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## **CNNC INTERNATIONAL LIMITED**

**中核國際有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2302)**

### **DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE**

FIDC, an indirect wholly-owned subsidiary of the Company granted the Loan (i.e. extension of time in the repayment by Somina of the Outstanding Amount and the Retention Amount) to Somina, a 37.2% owned associate of the Company with effect from 1st January, 2015.

As certain of the applicable percentage ratios set out in Chapter 14 of the Listing Rules with respect to the Loan is more than 5% but less than 25%, the transactions contemplated under the Loan Agreement constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

### **BACKGROUND**

Pursuant to the Jan 2014 Loan Agreement, FIDC advanced the Jan 2014 Loan to Somina, which is required to be repaid by Somina on or before 31st December, 2014. As of 31st December, 2014, the outstanding principal and interest of the Jan 2014 Loan are approximately US\$4,343,257.88 and US\$182,856.78 respectively (together, the “**Outstanding Amount**”).

Pursuant to Sale and Purchase Agreement, FIDC supplied certain quantities of uranium products to Somina. The Sale and Purchase Agreement provides that the last 10% of the purchase price shall be payable after confirmation of the quantity of delivered uranium products (“**Retention Amount**”). As of 31st December, 2014, the outstanding Retention Amount payable by Somina to FIDC is approximately US\$4,608,981.74, which have been overdue since about October 2014. (Somina had previously paid for 90% of the purchase price)

The Company has been informed by Somina that due to tight cash flow position, it would not be able to repay on time the Outstanding Amount and the Retention Amount. Somina has further requested for extension of time in the repayment of the Outstanding Amount and the Retention Amount.

On 2nd January, 2015, FIDC entered into the Loan Agreement with Somina for the extension of time in the repayment by Somina of the Outstanding Amount and the Retention Amount.

## **PROVISION OF FINANCIAL ASSISTANCE**

Summarized below are the principal terms of the Loan Agreement:

Lender:	FIDC, an indirect wholly-owned subsidiary of the Company
Borrower:	Somina, a 37.2% owned associate of the Company, and to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the other shareholders and their ultimate beneficial owners are Independent Third Parties
Loan / Extended repayment amount:	US\$9,135,096.40 (equivalent to the aggregate of the Outstanding Amount and the Retention Amount), such that the parties agreed to extend the repayment date of the Outstanding Amount and the Retention Amount.
Loan period: (Extension period)	Two years from 1st January, 2015 to 31st December, 2016, subject to early repayment
Interest rate:	Hong Kong Dollar Best Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited plus 0.80% per annum, with a ceiling limit of 7.8% per annum which is payable at the maturity, or early repayment, of the Loan, whichever is earlier
Final repayment date:	31st December, 2016
Early repayment:	Somina may repay the Loan in full or in part by giving 3 business days prior notice to FIDC

The interest rate of the Loan was mutually agreed and determined with reference to market interest rate.

## **REASONS FOR GRANTING THE LOAN**

The Group is principally engaged in uranium products trading business, as well as investment in uranium mining companies.

Somina is principally engaged in the exploration, development and mining of uranium properties in the Republic of Niger and owns a uranium mine in Niger.

As disclosed in the announcements dated 25th September and 31st October, 2014, and the 2014 interim report of the Company, Somina is experiencing a tight cash flow position due to a combination of factors, including the continuous decline in the price of uranium products, delay in certain construction works for the Niger mine, delay in the granting of a favourable loan to Somina by the Nigerian government due to the military coup in Niger in 2010, and certain production process difficulties. The purpose of the Loan is to refinance the current accounts payable by Somina to the Group (i.e. the Outstanding Amount and Retention Amount), such that the Group is not required to actually advance new monies to Somina.

Somina is a customer as well as a 37.2% owned associate of the Company, and the Group share the profit (loss) of Somina in its income statement on a proportionate basis. In light of the aforesaid, and considering the provision of the Loan can allow the Group to generate additional revenue from receiving payment of interest, the Directors consider that the provision of the Loan will facilitate the business of Somina, and will in turn benefit the Group.

The Directors (including the independent non-executive Directors) are satisfied that the terms of the Loan Agreement have been arrived at after arm's length negotiations between the parties, and consider that the terms of the Loan Agreement are fair and reasonable and on normal commercial terms and the granting of the Loan is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As certain of the applicable percentage ratios set out in Chapter 14 of the Listing Rules with respect to the Loan is more than 5% but less than 25%, the transactions contemplated under the Loan Agreement constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	CNNC International Limited, a company incorporated under the laws of the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“FIDC” or “Lender”	Focus International Development Corporation, a company incorporated under the laws of the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Independent Third Party”	a third party independent of and not connected with the Company and its connected persons (within the meaning of the Listing Rules)
“Jan 2014 Loan Agreement”	the loan agreement dated 11th January, 2014 and entered into between FIDC as lender and Somina as borrower regarding the grant of the Jan 2014 Loan
“Jan 2014 Loan”	the loan in the principal amount of up to US\$4,500,000 granted by FIDC to Somina at the interest rate of 5.8% per annum

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the amount of US\$9,135,096.40 granted by FIDC to Somina, such that pursuant to the Loan Agreement, the parties agreed to extend the repayment date of the Outstanding Amount and the Retention Amount
“Loan Agreement”	the loan agreement dated 2nd January, 2015 and entered into between FIDC as lender and Somina as borrower regarding the grant of the Loan
“Outstanding Amount”	has the meaning ascribed to it under the section headed “Background” in this announcement
“Retention Amount”	has the meaning ascribed to it under the section headed “Background” in this announcement
“Sale and Purchase Agreement”	the sale and purchase agreement dated 24th September, 2013 and entered into between FIDC as seller and Somina as buyer regarding the supply of uranium products
Shareholder(s)”	holder(s) of share(s) of the Company
“Somina” or “Borrower”	Société des Mines d’Azelik S.A., a company incorporated under the laws of the Republic of Niger and a 37.2% owned associate of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**CNNC International Limited**  
中核國際有限公司  
**Li Philip Sau Yan**  
Company Secretary

Hong Kong, 2nd January, 2015

*As of the date of this announcement, the Board comprises non-executive director and chairman, namely Mr. Cai Xifu, executive director, namely, Ms. Wang Ying, non-executive director, namely, Mr. Xu Shouyi and independent non-executive directors, namely, Mr. Cheong Ying Chew Henry, Mr. Cui Liguang and Mr. Zhang Lei.*