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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
FINANCE LEASING FRAMEWORK AGREEMENT

TCL HUIZHOU CARBON FINANCE LEASING FRAMEWORK AGREEMENT

On 23 May 2023 (after trading hours), CNECFCL, an indirectly wholly-owned subsidiary of the Company, entered into the TCL Huizhou Carbon Finance Leasing Framework Agreement with Carbon New Energy and TCL Industrial. Pursuant to which, CNECFCL agrees to act as the lessor to provide finance leasing services to the member(s) of Carbon New Energy and TCL Industrial agrees to provide CNECFCL with a guarantee by assuming the obligations of Carbon New Energy (on a joint and several liability basis) as a joint lessee for the period from 23 May 2023 to 22 May 2024 (both days inclusive).

IMPLICATION UNDER THE LISTING RULES

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

TCL HUIZHOU CARBON FINANCE LEASING FRAMEWORK AGREEMENT

On 23 May 2023 (after trading hours), CNECFL, an indirectly wholly-owned subsidiary of the Company, entered into the TCL Huizhou Carbon Finance Leasing Framework Agreement with Carbon New Energy and TCL Industrial. The principal terms of which are summarized as follows:–

Date:	23 May 2023
Parties:	(1) CNECFL; (2) Carbon New Energy; and (3) TCL Industrial
Agreement Period:	23 May 2023 to 22 May 2024 (both days inclusive)
Nature of Transactions:	<p>Provision of leasing services by CNECFL as lessor(s) to the member(s) of Carbon New Energy as lessee(s) by way of (1) sale and leaseback, in which case the lessor would purchase the leasing equipment from the lessee, and lease back the leasing equipment to the lessee; (2) entrusted purchase of leasing equipment by the lessee with payment of the purchase price by the lessor, and the subsequent provision of finance leasing services to the lessee by the lessor; (3) the leasing of the leasing equipment to the lessee acquired by the lessor as per the requirements of the lessee; or (4) other leases arrangement recognised under the laws of the PRC.</p> <p>With respect to each finance leasing service under the TCL Huizhou Carbon Finance Leasing Framework Agreement, CNECFL will enter into a separate finance leasing agreement with the relevant lessee.</p>
Pricing and the Basis of Determination:	The lease payments charged by the lessor will include the purchase price or the value of the relevant leasing equipment, the interest (including any pre-lease interest) thereon and handling fee, charged with reference to the benchmark lending rates published by the PBC from time to time, or, if no such rate is available, by reference to, among other factors, the rate charged by other major financial institutions for the same or similar type of services.
Financing Amount:	At any time between 23 May 2023 to 22 May 2024 (both days inclusive), the aggregate outstanding amount of the payments payable under the TCL Huizhou Carbon Finance Leasing Framework Agreement (including all lease payments and interests) would not exceed RMB150 million.

Guarantee by TCL Industrial:	TCL Industrial agrees to provide CNECFL with a guarantee for the obligations of Carbon New Energy as a joint lessee under the TCL Huizhou Carbon Finance Leasing Framework Agreement. The guarantee shall be in the form of an irrevocable joint and several liabilities guarantee.
Share Pledge:	Carbon New Energy agrees to provide share pledge of their project companies in respect of the liability of Carbon New Energy and its affiliates under the TCL Huizhou Carbon Finance Leasing Framework Agreement.
Pledge of Charging Rights:	The project company has pledged its legally held electricity charging rights to CNECFL and has made valid internal resolutions, completed the statutory disclosure or filing procedures. The pledge contract has been signed and effectively registered.
Leased Assets:	The Leased Assets include all equipment that make 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 photovoltaic power stations and its ancillary facilities located in the PRC and owned by subsidiary(ies) of Carbon New Energy.
Ownership of the Leased Assets:	During the lease period, the ownership of the Leased Assets shall be vested in CNECFL. If Carbon New Energy has properly and fully performed all obligations under the TCL Huizhou Carbon Finance Leasing Framework Agreement, Carbon New Energy is entitled to acquire the Leased Assets at nominal value of RMB100.00 upon the expiry of the TCL Huizhou Carbon Finance Leasing Framework Agreement.
Lease Payment and Method of Payment:	The terms of the individual finance leasing agreement, including the consideration for the Leased Assets, principal amount of each finance lease and its interest rate, will be determined upon arm's length negotiation between Carbon New Energy and CNECFL with reference to net book value of the subject assets under each individual finance lease agreement, the conditions and use of the subject assets and prevailing market prices of the same category of the subject assets in the PRC.
Security Deposit:	Carbon New Energy has agreed to pay the security deposit under the TCL Huizhou Carbon Finance Leasing Framework Agreement of one installment of lease payment.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

By entering into the financial leasing transactions under the TCL Huizhou Carbon Finance Leasing Framework Agreement, CNECFL can fully leverage the resources of TCL TECH, by allowing its financial leasing business to integrate with TCL TECH's key business areas such as electronic and electrical appliances manufacturing, new energy and environmental protection in order to maximize the Group's operational efficiency and achieve a seamless blend of industry and finance.

The Directors are of the view that the transactions under the TCL Huizhou Carbon Finance Leasing Framework Agreement will be conducted on normal commercial terms, and the terms of the TCL Huizhou Carbon Finance Leasing Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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

GENERAL INFORMATION

The Company is an investment holding company. CNECFL 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.

Carbon New Energy is a company mainly engaged in solar power generation technical services, wind power generation technical services, energy storage technical services and research and development of electronic special materials, etc. Carbon New Energy is wholly-owned by TCL Industrial. The ultimate beneficial owners of TCL Industrial are 李東生 (Li Dongsheng*), 杜娟 (Du Juan*), 王成 (Wang Cheng*), 廖騫 (Liao Qian*) and 黃偉 (Huang Wei*) holding 51%, 16%, 15%, 9%, 9% of shares of TCL Industrial, respectively. TCL Industrial is wholly-owned by TCL TECH, which is listed on the Shenzhen Stock Exchange (stock code: 000100).

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this announcement, Carbon New energy and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

The Company shall re-assess the Listing Rules implication as soon as the terms of each individual finance leasing agreement under the TCL Huizhou Carbon Finance Leasing Framework Agreement has been finalised and (where applicable) comply with the relevant requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following terms in this announcement shall have the meanings set out below:

“Board”	board of Directors
“Carbon New Energy”	惠州碳和新能源管理科技有限公司 (transliterated as Huizhou Carbon and New Energy Management Technology Co., Ltd.), a company established in the PRC with limited liability
“CNECFI”	核建融資租賃(深圳)有限公司 (transliterated as CNEC Financial Leasing (Shenzhen) Co., Ltd.), an indirect wholly-owned subsidiary of the Company established in the PRC
“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)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“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”	all equipment located in the PRC and owned by subsidiary(ies) of Carbon New Energy that make the photovoltaic power stations fully functional
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PBC”	People’s Bank of China (中國人民銀行)
“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
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“TCL Huizhou Carbon Finance Leasing Framework Agreement”	the framework agreement dated 23 May 2023 entered into between CNECFL and Carbon New Energy in relation to the provision of finance leasing services by CNECFL as lessor to member(s) of Carbon New Energy and TCL Industrial agrees to provide CNECFL with a guarantee by assuming the obligations of Carbon New Energy (on a joint and several liability basis) as a joint lessee, the principal terms of which are summarised in this announcement
“TCL Industrial”	TCL 實業控股股份有限公司 (transliterated as TCL Industrial Holding Co., Ltd.*), a company established in the PRC with limited liability
“TCL TECH”	TCL 科技集團股份有限公司 (transliterated as TCL Technology Group Corporation*), a company incorporated in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000100)
“%”	per cent

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

Hong Kong, 23 May 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, 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 purposes only