中国核建

CHINA NUCLEAR ENERGY TECHNOLOGY CORPORATION LIMITED

中國核能科技集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 611)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

SUMMARY

- Profit for the year amounted to HK$9,998,000.
- If excluding the gain on deemed disposal of an associate of HK$2,712,000 and the imputed interest on convertible bonds of HK$22,996,000, the Group would have recorded a profit of HK$30,282,000 from its core business for the year ended 31 December 2015.

The board of directors (the "**Board**") of China Nuclear Energy Technology 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 2015 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
Revenue	3	**1,676,330**	322,523
Other revenue and gains		**5,665**	4,081
Cost of inventories used		**(1,309,402)**	(105,380)
Construction costs		**(134,698)**	(47,603)
Staff costs		**(76,336)**	(95,430)
Rental expenses		**(43,223)**	(46,060)
Utility expenses		**(11,773)**	(16,882)
Depreciation		**(8,166)**	(6,828)
Other operating expenses		**(63,306)**	(72,827)
Fair value gains on derivative financial instruments, net		**—**	1,471
Finance costs	4	**(23,364)**	(7,025)
Gain on deemed disposal of an associate		**2,712**	—
Share of results of associates, net		**7,655**	5,958
Profit/(Loss) before taxation	5	**22,094**	(64,002)
Income tax (expense)/credit	6	**(12,096)**	6,807
Profit/(Loss) for the year		**9,998**	(57,195)
Other comprehensive income/(loss) for the year, net of tax			
Item that will not be reclassified to profit or loss			
Loss on property revaluation		**(58)**	(55)
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising during the year		**(11,838)**	(533)
Reclassification adjustments relating to foreign operations disposed of during the year		**645**	—
Share of other comprehensive loss of associates		**(2,245)**	(1,885)
Total comprehensive loss for the year		**(3,498)**	(59,668)
Profit/(Loss) for the year attributable to:			
Owners of the Company		**3,559**	(40,931)
Non-controlling interests		**6,439**	(16,264)
		9,998	(57,195)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**(9,278)**	(43,143)
Non-controlling interests		**5,780**	(16,525)
		(3,498)	(59,668)
Earnings/(Loss) per share – basic and diluted *(HK cent per share)*	7	**0.32**	(3.72)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment		**87,900**	20,846
Investment property		**38,000**	38,000
Prepaid land lease payments		**7,887**	6,695
Available-for-sale investment		**500**	500
Interest in associates	*9*	**82,192**	68,162
Deferred tax assets, net		**4,516**	3,755
		220,995	137,958
Current assets			
Inventories		**52,383**	8,260
Trade and bills receivables	*10*	**1,085,109**	53,797
Prepayments, deposits and other receivables	*11*	**172,246**	21,753
Amounts due from customers for contract work		**262,476**	55,765
Tax prepayment		**996**	1,395
Cash and cash equivalents		**310,851**	252,882
		1,884,061	393,852
Less: Current liabilities			
Trade payables	*12*	**1,146,594**	70,105
Other payables and accruals	*13*	**191,775**	58,537
Provision for long service payments		**3,484**	3,402
Tax payable		**—**	1,162
Convertible bonds	*14*	**286,842**	—
		1,628,695	133,206
Net current assets		**255,366**	260,646
Total assets less current liabilities		**476,361**	398,604

	Notes	**2015**	2014
		HK$'000	*HK$'000*
Less: Non-current liabilities			
Receipt in advance		**1,070**	1,130
Deferred tax liabilities, net		**350**	—
		1,420	1,130
Net assets		**474,941**	397,474
Capital and reserves			
Share capital		**113,309**	110,166
Reserves		**361,056**	297,358
Equity attributable to owners of the Company		**474,365**	407,524
Non-controlling interests		**576**	(10,050)
Total equity		**474,941**	397,474

NOTES:

1. CORPORATE INFORMATION

With effect from 14 July 2015, China Nuclear Industry 23 International Corporation Limited has changed its name to China Nuclear Energy Technology Corporation Limited (the "**Company**") and the Certificate of Secondary Name regarding adoption of the new Chinese secondary name of "中國核能科技集團有限公司" was issued by the Registrar of Companies of Bermuda on 16 July 2015. 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 ultimate holding company is 中國核工業建設集團公司 (transliterated as "China Nuclear Engineering Group Co.").

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective 1 January 2015

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle
Amendments to HKAS 19 (2011)	Defined Benefit Plans: Employee Contributions

Except as explained below, the adoption of these amendments has no material impact on the Group's financial statements.

Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle

The amendments issued under the annual improvements process make small, non-urgent changes to a number of standards where they are currently unclear. They include amendments to HKAS 16 Property, Plant and Equipment to clarify how the gross carrying amount and accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to revalued amount. The accumulated depreciation may be eliminated against the gross carrying amount of the asset. Alternatively, the gross carrying amount may be adjusted in a manner consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The adoption of the amendments to HKAS16 has no impact on these financial statements as the latter treatment is consistent with the manner in which the Group has previously dealt with revaluations of its property, plant and equipment.

Amendments to HKAS 19 (2011) – Defined Benefit Plans: Employee Contributions

The amendments permit contributions that are independent of the number of years of service to be recognised as a reduction in the service cost in the period in which the service is rendered instead of allocating the contributions to periods of service.

The adoption of the amendments has no impact on these financial statements as the Group has no defined benefit plans.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group and the Company.

HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle[1]
Amendments to HKAS 1	Disclosure Initative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
HKFRS 9 (2014)	Financial Instruments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
HKFRS 14	Regulatory Deferral Accounts[1]
HKFRS 15	Revenue from Contracts with Customers[3]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2017
3 Effective for annual periods beginning on or after 1 January 2018

Amendments to HKAS 1 – Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements.

An entity's share of other comprehensive income from equity accounted interests in associates and joint ventures will be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as a single line item within those two groups.

Amendments to HKAS 16 and HKAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to HKAS 16 and HKAS 41 – Agriculture: Bearer Plants

The amendments define bearer plants and require biological assets that meet the definition to be accounted for as property, plant and equipment in accordance with HKAS 16. The agricultural produce of bearer plants remains within the scope of HKAS 41.

Amendments to HKAS 27 – Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

HKFRS 9 (2014) – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at FVTOCI if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at FVTPL.

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 – Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a subsidiary of an investment entity (including investment entities that account for their subsidiaries at fair value rather than consolidating them). An investment entity parent will consolidate a subsidiary only when the subsidiary is not itself an investment entity and the subsidiary's main purpose is to provide services that relate to the investment entity's investment activities. A non-investment entity applying the equity method to an associate or joint venture that is an investment entity may retain the fair value measurements that associate or joint venture used for its subsidiaries. An investment entity that prepares financial statements in which all its subsidiaries are measured at fair value through profit or loss should provide the disclosures related to investment entities as required by HKFRS 12.

Amendments to HKFRS 11 – Accounting for Acquisitions of Interests in Joint Operations

The amendments require an entity to apply all of the principles of HKFRS 3 Business Combinations when it acquires an interest in a joint operation that constitutes a business as defined in that standard. The principles of HKFRS 3 are also applied upon the formation of a joint operation if an existing business as defined in that standard is contributed by at least one of the parties.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5 steps approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to each performance obligation

Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The Group is in the process of making an assessment of the potential impact of these pronouncements and the directors so far concluded that the application of these pronouncements will have no material impact on the Group's financial statements.

(c) New Companies Ordinance provisions relating to the disclosure of financial statements

The provisions of the new Companies Ordinance, Cap.622, impacts on the presentation and disclosures in the consolidated financial statements. For example, the statement of financial position of the Company is now presented in the notes to the financial statements rather than as a primary statement and related notes to the statement of financial position of the Company are generally no longer presented.

The Company is not required to comply with the provisions of the Ordinance which concern the preparation of financial statements. Instead, the Company will follow Bermuda Companies Act for preparing financial statements.

3. SEGMENT INFORMATION

Operating segments and the amounts of each segment item reported in the consolidated financial statements are identified from the financial information provided regularly to the Group's top management for the purposes of allocating resources to and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of business activities.

Segment revenue, expenses, results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment, but exclude exceptional items. Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one year. Corporate portions of expenses and assets mainly comprise corporate administrative and financing expenses and corporate financial assets respectively.

The Group has seven (2014: five) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- 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 financing segment comprises the Group's financing operations;
- the solar power generation segment comprises the Group's solar power generation operation;
- the Engineering, Procurement and Construction ("**EPC**") and consultancy segment comprises the Group's design and consulting services, engineering, procurement and construction operations ; and
- the all other segments comprise the Group's corporate income and expense items.

For the year ended 31 December 2014, the Group has classified EPC and consultancy under "New Energy" segment.

Solar power generation segment and the financing segment are identified separately for the year ended 31 December 2015 to reflect the business development of these segments.

Inter-segment transactions are priced with reference to prices charged to external parties for similar orders. Central revenue and expenses are not allocated to the operating segments as they are not included in the measurement of the segments' results that are used by the chief operating decision-maker for assessment of segment performance.

Except for the Group's revenue from external customers of approximately HK$1,503,742,000 and HK$Nil (2014: HK$84,055,000 and HK$2,446,000), which was derived from the Group's operations in the PRC and overseas respectively, all of the Group's revenue from external customers is derived from the Group's operations in Hong Kong (place of domicile). Except for the interest in associates amounted to approximately HK$82,192,000 as at 31 December 2015 (2014: HK$68,162,000), property, plant and equipment amounted to approximately HK$69,344,000 as at 31 December 2015 (2014: HK$5,062,000) and prepaid land lease payments amounted to approximately HK$1,293,000 as at 31 December 2015 (2014: Nil) are located in the PRC, all other non-current assets are located in Hong Kong.

Included in revenue arising from EPC and Consultancy (new energy operation) of approximately HK$300,512,000 and HK$232,572,000 (2014: HK$59,275,000 and HK$22,572,000) 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 years ended 31 December 2015 and 2014.

	Restaurant	Property	Hotel	Financing	Solar Power Generation	EPC and Consultancy	All other Segments	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 December 2015								
Sales to external customers	**152,286**	**—**	**20,302**	**—**	**—**	**1,503,742**	**—**	**1,676,330**
Intersegment sales	**—**	**24,853**	**—**	**950**	**—**	**2,494**	**7,288**	**35,585**
Other revenue and gains	**1,664**	**—**	**1,745**	**—**	**—**	**520**	**41**	**3,970**
Intersegment other revenue and gains	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Reportable segment revenue	**153,950**	**24,853**	**22,047**	**950**	**—**	**1,506,756**	**7,329**	**1,715,885**
Reconciliation:								
Elimination of intersegment sales								**(35.585)**
Elimination of intersegment other revenue and gains								**—**
Consolidated revenue								**1,680,300**
Segment results	**(15,584)**	**(5,043)**	**5,615**	**235**	**—**	**65,844**	**(17,671)**	**33,396**
Reconciliation:								
Gain on deemed disposal of an associate								**2,712**
Interest income								**1,695**
Finance costs								**(23,364)**
Share of results of associates, net								**7,655**
Profit before taxation								**22,094**
Income tax expense								**(12,096)**
Profit for the year								**9,998**

	Restaurant	Property	Hotel	Financing	Solar Power Generation	EPC and Consultancy	All other Segments	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 December 2015								
At 31 December 2015								
Segment assets	**36,454**	**53,999**	**5,808**	**71,646**	**93,823**	**1,626,408**	**130,210**	**2,018,348**
Reconciliation:								
Unallocated assets								**86,708**
Total assets								**2,105,056**
Segment liabilities	**14,305**	**79**	**3,765**	**67**	**63**	**1,322,055**	**2,589**	**1,342,923**
Reconciliation:								
Unallocated liabilities								**287,192**
Total liabilities								**1,630,115**
Other segment information								
Depreciation	**5,446**	**331**	**571**	**—**	**—**	**1,050**	**768**	**8,166**
Recognition of prepaid land lease payments	**—**	**101**	**—**	**—**	**—**	**—**	**—**	**101**
Additions to property, plant and equipment	**8,211**	**188**	**17**	**180**	**68,043**	**482**	**122**	**77,243**
Written off of property, plant and equipment	**—**	**—**	**—**	**—**	**—**	**44**	**—**	**44**

Included in the unallocated assets, there are interest in associates amounted to approximately HK$82,192,000. Details of the investment in associates were set out in note 9. Included in the unallocated liabilities, there are convertible bonds amounted to approximately HK$286,842,000 (2014: Nil).

	Restaurant *HK$'000*	Property *HK$'000*	Hotel *HK$'000*	New energy *HK$'000*	All other segments *HK$'000*	Total *HK$'000*
Year ended 31 December 2014						
Segment revenue:						
Sales to external customers	208,732	—	27,290	86,501	—	322,523
Intersegment sales	—	23,711	—	—	9,699	33,410
Other revenue and gains	1,378	—	1,457	481	196	3,512
Intersegment other revenue and gains	—	—	—	—	—	—
Reportable segment revenue	210,110	23,711	28,747	86,982	9,895	359,445
Reconciliation:						
Elimination of intersegment sales						(33,410)
Elimination of intersegment other revenue and gains						—
Consolidated revenue						326,035
Segment results	(15,663)	(753)	7,636	(34,236)	(16,222)	(59,238)
Reconciliation:						
Interest income and unallocated gains						569
Finance costs						(7,025)
Fair value gains on derivative financial instruments, net						1,471
Loss on early redemption of convertible bonds						(5,737)
Share of result of an associate, net						5,958
Loss before taxation						(64,002)
Income tax credit						6,807
Loss for the year						(57,195)

	Restaurant *HK$'000*	Property *HK$'000*	Hotel *HK$'000*	New energy *HK$'000*	All other segments *HK$'000*	Total *HK$'000*
At 31 December 2014						
Segment assets	36,372	53,861	5,717	255,169	106,879	457,998
Reconciliation:						
Unallocated assets						73,812
Total assets						531,810
Segment liabilities	16,218	52	5,171	107,015	4,718	133,174
Reconciliation:						
Unallocated liabilities						1,162
Total liabilities						134,336
Other segment information						
Depreciation	3,661	303	643	1,793	428	6,828
Recognition of prepaid land lease payments	—	101	—	—	—	101
Additions to property, plant and equipment	926	1,155	724	1,067	281	4,153
Written off of property, plant and equipment	1,148	—	—	32	4	1,184
Gain on disposal of property, plant and equipment	—	—	—	—	6	6

Included in the unallocated assets, there are interest in an associate amounted to approximately HK$68,162,000 . Details of the investment in an associate were set out in note 9. Included in the unallocated liabilities, there are tax payable amounted to approximately HK$1,162,000.

4. FINANCE COSTS

	2015 **HK$'000**	2014 *HK$'000*
Imputed interest on convertible bonds *(note 14)*	**22,996**	7,025
Interest on other borrowings	**368**	—
	23,364	7,025

5. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before income tax expense is arrived at after charging/(crediting):

	2015	2014
	HK$'000	*HK$'000*
Minimum lease payments under operating leases:		
Land and buildings	**43,223**	46,060
Office equipment*	**1,011**	168
	44,234	46,228
Staff costs (including directors' and chief executive's remuneration):		
Wages, salaries and bonuses	**72,213**	88,777
Provision for long service payments, net	**260**	3,528
Pension scheme contributions	**3,863**	3,125
Total staff costs	**76,336**	95,430
Recognition of prepaid land lease payments*	**101**	101
Written off of property, plant and equipment*	**44**	1,184
Auditors' remuneration*	**1,250**	1,024
Gain on disposal of property, plant and equipment	**—**	(6)
Loss on early redemption of convertible bonds*	**—**	5,737

* *Items included in other operating expenses*

6. TAXATION

The amount of taxation in the consolidated statement of comprehensive income represents:

	2015	2014
	HK$'000	*HK$'000*
Current tax for the year		
Hong Kong	**242**	1,277
Other than Hong Kong	**12,210**	—
Under/(Over) provision in respect of previous years		
Hong Kong	**55**	(137)
Other than Hong Kong	**—**	(7,752)
Deferred tax	**(411)**	(195)
Tax charge/(credit) for the year	**12,096**	(6,807)

Hong Kong Profits Tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. PRC subsidiaries are subject to PRC Corporate Income Tax of 25% (2014: 25%).

The income tax expense for the year can be reconciled to the profit/(loss) before income tax expense in the consolidated statement of comprehensive income as follows:

	2015	2014
	HK$'000	*HK$'000*
Profit/(Loss) before income tax expense	**22,094**	(64,002)
Tax calculated at the statutory tax rate applicable to profits in the respective countries	**9,589**	(13,237)
Tax effect of share of profit of associates	**(1,263)**	(983)
Tax effect of expenses not deductible for tax purposes	**3,904**	14,340
Tax effect of revenue not taxable for tax purposes	**(269)**	(728)
Tax effect of tax losses not recognised	**7,345**	2,804
Utilisation of tax losses previously not recognised	**(7,265)**	(80)
Temporary differences not recognised	**—**	(1,034)
Under/(over) provision in respect of prior years	**55**	(7,889)
Income tax expense/(credit)	**12,096**	(6,807)

In addition to the amount charged to the profit or loss, deferred tax relating to the revaluation of the Group's leasehold buildings during the year has been charged to other comprehensive income.

7. EARNINGS/(LOSS) PER SHARE

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

	2015	2014
	HK$'000	*HK$'000*
Profit/(Loss) for the year attributable to owners of the Company for the purpose of the basic and diluted earnings/(loss) per share calculation	**3,559**	(40,931)

	Number of Shares	
	2015	2014
Number of shares		
Issued Share Capital at 1 January	**1,101,665,620**	1,101,665,620
Issue of Share Capital upon conversion of convertible bonds	**31,428,572**	—
Issued Share Capital at 31 December	**1,133,094,192**	1,101,665,620
Weighted average number of ordinary shares in issue during the year for the purpose of basic and diluted earnings/(loss) per share calculation	**1,117,923,937**	1,101,665,620

The diluted earnings/(loss) per share for the year ended 31 December 2015 and 2014 are the same as basic earnings/(loss) per share presented as there was no dilutive effect from the assumed exercise of conversion of the Company's outstanding convertible bonds on the profit/(loss) attributable to owners of the Company.

8. DIVIDEND

No dividend has been declared or proposed by the directors of the Company in respect of the year ended 31 December 2015 (2014: Nil).

9. INTEREST IN ASSOCIATES

	2015	2014
	HK$'000	*HK$'000*
Share of net assets	**82,192**	68,162

Details of the material associates are as follows.

Name		**Place of incorporation, operation and principal activity**	**Percentage of equity attributable to the Group**
中核檢修有限公司 (transliterated as China Nuclear Industry Maintenance Co., Ltd.) (formerly known as: 深圳中核二三核電檢修有限公司)	*Note (i)*	Construction work for various types of nuclear reactors, nuclear power plants, radioactive chemical engineering projects in PRC; and businesses of maintenance of nuclear power plants and electrical equipments, technology consultancy and technical services.	18.55%
中核齊齊哈爾太陽能發電有限公司 (transliterated as Zhong He Qiqihar Solar Power Generation Company Limited)	*Note (ii)*	Solar energy generation and sale, solar power technology consulting services, photovoltaic technology development, solar photovoltaic system construction in the PRC.	47.13%

Note (i) On 13 January 2015, shareholders of China Nuclear Industry Maintenance Co., Ltd. ("**CNI Maintenance Co.**"), an associate of the Company, entered into a capital injection agreement with a new subscriber. Upon completion of the share subscription, the Group's equity interest in CNI Maintenance Co. has been diluted from 26.5% to 18.55% accordingly.

Although the Group's ownership interest in CNI Maintenance Co. is less than 20%, the Group has significant influence over CNI Maintenance Co. through its power to participate in CNI Maintenance Co.'s financial and operating decisions by appointing directors representing the Company in the board of directors' meetings of CNI Maintenance Co. .

The principal activity of CNI Maintenance Co. is undertaking construction work for various types of nuclear reactors, nuclear power plants, radioactive chemical engineering projects in PRC; and businesses of maintenance of nuclear power plants and electrical equipments, technology consultancy and technical services. This is in alignment with the Group's EPC and consultancy segment.

Note (ii) The primary business of Zhong He Qiqihar Solar Power Generation Company Limited is solar energy generation and sale, solar power technology consulting services, photovoltaic technology development, solar photovoltaic system construction. This is in alignment with the Group's solar power generation segment.

10. TRADE AND BILLS RECEIVABLES

The Group normally allows a credit period of 30–180 days with its customers for EPC and consultancy services depending on the customers' creditworthiness and the length of business relationship with the customers. Customers in restaurant and hotel operations are mainly settled by cash and credit card, except for certain well-established customers where the credit terms are negotiated on customer by customer basis. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management of the Company. Trade receivables are non-interest bearing.

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**1,083,299**	46,359
Bills receivables	**1,810**	7,438
	1,085,109	53,797

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

	2015	2014
	HK$'000	*HK$'000*
0–90 days	**1,067,535**	38,445
91–180 days	**360**	9,833
181–365 days	**17,214**	5,519
	1,085,109	53,797

The ageing analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired are as follows:

	2015	2014
	HK$'000	*HK$'000*
Neither past due nor impaired	**1,085,109**	53,797

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$193,137,000 (2014: HK$45,634,000) which represents amounts due from related parties of the Company arising from EPC and consultancy operations.

As at 31 December 2015, retention held by customers for contract work amounted to approximately HK$4,646,000 (2014: HK$2,174,000)

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Prepayments	**111,874**	1,080
Deposits	**18,188**	16,662
Other receivables	**42,184**	4,011
	172,246	21,753

Included in other receivables of HK$15,600,000 represents the loan to China He Investment (Hong Kong) Company Limited, the immediate controlling shareholder of the Company.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

12. TRADE PAYABLES

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

	2015	2014
	HK$'000	*HK$'000*
0–90 days	**936,241**	41,804
91–180 days	**210,353**	28,301
	1,146,594	70,105

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

13. OTHER PAYABLES AND ACCRUALS

	2015	2014
	HK$'000	*HK$'000*
Deferred credit on operating lease	**—**	4,542
Receipts in advance	**61,665**	2,144
Other payables	**129,286**	31,898
Accruals	**824**	19,953
	191,775	58,537

As at 31 December 2014, included in other payables of RMB24,500,000 (approximately HK$30,819,000) represent the non-interest bearing shareholders' loan from two non-controlling interest shareholders of Guoxin Energy Limited, a non-wholly owned subsidiary of the Company. As at 31 December 2015, included in other payables of (i) RMB9,550,000 (approximately HK$11,507,000) represent the non-interest bearing shareholders' loan from an non-controlling interest shareholder of Guoxin Energy Limited; and (ii) RMB50,000,000 (approximately HK$60,245,000) represent an interest bearing loan from a fellow subsidiary of the Company which is unsecured and due on 13 May 2016. The interest rate of the loan is at Renminbi fixed basic rate plus 10% per annum.

14. CONVERTIBLE BONDS

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

	Zero Coupon convertible bonds *(Note (i))* *HK$'000*	**3% Coupon convertible bonds** *(Note (ii))* *HK$'000*	**Total** *HK$'000*
Liability component			
At 1 January 2014	56,172	—	56,172
Imputed interest expenses	7,025	—	7,025
Redemptions of convertible bonds	(63,197)	—	(63,197)
At 31 December 2014 and 1 January 2015	—	—	—
Issuance of new bonds	—	313,038	313,038
Imputed interest expenses	—	22,996	22,996
Conversion of convertible bonds	—	(49,192)	(49,192)
At 31 December 2015	—	286,842	286,842
Derivative component			
At 1 January 2014	4,537	—	4,537
Fair value gains on derivative financial instruments	(1,471)	—	(1,471)
Redemptions of convertible bonds	(3,066)	—	(3,066)
At 31 December 2014	—	—	—
Equity component			
1 January 2015	—	—	—
Issuance of new bonds	—	33,075	33,075
Conversion of convertible bonds	—	(5,808)	(5,808)
At 31 December 2015	—	27,267	27,267

(i) Zero Coupon convertible bonds

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.

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.

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.

On 20 February 2014 and 26 May 2014, the Company made early redemptions of the outstanding Convertible Bonds at the total principal amount of HK$72,000,000 with an aggregate consideration of HK$72,000,000 and incurred a loss on early redemption of approximately HK$5,737,000.

(ii) 3% Coupon convertible bonds

On 26 May 2015, the Company issued an aggregated principal amount of HK$350 million 3% convertible bonds (the "**2015 Convertible Bonds**"), which are due on 25 May 2016.

The 2015 Convertible Bonds are convertible at the option of the bondholders into the Company's ordinary shares at a conversion price of HK$1.75 per share any time up to maturity.

On the basis that the conversion option of the 2015 Convertible Bonds to be settled by exchange of a fixed amount or fixed number of equity instruments, the 2015 Convertible Bonds were accounted for as compound instruments under HKAS 32 "Financial Instruments Presentation" and the proceeds were split between a liability component and an equity component as set out below.

The fair value of the liability component was calculated using a market interest rate for a bond with the similar tenure but with no conversion features. The residual amount, representing the value of the equity component, was credited to conversion reserves under equity attributable to owners of the Company.

The imputed interest expenses on the bonds are calculated using the effective interest method.

Since the date of issuance and up to 31 December 2015, HK$55,000,000 of the 2015 Convertible Bonds were converted into shares of the Company by the bondholders.

15. CONTINGENT LIABILITIES

The Group and the Company had no contingent liabilities as at 31 December 2015 (2014: Nil).

16. EVENT AFTER THE REPORTING PERIOD

The development of Phase II of the 20MW Agricultural Photovoltaics Power Stations

The Company has proposed to further develop the Solar Power Project II. The Solar Power Project II, forming part of the 20MW Agricultural Photovoltaics Power Station, will be located in Taizhou City, Jiangsu Province of the PRC with an aggregate solar electricity generation capacity of approximately 10MW and will be operated by Taizhou Herun New Energy Ltd. ("**Taizhou New Energy**"), an indirect wholly-owned subsidiary of the Company. The development of the Solar Power Project II, is expected to be completed by 31 March 2016.

The major assets of the Solar Power Project II will comprise the equipment and assets for construction and operation of the Solar Power Project II, including multi-crystalline silicon modules, solar modules frames, invertors, power cables and other equipment for construction and operation of solar power projects (the "**Equipment**"). As the Solar Power Project II has not yet been put into operation, accordingly, no book value, revenue or profits associated with the Solar Power Project II were recorded in the accounts of Taizhou New Energy. The development of the Solar Power Project II has been funded by a finance lease arrangement with 核建融資租賃(深圳)有限公司 (transliterated as CNEC Financial Leasing (Shenzhen) Co., Ltd.) (the "**Finance Lease Company**"), an indirect wholly-owned subsidiary of the Company.

For the purpose of development of the Solar Power Project II, Taizhou New Energy has entered into the following agreements with its fellow subsidiaries: (i) the Main Contractor Contract dated 11 January 2016 with 南京中核能源工程有限公司 (transliterated as Nanjing CNI Energy Company Limited) ("**CNI Energy**") (an indirect non-wholly owned subsidiary of the Company and owned as to 96.18% by the Company), pursuant to which, Taizhou New Energy has engaged CNI Energy to provide the project design, engineering, construction, installation, training, warranty and other works for the construction of the Solar Power Project II on a turnkey basis for the total consideration of RMB29.8 million (equivalent to approximately HK$35.164 million), which shall be settled in instalments according to the construction progress; and (ii) the Purchase Contract dated 11 January 2016 with CNI Energy and the Finance Lease Company, pursuant to which the Finance Lease Company has entrusted Taizhou New Energy to purchase the Equipment from CNI Energy for a consideration of RMB72 million (equivalent to approximately HK$84.96 million) which shall be settled in cash upon the delivery of the Equipment. Both the Main Contractor Contract and the Purchase Contract have came into effect after passing of ordinary resolution by the shareholders of the Company on 26 February 2016.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to announce the results of the Group for the year ended 31 December 2015.

In 2015, the Group expanded the market of the alternative energy as the core business and implemented the positive business growth strategy by closely following the policy direction and the market development trends and achieved gratifying gains through the joint efforts of the management and all staff.

In 2015, the Group successfully turned around and became profitable. As at 31 December 2015, the Group recorded a total revenue of approximately HK$1,676 million, representing an increase of approximately 4.2 times over the same period of last year. Profit attributable to owners of the Company was approximately HK$3.6 million (loss of the previous reporting period was approximately HK$40.9 million).

Photovoltaic EPC business gained rapid growth while self-built photovoltaic power plants made a breakthrough

In March 2015, the National Energy Administration issued a "Notice on Implementation Plan of PV Power Generation Construction". In 2015, the construction scale of the new PV power plants nationwide amounted to 17.5GW with investment exceeding RMB100 billion. By taking this opportunity, the Group issued convertible bonds with the principal amount of HK$350 million on 26 May 2015 to provide working capital for the photovoltaic EPC business. Through the financial support and riding on our excellent design capability in the photovoltaic field and the brand advantage of CNEGC's construction, our market share of photovoltaic EPC business increased rapidly. We won an aggregate of 36 projects with a total amount of RMB3,010.06 million in the whole year. The projects were located in more than 10 provinces and autonomous regions throughout the country and our clients included GCL, China Power Investment Corporation, CGN, CNNC, CECEP, China Guodian Corporation, State Grid, Datang Power and other well-known international companies. Our engineering performance was highly appraised by customers and we have accumulated high brand reputation in the industry. In 2015, the photovoltaic EPC business recorded a revenue of approximately HK$1,503.7 million, representing an increase of approximately 16.4 times over the same period of last year.

Meanwhile, the Group kept improving the industrial structure and made a breakthrough in autonomously investment and development of photovoltaic power plants. In August 2015, a joint venture company was established to invest in the construction of distributed photovoltaic power plant in Qiqihar Sewage Treatment Plant with a capacity of 3MW. On 30 December 2015, the project was connected to grid for power generation. In December 2015, the construction of the first phase project of Jiangsu Taizhou 20MW agricultural photovoltaic power station which was solely developed by the Group through investing US$12 million was started, which is expected to put into operation in March 2016. The prospective return is considerable.

Expanded financing channels and established the financial platform to achieve synergies of financing and production

In order to constantly expand and optimize the financing channels, the Group established the financial leasing company in August 2015 in Qianhai, Shenzhen. After three months of preparations, the Group raised RMB60 million funds for the first phase project of Jiangsu Taizhou 20MW agriculture photovoltaic power station in December to achieve the establishment, operation, and make profits during the year. At present, the bank in the PRC has intended to provide banking facilities for the business projects; meanwhile we were actively working with the peers in the industry to start the asset turnover business in a timely manner.

Continuous Positive Return from Financial Investment

China Nuclear Industry Maintenance Co., Ltd., where the Group held interests, has obtained the investment from China Nuclear Engineering Corporation Limited in 2015. Through such investment, China Nuclear Industry Maintenance Co., Ltd.'s registered capital and total investment have increased, which will enlarge its production scale, integrate the inner resource, enhance the core competition and continuously bring positive returns to the Group.

Outlook

The Company has been renamed as "China Nuclear Energy Technology Corporation Limited" since 14 July 2015, which marked that the Company has stepped into the strategic transmission of "becoming the international advanced clean energy investment corporation and service provider". The Company will insist on the operating thought of capital lead and production and financing combination and exert its own advantage through relying on the development direction of the "13th Five-Year" Plan. The Group will improve the project execution through precise management to become a leader of the solar EPC industry; it will further strengthen the cooperation with the governmental departments and excellent enterprises in the industry, deepen the attendance in the PV power generation and photothermal power generation markets, and boost the investment and operation of solar energy farms. Based on the core values of "responsibility, preciseness, excellence and win-win", the Company will fully utilize the capital market and the resource of financial service platform to realize the production and financing combination and business association, grasp the historic opportunity of the national strategy of "One Belt, One Road", and positively explore the chance of investment in the nuclear electricity field and nuclear energy, so as to build the clean energy investment system of nuclear and renewable energy and push forward the application of green energy and the construction of safe, clean, efficient and low-carbon modern energy system.

MANAGEMENT DISCUSSION AND ANALYSIS

Dividend

The board of directors resolved not to declare final dividend (for the year ended 31 December 2014: nil) for the year ended 31 December 2015.

BUSINESS REVIEW

The Group's EPC and consultancy segment recorded a significant improvement. The significant increase in the engineering, procurement and construction projects revenue benefited from extensive market development and new business growth plan, provided the room for profit making.

The Group's restaurant segment recorded a net loss for the year ended 31 December 2015, on the other hand, the sales revenue and the net profit of the hotel segment decreased as compared with last year, which was mainly due to the impact of macroeconomic environment.

The investment in CNI Maintenance Co. still continued to bring in positive contribution to the Group.

Financial Review

The Group's consolidated revenue for the year ended 31 December 2015 amounted to HK$1,676,330,000 representing an increase of HK$1,353,807,000 compared to the consolidated revenue of HK$322,523,000 recorded for the year ended 31 December 2014. Consolidated profit attributable to owners of the Company for the current year was HK$3,559,000 (consolidated loss for the year ended 31 December 2014: HK$40,931,000). Basic earnings per share amounted to HK cent 0.32 (for the year ended 31 December 2014: basic loss per share HK cent 3.72).

The significant improvement as compared to the net loss for the year ended 31 December 2014, among other things, was mainly due to the positive impact contributed from projects revenue, which was benefited from extensive market development and new business growth plan in the EPC and consultancy segment. Therefore, the relevant business of the Group recorded a net profit for the year ended 31 December 2015. Net profit for the year amounted to HK$9,998,000, excluding the gain on deemed disposal of an associate of HK$2,712,000 and the imputed interest on convertible bonds of HK$22,996,000, the Group would have recorded a profit of HK$30,282,000 from its core business for the year ended 31 December 2015.

The Board considers that the Group remains in a healthy and solid financial condition and is continuing to pursue in various investment opportunities.

In the year of 2015, food prices remained rally as domestic market was directly affected by foreign imported inflation. However, gross profit margin of the restaurant segment 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 at 31 December 2015, the Group had cash and cash equivalents of approximately HK$310,851,000 (31 December 2014: HK$252,882,000), in total, most of which were unsecured bank deposits, with their original maturities within three months. In addition, the Group had no mortgage loans (31 December 2014: Nil). The net assets were approximately HK$474,941,000 (31 December 2014: HK$397,474,000). The ratio of debt (included convertible bonds and loans included in other payables and accruals) to total equity was 0.76 (31 December 2014: 0.08).

On 26 May 2015, the Company issued an aggregated principal amount of HK$350,000,000 3% convertible bonds, which are due on 25 May 2016. The Company received net proceeds of HK$346,114,000 after deducting the commissions and expenses of the offering. As at 31 December 2015, HK$55,000,000 of the convertible bonds were converted into 31,428,572 new ordinary shares at a conversion price of HK$1.75 per share.

As at 31 December 2015, included in other payables of (i) RMB9,550,000 (approximately HK$11,507,000) represent the non-interest bearing shareholders' loan from an non-controlling interest shareholder of Guoxin Energy Limited, a non-wholly owned subsidiary of the Company; and (ii) RMB50,000,000 (approximately HK$60,245,000) represent an interest bearing loan from a fellow subsidiary of the Company which is unsecured and due on 13 May 2016. The interest rate of the loan is at Renminbi fixed basic rate plus 10% per annum.

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

Contingent Liabilities

As at 31 December 2015, the Group had no significant contingent liabilities.

Number of Employees and Remuneration Policy

As at 31 December 2015, the Group had 419 employees, the remuneration packages of whom are reviewed annually with reference to the prevailing market condition.

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 2015.

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 the principles as 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 "**Listing Rules**").

The Board is of the view that throughout the year ended 31 December 2015, the Company has complied with the code provisions as set out in the CG Code.

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 2015.

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 financial information has been reviewed by the Audit Committee, approved by the Board and agreed by the Group's external auditor, BDO Limited, to the amounts set out in the audited financial statements.

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, 13 May 2016. Notice of AGM 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, 13 May 2016, the register of members of the Company will be closed from Thursday, 12 May 2016 to Friday, 13 May 2016, 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 Wednesday, 11 May 2016.

By Order of the Board
China Nuclear Energy Technology Corporation Limited
AI Yilun
Chairman

Hong Kong, 7 March 2016

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.