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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 PROVISION OF FACTORING LOAN

PROVISION OF FACTORING LOAN TO THE CUSTOMER

The Board hereby announces that, after trading hours on 28 December 2023, CNEC Commercial Factoring, an indirect wholly-owned subsidiary of the Company, entered into the Factoring Agreement with the Customer, pursuant to which CNEC Commercial Factoring has agreed to provide a recourse factoring loan in a maximum principal amount of RMB100,000,000 (equivalent to approximately HK\$110,009,791) to the Customer.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the entering into of the Factoring Agreement are more than 5% but all of them are less than 25%, the provision of factoring loan under the Factoring Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

FACTORING AGREEMENT

The Board hereby announces that, after trading hours on 28 December 2023, CNEC Commercial Factoring, an indirect wholly-owned subsidiary of the Company, entered into the Factoring Agreement with the Customer, pursuant to which CNEC Commercial Factoring has agreed to provide a recourse factoring loan in a maximum principal amount of RMB100,000,000 (equivalent to approximately HK\$110,009,791) to the Customer.

The principal terms of and the arrangement under the Factoring Agreement are set out as below:

Date : 28 December 2023

Parties : (1) the Customer
(2) CNEC Commercial Factoring

Principal amount : RMB100,000,000 (equivalent to approximately HK\$110,009,791)

Type of facility :	Revolving
Financing period :	From 28 December 2023 to 27 December 2024
Interest rate :	5.5% per annum
Transfer of account receivables :	Subject to the terms and conditions of the Factoring Agreement, the account receivables due from the debtor(s) of the Customer as stipulated in the underlying transaction documents entered into between the parties pursuant to the Factoring Agreement shall be transferred to CNEC Commercial Factoring.
Interest payment :	Interest shall be made payable by the Customer to CNEC Commercial Factoring on a monthly basis.
Other expenses :	Apart from the foregoing interest, if CNEC Commercial Factoring does not receive the interest payment in full when due, the Customer shall pay CNEC Commercial Factoring a penalty interest at the rate of amount of overdue interest × number of overdue days/1000 per day.
Repayment :	The factoring principal amount shall be repayable (together with interest payable by the Customer) upon the due date as stipulated in the terms and conditions of the underlying transaction documents entered into between the parties pursuant to the Factoring Agreement.
Repurchase :	In the event, among others, that: (i) there are commercial disputes over the account receivables; (ii) CNEC Commercial Factoring fails to receive any outstanding debt or interest payment in full upon the due date of the accounts receivable or the expiry of the grace period (if CNEC Commercial Factoring has granted such period); or (iii) the Customer breaches its representations, warranties, undertakings or obligations under the Factoring Agreement, CNEC Commercial Factoring shall have the right to demand the Customer to repurchase the account receivables transferred to CNEC Commercial Factoring and repay all the outstanding sum due to CNEC Commercial Factoring under the Factoring Agreement.
Guarantee :	Each of the Guarantors respectively entered into the Guarantee in favour of CNEC Commercial Factoring in respect of all debts (including without limitation the principal amount, interest, and management fee) and liability for breach of contract under the Factoring Agreement.

The provision of the factoring loan under the Factoring Agreement will be funded by internal resources of the Group.

INFORMATION ON THE GROUP AND CNEC COMMERCIAL FACTORING

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 and (d) the other segments which comprise the Group’s corporate management, investment and treasury services. In particular, CNEC Commercial Factoring, an indirect wholly-owned subsidiary of the Company, is principally engaged in the provision of standard factoring, reverse factoring, asset-backed medium-term securities and notes issuance services.

INFORMATION ON THE CUSTOMER

The Customer is principally engaged in the trading of non-ferrous metal, smelting waste residue refining and treatment, comprehensive recovery of valuable metals, carbon products and electrolytic aluminum pre-baked anode production and sales, etc.

The ultimate beneficial owners of the Customer are 徐茂華 (Xu Maohua*) and 盛輝 (Sheng Hui*), who hold 60% and 40% of the shares of 北京中州金源投資有限公司 (transliterated as Beijing Zhongzhou Jinyuan Investment Co., Ltd*) (“**Zhongzhou Company**”) respectively. Zhongzhou Company is the controlling shareholder of the Customer holding 90% of its shares, while 徐茂華 (Xu Maohua*) holds the remaining 10% of the shares of the Customer.

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

INFORMATION ON THE GUARANTORS

徐茂華 (Xu Maohua*) and Zhongzhou Company are the Guarantors. 徐茂華 (Xu Maohua*) is the legal representative of the Customer and holds 10% of the shares of the Customer. Zhongzhou Company is the controlling shareholder of the Customer and holds 90% of the shares of the Customer. 徐茂華 (Xu Maohua*) is the controlling shareholder of Zhongzhou Company and holds 60% of its shares.

BASIS FOR THE DETERMINATION OF THE CONSIDERATION OF THE FACTORING AGREEMENT

Pursuant to the Factoring Agreement, CNEC Commercial Factoring act as lender to provide loan facilities to the Customer as borrower, in an aggregate amount of RMB100 million for a term of one year during the financing period at the interest rate of 5.5% per annum, which is determined after arm’s length negotiation between CNEC Commercial Factoring and the Customer with reference to the average Loan Prime Rate for the past 12 months.

REASONS FOR ENTERING INTO THE FACTORING AGREEMENT

The provision of financing services is one of the Group’s current principal business activities. The terms of the Factoring Agreement, including the principal amount, interest rate and financing term, were agreed between the parties after arm’s length negotiations taking into account: (i) the credit rating of the Customer; (ii) credit period; and (iii) the Guarantees by the Guarantors, and are on normal commercial terms.

The Directors consider that (1) the Factoring Agreement was entered into in the ordinary and usual course of business of the Group on normal commercial terms and would generate revenue and cash flow from the factoring interest income; and (2) the terms of the Factoring Agreement are fair and reasonable and are in the interests of the Group and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the entering into of the Factoring Agreement are more than 5% but all of them are less than 25%, the provision of factoring loan under the Factoring Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the following respective meanings unless the context requires otherwise.

“Board”	the board of Directors
“CNEC Commercial Factoring”	深圳核建商業保理有限公司 (transliterated as Shenzhen China Nuclear Energy Construction Commercial Factoring Co. Ltd.*), an indirect wholly-owned subsidiary of the Company and was established in the PRC with limited liability
“Company”	China Nuclear Energy Technology Corporation Limited (中國核能科技集團有限公司), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Customer”	廣東華暉資源有限公司 (transliterated as Guangdong Huatsing Recycled Resources Co., Ltd.*), a company established in the PRC with limited liability
“Director(s)”	the director(s) of the Company
“Factoring Agreement”	the recourse revolving factoring agreement dated 28 December 2023, together with its underlying transaction documents, which include, account receivables transfer notice entered into between the Customer and CNEC Commercial Factoring
“Group”	the Company and its subsidiaries
“Guarantee(s)”	guarantee contract(s) entered into between CNEC Commercial Factoring and each of the Guarantors respectively to ensure performance of the Factoring Agreement by the Customer

“Guarantors”	collectively, (1)徐茂華 (Xu Maohua*), the legal representative of the Customer and the controlling shareholder of Zhongzhou Company, and (2) Zhongzhou Company, a company established in the PRC with limited liability and the controlling shareholder of the Customer
“HK\$”	Hong Kong dollars, 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
“percentage ratio(s)”	the percentage ratio(s) as defined in Chapter 14 of the Listing Rules
“PRC”	the People’s Republic of China, which shall, for the purpose of this announcement only, exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

Translation of Renminbi into Hong Kong dollars is based on the exchange rate of HK\$1 = RMB0.90901.

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

Hong Kong, 28 December 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 (Co-Chief Executive Officer), Ms. Huang Yan, 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 purposes only