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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO
PROVISION OF FINANCIAL ASSISTANCE**

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 20 October 2016 (after trading hours), the Loan Agreement was entered into between the Finance Lease Company, an indirect wholly-owned subsidiary of the Company, and the Borrower. Pursuant to the Loan Agreement, the Finance Lease Company has agreed to grant the Loan in the principal amount of RMB100,000,000 (equivalent to HK\$115,256,503) to the Borrower for a term from the drawdown date to 1 September 2017 at an interest rate of 5.44% per annum, being the prevailing benchmark lending interest rate to be promulgated by PBC multiplied by (1+25%) and shall be adjusted in the event that PBC adjusts the benchmark lending interest rate during the term of the Loan Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the aggregate amount of financial assistance granted to the Borrower is more than 5% but all applicable percentage ratios are less than 25%, the grant of the Loan under the Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 20 October 2016 (after trading hours), the Loan Agreement was entered into between the Finance Lease Company, an indirect wholly-owned subsidiary of the Company, and the Borrower.

Summarised below are the principal terms of the Loan Agreement.

The Loan Agreement

Date:	20 October 2016
Lender:	Finance Lease Company, an indirect wholly-owned subsidiary of the Company.
Borrower:	Anjian Commercial Factoring Co., Ltd., a joint-venture company established by ACEG, Zhong He New Energy and an independent third party (each of which owns 55%, 20% and 25% interest in the Borrower), in the PRC, and a non-wholly owned subsidiary of ACEG. It is principally engaged in providing receivables financing, sales sub-account management, customer credit investigation and assessment, accounts receivable management and credit risk guarantee for upstream and downstream enterprises in the construction industry in the PRC.
Principal amount:	RMB100,000,000 (equivalent to HK\$115,256,503)

Interest: 5.44% per annum, being the prevailing benchmark lending interest rate promulgated by PBC multiplied by (1+25%) and shall be adjusted in the event that PBC adjusts the benchmark lending interest rate during the term of the Loan Agreement. The interest is payable monthly in arrears.

Drawdown date: The Loan will be available for drawdown upon satisfaction of certain conditions as agreed and it is expected that the drawdown of the Loan will take place by end of October 2016. The parties agreed that upon drawdown, the Loan shall be deposited into a designated account supervised by the Finance Lease Company.

Maturity date: 1 September 2017.

Repayment: Subject as otherwise provided in the Loan Agreement, the Borrower shall repay the full amount of the Loan on the maturity date together with outstanding interest accrued thereon.

Prepayment: Both parties shall have the right to terminate the Loan Agreement at any time after the first six months from the drawdown date, by giving a one-month prior written notice to the other party, and the Borrower shall repay the Loan together with the relevant accrued interests on the date as stipulated.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, saved as disclosed in this announcement, the Borrower and ACEG and their ultimate respective beneficial owners are Independent Third Parties and are not connected with the Group.

Funding of the Loan

The Loan under the Loan Agreement will be financed by external borrowings.

Information of the Group and the Finance Lease Company

The Company is an investment holding company. The Group is principally engaged in new energy operations (such as provision of development, operation, engineering and construction and procurement services for solar energy plants) and finance leasing services 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.

The Finance Lease Company is an indirect wholly-owned subsidiary of the Company established in the PRC with limited liability. It is principally engaged in the financial leasing business, which specialises in organising and providing direct financial leasing services and sale-and-leaseback services to customers in the PRC, the customers of which are mainly companies in the new energy industry.

Reason for and benefits of entering into the Loan Agreement

The terms of the Loan Agreement (including the interest rate) are negotiated on an arm's length basis between the Finance Lease Company and the Borrower with reference to the commercial practice and the amount of the Loan. The Directors consider that the transaction under the Loan Agreement is on normal commercial terms entered into based on the Company's credit policy. Taking into account the satisfactory financial background of the Borrower and the stable revenue and cashflow stream expected from the interest income, the Directors consider that the terms of the transaction under the Loan Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The grant of the Loan under the Loan Agreement constitutes a financial assistance provided by the Company within the meaning of the Listing Rules.

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the aggregate amount of financial assistance granted to the Borrower is more than 5% but all applicable percentage ratios are less than 25%, the grant of the Loan under the Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As the amount of the financial assistance granted to the Borrower does not exceed 8% of the assets ratio as defined under Rule 13.13 of the Listing Rules, the grant of the Loan is not subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

DEFINITIONS

“ACEG”	Anhui Construction Engineering Group Ltd.* (安徽建工集團有限公司), a company incorporated in the PRC with limited liability
“Board”	board of Directors
“Borrower”	Anjian Commercial Factoring Co., Ltd.* (安建商業保理有限公司), a joint-venture company established by ACEG and the Company in the PRC, and a non-wholly owned subsidiary of ACEG
“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 (Stock code: 611)
“Director(s)”	director(s) of the Company
“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 dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	Party(ies) who is/are independent of the Company and its connected person(s) (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the principal amount of RMB100,000,000 to be granted to the Borrower under the Loan Agreement
“Loan Agreement”	the loan agreement dated 20 October 2016 entered into between the Finance Lease Company and the Borrower in respect of the Loan
“PBC”	People’s Bank of China (中國人民銀行)
“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
“RMB”	Renminbi, the lawful currency in the PRC
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Zhong He New Energy” Zhong He New Energy Investment Company Ltd.* (中核新
能源投資有限公司), a company established in the PRC,
which is owned as to 50% by ZOC Investment Co., Ltd.* (中
核投資有限公司), the holding company of the controlling
Shareholder, China He Investment (Hong Kong) Company
Limited and 50% by China Nuclear Industry Huaxing
Construction Co., Ltd.* (中國核工業華興建設有限公司)

“%” per cent.

* for identification purposes only

In this announcement, the English names of certain PRC entities are translation of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

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

Hong Kong, 20 October 2016

For the purposes of illustration only, any amount denominated in RMB in this announcement and translated into HK\$ at the rate of RMB0.86763 = HK\$1. 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. Li Jinying, Ms. Liang Rong, Mr. Li Feng and Mr. Bai Xuefei, who is a co-chief executive officer and an executive Director, all of whom are executive Directors; and Mr. Chan Ka Ling, Edmond, Mr. Wang Jimin, Mr. Tian Aiping and Mr. Li Dakuan, all of whom are independent non-executive Directors.