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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 WITH JIANGSU ZHONGSHENG

THE PURCHASING CONTRACTS WITH JIANGSU ZHONGSHENG

On 20 December 2017, the Project Subsidiaries (as purchasers) entered into a total of 16 Purchasing Contracts with Jiangsu Zhongsheng (as supplier), pursuant to which the Project Subsidiaries shall purchase the Equipment for the development of 15 distributed solar photovoltaic power generation projects with an aggregate installed capacity of 46.29MW and a solar cells module plant with annual production capacity of 500MW all located in Jiangsu Province, PRC with an aggregate consideration of RMB187,771,575.71 (equivalent to approximately HK\$222,212,252.77).

As disclosed in the announcement of the Company dated 18 December 2017, Suining Zhonghe as customer and Jiangsu Zhongsheng as supplier entered into the Suining Purchasing Contract for the development of a 19MW distributed solar photovoltaic power generation project located at Suining of Jiangsu Province, PRC.

The aggregate consideration under the Purchasing Contracts and the Suining Purchasing Contract is RMB274,603,140.71 (equivalent to approximately HK\$324,970,285.22).

LISTING RULES IMPLICATIONS

As the Suining Purchasing Contract was entered into with Jiangsu Zhongsheng within a 12-month period prior to and inclusive of the date of the Purchasing Contracts, the Purchasing Contracts and the Suining Purchasing Contract will be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

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

THE PURCHASING CONTRACTS WITH JIANGSU ZHONGSHENG

On 20 December 2017, the Project Subsidiaries (as purchasers) entered into a total of 16 Purchasing Contracts with Jiangsu Zhongsheng (as supplier), pursuant to which the Project Subsidiaries shall purchase the Equipment for the development of 15 distributed solar photovoltaic power generation projects with an aggregate installed capacity of 46.29MW and a solar cells module plant with annual production capacity of 500MW all located in Jiangsu Province, PRC with an aggregate consideration of RMB187,771,575.71 (equivalent to approximately HK\$222,212,252.77). Major terms of the Purchasing Contracts are as follows:

THE PURCHASING CONTRACTS

Date: 20 December 2017

Purchaser, Subject Project and Consideration of Each of the Purchasing Contracts

(1) Purchasing Contract 1

(i) Purchaser

Cangzhou Herun (as purchaser)

(ii) Subject project

The development of the 5.9MW distributed solar photovoltaic generation project located at Bohai New District, Cangzhou of Jiangsu Province, the PRC.

(iii) Consideration

RMB3,988,785 (equivalent to approximately HK\$4,720,399.76)

(2) Purchasing Contract 2

(i) Purchaser

Cangzhou Herun (as purchaser)

(ii) Subject project

The development of the 4MW distributed solar photovoltaic generation project located at Bohai New District, Cangzhou of Jiangsu Province, the PRC.

(iii) Consideration

RMB358,084.5 (equivalent to approximately HK\$423,763.62)

(3) Purchasing Contract 3

(i) Purchaser

Yizheng Herun (as purchaser)

(ii) Subject matter

The development of the 4.99MW distributed solar photovoltaic generation project located at Yizheng of Jiangsu Province, the PRC.

(iii) Consideration

RMB27,644,800 (equivalent to approximately HK\$32,715,352.48)

(4) Purchasing Contract 4

(i) Purchaser

Yizheng Herun (as purchaser)

(ii) Subject project

The development of the 2.5MW distributed solar photovoltaic generation project located at Yizheng of Jiangsu Province, the PRC.

(iii) Consideration

RMB12,315,392.6 (equivalent to approximately HK\$14,574,256.64)

(5) Purchasing Contract 5

(i) Purchaser

Yizheng Herun (as purchaser)

(ii) Subject project

The development of the 2.9MW distributed solar photovoltaic generation project located at Yizheng of Jiangsu Province, the PRC.

(iii) Consideration

RMB13,400,154 (equivalent to approximately HK\$15,857,982.75)

(6) Purchasing Contract 6

(i) Purchaser

Yizheng Herun (as purchaser)

(ii) Subject project

The development of the 0.9MW distributed solar photovoltaic generation project located at Yizheng of Jiangsu Province, the PRC.

(iii) Consideration

RMB3,996,351.4 (equivalent to approximately HK\$4,729,353.97)

(7) Purchasing Contract 7

(i) Purchaser

Huaian Hexiang (as purchaser)

(ii) Subject project

The development of the 5MW roof top distributed solar photovoltaic generation project located at Huaian of Jiangsu Province, the PRC.

(iii) Consideration

RMB16,806,126.26 (equivalent to approximately HK\$19,888,671.45)

(8) Purchasing Contract 8

(i) Purchaser

Huaian Heze (as purchaser)

(ii) Subject project

The development of the 2MW distributed solar photovoltaic generation project located at Huaian of Jiangsu Province, the PRC.

(iii) Consideration

RMB2,637,612.85 (equivalent to approximately HK\$3,121,398.39)

(9) Purchasing Contract 9

(i) Purchaser

Huaian Heyuan (as purchaser)

(ii) Subject project

The development of the 3MW roof top distributed solar photovoltaic generation project located at Huaian of Jiangsu Province, the PRC.

(iii) Consideration

RMB15,768,520 (equivalent to approximately HK\$18,660,749.58)

(10) Purchasing Contract 10

(i) Purchaser

Huaian Heyuan (as purchaser)

(ii) Subject project

The development of the 3MW roof top distributed solar photovoltaic generation project located at Yizheng of Jiangsu Province, the PRC.

(iii) Consideration

RMB18,489,400 (equivalent to approximately HK\$21,880,687.80)

(11) Purchasing Contract 11

(i) Purchaser

Xuzhou Herun (as purchaser)

(ii) Subject project

The development of cells module plant with annual production capacity of 500MW located at Xuzhou of Jiangsu Province, the PRC.

(iii) Consideration

RMB27,722,276 (equivalent to approximately HK\$32,807,038.97)

(12) Purchasing Contract 12

(i) Purchaser

Xuzhou Herui (as purchaser)

(ii) Subject project

The development of the 2MW roof top distributed solar photovoltaic generation project located at Xuzhou of Jiangsu Province, the PRC.

(iii) Consideration

RMB1,982,750 (equivalent to approximately HK\$2,346,421.94)

(13) Purchasing Contract 13

(i) Purchaser

Suzhou Hexiang (as purchaser)

(ii) Subject project

The development of the 2.3MW distributed solar photovoltaic generation project located at Suzhou of Jiangsu Province, the PRC.

(iii) Consideration

RMB13,237,500 (equivalent to approximately HK\$15,665,495.08)

(14) Purchasing Contract 14

(i) Purchaser

Taizhou Herui (as purchaser)

(ii) Subject project

The development of the 1.8MW distributed solar photovoltaic generation project located at Taizhou of Jiangsu Province, the PRC.

(iii) Consideration

RMB993,050 (equivalent to approximately HK\$1,175,193.19)

(15) Purchasing Contract 15

(i) Purchaser

Taixing Herun (as purchaser)

(ii) Subject project

The development of the 3MW distributed solar photovoltaic generation project located at Taixing City, Taizhou of Jiangsu Province, the PRC.

(iii) Consideration

RMB16,231,807.1 (equivalent to approximately HK\$19,209,011.85)

(16) Purchasing Contract 16

(i) Purchaser

Nantong Herun (as purchaser)

(ii) Subject project

The development of the 3MW roof top distributed solar photovoltaic generation project located at Nantong of Jiangsu Province, the PRC.

(iii) Consideration

RMB12,198,966 (equivalent to approximately HK\$14,436,475.31)

Payment Terms of the Purchasing Contracts

The consideration for the purchase of the Equipment under the each of the Purchasing Contracts shall be paid by the respective Project Subsidiaries to Jiangsu Zhongsheng by instalments as follows:

First instalment	50% of the total consideration payable upon the delivery of the first batch of the Equipment to the site
Second instalment	the remaining 50% of the total consideration payable within one month after the delivery of all the Equipment to the site

The consideration under the Purchasing Contracts shall be settled in cash and will be funded by internal cash resources.

The procurement for the Equipment under each of the Purchasing Contracts will be made in accordance with normal procurement procedures between the respective Project Subsidiaries and Jiangsu Zhongsheng on an arm's length basis and on normal commercial terms with reference to the market price for similar types of Equipment.

As disclosed in the announcement of the Company dated 18 December 2017, Suining Zhonghe as customer and Jiangsu Zhongsheng as supplier entered into a purchasing contract in relation to the purchase of the Equipment at a total consideration of RMB86,831,565 (the "**Suining Purchasing Contract**") for the development of a 19MW distributed solar photovoltaic power generation project located at Suining of Jiangsu Province, PRC.

The aggregate consideration under the Purchasing Contracts and the Suining Purchasing Contract is RMB274,603,140.71 (equivalent to approximately HK\$324,970,285.22).

REASONS FOR AND BENEFITS OF ENTERING INTO THE PURCHASING CONTRACTS

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 Group has started to build, maintain and operate its own solar photovoltaic plant in Taizhou, PRC since 2015. Taking into account the target growth of the national solar photovoltaic policy formulated by the Chinese Government for the years 2016 to 2020, the Group committed to enlarge its solar power generation segment by installing, possessing and operating rooftop distributed solar photovoltaic facilities in Jiangsu, PRC. It is expected that the completion of the installation of the relevant distributed solar photovoltaic generation projects and after the commencement of their power generation will enable the Group's solar power generation segment to generate additional revenue.

The Directors believe and consider that the entering into of the Purchasing Contracts are on normal commercial terms, the terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PROJECT SUBSIDIARIES

Each of Cangzhou Herun, Huaian Hexiang, Huaian Heze, Suzhou Hexiang, Taizhou Herui, Taixing Herun and Nantong Herun is directly wholly owned by CNI Nanjing (an indirect non-wholly owned subsidiary of the Company).

Each of Yizheng Herun, Huaian Heyuan and Xuzhou Herui is directly owned as to 51% by CNI Nanjing and 49% by CNE Development (an indirect wholly owned subsidiary of the Company).

Xuzhou Herun is directly wholly owned by CNE Development.

As at the date of this announcement, CNI Nanjing is owned as to 96.18% by the Company indirectly and 3.82% by Triple Delight Limited, an Independent Third Party.

Each of the Project Subsidiaries is principally engaged in solar power generation, solar power projects development, construction and operation and provision of engineering management services. The major assets of the Project Subsidiaries will comprise the Equipment. As the distributed solar photovoltaic generation facilities of each Project Subsidiary have not yet been put into operation and accordingly, no book value, revenue or profits associated with the distributed photovoltaic generation facilities were recorded in the financial statements of the Project Subsidiaries.

INFORMATION ON JIANGSU ZHONGSHENG

Jiangsu Zhongsheng is a company established in the PRC and an Independent Third Party. It is principally engaged in the research and development and trading of mechanical equipment, photovoltaic equipment, electricity equipment.

LISTING RULES IMPLICATIONS

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

DEFINITIONS

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

“Board”	board of directors
“Cangzhou Herun”	滄州核潤新能源有限公司 (transliterated as Cangzhou Herun New Energy Company Limited), a non-wholly owned subsidiary of the Company established in the PRC with limited liability
“CNE Development”	China Nuclear Energy Development Limited, a limited company incorporated in Hong Kong and is a wholly owned subsidiary of the Company
“CNI Nanjing”	中核(南京)能源發展有限公司 (transliterated as CNI (Nanjing) Energy Development Limited), a non-wholly owned subsidiary of the Company established in PRC with limited liability
“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
“Equipment”	the equipment and assets including but not limited to solar modules, frames, inverters, transformers and cables for installation and operation of the distributed solar photovoltaic generation facilities
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Huaian Hexiang”	淮安核祥太陽能發電有限公司 (transliterated as Huaian Hexiang Solar Energy Generation Company Limited), a non-wholly owned subsidiary of the Company established in the PRC with limited liability
“Huaian Heyuan”	淮安核源新能源有限公司 (transliterated as Huaian Heyuan New Energy Company Limited), a non-wholly owned subsidiary of the Company established in the PRC with limited liability
“Huaian Heze”	淮安核澤新能源有限公司 (transliterated as Huaian Heze New Energy Company Limited), a non-wholly owned subsidiary of the Company established in the PRC with limited liability
“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
“Jiangsu Zhongsheng”	江蘇中盛創新機電科技有限公司 (transliterated as Jiangsu Zhongsheng Chuangxin Electrical Technology Company Limited), a company established in the PRC with limited liability and is an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the main board of the Stock Exchange
“MW”	Megawatt (1,000,000 watts), the commonly used unit of power in qualifying the electricity generation
“Nantong Herun”	南通核潤太陽能電力有限公司 (transliterated as Nantong Herun Solar Energy Power Company Limited), a non-wholly owned subsidiary of the Company established in the PRC with limited liability

“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Project Subsidiaries”	Cangzhou Herun, Yizheng Herun, Huaian Hexiang, Huaian Heze, Huaian Heyuan, Xuzhou Herun, Xuzhou Herui, Suzhou Hexiang, Taizhou Herui, Taixing Herun, Nantong Herun collectively
“Purchasing Contract(s)”	the equipment and materials supply contracts all dated 20 December 2017 entered into between the Project Subsidiaries and Jiangsu Zhongsheng in relation to the purchase of the Equipment
“RMB”	the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suining Zhonghe”	睢寧中核太陽能有限公司 (transliterated as Suining Zhonghe Solar Energy Company Limited), a non-wholly owned subsidiary of the Company established in the PRC with limited liability
“Suzhou Hexiang”	蘇州核祥新能源有限公司 (transliterated as Suzhou Hexiang New Energy Company Limited), a non-wholly owned subsidiary of the Company established in the PRC with limited liability
“Taixing Herun”	泰興市核潤新能源有限公司 (transliterated as Taixing Herun New Energy Company Limited), a non-wholly owned subsidiary of the Company established in the PRC with limited liability
“Taizhou Herui”	泰州核瑞新能源有限公司 (transliterated as Taizhou Herui New Energy Company Limited), a non-wholly owned subsidiary of the Company established in the PRC with limited liability

- “Xuzhou Herui” 徐州核瑞太陽能電力有限公司 (transliterated as Xuzhou Herui Solar Energy Power Company Limited), a non-wholly owned subsidiary of the Company established in the PRC with limited liability
- “Xuzhou Herun” 徐州核潤光能有限公司 (transliterated as Xuzhou Herun Solar Power Company Limited), a wholly owned subsidiary of the Company established in the PRC with limited liability
- “Yizheng Herun” 儀徵核潤光伏發電有限公司 (transliterated as Yizheng Herun Photovoltaic Generation Company Limited), a non-wholly owned subsidiary of the Company established in the PRC with limited liability

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

Hong Kong, 20 December 2017

For illustration purposes only, any amount denominated in RMB in this announcement and translated in HK\$ at the rate of RMB0.84501 = 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 executive Directors 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, and independent non-executive directors Mr. Chan Ka Ling Edmond, Mr. Wang Jimin, Mr. Tian Aiping and Mr. Li Dakuan.