



**中国核建**

**China Nuclear Energy Technology Corporation Limited**

Formerly known as "China Nuclear Industry 23 International Corporation Limited"

**Interim Report 2015**

Stock Code: 611





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### BOARD OF DIRECTORS

#### Executive Directors

Mr. Ai Yilun (*Chairman*)  
Mr. Chan Shu Kit (*Vice-Chairman*)  
Mr. Gao Yongping  
Mr. Fu Zhigang (*Chief Executive Officer*)  
Ms. Jian Qing  
Mr. Chung Chi Shing  
Mr. Tang Chuanqing  
Mr. Tang Jianhua  
(appointed on 14 July 2015)

#### Independent Non-executive Directors

Mr. Chan Ka Ling, Edmond  
Mr. Li Baolin  
Mr. Wang Jimin  
Mr. Tian Aiping  
(appointed on 14 July 2015)

#### AUDIT COMMITTEE

Mr. Chan Ka Ling, Edmond (*Chairman*)  
Mr. Li Baolin  
Mr. Wang Jimin  
Mr. Tian Aiping

#### REMUNERATION COMMITTEE

Mr. Chan Ka Ling, Edmond (*Chairman*)  
Mr. Ai Yilun  
Mr. Chan Shu Kit  
Mr. Li Baolin  
Mr. Wang Jimin  
Mr. Tian Aiping

#### NOMINATION COMMITTEE

Mr. Ai Yilun (*Chairman*)  
Ms. Jian Qing  
Mr. Chan Ka Ling, Edmond  
Mr. Li Baolin  
Mr. Wang Jimin  
Mr. Tian Aiping

#### COMPANY SECRETARY

Mr. Ng Siu Cheung

### PRINCIPAL BANKERS

Chong Hing Bank Limited  
The Hongkong and Shanghai Banking  
Corporation Limited  
China Construction Bank  
(Hong Kong Branch)

### AUDITORS

BDO Limited  
25th Floor, Wing On Centre  
111 Connaught Road Central  
Hong Kong

### BERMUDA LEGAL ADVISER

Conyers, Dill & Pearman  
2901 One Exchange Square  
8 Connaught Place  
Central  
Hong Kong

### HONG KONG SHARE REGISTRAR

Tricor Tengis Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### REGISTERED OFFICE

The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08  
Bermuda

### HONG KONG PRINCIPAL OFFICE

Room 2801, 28/F  
China Resources Building  
26 Harbour Road  
Wanchai  
Hong Kong

### STOCK CODE

611

### WEBSITE

[www.cnetcl.com](http://www.cnetcl.com)

## SUMMARY

- During the six months ended 30 June 2015, the Group's turnover amounted to HK\$205,608,000, representing an increase of 56%.
- During the six months ended 30 June 2015, the Group's core business recorded a profit after tax of HK\$1,523,000.
- Net profit for the period amounted to HK\$726,000, including gain on deemed disposal of an associate of HK\$2,712,000 and imputed interest on convertible bonds of HK\$3,509,000.
- The Group has been developing the Hong Kong market and exploring the PRC and overseas markets actively.

The board of directors (the "Board") of China Nuclear Energy Technology Corporation Limited (the "Company") is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2015, together with the comparative figures for the six months ended 30 June 2014. These condensed consolidated interim financial statements have not been audited, but have been reviewed by the audit committee of the Company.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

|  | Notes | For the six months ended                |   |
|--|-------|---|---|
|  |       | 30 June 2015<br>(Unaudited)<br>HK\$'000 | 30 June 2014<br>(Unaudited)<br>HK\$'000 |
| <b>Revenue</b>   | 4     | <b>205,608</b>                          | 131,491                                 |
| Other revenue and gains  |       | 2,460                                   | 1,028                                   |
| Cost of inventories used   |       | (46,257)                                | (61,420)                                |
| Construction costs   |       | (67,790)                                | —                                       |
| Staff costs  |       | (40,562)                                | (49,561)                                |
| Rental expenses  |       | (22,167)                                | (23,701)                                |
| Utility expenses   |       | (6,160)                                 | (9,210)                                 |
| Depreciation   |       | (3,424)                                 | (3,147)                                 |
| Other operating expenses   |       | (23,382)                                | (31,087)                                |
| Fair value gains on derivative financial instruments, net              |       | —                                       | 1,471                                   |
| Loss on early redemption of convertible bonds                          |       | —                                       | (5,737)                                 |
| Gain on deemed disposal of an associate                                |       | 2,712                                   | —                                       |
| Finance costs  | 5     | (3,509)                                 | (7,025)                                 |
| Share of result of an associate, net                                   |       | 3,901                                   | 6,018                                   |
| <b>Profit/(Loss) before taxation</b>                                   | 6     | <b>1,430</b>                            | (50,880)                                |
| Income tax expense   | 7     | (704)                                   | (1,272)                                 |
| <b>Profit/(Loss) for the period</b>                                    |       | <b>726</b>                              | (52,152)                                |
| <b>Other comprehensive income for the period, net of tax</b>           |       |   |   |
| <i>Item that will not be reclassified to profit or loss:</i>           |       |   |   |
| Loss on property revaluation   |       | (24)                                    | (30)                                    |
| <i>Items that may be reclassified subsequently to profit or loss:</i>  |       |   |   |
| Exchange differences arising during the period                         |       | (501)                                   | (587)                                   |
| Reclassification to profit or loss for deemed disposal of an associate |       | 645                                     | —                                       |
| Share of other comprehensive income of an associate                    |       | (70)                                    | (1,959)                                 |
| <b>Total comprehensive income for the period</b>                       |       | <b>776</b>                              | (54,728)                                |

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2015

|   | Notes | For the six months ended                |   |
|---|-------|---|---|
|   |       | 30 June 2015<br>(Unaudited)<br>HK\$'000 | 30 June 2014<br>(Unaudited)<br>HK\$'000 |
| <b>Profit/(Loss) for the period attributable to:</b>        |       |   |   |
| Owners of the Company                                       |       | (4,047)                                 | (33,959)                                |
| Non-controlling interests                                   |       | 4,773                                   | (18,193)                                |
|   |       | <b>726</b>                              | <b>(52,152)</b>                         |
| <b>Total comprehensive income attributable to:</b>          |       |   |   |
| Owners of the Company                                       |       | (3,751)                                 | (36,248)                                |
| Non-controlling interests                                   |       | 4,527                                   | (18,480)                                |
|   |       | <b>776</b>                              | <b>(54,728)</b>                         |
| <b>Loss per share attributable to owners of the Company</b> |       |   |   |
| Basic (HK cents per share)                                  | 8     | (0.37)                                  | (3.10)                                  |
| Diluted (HK cents per share)                                | 8     | (0.37)                                  | (3.10)                                  |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

|  | Notes | 30 June<br>2015<br>(Unaudited)<br>HK\$'000 | 31 December<br>2014<br>(Audited)<br>HK\$'000 |
|--|-------|--|--|
| <b>Non-current assets</b>                    |       |  |  |
| Property, plant and equipment                | 10    | 21,588                                     | 20,846                                       |
| Investment property                          |       | 38,000                                     | 38,000                                       |
| Prepaid land lease payments                  |       | 6,644                                      | 6,695  |
| Available-for-sale investment                |       | 500  | 500  |
| Interest in an associate                     | 11    | 74,708                                     | 68,162                                       |
| Deferred tax assets, net                     |       | 3,755                                      | 3,755  |
|  |       | <b>145,195</b>                             | <b>137,958</b>                               |
| <b>Current assets</b>                        |       |  |  |
| Inventories                                  |       | 5,446                                      | 8,260  |
| Trade and bills receivables                  | 12    | 113,648                                    | 53,797                                       |
| Prepayments, deposits and other receivables  |       | 25,497                                     | 21,753                                       |
| Amounts due from customers for contract work |       | 1,385                                      | 55,765                                       |
| Tax prepayment                               |       | 233  | 1,395  |
| Cash and cash equivalents                    |       | 589,468                                    | 252,882                                      |
|  |       | <b>735,677</b>                             | <b>393,852</b>                               |
| <b>Less: Current liabilities</b>             |       |  |  |
| Trade payables                               | 13    | 77,057                                     | 70,105                                       |
| Other payables and accruals                  | 14    | 51,668                                     | 58,537                                       |
| Provision for long service payments          |       | 3,205                                      | 3,402  |
| Tax payable                                  |       | —  | 1,162  |
| Convertible bonds                            | 15    | 289,715                                    | —  |
|  |       | <b>421,645</b>                             | <b>133,206</b>                               |
| <b>Net current assets</b>                    |       | <b>314,032</b>                             | <b>260,646</b>                               |
| <b>Total assets less current liabilities</b> |       | <b>459,227</b>                             | <b>398,604</b>                               |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2015

| <i>Notes</i>  | <b>30 June<br/>2015<br/>(Unaudited)<br/>HK\$'000</b> | 31 December<br>2014<br>(Audited)<br>HK\$'000 |
|---|--|--|
| <b>Less: Non-current liability</b>                  |  |  |
| Receipt in advance                                  | 1,070  | 1,130  |
| <b>Net assets</b>                                   | <b>458,157</b>                                       | 397,474                                      |
| <b>Capital and reserves</b>                         |  |  |
| Share capital                                       | 111,880  | 110,166                                      |
| Reserves  | 351,800  | 297,358                                      |
| <b>Equity attributable to owners of the Company</b> | <b>463,680</b>                                       | 407,524                                      |
| <b>Non-controlling interests</b>                    | <b>(5,523)</b>                                       | (10,050)                                     |
| <b>Total equity</b>                                 | <b>458,157</b>                                       | 397,474                                      |



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

|  | Attributable to owners of the Company |                  |                                    |                     |                        |                      |                       |          |                                  |                 |
|--|---------------------------------------|------------------|------------------------------------|---------------------|------------------------|----------------------|-----------------------|----------|----------------------------------|-----------------|
|  | Issued<br>share<br>capital            | Share<br>premium | Building<br>revaluation<br>reserve | Exchange<br>reserve | Convertible<br>reserve | Statutory<br>reserve | Accumulated<br>losses | Total    | Non-<br>controlling<br>interests | Total<br>equity |
|  | HK\$'000                              | HK\$'000         | HK\$'000                           | HK\$'000            | HK\$'000               | HK\$'000             | HK\$'000              | HK\$'000 | HK\$'000                         | HK\$'000        |
| At 1 January 2014  | 110,166                               | 1,314,363        | 822                                | 281                 | —                      | 2,686                | (977,651)             | 450,667  | 6,475                            | 457,142         |
| Loss for the period  | —                                     | —                | —                                  | —                   | —                      | —                    | (33,959)              | (33,959) | (18,193)                         | (52,152)        |
| Other comprehensive loss for the period:                               |                                       |                  |                                    |                     |                        |                      |                       |          |                                  |                 |
| Deficit arising from revaluation of buildings                          | —                                     | —                | (30)                               | —                   | —                      | —                    | —                     | (30)     | —                                | (30)            |
| Exchange differences on translation of foreign operations              | —                                     | —                | —                                  | (300)               | —                      | —                    | —                     | (300)    | (287)                            | (587)           |
| Share of other comprehensive loss of an associate                      | —                                     | —                | —                                  | (1,959)             | —                      | —                    | —                     | (1,959)  | —                                | (1,959)         |
| Total comprehensive loss for the period                                | —                                     | —                | (30)                               | (2,259)             | —                      | —                    | (33,959)              | (36,248) | (18,480)                         | (54,728)        |
| At 30 June 2014 (Unaudited)  | 110,166                               | 1,314,363        | 792                                | (1,978)             | —                      | 2,686                | (1,011,610)           | 414,419  | (12,005)                         | 402,414         |
| At 1 January 2015  | 110,166                               | 1,314,363        | 767                                | (1,876)             | —                      | 2,686                | (1,018,582)           | 407,524  | (10,050)                         | 397,474         |
| Profit/(loss) for the period   | —                                     | —                | —                                  | —                   | —                      | —                    | (4,047)               | (4,047)  | 4,773                            | 726             |
| Other comprehensive loss for the period:                               |                                       |                  |                                    |                     |                        |                      |                       |          |                                  |                 |
| Deficit arising from revaluation of buildings                          | —                                     | —                | (24)                               | —                   | —                      | —                    | —                     | (24)     | —                                | (24)            |
| Exchange differences on translation of foreign operations              | —                                     | —                | —                                  | (255)               | —                      | —                    | —                     | (255)    | (246)                            | (501)           |
| Reclassification to profit or loss for deemed disposal of an associate | —                                     | —                | —                                  | 645                 | —                      | —                    | —                     | 645      | —                                | 645             |
| Share of other comprehensive loss of an associate                      | —                                     | —                | —                                  | (70)                | —                      | —                    | —                     | (70)     | —                                | (70)            |
| Total comprehensive income for the period                              | —                                     | —                | (24)                               | 320                 | —                      | —                    | (4,047)               | (3,751)  | 4,527                            | 776             |
| Issue of convertible bonds   | —                                     | —                | —                                  | —                   | 33,075                 | —                    | —                     | 33,075   | —                                | 33,075          |
| Conversion of convertible bonds into ordinary shares                   | 1,714                                 | 28,286           | —                                  | —                   | (3,168)                | —                    | —                     | 26,832   | —                                | 26,832          |
| At 30 June 2015 (Unaudited)  | 111,880                               | 1,342,649        | 743                                | (1,556)             | 29,907                 | 2,686                | (1,022,629)           | 463,680  | (5,523)                          | 458,157         |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

|  | For the six months ended                |   |
|--|---|---|
|  | 30 June 2015<br>(Unaudited)<br>HK\$'000 | 30 June 2014<br>(Unaudited)<br>HK\$'000 |
| Net cash (used in)/generated from operating activities   | (6,556)                                 | 118,334                                 |
| Net cash used in investing activities  | (2,467)                                 | (1,361)                                 |
| Net cash generated from/(used in) financing activities   | 346,113                                 | (72,000)                                |
| Net increase in cash and cash equivalents  | 337,090                                 | 44,973                                  |
| Cash and cash equivalents at the beginning of the period                                       | 252,882                                 | 198,456                                 |
| Effect of foreign exchange rate changes  | (504)                                   | (115)                                   |
| Cash and cash equivalents at the end of the period   | 589,468                                 | 243,314                                 |
| <b>Analysis of balances of cash and cash equivalents</b>                                       |   |   |
| Cash and bank balances   | 495,884                                 | 208,314                                 |
| Time deposits  | 93,584                                  | 35,000                                  |
| Cash and bank balances as stated in the condensed consolidated statement of financial position | 589,468                                 | 243,314                                 |
| Cash and cash equivalents as stated in the condensed consolidated statement of cash flows      | 589,468                                 | 243,314                                 |

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2015

## 1. CORPORATE INFORMATION

China Nuclear Energy Technology Corporation Limited (the “Company”) is incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The principal place of business of the Company is located at Room 2801, 28th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

During the period from 1 January 2015 to 30 June 2015, the Company and its subsidiaries (collectively referred to as the “Group”) were engaged in the following principal activities:

- restaurant operations
- property investments
- hotel operations
- new energy operations

## 2. ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2015 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited including compliance with Hong Kong Accounting Standards (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The accounting policies used in the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2015 are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2014, and in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA.

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

|                     |                                     |
|---------------------|-------------------------------------|
| HKFRSs (Amendments) | Annual Improvements 2010–2012 Cycle |
| HKFRSs (Amendments) | Annual Improvements 2011–2013 Cycle |

## 2. ACCOUNTING POLICIES (CONTINUED)

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standards or interpretation that is not yet effective for the current accounting period.

## 3. FINANCIAL INSTRUMENTS

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Except as detailed in the following table, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate to their fair value:

|   | 30 June 2015                               |                                       | 31 December 2014                         |                                     |
|---|--|---------------------------------------|--|-------------------------------------|
|   | Carrying amount<br>(Unaudited)<br>HK\$'000 | Fair value<br>(Unaudited)<br>HK\$'000 | Carrying amount<br>(Audited)<br>HK\$'000 | Fair value<br>(Audited)<br>HK\$'000 |
| <b>Financial liabilities</b>              |  |                                       |  |                                     |
| – financial liabilities at amortised cost |  |                                       |  |                                     |
| Convertible bonds                         | 289,715                                    | 291,262                               | –  | –                                   |

## 4. SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products they provided. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments.

|   | Restaurant<br>(Unaudited)<br>HK\$'000 | Property<br>(Unaudited)<br>HK\$'000 | Hotel<br>(Unaudited)<br>HK\$'000 | New energy<br>(Unaudited)<br>HK\$'000 | Corporate<br>(Unaudited)<br>HK\$'000 | Total<br>(Unaudited)<br>HK\$'000 |
|---|---------------------------------------|-------------------------------------|----------------------------------|---------------------------------------|--------------------------------------|----------------------------------|
| <b>Six months ended 30 June 2015</b>                |                                       |                                     |                                  |                                       |                                      |                                  |
| <b>Segment revenue:</b>                             |                                       |                                     |                                  |                                       |                                      |                                  |
| Sales to external customers                         | 79,965                                | —                                   | 9,723                            | 115,920                               | —                                    | 205,608                          |
| Intersegment sales                                  | 4,351                                 | 7,884                               | —                                | —                                     | 3,387                                | 15,622                           |
| Other revenue and gains                             | 115                                   | —                                   | 750                              | 508                                   | 10                                   | 1,383                            |
| Intersegment other revenue and gains                | —                                     | —                                   | —                                | —                                     | —                                    | —                                |
|   | 84,431                                | 7,884                               | 10,473                           | 116,428                               | 3,397                                | 222,613                          |
| <i>Reconciliation:</i>                              |                                       |                                     |                                  |                                       |                                      |                                  |
| Elimination of intersegment sales                   |                                       |                                     |                                  |                                       |                                      | (15,622)                         |
| Elimination of intersegment other revenue and gains |                                       |                                     |                                  |                                       |                                      | —                                |
| Total   |                                       |                                     |                                  |                                       |                                      | 206,991                          |
| <b>Segment results</b>                              | (6,085)                               | (254)                               | 495                              | 11,394                                | (8,301)                              | (2,751)                          |
| <i>Reconciliation:</i>                              |                                       |                                     |                                  |                                       |                                      |                                  |
| Interest income and unallocated gains               |                                       |                                     |                                  |                                       |                                      | 1,077                            |
| Finance costs                                       |                                       |                                     |                                  |                                       |                                      | (3,509)                          |
| Gain on deemed disposal of an associate             |                                       |                                     |                                  |                                       |                                      | 2,712                            |
| Share of result of an associate, net                |                                       |                                     |                                  |                                       |                                      | 3,901                            |
| Profit before taxation                              |                                       |                                     |                                  |                                       |                                      | 1,430                            |
| Income tax expense                                  |                                       |                                     |                                  |                                       |                                      | (704)                            |
| Profit for the period                               |                                       |                                     |                                  |                                       |                                      | 726                              |
| <b>At 30 June 2015</b>                              |                                       |                                     |                                  |                                       |                                      |                                  |
| <b>Segment assets</b>                               | 30,190                                | 53,590                              | 4,593                            | 282,908                               | 430,395                              | 801,676                          |
| <i>Reconciliation:</i>                              |                                       |                                     |                                  |                                       |                                      |                                  |
| Unallocated assets                                  |                                       |                                     |                                  |                                       |                                      | 79,196                           |
| Total assets  |                                       |                                     |                                  |                                       |                                      | 880,872                          |
| <b>Segment liabilities</b>                          | 13,225                                | 59                                  | 4,109                            | 112,808                               | 2,799                                | 133,000                          |
| <i>Reconciliation:</i>                              |                                       |                                     |                                  |                                       |                                      |                                  |
| Unallocated liabilities                             |                                       |                                     |                                  |                                       |                                      | 289,715                          |
| Total liabilities                                   |                                       |                                     |                                  |                                       |                                      | 422,715                          |

## 4. SEGMENT INFORMATION (CONTINUED)

|   | Restaurant<br>(Unaudited)<br>HK\$'000 | Property<br>(Unaudited)<br>HK\$'000 | Hotel<br>(Unaudited)<br>HK\$'000 | New energy<br>(Unaudited)<br>HK\$'000 | Corporate<br>(Unaudited)<br>HK\$'000 | Total<br>(Unaudited)<br>HK\$'000 |
|---|---------------------------------------|-------------------------------------|----------------------------------|---------------------------------------|--------------------------------------|----------------------------------|
| <b>Six months ended 30 June 2014</b>                      |                                       |                                     |                                  |                                       |                                      |                                  |
| <b>Segment revenue:</b>                                   |                                       |                                     |                                  |                                       |                                      |                                  |
| Sales to external customers                               | 110,456                               | —                                   | 13,358                           | 7,572                                 | 105                                  | 131,491                          |
| Intersegment sales  | 4,027                                 | 7,729                               | —                                | —                                     | 4,202                                | 15,958                           |
| Other revenue and gains                                   | 51                                    | —                                   | 720                              | 64                                    | 5                                    | 840                              |
| Intersegment other revenue and gains                      | —                                     | —                                   | —                                | —                                     | —                                    | —                                |
|   | 114,534                               | 7,729                               | 14,078                           | 7,636                                 | 4,312                                | 148,289                          |
| <i>Reconciliation:</i>                                    |                                       |                                     |                                  |                                       |                                      |                                  |
| Elimination of intersegment sales                         |                                       |                                     |                                  |                                       |                                      | (15,958)                         |
| Elimination of intersegment other revenue and gains       |                                       |                                     |                                  |                                       |                                      | —                                |
| Total   |                                       |                                     |                                  |                                       |                                      | 132,331                          |
| <b>Segment results</b>                                    |                                       |                                     |                                  |                                       |                                      |                                  |
|   | (5,811)                               | (266)                               | 3,569                            | (33,986)                              | (9,301)                              | (45,795)                         |
| <i>Reconciliation:</i>                                    |                                       |                                     |                                  |                                       |                                      |                                  |
| Interest income and unallocated gains                     |                                       |                                     |                                  |                                       |                                      | 188                              |
| Finance costs   |                                       |                                     |                                  |                                       |                                      | (7,025)                          |
| Fair value gains on derivative financial instruments, net |                                       |                                     |                                  |                                       |                                      | 1,471                            |
| Loss on early redemption of convertible bonds             |                                       |                                     |                                  |                                       |                                      | (5,737)                          |
| Share of result of an associate, net                      |                                       |                                     |                                  |                                       |                                      | 6,018                            |
| Loss before taxation                                      |                                       |                                     |                                  |                                       |                                      | (50,880)                         |
| Income tax expense  |                                       |                                     |                                  |                                       |                                      | (1,272)                          |
| Loss for the period                                       |                                       |                                     |                                  |                                       |                                      | (52,152)                         |
| <b>At 31 December 2014</b>                                |                                       |                                     |                                  |                                       |                                      |                                  |
| <b>Segment assets</b>                                     |                                       |                                     |                                  |                                       |                                      |                                  |
|   | 36,372                                | 53,861                              | 5,717                            | 255,169                               | 106,879                              | 457,998                          |
| <i>Reconciliation:</i>                                    |                                       |                                     |                                  |                                       |                                      |                                  |
| Unallocated assets  |                                       |                                     |                                  |                                       |                                      | 73,812                           |
| Total assets  |                                       |                                     |                                  |                                       |                                      | 531,810                          |
| <b>Segment liabilities</b>                                |                                       |                                     |                                  |                                       |                                      |                                  |
|   | 16,218                                | 52                                  | 5,171                            | 107,015                               | 4,718                                | 133,174                          |
| <i>Reconciliation:</i>                                    |                                       |                                     |                                  |                                       |                                      |                                  |
| Unallocated liabilities                                   |                                       |                                     |                                  |                                       |                                      | 1,162                            |
| Total liabilities   |                                       |                                     |                                  |                                       |                                      | 134,336                          |

## 5. FINANCE COSTS

|   | For the six months ended                |   |
|---|---|---|
|   | 30 June 2015<br>(Unaudited)<br>HK\$'000 | 30 June 2014<br>(Unaudited)<br>HK\$'000 |
| Imputed interest on convertible bonds (note 15) | 3,509                                   | 7,025                                   |

## 6. PROFIT/(LOSS) BEFORE TAXATION

The Group's profit/(loss) before taxation is arrived at after charging:

|  | For the six months ended                |   |
|--|---|---|
|  | 30 June 2015<br>(Unaudited)<br>HK\$'000 | 30 June 2014<br>(Unaudited)<br>HK\$'000 |
| Minimum lease payments under operating leases:                         |   |   |
| Land and buildings   | 22,167                                  | 23,701                                  |
| Office equipment*  | 144                                     | 148                                     |
|  | 22,311                                  | 23,849                                  |
| Staff costs (including directors' and chief executive's remuneration): |   |   |
| Wages, salaries and bonuses  | 39,388                                  | 47,729                                  |
| Provision for long service payments, net                               | (71)                                    | 768                                     |
| Pension scheme contributions   | 1,245                                   | 1,064                                   |
| Total staff costs  | 40,562                                  | 49,561                                  |
| Recognition of prepaid land lease payments*                            | 51                                      | 51                                      |

\* Items included in other operating expenses

## 7. INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided at the rate of 16.5% (six months ended 30 June 2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. PRC subsidiaries are subject to Corporate Income Tax at 25% (six months ended 30 June 2014: 25%).

|                            | For the six months ended                |   |
|----------------------------|---|---|
|                            | 30 June 2015<br>(Unaudited)<br>HK\$'000 | 30 June 2014<br>(Unaudited)<br>HK\$'000 |
| Current tax for the period |   |   |
| Hong Kong                  | —                                       | —                                       |
| Other than Hong Kong       | 704                                     | 1,272                                   |
| Deferred tax               | —                                       | —                                       |
| Tax charge for the period  | 704                                     | 1,272                                   |

## 8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted loss per share is based on the unaudited loss for the six months ended 30 June 2015 attributable to owners of the Company of approximately HK\$4,047,000 (six months ended 30 June 2014: loss of HK\$33,959,000), and the weighted average number of ordinary shares of 1,102,660,095 (six months ended 30 June 2014: 1,093,665,620) in issue during the six months ended 30 June 2015.

|   | For the six months ended                |   |
|---|---|---|
|   | 30 June 2015<br>(Unaudited)<br>HK\$'000 | 30 June 2014<br>(Unaudited)<br>HK\$'000 |
| <b>Loss</b>   |   |   |
| Unaudited loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share calculation | (4,047)                                 | (33,959)                                |
| Weighted average number of ordinary shares for the purpose of basic and diluted loss per share calculation                          | 1,102,660,095                           | 1,093,665,620                           |

The Company's convertible bonds were not included in the calculation of diluted loss per share for the six months ended 30 June 2014 and 2015 because the effects of the convertible bonds were anti-dilutive.



**9. DIVIDEND**

No dividend has been declared or proposed by the directors of the Company in respect of the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

**10. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30 June 2015, the Group acquired items of property, plant and equipment with a cost approximately HK\$4,185,000 (six months ended 30 June 2014: HK\$1,549,000).

**11. INTEREST IN AN ASSOCIATE**

|  | <b>30 June<br/>2015<br/>(Unaudited)<br/>HK\$'000</b> | 31 December<br>2014<br>(Audited)<br>HK\$'000 |
|--|--|--|
| Cost of investment in an associate   | <b>64,677</b>  | 61,966                                       |
| Share of post-acquisition profit and other comprehensive income and loss, net of dividends | <b>10,031</b>  | 6,196  |
|  | <b>74,708</b>  | 68,162                                       |

*Notes:*

- (a) Included in the cost of investment as at 30 June 2015 is goodwill arising on acquisition of interest in an associate of approximately HK\$16,251,000 (31 December 2014: HK\$23,216,000).

## 11. INTEREST IN AN ASSOCIATE (CONTINUED)

Notes: (Continued)

- (b) On 13 January 2015, shareholders of CNI Nuclear Maintenance Co., Ltd. ("CNI Nuclear Maintenance") entered into a capital injection agreement with a new subscriber. Upon completion of the share subscription, the Group's interest in CNI Nuclear Maintenance has been diluted from 26.5% to 18.55%. Registered capital of CNI Nuclear Maintenance increased from RMB36,700,000 to RMB52,430,000 accordingly.
- (c) Particulars of the Group's interest in an associate as at 30 June 2015 are as follows:

| Company name  | Place and date of registration and operation | Issued and paid-in/ registered capital | Percentage of equity attributable to the Group | Principal activities   |
|---|--|--|--|--|
| 中核檢修有限公司<br>(transliterated as CNI Nuclear Maintenance Co., Ltd.)<br>(formerly known as 深圳中核二三核電檢修有限公司) | The PRC/<br>9 January<br>1988                | RMB52,430,000                          | Indirect: 18.55%                               | Inspection, maintenance, repair, construction, installation and provision of expertise in such work for nuclear power plants and also provision of construction work for non-nuclear power companies |

**12. TRADE AND BILLS RECEIVABLES**

The Group normally allows a credit period of 30-180 days with its customers for new energy operations depending on the customers' creditworthiness and the length of business relationship with the customers. Customers in restaurant and hotel operations are mainly settled by cash and credit cards, except for certain well-established customers where the terms vary with these customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management of the Company.

|                   | <b>30 June<br/>2015<br/>(Unaudited)<br/>HK\$'000</b> | 31 December<br>2014<br>(Audited)<br>HK\$'000 |
|-------------------|--|--|
| Trade receivables | <b>87,280</b>  | 46,359                                       |
| Bills receivables | <b>26,368</b>  | 7,438  |
|                   | <b>113,648</b>                                       | 53,797                                       |

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

|              | <b>30 June<br/>2015<br/>(Unaudited)<br/>HK\$'000</b> | 31 December<br>2014<br>(Audited)<br>HK\$'000 |
|--------------|--|--|
| 0-90 days    | <b>83,685</b>  | 38,445                                       |
| 91-180 days  | <b>24,875</b>  | 9,833  |
| 181-365 days | <b>5,088</b>   | 5,519  |
|              | <b>113,648</b>                                       | 53,797                                       |

## 12. TRADE AND BILLS RECEIVABLES (CONTINUED)

Trade receivables are non-interest-bearing. The Group does not hold any collateral or other credit enhancements over these balances. Bills receivables are due within six months from date of billing.

Included in trade and bills receivables was an amount of approximately HK\$70,269,000 (31 December 2014: HK\$45,634,000) which represents amounts due from related parties of the Group arising from new energy operations.

## 13. TRADE PAYABLES

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

|              | <b>30 June<br/>2015<br/>(Unaudited)<br/>HK\$'000</b> | 31 December<br>2014<br>(Audited)<br>HK\$'000 |
|--------------|--|--|
| 0–90 days    | <b>50,511</b>  | 41,804                                       |
| 91–180 days  | <b>17,519</b>  | 28,301                                       |
| 181–365 days | <b>9,027</b>   | —  |
|              | <b>77,057</b>  | 70,105                                       |

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

## 14. OTHER PAYABLES AND ACCRUALS

Included in other payables was an amount of approximately HK\$30,887,000 (31 December 2014: HK\$30,887,000) which represents the non-interest bearing shareholders' loan from two non-controlling interest shareholders of Guoxin Energy Limited, a 51% owned subsidiary of the Company. Details of the shareholders' loan were set out in the Company's announcement dated 6 January 2013.

## 15. CONVERTIBLE BONDS

## (i) Redemption of convertible bonds

|   | <b>Convertible Bonds<br/>(Unaudited)</b><br><i>HK\$'000</i> |
|---|---|
| <b>Liability component</b>  |   |
| At 1 January 2014   | 56,172  |
| Imputed interest expenses   | 7,025   |
| Conversion of convertible bonds   | (63,197)  |
|   | <hr/>   |
| At 31 December 2014   | —   |
| <b>Derivative component</b>   |   |
| At 1 January 2014   | 4,537   |
| Fair value gains recognised in the consolidated statement of profit or loss | (1,471)   |
| Conversion of convertible bonds   | (3,066)   |
|   | <hr/>   |
| At 31 December 2014   | —   |

On 1 September 2011, the Company issued zero coupon convertible bonds in the principal amount of HK\$120,000,000 (the "Convertible Bonds") to an independent third party as part of consideration for acquisition of subsidiaries. The Convertible Bonds are convertible at the option of the bondholder into the Company's ordinary shares of HK\$0.10 each at a conversion price of HK\$1.20 per share from the end of the first anniversary period from the issue date and up to (but excluding) the period of five business days ending on the maturity date. Any Convertible Bonds not converted, cancelled, purchased or otherwise acquired will be redeemed by the Company on 1 September 2014.

The conversion option of the Convertible Bonds exhibits characteristics of an embedded derivative and is separated from the liability components. On initial recognition, the embedded derivative component of the convertible bonds is measured at fair value and presented as derivative financial instruments. Any excess of proceeds over the amount initially recognised as the embedded derivative component is recognised as the liability component. At the end of each reporting period, the embedded derivative component is remeasured and the change in fair value of that component is recognised in the condensed consolidated statement of profit or loss and other comprehensive income.

During the year ended 31 December 2013, the Convertible Bonds at the principal amount of HK\$48,000,000 was converted into ordinary shares of the Company. On 20 February 2014 and 26 May 2014, the Company made early redemptions of the outstanding Convertible Bonds at the total principal amount of HK\$72,000,000 with an aggregate consideration of HK\$72,000,000 and incurred a loss on early redemption of approximately HK\$5,737,000.

## 15. CONVERTIBLE BONDS (CONTINUED)

### (ii) Issuance of convertible bonds

|                                 | <b>2015</b><br><b>Convertible Bonds</b><br><b>(Unaudited)</b><br><i>HK\$'000</i> |
|---------------------------------|--|
| <b>Liability component</b>      |  |
| Issuance of new bonds           | 313,038  |
| Imputed interest expenses       | 3,509  |
| Conversion of convertible bonds | (26,832)   |
|                                 | <hr/>  |
| At 30 June 2015                 | 289,715  |
|                                 | <hr/>  |

On 26 May 2015, the Company issued an aggregated principal amount of HK\$350 million 3% convertible bonds (the "2015 Convertible Bonds"), which are due on 25 May 2016. The 2015 Convertible Bonds are convertible at the option of the bondholders into the Company's ordinary shares at a conversion price of HK\$1.75 per share any time up to maturity.

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

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

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

Since the date of issuance and up to 30 June 2015, HK\$30,000,000 of the 2015 Convertible Bonds were converted into shares of the Company by the bondholders.

## 16. CONTINGENT LIABILITIES

The Company and the Group had no contingent liabilities as at 30 June 2015 (31 December 2014: Nil).

## 17. MATERIAL RELATED PARTY TRANSACTIONS

## (a) Transactions with related parties

|                                 | For the six months ended                |   |
|---------------------------------|---|---|
|                                 | 30 June 2015<br>(Unaudited)<br>HK\$'000 | 30 June 2014<br>(Unaudited)<br>HK\$'000 |
| Transactions with a director:   |   |   |
| Rental expenses paid (note (i)) | 60                                      | 48                                      |

Note:

- (i) The Group paid rental expenses to a director of the Company. The rentals were determined with reference to open market rentals.

## (b) Compensation of key management personnel of the Group:

|   | For the six months ended                |   |
|---|---|---|
|   | 30 June 2015<br>(Unaudited)<br>HK\$'000 | 30 June 2014<br>(Unaudited)<br>HK\$'000 |
| Short term employee benefits                        | 3,666                                   | 3,670                                   |
| Pension scheme contributions                        | 54                                      | 57                                      |
| Total compensation paid to key management personnel | 3,720                                   | 3,727                                   |

## 18. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 30 June 2015 and up to date of these condensed consolidated interim financial statements, the Group had the following material events:

### (i) Capital injection and acquisition of equity interest in subsidiaries

On 3 July 2015, the Company injected RMB200,000,000 (equivalent to approximately HK\$253,453,000) into CNI (Nanjing) Energy Development Company Limited ("CNI (Nanjing)"), a wholly owned subsidiary of Guoxin Energy Limited ("Guoxin"), which the Company indirectly held 51% equity interest. Upon completion of the capital injection on 22 July 2015, the Group's effective equity interest in CNI (Nanjing) increased from 51% to 90.2%.

On 24 July 2015, the Group entered into an agreement with Fame Raise Limited, an independent third party, to acquire its 29.9% interest in Guoxin at a consideration of HK\$2,599,511. In addition, the Group also agreed to repay the outstanding shareholders' loan of RMB14,950,000 (equivalent to approximately HK\$18,957,406) due from Guoxin to Fame Raise Limited. Upon completion of the acquisition on 24 July 2015, the Group's effective interest in Guoxin and CNI (Nanjing) increased from 51% to 80.9% and from 90.2% to 96.18%, respectively.

### (ii) Change of directors of the Company

- Mr. Xu Zhaoyang has resigned and Mr. Tang Jianhua has been appointed as an executive director of the Company with effect from 14 July 2015.
- Mr. Chen Ying has resigned and Mr. Tian Aiping has been appointed as an independent non-executive director of the Company with effect from 14 July 2015.

## 19. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved and authorised for issue by the board of directors of the Company on 31 July 2015.



## RESULTS

The Group's consolidated revenue for the six months ended 30 June 2015 was HK\$205,608,000, representing an increase of HK\$74,117,000 or 56%, compared to the consolidated revenue of HK\$131,491,000 recorded for the six months ended 30 June 2014. Consolidated loss attributable to owners of the Company was HK\$4,047,000 (2014: consolidated loss of HK\$33,959,000). Basic loss per share was HK0.37 cents (2014: basic loss per share HK3.10 cents).

The significant improvement as compared to the net loss for the six months ended 30 June 2014, among other things, was mainly due to the positive impact contributed from projects revenue, which was benefited from extensive market development and new business growth plan in the new energy business. Therefore, the relevant business of the Group recorded a net profit for the six months ended 30 June 2015. Net profit for the period amounted to HK\$726,000, excluding the gain on deemed disposal of an associate of HK\$2,712,000 and the imputed interest on convertible bonds of HK\$3,509,000, the Group would have recorded a profit of HK\$1,523,000 from its core business for the six months ended 30 June 2015.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Review of Operations

The Group's catering business recorded a net loss in the first half of 2015, on the other hand, the sales revenue and the net profit of the hotel business decreased as compared with last year, which was mainly due to the impact of macroeconomic environment.

The Group's new energy business recorded a significant improvement. The significant increase in the engineering, procurement and construction projects benefited from extensive market development and new business growth plan, coupled with the decrease in the inherent operating costs, provided the room for profit making.

### Liquidity and Financial Resources

As at 30 June 2015, the Group had cash and cash equivalents of approximately HK\$589,468,000 (31 December 2014: HK\$252,882,000), in total, most of which were unsecured bank deposits, with their original maturities within three months. In addition, the Group had no mortgage loans (31 December 2014: Nil). The net assets were approximately HK\$458,157,000 (31 December 2014: HK\$397,474,000). The ratio of debt-convertible bonds to total equity was 0.63 (31 December 2014: undefined).

On 26 May 2015, the Company issued an aggregated principal amount of HK\$350,000,000 3% convertible bonds, which are due on 25 May 2016. The Company received net proceeds of HK\$346,114,000 after deducting the commissions and expenses of the offering. In June 2015, HK\$30,000,000 of the convertible bonds were converted into approximately 17,143,000 new ordinary shares at a conversion price of HK\$1.75 per share.

The Group's bank balances and cash are mainly denominated in Hong Kong dollars and Renminbi, and hence it is not exposed to significant exchange risk. The Group has not used any financial instruments for hedging purpose.

### Contingent Liabilities

At the end of the reporting period, the Group had no significant contingent liabilities.

### Number of Employees and Remuneration Policy

As at 30 June 2015, the Group had 367 employees, the remuneration packages of whom have been reviewed annually with reference to the prevailing market condition.

During the six months ended 30 June 2015, the Group had no share option scheme for its employees.

### Outlook

The Group will strive to improve its core competitiveness and increase its earnings in response to the development trend of China's economy, especially putting more resources in the clean energy field. Meanwhile, the Group will continue to explore the related business growth model to create better returns for the shareholders.

## OTHER INFORMATION

### Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2015, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

#### *Long positions in shares of the Company*

| <b>Name of director</b> | <b>Capacity and nature of interest</b>    | <b>Number of shares held</b> | <b>Approximate percentage of shareholding</b> |
|-------------------------|---|------------------------------|---|
| Chan Shu Kit            | Interest of controlled corporation (Note) | 114,240,000                  | 10.21%  |

Note: These shares are held through Hoylake Holdings Limited, a company wholly owned by Chan Shu Kit.

Save as disclosed above, as at 30 June 2015, none of the directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### Directors' Rights to Acquire Shares or Debentures

At no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

### Shareholders' Interests in Shares

As at 30 June 2015, the persons (other than the directors of the Company, whose interests have been disclosed in the above section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures") had interests or short positions in shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

#### *Long positions in shares of the Company*

| <b>Name</b>   | <b>Capacity and nature of interest</b> | <b>Number of shares held</b> | <b>Approximate percentage of shareholding</b> |
|---|--|------------------------------|---|
| 中國核工業建設集團公司 (China Nuclear Engineering Group Co.*) (note 1)           | Interest of controlled corporations    | 400,000,000                  | 35.75%  |
| 中核投資有限公司 ZOC Investment Co., Ltd. (note 1)                            | Interest of controlled corporation     | 400,000,000                  | 35.75%  |
| 中核投資(香港)有限公司 China He Investment (Hong Kong) Company Limited (note 1) | Beneficial owner                       | 400,000,000                  | 35.75%  |
| Hoylake Holdings Limited (note 2)                                     | Beneficial owner                       | 114,240,000                  | 10.21%  |
| Zhao Xu Guang (note 3)  | Interest of controlled corporations    | 84,676,000                   | 7.56%   |
| Prosper Alliance Investments Limited (note 3)                         | Beneficial owner                       | 60,000,000                   | 5.36%   |
| Cheung Mui (note 4)   | Interest of controlled corporation     | 60,000,000                   | 5.36%   |
| Grand Honest Limited (note 4)   | Beneficial owner                       | 60,000,000                   | 5.36%   |

Notes:

1. 中核投資有限公司 ZOC Investment Co., Ltd. ("ZOC Investment") is deemed to be interested in 400,000,000 shares of the Company held by its wholly-owned subsidiary 中核投資(香港)有限公司 China He Investment (Hong Kong) Company Limited. 中國核工業建設集團公司 (China Nuclear Engineering Group Co.\*) is deemed to be interested in these 400,000,000 shares by virtue of its holding 100% interests in ZOC Investment.
2. Hoylake Holdings Limited is wholly-owned by Chan Shu Kit, a director of the Company.
3. Zhao Xu Guang is deemed to be interested in 84,676,000 shares of the Company of which 60,000,000 shares and 24,676,000 shares were held by Prosper Alliance Investments Limited and Rui Tong Investments Limited respectively. Prosper Alliance Investments Limited and Rui Tong Investments Limited are wholly owned by Mr. Zhao.
4. Grand Honest Limited is wholly-owned by Cheung Mui and she is deemed to be interested in its holding of 60,000,000 shares of the Company.

\* *for identification purpose only*

Save as disclosed above, as at 30 June 2015, no person, other than the directors of the Company, whose interests are set out in the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### Change of Director's Information

Up to the date of publication of this Interim Report, the Company received notifications regarding the following changes of Directors' information:

1. Mr. Chung Chi Shing was appointed as a non-executive director of Value Convergence Holdings Limited (stock code: 821).
2. Mr. Fu Zhigang was appointed as a director of Greater China Development Limited, which is the member of the Group.
3. Mr. Tang Jianhua was appointed as director and general manager of each of CNI (Nanjing) Energy Development Company Limited (中核(南京)能源發展有限公司) and 南京中核能源工程有限公司 (transliterated as Nanjing CNI Energy Engineering Company Limited). He was appointed as legal representative and director of 內蒙古中核龍騰新能源有限公司. Mr. Tang was appointed as legal representative, director and general manager of each of 陽江中核新能源科技有限公司, Huaian Herun New Energy Limited (淮安核潤新能源有限公司) and Taizhou Herun New Energy Limited (泰州核潤新能源有限公司). The above companies are the members of the Group.

## Purchase, Redemption or Sale of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2015.

## Corporate Governance Code

The Board is of the view that throughout the period ended 30 June 2015, the Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

## Model Code for Securities Transactions

The Company has adopted its own code of conduct regarding directors' dealings in the Company's securities (the "Code of Conduct") on terms no less exacting than the Model Code as set out in Appendix 10 of the Listing Rules. Having made specific enquiry on all directors of the Company, they confirmed that they have complied with the Code of Conduct and the Model Code throughout the accounting period covered by the interim report.

## Audit Committee

The Company has an audit committee (the "Audit Committee") which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises four members, namely, Mr. Chan Ka Ling, Edmond, Mr. Li Baolin, Mr. Wang Jimin and Mr. Tian Aiping, all are Independent Non-executive Directors of the Company. The unaudited interim report for the six months ended 30 June 2015 has been reviewed by the Audit Committee.

On behalf of the Board

**Al Yilun**

*Chairman*

Hong Kong, 31 July 2015