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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)

**(1) COMPLETION OF THE CAPITAL INJECTION
AND
(2) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF THE SALE SHARES**

COMPLETION OF THE CAPITAL INJECTION

Reference is made to the announcement of the Company dated 3 July 2015 (the “**Announcement**”) in relation to, among other things, the Capital Injection. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that all the conditions for the Capital Injection have been fulfilled and the completion of the Capital Injection took place on 22 July 2015. Upon completion of the Capital Injection, CNI (Nanjing) has a registered capital of RMB250 million which is owned as to 80% by Greater China and 20% by the Target Company. CNI (Nanjing) has been changed from a wholly foreign-owned enterprise to a jointly foreign-owned enterprise.

THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 24 July 2015 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing 29.9% of the issued share capital of the Target Company at a consideration of HK\$2,599,511. In addition, pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to repay the outstanding shareholder’s loan in the amount of RMB14,950,000 (equivalent to approximately HK\$18,957,406) due from the Target Company to the Vendor for and on behalf of the Target Company and the Vendor has conditionally agreed with such repayment arrangement.

On the same date, all the Conditions have been fulfilled and Completion took place. Upon Completion, the Company will have an effective interest of 80.9% in the Target Company and it will continue to be recognised as a subsidiary of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As the relevant percentage ratios in respect of the Acquisition exceed 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements of Chapter 14 of the Listing Rules.

As the Target Company is an indirect non-wholly owned subsidiary of the Company immediately prior to entering into of the Sale and Purchase Agreement and the Vendor is the beneficial owner of 29.9% issued shares of the Target Company, thus the Vendor is a connected person of the Company at the subsidiary level. Accordingly, the Sale and Purchase Agreement and the transaction contemplated thereunder constitute connected transaction of the Company pursuant to Chapter 14A of the Listing Rules. As the Board has approved the Sale and Purchase Agreement and the transactions contemplated thereunder and the independent non-executive Directors have confirmed that the terms of the Sale and Purchase Agreement are fair and reasonable and the transactions contemplated thereunder is on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the agreement and the transactions contemplated thereunder are exempt from the circular, independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

COMPLETION OF THE CAPITAL INJECTION

Reference is made to the announcement of the Company dated 3 July 2015 (the “**Announcement**”) in relation to, among other things, the Capital Injection. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that all the conditions for the Capital Injection have been fulfilled and the completion of the Capital Injection took place on 22 July 2015. Upon completion of the Capital Injection, CNI (Nanjing) has a registered capital of RMB250 million which is owned as to 80% by Greater China and 20% by the Target Company. CNI (Nanjing) has been changed from a wholly foreign-owned enterprise to a jointly foreign-owned enterprise.

THE SALE AND PURCHASE AGREEMENT

Date

24 July 2015 (after trading hours)

Parties

- Parties:
- (a) the Purchaser, a company incorporated under the laws of British Virgin Islands with limited liability and the beneficial owner of 51% issued share capital of the Target Company; and
 - (b) the Vendor, a company incorporated under the laws of British Virgin Islands with limited liability and the beneficial owner of 29.9% issued share capital of the Target Company

As the Target Company is an indirect non-wholly-owned subsidiary of the Company immediately prior to entering into of the Sale and Purchase Agreement and the Vendor is the beneficial owner of 29.9% issued shares of the Target Company, thus the Vendor is a connected person of the Company at the subsidiary level.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing 29.9% of the issued share capital of the Target Company as at the date of this announcement free from all liens, charges and encumbrance and rank pari passu with all shares of the Target Company then in issue in all respects. After the Completion, the Target Company will be owned as to 80.9% by the Purchaser and 19.1% by Triple Delight, an Independent Third Party.

Repayment of the Shareholder's Loan

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to repay the outstanding shareholder's loan in the amount of RMB14,950,000 (equivalent to approximately HK\$18,957,406) due from the Target Company to the Vendor for and on behalf of the Target Company (the "**Shareholder's Loan**"), subject to the terms and conditions as stipulated in the Sale and Purchase Agreement and the Vendor has conditionally agreed with such repayment arrangement. The repayment of the Shareholder's Loan shall be settled by way of cheque by the Purchaser payable to the Vendor on the Completion Date. Subject to full repayment of the Shareholder's Loan, the Shareholder's Loan due to the Vendor would be cancelled and would be recorded in the Target Company's books as due to the Purchaser.

Consideration

The consideration for the Acquisition is HK\$2,599,511, which shall be settled by the Purchaser in the following manner:

- (a) HK\$1,889,511 shall be settled by way of cheque by the Purchaser payable to the Vendor on the Completion Date; and
- (b) the remaining balance of HK\$710,000 shall be used to offset against the entire amount of the administration fee due from the Vendor to the Purchaser.

The consideration for the Sale Shares was arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement taking into consideration (i) the consolidated net asset value of the Target Company as at 30 June 2015; and (ii) the amount of the Shareholder's Loan due from the Target Company to the Vendor.

The Directors (including the independent non-executive Directors) consider that the consideration for the Acquisition is fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Conditions

Pursuant to the Sale and Purchase Agreement, Completion will be subject to the following conditions:

- (a) all necessary approvals from the shareholders and board of directors of the Target Company regarding the Sale and Purchase Agreement and the transactions contemplated thereunder (including but not limited to the purchase of the Sale Shares by the Purchaser) and the consent from Triple Delight to give up its pre-emptive rights to acquire the Sale Shares, having been obtained;
- (b) all necessary approvals regarding the Sale and Purchase Agreement and the transactions contemplated thereunder from the PRC, Hong Kong, the British Virgin Islands or other territories having been obtained (if required);
- (c) there do not exist any material adverse change to the Sale and Purchase Agreement; and
- (d) all the representations, warranties and undertaking of the Vendor remaining true and accurate and not misleading in any respect.

Save for Condition (a) above, the Purchaser shall have the right to waive any of the other Conditions at its discretion. If any of the Conditions have not been fulfilled or waived (as the case may be) by the Long Stop Date, the Sale and Purchase Agreement shall lapse and have no further effect.

The Purchaser and the Vendor shall use their best efforts to procure timely satisfaction of the above Conditions on or before the Long Stop Date.

Completion

Subject to all the Conditions being fulfilled (or where applicable waived by the Purchaser in writing), Completion shall take place at or before 5:00 p.m. on the Completion Date.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. Immediately prior to entering into the Sale and Purchase Agreement, the Target Company is an indirect non-wholly-owned subsidiary of the Company and the total issued share capital of the Target Company was owned as to (i) 51% of by the Purchaser; (ii) 29.9% by the Vendor; and (iii) 19.1% by Triple Delight.

The Target Company is the beneficial owner of the entire share capital of CNI (Nanjing), which is in turn the beneficial owner of the entire share capital of CNI Energy.

CNI (Nanjing), an indirect non-wholly-owned subsidiary of the Company established in the PRC, 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.

CNI Energy, an indirect non-wholly-owned subsidiary of the Company established in the PRC, 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.

Financial information of the Target Company

Set out below is a summary of the consolidated financial information of the Target Company for the two years ended 31 December 2014 and for the six months ended 30 June 2015.

	For the year ended 31 December 2013 <i>HK\$'000</i> (Unaudited)	For the year ended 31 December 2014 <i>HK\$'000</i> (Unaudited)	For the six months ended 30 June 2015 <i>HK\$'000</i> (Unaudited)
Revenue	289,858	84,055	115,921
Profit/(loss) before taxation	32,447	(33,070)	12,068
Profit/(loss) after taxation	23,493	(25,319)	11,363
	As at 31 December 2013 <i>HK\$'000</i> (Unaudited)	As at 31 December 2014 <i>HK\$'000</i> (Unaudited)	As at 30 June 2015 <i>HK\$'000</i> (Unaudited)
Net assets/(liabilities)	24,568	(1,285)	9,566

REASONS FOR AND BENEFITS OF THE ACQUISITION

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.

Through CNI (Nanjing) and CNI Energy, the Group has been participating in various construction projects for solar energy plants with different scales in terms of Megawatt Peak. Besides, CNI 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 CNI Energy to participate in the provision of main contracting, project management and related technical and management services in the fields specified therein. During the financial years ended 31 December 2013 and 2014 and the six months ended 30 June 2015, CNI Energy entered into several agreements with connected persons of the Group in relation to the EPC projects in order to further expand its business scope and establish its market position in the new energy industry by utilizing the expertise, qualification and resources of CNI (Nanjing) and CNI Energy as well as to generate additional revenue stream.

In view of the rapid development of new energy industry in the PRC and the demand for the EPC projects, the Company would leverage on its expertise on the EPC projects and continue to expand its business in the new energy industry. Upon Completion, the Purchaser will increase its shareholding in the Target Company to 80.9% and the Company can have higher flexibility to execute the Group's development plan and extent its presence in the new energy market in the PRC. The Company could also have a more efficient response to changes and challenges of the said market.

Taking into consideration of the above factors, the Directors including the independent non-executive Directors consider the terms and conditions of the Sale and Purchase Agreement is fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the relevant percentage ratios in respect of the Acquisition exceed 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements of Chapter 14 of the Listing Rules.

As the Target Company is an indirect non-wholly-owned subsidiary of the Company immediately prior to entering into of the Sale and Purchase Agreement and the Vendor is the beneficial owner of 29.9% issued shares of the Target Company, thus the Vendor is a connected person of the Company at the subsidiary level. Accordingly, the Sale and Purchase Agreement and the transaction contemplated thereunder constitute connected transaction of the Company pursuant to Chapter 14A of the Listing Rules. As the Board has approved the Sale and Purchase Agreement and the transactions contemplated thereunder and the independent non-executive Directors have confirmed that the terms of the Sale and Purchase Agreement are fair and reasonable and the transactions contemplated thereunder is on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the agreement and the transactions contemplated thereunder are exempt from the circular, independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

COMPLETION OF THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that all the Conditions have been fulfilled and Completion took place on 24 July 2015. Upon Completion, the Target Company is owned as to 80.9% by the Purchaser and 19.1% by Triple Delight. Therefore, Fame Raise has ceased to be a connected person of the Company and all the existing GCL Solar Projects CCT has ceased to be continuing connected transactions (as such term is defined under the Listing Rules) of the Company.

DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Shares under the Sale and Purchase Agreement;
“Agreement”	the agreement relating to the Capital Injection executed by CNI (Nanjing), the Target Company and Greater China dated 3 July 2015;
“associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“Capital Injection”	the increase in registered capital of CNI (Nanjing) by way of capital contribution of RMB200,000,000 in cash made by Greater China to CNI (Nanjing) pursuant to the terms of the Agreement;
“CNI Energy”	南京中核能源工程有限公司 (transliterated as Nanjing CNI 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;
“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;
“Completion”	completion of the transactions contemplated under the Sale and Purchase Agreement;
“Completion Date”	the earlier of (i) the date on which the last of the Conditions has been satisfied or otherwise waived in accordance with the Sale and Purchase Agreement or (ii) the Long Stop Date;
“Condition(s)”	the condition(s) precedent set out in the Sale and Purchase Agreement;
“connected person(s)”	has the same meaning ascribed thereto in the Listing Rules;
“Director(s)”	director(s) of the Company;
“EPC”	engineering, procurement and construction;
“Fame Raise”	Fame Raise Limited, a limited liability company incorporated in the British Virgin Islands;

“GCL Solar Projects CCT”	the transactions under the agreements between CNI Energy and GCL Licheng, GCL Yushen and GCL Baoying in relation to the provision of engineering design services, procurement and construction services carried out for the year ended 31 December 2014 and continued to be carried out in the year ending 31 December 2015, details of which are set out in the announcement of the Company dated 13 February 2015;
“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 the Purchaser;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	an individual or a company who is not connected with any directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates and is independent of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	31 July 2015 or such other date as the parties to the Sale and Purchase Agreement may agree in writing;
“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;
“Purchaser”	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;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	the sale and purchase agreement entered into on 24 July 2015 between the Purchaser and the Vendor for the sale and purchase of the Sale Shares;
“Sale Shares”	299 shares of The Target Company;
“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 (Chapter 622 of the Laws of Hong Kong);

“Target Company”	Guoxin Energy Limited, a limited liability company incorporated in Hong Kong, which is owned as to 51% by the Purchaser, 29.9% by Fame Raise and 19.1% by Triple Delight;
“Triple Delight”	Triple Delight Limited, a limited liability company incorporated in the British Virgin Islands, which is the beneficial owner of 19.1% issued share capital of the Target Company;
“Vendor”	Fame Raise, being the vendor to the Sale and Purchase Agreement;
“%”	per cent.

* *for identification purposes only*

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

Hong Kong, 24 July 2015

For the purposes of illustration only, any amount denominated in RMB in this announcement and translated into HK\$ at the rate of RMB1 = HK\$1.268054. 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; Ms. Jian Qing, Mr. Chung Chi Shing, Mr. Gao Yongping, Mr. Fu Zhigang, Mr. Tang Chuanqing and Mr. Tang Jianhua, all of whom are executive Directors; and Mr. Chan Ka Ling, Edmond, Mr. Li Baolin, Mr. Wang Jimin and Mr. Tian Aiping, all of whom are independent non-executive Directors.