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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 DEVELOPMENT OF 50MW PHOTOVOLTAIC
POWER STATION IN GUANGDONG OF THE PRC**

**DEVELOPMENT OF 50MW PHOTOVOLTAIC POWER STATION IN
GUANGDONG OF THE PRC**

On 10 December 2021 (after trading hours), Yangjiang Zhonghe (an indirect wholly-owned subsidiary of the Company) (as principal) entered into the PC Agreement with the Contractor for the development of the photovoltaic power station with a total capacity of 50MW in Yangjiang City, Guangdong Province of the PRC. The consideration of the PC Agreement is RMB196,838,299 (equivalent to approximately HK\$241,721,067). It is expected that the Yangjiang Photovoltaic Power Station will be connected to grid on or before 30 December 2021 and the construction work shall be completed on or before 31 March 2022. Upon completion of the construction, the Yangjiang Photovoltaic Power Station shall be owned and operated by the Group.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the PC Agreement exceeds 5% but is less than 25%, the entering into the PC Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules which is subject to reporting and announcement requirements thereunder.

DEVELOPMENT OF YANGJIANG PHOTOVOLTAIC POWER STATION

On 10 December 2021 (after trading hours), Yangjiang Zhonghe (an indirect wholly-owned subsidiary of the Company) (as principal) entered into the PC Agreement with the Contractor for the development of the photovoltaic power station with a total capacity of 50MW in Yangjiang City, Guangdong Province of the PRC. The consideration of the PC Agreement is RMB196,838,299 (equivalent to approximately HK\$241,721,067). It is expected that the Yangjiang Photovoltaic Power Station will be connected to grid on or before 30 December 2021 and the construction work shall be completed on or before 31 March 2022. Upon completion of the construction, the Yangjiang Photovoltaic Power Station shall be owned and operated by the Group.

PRINCIPAL TERMS OF THE PC AGREEMENT

Date

10 December 2021 (after trading hours)

Parties

- (i) Yangjiang Zhonghe, as principal; and
- (ii) the Contractor.

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

Subject matter

Yangjiang Zhonghe agreed to engage the Contractor as the contractor to provide procurement of the Equipment and Materials and construction services in relation to the Yangjiang Project. The construction shall commence upon notice from Yangjiang Zhonghe to the Contractor. It is expected to satisfy the conditions for on-grid connection by 30 December 2021, and the construction work shall be completed by 31 March 2022.

Consideration

The total consideration for the services under the PC Agreement shall be RMB196,838,299 (equivalent to approximately HK\$241,721,067), comprising of:

- 1) the Equipment and Materials fee for approximately RMB156,426,853 (equivalent to approximately HK\$192,095,065);
- 2) the construction fee for approximately RMB33,761,446 (equivalent to approximately HK\$41,459,679); and
- 3) the technical service fee for approximately RMB6,650,000 (equivalent to approximately HK\$8,166,323).

Payment Terms

The consideration under the PC Agreement shall be paid by Yangjiang Zhonghe to the Contractor in accordance with the following milestones:

- 1) monthly progress payments in such amount equivalent to 50% of the assessed value of works completed under the PC Agreement during the relevant month;
- 2) payment of up to 70% of the assessed value of works completed under the PC Agreement to be made within one month after the completion of all construction works under the PC agreement;
- 3) payment of up to 97% of the total consideration under the PC Agreement to be made within one month after the project completion acceptance and settlement audit of the works performed by The Contractor under the Agreement; and
- 4) the remaining balance of 3% of the total consideration under the PC Agreement as retention money payable within 30 days after a one-year period from the date of the passing of the inspection and acceptance on completion and delivery of the construction work from the Contractor to Yangjiang Zhonghe.

The consideration shall be financed through internal resources of the Company and/or borrowing.

INFORMATION OF THE PARTIES TO THE DISCLOSEABLE TRANSACTION

The Contractor

The Contractor is principally engaged in general contracting of housing construction and municipal infrastructure projects and the construction of various type of power plants. As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Li Wei (李偉) is the ultimate beneficial owner of the Contractor, who directly and indirectly owns 81.5% of the Contractor.

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 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.

REASONS AND BENEFITS OF THE DISCLOSEABLE TRANSACTION

The Group has been committed to maintaining and operating its own power plants in the PRC over years. The Directors consider that the development of the Yangjiang Photovoltaic Power Station will further diversify the Group's business portfolio and bring additional source of profit to the Group.

The Group conducted an open tender in November 2021 for the procurement of the Equipment and Materials and construction services under the Yangjiang Project. There were a total of 3 bidders participated in the open tender and all parties are independent of and not connected with the Company and its connected person and are independent with each other. The Contractor was granted the PC Agreement as it scored the highest among all the bidders in terms of its technological competence, commercial terms and business reputation and its proposed consideration was the lowest.

The terms of the PC Agreement were determined based on the terms of the aforesaid open tender 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 PC Agreement are fair and reasonable, and the transaction contemplated thereunder are on normal commercial terms or better 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 PC Agreement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the PC Agreement exceeds 5% but is less than 25%, the entering into the PC Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules which is subject to reporting and announcement requirements thereunder.

DEFINITIONS

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

“Board”	the board of Directors;
“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”	has the meaning ascribed to it under the Listing Rules;

“Director(s)”	the director(s) of the Company;
“Equipment and Materials”	the subject matter of the PC Agreement, being monocrystalline silicon photovoltaic module, frames, transformers, cables and other accessory products and materials, to be used for construction and operation of the Yangjiang Photovoltaic Power Station;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	the lawful currency of Hong Kong;
“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
“PC Agreement”	the procurement and construction agreement dated 10 December 2021 entered into between Yangjiang Zhonghe and the Contractor as the contractor in relation to the Yangjiang Project;
“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;
“The Contractor”	四川仕麟建筑工程有限公司 (transliterated as Sichuan Shi Lin Construction Company Limited*), a company established in the PRC with limited liability;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to it under the Listing Rules;
“Yangjiang Zhonghe”	陽江中核能源工程有限公司, (transliterated as Yangjiang Zhonghe Energy Engineering Company Limited*), a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company;
“Yangjiang Photovoltaic Power Station ”	the aquaculture-complementary photovoltaic power station with a total installed capacity of 50MW located in Yangjiang City, Guangdong Province of the PRC.

* For identification purpose only

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

Hong Kong, 10 December 2021

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.