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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 EQUIPMENT PURCHASE AGREEMENT**

#### **JD ENERGY EQUIPMENT PURCHASE AGREEMENT**

The Board hereby announces that on 30 September 2024 (after trading hours), CNI (an indirect wholly-owned subsidiary of the Company) (as purchaser) entered into the JD Energy Equipment Purchase Agreement with JD Energy (as supplier), in which CNI agreed to purchase and JD Energy agreed to sell the JD Energy Equipment for the development of the Zhonghe Linxiang Energy Storage Power Station with a capacity of 100MW/200MWh located in Lincang City, Yunnan Province in the PRC. The consideration of the JD Energy Equipment Purchase Agreement is RMB115,600,000 (equivalent to approximately HK\$126,004,000). It is expected that the Zhonghe Linxiang Energy Storage Power Station will be connected to grid on or before 31 December 2024. Upon completion of the construction, the Zhonghe Linxiang Energy Storage Power Station shall be owned and operated by the Group.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the JD Energy Equipment Purchase Agreement exceeds 5% but is less than 25%, the entering into of the JD Energy Equipment Purchase Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules which is subject to reporting and announcement requirements but exempt from the circular and Shareholders' approval requirements.

## **JD ENERGY EQUIPMENT PURCHASE AGREEMENT**

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### **PRINCIPAL TERMS OF THE JD ENERGY EQUIPMENT PURCHASE AGREEMENT**

#### **Date**

30 September 2024 (after trading hours)

#### **Parties**

- (i) CNI, as purchaser; and
- (ii) JD Energy, as supplier.

#### **Subject Matter**

CNI agreed to purchase the JD Energy Equipment from JD Energy in relation to the Zhonghe Linxiang Energy Storage Power Station. The Zhonghe Linxiang Energy Storage Power Station is expected to satisfy the conditions for on-grid connection on or before 31 December 2024.

#### **Consideration**

The Consideration under the JD Energy Equipment Purchase Agreement is RMB115,600,000 (equivalent to approximately HK\$126,004,000).

## **Payment Terms**

The Consideration under the JD Energy Equipment Purchase Agreement shall be paid by CNI to JD Energy in the following manners:

- (1) 30% of the Consideration as prepayment shall be paid to JD Energy within 10 workings days after CNI having confirmed and received (i) the design materials as stipulated by the technical specifications; (ii) the production schedule; (iii) the receipt for 30% of the Consideration; and (iv) the bank performance guarantee equivalent to 40% of the Consideration. The foregoing items (i) to (iv) shall be provided by JD Energy to CNI within 7 days from the signing date of the JD Energy Equipment Purchase Agreement;
- (2) 30% of the Consideration shall be paid to JD Energy within 30 days after on-site inspection and acceptance of the JD Energy Equipment and CNI having confirmed and received (i) the delivery receipt; (ii) the unpacking and acceptance receipt; (iii) the receipt for 30% of the Consideration; and (iv) the VAT invoice for 100% of the Consideration;
- (3) 30% of the Consideration shall be paid to JD Energy within 30 days after CNI having confirmed and received (i) the preliminary acceptance certificate in respect of the JD Energy Equipment signed by CNI; and (ii) the receipt for 30% of the Consideration. The foregoing items (i) and (ii) shall be provided by JD Energy to CNI within 3 months after the completion of the installation and commissioning and the connection of the Zhonghe Linxiang Energy Storage Power Station to grid; and
- (4) the remaining 10% of the Consideration shall be paid to JD Energy as quality assurance warranty within 30 days after CNI having confirmed and received (i) the receipt for 10% of the Consideration; and (ii) the bank quality guarantee equivalent to 10% of the Consideration valid for a period of one year. The foregoing items (i) and (ii) shall be provided by JD Energy to CNI 12 months after the Zhonghe Linxiang Energy Storage Power Station has been connected to grid and CNI and JD Energy have signed the preliminary acceptance certificate in respect of the JD Energy Equipment.

The Consideration shall be financed through internal resources of the Company.

## **Basis for the Determination of the Consideration of the JD Energy Equipment Purchase Agreement**

On 3 June 2024, an open tender was conducted by the Group for the supply of equipment in relation to the development of the Zhonghe Linxiang Energy Storage Power Station.

A total of nine suppliers participated in the competitive negotiations and each of the nine suppliers was independent of and not connected with the Company and its connected persons and was independent with each other. JD Energy was granted the JD Energy Equipment Purchase Agreement as it ranked the first among all the suppliers in terms of their product technology, proposed consideration and commercial terms.

## **Guarantees**

The bank performance guarantee shall be effective from the date of issuance and is valid for 90 days after all the JD Energy Equipment is inspected on-site and accepted by CNI. If, for any reason attributable to JD Energy, not all the JD Energy Equipment has been delivered or failed to pass on-site acceptance or preliminary acceptance or there is any contractual dispute unresolved, JD Energy shall provide a new bank performance guarantee 15 days before the expiration of original bank performance guarantee. The new bank performance guarantee shall be effective from the date of issuance and is valid for 90 days after all the JD Energy Equipment have passed preliminary acceptance. Otherwise, CNI has the right to immediately make a claim on the bank performance guarantee already provided by JD Energy.

The bank quality guarantee shall be valid for one year. If there is any quality issue over the JD Energy Equipment or unresolved dispute thereon, JD Energy shall provide a new bank quality guarantee 15 days before the expiration of original bank quality guarantee. The new bank quality guarantee shall be effective from the date of issuance and is valid for 90 days after all the quality issue and foregoing dispute are resolved. Otherwise, CNI has the right to immediately make a claim on the bank quality guarantee already provided by JD Energy.

## **Warranty**

Under the JD Energy Equipment Purchase Agreement, there is a warranty period of 60 months for power conversion system (i.e. PCS) and 24 months for other JD Energy Equipment. The warranty period begins from the date of completion of (i) the preliminary acceptance of the JD Energy Equipment and (ii) the grid-connection of the Zhonghe Linxiang Energy Storage Power Station. During the warranty period, if there is any quality issue attributable to JD Energy, JD Energy shall promptly repair or replace the relevant JD Energy Equipment at its own costs.

## **INFORMATION OF THE GROUP AND OTHER PARTY OF THE JD ENERGY EQUIPMENT PURCHASE AGREEMENT**

### **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 related to the 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.

### **CNI**

CNI is a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in EPC, consultancy operation and general construction services.

### **JD Energy**

JD Energy is a joint stock company incorporated under the laws of the PRC with limited liability. It is principally engaged in technical research and product development of the core equipment in the advanced energy storage system.

As at the date of this announcement, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, (i) the ultimate beneficial owner of the single largest shareholder of JD Energy is 劉偉增 (Liu Weizeng\*), holding approximately 30.17% shareholding of JD Energy; (ii) the other shareholders of JD Energy hold less than one-third shareholding of JD Energy; and (iii) JD Energy and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **REASONS AND BENEFITS OF THE DISCLOSEABLE TRANSACTION**

The Group has been committed to the investment and construction of photovoltaic power plants in the PRC over years. The purchase of the JD Energy Equipment is for the development of the Zhonghe Linxiang Energy Storage Power Station, which is located in Lincang City, Yunnan Province in the PRC. The area is rich in photovoltaic resources and has the conditions for large-scale development. The investment and construction of photovoltaic

power plants is conducive to promoting realization of the national environmental targets of “Dual Carbon Goals” (achieving carbon emission peak before 2030 and carbon neutrality before 2060) and rural revitalization. This aligns with the relevant national industrial policies and the Group’s strategic goal in developing green energy projects.

The terms of the JD Energy Equipment Purchase Agreement were determined based on the terms of the aforesaid competitive negotiations and after arm’s length negotiations among the parties thereto. The Directors, including the independent non-executive Directors, have confirmed that the terms of the JD Energy Equipment Purchase Agreement are fair and reasonable, and the transaction contemplated thereunder is on normal commercial terms in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole. No Director has any material interest in the transaction contemplated under the JD Energy Equipment Purchase Agreement.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the JD Energy Equipment Purchase Agreement exceeds 5% but is less than 25%, the entering into of the JD Energy Equipment Purchase Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules which is subject to reporting and announcement requirements but exempt from the circular and Shareholders’ approval requirements.

## **DEFINITIONS**

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

“Board”	the board of Directors
“CNI”	中核(南京)能源發展有限公司(transliterated as CNI (Nanjing) Energy Development Company Limited*), a company incorporated in the PRC with limited liability and an indirect 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 RMB115,600,000.00 (equivalent to approximately HK\$126,004,000), which has included the value added tax of RMB13,299,115.04 (equivalent to approximately HK\$14,496,035), pursuant to the JD Energy Equipment Purchase Agreement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JD Energy”	西安奇點能源股份有限公司 (transliterated as Xi’an JD Energy Co., Ltd.*), a joint stock company established in the PRC with limited liability
“JD Energy Equipment”	the subject matter of the JD Energy Equipment Purchase Agreement, including lithium ion battery container system, PCS booster transformer, EMS control system and other accessory products, materials, spare parts and tools, to be used for construction and operation of the Zhonghe Linxiang Energy Storage Power Station under the JD Energy Equipment Purchase Agreement
“JD Energy Equipment Purchase Agreement”	the equipment purchase agreement dated 30 September 2024 entered into between CNI and JD Energy in relation to the Zhonghe Linxiang Energy Storage Power Station
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	Megawatt (1,000,000 watts), the commonly used unit of power in quantifying the electricity generation
“MWh”	1,000 kilowatt-hour

“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
“Zhonghe Linxiang Energy Storage Power Station”	the energy storage power station with a capacity of 100MW/200MWh located in Lincang City, Yunnan Province in the PRC
“%”	per cent

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.09. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 30 September 2024

*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, Dr. Su Lixin and Mr. Wang Ruzhang.*

\* *For identification purpose only*