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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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

SUMMARY

- Loss for the year amounted to HK$36,648,000, including the loss arising from the disposal of an indirect wholly-owned subsidiary of the Company of HK$75,157,000.
- If excluding the loss arising from the disposal of an indirect wholly-owned subsidiary of the Company of HK$75,157,000, the net fair value gains from derivative financial instruments of HK$40,833,000 and the imputed interest on the convertible bonds of HK$19,510,000, the Group would have recorded a profit of HK$17,186,000 from its core business for the year ended 31 December 2013.

The board of directors (the "Board") of China Nuclear Industry 23 International Corporation Limited (the "Company") is pleased to announce the consolidated results and financial position of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2013 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Notes	**12 months ended 31 December 2013**	9 months ended 31 December 2012
		HK$'000	*HK$'000*
Revenue	3	**556,877**	233,622
Other revenue and gains		**2,897**	3,668
Cost of inventories used		**(243,817)**	(67,795)
Construction costs		**(63,798)**	(9,549)
Staff costs		**(98,487)**	(67,994)
Rental expenses		**(44,497)**	(31,146)
Utility expenses		**(19,985)**	(15,420)
Depreciation		**(8,642)**	(5,259)
Other operating expenses		**(144,931)**	(39,035)
Fair value gains on derivative financial instruments, net		**40,833**	45,921
Finance costs	4	**(19,596)**	(15,793)
Share of results of associates, net		**15,515**	6,739
(Loss)/profit before taxation	5	**(27,631)**	37,959
Income tax expense	6	**(9,017)**	(1,238)
(Loss)/profit for the year/period		**(36,648)**	36,721
Other comprehensive (loss)/income for the year/period, net of tax			
Item that will not be reclassified to profit or loss			
Loss on property revaluation		**(154)**	(66)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations			
— Exchange differences arising during the year/period		**1,073**	—
— Reclassification adjustments relating to foreign operations disposed of during the year/period		**(2,586)**	—
Share of other comprehensive income/(loss) of associates		**1,806**	(87)
Total comprehensive (loss)/income for the year/period		**(36,509)**	36,568
(Loss)/profit for the year/period attributable to:			
Owners of the Company		**(45,536)**	37,598
Non-controlling interests		**8,888**	(877)
		(36,648)	36,721
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(45,922)**	37,445
Non-controlling interests		**9,413**	(877)
		(36,509)	36,568

	Notes	**12 months ended 31 December 2013** *HK$'000*	9 months ended 31 December 2012 *HK$'000*
(Loss)/earnings per share attributable to owners of the Company			
— Basic *(HK cent per share)*	7	**(4.16)**	3.78
— Diluted *(HK cent per share)*	7	**(4.16)**	0.22

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	Notes	2013 HK$'000	2012 HK$'000
Non-current assets			
Property, plant and equipment		**24,783**	22,765
Investment property		**38,000**	38,000
Prepaid land lease payments		**6,796**	6,897
Available-for-sale investment		**500**	500
Goodwill	9	**—**	105,440
Interest in associates	10	**76,958**	164,669
Deferred tax assets, net		**3,560**	2,349
		150,597	340,620
Current assets			
Inventories		**59,033**	8,353
Trade and bills receivables	11	**221,330**	1,596
Prepayments, deposits and other receivables	12	**144,288**	19,614
Amounts due from customers for contract work		**6,725**	11,933
Tax prepayment		**349**	—
Cash and cash equivalents		**198,456**	235,422
		630,181	276,918
Less: Current liabilities			
Trade payables	13	**192,242**	14,500
Other payables and accruals		**58,457**	20,805
Provision for long service payments		**1,928**	2,249
Tax payable		**9,650**	1,904
Convertible bonds	14	**56,172**	—
Derivative financial instruments	15	**4,537**	76,452
		322,986	115,910
Net current assets		**307,195**	161,008
Total assets less current liabilities		**457,792**	501,628

	Notes	**2013**	2012
	Notes	***HK$'000***	*HK$'000*
Less: Non-current liabilities			
Convertible bonds	14	**—**	64,480
Receipt in advance		**650**	900
Deferred tax liabilities, net		**—**	27
		650	65,407
Net assets		**457,142**	436,221
Capital and reserves			
Share capital		**110,166**	106,166
Reserves		**340,501**	329,903
Equity attributable to owners of the Company		**450,667**	436,069
Non-controlling interests		**6,475**	152
Total equity		**457,142**	436,221

NOTES:

1. CORPORATE INFORMATION

China Nuclear Industry 23 International Corporation Limited (the "Company") is incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The principal place of business of the Company is located at Room 2801, 28th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The Company announced on 13 July 2012 that the financial year end date of the Company was changed from 31 March to 31 December to align the financial year end date of the Company with that of its intermediate holding company. Accordingly, the consolidated financial statements of the Group for the current period cover the twelve months period from 1 January 2013 to 31 December 2013. The corresponding amounts shown for the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and related notes cover the nine months period from 1 April 2012 to 31 December 2012 and therefore may not be comparable with the amounts shown for the current period.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company and its subsidiaries (collectively referred to as the "Group") and all amounts are rounded to the nearest thousand (HK$'000) except otherwise indicated.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The accounting policies adopted in the consolidated financial statements for the year ended 31 December 2013 are consistent with those followed in the preparation of the Group's consolidated financial statements for the nine months ended 31 December 2012 except as described below.

In the current year, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (the "new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for the current accounting year of the Group. The new and revised HKFRSs adopted by the Group in the consolidated financial statements are set out below:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle
HKFRS 1 (Amendments)	Government Loans
HKFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint and Disclosure of Interests in Other Entities: Transition Guidance
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 19 (Revised in 2011)	Employee Benefits
HKAS 27 (Revised in 2011)	Separate Financial Statements
HKAS 28 (Revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine

HKAS 1 (Amendments) Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1 for the first time in the current year. The amendments introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, the "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income". The amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The presentation of other comprehensive income section has been modified for such disclosures accordingly.

New and Revised Standards on Consolidation, Joint Arrangements, Associates and Disclosures

The amendments to HKFRS 7 require entities to disclose information about: (i) recognised financial instruments that are set off in accordance with HKAS 32 "Financial Instruments: Presentation"; and (ii) recognised financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether the financial instruments are set off in accordance with HKAS 32. The application of the amendments has had no material impact on the disclosures or on the amounts recognised in these consolidated financial statements.

Under HKFRS 10, there is a single-approach for determining control for the purpose of consolidation of subsidiaries by an entity based on the concept of power, variability of returns and the ability to use power to affect the amount of returns. This replaces the previous approach which emphasised legal control under HKAS 27 (Revised) (for companies) or exposure to risks and rewards under HK(SIC)-Int 12 (for special purpose entities) "Consolidation — Special Purpose Entities". The adoption of HKFRS 10 does not have any financial impact on the Group as all subsidiaries within the Group satisfy the requirements for control under HKFRS 10 and there are no new subsidiaries identified under the new guidance.

HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures", and the guidance contained in a related interpretation, HK(SIC)-Int 13 "Jointly Controlled Entities — Non-Monetary Contributions by Venturers", has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangements. HKFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, a jointly controlled entity that meets the definition of a joint venture should be accounted for using the equity method under HKAS 28 (2011). The adoption of HKFRS 11 does not have any financial impact to the Group.

HKFRS 12 specifies the disclosure requirements for subsidiaries, joint arrangements and associates, and introduces new requirements for unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of HKFRS 13 is broad; the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value.

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

HKFRS 13 includes extensive disclosure requirements and specific transitional provisions which were given for disclosure of comparative information provided for periods before the initial application of the standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the fair value measurements of the Group's assets and liabilities in the consolidated financial statements.

The Annual Improvements to HKFRSs 2009-2011 Cycle include a number of amendments to various HKFRSs. Of these, the following are pertinent to the Group's operations:

The amendments to HKAS 32 clarify that income tax relating to distributions to holders of equity instrument should be recognised in profit or loss and income tax relating to transaction costs of an equity transaction should be recognised in equity. The adoption of the amendments to HKAS 32 does not have any financial impact on the Group as it currently does not have distributions subject to tax or costs of equity transactions that are tax-deductible.

Except for HKFRS 13, which requires prospective application from 1 January 2013, the Group has applied the above new and revised HKFRSs retrospectively.

Save as described above, the application of the new and revised HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior year adjustment has been required.

The Group has not early adopted the following new and revised HKFRSs, amendments and interpretation that have been issued but are not yet effective.

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010–2012 Cycle[2]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011–2013 Cycle[2]
HKFRS 9	Financial Instruments[4]
HKFRS 9, HKFRS 7 and HKAS 39 (Amendments)	Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39[4]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[1]
HKFRS 14	Regulatory Deferral Accounts[3]
HKAS 19 (Amendments)	Defined Benefits Plans: Employee Contributions[2]
HKAS 32 (Amendments)	Presentation — Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets[1]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC)-Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 Effective for annual periods beginning on or after 1 January 2016
4 No mandatory effective date yet determined but is available for adoption

HKFRS 9 Financial Instruments

HKFRS 9 (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 (as revised in November 2010) adds requirements for the financial liabilities and for derecognition. Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held-for-trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The date when entities would be required to apply HKFRS 9 was previously stated at 1 January 2015. This mandatory effective date has been removed to provide sufficient time for preparers of financial statements to make the transition to the new requirements, which will now become effective from a later date yet to be announced. The application of HKFRS 9 might affect the classification, measurement and presentation of the Group's financial assets and financial liabilities.

The Group is in the process of assessing the potential impact of these new and revised HKFRSs but is not yet in a position to determine whether these new and revised HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented. These new and revised HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- the restaurant segment comprises the Group's restaurant operations;
- the property segment comprises the Group's property investments;
- the hotel segment comprises the Group's hotel operations;
- the new energy segment comprises the Group's new energy operations; and
- the corporate segment comprises the Group's corporate income and expense items.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, dividend income, fair value gains from the derivative financial instruments, share of result of associates as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude available-for-sale investment, goodwill, interest in associates, deferred tax assets, tax prepayment, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude derivative financial instruments, convertible bonds, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Except for the Group's revenue from external customers of approximately HK$289,858,000 and HK$5,743,000 (nine months ended 31 December 2012: Nil and HK$14,917,000), which was derived from the Group's operations in the People's Republic of China ("PRC") and overseas respectively, all of the Group's revenue from external customers is derived from the Group's operations in Hong Kong. Except for the interest in associates amounted to approximately HK$76,958,000 as at 31 December 2013 (2012: HK$164,669,000) and property, plant and equipment amounted to approximately HK$5,843,000 as at 31 December 2013 (2012: HK$2,375,000), no non-current assets of the Group are located outside Hong Kong (2012: Nil).

Included in revenue arising from new energy operations of approximately HK$175,780,000 and HK$86,570,000 (nine months ended 31 December 2012: Nil and Nil) arose from the Group's first and second largest customers. No other single customers contributed 10% or more to the Group's revenue for both the year ended 31 December 2013 and nine months ended 31 December 2012.

	Restaurant *HK$'000*	Property *HK$'000*	Hotel *HK$'000*	New energy *HK$'000*	Corporate *HK$'000*	Total *HK$'000*
Year ended 31 December 2013						
Segment revenue:						
Sales to external customers	**234,637**	**—**	**26,640**	**295,600**	**—**	**556,877**
Intersegment sales	**—**	**17,057**	**—**	**—**	**10,067**	**27,124**
Other revenue and gain	**539**	**—**	**1,470**	**63**	**61**	**2,133**
Intersegment other revenue and gains	**—**	**—**	**—**	**—**	**—**	**—**
	235,176	**17,057**	**28,110**	**295,663**	**10,128**	**586,134**
Reconciliation:						
Elimination of intersegment sales						**(27,124)**
Elimination of intersegment other revenue and gains						**—**
Total						**559,010**
Segment results	**(6,427)**	**(783)**	**9,112**	**31,819**	**(23,711)**	**10,010**
Reconciliation:						
Interest income and unallocated gains						**764**
Finance costs						**(19,596)**
Fair value gains on derivative financial instruments, net						**40,833**
Loss on disposal of a subsidiary						**(75,157)**
Share of results of associates, net						**15,515**
Loss before taxation						**(27,631)**
Income tax expense						**(9,017)**
Loss for the year						**(36,648)**
At 31 December 2013						
Segment assets	**47,870**	**45,568**	**5,845**	**377,492**	**222,636**	**699,411**
Reconciliation:						
Unallocated assets						**81,367**
Total assets						**780,778**
Segment liabilities	**17,409**	**127**	**5,939**	**227,674**	**2,128**	**253,277**
Reconciliation:						
Unallocated liabilities						**70,359**
Total liabilities						**323,636**
Other segment information:						
Depreciation	**5,756**	**75**	**751**	**1,495**	**565**	**8,642**
Recognition of prepaid land lease payments	**—**	**101**	**—**	**—**	**—**	**101**
Additions to property, plant and equipment	**7,012**	**—**	**—**	**5,036**	**109**	**12,157**
Written off of property, plant and equipment	**1,051**	**—**	**—**	**2**	**—**	**1,053**

Included in the unallocated assets, there are interest in associates amounted to approximately HK$76,958,000 arising from the investment in associates. Details of the investment in associates were set out in note 10. Included in the unallocated liabilities, there are convertible bonds and derivative financial instruments amounted to approximately HK$56,172,000 and HK$4,537,000 respectively.

	Restaurant HK$'000	Property HK$'000	Hotel HK$'000	New energy HK$'000	Corporate HK$'000	Total HK$'000
Nine months ended 31 December 2012						
Segment revenue:						
Sales to external customers	198,778	250	19,677	14,917	—	233,622
Intersegment sales	—	16,206	—	—	8,928	25,134
Other revenue and gains	366	—	1,004	12	309	1,691
Intersegment other revenue and gains	—	—	—	—	1,013	1,013
	199,144	16,456	20,681	14,929	10,250	261,460
Reconciliation:						
Elimination of intersegment sales						(25,134)
Elimination of intersegment other revenue and gains						(1,013)
Total						235,313
Segment results	6,010	360	6,760	5,222	(19,237)	(885)
Reconciliation:						
Interest income and unallocated gains						1,977
Imputed interest on convertible bonds						(15,793)
Fair value gains on derivative financial instruments, net						45,921
Share of results of associates, net						6,739
Profit before taxation						37,959
Income tax expense						(1,238)
Profit for the period						36,721
At 31 December 2012						
Segment assets	62,507	54,969	6,436	82,382	138,286	344,580
Reconciliation:						
Unallocated assets						272,958
Total assets						617,538
Segment liabilities	20,775	327	5,938	7,183	4,231	38,454
Reconciliation:						
Unallocated liabilities						142,863
Total liabilities						181,317
Other segment information:						
Depreciation	3,637	59	957	40	566	5,259
Recognition of prepaid land lease payments	—	75	—	—	—	75
Additions to property, plant and equipment	4,063	—	58	2,415	37	6,573

Included in the unallocated assets, there are goodwill and interest in associates amounted to approximately HK$105,440,000 and HK$164,669,000 respectively arising from the acquisition of subsidiaries and investment in associates. Details of the investment in associates were set out in note 10. Included in the unallocated liabilities, there are convertible bonds and derivative financial instruments amounted to approximately HK$64,480,000 and HK$76,452,000 respectively.

4. FINANCE COSTS

	The Group	
	12 months ended 31 December 2013	9 months ended 31 December 2012
	HK$'000	*HK$'000*
Imputed interest on convertible bonds *(note 14)*	**19,510**	15,793
Interest on other borrowings	**86**	—
	19,596	15,793

5. (LOSS)/PROFIT BEFORE TAXATION

The Group's (loss)/profit before taxation is arrived at after charging/(crediting):

	The Group	
	12 months ended 31 December 2013	9 months ended 31 December 2012
	HK$'000	*HK$'000*
Minimum lease payments under operating leases:		
Land and buildings	**44,497**	31,146
Office equipment*	**170**	125
	44,667	31,271
Staff costs (including directors' and chief executive's remuneration):		
Wages, salaries and bonuses	**92,405**	64,441
Provision for long service payments, net	**933**	887
Pension scheme contributions	**5,149**	2,666
Total staff costs	**98,487**	67,994
Recognition of prepaid land lease payments*	**101**	75
Written off of items of property, plant and equipment*	**1,053**	—
Auditors' remuneration*	**960**	880
Loss on disposal of a subsidiary*	**75,157**	—
Gross rental income	**—**	(250)
Less: outgoings	**—**	52
Net rental income	**—**	(198)

* *Items included in other operating expenses*

6. TAXATION

Hong Kong Profits Tax has been provided at the rate of 16.5% (nine months ended 31 December 2012: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. PRC subsidiaries are subject to PRC Corporate Income Tax at 25% (2012: 25%).

	The Group	
	12 months ended 31 December 2013 *HK$'000*	9 months ended 31 December 2012 *HK$'000*
Current tax for the year/period		
Hong Kong	**1,399**	1,241
Other than Hong Kong	**8,953**	—
Over provision in respect of previous years		
Hong Kong	**(97)**	—
Deferred tax	**(1,238)**	(3)
Tax charge for the year/period	**9,017**	1,238

7. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic (loss)/earnings per share amount is based on the (loss)/profit for the year/period attributable to owners of the Company, and the weighted average number of ordinary shares in issue during the year/period.

	12 months ended 31 December 2013 *HK$'000*	9 months ended 31 December 2012 *HK$'000*
(Loss)/earnings		
(Loss)/profit attributable to owners of the Company, used in the basic (loss)/earnings per share calculation	**(45,536)**	37,598
Fair value gains on derivative financial instruments	**—**	(35,303)
(Loss)/profit attributable to owners of the Company, used in the diluted (loss)/earnings per share calculation	**(45,536)**	2,295
	Number of shares	
Number of shares		
Weighted average number of ordinary shares in issue during the year/period used in the basic (loss)/earnings per share calculation	**1,093,665,620**	994,540,122
Effect of dilution on weighted average number of ordinary shares:		
Warrants	**—**	45,382,264
Weighted average number of ordinary shares in issue during the year/period used in the diluted (loss)/earnings per share calculation	**1,093,665,620**	1,039,922,386

The Company's outstanding zero coupon convertible bonds with principal amount of HK$72,000,000 (2012: HK$120,000,000) issued on 1 September 2011 were not included in the calculation of diluted (loss)/earnings per share for the year ended 31 December 2013 and the nine months ended 31 December 2012 because the effects of the aforesaid outstanding convertible bonds were anti-dilutive.

8. DIVIDEND

No dividend has been declared or proposed by the directors of the Company in respect of the year ended 31 December 2013 (nine months ended 31 December 2012: Nil).

9. GOODWILL

Movement of goodwill during the year/period is as follows:

The Group

	HK$'000
Cost:	
At 1 April 2012, 31 December 2012 and 1 January 2013	105,440
Disposal of a subsidiary	(105,440)
At 31 December 2013	—
Impairment:	
At 1 April 2012, 31 December 2012, 1 January 2013 and 31 December 2013	—
Carrying amount:	
At 31 December 2013	**—**
At 31 December 2012	105,440

Upon completion of the disposal of East King International Enterprises Limited ("East King") on 24 December 2013, the assets and liabilities of East King, together with the goodwill, were ceased to be consolidated to the Group's consolidated financial statements.

10. INTEREST IN ASSOCIATES

	The Group 2013 HK$'000	2012 HK$'000
Cost of investment in associates	**61,966**	156,445
Share of post-acquisition profit and other comprehensive income, net of dividends received	**14,992**	8,224
	76,958	164,669

11. TRADE AND BILLS RECEIVABLES

The Group normally allows a credit period of 30–180 days with its customers for new energy operations depending on the customers' creditworthiness and the length of business relationship with the customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management of the Company.

The Group's trading terms with its customers in restaurant and hotel operations are mainly by cash and credit card settlement, except for certain well-established customers where the terms vary with these customers. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

	The Group 2013 HK$'000	2012 HK$'000
Trade receivables	**138,256**	1,596
Bills receivables	**83,074**	—
	221,330	1,596

An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date, is as follows:

	The Group 2013 HK$'000	2012 HK$'000
0–90 days	**221,307**	1,596
90–180 days	**23**	—
	221,330	1,596

The aged analysis of the trade and bills receivables that are not considered to be impaired:

	The Group	
	2013	2012
	HK$'000	*HK$'000*
Neither past due nor impaired	**221,330**	1,596

Trade receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default. The Group does not hold any collateral or other credit enhancements over these balances.

Bills receivables are due within six months from date of billing.

Included in trade and bills receivables was an amount of approximately HK$135,899,000 (2012: Nil) which represents amounts due from related parties of the Company arising from new energy operations.

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Included in other receivables of HK$117,000,000 (2012: Nil) is the remaining consideration receivable from the purchaser of East King upon disposal of East King. The amount shall be payable by the purchaser by installments or in lump sum on or before 30 June 2014.

13. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	The Group	
	2013	2012
	HK$'000	*HK$'000*
0–90 days	**180,166**	14,500
90–180 days	**12,076**	—
	192,242	14,500

The trade payables are non-interest bearing and are normally settled on 30-day term.

Includes in the trade payables was an amount of approximately HK$4,585,000 (2012: HK$7,183,000) which represents an amount due to a related party of the Company arising from new energy operations.

14. CONVERTIBLE BONDS

The convertible bonds issued have been split as to the embedded derivative and the liability components. The following tables summarise the movements in the liability and derivative components of the Group's and the Company's convertible bonds during the year/period:

	Convertible Bonds
	HK$'000
	(note)
Liability component	
At 1 April 2012	48,687
Imputed interest expenses *(note 4)*	15,793
At 31 December 2012 and 1 January 2013	64,480
Imputed interest expenses *(note 4)*	19,510
Conversion of convertible bonds	(27,818)
At 31 December 2013	56,172
Derivative component	
At 1 April 2012	87,070
Fair value gains on derivative financial instruments	(10,618)
At 31 December 2012 and 1 January 2013	76,452
Fair value gains on derivative financial instruments	(40,833)
Conversion of convertible bonds	(31,082)
At 31 December 2013	4,537

Note:

On 1 September 2011, the Company issued zero coupon convertible bonds in the principal amount of HK$120,000,000 (the "Convertible Bonds") to an independent third party as part of consideration for acquisition of subsidiaries. The Convertible Bonds are convertible at the option of the bondholder into the Company's ordinary shares of HK$0.10 each at a conversion price of HK$1.20 per share from the end of the first anniversary period from the issue date and up to (but excluding) the period of five business days ending on the maturity date. Any Convertible Bonds not converted, cancelled, purchased or otherwise acquired will be redeemed by the Company on 1 September 2014. During the year ended 31 December 2013, the Convertible Bonds at the principal amount of HK$48,000,000 was converted into ordinary shares of the Company.

The conversion option of the Convertible Bonds exhibits characteristics of an embedded derivative and is separated from the liability components. On initial recognition, the embedded derivative component of the convertible bonds is measured at fair value and presented as derivative financial instruments. Any excess of proceeds over the amount initially recognised as the embedded derivative component is recognised as the liability component. At the end of each reporting period, the embedded derivative component is remeasured and the change in fair value of that component is recognised in the consolidated statement of profit or loss.

15. DERIVATIVE FINANCIAL INSTRUMENTS

	The Group and the Company	
	2013	2012
	HK$'000	*HK$'000*
Embedded derivatives of convertible bonds *(note 14)*	**4,537**	76,452

16. CONTINGENT LIABILITIES

The Group and the Company had no contingent liabilities as at 31 December 2013 (2012: Nil).

17. EVENT AFTER THE REPORTING PERIOD

(a) Early redemption of the Convertible Bonds

On 20 January 2014, the Company has served a redemption notice to the registered holder of the Convertible Bonds for the principal amount of HK$24,000,000, at the option of the Company under the terms of the Convertible Bonds, to redeem the Convertible Bonds in the principal amount of HK$24,000,000 on 20 February 2014, which will be settled by cash (the "Redemption"). After completion of the Redemption, the total outstanding principal amount due by the Company to the holder(s) of the Convertible Bonds is HK$48,000,000. Details of the redemption were set out in the Company's announcement dated 20 January 2014.

(b) Continuing connected transactions in respect of engineering, procurement and construction services

As set out in the Company's circular dated 15 November 2013, 南京中核二三能源工程有限公司 (transliterated as Nanjing CNI23 Energy Engineering Company Limited) ("CNI23 Energy"), an indirect non-wholly owned subsidiary of the Company, entered into an agreement with 大同縣協鑫光伏電力有限公司 (transliterated as Datong Xian GCL Solar Power Co., Ltd.) (GCL Datong), pursuant to which GCL Datong agreed to engage CNI23 Energy as its contractor for the provision of engineering, procurement and construction services in respect of 大同協鑫二期 60MW 光伏發電項目 (transliterated as Datong Xiexin 60MW PV Project Phase II) (the "Datong Solar Project"). Due to the unfavourable weather condition, the construction progress of the Datong Solar Project has been delayed and certain works undertaken by CNI23 Energy could not be completed by the financial year ended 31 December 2013. CNI23 Energy is required to continue and complete the remaining procurement and construction works.

The ultimate controlling shareholder of GCL Datong is Golden Concord Group Limited which is an indirect substantial shareholder of a subsidiary of the Company.

The estimated amount of the remaining continuing connected transactions is approximately RMB6,960,000 (equivalent to approximately HK$8,801,000 to be carried out in the financial year ending 31 December 2014). At the end of the reporting period, all engineering work has been completed. Details of the remaining continuing connected transactions were set out in the Company's announcement dated 28 February 2014.

(c) Continuing connected transactions in respect of sub-contracting construction works

On 28 February 2014, CNI23 Overseas Development Limited ("CNI23 Overseas"), an indirect wholly-owned subsidiary of the Company, entered into a new framework agreement with 中國核工業二三建設有限公司 (transliterated as China Nuclear Industry 23 Construction Company Limited) ("CNI23") (the "New Framework Agreement"), pursuant to which CNI23 Overseas has agreed to engage CNI23 as a construction sub-contractor exclusively to CNI23 Overseas' construction works in the Missan Oil Fields of Buzurgan area in Iraq.

On 28 February 2014 and immediately after signing of the New Framework Agreement, CNI23 Overseas entered into a sub-contracting agreement with CNI23, which sets out the detailed terms of the construction works to be carried out by CNI23 for the project pursuant to the New Framework Agreement.

The annual cap in respect of the continuing connected transactions for the financial year ending 31 December 2014 is approximately US$326,700 (equivalent to approximately HK$2,539,000). Details of the continuing connected transactions were set out in the Company's announcement dated 28 February 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Dividend

The board of directors resolved not to declare final dividend (for the nine months ended 31 December 2012: nil) for the year ended 31 December 2013.

BUSINESS REVIEW

In 2013, the solar energy businesses of the Nanjing subsidiaries were set-up in the early 2013. They contributed more than half of the total turnover and profit of the Group. However, the business is still facing severe market competitions and vulnerable.

The investment in nuclear power maintenance continued to bring in stable positive contribution to the Group.

The turnover of catering and hotel businesses were increased and generated the profit to the Group. But the increase in operation costs and relocation costs induced by the removal of some shops/ restaurants due to expiration of tenancy caused a negative impact to the final profit of this segment in 2013.

The disposal of East King International Enterprises Limited ("East King"), an indirect wholly-owned subsidiary, had recorded a significant disposal loss. This turned the Group's final operating results from making profit into a loss.

Financial Review

The Group's consolidated revenue for the year ended 31 December 2013 amounted to HK$556,877,000, representing an increase of HK$323,255,000 compared to the consolidated revenue of HK$233,622,000 recorded for the nine months ended 31 December 2012. Consolidated loss attributable to owners of the Company for the current year was HK$45,536,000 (consolidated profit for the nine months ended 31 December 2012: HK$37,598,000). Basic loss per share amounted to HK cent 4.16 (for the nine months ended 31 December 2012: basic earnings per share HK cent 3.78 per share).

The significant net loss for the current year was mainly due to the loss arising from the disposal of East King (the "Disposal") as disclosed in the announcement of the Company dated 23 December 2013, amounted to HK$75,157,000. The Board considers that the Group's overall operation remains stable and the financial condition remains healthy and the Group is continuing to pursue in various investment opportunities. Loss for the year amounted to HK$36,648,000, excluding the loss from the Disposal of HK$75,157,000, the net fair value gains from derivative financial instruments of HK$40,833,000 and the imputed interest on the convertible bonds of HK$19,510,000 the Group would have recorded a profit of HK$17,186,000 from its core business for the year ended 31 December 2013.

In the year of 2013, food prices remained rally as domestic market was directly affected by foreign imported inflation. However, gross profit margin of the restaurant business of the Group maintained at 66% for the current year, because our management regularly kept an eye on price changes, thus constantly monitored gross profit of food, and adopted sustainable and effective purchasing measures, so as to improve food quality and gross profit margin.

Liquidity and Financial Resources

As of 31 December 2013, the Group had no mortgage loans (31 December 2012: Nil). Net assets amounted to HK$457,142,000 (31 December 2012: HK$436,221,000). The ratio of debt — convertible bonds to total equity was 0.12 (31 December 2012: 0.15). The decrease in the gearing ratio as at 31 December 2013 was mainly because of the increase in reserves and non-controlling interests in total equity during the year.

The Group has adopted the prudent and healthy fiscal policies and imposed strict control over its cash and risk management. The Group's cash and borrowings are mainly denominated in Hong Kong dollars, and hence it is not exposed to significant exchange risk. The Group has not used any financial instrument for hedging purpose.

Disposal of Subsidiary

On 23 December 2013, Well Link Capital Limited ("Well Link"), a wholly-owned subsidiary of the Company, and East Resources Investment Limited ("East Resources") entered into the conditional sale and purchase agreement in relation to the Disposal, pursuant to which Well Link has conditionally agreed to dispose of and East Resources has conditionally agreed to acquire the entire interest of East King, which holds 25% equity interest in Jiangsu China Nuclear Industry Libert INC. Details of the Disposal were set out in the announcement of the Company dated 23 December 2013.

New Businesses

On 6 January 2013, CNI23 New Energy Limited ("CNI23 New Energy"), a direct wholly-owned subsidiary of the Company, entered into the subscription agreement with Fame Raise Limited ("Fame Raise") and Triple Delight Limited ("Triple Delight") to form a Joint Venture Company ("JV Company").

Upon completion, each of CNI23 New Energy, Fame Raise and Triple Delight has subscribed for 509 shares, 299 shares and 191 shares respectively, representing approximately 51%, 29.9% and 19.1% of the entire issued share capital of the JV Company.

According to the subscription agreement, two subsidiaries have been set up in Nanjing under the JV Company for conducting engineering, procurement and construction business in solar energy industry in the PRC. Details of the formation of a JV Company were set out in the announcement of the Company dated 6 January 2013.

Contingent Liabilities

As at 31 December 2013, the Group had no significant contingent liabilities.

Number of Employees and Remuneration Policy

As at 31 December 2013, the Group had 523 employees, the remuneration packages of whom are reviewed annually with reference to the prevailing market condition.

OUTLOOK

Although the inflation rate is not as high as before, the operation costs are still at high level causing substantial impact on the profit. The management will consolidate its internal resources to make appropriate measures and arrangement in response to any market changes. The management is also actively exploring other opportunities which can enhance the income stream and secure the best interest of the Group and the shareholders of the Company in the long run.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2013.

CORPORATE GOVERNANCE

The Board of the Company has committed to achieving high corporate governance standards to safeguard the interests of shareholders and to enhance corporate value and accountability.

The Company has applied most of the principles set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

The Board is of the view that throughout the year of 2013, the Company has complied with most of the code provisions as set out in the CG Code, save and except for code provision E.1.2, details will be set out below.

Code Provision E.1.2 stipulates that the chairman of the issuer's board should attend the issuer's annual general meeting. The ex-Chairman of the Board was unable to attend the annual general meeting held on 31 May 2013 due to a business engagement and delegated the vice-chairman of the Board to chair the meeting to ensure effective communication with the shareholders of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding directors' dealings in the Company's securities (the "Code of Conduct") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Code of Conduct and the Model Code throughout the year ended 31 December 2013.

The Company has also established written guidelines no less exacting than the Model Code (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") which was established in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee has reviewed the audited financial statements of the Group for the year ended 31 December 2013.

ANNUAL GENERAL MEETING

The annual general meeting ("AGM") of the Company will be held at Jade Terrace Restaurant, 2nd Floor, Peninsula Centre, 67 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 30 May 2014. Notice of the annual general meeting will be published and issued to shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM of the Company to be held on Friday, 30 May 2014, the register of members of the Company will be closed from Wednesday, 28 May 2014 to Friday, 30 May 2014, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company should ensure that all transfers documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 27 May 2014.

By Order of the Board
China Nuclear Industry 23 International Corporation Limited
AI Yilun
Chairman

Hong Kong, 26 March 2014

As at the date of this announcement, the Directors are: Mr. Ai Yilun, who is the chairman and an executive Director; Mr. Chan Shu Kit, who is the vice-chairman and an executive Director; Mr. Han Naishan, Mr. Gao Yongping, Mr. Fu Zhigang, Ms. Jian Qing, Mr. Chung Chi Shing and Mr. Song Limin, all of whom are executive Directors; and Mr. Chan Ka Ling, Edmond, Mr. Chang Nan, Mr. Li Baolin and Mr. Wang Jimin, all of whom are independent non-executive Directors.