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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 IN RELATION TO
THE DEVELOPMENT OF 100MW PHOTOVOLTAIC POWER STATIONS IN
YANGCHUN CITY OF GUANGDONG PROVINCE IN THE PRC**

DEVELOPMENT OF THE YANGCHUN PHOTOVOLTAIC POWER STATIONS

A. Equipment Purchase Agreement with Yingli Energy

The Board hereby announces that on 25 August 2023 (after trading hours), CNI (an indirect wholly-owned subsidiary of the Company) (as purchaser) entered into the Equipment Purchase Agreement with Yingli Energy (as supplier), in which CNI agreed to purchase and Yingli Energy agreed to sell the Yingli Energy Equipment for the development of the photovoltaic power station with a total capacity of 50MW in Heshui Town, Yangchun City, Guangdong Province in the PRC. The consideration of the Equipment Purchase Agreement with Yingli Energy is RMB101,153,215.125 (equivalent to approximately HK\$110,408,734.308). It is expected that the Yangchun Photovoltaic Power Stations will be connected to grid on or before 30 November 2023. Upon completion of the construction, the Yangchun Photovoltaic Power Stations shall be owned and operated by the Group.

B. Equipment Purchase Agreement with Tongwei Solar

The Board hereby announces that on 25 August 2023 (after trading hours), CNI (an indirect wholly-owned subsidiary of the Company) (as purchaser) entered into the Equipment Purchase Agreement with Tongwei Solar (as supplier), in which CNI agreed to purchase and Tongwei Solar agreed to sell the Tongwei Solar Equipment for the development of the photovoltaic power station with a total capacity of 50MW in Pimian Town, Yangchun City, Guangdong Province in the PRC. The consideration of the Equipment Purchase Agreement with Tongwei Solar is RMB102,007,242.27 (equivalent to approximately HK\$111,340,904.937). It is expected that the Yangchun Photovoltaic Power Stations will be connected to grid on or before 30 November 2023. Upon completion of the construction, the Yangchun Photovoltaic Power Stations 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 Equipment Purchase Agreement with Yingli Energy and the Equipment Purchase Agreement with Tongwei Solar exceeds 5% but is less than 25%, respectively, the entering into each of the Equipment Purchase Agreements constitutes discloseable transactions of the Company under Chapter 14 of the Listing Rules which is subject to reporting and announcement requirements thereunder.

DEVELOPMENT OF THE YANGCHUN PHOTOVOLTAIC POWER STATIONS

A. Equipment Purchase Agreement with Yingli Energy

On 25 August 2023 (after trading hours), CNI (an indirect wholly-owned subsidiary of the Company) (as purchaser) entered into the Equipment Purchase Agreement with Yingli Energy (as supplier), in which CNI agreed to purchase and Yingli Energy agreed to sell the Yingli Energy Equipment for the development of the photovoltaic power station with a total capacity of 50MW in Heshui Town, Yangchun City, Guangdong Province in the PRC. The consideration of the Equipment Purchase Agreement with Yingli Energy is RMB101,153,215.125 (equivalent to approximately HK\$110,408,734.308). It is expected that the Yangchun Photovoltaic Power Stations will be connected to grid on or before 30 November 2023. Upon completion of the construction, the Yangchun Photovoltaic Power Stations shall be owned and operated by the Group.

Principal Terms of the Equipment Purchase Agreement with Yingli Energy

Date

25 August 2023 (after trading hours)

Parties

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

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

Subject matter

CNI agreed to purchase the Yingli Energy Equipment from Yingli Energy in relation to the Yangchun Photovoltaic Power Stations. The Yangchun Photovoltaic Power Stations are expected to satisfy the conditions for on-grid connection by 30 November 2023.

Consideration

The total consideration for the Yingli Energy Equipment and ancillary services under the Equipment Purchase Agreement with Yingli Energy is RMB101,153,215.125 (equivalent to approximately HK\$110,408,734.308), comprising of:

- (1) the Yingli Energy Equipment price of approximately RMB98,283,123.895 (equivalent to approximately HK\$107,276,029.731); and
- (2) the transportation, miscellaneous and insurance fee of approximately RMB2,870,091.23 (equivalent to approximately HK\$3,132,704.578).

Payment Terms

The consideration for the Equipment Purchase Agreement with Yingli Energy shall be paid by CNI to Yingli Energy in accordance with the following payment time:

- (1) Within 10 days from the effective date of the agreement, the supplier shall provide the purchaser with the materials as stipulated by the technical specifications, the production schedule, an invoice in the amount of 10% of the agreed total price, the bank performance guarantee in the amount of 10% of the agreed total price and the bank advance payment guarantee in the amount of 10% of the agreed total price. Upon receipt and verification of the above by the purchaser, 10% of the agreed total price will be paid to the supplier as an advance payment; and

- (2) 90% of the agreed total price will be paid in installments upon delivery by batch. The supplier shall provide the purchaser with a bank quality guarantee of 5% of the agreed total price within 30 days after the arrival of the Yingli Energy Equipment, which shall take effect from the date of issuance and is valid until 12 months after the Yingli Energy Equipment is inspected and accepted on site.

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

Delivery terms

Delivery for each batch (tentatively set at 20MW per batch): The supplier should be ready to ship each batch of the Yingli Energy Equipment within 10 days from the date the purchase order takes effect. The purchaser pays for each shipment and the supplier must deliver all items to the delivery location within 7 days after the purchaser pays for each shipment. The purchaser can adjust the delivery time according to the progress of the project and the supplier should comply with the adjusted delivery time.

Miscellaneous terms

If there is a contractual dispute over the Yingli Energy Equipment that has not been resolved and the warranty period of the Yingli Energy Equipment has not yet expired, the supplier must provide a new bank quality guarantee 15 days before the expiration of the current bank quality guarantee, and the purchaser will return the existing guarantee to the supplier upon receipt of the new one. The new bank quality guarantee takes effect from the date of issuance and is valid for 12 months after all the Yingli Energy Equipment has been inspected and accepted on site and the contractual dispute has been resolved. Otherwise, the purchaser has the right to immediately make a claim on the quality guarantee already submitted by the supplier.

B. Equipment Purchase Agreement with Tongwei Solar

On 25 August 2023 (after trading hours), CNI (an indirect wholly-owned subsidiary of the Company) (as purchaser) entered into the Equipment Purchase Agreement with Tongwei Solar (as supplier), in which CNI agreed to purchase and Tongwei Solar agreed to sell the Tongwei Solar Equipment for the development of the photovoltaic power station with a total capacity of 50MW in Pimian Town, Yangchun City, Guangdong Province in the PRC. The consideration of the Equipment Purchase Agreement with Tongwei Solar is RMB102,007,242.27 (equivalent to approximately HK\$111,340,904.937). It is expected that the Yangchun Photovoltaic Power Stations will be connected to grid on or before 30 November 2023. Upon completion of the construction, the Yangchun Photovoltaic Power Stations shall be owned and operated by the Group.

Principal Terms of the Equipment Purchase Agreement with Tongwei Solar

Date

25 August 2023 (after trading hours)

Parties

- (i) CNI, as purchaser; and
- (ii) Tongwei Solar, as supplier

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

Subject matter

CNI agreed to engage Tongwei Solar to provide the Tongwei Solar Equipment in relation to the Yangchun Photovoltaic Power Stations. The Yangchun Photovoltaic Power Stations are expected to satisfy the conditions for on-grid connection by 30 November 2023.

Consideration

The total consideration for the Tongwei Solar Equipment and ancillary services under the Equipment Purchase Agreement with Tongwei Solar is RMB102,007,242.27 (equivalent to approximately HK\$111,340,904.937), comprising of:

- (1) the Tongwei Solar Equipment price of approximately RMB99,907,175.52 (equivalent to approximately HK\$109,048,682.08); and
- (2) the transportation, miscellaneous and insurance fee of approximately RMB2,100,066.75 (equivalent to approximately HK\$2,292,222.858).

Payment Terms

The consideration for the Equipment Purchase Agreement with Tongwei Solar shall be paid by CNI to Tongwei Solar in accordance with the following payment time:

- (1) Within 10 days from the effective date of the agreement, the supplier shall provide the purchaser with the materials as stipulated by the technical specifications, the production schedule, an invoice in the amount of 10% of the agreed total price, the bank performance guarantee in the amount of 10% of the agreed total price and the bank advance payment guarantee in the amount of 10% of the agreed total price. Upon receipt and verification of the above by the purchaser, 10% of the total agreed price will be paid to the supplier as an advance payment; and

- (2) 90% of the agreed total price will be paid in installments upon delivery. Tongwei Solar shall provide the purchaser with a bank quality guarantee of 5% of the agreed total price within 30 days after the arrival of the Tongwei Solar Equipment, which shall take effect from the date of issuance and is valid until 12 months after the Tongwei Solar Equipment is inspected and accepted on site.

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

Delivery terms

Delivery for each batch (tentatively set at 20MW per batch): The supplier should be ready to ship each batch of the Tongwei Solar Equipment within 10 days from the date the purchase order takes effect. The purchaser pays for each shipment and the supplier must deliver all items to the delivery location within 7 days after the purchaser pays for each shipment. The purchaser can adjust the delivery time according to the progress of the project and the supplier should comply with the adjusted delivery time.

Miscellaneous terms

If there is a contractual dispute over the Tongwei Solar Equipment that has not been resolved and the warranty period of the Tongwei Solar Equipment has not yet expired, the supplier must provide a new bank quality guarantee 15 days before the expiration of the current bank quality guarantee, and the purchaser will return the existing guarantee to the supplier upon receipt of the new one. The new bank quality guarantee takes effect from the date of issuance and is valid for 12 months after all the Tongwei Solar Equipment has been inspected and accepted on site and the contractual dispute has been resolved. Otherwise, the purchaser has the right to immediately make a claim on the quality guarantee already submitted by the supplier.

Basis for the Determination of the Consideration of the Equipment Purchase Agreements

In January 2023, an open tender was conducted by the Group for the supply of equipment in relation to the development of the Yangchun Photovoltaic Power Stations.

There were a total of eight suppliers which participated in the competitive negotiations and each of the eight suppliers was independent of and not connected with the Company and its connected persons and was independent with each other. Yingli Energy and Tongwei Solar were granted the Equipment Purchase Agreement with Yangli Energy and Equipment Purchase Agreement with Tongwei Solar respectively as they scored the first and second respectively among all the suppliers in terms of their product quality, proposed consideration, commercial terms and business reputation.

INFORMATION OF 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.

INFORMATION OF YINGLI ENERGY

Yingli Energy is a company incorporated under the laws of the PRC with limited liability. It specialises in the research, development and production of silicon solar cells and related products, and wind turbines and related products.

The ultimate beneficial owners of Yingli Energy are 保定市國有資產監督管理委員會 (Baoding State-owned Assets Supervision and Administration Commission*), and 保定英利潤實企業管理有限公司 (Baoding Yingli Runshi Enterprise Management Limited*), holding 64.81% and 35.19% of shares of Yingli Energy, respectively. 保定英利潤實企業管理有限公司 (Baoding Yingli Runshi Enterprise Management Limited*) is a company incorporated in the PRC with limited liability.

As at the date of this announcement, to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, Yingli Energy and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

INFORMATION OF TONGWEI SOLAR

Tongwei Solar, a wholly-owned subsidiary of Tongwei Co., Ltd. (which is incorporated in the PRC, the shares of which are listed on the Shanghai Stock Exchange (Stock code: 600438)), is a company incorporated under the laws of the PRC with limited liability. Tongwei Solar mainly produces solar modules in the middle and lower segments of the photovoltaic industry chain, including, among others, shingled modules and half-cell modules.

The ultimate beneficial owners of Tongwei Solar are 劉漢元 (Liu Hanyuan*) and 管亞梅 (Guan Yamei*), holding 35.08% and 8.77% of shares of Tongwei Solar, respectively. The rest of the shares of Tongwei Solar are held by minority shareholders.

As at the date of this announcement, to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, Tongwei Solar 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. Yangchun Photovoltaic Power Stations are respectively located in Heshui Town and Pimian Town, both within Yangchun City, Guangdong 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 Equipment Purchase Agreements were determined based on the aforesaid competitive negotiations and after arm’s length negotiations among the relevant parties thereto. The Directors, including the independent non-executive Directors, have confirmed that the terms of the Equipment Purchase Agreements are fair and reasonable, and the transactions contemplated thereunder are 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 respective transaction contemplated under the Equipment Purchase Agreements.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Equipment Purchase Agreement with Yingli Energy and Equipment Purchase Agreement with Tongwei Solar exceeds 5% but is less than 25%, respectively, the entering into each of the Equipment Purchase Agreements constitutes discloseable transactions 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
“CNI”	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 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(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equipment Purchase Agreement with Tongwei Solar”	the equipment purchase agreement dated 25 August 2023 entered into between CNI and Tongwei Solar in relation to the Yangchun Photovoltaic Power Stations
“Equipment Purchase Agreement with Yingli Energy”	the equipment purchase agreement dated 25 August 2023 entered into between CNI and Yingli Energy in relation to the Yangchun Photovoltaic Power Stations
“Equipment Purchase Agreements”	collectively, the Equipment Purchase Agreement with Yingli Energy and the Equipment Purchase Agreement with Tongwei Solar
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“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
“Tongwei Solar”	通威太陽能(合肥)有限公司 (transliterated as Tongwei Solar (Hefei) Co., Ltd. *), a company established in the PRC with limited liability
“Tongwei Solar Equipment”	the single-sided monocrystalline silicon photovoltaic module and other accessory products and materials, to be used for construction and operation of the Yangchun Photovoltaic Power Stations under the Equipment Purchase Agreement with Tongwei Solar
“Yangchun Photovoltaic Power Stations”	the agricultural complementary photovoltaic power stations with a total installed capacity of 100MW located in Heshui Town and Pimian Town, Yangchun City, Guangdong Province in the PRC
“Yingli Energy”	英利能源(中國)有限公司 (transliterated as Yingli Energy (China) Co., Ltd*), a company established in the PRC with limited liability
“Yingli Energy Equipment”	the single-sided monocrystalline silicon photovoltaic module and other accessory products and materials, to be used for construction and operation of the Yangchun Photovoltaic Power Stations under the Equipment Purchase Agreement with Yingli Energy
“%”	per cent

* For identification purpose only

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the approximate exchange rate of RMB1.00 to HK\$1.0915. 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, 25 August 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 and Ms. Liu Jianrong; and the independent non-executive Directors of the Company are Dr. Xu Shiqing, Mr. Kang Xinquan and Dr. Su Lixin.