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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)**

**PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**恒明珠證券有限公司**  
**ETERNAL PEARL SECURITIES LTD.**

**Eternal Pearl Securities Limited**

On 9 June 2017, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum of 180,000,000 Placing Shares to not less than six Placers who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons at the Placing Price of HK\$1.01 per Placing Share.

The maximum number of 180,000,000 Placing Shares represents (i) approximately 15.89% of the existing issued share capital of the Company of 1,133,094,192 Shares in issue as at the date of this announcement and (ii) approximately 13.71% of the Company's issued share capital of 1,313,094,192 Shares as enlarged by the issue and allotment of the Placing Shares.

The maximum 180,000,000 Placing Shares to be placed under the Placing Agreement will be issued pursuant to a general mandate granted to Directors to issue, allot and deal with new Shares at an annual general meeting of the Company held on 19 May 2017. The Placing Shares, when allotted and issued, shall rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

The Placing Price of HK\$1.01 represents: (i) a discount of approximately 19.20% to the closing price of HK\$1.25 per Share as quoted on the Stock Exchange on 9 June 2017, the last trading day for the Shares before signing of the Placing Agreement; (ii) a discount of approximately 19.07% to the average closing price of HK\$1.248 per Share in the last five consecutive trading days prior to and including 9 June 2017, the last trading day for the Shares before signing of the Placing Agreement.

The maximum gross proceeds from the Placing will be approximately HK\$181,800,000. The maximum net proceeds from the Placing is approximately HK\$179,073,000.

## **THE PLACING AGREEMENT**

### **Date**

9 June 2017

### **Issuer**

The Company

### **Placing Agent**

Eternal Pearl Securities Limited

The Placing Agent has conditionally agreed, on a best effort basis and as agent for the Company, to procure Placees to subscribe for a maximum of 180,000,000 Placing Shares at the Placing Price. The Placing Agent will receive a placing commission of 1.5% of the aggregate consideration received by the Company from the sale of the Placing Shares on the date of the completion of the Placing. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market rate. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

### **Placees**

The Placing Shares will be placed to not less than six Placees, who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons. Upon completion of the Placing, it is expected that none of the Placees will become a substantial shareholder of the Company.

### **Placing Shares**

The maximum number of 180,000,000 Placing Shares (with aggregate nominal value of HK\$18,000,000) represents approximately 15.89% of the existing issued share capital of the Company of 1,133,094,192 Shares in issue as at the date of this announcement and approximately 13.71% of the Company's issued share capital of 1,313,094,192 Shares as enlarged by the issue and allotment of the Placing Shares.

## **Ranking of Placing Shares**

The Placing Shares will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

## **Placing Price**

The Placing Price of HK\$1.01 per Placing Share represents:

- (i) a discount of approximately 19.20% to the closing price of HK\$1.25 per Share as quoted on the Stock Exchange on 9 June 2017, the last trading day for the Shares before signing of the Placing Agreement; and
- (ii) a discount of approximately 19.07% to the average closing price of HK\$1.248 per Share in the last five consecutive trading days prior to and including 9 June 2017, the last trading day for the Shares before signing of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent on the date of the Placing Agreement with reference to the prevailing market price of the Shares and the possible dilutive effect of the Placing Shares. The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

## **Conditions of the Placing**

Completion of the Placing is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares; and
- (b) the obligation of the Placing Agent not being terminated in accordance with the terms of the Placing Agreement.

If the above conditions are not fulfilled at or before 5:00 p.m. on 9 July 2017 (or such later date as may be agreed between the Placing Agent and the Company), the Placing Agreement will lapse and become null and void and the parties shall be released from all obligations hereunder, save the liabilities for any antecedent breaches thereof.

## **Mandate to issue the Placing Shares**

The Placing Shares to be issued under the Placing Agreement will be issued pursuant to a general mandate granted to Directors to issue, allot and deal with up to 226,618,838 new Shares at an annual general meeting of the Company held on 19 May 2017. As at the date of this announcement, the Company has not exercised the power to issue and allot any new Shares pursuant to the general mandate.

## **Termination and Force Majeure**

If at any time prior to 9:00 a.m. on the date of completion of the Placing:

- (a) there develops, occurs or comes into force:
  - (i) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the sole opinion of the Placing Agent and in its absolute discretion may materially and adversely affect the business or financial condition or prospects of the Group as a whole;
  - (ii) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not *ejusdem generis* with the foregoing), which may or may be expected to, in the sole opinion of the Placing Agent, adversely affect the business or financial or trading position or prospects of the Group as a whole or prejudices the success of the Placing of the Shares or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
  - (iii) any significant change (whether or not permanent) in local, regional, national or international market conditions (including without limitation suspension or material restriction on trading in securities or any conditions affecting a sector of the market) which may or may be expected to adversely affect the success of the Placing or otherwise in the sole opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing;

- (b) the Company commits any material breach of or any material omission to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement;
- (c) the trading of the Shares on the Stock Exchange has been suspended for more than three (3) consecutive trading days save for the purposes of clearing of any announcements or circulars relating to the Placing; or
- (d) any breach of any of the warranties which in the sole opinion of the Placing Agent and in its absolute discretion is material in the context of the Placing, comes to the knowledge of the Placing Agent or there has been a breach by the Company of any other provision of the Placing Agreement which in the sole opinion of the Placing Agent and in its absolute discretion is material in the context of the Placing,

then and in any such case, the Placing Agent may, in its absolute discretion, terminate the Placing Agreement without liability to the Company or any other party (save the liabilities for any antecedent breach of the Placing Agreement by the Placing Agent) by giving notice in writing to the Company, which notice may be given at any time prior to the date of completion of the Placing.

### **Completion of the Placing**

Completion of the Placing will take place no later than the third (3rd) business day after (i) the satisfaction of all the conditions precedent set out above; and (ii) the conclusion of the list of Placee(s) on or before 9 July 2017 (whichever is later), or such later date as may be agreed by and between the Company and the Placing Agent.

## **REASONS FOR THE PLACING AND THE USE OF PROCEEDS**

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. 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 maximum gross proceeds from the Placing will be approximately HK\$181,800,000. The maximum net proceeds from the Placing will be approximately HK\$179,073,000 and is intended to be used for general working capital and development of business of the Group. The net price to be raised per Share from the Placing will be approximately HK\$0.995 per Share.

The Directors consider that the Placing represents a good opportunity for the Company to raise necessary fund for the Company for future use without having to resort to borrowing from financial institutions which will result in financial costs to the Group. The issue of new Shares will broaden the capital base of the Company and enable the Company to broaden its Shareholder base as the Placees are independent third parties not connected with the connected persons of the Company and none of the Placees will become a substantial shareholder of the Company. Accordingly, the Directors consider that the terms of the Placing Agreement are in the interest of the Company and the Shareholders as a whole.

## **FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming the Placing Shares are placed in full and there is no other change in the shareholding structure of the Company before the allotment and issue of the Placing Shares) are set out below:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	Number of shares held	Approximate percentage of shareholding	Number of shares held	Approximate percentage of shareholding
中國核工業建設集團公司 (China Nuclear Engineering & Construction Corporation*) (note 1)	400,000,000	35.30%	400,000,000	30.46%
ZOC Investment Co., Ltd. (note 1)	400,000,000	35.30%	400,000,000	30.46%
China He Investment (Hong Kong) Company Limited (note 1)	400,000,000	35.30%	400,000,000	30.46%
Zhao Xu Guang (note 2)	84,676,000	7.47%	84,676,000	6.45%
Prosper Alliance Investments Limited (note 2)	60,000,000	5.29%	60,000,000	4.57%
Cheung Mui (note 3)	60,000,000	5.29%	60,000,000	4.57%
Grand Honest Limited (note 3)	60,000,000	5.29%	60,000,000	4.57%
Placees	–	–	180,000,000	13.71%
Other public shareholders	588,418,192	51.94%	588,418,192	44.81%
Total	<u>1,133,094,192</u>	<u>100%</u>	<u>1,313,094,192</u>	<u>100%</u>

*Notes:*

1. ZOC Investment Co., Ltd. (“**ZOC Investment**”) is deemed to be interested in 400,000,000 shares of the Company held by its wholly-owned subsidiary China He Investment (Hong Kong) Company Limited. 中國核工業建設集團公司 (China Nuclear Engineering & Construction Corporation\*) is deemed to be interested in these 400,000,000 shares by virtue of its holding 100% interests in ZOC Investment.
2. Zhao Xu Guang is 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 are wholly-owned by Mr. Zhao.
3. Grand Honest Limited is wholly-owned by Cheung Mui and she is deemed to be interested in its holding of 60,000,000 shares of the Company.

\* *for identification purpose only*

## **GENERAL**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## **TERMS AND DEFINITIONS**

In the announcement, unless the context requires otherwise, terms used herein shall have the following meaning:

“associates”	has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“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);
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	director(s) of the Company;

“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement;
“Placing”	the placing of a maximum of 180,000,000 Placing Shares pursuant to the terms of the Placing Agreement;
“Placing Agent”	Eternal Pearl Securities Limited;
“Placing Agreement”	the agreement entered into between the Company and the Placing Agent dated 9 June 2017 in relation to the Placing;
“Placing Price”	HK\$1.01 per Placing Share;
“Placing Share(s)”	a maximum of 180,000,000 new Shares to be placed by the Placing Agent on best effort basis pursuant to the terms of the Placing Agreement;
“PRC”	The People’s Republic of China which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan;
“Share(s)”	ordinary share(s) of HK\$0.10 in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“substantial shareholder” has the meaning ascribed to it in the Listing Rules;

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong; and

“%” per cent.

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

Hong Kong, 9 June 2017

*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.*