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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)**

**(1) DISCLOSEABLE TRANSACTION IN RELATION TO  
THE DEVELOPMENT OF THE 20MW AGRICULTURAL  
PHOTOVOLTAICS POWER STATION II;  
AND  
(2) DISCLOSEABLE TRANSACTION IN RELATION TO  
FUYANG FINANCE LEASE AGREEMENTS**

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

Subsequence to the completion of the development of the 20MW Agricultural Photovoltaics Power Station I (details of which are disclosed in the announcements of the Company dated 18 December 2015, 11 January 2016 and 26 February 2016 and the circular of the Company dated 5 February 2016), the Board is pleased to announce the launch of the development of the 20MW Agricultural Photovoltaics Power Station II in the PRC. The 20MW Agricultural Photovoltaics Power Station II will be located in Taizhou City, Jiangsu Province of the PRC with an aggregate solar electricity generation capacity of approximately 20MW and will be developed and operated by Taizhou New Energy, an indirect wholly-owned subsidiary of the Company. The development of the 20MW Agricultural Photovoltaics Power Station II is expected to be completed by end of April 2017.

## **THE FUYANG FINANCE LEASE AGREEMENTS**

### **The Fuyang Finance Lease Agreement I**

On 27 July 2016, the Finance Lease Company entered into the Fuyang Finance Lease Agreement I with Fuyang Hengming, pursuant to which, the Finance Lease Company had agreed to purchase the Fuyang Leased Asset I from CNI Energy and lease the Fuyang Leased Asset I to Fuyang Hengming for a term of eight years at an aggregate lease consideration of approximately RMB86,964,129.92 (equivalent to approximately HK\$97,724,583.85). The period of lease will commence from the date of settlement of the consideration under the Fuyang Purchase Agreement I by the Finance Lease Company.

### **The Fuyang Finance Lease Agreement II**

On 27 July 2016, the Finance Lease Company entered into the Fuyang Finance Lease Agreement II with Fuyang Hengming, pursuant to which, the Finance Lease Company had agreed to purchase the Fuyang Leased Asset II from Fuyang Hengming and lease the Fuyang Leased Asset II back to Fuyang Hengming for a term of eight years at an aggregate lease consideration of approximately RMB47,369,056.64. The period of lease will commence from the date of settlement of the consideration under the Fuyang Purchase Agreement II by the Finance Lease Company.

## **IMPLICATIONS UNDER THE LISTING RULES**

### **Development of 20MW Agricultural Photovoltaics Power Station II**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the development of the 20MW Agricultural Photovoltaics Power Station II are more than 5% but less than 25%, the development of the 20MW Agricultural Photovoltaics Power Station II itself constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules. Pursuant to Rule 14.22 of the Listing Rules, the development of the 20MW Agricultural Photovoltaics Power Station II would be aggregated with the development of the 20MW Agricultural Photovoltaics Power Station I and be treated as if they were one transaction for the purpose of Chapter 14 of the Listing Rules. Nonetheless, the development of the 20MW Agricultural Photovoltaics Power Station II even if aggregated with the development of the 20MW Agricultural Photovoltaics Power Station I, will still be classified as a major transaction of the Company under Chapter 14 of the Listing Rules which relevant requirements have been complied with by the Company. Accordingly, the Company would not be required to re-classify the development of the 20MW Agricultural Photovoltaics Power Station II by aggregating them with the development of the 20MW Agricultural Photovoltaics Power Station I.

### **Fuyang Finance Lease Agreements**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Fuyang Finance Lease Agreements exceeds 5% but less than 25%, the Fuyang Finance Lease Agreements constitute a discloseable transaction for the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **DEVELOPMENT OF 20MW AGRICULTURAL PHOTOVOLTAICS POWER STATION II**

Subsequence to the completion of the development of the 20MW Agricultural Photovoltaics Power Station I (details of which are disclosed in the announcements of the Company dated 18 December 2015, 11 January 2016 and 26 February 2016 and the circular of the Company dated 5 February 2016), the Board is pleased to announce the launch of the development of the 20MW Agricultural Photovoltaics Power Station II in the PRC. The 20MW Agricultural Photovoltaics Power Station II will be located in Taizhou City, Jiangsu Province of the PRC with an aggregate solar electricity generation capacity of approximately 20MW and will be developed and operated by Taizhou New Energy, an indirect wholly-owned subsidiary of the Company. The development of the 20MW Agricultural Photovoltaics Power Station II is expected to be completed by end of April 2017. The major assets of the 20MW Agricultural Photovoltaics Power Station II will comprise the Equipment. As the 20MW Agricultural Photovoltaics Power Station II has not yet been put into operation, accordingly, no book value, revenue or profits associated with the 20MW Agricultural Photovoltaics Power Station II were recorded in the accounts of Taizhou New Energy. The development of the 20MW Agricultural Photovoltaics Power Station II will be funded by the Company's internal financial resources and bank borrowings.

For the purpose of development of the 20MW Agricultural Photovoltaics Power Station II, Taizhou New Energy has entered into the Main Contractor Contract and the Taizhou Finance Lease Agreement.

Summarised below are the principal terms of the Main Contractor Contract and the Taizhou Finance Lease Agreement.

## **The Main Contractor Contract**

Taizhou New Energy entered into the Main Contractor Contract on 14 December 2016 with its fellow subsidiary, 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 has engaged CNI Energy to provide the project design, engineering, construction, installation, training, warranty and other works for the construction of the 20MW Agricultural Photovoltaics Power Station II on a turnkey basis for the total consideration of RMB29,400,000 (equivalent to approximately HK\$33,037,791.19), which shall be settled in the following manners:

- (1) 20% 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) cumulative payment of up to 80% of the total consideration to be settled monthly with reference to the construction progress on the 25th day of each month;
- (3) cumulative payment of up to 95% of the total consideration to be settled within one month after the delivery of the 20MW Agricultural Photovoltaics Power Station II is accepted by Taizhou New Energy;
- (4) the remaining balance of 5% of the total consideration as retention money to be payable without interest within one month after the first anniversary of the date on which the delivery of the 20MW Agricultural Photovoltaics Power Station II is accepted by Taizhou New Energy.

The total consideration for the development of the 20MW Agricultural Photovoltaics Power Station II was agreed upon between Taizhou New Energy and CNI Energy through arm's length negotiations after taking into account of: (a) the construction and installation cost of the 20MW Agricultural Photovoltaics Power Station II of approximately RMB28,400,000 (equivalent to approximately HK\$31,914,056.79); and (b) the design consultation fee of RMB1,000,000 (equivalent to approximately HK\$1,123,734.39).

It is expected that the works shall be commenced upon notice being given by Taizhou New Energy to CNI Energy. The overall quality assurance period shall be one year from the delivery of the 20MW Agricultural Photovoltaics Power Station II is accepted by Taizhou New Energy.

## **The Taizhou Finance Lease Agreement**

On 14 December 2016, the Taizhou New Energy entered into the Taizhou Finance Lease Agreement with the Finance Lease Company, pursuant to which, the Finance Lease Company had agreed to purchase the Equipment from CNI Energy and lease the Equipment to Taizhou New Energy for a term of eight years at an aggregate lease consideration of approximately RMB133,711,719 (equivalent to approximately HK\$150,256,457.54). The period of lease will commence from the date of settlement of the consideration under the Taizhou Purchase Agreement by the Finance Lease Company.

Date: 14 December 2016

Lessee: Taizhou New Energy.

Lessor: Finance Lease Company, an indirect wholly-owned subsidiary of the Company.

### **Lease period**

Eight years, commencing from the date of settlement of the consideration under the Taizhou Purchase Agreement by the Finance Lease Company, which shall be settled within five business days upon the fulfillment of the conditions precedent under the Taizhou Purchase Agreement. From the second anniversary date of the commencement of the finance lease, Taizhou New Energy has the right to terminate the Taizhou Finance Lease Agreement by giving 60 days written notice to the Finance Lease Company. In the event the Taizhou Finance Lease Agreement is terminated before the maturity date, Taizhou New Energy shall pay to the Finance Lease Company all the due and unpaid rental fees and other charges together with all outstanding amount of the principal rent.

### **Consideration for the purchase of the Equipment**

The consideration payable by the Finance Lease Company for the purchase of the Equipment under the Taizhou Purchase Agreement is RMB105,000,000 (equivalent to approximately HK\$117,992,111.38), which shall be settled within five business days upon the fulfillment of the conditions precedent under the Taizhou Purchase Agreement.

### **Consideration for the lease of the Equipment**

The lease consideration of the Equipment payable by Taizhou New Energy to the Finance Lease Company under the Taizhou Finance Lease Agreement is RMB133,711,719 (equivalent to approximately HK\$150,256,457.54), which represents the principal amount for purchase of the Equipment and the interest payment for the full lease period. The lease

consideration under the Taizhou Finance Lease Agreement shall be payable in quarterly instalments in cash. The initial four instalments shall be RMB1,479,187.50 each and the remaining 28 instalments shall be approximately RMB4,564,106.04 each. Taizhou New Energy shall also pay the Finance Lease Company a non-refundable handling fee in the sum of RMB5,040,000 (equivalent to approximately HK\$5,663,621.35), which shall be paid in four instalments during the lease period. The interest payment to be paid by Taizhou New Energy is calculated at a floating rate, representing 115% of the benchmark lending rate for loan tenor over five years promulgated by PBC (currently 5.64% per annum). The interest rate may be adjusted according to the prevailing lending interest rate to be promulgated by PBC from time to time.

Taizhou New Energy shall pay the Finance Lease Company a refundable security deposit of RMB5,250,000 (equivalent to approximately HK\$5,899,605.57 prior to the commencement of the Taizhou Finance Lease Agreement). If Taizhou New Energy commits any breach causing penalty or damages, the Finance Lease Company shall have the right to deduct such penalty and damages from the security deposit. The Finance Lease Company shall also have the right to set off part or all of the last two installments of the outstanding lease consideration against the security deposit and any balance thereof (if any) shall be refunded to Taizhou New Energy without interest upon expiry of the lease period.

The aggregate consideration under the Taizhou Finance Lease Agreement (including the consideration for the purchase of the Equipment and the consideration for the lease of the Equipment) was determined after arm's length negotiations between the Finance Lease Company, Taizhou New Energy and CNI Energy with reference to (i) the prevailing market price and rate for finance leases of comparable equipment and assets for construction and operation of photovoltaic power station; and (ii) similar finance lease services.

### **Ownership**

During the term of lease, the ownership of the Equipment lies with the Finance Lease Company; subject to Taizhou New Energy having duly and satisfactorily performed all its obligations under, and upon the expiry of the Taizhou Finance Lease Agreement, Taizhou New Energy has an option to purchase the Equipment from the Finance Lease Company at the nominal purchase price of RMB100.00.

### **Pledges and Guarantees**

The obligations of Taizhou New Energy under the Taizhou Finance Lease Agreement will be secured by (a) pledge of Equipment; (b) pledge of the right to income generated by the 20MW Agricultural Photovoltaics Power Station II; (c) pledge of the equity interest in Taizhou New Energy by Greater China Development Limited; and (d) a corporate guarantee from CNI Energy.

According to the Taizhou Finance Lease Agreement, the Finance Lease Company shall have the right to require additional guarantees in the circumstances where (i) the credibility of Taizhou New Energy has decreased; or (ii) the value of the pledged assets has decreased; or (iii) other circumstances arise rendering it reasonable for the Finance Lease Company to require additional protection.

### **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 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.

### **Reasons for and benefits of the development of the 20MW Agricultural Photovoltaics Power Station II**

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.

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 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 20MW Agricultural Photovoltaics Power Station 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.

## **THE FUYANG FINANCE LEASE AGREEMENTS**

On 27 July 2016, the Finance Lease Company entered into the Fuyang Finance Lease Agreements with Fuyang Hengming.

Summarised below are the principal terms of the Fuyang Finance Lease Agreements.

### **The Fuyang Finance Lease Agreements**

#### *The Fuyang Finance Lease Agreement I*

On 27 July 2016, the Finance Lease Company entered into the Fuyang Finance Lease Agreement I with Fuyang Hengming, pursuant to which, the Finance Lease Company had agreed to purchase the Fuyang Leased Asset I from CNI Energy and lease the Fuyang Leased Asset I to Fuyang Hengming for a term of eight years at an aggregate lease consideration of approximately RMB86,964,129.92 (equivalent to approximately HK\$97,724,583.85). The period of lease will commence from the date of settlement of the consideration under the Fuyang Purchase Agreement I by the Finance Lease Company.

The value of the Fuyang Leased Asset I was estimated to be approximately RMB71,211,400.00 under the Fuyang Finance Lease Agreement I.

Date: 27 July 2016

Lessee: Fuyang Hengming. A company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of GCL New Energy. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Fuyang Hengming, a company principally engaged in the development, investment, operation and management of photovoltaic solar power plants, is an Independent Third Party.

Lessor: Finance Lease Company.

## **Lease period**

Eight years, commencing from the date of settlement of the consideration under the Fuyang Purchase Agreement I by the Finance Lease Company, which shall be settled within five business days upon the fulfillment of the conditions precedent under the Fuyang Purchase Agreement I.

## **Consideration for the purchase of the Fuyang Leased Asset I**

The consideration payable by the Finance Lease Company for the purchase of the Fuyang Leased Asset I under the Fuyang Purchase Agreement I is RMB71,211,400.00 (equivalent to approximately HK\$80,022,699.43), which shall be settled within five business days upon the fulfillment of the conditions precedent under the Fuyang Purchase Agreement I.

## **Consideration for the lease of the Fuyang Leased Asset I**

The lease consideration of the Fuyang Leased Asset I payable by Fuyang Hengming to the Finance Lease Company under the Fuyang Finance Lease Agreement I is RMB86,964,129.92 (equivalent to approximately HK\$97,724,583.85), which represents the principal amount for purchase of the Fuyang Leased Asset I and the interest payment for the full lease period. The lease consideration under the Fuyang Finance Lease Agreement I shall be payable in equal quarterly instalments of approximately RMB2,717,629.06 each in cash. Fuyang Hengming shall also pay the Finance Lease Company a non-refundable handling fee in the sum of RMB7,920,000.00 (equivalent to approximately HK\$8,899,976.40), which shall be paid in four instalments during the lease period. The first instalment of RMB3,300,000.00 shall be paid prior to the commencement of the Fuyang Finance Lease Agreement I and the remaining instalments of RMB1,540,000.00 each shall be paid on the 9th, 17th and 25th instalment of the lease. The interest payment to be paid by Fuyang Hengming is calculated at a floating rate, representing 110% of the benchmark lending rate for loan tenor over five years promulgated by PBC (currently 5.39% per annum). The interest rate may be adjusted according to the prevailing lending interest rate to be promulgated by PBC from time to time.

Fuyang Hengming shall pay the Finance Lease Company a refundable security deposit of RMB3,560,570.00 (equivalent to approximately HK\$4,001,134.97) prior to the commencement of the Fuyang Finance Lease Agreement I. If Fuyang Hengming commits any breach causing penalty or damages, the Finance Lease Company shall have the right to deduct such penalty and damages from the security deposit. In the event of such deduction, Fuyang Hengming shall make up for the deduction and restore the amount of the security deposit to RMB3,560,570.00 upon notice from the Finance Lease Company. The Finance Lease Company shall also have the right to set off part or all of the last two installments of the outstanding lease consideration against the security deposit and any balance thereof (if any) shall be refunded to Fuyang Hengming without interest upon expiry of the lease period.

The aggregate consideration under the Fuyang Finance Lease Agreement I (including the consideration for the purchase of the Fuyang Leased Asset I and the consideration for the lease of the Fuyang Leased Asset I) was determined after arm's length negotiations between the Finance Lease Company, Fuyang Hengming and CNI Energy with reference to (i) the prevailing market price and rate for finance leases of comparable equipment and assets for construction and operation of photovoltaic power station; and (ii) similar finance lease services. The consideration payable by the Finance Lease Company for the purchase of the Fuyang Leased Asset I was financed by the Company's internal financial resources.

### **Ownership**

During the term of lease, the ownership of the Fuyang Leased Assets I lies with the Finance Lease Company; subject to Fuyang Hengming having duly and satisfactorily performed all its obligations under, and upon the expiry of the Fuyang Finance Lease Agreement I, Fuyang Hengming has an option to purchase the Fuyang Leased Assets I from the Finance Lease Company at the nominal purchase price of RMB100.00.

### **Pledges and Guarantees**

The obligations of Fuyang Hengming under the Fuyang Finance Lease Agreement I are secured by (a) pledge of Fuyang Leased Asset I; (b) pledge of the right to income generated by the Fuyang Project (the "**Fuyang Income Pledge**"); and (c) pledge of the 65% equity interest in Fuyang Hengming by Suzhou GCL New Energy Investment Company Limited\* (蘇州協鑫新能源投資有限公司) ("**Suzhou GCL**").

According to the Fuyang Finance Lease Agreement I, the Finance Lease Company shall have the right to require additional guarantees in the circumstances where (i) the credibility of Fuyang Hengming has decreased; or (ii) the value of the pledged assets has decreased; or (iii) other circumstances arise rendering it reasonable for the Finance Lease Company to require additional protection.

### *The Fuyang Finance Lease Agreement II*

On 27 July 2016, the Finance Lease Company entered into the Fuyang Finance Lease Agreement II with Fuyang Hengming, pursuant to which, the Finance Lease Company had agreed to purchase the Fuyang Leased Asset II from Fuyang Hengming and lease the Fuyang Leased Asset II back to Fuyang Hengming for a term of eight years at an aggregate lease consideration of approximately RMB47,369,056.64. The period of lease will commence from the date of settlement of the consideration under the Fuyang Purchase Agreement II by the Finance Lease Company.

The value of the Fuyang Leased Asset II was estimated to be approximately RMB38,788,600.00 under the Fuyang Finance Lease Agreement II.

Date: 27 July 2016

Lessee: Fuyang Hengming

Lessor: Finance Lease Company

### **Lease period**

Eight years, commencing from the date of settlement of the consideration under the Fuyang Purchase Agreement II by the Finance Lease Company, which shall be settled within five business days upon the fulfillment of the conditions precedent under the Fuyang Purchase Agreement II.

### **Consideration for the purchase of the Fuyang Leased Asset II**

The consideration payable by the Finance Lease Company for the purchase of the Fuyang Leased Asset II under the Fuyang Purchase Agreement II is RMB38,788,600.00 (equivalent to approximately HK\$43,588,083.92), which shall be settled within five business days upon the fulfillment of the conditions precedent under the Fuyang Purchase Agreement II.

### **Consideration for the lease of the Fuyang Leased Asset II**

The lease consideration of the Fuyang Leased Asset II payable by Fuyang Hengming to the Finance Lease Company under the Fuyang Finance Lease Agreement II is RMB47,369,056.64 (equivalent to approximately HK\$53,230,238.16), which represents the principal amount for purchase of the Fuyang Leased Asset II and the interest payment for the full lease period. The lease consideration under the Fuyang Finance Lease Agreement II shall be payable in equal quarterly instalments of RMB1,480,283.02 each in cash. The interest payment to be paid by Fuyang Hengming is calculated at a floating rate, representing 110% of the benchmark lending rate for loan tenor over five years promulgated by PBC (currently 5.39% per annum). The interest rate may be adjusted according to the prevailing lending interest rate to be promulgated by PBC from time to time.

Fuyang Hengming shall pay the Finance Lease Company a refundable security deposit of RMB1,939,430.00 (equivalent to approximately HK\$2,179,404.20) prior to the commencement of the Fuyang Finance Lease Agreement II. If Fuyang Hengming commits any breach causing penalty or damages, the Finance Lease Company shall have the right to deduct such penalty and damages from the security deposit. The Finance Lease Company shall have the right to set off part or the entire last installment of the outstanding lease consideration against the security deposit and any balance thereof (if any) shall be refunded to Fuyang Hengming without interest upon expiry of the lease period.

The aggregate consideration under the Fuyang Finance Lease Agreement II (including the consideration for the purchase of the Fuyang Leased Asset II and the consideration for the lease of the Fuyang Leased Asset II) was determined after arm's length negotiations between the Finance Lease Company and Fuyang Hengming with reference to (i) the prevailing market price and rate for finance leases of comparable equipment and assets for construction and operation of photovoltaic power station; and (ii) similar finance lease services. The consideration payable by the Finance Lease Company for the purchase of the Fuyang Leased Asset II was financed by the Company's internal financial resources.

### **Ownership**

During the term of lease, the ownership of the Fuyang Leased Assets II lies with the Finance Lease Company; subject to Fuyang Hengming having duly and satisfactorily performed all its obligations under, and upon the expiry of the Fuyang Finance Lease Agreement II, Fuyang Hengming has an option to purchase the Fuyang Leased Assets II from the Finance Lease Company at the nominal purchase price of RMB100.00.

### **Pledges and Guarantees**

The obligations of Fuyang Hengming under the Fuyang Finance Lease Agreement II are secured by (a) pledge of Fuyang Leased Asset II; and (b) pledge of the 35% equity interest in Fuyang Hengming by Suzhou GCL; and (c) the Fuyang Income Pledge.

According to the Fuyang Finance Lease Agreement II, the Finance Lease Company shall have the right to require additional guarantees in the circumstances where (i) the credibility of Fuyang Hengming has decreased; or (ii) the value of the pledged assets has decreased; or (iii) other circumstances arise rendering it reasonable for the Finance Lease Company to require additional protection.

Pursuant to the terms of each of the Fuyang Finance Lease Agreements, the Fuyang Finance Lease Agreement I and Fuyang Finance Lease Agreement II are inter-conditional with each other. Both the Finance Lease Company and Fuyang Hengming have the right from the first anniversary date of the commencement of the finance lease to terminate both the Fuyang Finance Lease Agreement I and Fuyang Finance Lease Agreement II (but not any of same) by giving 60 days written notice to the other party. In the event that the Fuyang Finance Lease Agreement I and Fuyang Finance Lease Agreement II are terminated before their respective maturity date, Fuyang Hengming shall pay to the Finance Lease Company all the due and unpaid rental fees and other charges together with all outstanding amount of the principal rent. If Fuyang Hengming breaches any of the Fuyang Finance Lease Agreement I or the Fuyang Finance Lease Agreement II, it shall be deemed as it has breached both the Fuyang Finance Lease Agreement I and the Fuyang Finance Lease Agreement II.

### **Reasons for and benefits of entering into the Fuyang Finance Lease Agreements**

The Directors consider that the Finance Lease Company can obtain stable revenue and cashflow stream from the interest to be received from the Fuyang Finance Lease Agreements, which is in the ordinary and usual course of business of the Group. The entering into of the Fuyang Finance Lease Agreements will enable the Finance Lease Company to earn an aggregate finance lease interest income of RMB24,333,186.55 (equivalent to approximately HK\$27,344,038.65 (including value added tax) payable by Fuyang Hengming to the Finance Lease Company under the Finance Lease Agreements. The finance Lease Company will also earn handling fees and nominal buy-back price of the Fuyang Leased Asset I and the Fuyang Leased Asset II under the Fuyang Finance Lease Agreements.

The Directors consider that the terms of each of the Fuyang Finance Lease Agreements are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

#### **Development of 20MW Agricultural Photovoltaics Power Station II**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the development of the 20MW Agricultural Photovoltaics Power Station II are more than 5% but less than 25%, the development of the 20MW Agricultural Photovoltaics Power Station II itself constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules. Pursuant to Rule 14.22 of the Listing Rules, the development of the 20MW Agricultural Photovoltaics Power Station II would be aggregated with the development of the 20MW Agricultural Photovoltaics Power Station I and be treated as if they were one transaction for

the purpose of Chapter 14 of the Listing Rules. Nonetheless, the development of the 20MW Agricultural Photovoltaics Power Station II even if aggregated with the development of the 20MW Agricultural Photovoltaics Power Station I, will still be classified as a major transaction of the Company under Chapter 14 of the Listing Rules which relevant requirements have been complied with by the Company. Accordingly, the Company would not be required to re-classify the development of the 20MW Agricultural Photovoltaics Power Station II by aggregating them with the development of the 20MW Agricultural Photovoltaics Power Station I.

### **The Fuyang Finance Lease Agreements**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Fuyang Finance Lease Agreements exceed 5% but less than 25%, the Fuyang Finance Lease Agreements constitute a discloseable transaction for the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

### **DEFINITIONS**

“20MW Agricultural Photovoltaics Power Station I”	a solar power station developed by Taizhou New Energy in Taizhou City, Jiangsu Province of the PRC with an aggregate solar electricity generation capacity of approximately 20MW
“20MW Agricultural Photovoltaics Power Station II”	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
“Board”	board of Directors
“business day”	a day (other than Saturdays, Sundays and statutory public holidays in the PRC)
“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, 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
“Equipment”	the equipment and assets for construction and operation of the 20MW Agricultural Photovoltaics Power Station 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
“Fuyang Finance Lease Agreement I”	the finance lease agreement (direct lease) dated 27 July 2016 and entered into between the Finance Lease Company (as lessor) and Fuyang Hengming (as lessee)
“Fuyang Finance Lease Agreement II”	the finance lease agreement (lease back) dated 27 July 2016 and entered into between the Finance Lease Company (as lessor) and Fuyang Hengming (as lessee)
“Fuyang Finance Lease Agreements”	collectively the Fuyang Finance Lease Agreement I and Fuyang Finance Lease Agreement II
“Fuyang Hengming”	Fuyang Hengming Solar Power Co., Ltd* (阜陽衡銘太陽能電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of GCL New Energy
“Fuyang Leased Asset I”	the equipment and assets for construction and operation of the Fuyang Project to be used by Fuyang Hengming pursuant to the Fuyang Finance Lease Agreement I
“Fuyang Leased Asset II”	the equipment and assets for construction and operation of the Fuyang Project to be used by Fuyang Hengming pursuant to the Fuyang Finance Lease Agreement II
“Fuyang Project”	the 20MW solar power plant project owned by Fuyang Hengming located in Fuyang City, Anhui Province, the PRC

“Fuyang Purchase Agreement I”	the sale and purchase agreement dated 27 July 2016 entered into among the Finance Lease Company, CNI Energy and Fuyang Hengming in relation to the sale and purchase of the Fuyang Leased Assets I under the Fuyang Finance Lease Agreement I
“Fuyang Purchase Agreement II”	the sale and purchase agreement dated 27 July 2016 entered into between the Finance Lease Company and Fuyang Hengming in relation to the sale and purchase of the Fuyang Leased Assets II under the Fuyang Finance Lease Agreement II
“GCL New Energy”	GCL New Energy Holdings Limited (協鑫新能源控股有限公司), a company incorporated in Bermuda with limited liability the shares of which are listed on the Main Board of the Stock Exchange and the ultimate beneficial owner of Fuyang Hengming
“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
“Main Contractor Contract”	the main contractor contract dated 14 December 2016 entered into between Taizhou New Energy and CNI Energy in relation to the engineering and construction of the 20MW Agricultural Photovoltaics Power Station II
“MW”	Megawatt(s), which equals 1,000,000 watts
“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
“Taizhou Finance Lease Agreement”	the finance lease agreement (direct lease) dated 14 December 2016 and entered into between the Finance Lease Company (as lessor) and Taizhou New Energy (as lessee)
“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
“Taizhou Purchase Agreement”	the sale and purchase agreement dated 14 December 2016 entered into among the Finance Lease Company, CNI Energy and Taizhou New Energy in relation to the sale and purchase of the Equipment under the Taizhou Finance Lease Agreement
“%”	per cent.

\* *for identification purpose 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, 14 December 2016

*For the purposes of illustration only, any amount denominated in RMB in this announcement and translated into HK\$ at the rate of RMB0.88989 = 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; Ms. Jian Qing, Mr. Chung Chi Shing, Mr. Li Jinying, Mr. Li Feng, Mr. Bai Xuefei, who is a co-chief executive officer and an executive Director and Mr. Wu Yuanchen, 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.*