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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 TRANSACTIONS

**ACQUISITIONS OF THE ENTIRE EQUITY INTERESTS
IN THE TARGET COMPANIES**

SUZHOU SPA

The Board hereby announces that on 21 January 2020, (after trading hours), CNI (as purchaser) entered into the Suzhou SPA with Suzhou GCL (as seller), pursuant to which CNI conditionally agreed to acquire, and Suzhou GCL conditionally agreed to sell, the entire equity interest in the Target Company A, at a total consideration of RMB34,965,918.16.

JIANGSU SPA

On the same day (after trading hours), CNI (as purchaser) entered into the Jiangsu SPA with Jiangsu GCL (as seller), pursuant to which CNI conditionally agreed to acquire, and Jiangsu GCL conditionally agreed to sell, the entire equity interest in the Target Company B, at a total consideration of RMB42,510,000.

Upon completion of the Suzhou Acquisition and the Jiangsu Acquisition, the Target Companies will become wholly-owned subsidiaries of the Company and their financial results will be consolidated into the financial results of the Group.

LISTING RULES IMPLICATIONS

As the sellers of the Suzhou SPA and the Jiangsu SPA are the subsidiaries of GCL, the Suzhou Acquisition and the Jiangsu Acquisition shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the Suzhou Acquisition and the Jiangsu Acquisition are more than 5% but less than 25% respectively, and the highest aggregated applicable percentage ratio in respect of the Suzhou Acquisition and the Jiangsu Acquisition, when aggregated together, remains more than 5% but less than 25%, the Suzhou Acquisition and the Jiangsu Acquisition constitute two discloseable transactions of the Company under Chapter 14 of the Listing Rules. Therefore, the Suzhou Acquisition and the Jiangsu Acquisition are subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

THE SUZHOU SPA

On 21 January 2020 (after trading hours), CNI entered into the Suzhou SPA with Suzhou GCL, pursuant to which CNI conditionally agreed to acquire, and Suzhou GCL conditionally agreed to sell, the entire equity interest in the Target Company A, at a consideration of RMB34,965,918.16.

Date

21 January 2020 (after trading hours)

Parties

- (i) CNI, as purchaser; and
- (ii) Suzhou GCL, as seller.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Suzhou GCL and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Asset to be acquired

Pursuant to the Suzhou SPA, Suzhou GCL conditionally agreed to sell and CNI conditionally agreed to acquire, the entire equity interest in the Target Company A.

Consideration and payment terms

The total consideration payable by CNI for the Suzhou Acquisition is RMB34,965,918.16, which shall be settled by CNI in cash and/or by bank acceptance bill in the following manner:

- (a) a sum of RMB27,972,734.53 shall be paid to Suzhou GCL within 7 Business Days following the completion of the registration of the equity transfer with the relevant PRC government authorities and the completion of the transfer of rights of the Target Company A under the Suzhou SPA;
- (b) a sum of RMB4,993,183.63 shall be paid to Suzhou GCL within 7 Business Days after having completed the audit report for completion of the Suzhou Acquisition; and
- (c) the balance of the consideration in the sum of RMB2,000,000 shall be paid to Suzhou GCL upon obtaining certain approvals, permits, acceptance documents and/or other relevant documents from relevant authorities.

The consideration for the Suzhou Acquisition was arrived at after arm's length negotiations between CNI and Suzhou GCL with reference to the audited net asset value of the Target Company A in the amount of approximately RMB34,965,918 as at 30 November 2019 (the "**Suzhou Reference Date**").

Conditions precedent

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

- (a) Suzhou GCL has confirmed that, save for the Suzhou Acquisition, the Suzhou Charge and other securities (further details of which are set out in the section headed “Information of Suzhou GCL and the Target Company A” in this announcement), there does not exist any substantial or potential legal restrictions on the business of the Target Company A, and any lien, pledge, guarantee, right of first offer granted to any third party, option, or any other encumbrance over the Target Company A and its assets and rights. If there is any such encumbrance, it shall be released or waived in writing, and the written agreement or waiver shall be in accordance with the requirement of CNI;
- (b) CNI and Suzhou GCL have obtained all necessary approvals, consents and authorizations for the signing and performance of the Suzhou SPA, and the signing of the Suzhou SPA does not violate any laws, regulations, bye-laws, contracts, and terms of any agreements with any third parties or relevant government authorities to which CNI and Suzhou GCL are respectively subject to;
- (c) the Target Company A is in the normal operation of business. From the Suzhou Reference Date to completion of the Suzhou Acquisition, there is no material adverse changes in the operation, financial position, assets and business prospects of the Target Company A; there is no issues regarding the legality of the Suzhou SPA and the transactions contemplated thereunder or any changes in laws and regulations that adversely affect the business operation of the Target Company A; and there is also no litigations, judicial proceedings, administrative proceedings or other dispute procedures that adversely affect the Suzhou Acquisition; and
- (d) the consent of the Suzhou Financer has been obtained for the Suzhou Acquisition; the Suzhou Charge has been discharged before the issue of new business registration of the Target Company A; and no encumbrance is created over the entire equity interest in the Target Company A.

Completion

Completion of the Suzhou Acquisition will take place on the date on which the conditions precedent under the Suzhou SPA have been satisfied; Suzhou GCL has transferred the entire equity interest in the Target Company A to CNI; and the new business licence of the Target Company A reflecting the change of the entire equity interest in the Target Company A to CNI and all other relevant changes has been issued to CNI.

THE JIANGSU SPA

On 21 January 2020 (after trading hours), CNI entered into the Jiangsu SPA with Jiangsu GCL, pursuant to which CNI conditionally agreed to acquire, and Jiangsu GCL conditionally agreed to sell, the entire equity interest in the Target Company B, at a consideration of RMB42,510,000.

Date

21 January 2020 (after trading hours)

Parties

- (i) CNI, as purchaser; and
- (ii) Jiangsu GCL, as seller.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Jiangsu GCL and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Asset to be acquired

Pursuant to the Jiangsu SPA, Jiangsu GCL conditionally agreed to sell and CNI conditionally agreed to acquire, the entire equity interest in the Target Company B.

Consideration and payment terms

The total consideration payable by CNI for the Jiangsu Acquisition is RMB42,510,000, which shall be settled by CNI in cash and/or by bank acceptance bill, and/or by way of set off against the balance of business transactions between Jiangsu GCL and GCL's subsidiaries and the Group in the following manner:

- (a) a sum of RMB34,008,000 shall be paid to Jiangsu GCL within 7 Business Days following the completion of the registration of the equity transfer with the relevant PRC government authorities and the completion of the transfer of rights of the Target Company B under the Jiangsu SPA;
- (b) a sum of RMB6,502,000 shall be paid to Jiangsu GCL within 7 Business Days after having completed the audit report for completion of the Jiangsu Acquisition; and
- (c) the balance of the consideration in the sum of RMB2,000,000 shall be paid to Jiangsu GCL upon satisfaction of certain requirements in relation to environmental protection.

The consideration for the Jiangsu Acquisition was arrived at after arm's length negotiations between CNI and Jiangsu GCL with reference to the audited net asset value of the Target Company B in the amount of approximately RMB42,627,648 as at 31 October 2019 (the **"Jiangsu Reference Date"**).

Conditions precedent

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

- (a) Jiangsu GCL has confirmed that, save for the Jiangsu Acquisition, the Jiangsu Charge and other securities (further details of which are set out in the section headed "Information of Jiangsu GCL and the Target Company B" in this announcement), there does not exist any substantial or potential legal restrictions on the business of the Target Company B, and any lien, pledge, guarantee, right of first offer granted to any third party, option, or any other encumbrance over the Target Company B and its assets and rights. If there is any such encumbrance, it shall be released or waived in writing, and the written agreement or waiver shall be in accordance with the requirement of CNI;

- (b) CNI and Jiangsu GCL have obtained all necessary approvals, consents and authorizations for the signing and performance of the Jiangsu SPA, and the signing of the Jiangsu SPA does not violate any laws, regulations, bye-laws, contracts, and terms of any agreements with any third parties or relevant government authorities to which CNI and Jiangsu GCL are respectively subject to;
- (c) the Target Company B is in the normal operation of business. From the Jiangsu Reference Date to completion of the Jiangsu Acquisition, there is no material adverse changes in the operation, financial position, assets and business prospects of the Target Company B; there is no issues regarding the legality of the Jiangsu SPA and the transactions contemplated thereunder or any changes in laws and regulations that adversely affect the business operation of the Target Company B; and there is also no litigations, judicial proceedings, administrative proceedings or other dispute procedures that adversely affect the Jiangsu Acquisition; and
- (d) the consent of the Jiangsu Financer has been obtained for the Jiangsu Acquisition; the Jiangsu Charge has been discharged before the issue of new business registration of the Target Company B; and CNI and Jiangsu GCL have completed all the relevant works for the approval requirements of the Jiangsu Financer in respect of the Jiangsu Acquisition.

Completion

Completion of the Jiangsu Acquisition will take place on the date on which the conditions precedent under the Jiangsu SPA have been satisfied; Jiangsu GCL has transferred the entire equity interest in the Target Company B to CNI; and the new business licence of the Target Company B reflecting the change of the entire equity interest in the Target Company B to CNI and all other relevant changes has been issued to CNI.

Upon completion of the Suzhou Acquisition and the Jiangsu Acquisition, the Target Companies will become wholly-owned subsidiaries of the Company and their 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, included (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 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; (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. In addition, the Group has been participating in other businesses such as inspection, maintenance, repair, construction, installation and provision of expertise in such works for nuclear power plants via its associated companies.

INFORMATION OF SUZHOU GCL AND THE TARGET COMPANY A

Suzhou GCL is a company incorporated in the PRC with limited liability. Its principal business activities are investment, investment management and investment consultancy of photovoltaic power; corporate management consultancy; technology development, technology transfer and technical consultancy in respect of photovoltaic power projects; and sales of photovoltaic materials and equipment. As at the date of this announcement, Suzhou GCL’s equity interest is indirectly owned as to 92.82% by GCL.

The Target Company A is a company incorporated in the PRC with limited liability. The principal business activities of the Target Company A are solar photovoltaic power generation, technology development, technical services and technology transfer of solar power, energy-saving and environmentally friendly products and photovoltaic equipment and component; sales of photovoltaic equipment and power; and photovoltaic power station operations. The Target Company A is a special purpose entity established by Suzhou GCL for its project of 20MW photovoltaic power station built on cropland in Luzhai Village, Yingdong District, Fuyang City, Anhui Province, the PRC and its connection acceptance to the national grid has been granted. As at the date of this announcement, the Target Company A is a direct wholly-owned subsidiary of Suzhou GCL.

The Target Company A has entered into a financial leasing transaction in the amount of approximately RMB110,000,000 in respect of certain photovoltaic power generation equipment. In this connection, the Target Company A has executed a pledge of project charging right and a mortgage in respect of photovoltaic power generation equipment in favour of the Suzhou Financer. Further, Suzhou GCL has executed the Suzhou Charge in favour of the Suzhou Financer as a security for the financial leasing transaction.

As at 30 November 2019, the audited total asset value and net asset value of the Target Company A are approximately RMB162,607,364 and RMB34,965,918.

The audited net profit of the Target Company A for the eleven months ended 30 November 2019 and the two financial years ended 31 December 2017 and 2018 is as follows;

	For the eleven months ended 30 November 2019 (RMB'000) (Audited)	For the year ended 31 December 2018 (RMB'000) (Audited)	For the year ended 31 December 2017 (RMB'000) (Audited)
Consolidated net profit/(loss) (before taxation and extraordinary items)	9,025.59	5,995.21	5,167.58
Consolidated net profit/(loss) (after taxation and extraordinary items)	7,902.95	5,995.34	5,167.45

INFORMATION OF JIANGSU GCL AND THE TARGET COMPANY B

Jiangsu GCL is a company incorporated in the PRC with limited liability. Its principal business activities are power generation operation services of photovoltaic power station; project management and project consultancy of photovoltaic power; corporate management consultancy; technology development, technology transfer and technical consultancy in respect of photovoltaic power projects; sales of photovoltaic materials and equipment; and photovoltaic power investment. As at the date of this announcement, Jiangsu GCL is a direct wholly-owned subsidiary of Suzhou GCL.

The Target Company B is a company incorporated in the PRC with limited liability. The principal business activities of the Target Company B are solar power generation; infrastructure construction for solar power station; information system integration (except for those having state special regulations); corporate management; technology development, technology transfer and technical consultancy in respect of solar power; sales of photovoltaic equipment and components; and aquaculture. The Target Company B is a special purpose entity established by Jiangsu GCL for its project of 20MW photovoltaic power station built on a fishpond in Shangdang County, Dantu District, Zhenjiang City, the PRC and its connection acceptance to the national grid has been granted. As at the date of this announcement, the Target Company B is a direct wholly-owned subsidiary of Jiangsu GCL.

The Target Company B has entered into a financial leasing transaction in the amount of approximately RMB81,790,000 in respect of certain photovoltaic power generation equipment. In this connection, the Target Company B has executed a pledge of project charging right and a mortgage in respect of photovoltaic power generation equipment in favour of the Jiangsu Financer. Further, Jiangsu GCL has executed the Jiangsu Charge in favour of the Jiangsu Financer as a security for the financial leasing transaction.

As at 31 October 2019, the audited total asset value and net asset value of the Target Company B are approximately RMB130,149,702 and RMB42,627,648.

The audited net profit of the Target Company B for the ten months ended 31 October 2019 and the financial year ended 31 December 2018 is as follows:

	For the ten months ended 31 October 2019 (RMB'000) (Audited)	For the year ended 31 December 2018 (RMB'000) (Audited)
Consolidated net profit/(loss) (before taxation and extraordinary items)	5,457.99	2,829.66
Consolidated net profit/(loss) (after taxation and extraordinary items)	5,457.99	2,829.66

As the Target Company B did not carry out any business throughout the year 2017, no financial statements was prepared for the Target Company B in 2017.

REASONS AND BENEFITS OF THE ACQUISITIONS

The Company considers that the Suzhou Acquisition and the Jiangsu Acquisition will enable the Group to acquire high-quality assets for the expansion of the Group's power generation business. The terms of the Suzhou SPA and the Jiangsu SPA, including the consideration of the Suzhou Acquisition and the Jiangsu Acquisition, were agreed by the parties after arm's length negotiations having taken into account the prevailing market rates. In light of the above, the Directors (including independent non-executive Directors) consider that the terms of the Suzhou SPA and the Jiangsu SPA are on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the sellers of the Suzhou SPA and the Jiangsu SPA are the subsidiaries of GCL, the Suzhou Acquisition and the Jiangsu Acquisition shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the Suzhou Acquisition and the Jiangsu Acquisition are more than 5% but less than 25% respectively, and the highest aggregated applicable percentage ratio in respect of the Suzhou Acquisition and the Jiangsu Acquisition, when aggregated together, remains more than 5% but less than 25%, the Suzhou Acquisition and the Jiangsu Acquisition constitute two discloseable transactions of the Company under Chapter 14 of the Listing Rules. Therefore, the Suzhou Acquisition and the Jiangsu Acquisition are 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;
“Business Day”	a day on which the banks in the PRC are generally open for business (excluding statutory holidays of the PRC);
“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;
“CNI”	CNI (Nanjing) Energy Development Company Limited, a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of Company;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“GCL”	GCL New Energy Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (Stock code: 451);
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Jiangsu Acquisition”	the acquisition of the entire equity interest in the Target Company B by CNI from Jiangsu GCL pursuant to the terms of the Jiangsu SPA;

“Jiangsu Charge”	the charge over the entire equity interest of the Target Company B by Jiangsu GCL in favour of the Jiangsu Financer as a security for a financial leasing transaction between the Target Company B and the Jiangsu Financer in the amount of approximately RMB81,790,000;
“Jiangsu Financer”	a financial leasing company incorporated in the PRC with limited liability and a financer of the Target Company B, which is a third party independent of the Company and its connected persons;
“Jiangsu GCL”	Jiangsu GCL New Energy Co., Ltd.* (江蘇協鑫新能源有限公司), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of Suzhou GCL;
“Jiangsu SPA”	the sale and purchase agreement dated 21 January 2020 entered into between CNI and Jiangsu GCL in respect of the Jiangsu Acquisition;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“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;
“Suzhou Acquisition”	the acquisition of the entire equity interest in the Target Company A by CNI from Suzhou GCL pursuant to the terms of the Suzhou SPA;
“Suzhou Charge”	the charge over the entire equity interest in the Target Company A by Suzhou GCL in favour of the Suzhou Financer as a security for a financial leasing transaction between the Target Company A and the Suzhou Financer in the amount of approximately RMB110,000,000;
“Suzhou Financer”	Nuclear Construction Finance Leasing (Shenzhen) Co., Ltd* (核建融資租賃(深圳)有限公司), a financial leasing company incorporated in the PRC with limited liability, a financer of the Target Company A and an indirect wholly-owned subsidiary of the Company;
“Suzhou GCL”	Suzhou GCL New Energy Investment Co., Ltd.* (蘇州協鑫新能源投資有限公司), a company incorporated in the PRC with limited liability, the equity interest of which is indirectly owned as to 92.82% by GCL;
“Suzhou SPA”	the sale and purchase agreement dated 21 January 2020 entered into between CNI and Suzhou GCL in respect of the Suzhou Acquisition;
“Target Companies”	Target Company A and Target Company B;
“Target Company A”	Fuyang Hengming Solar Power Co., Ltd.* (阜陽衡銘太陽能電力有限公司), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of Suzhou GCL;

“Target Company B”

Zhenjiang GCL New Energy Co., Ltd.* (鎮江協鑫新能源有限公司), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of Jiangsu GCL.

* For identification purpose only

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

Hong Kong, 21 January 2020

As at the date of this announcement, the executive Directors of the Company 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 Operation Officer), Mr. Wu Yuanchen; and the independent non-executive Directors of the Company are Mr. Chan Ka Ling Edmond, Mr. Kang Xinquan, Mr. Tian Aiping and Mr. Wang Jimin.