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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)**

**DISCLOSEABLE TRANSACTION**  
**THE PROPOSED INCREASE IN REGISTERED CAPITAL OF**  
**中核(南京)能源發展有限公司**  
**(CNI (Nanjing) Energy Development Company Limited\*)**

The Board wishes to announce that after trading hours on 3 July 2015, Guoxin Energy, an indirect non wholly-owned subsidiary of the Company, entered into the Agreement with Greater China, an indirect wholly-owned subsidiary of the Company, and CNI (Nanjing) to increase the registered capital of the CNI (Nanjing), pursuant to which, among others,

- (a) the registered capital of CNI (Nanjing) will be increased from RMB50,000,000 (equivalent to approximately HK\$63,363,000) to RMB250,000,000 (equivalent to approximately HK\$316,816,000); and
- (b) the aggregate amount of capital injection into CNI (Nanjing) will be RMB200 million, which will be applied towards increasing the existing registered capital, whereby the Company will indirectly inject RMB200 million in cash through Greater China, of which RMB125 million (equivalent to HK\$158 million) will be paid before the issue of the new business licence reflecting the Capital Injection and the remaining amount of RMB75 million (equivalent to HK\$95 million) will be paid before 31 December 2015. Guoxin Energy will not contribute to the Capital Injection as its shareholders, namely Fame Raise and Triple Delight, have confirmed that they would not make any contribution to CNI (Nanjing) through their respective interest in Guoxin Energy.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Capital Injection are more than 5% but less than 25%, the Capital Injection constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Board also wishes to announce that after trading hours on 3 July 2015 and after the execution of the Agreement, CNI (Nanjing), Guoxin Energy and Greater China entered into the New Articles to reflect the respective contribution of the registered capital of CNI (Nanjing) by Greater China (upon completion of the Capital Injection) and Guoxin Energy and to set out the rights and obligations of the shareholders of CNI (Nanjing) in respect of their interests in CNI (Nanjing).

## THE AGREEMENT

The Board wishes to announce that after trading hours on 3 July 2015, Guoxin Energy, an indirect non wholly-owned subsidiary of the Company, entered into the Agreement with Greater China, an indirect wholly-owned subsidiary of the Company, and CNI (Nanjing) to increase the registered capital of the CNI (Nanjing).

Principal Terms of the Agreement:

Date: 3 July 2015 (after trading hours)

Parties: (1) Guoxin Energy  
(2) Greater China  
(3) CNI (Nanjing)

The registered capital of CNI (Nanjing) will be increased from RMB50,000,000 (equivalent to approximately HK\$63,363,000) to RMB250,000,000 (equivalent to approximately HK\$316,816,000).

The aggregate amount of capital injection into CNI (Nanjing) will be RMB200 million, (equivalent to approximately HK\$253,453,000) which will be applied towards increasing the existing registered capital, whereby the Company will indirectly inject RMB200 million in cash through Greater China, of which RMB125 million (equivalent to HK\$158 million) will be paid before the issue of the new business licence reflecting the Capital Injection and the remaining amount of RMB75 million (equivalent to HK\$95 million) will be paid before 31 December 2015. Guoxin Energy will not contribute to the Capital Injection as its shareholders, namely Fame Raise and Triple Delight, have confirmed that they would not make any contribution to CNI (Nanjing) through their respective interests in Guoxin Energy.

The consideration for the Capital Injection was arrived at after arm's length negotiations and was determined with reference to the capital requirement of CNI (Nanjing) for the bidding of the provision of procurement, engineering and construction services for power plant(s) and the future working capital of CNI (Nanjing). It is expected that the Capital Injection will be funded by internal resources of the Company.

Upon completion of the Capital Injection, CNI (Nanjing) will be owned as to 80% by Greater China with registered capital contribution of RMB200 million and 20% by Guoxin Energy with registered capital contribution of RMB50 million. CNI (Nanjing) will be changed from a wholly foreign-owned enterprise to a jointly foreign-owned enterprise.

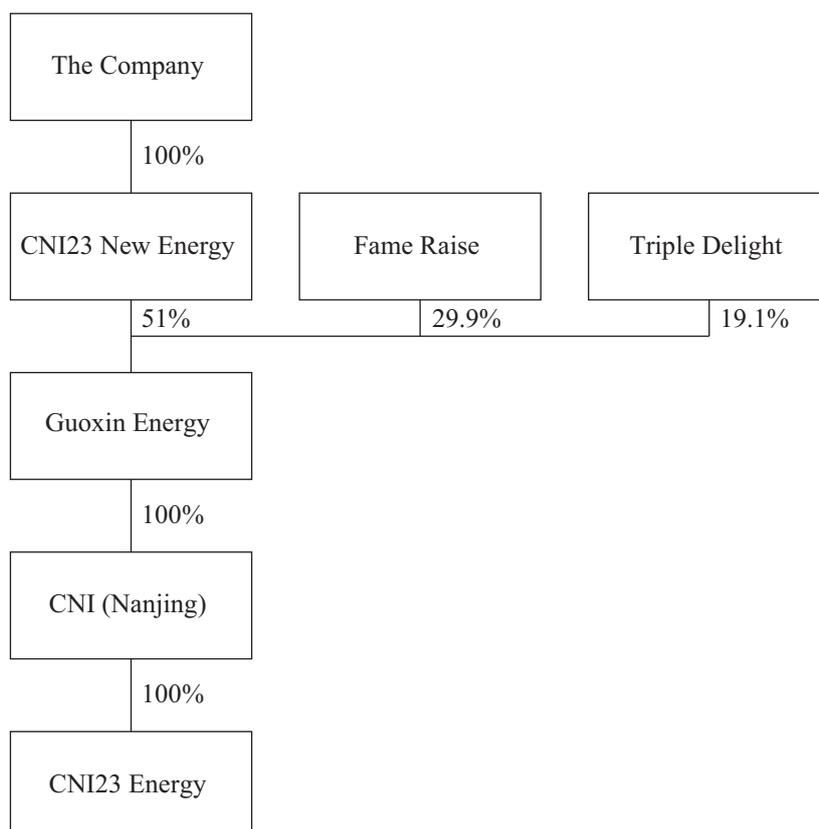
## Conditions for the Capital Injection

The Capital Injection is subject to, among other things, CNI (Nanjing) having obtained the approval from Investment Promotion Bureau of Xuanwu District of Nanjing City, PRC (the “**Authority**”). After obtaining such approval, CNI (Nanjing) shall be required to register with Nanjing Administration for Industry and Commerce, PRC in respect of the change in registered capital, change in shareholders and change in the enterprise type of CNI (Nanjing). The date of effectiveness of the Capital Injection shall be the date on which the Authority approves the Capital Injection.

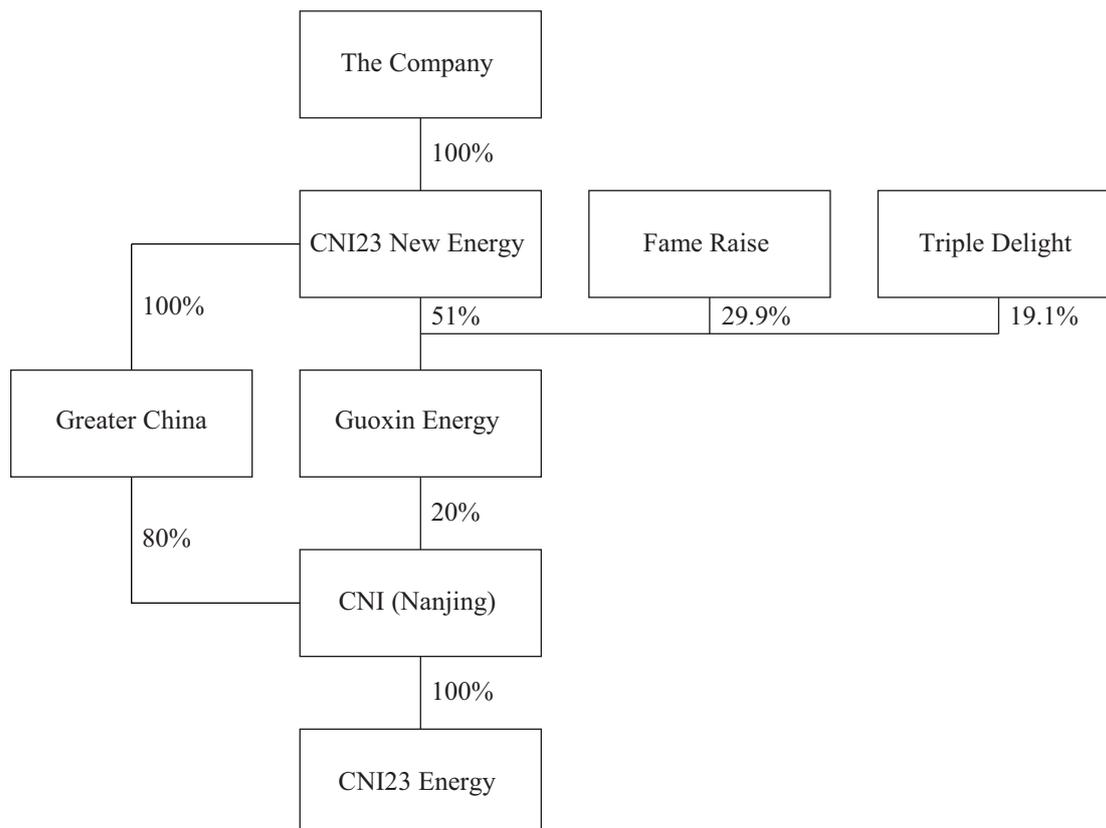
## SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the registered capital of CNI (Nanjing) is RMB50,000,000, which is wholly-owned by Guoxin Energy. Guoxin Energy is owned as to 51% by CNI23 New Energy, 29.9% by Fame Raise and 19.1% by Triple Delight;

Set out below is the shareholding structure of the Company and its subsidiary as at the date of this announcement:



Set out below is the shareholding structure of the Company and its subsidiary upon completion of the Capital Injection:



## THE NEW ARTICLES OF CNI (NANJING)

The Board also wishes to announce that after trading hours on 3 July 2015 and after the execution of the Agreement, CNI (Nanjing), Guoxin Energy and Greater China entered into the New Articles to reflect the respective contribution of the registered capital of CNI (Nanjing) by Greater China (upon completion of the Capital Injection) and Guoxin Energy and to set out the rights and obligations of the shareholders of CNI (Nanjing) in respect of their interests in CNI (Nanjing).

Principal Terms of the New Articles:

Date: 3 July 2015 (after trading hours and after the execution of the Agreement)

Parties: (1) CNI (Nanjing);  
(2) Greater China; and  
(3) Guoxin Energy.

### (1) Business scope

CNI (Nanjing) will obtain a new business licence after having obtained the approval from the Authority and having registered with Nanjing Administration for Industry and Commerce, PRC. The scope of business will remain the same as the current business licence which is set out in the section headed “Reasons for and Benefits of the Capital Injection” in this announcement. The term of business would be 30 years from the date on which the current business licence was issued.

## **(2) Registered Capital and Investment Amount**

The registered capital of CNI (Nanjing) will be RMB250,000,000 (equivalent to approximately HK\$316,816,000), which will be paid-up in full pursuant to the terms of the Agreement and will be owned as to 20% by Guoxin Energy and 80% by Greater China.

The investment amount will be RMB750,000,000 (equivalent to approximately HK\$950,450,000). As at the date of the execution of the New Articles, neither Guoxin Energy nor Greater China has contributed any amount to the investment amount. The provision of the investment amount is not mandatory and will be subject to the future financial requirement of CNI (Nanjing). The investment amount will have no effect on the equity interests of CNI (Nanjing) and does not form part of the registered capital.

## **(3) Shareholders rights and obligations**

The rights and obligations of the shareholders include:

- (a) The shareholders shall contribute to their respective portion of the registered capital in accordance with the terms of the New Articles.
- (b) The shareholders have the right to nominate directors and supervisor in accordance with their respective equity interests in CNI (Nanjing).
- (c) The shareholders shall have the right to determine on the increase or decrease of registered capital, the issue of debt securities, distribution of profits and the assets of CNI (Nanjing) in the event of liquidation.
- (d) The shareholders shall determine the budget, business direction and investment to be made by CNI (Nanjing), acquisition, transfer, sale, lease or other means to dispose of the assets or business (whether wholly or partially) of CNI (Nanjing).

The shareholders shall have the right to vote at shareholders' meeting in accordance with their respective equity interests in CNI (Nanjing). Any resolution required to be passed at shareholders' meeting must be approved by such shareholder(s) holding more than half of the voting rights of CNI (Nanjing) except for resolutions approving the increase or decrease in registered capital; the issue of debt securities; mergers, dissolution, liquidation or change in the structure of CNI (Nanjing); the amendments made to the New Articles; acquisition, transfer, sale, lease or other means to dispose of the assets or business (whether wholly or partially) which shall require the approval of shareholders holding more than two-third of the rights to vote at shareholders' meeting.

## **(4) Composition of the board of directors and supervisor**

The board of directors shall comprise of four (4) directors, of which Greater China shall nominate three (3) directors and Guoxin Energy shall nominate one (1) director. The chairman of the board shall be a director nominated by Greater China who will also be the legal representative. The shareholder can remove the director nominated by it. The term of each director shall be three (3) years. After expiration of the term, the retiring director can be re-elected by the shareholder nominated him or her.

Each director has one vote to vote at board meetings. Any resolution required to be passed at a board meeting must be approved by more than half of the directors attended the meeting of CNI (Nanjing).

CNI (Nanjing) shall have one supervisor who shall be appointed by Greater China. Greater China shall also have the right to remove the supervisor appointed by it. The term of the supervisor shall be three (3) years. After expiration of the term, the retiring supervisor can be re-elected by Greater China.

**(5) Distribution of Profit**

The distribution of profit or contribution to loss shall be determined by the shareholders.

**(6) Termination**

The New Articles will be terminated upon (a) expiration of the term of the business licence; (b) the cancellation of the business licence under the applicable laws or the liquidation of the company under the applicable laws; and (c) bankruptcy of CNI (Nanjing).

**KEY FINANCIAL INFORMATION OF CNI (NANJING)**

Set out below is the key financial information of CNI (Nanjing) based on its audited consolidated financial statements for the two financial year ended 31 December 2014:

	<b>For the financial year ended 31 December 2014 (audited)</b>		<b>For the financial year ended 31 December 2013 (audited)</b>	
	<i>(RMB)</i> <sup>#</sup>	<i>(HK\$)</i> <sup>#</sup>	<i>(RMB)</i> <sup>#</sup>	<i>(HK\$)</i> <sup>#</sup>
Total assets	153,508,000	193,263,000	250,102,000	316,853,000
Net asset value	92,216,000	115,992,000	91,462,000	115,652,000
Net profits/(loss) (before taxation and extraordinary items)	(25,391,000)	(32,026,000)	28,616,000	35,813,000
Net profits/(loss) (after taxation and extraordinary items)	(19,246,000)	(24,274,000)	21,462,000	26,859,000

<sup>#</sup> These figures denominated in RMB were translated into HK\$ at the respective rates for the financial year ended 31 December 2014 and 2013.

**INFORMATION ON GREATER CHINA**

Greater China is a limited liability company incorporated on 30 April 2015 under the Companies Ordinance. Greater China is an investment holding company. CNI23 New Energy, a wholly-owned subsidiary of the Company, is the sole shareholder of Greater China. Mr. Fu Zhigang, an executive Director and chief executive officer of the Company, is the sole director of Greater China. Prior to the execution of the Agreement and the New Articles, Greater China did not engage in any investment activity or business. The Company, through CNI23 New Energy, incorporated Greater China for the purpose of the Capital Injection.

## **REASONS FOR AND BENEFITS OF THE CAPITAL INJECTION**

The Group is principally engaged in new energy operations (such as provision of engineering, procurement and construction services for solar energy plant developers) in the PRC, restaurants and hotels operation and property investments in Hong Kong. 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.

CNI (Nanjing), an indirect non wholly-owned subsidiary of the Company established on 1 February 2013, is principally engaged in technical advisory and provision of technical services; wholesale of electrical equipment; wholesale of solar power components; procurement, completion of full set and installation of machinery and equipment and commissioning services.

CNI23 Energy is a wholly-owned subsidiary of CNI (Nanjing) established on 14 March 2013 which is principally engaged in the provision of sub-contracting services in relation to new energy projects such as procurement and sale of equipment and materials, installation and testing of equipment, design, construction and technical consultancy. Through CNI (Nanjing) and CNI23 Energy, the Group has been participating in various construction projects for solar energy plants with different scales in term of MWp. Besides, CNI23 Energy also possesses the Certificate of Class-B Qualification for Engineering Design in relation to Electricity Industry (Generation of New Energy) (電力行業(新能源發電)專業乙級工程設計資質證書) which allows CNI23 Energy to participate in the provision of main contracting, project management and related technical and management services in the fields specified therein.

Since Guoxin Energy would not contribute to the Capital Injection as its shareholders, namely Fame Raise and Triple Delight, have confirmed that they would not make any contribution to CNI (Nanjing) through their respective shareholding interests in Guoxin Energy, and the Company, through CNI23 New Energy, would like to make further contribution to CNI (Nanjing), CNI23 New Energy has therefore incorporated Greater China for the purpose of directly investing in CNI (Nanjing) by way of the Capital Injection. The Capital Injection is to be used for the bidding of the provision of procurement, engineering and construction services for power plant(s) and the future working capital of CNI (Nanjing) and it is expected to further strengthen the capital base of CNI (Nanjing) to cater for future development and business growth. The Company considers that there will be potential future development in the business of CNI (Nanjing) and CNI23 Energy and the Board (including the independent non-executive Directors) has approved the Capital Injection, the Agreement and the transactions contemplated thereunder and the New Articles.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Capital Injection are more than 5% but less than 25%, the Capital Injection constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Directors are of the view that the Capital Injection is on normal commercial terms, the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## DEFINITIONS

In the announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Agreement”	the agreement relating to the Capital Injection executed by CNI (Nanjing), Guoxin Energy and Greater China dated 3 July 2015;
“Board”	the board of Directors;
“Capital Injection”	the proposed increase in registered capital of CNI (Nanjing) by way of capital contribution of RMB200,000,000 in cash to be made by Greater China to CNI (Nanjing) pursuant to the terms of the Agreement;
“CNI23 Energy”	南京中核二三能源工程有限公司 (transliterated as Nanjing CNI23 Energy Engineering Company Limited*), an indirect non wholly-owned subsidiary of the Company established in the PRC;
“CNI (Nanjing)”	中核(南京)能源發展有限公司 (CNI (Nanjing) Energy Development Company Limited*), an indirect non wholly-owned subsidiary of the Company which was established in the PRC;
“CNI23 New Energy”	CNI23 New Energy Limited (中核二三新能源有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company;
“Company”	China Nuclear Industry 23 International Corporation Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“Companies Ordinance”	the companies ordinance (Chapter 622 of the Laws of Hong Kong);
“Director(s)”	director(s) of the Company;
“Fame Raise”	Fame Raise Limited, a limited liability company incorporated in the British Virgin Islands;
“Greater China”	Greater China Development Limited (華大發展有限公司), a limited liability company incorporated in Hong Kong, a wholly-owned subsidiary of CNI23 New Energy;
“Group”	the Company and its subsidiaries;
“Guoxin Energy”	Guoxin Energy Limited, a limited liability company incorporated in Hong Kong, and is owned as to 51% by CNI23 New Energy, 29.9% by Fame Raise and 19.1% by Triple Delight;
“HK\$”	Hong Kong dollar(s), 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;

“New Articles”	the new articles of association of CNI (Nanjing) adopted on 3 July 2015;
“PRC”	The People’s Republic of China and for the sole purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed thereto under the Companies Ordinance;
“Triple Delight”	Triple Delight Limited, a limited liability company incorporated in the British Virgin Islands;
“%”	per cent.

\* *for identification purposes only*

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

Hong Kong, 3 July 2015

*For the purposes of illustration only, any amount denominated in RMB in this announcement and translated into HK\$ at the rate of RMB0.7891 = HK\$1. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.*

*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. Xu Zhaoyang, Mr. Gao Yongping, Mr. Fu Zhigang, Ms. Jian Qing, Mr. Chung Chi Shing and Mr. Tang Chuanqing, all of whom are executive Directors; and Mr. Chan Ka Ling, Edmond, Mr. Li Baolin, Mr. Wang Jimin and Mr. Chen Ying, all of whom are independent non-executive Directors.*