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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)

**REVISION OF THE EXISTING CAPS FOR
CONTINUING CONNECTED TRANSACTIONS
UNDER THE CNI23 (NANJING) FRAMEWORK AGREEMENT
AND
ENTERING INTO SECOND EQUIPMENT AND MATERIALS
PROCUREMENT AGREEMENT
AND SECOND TECHNICAL CONSULTANCY AGREEMENT
WITH中國核工業二三建設有限公司華東分公司
(CHINA NUCLEAR INDUSTRY 23 CONSTRUCTION COMPANY LIMITED
HUADONG BRANCH*)**

Financial Adviser to the Company



**REVISION OF THE EXISTING CAPS FOR CONTINUING CONNECTED
TRANSACTIONS UNDER THE CNI23 (NANJING) FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 3 May 2013 in relation to, among others, the continuing connected transactions contemplated under the CNI23 (Nanjing) Framework Agreement.

In view of CNI23 Huadong Branch obtaining more solar energy construction projects in the PRC and CNI23 (Nanjing) continuing to provide more procurement and technical consultancy and project management services to CNI23 Huadong Branch, the Board considers that the Existing Caps will no longer be sufficient and therefore the Board has proposed to revise the Existing Caps to cover the estimated additional transaction amount pursuant to the Second Agreements under the CNI23 (Nanjing) Framework Agreement.

SECOND EQUIPMENT AND MATERIALS PROCUREMENT AGREEMENT AND SECOND TECHNICAL CONSULTANCY AGREEMENT

The Board further announces that, pursuant to the CNI23 (Nanjing) Framework Agreement, on 24 May 2013 (after trading hours), CNI23 (Nanjing) and CNI23 Huadong Branch entered into:

- (1) the Second Equipment and Materials Procurement Agreement pursuant to which CNI23 (Nanjing) has agreed to procure construction equipment and materials and provide related technical support services for CNI23 Huadong Branch in relation to the further development of the Baoying Project and the Jinjiang Project at a total consideration of RMB65,510,200 (equivalent to approximately HK\$82,202,200); and
- (2) the Second Technical Consultancy Agreement pursuant to which CNI23 (Nanjing) has agreed to provide technical consultancy and project management services to CNI23 Huadong Branch in relation to the Jinjiang Project at a total consideration of RMB100,000 (equivalent to approximately HK\$125,500).

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 100% shareholding interests of CNI23 HK and therefore is a connected person of the Company within the meaning of the Listing Rules. CNI23 Huadong Branch is a branch of CNI23 and a connected person of the Company within the meaning of the Listing Rules. Accordingly, the transactions contemplated under the CNI23 (Nanjing) Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

On the basis that the entering into of the First Agreements and the Second Agreements pursuant to the CNI23 (Nanjing) Framework Agreement involving the provision of procurement and technical consultancy and project management services to CNI23 Huadong Branch for similar projects, the transactions contemplated under the First Agreements and the Second Agreements have been aggregated pursuant to Rule 14A.25 of the Listing Rules. As certain relevant applicable percentage ratio in respect of the Revised Caps is more than 25%, the Revised Caps and the Second Agreements and the transactions contemplated thereunder are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

A circular containing information in relation to (i) the revision of the Existing Caps and the Second Agreements and the transactions contemplated thereunder; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Revised Caps and the Second Agreements and the transactions contemplated thereunder; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Revised Caps and the Second Agreements and the transactions contemplated thereunder; and (iv) a notice of the SGM will be despatched to the Shareholders on or before 17 June 2013.

REVISION OF THE EXISTING CAPS FOR CONTINUING CONNECTED TRANSACTIONS UNDER THE CNI23 (NANJING) FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 3 May 2013 in relation to, among others, the continuing connected transactions contemplated under the First Agreements pursuant to the CNI23 (Nanjing) Framework Agreement.

In view of CNI23 Huadong Branch obtaining more solar energy construction projects in the PRC and CNI23 (Nanjing) continuing to provide more procurement and technical consultancy and project management services to CNI23 Huadong Branch, the Board considers that the Existing Caps will no longer be sufficient and therefore the Board has proposed to revise the Existing Caps to cover the estimated additional transaction amount pursuant to the Second Agreements under the CNI23 (Nanjing) Framework Agreement.

Existing Caps and Revised Caps for the financial year ending 31 December 2013

The following table sets out the Existing Caps and the Revised Caps for the financial year ending 31 December 2013.

Continuing connected transactions	Existing Caps for the financial year ending 31 December 2013	Estimated additional transaction amount pursuant to the Second Agreements for the financial year ending 31 December 2013	Total	Revised Caps for the financial year ending 31 December 2013 after taking into account a buffer
	(RMB) (a)	(RMB) (b)	(RMB) (a) + (b)	(RMB)
(1) procurement of construction equipment and materials				
— roof support	1,160,000	22,783,800	23,943,800	—
— electric meter and relevant equipment	5,840,000	42,726,400	48,566,400	—
Sub-total:	7,000,000	65,510,200	72,510,200	79,761,220
(2) provision of technical consultancy and project management services	200,000	100,000	300,000	330,000
Total:	7,200,000 <i>(equivalent to approximately HK\$8,989,300 as announced by the Company on 3 May 2013)</i>	65,610,200 <i>(equivalent to approximately HK\$82,327,700)</i>	72,810,200 <i>(equivalent to approximately HK\$91,362,200)</i>	80,091,220 <i>(equivalent to approximately HK\$100,498,400)</i>

Basis in determining the Revised Caps

In determining the Revised Caps for the financial year ending 31 December 2013, the Board has based their estimates on the total contract value of the First Agreements and the Second Agreements. 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 equipment and materials transacted and/or to be transacted as set out in the Equipment and Materials Procurement Agreement, and the extent of the technical consultancy and project management services, provided and/or required to be provided by CNI23 (Nanjing) as set out in the Technical Consultancy Agreement in relation to the Solar Projects;
- (ii) the quantity of equipment and materials to be transacted as set out in the Second Equipment and Materials Procurement Agreement in relation to the further development of the Baoying Project and the Jinjiang Project, and the extent of the technical consultancy and project management services, required to be provided by CNI23 (Nanjing) as set out in the Second Technical Consultancy Agreement in relation to the Jinjiang Project;
- (iii) the expected unit prices of relevant construction equipment and materials, and technical consultancy and project management services; and
- (iv) a buffer to cater for price fluctuations and change in quantity/extent of the construction equipment and materials, and technical consultancy and project management services, inflation and foreign exchange rate.

The pricing policy for the continuing connected transactions under the CNI23 (Nanjing) Framework Agreement has been determined based on normal commercial terms which are no less favourable than the terms which can be obtained by CNI23 (Nanjing) from independent third parties for the similar procurement and technical consultancy and project management services. Pricing has been agreed upon between the parties for each transaction by reference to the aforementioned pricing policy through arm's length negotiations.

SECOND EQUIPMENT AND MATERIALS PROCUREMENT AGREEMENT

On 24 May 2013 (after trading hours), CNI23 (Nanjing) and CNI23 Huadong Branch entered into the Second Equipment and Materials Procurement Agreement pursuant to which CNI23 (Nanjing) has agreed to procure construction equipment and materials and related technical support services for CNI23 Huadong Branch. The major terms of the Second Equipment and Materials Procurement Agreement are set out below:

Date

24 May 2013 (after trading hours)

Parties

- (1) CNI23 (Nanjing); and
- (2) CNI23 Huadong Branch

Term

The Second Equipment and Materials Procurement Agreement shall commence upon the passing of the relevant resolution approving the Revised Caps and the Second Agreements and the transactions contemplated thereunder by the Independent Shareholders at the SGM and, subject to the right of both parties to terminate in accordance with the Second Equipment and Materials Procurement Agreement, end on 30 September 2014.

Nature of Transactions

Pursuant to the Second Equipment and Materials Procurement Agreement, CNI23 (Nanjing) has agreed to procure construction equipment and materials such as (i) roof support under the category of roof support; and (ii) inverter and electric cable under the category of electric meter and relevant equipment for and provide related technical support services in relation to the further development of the Baoying Project and the Jinjiang Project to CNI23 Huadong Branch.

Consideration

The total contract value for the Second Equipment and Materials Procurement Agreement is RMB65,510,200 (equivalent to approximately HK\$82,202,200) and the contract value shall be paid in cash by CNI23 Huadong Branch to CNI23 (Nanjing) in the following manners: (i) 10% of the contract value payable within seven (7) days after the acceptance of the first batch of the construction equipment and materials by CNI23 Huadong Branch; (ii) 70% of the contract value payable within sixty (60) days after the installation of all the equipment and materials for the Baoying Project and the Jinjiang Project and delivery of the same by CNI23 Huadong Branch to their owner(s); (iii) 10% of the contract value payable within thirty (30) days after all other installation works, testing and commissioning of the Baoying Project and the Jinjiang Project have completed and the same have been accepted by their owner(s) (such installation works, testing, commissioning and acceptance shall be completed by 31 December 2013); and (iv) the remaining 10% payable within thirty (30) days after the expiry of the quality assurance period in accordance with the Second Equipment and Materials Procurement Agreement. The consideration has been agreed upon between the parties by reference to the pricing policy set out in the sub-paragraph "Basis in determining the Revised Caps" above through arm's length negotiations.

SECOND TECHNICAL CONSULTANCY AGREEMENT

On 24 May 2013 (after trading hours), CNI23 (Nanjing) and CNI23 Huadong Branch entered into the Second Technical Consultancy Agreement pursuant to which CNI23 (Nanjing) has agreed to provide technical consultancy and project management services to CNI23 Huadong Branch in relation to the Jinjiang Project. The major terms of the Second Technical Consultancy Agreement are set out below:

Date

24 May 2013 (after trading hours).

Parties

- (1) CNI23 (Nanjing); and
- (2) CNI23 Huadong Branch

Term

The Second Technical Consultancy Agreement shall commence upon the passing of the relevant resolution approving the Revised Caps and the Second Agreements and the transactions contemplated thereunder by the Independent Shareholders at the SGM and, subject to the right of both parties to terminate in accordance with the Second Technical Consultancy Agreement, end on 31 December 2013.

Nature of Transactions

Pursuant to the Second Technical Consultancy Agreement, CNI23 (Nanjing) has agreed to provide technical consultancy and project management services in relation to the Jinjiang Project to CNI23 Huadong Branch.

Consideration

The total contract value for the Second Technical Consultancy Agreement is RMB100,000 (equivalent to approximately HK\$125,500) and the contract value shall be paid in cash by CNI23 Huadong Branch to CNI23 (Nanjing) in the following manners: (i) 10% of the contract value payable upon the effective date of the the Second Technical Consultancy Agreement; (ii) 80% of the contract value payable within thirty (30) days after the Jinjiang Project equipped with electrical power generation capability (the Jinjiang Project shall be equipped with electrical power generation capability by 30 August 2013); and (iii) the remaining 10% payable by the end of 31 December 2013 in accordance with the Second Technical Consultancy Agreement. The consideration has been agreed upon between the parties by reference to the pricing policy set out in the sub-paragraph “Basis in determining the Revised Caps” above through arm’s length negotiations.

BACKGROUND INFORMATION OF THE DEVELOPERS OF THE BAOYING PROJECT AND THE JINJINAG PROJECT

The developer of the Baoying Project

To the best knowledge of the Directors, the developer of the Baoying Project is ultimately wholly-owned by GCL-Poly Energy Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange) and the controlling shareholder of GCL-Poly Energy Holdings Limited, namely Golden Concord Group Limited, wholly owns Fame Raise Limited.

The developer of the Jinjiang Project

The Directors also note that the developer of the Jinjiang Project, Goldpoly (Quanzhou) Science and Technology Industry Co., Ltd., is a subsidiary of Goldpoly New Energy Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange). According to the circular of Goldpoly New Energy Holdings Limited dated 10 May 2013, Goldpoly New Energy Holdings Limited (via its wholly-owned subsidiary), as the purchaser, has entered into a sales and purchase agreement with Ease Soar Limited, China Merchants New Energy Group Limited and other parties, as the vendors, in relation to the acquisition of the interest in a company.

As set out in the abovementioned circular, upon completion of such acquisition, both China Merchants New Energy Group Limited and Ease Soar Limited may become the substantial shareholders of Goldpoly New Energy Holdings Limited. Ease Soar Limited is an indirect wholly-owned subsidiary of GCL-Poly Energy Holdings Limited.

As set out in the announcement of the Company dated 15 May 2013, the Company has entered into a non-legally binding framework agreement with China Merchants New Energy Group Limited for the purpose of strategic cooperation for the research and development, investment, construction of photovoltaic power plant(s).

REASONS FOR AND BENEFIT OF THE ENTERING INTO THE CNI23 (NANJING) FRAMEWORK AGREEMENT, THE FIRST AGREEMENTS AND THE SECOND AGREEMENTS

The Group is principally engaged in restaurant and hotel operation and property investments in Hong Kong. In addition, the Group has also been participating in other businesses such as (i) inspection, maintenance, repair, construction, installation and provision of expertise in such work for nuclear power plants and also provision of construction works for non-nuclear power companies; (ii) sub-contracting of overseas construction projects; and (iii) manufacturing and sales of prefabricated pipes and related equipment and production and assembling of modules for uses by chemical plants and energy plants via its associates companies. CNI23 (Nanjing), an indirect non wholly-owned subsidiary of the Company, 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 (Nanjing) is wholly-owned by Guoxin Energy Limited, a wholly foreign-owned enterprise established in the PRC, which is owned as to 51% by CNI23 New Energy Limited (a wholly-owned subsidiary of the Company), 29.9% by Fame Raise Limited and 19.1% by Triple Delight Limited.

As set out in the announcements of the Company dated 6 January 2013 and 3 May 2013 respectively, the Company intends to diversify its business portfolio to include the solar energy industry in the PRC and the establishment of CNI23 (Nanjing) represents the first step of the Company to enter the relevant field.

The Company believes that the entering into the CNI23 (Nanjing) Framework Agreement, the First Agreements and the Second Agreements are mutually beneficial to the Company and CNI23 Huadong Branch due to the following reasons:

- a) Although CNI23 is one of the largest nuclear power plants installation corporations in the PRC and has been engaged in nuclear power projects, nuclear research projects and non-nuclear projects such as petrochemical and electrical installation projects in the PRC, CNI23 and CNI23 Huadong Branch (which was established on 2 April 2013) currently do not have sufficient relevant expertise, in particular for the procurement of construction equipment and materials and the provision of technical consultancy services for solar energy projects. Meanwhile the Company has established a joint venture company, namely Guoxin Energy Limited with, inter alia, Fame Raise Limited and the controlling shareholder of which is also a controlling shareholder (as defined in the Listing Rules) of GCL-Poly Energy Holdings Limited (one of the leading polysilicon and wafer suppliers in the world). In light of certain core staff of CNI23 (Nanjing) possessing the relevant expertise and experience in construction of solar energy plants which is favourable to CNI23 (Nanjing) for sourcing relevant construction equipment and materials and conducting certain technical consultancy services, such as equipment testing and on-site management for the Solar Projects and the Jinjiang Project, the Company decided to utilise its resources in CNI23 (Nanjing) to create additional revenue stream of the Group and foster the long term business relationship with CNI23 Huadong which may in return create similar business opportunity for the Group in the future.

- b) As advised by CNI23 Huadong Branch, there are not many procurement agents who can source all equipment and materials according to the required specification and quality. As CNI23 (Nanjing) is able to centralise the procurement for all required materials and perform the on-site testing and other relevant management services, it can facilitate the smooth workflow for the Solar Projects and Jinjiang Project.
- c) As mentioned in the announcement of the Company dated 6 January 2013, the subsidiary of CNI23 (Nanjing) in the PRC would apply for the requisite qualifications for the purpose of conducting EPC business in the photovoltaic power plants in PRC. However, as at the date of this announcement, CNI23 (Nanjing) and its subsidiary has not yet obtained the relevant qualification for the entire EPC business. Therefore, the Company considers that the provision of procurement services and other relevant technical consultancy services (which do not require the specific qualification) enables the Company to start establishing its market stand and to gain experience in the PRC solar energy market earlier.

As such, the Directors considered that it is for the Group's benefit to revise the Existing Caps and enter into the Second Agreements.

Mr. Dong Yuchuan, a non-executive Director and the chairman of the Company, is also the chairman of the board and Director General of CNI23, which wholly owns CNI23 HK; Mr. Lei Jian, an executive Director, is the Chairman of China He Investment, a party acting in concert with CNI23 HK; Mr. Han Naishan, an executive Director and is also the Deputy Director General and Chief Engineer of CNI23; Mr. Guo Shuwei, an executive Director, is a director of CNI23 HK and also the General Manager of the International Department of CNECC and the Deputy Director General of CNI23; and Mr. Song Limin, an executive Director and the Chief Executive Officer of the Company, is the secretary to the Director General of CNI23. Accordingly, Messrs. Dong Yuchuan, Lei Jian, Han Naishan, Guo Shuwei and Song Limin had abstained from voting at the Board meeting in respect of, among others, the Revised Caps and the Second Agreements and the transactions contemplated thereunder. The Board confirmed that except for Messrs. Dong Yuchuan, Lei Jian, Han Naishan, Guo Shuwei and Song Limin, none of the other Directors had any material interest in the continuing connected transactions contemplated under the CNI23 (Nanjing) Framework Agreement. Accordingly, none of the other Directors, except for the abovementioned Directors, was required to abstain from voting on the Board resolutions in relation to the Revised Caps and the Second Agreements and the transactions contemplated thereunder.

The Directors (excluding the independent non-executive Directors whose views will be contained in the circular to be issued by the Company after considering the advice from the independent financial adviser and except for Messrs. Dong Yuchuan, Lei Jian, Han Naishan, Guo Shuwei and Song Limin who had abstained from voting at the Board meeting approving, among others, the Revised Caps and the Second Agreements and the transactions contemplated thereunder due to the reasons stated above) considered the continuing connected transactions contemplated under the CNI23 (Nanjing) Framework Agreement were entered into in the ordinary course of business of the Group and on normal commercial terms, and the terms and conditions therein (including the Revised Caps and the Second Agreements) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

To the best knowledge of the Directors, CNI23 Huadong Branch is still identifying and/or in preliminary discussion for further construction works such as solar energy plants in the PRC. However, no concrete detail, such as the scale of potential projects and relevant budget, has

been obtained by CNI23 Huadong Branch so far. If there is any additional proposed transaction between CNI23 Huadong Branch and CNI23 (Nanjing) pursuant to the CNI23 (Nanjing) Framework Agreement, the Company will comply with the relevant requirements under the Listing Rules and will make further announcement(s) as and when appropriate.

LISTING RULES IMPLICATIONS

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 100% shareholding interests of CNI23 HK and therefore is a connected person of the Company within the meaning of the Listing Rules. CNI23 Huadong Branch is a branch of CNI23 and a connected person of the Company within the meaning of the Listing Rules. Accordingly, the transactions contemplated under the CNI23 (Nanjing) Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

On the basis that the entering into of the First Agreements and the Second Agreements pursuant to the CNI23 (Nanjing) Framework Agreement involving the provision of procurement and technical consultancy and project management services to CNI23 Huadong Branch for similar projects, the transactions contemplated under the First Agreements and the Second Agreements have been aggregated pursuant to Rule 14A.25 of the Listing Rules. As certain relevant applicable percentage ratio in respect of the Revised Caps is more than 25%, the Revised Caps and the Second Agreements and the transactions contemplated thereunder are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

A circular containing information in relation to (i) the revision of the Existing Caps and the Second Agreements and the transactions contemplated thereunder; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Revised Caps and the Second Agreements and the transactions contemplated thereunder; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Revised Caps and the Second Agreements and the transactions contemplated thereunder; and (iv) a notice of the SGM will be despatched to the Shareholders on or before 17 June 2013.

DEFINITIONS

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

“associates”	has the meaning ascribed thereto in the Listing Rules;
“Baoying Project”	寶應30MWp漁光互補光伏發電項目 (transliterated as Baoying 30MWp fishing-solar complementary photovoltaic power project*)
“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;
“CNECC”	中國核工業建設股份有限公司 (transliterated as China Nuclear Engineering Corporation Co., Ltd.*), a state-owned enterprise established in the PRC and owns 80% of CNI23;
“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 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 Huadong Branch”	中國核工業二三建設有限公司華東分公司 (transliterated as China Nuclear Industry 23 Construction Company Limited Huadong Branch*), a branch of CNI23 which was established in the PRC;
“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 which was established in the PRC;
“CNI23 (Nanjing) Framework Agreement”	the framework agreement dated 3 May 2013 entered into between CNI23 (Nanjing) and CNI23 Huadong Branch in relation to the provision of procurement of construction equipment and materials and technical consultancy and project management services;
“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;
“Director(s)”	director(s) of the Company;
“EPC”	engineering, procurement and construction;

“Equipment and Materials Procurement Agreement”	the equipment and materials procurement agreement dated 3 May 2013 entered into between CNI23 (Nanjing) and CNI23 Huadong Branch in relation to the procurement of construction equipment and materials and provision of related technical support services for the Solar Projects;
“Existing Caps”	the annual caps for the continuing connected transactions contemplated under the First Agreements pursuant to the CNI23 (Nanjing) Framework Agreement for the financial year ending 31 December 2013 as announced by the Company on 3 May 2013;
“First Agreements”	the Equipment and Materials Procurement Agreement and the Technical Consultancy Agreement;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Independent Board Committee”	the independent board committee comprising all independent non-executive Directors to advise the Independent Shareholders on the Revised Caps and the Second Agreements and the transactions contemplated thereunder;
“Independent Shareholder(s)”	Shareholder(s) other than CNI23 HK and its associate;
“Jinjiang Project”	晉江市經濟開發區10MWp光伏併網金太陽項目 (transliterated as Golden-sun project for the 10MWp photovoltaic grid-connection in Jinjiang Economic Development Zone*);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	The People’s Republic of China;
“Revised Caps”	the revised annual caps for the continuing connected transactions contemplated under the CNI23 (Nanjing) Framework Agreement for the financial year ending 31 December 2013, taking into account the First Agreements and the Second Agreements to be approved by the Independent Shareholders at the SGM;
“RMB”	Renminbi, the lawful currency of the PRC;
“Second Agreements”	the Second Equipment and Materials Procurement Agreement and the Second Technical Consultancy Agreement;
“Second Equipment and Materials Procurement Agreement”	the equipment and materials procurement agreement dated 24 May 2013 entered into between CNI23 (Nanjing) and CNI23 Huadong Branch in relation to the procurement of construction equipment and materials and provision of related technical support services for the further development of the Baoying Project and the Jinjiang Project;

“Second Technical Consultancy Agreement”	the technical consultancy agreement dated 24 May 2013 entered into between CNI23 (Nanjing) and CNI23 Huadong Branch in relation to the provision of technical consultancy and project management services in relation to the Jinguang Project;
“SGM”	the special general meeting of the Company to be convened and held to approve, if thought fit, the Revised Caps and the Second Agreements and the transactions contemplated thereunder;
“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);
“Solar Projects”	揚州經濟開發區光伏發電示範項目出口加工區2MW子項目 (transliterated as 2MW project of photovoltaic power demonstration projects export processing zones in Yangzhou Economic Development Zone*) and the Baoying Project;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Technical Consultancy Agreement”	the technical consultancy agreement dated 3 May 2013 entered into between CNI23 (Nanjing) and CNI23 Huadong Branch in relation to the provision of technical consultancy and project management services in relation to the Solar Projects; and
“%”	per cent.

By order of the Board
China Nuclear Industry 23
International Corporation Limited
DONG Yuchuan
Chairman

Hong Kong, 24 May 2013

For the purposes of illustration only, any amount denominated in RMB in this announcement and translated into HK\$ was translated at the rate of RMB0.79694 = HK\$1. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.

As at the date of this announcement, the Directors of the Company are: Mr. Dong Yuchuan, who is the chairman and a non-executive Director; Mr. Chan Shu Kit, who is the vice-chairman and an executive Director; Mr. Lei Jian, Mr. Han Naishan, Mr. Guo Shuwei, Mr. Chung Chi Shing, Ms. Jian Qing 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*