Investment, its wholly owned subsidiary. GNEGC was deemed to be interested in these 400,000,000 shares by virtue of its holding 100% interests in ZOC.
2. Hoylake Holdings Limited was wholly owned by Chan Shu Kit, a director of the Company.
3. Zhao Xu Guang was deemed to be interested in 84,676,000 shares of the Company of which 60,000,000 shares and 24,676,000 shares were held by Prosper Alliance Investments Limited and Rui Tong Investments Limited respectively. Prosper Alliance Investments Limited and Rui Tong Investments Limited were wholly owned by Mr. Zhao.
4. Grand Honest Limited was wholly owned by Cheung Mui and she was deemed to be interested in its holding of 60,000,000 shares of the Company.

<sup>†</sup> The percentage represents the number of ordinary Shares interested divided by the number of the Company's issued Shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, no person had registered an interest or short position in the Shares or underlying Shares that was required to be recorded pursuant to Section 336 of the SFO.

### 3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

### 4. OTHER INTERESTS OF THE DIRECTORS

As at the Latest Practicable Date:

- (a) none of the Directors had any direct or indirect interest in any assets which have, since 31 December 2014, being the date of the latest published audited consolidated financial statements of the Group were made up, been acquired or disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to any member of the Group; and
- (b) save as disclosed in (i) the announcements of the Company dated 2 January 2015 and 6 January 2015 in relation to the continuing connected transactions contemplated under the agreement dated 2 January 2015 entered into between CNI Energy and China Nuclear Industry 23 Construction Company Limited Huadong Branch\* (中國核工業二三建設有限公司華東分公司) (the “**Huadong Technical Consultancy Agreement**”) (please refer to the section headed “**Material Interest of Directors in the Huadong CCT**” of the announcement of the Company dated 6 January 2015 for details); (ii) the announcements of the Company dated 7 November 2014, 18 November 2104 and 13 February 2015 (together, the “**GCL Solar Projects Announcements**”) in relation to the continuing connected transactions contemplated under the GCL Solar Projects Agreements (as defined in the GCL Solar Projects Announcements) (please refer to the section headed “**Disclosure of Material Interests**” of the announcement of the Company dated 13 February 2015 for details); (iii) the circular of the Company dated 2 April 2015 in relation to the continuing connected transactions contemplated under the Moyu Construction Agreement (as defined in the circular of the Company dated 2 April 2015) (please refer to the section headed “**Letter from the Board — Material Interest of Directors in the Moyu CCT**” of the circular of the Company dated 2 April 2015 for details); (iv) the announcement of the Company dated 14 August 2015 in relation to the connected transaction contemplated under the joint venture agreement (the “**JV Agreement**”) dated 14 August 2015 entered into between CNI (Nanjing) Energy Development Company Limited and Zhong He New Energy Investment Company Limited\* (中核新能源投資有限公司) (please refer to the section headed “**Material Interest of Directors in the Formation of the Joint Venture Company**” of the announcement of the Company dated 14 August 2015 for details); (v) the announcement of the Company dated 13 November 2015 in relation to the connected transaction contemplated under the loan agreement (the “**Loan Agreement**”) dated 13 November 2015 entered into between CNE Holdings Company Limited (中國核能控股有限公司) and China He Investment (please refer to the section headed “**Listing Rules Implications**” of the

announcement of the Company dated 13 November 2015 for details); and (vi) the circular of the Company dated 2 December 2015 in relation to the continuing connected transactions contemplated under the Moyu Phase II Construction Agreements and the Qiqihar EPC Agreement (as defined in the circular of the Company dated 2 December 2015) (please refer to the sections headed “**Letter from the Board — Material Interest of Directors in the Moyu Phase II CCT**” and “**Letter from the Board — Material Interest of Directors in the Qiqihar CCT**” of the circular of the Company dated 2 December 2015, respectively, for details), none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which contract or arrangement is subsisting as at the Latest Practicable Date and which is significant in relation to the business of the Group as a whole.

## 5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and his or her associates was interested directly or indirectly in a business, apart from his or her interest in the Company, which competes or is likely to compete with the business of the Group.

## 6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## 7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigations or claims of material importance and no litigations or claims of material importance is known to the Directors to be pending or threatened against any member of the Group.

## 8. EXPERT’S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given an opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
<b>BDO Limited</b>	<b>Certified Public Accountants</b>

As at the Latest Practicable Date, the expert did not have any shareholding directly or indirectly in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the expert did not have any interest, direct or indirect, in any asset acquired or disposed of by or leased to any member of the Group or proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2014, being the date to which the latest published audited financial statements of the Company were made up.

The expert has given and has not withdrawn its written consents to the issue of this circular with the inclusion of its report or letter or opinion as set out in this circular and references to its name in the form and context in which they appear in this circular.

## 9. MATERIAL CONTRACTS

The following material contracts have been entered into by the Group (not being a contract entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) the loan agreement dated 13 November 2015 entered into between CNE Holdings Company Limited (中國核能控股有限公司) (“**CNE Holdings**”), a direct wholly-owned subsidiary of the Company as lender and China He Investment as borrower, pursuant to which CNE Holdings agreed to grant a loan facility in a principal amount of HK\$15,600,000 to China He Investment for a term of six months;
- (b) the joint venture agreement dated 14 August 2015 entered into between CNI (Nanjing) Energy Development Company Limited (中核(南京)能源發展有限公司) and Zhong He New Energy Investment Company Limited\* (中核新能源投資有限公司), pursuant to which the parties agreed to establish the joint venture company with a registered capital of RMB10,000,000;
- (c) the sale and purchase agreement dated 24 July 2015 entered into between CNE New Energy Limited (中國核能新能源有限公司) (formerly known as CN123 New Energy Limited) (the “**Purchaser**”) and Fame Raise Limited (the “**Vendor**”), pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the 299 shares of Guoxin Energy Limited (國鑫能源有限公司) (“**Guoxin Energy**”), representing 29.9% of the issued share capital of Guoxin Energy, at a consideration of HK\$2,599,511 and the Purchaser has conditionally agreed to repay the outstanding shareholders’ loan in the amount of RMB14,950,000 due from Guoxin Energy to the Vendor for and on behalf of Guoxin Energy; and
- (d) the placing agreement dated 24 April 2015 entered into between the Company with Guoyuan Capital (Hong Kong) Limited (the “**Placing Agent**”), pursuant to which the Placing Agent has conditionally agreed to procure, on a best effort basis, not less than six places to subscribe in cash for the convertible bonds of up to an aggregate principal amount of not more than HK\$350 million in not more than two tranches.

**10. MISCELLANEOUS**

- (a) The company secretary is Mr. Ng Siu Cheung. Mr. Ng is a member of Hong Kong Institute of Certified Public Accountants.
- (b) The registered address of the Company is situated at the Belvedere Building, 69 Pitts Bay Road, Pembroke HM08, Bermuda. The head office and principal place of business in Hong Kong is Room 2801, 28/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.
- (c) The Hong Kong share registrar of the Company is Tricor Tengis Limited, which is situated at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 12:30 p.m. and from 2:00 p.m. to 5:30 p.m. (other than Saturdays, Sundays and public holidays in Hong Kong) at the principal place of business of the Company at Room 2801, 28/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong from the date of this circular up to and including the date of the SGM:

- (a) the Main Contractor Contract;
- (b) the Purchase Contract;
- (c) the written consent referred to in the paragraph headed "Expert's Qualification and Consent" in this appendix;
- (d) the Huadong Technical Consultancy Agreement, the GCL Solar Projects Agreements, the Moyu Construction Agreement, the JV Agreement, the Loan Agreement, the Moyu Phase II Construction Agreements and the Qiqihar EPC Agreement referred to in the paragraph under the heading "Other interests of the Directors" in this appendix;
- (e) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix; and
- (f) the circulars of the Company dated 2 April 2015 and 2 December 2015.

\* *For identification purpose only*



# 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)

**NOTICE IS HEREBY GIVEN** that a special general meeting of China Nuclear Energy Technology Corporation Limited (the “**Company**”) will be held at Jade Terrace Restaurant, 2nd Floor, Peninsula Centre, 67 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong, Hong Kong on Friday, 26 February 2016 at 11:00 a.m., for the purposes of considering and, if thought fit, passing, with or without modification, the following resolution of the Company:

## ORDINARY RESOLUTION

### “THAT

- (a) the development of the phase II of the 20MW Agricultural Photovoltaics Power Station located in Taizhou City Jiangsu Province of the PRC with aggregate solar electricity generation capacity of approximately 10MW (the “**Development**”) be and is hereby approved;
- (b) each of the (i) finance lease arrangement (the “**Finance Lease Arrangement**”) between Taizhou Herun New Energy Ltd. 泰州核潤新能源有限公司 (“**Taizhou New Energy**”) and CNEC Financial Leasing (Shenzhen) Co., Ltd.\* (核建融資租賃(深圳)有限公司) (“**Finance Lease Company**”); (ii) the main contractor contract (the “**Main Contractor Contract**”) dated 11 January 2016 entered into between Taizhou New Energy and Nanjing CNI Energy Engineering Company Limited\* (南京中核能源工程有限公司) (“**CNI Energy**”); and (iii) the 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 Development be and is hereby approved, ratified and confirmed; and
- (c) any one of the directors of the Company (“**Directors**”) be and is hereby authorised to exercise all the powers of the Company and take all other steps and execute all such documents which he/she/they consider(s) necessary, desirable or expedient

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## NOTICE OF THE SGM

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for the implementation of and giving effect to the Development, the Finance Lease Arrangement, the Main Contractor Contract and the Purchase Contract and the transactions contemplated thereunder and generally to exercise all the powers of the Company as he/she/they deem(s) desirable or necessary in connection with the forgoing.”

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

Hong Kong, 5 February 2016

*Registered Office:*

The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08  
Bermuda

*Principal place of business in Hong Kong:*

Room 2801, 28/F  
China Resources Building  
26 Harbour Road  
Wanchai  
Hong Kong

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## NOTICE OF THE SGM

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**Notes:**

1. A shareholder entitled to attend and vote at the meeting may appoint one or more than one proxies to attend and to vote on a poll in his/her/its stead. On a poll, votes may be given either personally (or in the case of a shareholder being a corporation, by its duly authorized representative) or by proxy. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if shareholders so wish.
5. The ordinary resolution set out in this notice will be put to shareholders to vote by way of a poll.

\* *For identification purpose only*