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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)

CONTINUING CONNECTED TRANSACTIONS

Financial Adviser to the Company



(I) THE REMAINING DATONG EPC CCT

Reference is made to the Circular in relation to, among other things, the Datong EPC Agreements and the 2013 Datong Approved Cap.

As set out in the Circular, on 15 November 2013, CNI23 Energy, an indirect non-wholly-owned subsidiary of the Company, entered into the Datong EPC Agreements with GCL Datong, pursuant to which GCL Datong agreed to engage CNI23 Energy as its contractor for the provision of EPC services in respect of the Datong Solar Project. The Datong EPC Agreements and the transactions contemplated thereunder and the 2013 Datong Approved Cap were approved by the GCL Independent Shareholders at the SGM. Due to the unfavourable weather condition, the construction progress of the Datong Solar Project has been delayed and certain works undertaken by CNI23 Energy pursuant to the Datong Procurement and Construction Agreement could not be completed by the financial year ended 31 December 2013. CNI23 Energy is required to continue and complete the remaining procurement and construction work under the Datong Procurement and Construction Agreement.

The estimated amount of the Remaining Datong EPC CCT is approximately RMB6,960,000 (equivalent to approximately HK\$8,801,000). As at the date of this announcement, all engineering work pursuant to the Datong Engineering Agreement has been completed.

As at the date of this announcement, CNI23 Energy is wholly-owned by CNI23 (Nanjing), a wholly foreign-owned enterprise established in the PRC, which in turn is wholly-owned by Guoxin Energy. Guoxin Energy is owned as to 51% by CNI23 New Energy (a wholly-owned subsidiary of the Company), 29.9% by Fame Raise and 19.1% by Triple Delight. To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, the ultimate beneficial owner of Fame Raise is Golden Concord which is the controlling shareholder of GCL-Poly Energy (the shares of which are listed on the Main Board of the Stock Exchange) and GCL-Poly Energy indirectly wholly-owns GCL Datong. Therefore, GCL Datong is a connected person of the Company within the meaning of the Listing Rules and the entering into of the Remaining Datong EPC CCT constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all applicable percentage ratios in respect of the 2014 Datong Proposed Cap are more than 0.1% and less than 5%, the Remaining Datong EPC CCT and the 2014 Datong Proposed Cap are subject to the reporting, announcement and annual review requirements but exempted from the GCL Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

(II) THE IRAQ CCT

On 28 February 2014 (after trading hours), CNI23 Overseas, a wholly-owned subsidiary of the Company, entered into the New Framework Agreement with CNI23, pursuant to which CNI23 Overseas has agreed to engage CNI23 as a construction sub-contractor exclusively to CNI23 Overseas' construction works in the Site during the term of the New Framework Agreement.

On 28 February 2014 (after trading hours) and immediately after signing of the New Framework Agreement, CNI23 Overseas entered into the Iraq Sub-contracting Agreement with CNI23, which sets out the detailed terms of the construction works to be carried out by CNI23 for the Project pursuant to the New Framework Agreement.

As at the date of this announcement, CNI23 HK holds approximately 27.23% shareholding interests of the Company and together with China He Investment, a party acting in concert with it, hold approximately 36.30% shareholding interests of the Company. CNI23 holds the entire shareholding interests of CNI23 HK and therefore is a connected person of the Company within the meaning of the Listing Rules and the transactions contemplated under the New Framework Agreement and the Iraq Sub-contracting Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all applicable percentage ratios in respect of the Iraq Proposed Cap are more than 0.1% and less than 5%, the Iraq CCT and the Iraq Proposed Cap are subject to the reporting, announcement and annual review requirements but exempted from the CNI Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

(I) THE REMAINING DATONG EPC CCT

Reference is made to the Circular in relation to, among other things, Datong EPC Agreements and the 2013 Datong Approved Cap.

As set out in the Circular, on 15 November 2013, CNI23 Energy, an indirect non-wholly-owned subsidiary of the Company, entered into the Datong EPC Agreements with GCL Datong, pursuant to which GCL Datong agreed to engage CNI23 Energy as its contractor for the provision of EPC services in respect of the Datong Solar Project. The Datong EPC Agreements and the transactions contemplated thereunder and the 2013 Datong Approved Cap were approved by the GCL Independent Shareholders at the SGM. Due to the unfavourable weather condition, the construction progress of the Datong Solar Project has been delayed and certain works undertaken by CNI23 Energy pursuant to the Datong Procurement and Construction Agreement could not be completed by the financial year ended 31 December 2013. CNI23 Energy is required to continue and complete the remaining procurement and construction work under the Datong Procurement and Construction Agreement.

The estimated amount of the Remaining Datong EPC CCT is approximately RMB6,960,000 (equivalent to approximately HK\$8,801,000). As at the date of this announcement, all engineering work pursuant to the Datong Engineering Agreement has been completed.

2014 DATONG PROPOSED CAP

The following table sets out the aggregate annual cap in respect of the Remaining Datong EPC CCT for the financial year ending 31 December 2014.

	The relevant part of the 2013 Datong Approved Cap for the financial year ended 31 December 2013 (RMB'000)	Actual transaction amount for the financial year ended 31 December 2013 (RMB'000)	The 2014 Datong Proposed Cap for the financial year ending 31 December 2014 (RMB'000)
<i>Pursuant to the Datong Procurement and Construction Agreement</i>			
(1) procurement of construction equipment and materials	90,686	89,038	1,648
(2) Provision of construction, installation and related services	64,150	58,838	5,312
Total:	154,836	147,876	6,960
	<i>(equivalent to approximately HK\$195,791,710)</i>	<i>(equivalent to approximately HK\$186,990,718)</i>	<i>(equivalent to approximately HK\$8,801,000)</i>

Basis in determining the 2014 Datong Proposed Cap

In determining the 2014 Datong Proposed Cap, the Board has based their estimates on the outstanding contract value of the Datong Procurement and Construction Agreement. Important and objective assumptions and factors, though not exhaustive but were arrived at after due and careful consideration of data currently in hand, are set out as below:

- (i) the quantity of remaining equipment and materials to be transacted as set out in the Datong Procurement and Construction Agreement;
- (ii) the extent of the construction, installation and related services required to be provided by CNI23 Energy in relation to the remaining part of the Datong Solar Project; and
- (iii) the expected unit prices of relevant construction equipment and materials, and construction, installation and related services.

The Company has estimated the quantity of the remaining equipment and materials to be procured based on the number of each category of the outstanding equipment and materials necessary to complete the Remaining Datong EPC CCT and the standard as set out in the Datong Procurement and Construction Agreement and the relevant tender. Regarding the extent of the construction, installation and related services, the Company has estimated such extent based on (i) the number of man-hour of relevant worker and technical staff; and (ii) the type and number of construction equipment to be rented for performing the Remaining Datong EPC CCT as specified in the Datong Procurement and Construction Agreement and the relevant tender.

The pricing policy for the Remaining Datong EPC CCT has been determined after arm's length negotiations between the parties, based on normal commercial terms and fair market price and in principle no less favourable than the terms which can be obtained by CNI23 Energy from independent third parties for the provision of similar EPC services in the PRC.

The Company has determined the expected unit prices of the remaining equipment and materials to be procured with reference to third party quotations with profit margin marked-up and has determined the expected unit prices of relevant construction equipment to be rented and materials to be procured with reference to the relevant market price as published on a construction-related website www.jszj.com.cn (江蘇工程造價信息網, transliterated as Jiangsu Project Cost Information Network*). Regarding the determination of the expected unit labour cost for providing construction, installation and related services, the Company has made reference to the recommended salary level of similar workers as published by PRC local government and the general salary level of relevant technical staff based on the enquiry result from a consultancy service company.

Since the Company has determined the abovementioned pricing for the Remaining Datong EPC CCT with reference to the market prices or third party quotations or recommended guideline by PRC local Government, the Company considered that such pricing should be comparable with that obtained from independent third parties.

(II) THE IRAQ CCT

THE NEW FRAMEWORK AGREEMENT

On 28 February 2014 (after trading hours), CNI23 Overseas, a wholly-owned subsidiary of the Company, entered into the New Framework Agreement with CNI23, pursuant to which CNI23 Overseas has agreed to engage CNI23 as a construction sub-contractor exclusively to CNI23 Overseas' construction works in the Site during the term of the New Framework Agreement. The major terms of the New Framework Agreement are set out below:

Date

28 February 2014 (after trading hours)

Parties

- (1) CNI23 Overseas; and
- (2) CNI23

As at the date of this announcement, CNI23 HK holds approximately 27.23% shareholding interests of the Company and together with China He Investment, a party acting in concert with it, hold approximately 36.30% shareholding interests of the Company. CNI23 holds the entire shareholding interests of CNI23 HK and therefore is a connected person of the Company within the meaning of the Listing Rules.

Term

The New Framework Agreement will take effect upon the fulfillment of all the conditions precedent as set out under the paragraph "Conditions Precedent" below until (and including) 31 December 2014 or the date on which the Project has been completed and CNI23 Overseas has obtained the certificate of satisfaction issued by the owner of the Site for completion of the Project (whichever is later) or such other date as may be agreed by CNI23 Overseas and CNI23.

Nature of Transactions

Pursuant to the New Framework Agreement, CNI23 agrees to:

1. provide construction and installation works, including but not limited to construction works, installation of equipment and facilities, pipes installation, electrical equipment and meters installation, insulation and non-corrosive engineering work, testing, repair and maintenance works;
2. supervise and manage construction works;
3. supply construction equipment and designated materials;
4. purchase construction materials (including construction raw materials and consumables) as may be required by CNI23 Overseas from time to time;
5. supply management and technical personnel and construction workers;

6. set up production and living area in the Site (if required);
7. provide transportation services for the construction equipment and materials (including transportation facilities, transportation fee, customs clearance, import, export and related insurance);
8. provide water, electricity and related facilities, provisional power equipment and facilities environment protection (if required) and repair and maintenance services in the Site;
9. provide miscellaneous services such as office equipment, telecommunications systems, living facilities for staff, security, insurance and other related services; and
10. provide such other construction works as may be required by CNI23 Overseas from time to time.

The New Framework Agreement is a master agreement which sets out the principles of the construction works to be carried out by CNI23 for CNI23 Overseas in relation to the Project and other relevant future projects (if any) upon which detailed terms (including the contract value) are to be determined between the parties by way of entering into separate sub-contracting agreement(s) or such other agreement(s) as CNI23 Overseas may require. Pursuant to the New Framework Agreement, the parties have entered into the Iraq Sub-contracting Agreement which provides the detailed terms of the construction works required to be carried out by CNI23 in respect of the Project. Please refer to the section headed “The Iraq Sub-contracting Agreement” below for further information. According to the New Framework Agreement, the parties have agreed that such detailed terms shall be fair and reasonable and on normal commercial terms which are no less favourable than the terms which can be obtained by CNI23 Overseas from independent third parties for similar construction projects.

Conditions Precedent

The New Framework Agreement is conditional upon (i) the consent obtained from COOEC-ENPAL for sub-contracting the Project to CNI23 under the Construction Agreement; and (ii) the approval (if required) obtained from the CNI Independent Shareholders pursuant to the Listing Rules and the bye-laws of the Company. The consent from COOEC-ENPAL has been obtained on 27 February 2014.

THE IRAQ SUB-CONTRACTING AGREEMENT

On 28 February 2014 (after trading hours) and immediately after signing of the New Framework Agreement, CNI23 Overseas entered into the Iraq Sub-contracting Agreement with CNI23 which sets out the detailed terms of the construction works to be carried out by CNI23 for the Project pursuant to the New Framework Agreement. The major terms of the Iraq Sub-contracting Agreement are set out below:

Date

28 February 2014 (after trading hours) and immediately after signing of the New Framework Agreement

Parties

- (1) CNI23 Overseas; and
- (2) CNI23

Term

The Iraq Sub-contracting Agreement commences from the date of the Iraq Sub-contracting Agreement (i.e. 28 February 2014) and shall end on the expiry date of the Construction Agreement.

Nature of Transactions

Pursuant to the Iraq Sub-contracting Agreement, CNI23 has agreed to provide the services for the Project within the scope of works set out in the paragraph “Nature of Transactions” under the section headed “The New Framework Agreement” above and the detailed requirements for the works are set out in the Iraq Sub-contracting Agreement.

On 28 February 2014, CNI23 Overseas entered into the Construction Agreement with COOEC-ENPAL in relation to the construction works for the Project in the Site. The Project mainly includes the installation of sewer pipe, diesel pipe, diesel tank and fire monitor extinguishing systems and supply of demineralized water. CNI23 Overseas also entered into a guarantee agreement with COOEC-ENPAL and CNI23 whereby CNI23 has agreed to guarantee the obligations of CNI23 Overseas under the Construction Agreement. Pursuant to the Iraq Sub-contracting Agreement, notwithstanding the signing of the Iraq Sub-contracting Agreement, the obligations of CNI23 under the guarantee agreement will not be affected.

Consideration

The contract value for the Iraq Sub-contracting Agreement is US\$297,000 (equivalent to approximately HK\$2,308,410). The total contract value shall be paid in cash by CNI23 Overseas to CNI23 within twenty (20) days after receiving the relevant amount under the Construction Agreement from the owner of the Site or COOEC-ENPAL. If retention money for quality assurance of the Project is required by the owner of the Site or COOEC-ENPAL, a corresponding amount will be withheld from the payment to CNI23 which will be paid to CNI23 within sixty (60) days after the retention period as required by the owner of the Site or COOEC-ENPAL ends. The contract value in respect of the Iraq Sub-contracting Agreement has been agreed upon between the parties through arm’s length negotiations.

Other Major Terms

The other major terms of the Iraq Sub-contracting Agreement are as follows:

1. CNI23 is required to comply with the works required to be done by CNI23 Overseas as set out in the Construction Agreement (unless otherwise instructed by CNI23 Overseas) and also the tender document(s) submitted by COOEC-ENPAL for the Project.

2. CNI23 Overseas shall have the discretion to determine whether or not the construction equipment and materials as required under the Construction Agreement are to be supplied by CNI23 Overseas directly or to be purchased by CNI23. In the event that CNI23 Overseas shall purchase the construction equipment and materials directly, CNI23 Overseas shall have the right to adjust the contract value of the Iraq Sub-contracting Agreement or the relevant cost under the Project accordingly.

THE IRAQ PROPOSED CAP

The following table sets out the annual cap in respect of the Iraq CCT for the financial year ending 31 December 2014.

Iraq CCT	Proposed transaction amount for the financial year ending 31 December 2014 (US\$)
(1) supply construction equipment and designated materials	287,000
(2) supply management and technical personnel and construction workers	10,000
Total amount:	297,000
Iraq Proposed Cap (after taking into a 10% buffer)	326,700 <i>(equivalent to approximately HK\$2,539,250)</i>

BASIS IN DETERMINING THE IRAQ PROPOSED CAP

In determining the Iraq Proposed Cap, the Board has based their estimates on the contract value of the Iraq Sub-contracting Agreement. Important and objective assumptions and factors, though not exhaustive which were arrived at after due and careful consideration of data currently in hand, are set out as below:

- (i) the historical transaction amount pursuant to the Existing Framework Agreement;
- (ii) expected quantity of materials, equipment, facilities, utilities and services required to be provided by CNI23 for the Project pursuant to the Iraq Sub-contracting Agreement;
- (iii) the expected price of relevant materials, equipment, facilities, utilities and services; and
- (iv) a buffer to cater for fluctuation in price of the materials, equipment, facilities, utilities and services, inflation, foreign exchange rate and any relevant future transactions.

The pricing policy for the Iraq CCT has been determined based on normal commercial terms which are no less favourable than the terms which can be obtained by CNI23 Overseas from independent third parties for similar construction projects. Pricing has been agreed upon between the parties for each transaction by reference to the aforementioned pricing policy through arm's length negotiations.

REASONS FOR AND BENEFIT OF ENTERING INTO THE REMAINING DATONG EPC CCT AND THE IRAQ CCT

The Group is principally engaged in new energy operations (such as provision of EPC 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 (i) inspection, maintenance, repair, construction, installation and provision of expertise in such works for nuclear power plants; and (ii) sub-contracting of overseas engineering and construction projects via its subsidiaries and associated companies.

It is the corporate strategy of the Group to continue to identify investment opportunities with the aim to diversify its business to a section which is less susceptible to global financial markets while at the same time has a steady revenue stream.

Regarding the Remaining Datong EPC CCT

CNI23 (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 the wholly-owned subsidiary of CNI23 (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 CNI23 (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. On 15 November 2013, the CNI23 Energy entered into the Datong EPC Agreements 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 CNI23 (Nanjing) and CNI23 Energy as well as to generate additional revenue stream.

The Datong EPC Agreements and the transactions contemplated thereunder and the 2013 Datong Approved Cap were approved by the GCL Independent Shareholders at the SGM. Due to the unfavourable weather condition, the construction progress of the Datong Solar Project has been delayed and certain works undertaken by CNI23 Energy pursuant to the Datong Procurement and Construction Agreement could not be completed by the financial year ended 31 December 2013. CNI23 Energy is required to continue and complete the remaining procurement and construction work under the Datong Procurement and Construction Agreement. The Company considers that the

entering into of the Remaining Datong EPC CCT allows CNI23 Energy to fulfill its obligation under the Datong Procurement and Construction Agreement and continue to record revenue from the Datong Solar Project.

Regarding the Iraq CCT

As announced by the Company on 15 October 2012, 14 November 2012, 3 May 2013 and 18 October 2013, CNI23 Overseas entered into construction agreements with COOEC-ENPAL in relation to the construction of power stations and an API oil return pipeline in the Site. Since the owner of the Site and COOEC-ENPAL were satisfied with the quality of these construction projects, COOEC-ENPAL has decided to continue to sub-contract new construction works to CNI23 Overseas. In view of establishing a long-term business relationship with COOEC-ENPAL and building the reputation of CNI23 Overseas in the industry, CNI23 Overseas has decided to undertake the Project by utilising the expertise of CNI23. Furthermore, the transactions under the New Framework Agreement and the Iraq Sub-contracting Agreement will provide additional revenue stream to the Company and thereby facilitating the expansion of the Group's businesses.

The Directors (including independent non-executive Directors) consider the Remaining Datong EPC CCT and the Iraq CCT are in the ordinary course of business of the Group and on normal commercial terms, and the terms of the Remaining Datong EPC CCT, the New Framework Agreement, the Iraq Sub-contracting Agreement, the 2014 Datong Proposed Cap and the Iraq Proposed Cap are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Regarding the Remaining Datong EPC CCT

As at the date of this announcement, CNI23 Energy is wholly-owned by CNI23 (Nanjing), a wholly foreign-owned enterprise established in the PRC, which in turn is wholly-owned by Guoxin Energy. Guoxin Energy is owned as to 51% by CNI23 New Energy (a wholly-owned subsidiary of the Company), 29.9% by Fame Raise and 19.1% by Triple Delight. To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, and the ultimate beneficial owner of Fame Raise is Golden Concord, which is the controlling shareholder of GCL-Poly Energy (the shares of which are listed on the Main Board of the Stock Exchange) and GCL-Poly Energy wholly-owns GCL Datong. Therefore, GCL Datong is a connected person of the Company within the meaning of the Listing Rules and the Remaining Datong EPC CCT constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all applicable percentage ratios in respect of the 2014 Datong Proposed Cap are more than 0.1% and less than 5%, the Remaining Datong EPC CCT and the 2014 Datong Proposed Cap are subject to the reporting, announcement and annual review requirements but exempted from the GCL Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Regarding the Iraq CCT

As at the date of this announcement, CNI23 HK holds approximately 27.23% shareholding interests of the Company and together with China He Investment, a party acting in concert with it, hold approximately 36.30% shareholding interests of the Company. CNI23 holds the entire shareholding interests of CNI23 HK and therefore is a connected person of the Company within the meaning of the Listing Rules and the transactions contemplated under the New Framework Agreement and the Iraq Sub-contracting Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all applicable percentage ratios in respect of the Iraq Proposed Cap are more than 0.1% and less than 5%, the Iraq CCT and the Iraq Proposed Cap are subject to the reporting, announcement and annual review requirements but exempted from the CNI Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Ai Yilun, an executive Director and the chairman of the Board, is also the General Manager of Zhong He Investment Company Limited (“**Zhong He**”). Zhong He holds the entire equity interest of China He Investment which in turn holds approximately 9.07% equity interest in the Company. Mr. Gao Yongping, an executive Director, is also the manager of the fund management department of Zhong He. Mr. Fu Zhigang, an executive Director, is also the vice financial controller and the director of finance department at Zhong He. Mr. Han Naishan, an executive Director, is also the Director General of CNI23; and Mr. Song Limin, an executive Director, is also a member of the management team of CNI23. Accordingly, Messrs. Ai Yilun, Han Naishan, Gao Yongping, Fu Zhigang and Song Limin were required to abstain and had abstained from voting at the Board meeting in respect of the New Framework Agreement, the Iraq Sub-contracting Agreement and the transactions contemplated thereunder and the Iraq Proposed Cap.

DEFINITIONS

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

“2013 Datong Approved Cap”	the annual cap for the continuing connected transactions under the Datong EPC Agreements for the financial year ended 31 December 2013 which was approved by the GCL Independent Shareholders at the SGM;
“2014 Datong Proposed Cap”	the annual cap for the Remaining Datong EPC CCT for the financial year ending 31 December 2014;
“associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“China He Investment”	China He Investment (Hong Kong) Company Limited 中核投資(香港)有限公司, a company incorporated in Hong Kong with limited liability;

“Circular”	the circular issued by the Company dated 6 December 2013 in relation to, among others, the Datong EPC Agreements and the transactions contemplated thereunder and the 2013 Datong Approved Cap;
“CNI23”	中國核工業二三建設有限公司 (transliterated as China Nuclear Industry 23 Construction Company Limited*), a state-owned enterprise established in the PRC;
“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;
“CNI23 HK”	China Nuclear Industry 23 Construction (Hong Kong) Company Limited 中國核工業二三建設(香港)有限公司, a company incorporated in Hong Kong with limited liability;
“CNI23 (Nanjing)”	中核二三(南京)能源發展有限公司 (CNI23 (Nanjing) Energy Development Company Limited), an indirect non-wholly-owned subsidiary of the Company 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;
“CNI23 Overseas”	CNI23 Overseas Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
“CNI Independent Shareholder(s)”	Shareholder(s) other than CNI23 HK and China He Investment and their respective associates;
“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;
“connected person(s)”	has the same meaning ascribed thereto in the Listing Rules;
“Construction Agreement”	the construction agreement dated 28 February 2014 entered into between CNI23 Overseas and COOEC-ENPAL in relation to, among other things, installation of sewer pipe, diesel pipe, diesel tank and fire monitor extinguishing systems and supply of demineralized water;
“COOEC-ENPAL”	COOEC-ENPAL Engineering Co., Ltd. 海工英派爾工程有限公司, a limited liability company established in the PRC;
“Datong Engineering Agreement”	the agreement dated 15 November 2013 entered into between CNI23 Energy and GCL Datong in relation to the provision of engineering design services to GCL Datong in respect of the Datong Solar Project;

“Datong EPC Agreements”	the Datong Engineering Agreement and the Datong Procurement and Construction Agreement;
“Datong Procurement and Construction Agreement”	the agreement dated 15 November 2013 entered into between CNI23 Energy and GCL Datong in relation to the provision of procurement and construction services to GCL Datong in respect of the Datong Solar Project;
“Datong Solar Project”	大同協鑫二期60MW光伏發電項目 (transliterated as Datong Xiexin 60MW PV Project Phase II*);
“Director(s)”	director(s) of the Company;
“EPC”	engineering, procurement and construction;
“Existing Framework Agreement”	the framework agreement dated 18 October 2013 entered into between CNI23 Overseas and CNI23 in relation to the sub-contracting of construction works in the Site;
“Fame Raise”	Fame Raise Limited, a limited liability company incorporated in the British Virgin Islands;
“GCL Datong”	大同縣協鑫光伏電力有限公司 (transliterated as Datong Xian GCL Solar Power Co., Ltd.*), an indirect wholly-owned subsidiary of GCL-Poly Energy;
“GCL Independent Shareholder(s)”	Shareholder(s) other than Golden Concord and its associates (if any);
“GCL-Poly Energy”	GCL-Poly Energy Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange;
“Golden Concord”	Golden Concord Group Limited 協鑫集團有限公司, a limited liability company incorporated in Hong Kong;
“Group”	the Company and its subsidiaries;
“Guoxin Energy”	Guoxin Energy Limited, a limited liability company incorporated in Hong Kong, which 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;
“Iraq”	the Republic of Iraq;
“Iraq Proposed Cap”	the annual cap for the continuing connected transactions contemplated under the New Framework Agreement and the Iraq Sub-contracting Agreement for the financial year ending 31 December 2014;

“Iraq CCT”	the continuing connected transactions contemplated under the New framework Agreement and the Iraq Sub-contracting Agreement;
“Iraq Sub-contracting Agreement”	the sub-contracting agreement dated 28 February 2014 entered into between CNI23 Overseas and CNI23 in relation to the sub-contracting of certain construction works required under the Construction Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MWp”	Megawatt Peak;
“New Framework Agreement”	the framework agreement dated 28 February 2014 entered into between CNI23 Overseas and CNI23 in relation to the sub-contracting of construction works in the Site;
“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;
“Project”	the construction and installation project to be carried out in the Site under the Construction Agreement;
“PV”	photovoltaic;
“Remaining Datong EPC CCT”	the remaining continuing connected transactions under the Datong Procurement and Construction Agreement to be carried out in the financial year ending 31 December 2014;
“RMB”	Renminbi, the lawful currency of the PRC;
“SGM”	the special general meeting of the Company convened and held on 24 December 2013 to approve, among other things, the Datong EPC Agreements and the transactions contemplated thereunder and the 2013 Datong Approved Cap;
“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);
“Site”	Missan Oil Fields of Buzurgan area in Iraq;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed thereto under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Triple Delight”	Triple Delight Limited, a limited liability company incorporated in the British Virgin Islands;

“US\$” United States of America dollar(s), the lawful currency of the United States of America; and

“%” per cent.

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

Hong Kong, 28 February 2014

For the purposes of illustration only, any amount denominated in RMB and US\$ in this announcement and translated into HK\$ was translated at the rate of RMB0.79082 = HK\$1 and US\$1 = HK\$7.7724 respectively. 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. Han Naishan, Mr. Gao Yongping, Mr. Fu Zhigang, Ms. Jian Qing, Mr. Chung Chi Shing and Mr. Song Limin, all of whom are executive Directors; and Mr. Chan Ka Ling, Edmond, Mr. Chang Nan, Dr. Dai Jinping and Mr. Yu Lei, all of whom are independent non-executive Directors.

** for identification purposes only*