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中国核建

CHINA NUCLEAR INDUSTRY 23 INTERNATIONAL CORPORATION LIMITED

中國核工業二三國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 611)

PROFIT ALERT

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the results of the Group for the year ended 31 March 2012 are expected to record a significant increase of profit as compared to the net loss of approximately HK\$889,084,000 for the year ended 31 March 2011.

The expected profit is due to the net changes in fair value of derivative financial liabilities, in compliance with the currently applicable accounting standards, relating to each of the Warrants, the 2011 CBs and the Acquisition Convertible Bonds. The Board wishes to state that such derivative financial liabilities and related gain on net changes in fair value of the aforesaid derivative financial liabilities are non-cash in nature and the Group will in no event be obliged to settle any of such liabilities by incurring any cash payout or otherwise by using any of its assets (except for the redemption of the Acquisition Convertible Bonds upon its maturity).

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules. Particulars of the Warrants, the 2011 CBs and the Acquisition Convertible Bonds are set out in the Company's announcement dated 16 September 2009, circular dated 26 February 2010 and circular dated 12 August 2011, respectively.

In compliance with the currently applicable accounting standards adopted by the Group, each of the Warrants, the 2011 CBs and the Acquisition Convertible Bonds is required to be recognised as derivative financial liabilities and the related gain on net changes in fair value is required to be reflected in the consolidated statement of comprehensive income of the Group. The independent professional valuer and the auditor retained by the Group have preliminarily assessed the financial liabilities in significant amounts in each of the Warrants and the Acquisition Convertible Bonds as at 31 March 2012 and the 2011 CBs as at 5 December 2011. Consequently, it is expected that the Group will record a significant increase of profit for the year ended 31 March 2012 as compared to the net loss of approximately HK\$889,084,000 for the year ended 31 March 2011, which would also materially affect the net asset value of the Group as at 31 March 2012. The gain on net changes in fair value of derivative financial liabilities should be due to the change in the share price of the Company as at 31 March 2012 as compared to the share price as at 31 March 2011.

However, the Board wishes to draw the attention of the Shareholders and potential investors to the fact that the net changes in the fair value of the aforesaid derivative financial liabilities and the related gain are non-cash in nature and will not have any impact on the cashflow of the Group. The Group will in no event be obliged to settle any of such liabilities by incurring any cash payout or otherwise by using any of its assets (except for the redemption of the Acquisition Convertible Bonds upon its maturity). The Group remains in a healthy and solid financial condition.

As the Company is still in the process of finalising its consolidated financial statements for the year ended 31 March 2012, the information contained in this announcement is only based on preliminary assessment of the unaudited management accounts of the Group by the management of the Company. Shareholders and potential investors are advised to read carefully the results announcement of the Company for the year ended 31 March 2012 which is expected to be released on or about 19 June 2012.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms used herein shall have the following meanings:

“2011 CBs”	the zero coupon rate unsecured redeemable convertible bonds due 2014 in the principal amount of HK\$200,000,000 issued by the Company on 17 March 2011 which have been fully exercised, particulars of such convertible bonds are set out in the circular of the Company dated 26 February 2010 and information on the exercise of such convertible bonds and the allotment and issue of Shares upon such conversion is set out in the announcement of the Company dated 2 December 2011 and the announcement issued jointly by the Company and China Nuclear Industry 23 Construction (Hong Kong) Company Limited dated 5 December 2011, respectively
“Acquisition Convertible Bonds”	zero coupon rate unsecured redeemable convertible bonds due 2014 in the principal amount of HK\$120 million with conversion price of HK\$1.20 per Share issued by the Company on 1 September 2011 to Shining Rejoice Limited which remain outstanding as at the date of this announcement, details of which are set out in the announcement of the Company dated 13 May 2011 and the circular of the Company dated 12 August 2011
“Board”	board of Directors
“Company”	China Nuclear Industry 23 International Corporation Limited 中國核工業二三國際有限公司, a company incorporated in Bermuda with limited liability whose Shares are listed and traded on the Main Board of the Stock Exchange
“Directors”	directors of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, and for the purposes of this announcement only, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrants”	unlisted warrants to subscribe for a total number of 72,000,000 Shares at the initial subscription price of HK\$0.90 per Share issued on 19 October 2009, particulars of which are set out in the announcement of the Company dated 16 September 2009. As at the date of this announcement, the aforesaid warrants to subscribe in aggregate HK\$58,500,000 for Shares at the prevailing subscription price of HK\$0.62 per Share, totaling 94,354,839 Shares, remain outstanding and unexercised
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board
China Nuclear Industry 23
International Corporation Limited
Dong Yuchuan
Chairman

Hong Kong, 7 June 2012

As at the date of this announcement, the Directors of the Company are: Mr. Dong Yuchuan, who is the chairman and a non-executive Director; Mr. Chan Shu Kit, who is the vice-chairman and an executive Director; Mr. Lei Jian, Mr. Han Naishan, Mr. Guo Shuwei, Mr. Chan Ho Man, Mr. Chung Chi Shing, Ms. Jian Qing and Mr. Song Limin, all of whom are executive Directors; and Mr. Chan Ka Ling, Edmond, Mr. Chang Nan, Dr. Dai Jinping and Mr. Yu Lei, all of whom are independent non-executive Directors.