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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  
THE DEVELOPMENT OF 30MW POVERTY ALLEVIATION  
PHOTOVOLTAIC POWER STATION IN LINCANG OF PRC**

**DEVELOPMENT OF 30MW POVERTY ALLEVIATION PHOTOVOLTAIC  
POWER STATION IN LINCANG OF PRC**

On 31 May 2018, Lincang Herun (an indirect non-wholly-owned subsidiary of the Company) (as principal) entered into the Main Engineering and Construction Contract and the Equipment and Materials Purchasing Contract with Nanjing Zhonghe (an indirect non-wholly-owned subsidiary of the Company) (as main contractor) and Beijing Hanergy (as supplier) respectively for the development of the Poverty Alleviation Photovoltaic Power Station with a total capacity of 30MW in Linxiang District, Lincang City, Yunnan Province of the PRC. The aggregate considerations of the Main Engineering and Construction Contract and the Equipment and Materials Purchasing Contract are RMB42,800,000 (equivalent to approximately HK\$52,352,178.5) and RMB136,487,457.6 (equivalent to approximately HK\$166,948,965.9) respectively. It is expected that the Poverty Alleviation Photovoltaic Power Station will be connected to grid on or before 30 June 2018 and the construction work shall be completed on or before 30 September 2018. Upon completion of the construction, the Poverty Alleviation Photovoltaic Power Station shall be owned and operated by Lincang Herun.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the development of the Poverty Alleviation Photovoltaic Power Station exceeds 5% but is less than 25%, the development of the Poverty Alleviation Photovoltaic Power Station constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **DEVELOPMENT OF POVERTY ALLEVIATION PHOTOVOLTAIC POWER STATION**

On 31 May 2018, Lincang Herun (an indirect non-wholly-owned subsidiary of the Company) (as principal) entered into the Main Engineering and Construction Contract and the Equipment and Materials Purchasing Contract with Nanjing Zhonghe (an indirect non-wholly-owned subsidiary of the Company) (as main contractor) and Beijing Hanergy (as supplier) respectively for the development of the Poverty Alleviation Photovoltaic Power Station with a total capacity of 30MW in Linxiang District, Lincang City, Yunnan Province of the PRC. The aggregate considerations of the Main Engineering and Construction Contract and the Equipment and Materials Purchasing Contract are RMB42,800,000 (equivalent to approximately HK\$52,352,178.5) and RMB136,487,457.6 (equivalent to approximately HK\$166,948,965.9) respectively. It is expected that the Poverty Alleviation Photovoltaic Power Station will be connected to grid on or before 30 June 2018 and the construction work shall be completed on or before 30 September 2018. Upon completion of the construction, the Poverty Alleviation Photovoltaic Power Station shall be owned and operated by Lincang Herun.

## **PRINCIPAL TERMS OF THE MAIN ENGINEERING AND CONSTRUCTION CONTRACT**

### **Date**

31 May 2018

### **Parties**

Lincang Herun (as principal)

Nanjing Zhonghe (as contractor)

## **Subject matter**

Lincang Herun (as principal) agreed to engage Nanjing Zhonghe (as contractor) to provide the engineering and construction services for the development of the Poverty Alleviation Photovoltaic Power Station. It is expected that the Poverty Alleviation Photovoltaic Power Station will be connected to grid on or before 30 June 2018 and the construction work will be completed on or before 30 September 2018.

## **Consideration**

The total consideration under the Main Engineering and Construction Contract is RMB42,800,000 (equivalent to approximately HK\$52,352,178.5), which shall be financed through internal resources of the Company and/or borrowing.

The total consideration under the Main Engineering and Construction Contract was arrived at after arm's length negotiations between Lincang Herun and Nanjing Zhonghe after taking into account: (a) the construction and installation cost of approximately RMB29,640,000 (equivalent to approximately HK\$36,255,106.8); and (b) the technical service fee of RMB13,160,000 (equivalent to approximately HK\$16,097,071.7).

## **Payment terms**

|                   |   |
|-------------------|---|
| First instalment  | 20% of the total consideration as prepayment payable within seven days after Nanjing Zhonghe has provided Lincang Herun with the invoice which has been verified by Lincang Herun   |
| Second instalment | Cumulative payment up to 80% of the total consideration payable monthly with reference to the construction progress before the 25th day of each month   |
| Third instalment  | Cumulative payment up to 97% of the total consideration payable within one month upon completion and satisfactory acceptance of the installation work and completion of the settlement of the construction  |
| Fourth instalment | The remaining balance of 3% of the total consideration as retention money payable without interest within one month after the expiration of a one-year warranty period from the date of the delivery of the construction work from Nanjing Zhonghe to Lincang Herun |

# **PRINCIPAL TERMS OF THE EQUIPMENT AND MATERIALS PURCHASING CONTRACT**

## **Date**

31 May 2018

## **Parties**

Lincang Herun (as purchaser)

Beijing Hanergy (as supplier)

## **Subject matter**

Lincang Herun (as purchaser) agreed to purchase the Equipment from Beijing Hanergy (as supplier) for the development of the Poverty Alleviation Photovoltaic Power Station.

## **Consideration**

The total consideration under the Equipment and Materials Purchasing Contract is RMB136,487,457.6 (equivalent to approximately HK\$166,948,965.9), which shall be financed through internal resources of the Company and/or borrowing.

The procurement for the Equipment will be made in accordance with normal procurement procedures between Lincang Herun and Beijing Hanergy on an arm's length basis and on normal commercial terms with reference to the market price for similar types of Equipment.

## **Payment terms**

The consideration for the purchase of the Equipment under the Equipment and Materials Purchasing Contract shall be paid by Lincang Herun to Beijing Hanergy by progress billing.

## **REASONS FOR AND BENEFITS OF THE DEVELOPMENT OF POVERTY ALLEVIATION PHOTOVOLTAIC POWER STATION**

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. The development of the Poverty Alleviation Photovoltaic Power Station provides the Group with an opportunity to extend its solar power station footprints to other geographical reach in China. Furthermore, the development of self-owned and self-operated solar power stations enables the Group to expand its solar power generation income source, and to uplift its commitment on social responsibility by contributing to the poverty communities in the PRC.

The Directors believe and consider that the development of Poverty Alleviation Photovoltaic Power Station, the Main Engineering and Construction Contract and the Equipment and Materials Purchasing Contract 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 NANJING ZHONGHE AND LINCANG HERUN**

Nanjing Zhonghe is a company established in the PRC and an indirectly non-wholly owned subsidiary of the Company. As at the date of this announcement, Nanjing Zhonghe is indirectly owned as to 96.18% by the Company and 3.82% by Triple Delight Limited, an Independent Third Party. Nanjing Zhonghe is principally engaged in new energy projects contracting, construction, installation, maintenance and supervision and engineering design and consultation, sale of project equipment and materials.

Lincang Herun is a company established in the PRC and an indirect non-wholly-owned subsidiary of the Company. As at the date of this announcement, Lincang Herun is owned as to 90% by CNI (Nanjing) and 10% by Lincang Development, an Independent Third Party. It is principally engaged in solar power generation, sale of electricity, solar power projects development, construction and operation. The major assets of the Poverty Alleviation Photovoltaic Power Station will comprise the Equipment. As Lincang Herun was registered in 2018 and the Poverty Alleviation Photovoltaic Power Station have not yet been put into operation and accordingly, no book value, revenue or profits associated with the Poverty Alleviation Photovoltaic Power Station were recorded in the financial statements of Lincang Herun.

## **INFORMATION ON BEIJING HANERGY**

Beijing Hanergy is a company established in the PRC and an Independent Third Party. It is principally engaged in the engineering and main contracting, technology development, services and consultancy, equipment leasing, import and export, contract energy management, trading of photovoltaic modules and products and other electronics.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the development of the Poverty Alleviation Photovoltaic Power Station are more than 5% but less than 25%, the development of the Poverty Alleviation Photovoltaic Power Station constitutes 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:

|                   |   |
|-------------------|---|
| “Beijing Hanergy” | 北京漢能薄膜太陽能電力工程有限公司 (translated as Beijing Hanergy Thin Film Solar Energy Electricity Engineering Limited), a company established in the PRC with limited liability and is an Independent Third Party |
| “Board”           | board of the Directors  |
| “CNI (Nanjing)”   | 中核(南京)能源發展有限公司 (transliterated as CNI (Nanjing) Energy Development Company Limited, a company established in the PRC with limited liability and is a non-wholly-owned subsidiary of the Company     |
| “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 for construction and operation of the Poverty Alleviation Photovoltaic Power Station   |

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| “Equipment and Materials Purchasing Contract” | the equipment and materials purchasing contract dated 31 May 2018 entered into between Lincang Herun and Beijing Hanergy in relation the purchase of the Equipment   |
| “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 |
| “Lincang Development”                         | 臨滄市臨翔區城市建設開發投資有限責任公司 (transliterated as Lincang Linxiang Urban Construction Development Investment Company Limited, a company established in the PRC with limited liability and is an Independent Third Party  |
| “Lincang Herun”                               | 臨滄核潤新能源有限公司 (transliterated as Lincang Herun New Energy Limited), a company established in the PRC with limited liability and is a non-wholly-owned subsidiary of the Company  |
| “Listing Rules”                               | the Rules Governing the Listing of Securities on the main board of the Stock Exchange  |
| “Main Engineering and Construction Contract”  | the main engineering and construction contract dated 31 May 2018 entered into between Lincang Herun and Nanjing Zhonghe in relation the engineering, procurement and installation of the Poverty Alleviation Photovoltaic Power Station  |
| “Nanjing Zhonghe”                             | 南京中核能源工程有限公司 (transliterated as Nanjing Zhonghe Energy Engineering Company Limited), a company established in the PRC with limited liability and is a non-wholly-owned subsidiary of the Company   |

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| “Poverty Alleviation Photovoltaic Power Station” | the poverty alleviation photovoltaic power station with a total installed capacity of 30MW located in Linxiang District, Lincang City, Yunnan Province of the PRC                         |
| “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 |
| “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) from time to time   |
| “Stock Exchange”                                 | The Stock Exchange of Hong Kong Limited   |
| “HK\$”   | the lawful currency of Hong Kong  |
| “MW”   | Megawatt (1,000,000 watts), the commonly used unit of power in quantifying the electricity generation   |
| “RMB”  | the lawful currency of the PRC  |

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

Hong Kong, 31 May 2018

*For illustration purposes only, any amount denominated in RMB in this announcement and translated in HK\$ at the rate of HK\$1 = RMB0.81754. 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 executive Directors are Mr. Ai Yilun (Chairman), Mr. Liu Genyu (Vice Chairman), Mr. Chung Chi Shing, Ms. Jian Qing, Mr. Li Feng, Mr. Li Jinying, Mr. Tang Jianhua (Chief Operating Officer) and Mr. Zhang Rui (Chief Executive Officer) and the independent non-executive Directors are Mr. Chan Ka Ling Edmond, Mr. Li Dakuan, Mr. Tian Aiping and Mr. Wang Jimin.*