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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that the interim results of the Group for the six months ended 30 June 2014 are expected to record a significant net loss as compared to the net profit for the six months ended 30 June 2013.

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

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

After a preliminary review on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2014, the Board wishes to inform the Shareholders and potential investors that the interim results of the Group for the six months ended 30 June 2014 are expected to record a significant net loss as compared to the net profit for the six months ended 30 June 2013, among other things, the expected loss is mainly due to the following reasons:

- (i) The new energy business of the Group was impacted by fierce competition in the first half of 2014. In such event, the number of projects decreased substantially and the operating costs increased, leading to the decrease in profits derived from the new energy business. The relevant business of the Group are expected to record a significant net loss for the six months ended 30 June 2014;
- (ii) The catering business is expected to record a net loss for the six months ended 30 June 2014, primarily due to the increase in the operating costs as a result of the closing and opening of certain shops, which had negative impact on the results for the six months ended 30 June 2014; and

(iii) In compliance with the existing applicable accounting standards adopted by the Group, the Acquisition Convertible Bonds are required to recognise as derivative financial assets/liabilities in the consolidated financial statements of the Group, while gains or losses relating to the net changes in fair value are also necessary to be reflected in the consolidated statement of profit or loss. The Company made early redemptions of the Acquisition Convertible Bonds on 20 February 2014 and 26 May 2014, respectively, and the closing prices of the Shares on those dates of such redemptions were lower than that as at the end of the previous financial year. Therefore, in accordance with the existing applicable accounting standards, the Group is expected to record the impact of gains from net changes in fair value of the above derivative financial liabilities, and it is expected that such gains will decrease significantly as compared to the gains for the six months ended 30 June 2013. However, the Board wishes to remind the Shareholders and potential investors that the gains relating to net changes in fair value of the above derivative financial liabilities and the Acquisition Convertible Bonds are non-cash in nature, and accordingly have no impact on cash flows of the Group.

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

As the Company is still in the process of finalising its consolidated financial statements for the six months ended 30 June 2014, the information contained in this announcement is only based on preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available to the Board. Shareholders and potential investors are advised to read carefully the results announcement of the Company which is expected to be released on 15 August 2014.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms used herein shall have the following meanings:

“Acquisition Convertible Bonds”	zero coupon rate unsecured redeemable convertible bonds due 2014 in the principal amount of HK\$120 million with conversion price of HK\$1.20 per Share issued by the Company on 1 September 2011 to Shining Rejoice Limited, details of which are set out in the announcement of the Company dated 13 May 2011 and the circular of the Company dated 12 August 2011. On 15 March 2013, the conversion rights of 40,000,000 shares attaching to the aforesaid zero coupon rate unsecured redeemable convertible bonds were exercised. The Company redeemed the convertible bonds in the principal amount of HK\$24,000,000 and HK\$48,000,000 on 20 February 2014 and 26 May 2014, respectively
“Board”	the board of Directors
“Company”	China Nuclear Industry 23 International Corporation Limited 中國核工業二三國際有限公司, a company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“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
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 31 July 2014

As at the date of this announcement, the Directors of the Company 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. Tang Chuanqing, all of whom are executive Directors; and Mr. Chan Ka Ling, Edmond, Mr. Li Baolin, Mr. Wang Jimin and Mr. Chen Ying, all of whom are independent non-executive Directors.