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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

GCL SOLAR PROJECT AGREEMENTS

On 12 August 2014 and 13 August 2014, CNI23 Energy, an indirect non-wholly-owned subsidiary of the Company, entered into the Licheng Procurement and Construction Agreement and the Licheng Engineering Agreement respectively with GCL Licheng, pursuant to which GCL Licheng has agreed to engage CNI23 Energy as its contractor for the provision of EPC services in respect of the Licheng Solar Project. The total contract value of the Licheng EPC Agreements is RMB47,060,000 (equivalent to approximately HK\$59,256,834).

CNI23 Energy, an indirect non-wholly-owned subsidiary of the Company shall enter into the Baoying Engineering Agreement with GCL Baoying, pursuant to which GCL Baoying shall agree to engage CNI23 Energy as its contractor for the provision of engineering design service in respect of the Baoying Solar Project. The total contract value of the Baoying Engineering Agreement shall be RMB510,000 (equivalent to approximately HK\$642,180).

CNI23 Energy, an indirect non-wholly-owned subsidiary of the Company, shall enter into the Yushen Engineering Agreement with GCL Yushen, pursuant to which GCL Yushen shall agree to engage CNI23 Energy as its contractor for the provision of engineering design service in respect of the Yushen Solar Project. The total contract value of the Yushen Engineering Agreement shall be RMB1,850,000 (equivalent to approximately HK\$2,329,476).

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. GCL-Poly Energy indirectly wholly-owns GCL Licheng and GCL Baoying and it has an indirect interest of 62.28% in GCL New Energy which in turn indirectly wholly-owns GCL Yushen. Therefore, GCL Licheng, GCL Baoying and GCL Yushen are connected persons of the Company within the meaning of the Listing Rules and the entering into of the GCL Solar Project Agreements constitute continuing connected transactions of the Company under the Listing Rules. Meanwhile, GCL-Poly Energy indirectly wholly-owns GCL Datong and therefore GCL Datong is also a connected person of the Company. However, the Remaining Datong EPC CCT was a continuing connected transaction exempted from Independent Shareholders' approval and was completed in July 2014. Thus, the transaction amount of the Remaining Datong EPC CCT was aggregated to the GCL Proposed Cap.

As all applicable percentage ratios in respect of the GCL Proposed Cap are more than 5% and the annual consideration receivable by the Company for performing the work pursuant to the GCL Solar Project Agreements and the Remaining Datong EPC CCT in the year ending 31 December 2014 is more than HK\$10,000,000, the transactions contemplated under the GCL Solar Projects CCT and the GCL Proposed Cap are subject to the reporting, announcement and annual review requirements but exempted from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

However, since the GCL Solar Projects CCT is between the Group and its connected persons at the subsidiary level on normal commercial terms or better, and (i) the Board has approved and ratified the Licheng EPC Agreements and has approved the Yushen Engineering Agreement, the Baoying Engineering Agreement and the remaining part of the Remaining Datong EPC CCT; and (ii) the Independent Non-executive Directors have confirmed that the terms of the GCL Solar Projects CCT are fair and reasonable, the GCL Solar Projects CCT is on normal commercial terms or better and in the interests of the Company and its shareholders as a whole, under Rule 14A.101 of the Listing Rules, they are exempt from the circular, independent financial advice and shareholders' approval requirements under the Listing Rules.

ENTERING INTO THE GCL SOLAR PROJECT AGREEMENTS

The Licheng EPC Agreements

On 12 August 2014 and 13 August 2014, CNI23 Energy, an indirect non-wholly-owned subsidiary of the Company, entered into the Licheng Engineering Agreements and the Licheng Procurement and Construction Agreement (the "Licheng EPC Agreements") respectively with GCL Licheng, pursuant to which GCL Licheng agreed to engage CNI23 Energy as its contractor for the provision of EPC services in respect of the Licheng Solar Project. The total contract value of the Licheng EPC Agreements is RMB47,060,000 (equivalent to approximately HK\$59,256,834).

(1) The Licheng Engineering Agreement

Date

12 August 2014

Parties

- (1) CNI23 Energy; and
- (2) GCL Licheng

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 and GCL-Poly Energy indirectly wholly-owns GCL Licheng. Therefore, GCL Licheng is a connected person of the Company within the meaning of the Listing Rules. To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, Triple Delight and its associates are third parties independent of the Company and its connected persons and its associates.

Term

The Licheng Engineering Agreement commenced on 12 August 2014 (certain parts of the engineering design services shall only take effect after receipt of notice by CNI23 Energy of the acceptance of the tender for the Licheng Solar Project) (whichever is later) until completion of the obligations under the Licheng Engineering Agreement by both parties other than the obligation of CNI23 Energy in relation to the provision of technical and design services which shall end on such date as required under the applicable PRC laws.

Nature of Transactions

Pursuant to the Licheng Engineering Agreement, CNI23 Energy shall be responsible for the entire design of the Licheng Solar Project (including the booster station and system connecting part). The scope of the services covers but not limited to the preliminary design, decoration and optimization of the solar energy plant, construction and as-built drawings, review on all necessary documents in relation to the application for and acceptance check on the Licheng Solar Project, budget setting and preparation of technical documents in relation to construction and tenders.

Consideration

The total contract value of the Licheng Engineering Agreement is RMB1,190,000 (equivalent to approximately HK\$1,498,420) which has been paid or shall be payable by GCL Licheng to CNI23 Energy in the following manners:

- (i) 5% of the total contract value as prepayment to be settled within ten days after execution of the Licheng Engineering Agreement;
- (ii) 90% of the total contract value payable in five progress payments with the first payment to be settled within ten days after passing the acceptance check of the preliminary design and the last payment to be settled within thirty days after the acceptance of the as-built drawing; and
- (iii) the remaining balance of 5% of the total contract value as retention money to be settled within ten days after the expiry of the quality assurance period (being one year from completion of the Licheng Solar Project and acceptance of the same by and transfer of the same for operation to GCL Licheng).

(2) The Licheng Procurement and Construction Agreement

Date

13 August 2014

Parties

- (1) CNI23 Energy; and
- (2) GCL Licheng

Term

The Licheng Procurement and Construction Agreement commenced on 15 August 2014 until 28 November 2014 when the Licheng Solar Project is connected to the grid and commences operation.

Nature of Transactions

Pursuant to the Licheng Procurement and Construction Agreement, CNI23 Energy shall be responsible for (i) procurement of equipment (such as frames, inverters, transformers cable, combiners); (ii) installation work relating to distribution room, distribution equipment, solar cell component frames and inverters; (iii) construction work such as cable, tower, electricity equipment, underground facilities, roads, fence, earthwork, greening illumination, video surveillance, prevention of fire, flood, security, operation control system, building construction and decoration; and (iv) provision of services such as offloading, storage and transportation, testing of equipment, third party system compatibility testing and modification. CNI23 Energy shall not be responsible for the construction of system connecting part.

Consideration

The total contract value of the Licheng Procurement and Construction Agreement is RMB45,870,000 (equivalent to approximately HK\$57,758,414) and has been paid or shall be payable by GCL Licheng to CNI23 Energy in the following manners:

- (i) 10% of the total contract value as prepayment to be settled within seven days after issue of the relevant invoice by CNI23 Energy and verification of the same by GCL Licheng;
- (ii) an accumulated payment up to 90% of the total contract value (i.e. the final payment is 80% of the total contract value) to be settled within 10 days after the Licheng Solar Project has been connected to the grid and commenced operation; and
- (iii) the remaining balance of 10% of the total contract value as retention money to be settled within one week after GCL Licheng upon the expiry of the quality assurance period (being 12 months after and including the date on which the preliminary acceptance check on completion of the Licheng Solar Project has been passed).

The Baoying Engineering Agreement to be entered

Parties

- (1) CNI23 Energy; and
- (2) GCL Baoying

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 and GCL-Poly Energy indirectly wholly-owns GCL Baoying. Therefore, GCL Baoying is a connected person of the Company within the meaning of the Listing Rules. To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, Triple Delight and its associates are third parties independent of the Company and its connected persons and its associates.

Term

CNI23 Energy and GCL Baoying will enter into the Baoying Engineering Agreement which shall take effect upon the actual date of signing by the parties (certain parts of the engineering design services shall only take effect after receipt of notice by CNI23 Energy of the acceptance of the tender for the Baoying Solar Project) (whichever is later) until completion of the obligations under the Baoying Engineering Agreement by both parties other than the obligation of CNI23 Energy in relation to the provision of technical and design services which shall end on such date as required under the applicable PRC laws.

As at the date of this announcement, the tender of CNI23 Energy for the Baoying Solar Project has already been accepted by GCL Baoying.

Nature of Transactions

Pursuant to the Baoying Engineering Agreement, CNI23 Energy shall be responsible for the entire design of the Baoying Solar Project (including the booster station and system connecting part). The scope of the services shall cover but not limited to the preliminary design, decoration and optimization of the solar energy plant, construction and as-built drawings, review on all necessary documents in relation to the application for and acceptance check on the Baoying Solar Project, budget setting and preparation of technical documents in relation to construction and tenders.

Consideration

The total contract value of the Baoying Engineering Agreement shall be RMB510,000 (equivalent to approximately HK\$642,180) which shall be payable by GCL Baoying to CNI23 Energy in the following manners:

- (i) 20% of the total contract value as prepayment to be settled within ten days after execution of the Baoying Engineering Agreement;
- (ii) 75% of the total contract value payable in four progress payments with the first payment to be settled within ten days after passing the acceptance check of the preliminary design and the last payment to be settled within thirty days after the acceptance of the as-built drawing; and
- (iii) the remaining balance of 5% of the total contract value as retention money to be settled within 10 days after the expiry of the quality assurance period (being one year from completion of the Baoying Solar Project and acceptance of the same by and transfer of the same for operation to GCL Baoying).

The Yushen Engineering Agreement to be entered

Parties

- (1) CNI23 Energy; and
- (2) GCL Yushen

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 and GCL-Poly Energy has an indirect interest of approximately 62.28% in GCL New Energy which in turn indirectly wholly-owns GCL Yushen. Therefore, GCL Yushen is a connected person of the Company within the meaning of the Listing Rules. To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, Triple Delight and its associates are third parties independent of the Company and its connected persons and its associates.

Term

The Yushen Engineering Agreement shall take effect upon the actual date of signing by the parties (certain parts of the engineering design services shall only take effect after receipt of notice by CNI23 Energy of the acceptance of the tender for the Yushen Solar Project) (whichever is later) until completion of the obligations under the Yushen Engineering Agreement by both parties other than the obligation of CNI23 Energy in relation to the provision of technical and design services which shall end on such date as required under the applicable PRC laws.

As at the date of this announcement, the tender of CNI23 Energy for the Yushen Solar Project has already been accepted by GCL Yushen.

Nature of Transactions

Pursuant to the Yushen Engineering Agreement, CNI23 Energy shall be responsible for the entire design of the Yushen Solar Project (including the booster station and system connecting part). The scope of the services shall cover but not limited to the preliminary design, decoration and optimization of the solar energy plant, construction and as-built drawings, review on all necessary documents in relation to the application for and acceptance check on the Yushen Solar Project, budget setting and preparation of technical documents in relation to construction and tenders.

Consideration

The total contract value of the Yushen Engineering Agreement shall be RMB1,850,000 (equivalent to approximately HK\$2,329,476) which shall be payable by GCL Yushen to CNI23 Energy in the following manners:

- (i) 20% of the total contract value as prepayment to be settled within ten days after execution of the Yushen Engineering Agreement;
- (ii) 75% of the total contract value payable in four progress payments with the first payment to be settled within ten days after passing the acceptance check of the preliminary design and the last payment to be settled within thirty days after the acceptance of the as-built drawing; and
- (iii) the remaining balance of 5% of the total contract value as retention money to be settled within 10 days after the expiry of the quality assurance period (being one year from completion of the Yushen Solar Project and acceptance of the same by and transfer of the same for operation to GCL Yushen).

THE REMAINING DATONG EPC CCT

As set out in the announcement of the Company dated 28 February 2014, due to the unfavourable weather condition, the construction progress of the Datong Solar Project was 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. During the financial year ending 31 December 2014, CNI23 Energy was required to continue and complete the remaining procurement and construction work under the Datong Procurement and Construction Agreement. The amount of the Remaining Datong EPC CCT was approximately RMB6,960,000 (equivalent to approximately HK\$8,801,000). As at 31

December 2013, all engineering work pursuant to the Datong Engineering Agreement had been completed. In July 2014, the remaining work under the Datong Procurement and Construction Agreement had been completed.

GCL PROPOSED CAP

The following table sets out the aggregate annual cap in respect of the continuing connected transactions under the GCL Solar Project Agreements and the Remaining Datong EPC CCT for the financial year ending 31 December 2014.

Continuing connected transactions	Proposed transaction amount for the year ending 31 December 2014 (RMB'000)
<i>Pursuant to the Licheng Engineering Agreement</i>	
(1) provision of engineering design services	1,309
<i>Pursuant to the Licheng Procurement and Construction Agreement</i>	
(2) procurement of construction equipment and materials	2,310
(3) provision of construction, installation and related services	48,147
<i>Pursuant to the Baoying Engineering Agreement</i>	
(4) provision of engineering design services	561
<i>Pursuant to the Yushen Engineering Agreement</i>	
(5) provision of engineering design services	2,035
<i>The Remaining Datong EPC CCT</i>	
(6) procurement of construction equipment and materials and provision of construction, installation and related services	6,960
Total:	61,322 (equivalent to approximately HK\$77,252,339)

Basis in determining the GCL Proposed Cap

In determining the GCL Proposed Cap, the Board has based their estimates on the contract value of the GCL Solar Project Agreements and the outstanding continuing connected transactions under the Datong EPC Agreements for the financial year ending 31 December 2014. 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:

Regarding the transactions under the Licheng Engineering Agreement, Baoying Engineering Agreement and the Yushen Engineering Agreement

- (i) the extent of the engineering design services (such as construction plan and relevant design and drawings) provided or required to be provided by CNI23 Energy in relation to the Licheng Solar Project, the Baoying Solar Project and the Yushen Solar Project; and
- (ii) the expected unit prices of relevant engineering design services.

The Company has estimated the extent of engineering design services based on (i) the number of man-hour of engineering staff; and (ii) the number of travelling frequency of engineering staff necessary to perform the work for the Licheng Solar Project, the Baoying Solar Project and the Yushen Solar Project as specified in the Licheng Engineering Agreement, the Baoying Engineering Agreement and the Yushen Engineering Agreement respectively and the relevant tender.

The Company has enquired a consultancy service company for the general salary level of relevant staff to provide similar services in the solar energy industry to determine the unit engineering staff cost. The services fee was then determined based on such unit staff cost level plus, among other things, the expected related expenses, such as staff travelling cost.

Regarding the transactions under the Licheng Procurement and Construction Agreement:

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

The Company has estimated the quantity of equipment and materials procured or to be procured based on the number of each category of the outstanding equipment and materials necessary to complete the solar energy plant under the Licheng Solar Project and the standard as set out in the Licheng Procurement and Construction Agreement and the relevant tender. Regarding the extent of 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 rented or to be rented for performing the outstanding work under the Licheng Solar Project as specified in the Licheng Procurement and Construction Agreement and the relevant tender. Besides, the Company has estimated the expected unit price of materials and equipment to be procured or rented and the service fees by making references to, amongst other things, third party supplier/service provider quotations, guidance prices published regularly by local authorities and general salary level information from a consultancy service company.

Regarding the transactions under the Datong Procurement and Construction Agreement:

- (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 to be procured, construction equipment to be rented 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. Details of the Datong Procurement and Construction Agreement (including the pricing policy and the reasons for and benefit of entering into the transaction) are set out in the circular issued by the Company dated 6 December 2013 and the announcement dated 28 February 2014 in relation to, among others, the Datong EPC Agreements and the transactions contemplated thereunder.

For determination of the GCL Proposed Cap for all the above continuing connected transactions:

- (i) a buffer has been made 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 difference in accounts reporting due to the appreciation in translation rate from RMB to HK\$.

The pricing policy for the continuing connected transactions under the GCL Solar Project Agreements has been determined based on normal commercial terms and based upon the fair market price which are 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. Pricing has been agreed upon between the parties for each transaction by reference to the aforementioned pricing policy through arm's length negotiations.

Since the Company has determined the abovementioned pricing for the Licheng Solar Project, the Baoying Solar Project and the Yushen Solar Project with reference to the market price or third party quotations or the government recommended level, the Company considered that such pricing should be comparable with that obtained from independent third parties.

REASONS FOR AND BENEFIT OF THE ENTERING INTO THE GCL SOLAR PROJECT AGREEMENTS

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.

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 a 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, 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 Board considers that the continuing connected transactions contemplated under the Licheng EPC Agreements were entered and in respect of the Baoying Engineering Agreement and the Yushen Engineering Agreement based on the agreed terms, will be entered into in the ordinary course of business of the Group and on normal commercial terms, and the terms and conditions therein (including the GCL Proposed Cap) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board (including the Independent Non-executive Directors) considers that the Licheng EPC Agreements have been and in respect of the Baoying Engineering Agreement and the Yushen Engineering Agreement based on the agreed terms, will be carried out in the ordinary and usual course of business of CNI23 Energy and on normal commercial terms or better from the perspective of CNI23 Energy, and the terms of the transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

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. GCL-Poly Energy indirectly wholly-owns each of GCL Licheng and GCL Baoying and it has an indirect interest of 62.28% in GCL New Energy which in turn indirectly wholly-owns GCL Yushen. Therefore, each of GCL Licheng,

GCL Baoying and GCL Yushen are connected persons of the Company within the meaning of the Listing Rules and the entering into of the GCL Solar Project Agreements constitute continuing connected transactions of the Company under the Listing Rules. Meanwhile, GCL-Poly Energy indirectly wholly-owns GCL Datong and therefore GCL Datong is also a connected person of the Company. However, the Remaining Datong EPC CCT was a continuing connected transaction exempted from Independent Shareholder's approval and was completed in July 2014. Thus, the transaction amount of the Remaining Datong EPC CCT was aggregated to the GCL Proposed Cap.

As all applicable percentage ratios in respect of the GCL Proposed Cap are more than 5% and the annual consideration receivable by the Company for performing the work pursuant to the GCL Solar Project Agreements and the Remaining Datong EPC CCT for the financial year ending 31 December 2014 is more than HK\$10,000,000, the transactions contemplated under the GCL Solar Projects CCT and the GCL Proposed Cap are subject to the reporting, announcement and annual review requirements but exempted from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

However, since the GCL Solar Projects CCT is between the Group and its connected persons at the subsidiary level on normal commercial terms or better, and (i) the Board has approved and ratified the Licheng EPC Agreements and has approved the Yushen Engineering Agreement, the Baoying Engineering Agreement and the remaining part of the Remaining Datong EPC CCT; and (ii) the Independent Non-executive Directors have confirmed that the terms of the GCL Solar Projects CCT are fair and reasonable, the GCL Solar Projects CCT is on normal commercial terms or better and in the interests of the Company and its shareholders as a whole, under Rule 14A.101 of the Listing Rules, they are exempt from the circular, independent financial advice and shareholders' approval requirements under the Listing Rules.

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 Engineering Agreement”	the agreement to be entered into between CNI23 Energy and GCL Baoying in relation to the provision of engineering design services to GCL Baoying in respect of the Baoying Solar Project;
“Baoying Solar Project”	寶應鑫源光伏發電有限公司6MW漁光互補光伏發電項目 (transliterated as Baoying Xinyuan Solar Power Co., Ltd. 6MW Fishing-solar Complementary PV Project*);
“Board”	the board of Directors;
“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 (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 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;
“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;
“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;
“Fame Raise”	Fame Raise Limited, a limited liability company incorporated in the British Virgin Islands;
“GCL Baoying”	寶應鑫源光伏發電有限公司 (transliterated as Baoying Xinyuan Solar Power Co., Ltd.*), an indirect wholly-owned subsidiary of GCL-Poly Energy;
“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 Licheng”	黎城協鑫光伏電力有限公司 (transliterated as Licheng GCL Solar Power Co., Ltd.*), an indirect wholly-owned subsidiary of GCL-Poly Energy;
“GCL New Energy”	GCL New Energy Holdings Limited (協鑫新能源控股有限公司), the shares of which are listed on the Main Board of the Stock Exchange and an indirect non wholly-owned subsidiary of GCL-Poly Energy;
“GCL-Poly Energy”	GCL-Poly Energy Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange;

“GCL Proposed Cap”	the annual cap for the continuing connected transactions contemplated under the GCL Solar Project Agreements and the Remaining Datong EPC CCT for the financial year ending 31 December 2014;
“GCL Solar Project Agreements”	the Licheng Engineering Agreement, the Licheng Procurement and Construction Agreement, the Baoying Engineering Agreement and the Yushen Engineering Agreement;
“GCL Solar Projects CCT”	the transactions under the GCL Solar Project Agreements and the Remaining Datong EPC CCT to be carried out in the year ending 31 December 2014;
“GCL Yushen”	榆林市榆神工業區東投能源有限公司 (transliterated as Yulin City Yushen Industrial District Dongtou Power Co., Ltd.*), an indirect wholly-owned subsidiary of GCL New Energy;
“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;
“Independent Non-executive Directors”	the independent non-executive Directors of the Company;
“Independent Shareholder(s)”	Shareholder(s) other than Golden Concord and its associates;
“Licheng Engineering Agreement”	the agreement dated 12 August 2014 entered into between CNI23 Energy and GCL Licheng in relation to the provision of engineering design services to GCL Licheng in respect of the Licheng Solar Project;
“Licheng EPC Agreements”	the Licheng Engineering Agreement and the Licheng Procurement and Construction Agreement;
“Licheng Procurement and Construction Agreement”	the agreement dated 13 August 2014 entered into between CNI23 Energy and GCL Licheng in relation to the provision of procurement and construction services to GCL Licheng in respect of the Licheng Solar Project;
“Licheng Solar Project”	黎城協鑫光伏30MW光伏發電項目 (transliterated as Licheng GCL 30MW PV Project*);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MWp”	Megawatt Peak;

“PRC”	the People’s Republic of China and for the sole purpose of this circular shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“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;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Triple Delight”	Triple Delight Limited, a limited liability company incorporated in the British Virgin Islands;
“Yushen Engineering Agreement”	the agreement to be entered into between CNI23 Energy and GCL Yushen in relation to the provision of engineering design services to GCL Yushen in respect of the Yushen Solar Project;
“Yushen Solar Project”	陝西榆林榆神100MW光伏發電項目 (transliterated as Shanxi Yulin Yushen 100MW PV Project*);
“Zhu’s Family Trust”	a discretionary trust with Mr. Zhu Gongshan (a director and the chairman of GCL-Poly Energy and Fame Raise) and his family (including Mr. Zhu Yufeng, a director of GCL-Poly Energy and Fame Raise and the son of Mr. Zhu Gongshan) as beneficiaries; and
“%”	per cent.

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

Hong Kong, 7 November 2014

For the purposes of illustration only, any amount denominated in RMB in this announcement and translated into HK\$ was translated at the rate of RMB0.79417 = 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 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.

** for identification purposes only*