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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
ACQUISITION OF THE ENTIRE EQUITY INTEREST
IN THE TARGET COMPANY

SUINING HETAI SPA

The Board hereby announces that on 11 August 2023, (after trading hours), CNI (as purchaser) entered into the Suining Hetai SPA with Mr. MA Wanjiang (as seller), pursuant to which CNI conditionally agreed to acquire, and Mr. MA Wanjiang conditionally agreed to sell, the entire equity interest in the Target Company, at a Consideration of RMB412,329.46.

Upon completion of the Suining Hetai Acquisition, the Target Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial results of the Group.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the Suining Hetai Acquisition is more than 5% but less than 25%, the Suining Hetai Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the Suining Hetai Acquisition is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

THE SUINING HETAI SPA

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Date

11 August 2023 (after trading hours)

Parties

- (i) CNI, as purchaser; and
- (ii) Mr. MA Wanjiang, as seller.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Target Company and Mr. MA Wanjiang (as its ultimate beneficial owner) is a third party independent of the Company and its connected persons.

Asset to be acquired

Pursuant to the Suining Hetai SPA, the seller conditionally agreed to sell and CNI conditionally agreed to acquire the entire equity interest in the Target Company.

Consideration and payment terms

The Consideration payable by CNI for the Suining Hetai Acquisition is RMB412,329.46, which shall be financed through internal resources of the Company.

- (1) 50% of the equity interests transfer payment shall be paid to the seller by the end of 2023 upon the Suining Hetai SPA coming into effect and the completion of the 100% transfer of equity interest of the Target Company, and the seal and licences of the Target Company, project related information and all information of the Target Company have been transferred to Nanjing CNI Energy Engineering Company Limited (a wholly-owned subsidiary of CNI) for management; and
- (2) 50% of the equity interests transfer payment shall be paid to the seller subject to the seller and the Target Company completing the processing of the immovable property right certificate for the Suining Hetai 85MW wind power project in Weiji Village.

Basis for the determination of the Consideration

The Consideration for the Suining Hetai Acquisition was arrived at after arm's length negotiations between CNI and the seller with reference to (i) the audited net asset value of the Target Company in the amount of approximately RMB412,329.46 as at 31 August 2022 (the “**Suining Hetai Reference Date**”); (ii) the business prospects of the Target Company; and (iii) the prevailing market sentiment.

Conditions precedent

The Suining Hetai Acquisition shall be subject to and conditional upon the fulfillment or waiver of the following conditions:

- (a) CNI has obtained all necessary approvals from its board of directors and the seller has approved in relation to the Suining Hetai SPA. All necessary transaction documents in relation to the Suining Hetai SPA have been approved and signed;
- (b) As at the submission date of the registration of share transfer, there is no restriction on the share transfer of the Target Company and the seller. The seller guarantees that consent has been obtained from the relevant share pledgee in relation to the Suining Hetai SPA, and the status of share pledge of the Target Company has been released prior to the registration of share transfer;
- (c) The Target Company is in the normal operation of business and legally and validly existing as at the submission date of the registration of share transfer, and there being no actual and foreseeable material adverse change in the operation; and
- (d) The seller and the Target Company undertake to fully, completely and truthfully disclose to CNI its operating conditions, assets, liabilities, equity, external guarantees and information relating to the Suining Hetai SPA as agreed herein.

Completion

Completion of the Suining Hetai Acquisition will take place on the date on which the conditions precedent under the Suining Hetai SPA have been satisfied and the seller has transferred the entire equity interest in the Target Company to CNI.

Upon completion of the Suining Hetai Acquisition, the Target Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial results of the Group.

INFORMATION OF THE GROUP

The Group is principally engaged in new energy operations, including (a) the engineering, procurement and construction (“EPC”) and consultancy segment which comprises the Group’s EPC and consulting services operations relating to construction of photovoltaic power plants 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; (d) the manufacturing and trading business segment which comprises the Group’s manufacturing and trading of solar power related products; and (e) the other segments which comprise the Group’s corporate management, investment and treasury services.

INFORMATION OF THE SELLER AND THE TARGET COMPANY

The Target Company is a company incorporated in the PRC with limited liability on 28 November 2018. As at the date of the Suining Hetai SPA, the registered capital of the Target Company is RMB50 million, and the Target Company completed the on-grid power generation of 85MW wind power stations in Weiiji Village on 29 December 2020.

The principal business activities of the Target Company are wind power generation, technology development, technical services and transfer of wind power technology, energy saving and environmentally friendly products and wind power equipment and component; sales of wind power and equipment; and wind power station operations.

As at the date of this announcement, the seller is the sole shareholder of the Target Company.

Financial Information of the Target Company

Set out below is a summary of the financial information of the Target Company:

	For the six months ended 30 June 2023 (RMB'000) (Unaudited)	For the year ended 31 December 2022 (RMB'000) (Unaudited)	For the eight months ended 31 August 2022 (RMB'000) (Audited)	For the year ended 31 December 2021 (RMB'000) (Audited)
Total assets	728,100	740,095	845,320	778,384
Revenue	55,836	87,866	63,308	64,047
Consolidated net profit (before taxation and extraordinary items)	11,283	1,305	57	332
Consolidated net profit (after taxation and extraordinary items)	11,283	1,305	57	332

As at the Suining Hetai Reference Date (i.e. 31 August 2022), the audited total asset value and net asset value of the Target Company were approximately RMB845,319,506.03 and RMB412,329.46, respectively.

Based on the management accounts of the Target Company, the unaudited net asset value of the Target Company as at 30 June 2023 and 31 December 2022 was approximately RMB12.87 million and RMB1.58 million, respectively.

REASONS AND BENEFITS OF THE SUINING HETAI ACQUISITION

The Company considers that the Suining Hetai Acquisition will not only enable the Group to acquire high-quality assets for the expansion of the Group's power generation business, but also offer diversification of energy sources, expansion of product portfolio, potential cost savings due to economies of scale and aligning with the Group's business with sustainability needs.

The terms of the Suining Hetai SPA, including the Consideration of the Suining Hetai Acquisition, was agreed by the parties after arm's length negotiations having taken into account, among others, the prevailing market rates and the net asset value of the Target Company. In light of the above, the Directors (including independent non-executive Directors) consider that the terms of the Suining Hetai SPA are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the Suining Hetai Acquisition is more than 5% but less than 25%, the Suining Hetai Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the Suining Hetai Acquisition is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

“Board”	the board of Directors
“CNI”	CNI (Nanjing) Energy Development Company Limited, a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company
“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”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of RMB412,329.46 pursuant to the Suining Hetai SPA
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. MA Wanjiang”	as seller, Mr. Ma Wanjiang, sole shareholder and ultimate beneficial owner of the Target Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules

“Suining Hetai Acquisition”	the acquisition of the entire equity interest in the Target Company by CNI from Mr. MA Wanjiang pursuant to the terms of the Suining Hetai SPA
“Suining Hetai SPA”	the sale and purchase agreement dated 11 August 2023 entered into between CNI and Mr. MA Wanjiang in respect of the Suining Hetai Acquisition
“Target Company”	Suining Hetai Wind Power Generation Co., Ltd.* (睢寧和泰風力發電有限公司), a company incorporated in the PRC with limited liability and directly and wholly-owned by Mr. MA Wanjiang

* For identification purpose only

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

Hong Kong, 11 August 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.