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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)

**INSIDE INFORMATION RELATING TO
MEMORANDUM OF UNDERSTANDING
FOR
THE PROPOSED FORMATION OF JOINT VENTURE COMPANY**

MEMORANDUM OF UNDERSTANDING FOR THE PROPOSED TRANSACTION

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that the Company entered into the non-legally binding MOU with BGR in relation to the Proposed Transaction on 19 September 2017 (after trading hours of the Stock Exchange).

GENERAL

The Board wishes to emphasize that no binding agreement in relation to the Proposed Transaction has been entered into as at the date of this announcement. Shareholders and potential investors of the Company should note that the Proposed Transaction may or may not proceed and are advised to exercise caution when dealing in the Shares. If the Proposed Transaction materialises, it may constitute a notifiable transaction on the part of the Company. Further announcement in respect of the Proposed Transaction, if such constitutes notifiable or connected transaction, will be made by the Company as and when appropriate in compliance with the Listing Rules.

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THE MOU

Date: 19 September 2017 (after trading hours of the Stock Exchange)

Parties: (1) The Company

(2) BGR

BGR is a limited liability partnership incorporated under the laws of the United Kingdom and is principally engaged in business development and consultancy services. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, BGR and its ultimate beneficial owners are Independent Third Parties.

Proposed Formation of the Joint Venture Company

Pursuant to the MOU, it is proposed that the Company and BGR will cooperate to secure opportunities to invest in solar power plant projects firstly in Ukraine and then in other regions in the world, and will form the Joint Venture Company. The scope of business of the Joint Venture Company is proposed to be the development, engineering, procurement and construction as well as maintenance of the Ukraine Projects.

The Company and BGR shall negotiate in good faith towards one another in the Proposed Transaction. The shareholding structure and the other terms and conditions of the Joint Venture Company shall be specified in the Formal Agreement (if entered into).

It is also agreed that the MOU shall continue in force unless and until terminated by either party by giving to the other party not less than 30 days written notice or the entering into of the Formal Agreement, whichever is earlier (the “**Termination Date**”). During the Exclusivity Period, BGR shall not (i) solicit, initiate or encourage inquiries or offers from, or (ii) initiate or continue negotiations or discussions with or furnish any information to, or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Company with respect to the Ukraine Projects.

The MOU does not constitute a legally-binding commitment of the parties to the MOU in respect of the Proposed Transaction (save as the terms in relation to notices, termination, exclusivity, confidentiality, governing law and costs provisions which are legally binding on the parties). The Proposed Transaction is subject to the execution and completion of the Formal Agreement.

REASONS FOR AND BENEFITS IN ENTERING INTO THE MOU

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.

BGR group is principally focused on lobbying, strategic communications and business solutions for government affairs, public relations and business advice.

In view of the Belt and Road initiatives and in order to seek for more business opportunities and to maximise return to the Company and the Shareholders in the long run, the Directors are of the view that the entering into of the MOU, and the Proposed Transaction contemplated thereunder, if materialise, can create a good opportunity for the Group to develop its business and expand its network, and create a synergy effect with the existing business of the Group.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

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| “BGR” | BGR Group London LLP, a limited liability partnership incorporated under the laws of the United Kingdom |
| “Board” | board of the Directors |
| “Company” | China Nuclear Energy Technology Corporation Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange |
| “Director(s)” | director(s) of the Company |
| “Exclusivity Period” | the period commencing on the date of the MOU and ending on the Termination Date (or such later date as the parties to the MOU may agree in writing) |

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| “Formal Agreement” | the formal joint venture agreement with respect to the Joint Venture Company which may or may not be entered into by the Company and BGR |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party(ies)” | any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons |
| “Joint Venture Company” | a joint venture company with respect to the Ukraine Projects proposed to be established by the Company and BGR |
| “Listing Rules” | the Rules Governing the Listing of Securities on the main board of the Stock Exchange |
| “MOU” | the non-legally binding memorandum of understanding (save as the terms in relation to notices, termination, exclusivity, confidentiality, governing law and costs provisions which are legally binding on the parties) dated 19 September 2017 entered into between the Company and BGR in relation to the Proposed Transaction |
| “Proposed Transaction” | the proposed formation of a joint venture company between the Company and BGR as contemplated under the MOU |
| “PRC” | the People’s Republic of China, and for the purposes of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “Shareholder(s)” | holder(s) of the Share(s) from time to time |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Ukraine Projects”

various potential solar power plant projects situated in Ukraine

By Order of the Board

China Nuclear Energy Technology Corporation Limited

Ai Yilun

Chairman

Hong Kong, 19 September 2017

As at the date of this announcement, the Directors are Mr. Ai Yilun (Chairman), Mr. Liu Genyu (Vice Chairman), Mr. Bai Xuefei (Co-chief Executive Officer), Ms. Jian Qing, Mr. Chung Chi Shing, Mr. Li Jinying, Mr. Li Feng and Mr. Tang Jianhua, 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.