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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 CMB FINANCE LEASE AGREEMENT**

THE CMB FINANCE LEASE AGREEMENT

On 14 June 2019, Suining China Nuclear, as lessee, entered into the CMB Finance Lease Agreement with CMB Financial Leasing, as lessor, pursuant to which CMB Financial Leasing agreed to purchase the Leased Asset from Suining China Nuclear at a total transfer consideration of RMB90,304,890.32 (equivalent to approximately HK\$102,601,704.62), which will be leased back to Suining China Nuclear for a term of 60 months commencing from the settlement of the total transfer consideration (after deduction of the first lease payment) by CMB Financial Leasing. The agreed total security deposit paid by Suining China Nuclear to CMB Financial Leasing under the CMB Finance Lease Agreement was RMB3,000,000 (equivalent to approximately HK\$3,408,509.91). The ownership of the Leased Asset under the CMB Finance Lease Agreement will be vested in CMB Financial Leasing throughout the lease period. At the end of the lease period and subject to (i) fulfilment of all its obligations under the CMB Finance Lease Agreement by Suining China Nuclear; and (ii) payment by Suining China Nuclear of a total nominal consideration of RMB1 (equivalent to approximately HK\$1.14), the ownership of the Leased Asset will be vested in Suining China Nuclear.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as set out in Rule 14.07 of the Listing Rules in respect of the CMB Finance Lease Agreement and the transactions contemplated thereunder are more than 5% and all of which are below 25%, the entering into of the CMB Finance Lease Agreement and the transactions contemplated thereunder constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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THE CMB FINANCE LEASE AGREEMENT

Date

14 June 2019

Parties

Purchaser/Lessor: CMB Financial Leasing

Vendor/Lessee: Suining China Nuclear

CMB Financial Leasing is a financial leasing company established in the PRC. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, CMB Financial Leasing and its ultimate beneficial owners are Independent Third Parties.

Suining China Nuclear is an indirect wholly-owned subsidiary of the Company and is principally engaged in solar power generation; solar power projects development, construction and operation and engineering project management.

The CMB Finance Lease Agreement comprised of (i) the sale and purchase of the Leased Asset; and (ii) the lease back of the Leased Asset to Suining China Nuclear, details of which are discussed below.

Sale and purchase of the Leased Asset

Pursuant to the CMB Finance Lease Agreement, CMB Financial Leasing agreed to purchase the Leased Asset from Suining China Nuclear for a total transfer consideration of RMB90,304,890.32 (equivalent to approximately HK\$102,601,704.62). The consideration in respect of the sale and purchase of the Leased Asset was determined after arm's length negotiations between the parties to the CMB Finance Lease Agreement with reference to the carrying value of the Leased Asset in the amount of RMB90,304,890.32 (equivalent to approximately HK\$102,601,704.62) as agreed under the CMB Finance Lease Agreement. The total transfer consideration payable by CMB Financial Leasing for the purchase of the Leased Asset (after deduction of the first lease payment) shall be paid to Suining China Nuclear in one-off payment.

Lease back arrangement

Pursuant to the CMB Finance Lease Agreement, (i) CMB Financial Leasing agreed to lease the Leased Asset back to Suining China Nuclear for a term of 60 months; and (ii) Suining China Nuclear may within one month from the date of the CMB Finance Lease Agreement apply by way of written notice to CMB Financial Leasing for the payment of the total transfer consideration of RMB90,304,890.32 (equivalent to approximately HK\$102,601,704.62) for the purchase of the Leased Asset by CMB Financial Leasing from Suining China Nuclear. The commencement date of the finance lease period of the Leased Asset shall be the settlement date of the total transfer consideration (after deduction of the first lease payment) by CMB Financial Leasing.

Lease payments

Pursuant to the CMB Finance Lease Agreement, the estimated aggregate lease payments payable by Suining China Nuclear to CMB Financial Leasing for the Leased Asset shall be RMB100,884,717.32 (equivalent to approximately HK\$114,622,186.36), being (i) the total transfer consideration of RMB90,304,890.32 (equivalent to approximately HK\$102,601,704.62); and (ii) the estimated aggregate interest of RMB10,579,827 (equivalent to approximately HK\$12,020,481.74). The interest is calculated at floating rate, representing

107% of the benchmark lending interest rate for RMB loans tenor between three to five years as promulgated by the PBC. The interest rate may be adjusted according to the prevailing lending interest rate to be promulgated by PBC from time to time.

The first lease payment in the amount of RMB15,304,890.32 (equivalent to approximately HK\$17,388,956.79) shall be deducted from the total transfer consideration of RMB90,304,890.32 (equivalent to approximately HK\$102,601,704.62) payable by CMB Financial Leasing to Suining China Nuclear under the CMB Finance Lease Agreement. The balance of the lease payments in the total estimated amount of RMB85,579,827 (equivalent to approximately HK\$97,233,229.56 and subject to interest rate adjustment) shall be payable by Suining China Nuclear in 20 quarterly instalments.

The obligations of Suining China Nuclear under the CMB Finance Lease Agreement will be secured by (i) a pledge on the right to tariffs and account receivables of Suining China Nuclear under a purchase and sale of electricity contract entered into between Suining China Nuclear and 國網江蘇省電力公司 (State Grid Jiangsu Electric Power Company); and (ii) a corporate guarantee provided by CNI Nanjing, an indirect wholly-owned subsidiary of the Company, to secure the obligations of Suining China Nuclear under the CMB Finance Lease Agreement.

Ownership of the Leased Asset

The ownership of the Leased Asset under the CMB Finance Lease Agreement will be vested in CMB Financial Leasing throughout the lease period. At the end of the lease period and subject to (i) fulfilment of all its obligations under the CMB Finance Lease Agreement by Suining China Nuclear; and (ii) payment by Suining China Nuclear of a total nominal consideration of RMB1 (equivalent to approximately HK\$1.14), the ownership of the Leased Asset will be vested in Suining China Nuclear.

Security deposit and handling fee

The agreed total security deposit paid by Suining China Nuclear to CMB Financial Leasing under the CMB Finance Lease Agreement is RMB3,000,000 (equivalent to approximately HK\$3,408,509.91), which bears no interest and will be refunded in full to Suining China Nuclear upon Suining China Nuclear having fulfilled all of its obligations under the CMB Finance Lease Agreement.

Under the CMB Finance Lease Agreement, Suining China Nuclear paid a non-refundable handling fee in the total amount of RMB1,275,000 (equivalent to approximately HK\$1,448,616.71) to CMB Financial Leasing for the purpose of the arrangements under the CMB Finance Lease Agreement.

REASONS FOR AND BENEFITS OF THE FINANCE LEASE ARRANGEMENT

The Group is principally engaged in new energy operations (such as provision of development, operation, engineering, 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 CMB Finance Lease Agreement and the transactions contemplated thereunder have been agreed under normal commercial terms and after arm's length negotiations between Suining China Nuclear and CMB Financial Leasing and provide the Group with long-term financial resources for the investment and development of renewable energy projects. The Directors therefore consider that the terms of the CMB Finance Lease Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER LISTING RULES

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the CMB Finance Lease Agreement and the transactions contemplated thereunder are more than 5% and all of which are below 25%, the entering into of the CMB Finance Lease Agreement and the transactions contemplated thereunder constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and are therefore 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 expressions shall have the following meanings:

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| “Board” | the board of Directors |
| “CMB Finance Lease Agreement” | the finance lease agreement entered into between Suining China Nuclear and CMB Financial Leasing dated 14 June 2019 |

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| “CMB Financial Leasing” | 招銀金融租賃有限公司 (CMB Financial Leasing Co., Ltd.*), a company established in the PRC with limited liability |
| “CNI Nanjing” | 中核(南京)能源發展有限公司 (CNI (Nanjing) Energy Development Company Limited), a company established in the 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 |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Directors” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Independent Third Party(ies)” | party(ies) who is/are independent of the Company and its connected person(s) |
| “Leased Asset” | 19MW roof top distribution photovoltaic power generating station, owned by Suining China Nuclear and being the subject matter of the CMB Finance Lease Agreement |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “MW” | Megawatts, which is equal to 1,000,000 watts |
| “PBC” | People’s Bank of China (中國人民銀行) |

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| “PRC” | the People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholder(s)” | holder(s) of the Shares |
| “Shares” | ordinary shares of HK\$0.10 each in the share capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Suining China Nuclear” | 睢寧中核太陽能有限公司 (Suining China Nuclear Solar Power Company Limited), a company established in the PRC with limited liability |
| “%” | per cent. |

By Order of the Board
China Nuclear Energy Technology Corporation Limited
Zhao Yixin
Chairman

Hong Kong, 14 June 2019

In this announcement, the English names of certain PRC entities are translation or transliteration of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

For the purposes of illustration only, any amount denominated in RMB in this announcement and translated into HK\$ at a rate of HK\$1 = RMB0.88015. 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. Zhao Yixin (Chairman), Mr. Liu Genyu (Vice Chairman), Mr. Chung Chi Shing, Mr. Fu Zhigang (Chief Executive Officer), Ms. Jian Qing, Mr. Li Jinying, Mr. Tang Jianhua (Chief Operating Officer), Mr. Wu Yuanchen and the independent non-executive Directors are Mr. Chan Ka Ling Edmond, Mr. Kang Xinquan, Mr. Tian Aiping and Mr. Wang Jimin.