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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**  
**DANGYANG FINANCE LEASE AGREEMENT**

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On 11 April 2023, the Finance Lease Company, an indirect wholly-owned subsidiary of the Company, entered into the Dangyang Finance Lease Agreement with Dangyang Fuxing. Pursuant to the Dangyang Finance Lease Agreement, the Finance Lease Company agreed to purchase the Leased Assets from Dangyang Fuxing for a total consideration of RMB60,000,000.00, which shall then be leased to Dangyang Fuxing, subject to the terms and conditions provided therein.

**IMPLICATION UNDER THE LISTING RULES**

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

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The principal terms of the Dangyang Finance Lease Agreement are summarized as follows:

- Date:** 11 April 2023
  
- Parties:**
  - (1) the Finance Lease Company (as a lessor)
  
  - (2) Dangyang Fuxing (as a lessee)
  
- Scope of services:** The Finance Lease Company will purchase the Leased Assets owned by Dangyang Fuxing at a total consideration of RMB60,000,000.00, and lease the Leased Assets back to Dangyang Fuxing.
  
- Lease term:** The lease term under the Dangyang Finance Lease Agreement is 10 years, subject to the terms and conditions provided therein.
  
- Legal title:** The Finance Lease Company shall own the legal title of the Leased Assets during the lease term.
  
- Pricing and the basis of determination:** The total lease amount payable to the Finance Lease Company under the Dangyang Finance Lease Agreement is approximately RMB79,130,980.00, being the sum of (i) the total purchase cost of the Leased Assets of RMB60,000,000.00 and (ii) the total estimated interest of approximately RMB19,130,980.00. The estimated interests are calculated at a floating rate and shall be adjusted with reference to the loan prime rate with a maturity of above 1 year as promulgated by the National Interbank Funding Centre under the authority of the People’s Bank of China from time to time. Both the lease principal and the interest shall be payable every three months in 40 installments during the lease period.

The terms of the Dangyang Finance Lease Agreement, including the consideration for the Leased Assets, principal amount and interest rate, were determined upon arm’s length negotiation between Dangyang Fuxing and the Finance Lease Company with reference to net book value of the Leased Assets, the conditions and use of the Leased Assets and prevailing market prices of the same category of the Leased Assets in the PRC.

**Early payment arrangements:** In addition to repaying the total lease amount and any other fees under the Danyang Finance Lease Agreement, a 2% interest will be applied on the total purchase cost of the Leased Assets as early repayment fee. After three years from the date of commencement of the lease period, any early repayment in part or in whole of the lease amount will not be subject to early repayment fee.

**Security deposit:** Danyang Fuxing agreed to pay the interest-free security deposit for the Danyang Finance Lease Agreement of RMB1,978,274.49.

In the event that Danyang Fuxing does not fulfill its obligations as set forth in the Danyang Finance Lease Agreement, the Finance Lease Company reserves the right to forfeit the security deposit in order to recover any compensation, early termination fees, lease considerations, and any related costs and expenses incurred, as well as to cover any losses incurred by the Finance Lease Company.

Danyang Fuxing is allowed to apply the security deposit to settle part of the last instalment of the lease payment and other payments under the Danyang Finance Lease Agreement, subject to the consent of the Finance Lease Company. Remaining of the security deposit thereafter shall be refunded to Danyang by the Finance Lease Company upon the full performance of the obligations under the Danyang Finance Lease Agreement by Danyang Fuxing.

**Other terms:** Upon maturity of the lease term and subject to the fulfilment of all of its obligations under the Danyang Finance Lease Agreement, Danyang Fuxing is entitled to obtain the legal title of the Leased Assets at a nominal consideration of RMB100.00.

**Guarantee:** The Guarantors jointly and severally agree to guarantee Danyang Fuxing's obligations under the Danyang Finance Lease Agreement in favour of the Finance Lease Company.

**Security:** Danyang Fuxing will provide a share pledge of its own shares together with its right of receiving the electricity fees and other revenue generated from the Leased Assets under the Danyang Finance Lease Agreement.

#### **Information on the Leased Assets**

The Leased Assets include all the equipment that makes the photovoltaic power stations fully functional, which comprises of certain solar panels, mounting systems, inverters, charge controllers, cabling and electrical components, grid connection equipment and weather monitoring equipment in the 12 MW photovoltaic power stations and its ancillary facilities located in Danyang City of Hubei Province, the PRC.

Danyang Fuxing, as the lessee shall bear any maintenance, taxation and other costs and levies associated with the Leased Assets under the Danyang Finance Lease Agreement.

## **Information on the Company and the Finance Lease Company**

The Company is an investment holding company. 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.

## **Information on Danyang Fuxing and the Guarantors**

Danyang Fuxing was incorporated in the PRC with limited liability in September 2021. Danyang Fuxing is principally engaged in the research and development of high efficiency power saving technology in power industry and technical service in photovoltaic power generation. Danyang Fuxing is an indirect wholly-owned subsidiary of Guangzhou Triassic. 何石琼 (He Shiqiong\*), who is one of the Guarantors, is the ultimate beneficial owner of Danyang Fuxing. Additionally, 何石琼 (He Shiqiong\*) holds a significant stake of approximately 91.4% in Guangzhou Triassic, which acts as another guarantor under the Danyang Finance Lease Agreement. To the best knowledge, information and belief of all the Directors having made all reasonable enquiries, the remaining shares of Guangzhou Triassic were held by Independent Third Parties.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Danyang Fuxing and its ultimate beneficial owners are Independent Third Parties.

## **Reasons for and benefits of entering into the Danyang Finance Lease Agreement**

The Group is principally engaged in new energy operations, including (a) the engineering, procurement and construction and consultancy segment which comprises the Group's EPC and consulting services operations relating to construction of photovoltaic power plant and other general construction and engineering services; (b) the power generation segment which comprises the Group's power generation operations; (c) the financing segment which comprises the Group's financing operations; and (d) the other segments which comprise the Group's corporate management, investment and treasury services.

Danyang Fuxing focuses on providing technical services in the photovoltaic power generation sector, The financial provisions established within the Danyang Finance Lease Agreement provides Danyang Fuxing with additional working capital which helps support its day-to-day operations.

The Finance Lease Company can secure a stable revenue and cash flow stream generated through the payments received under the terms of the Danyang Finance Lease Agreement. The arrangements under the Danyang Finance Lease Agreement allows the Group to capitalise on the expansion of the renewable energy sector and benefit from its potential future growth.

The Directors consider that the terms of the Danyang Finance Lease Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

## IMPLICATION UNDER THE LISTING RULES

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

## DEFINITIONS

“Board”	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)
“Danyang Finance Lease Agreement”	the finance lease agreement dated 11 April 2023 entered into between the Finance Lease Company (as lessor) and the Danyang Fuxing (as lessee)
“Danyang Fuxing”	當陽市孚興新能源科技有限公司 (transliterated as Danyang Fuxing New Energy Technology Co., Ltd.), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of Guangzhou Triassic
“Director(s)”	director(s) of the Company
“EPC”	engineering, procurement and construction
“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
“Group”	the Company and its subsidiaries
“Guangzhou Triassic”	廣州三疊紀零碳技術發展有限公司 (transliterated as Guangzhou Triassic Zero Carbon Technology Development Co., Ltd.) a company established in the PRC with limited liability, holding 100% of shares of Danyang Fuxing
“Guarantors”	何石琮 (He Shiqiong*) and Guangzhou Triassic
“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)
“Leased Assets”	12 MW photovoltaic power generation stations and its ancillary facilities situated at Dangyang City of Hubei Province, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	Megawatts, which is equal to 1,000,000 watts
“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
“%”	per cent

By Order of the Board  
**China Nuclear Energy Technology Corporation Limited**  
**Shu Qian**  
*Chairman*

Hong Kong, 11 April 2023

*As at the date of this announcement, the executive Directors of the Company are Mr. Shu Qian (Chairman), Mr. Wu Yuanchen (Vice Chairman), Mr. Li Hongwei (Vice Chairman), Mr. Liu Genyu, Ms. Huang Yan and Ms. Liu Jianrong; and the independent non-executive Directors of the Company are Dr. Xu Shiqing, Mr. Kang Xinquan and Dr. Su Lixin.*

\* For identification purpose only