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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)

INSIDE INFORMATION FULLY EXEMPT CONNECTED TRANSACTION RELATING TO RECEIVING FINANCIAL ASSISTANCE REPAYMENT OF LOAN

This announcement is made by CNNC International Limited (the "Company", together with its subsidiaries shall be referred to as the "Group") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 18th February, 2019, 31st March, 29th April, 30th April, 13th May, 31st May and 31st August, 2021 in relation to, amongst other matters, the breach of certain term loan facility in the principal amount of up to HK\$300,000,000 (the "Loan") granted to the Group and the suspension in trading of shares of the Company (collectively the "Announcements"). Unless otherwise defined, capitalised terms in this announcement shall have the same meanings as those defined in the Announcements.

BACKGROUND

As disclosed in the Announcements, the suspension in trading of shares of the Company ("Suspension") and the Reorganisation constituted an event of default or breach under certain term or covenant under the Loan. In connection with the Suspension, the Group also breached certain covenants under the Loan regarding, among other things, the supply of audited financial statements of the Company and the Group (together with clean and unqualified auditor's report) ("Financial Statement Requirement").

The Group has applied for and has been granted a one-time waiver from the lender regarding the Suspension and the Financial Statement Requirement for the period up to 31st October 2021, subject to, among others, the repayment of all amounts outstanding under the Loan by 15th November, 2021. Upon full repayment of the Loan as stated below, the Reorganisation requirement has also been released. The principal amount outstanding under the Loan is approximately HK\$230,000,000 immediately before the full repayment of the Loan.

RECEIVING FINANCIAL ASSISTANCE

CNNC Overseas Uranium Holding Limited, the immediate controlling shareholder of the Company (“Parent Company”) entered into a loan agreement (the “CT Loan Agreement”) with the Group effective from about 26th October 2021, pursuant to which the Parent Company agreed to provide a loan in the principal amount of approximately HK\$230,000,000 (the “CT Loan”) to the Group for a term of three years, at an interest rate of approximately 2.53% per annum, which is the same as the interest rate under the Loan. No financial or other covenants are required to be given by the Group, and the CT Loan would not be secured by assets of the Group. The CT Loan has been received and applied by the Group as at the date of this announcement for the full repayment of the Loan.

The CT Loan (including the interest rates and other terms) has been determined through arm’s length negotiation between the Parent Company and the Group. Having considered the financial needs of the Group (including the Suspension status), the terms (including the interest rates) under the Loan, the prevailing bank lending rate and the terms (including the interest rates) under the CT Loan, the Board (including the independent non-executive Directors) is of the view that the CT Loan is conducted on normal commercial terms or better, fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the shareholders of the Company as a whole.

The CT Loan demonstrates the commitment and full support of the Parent Company towards the Group in the future development of the Group in the uranium resources business, as well as providing financial stability to the Group and a financial platform to enlarge its uranium trading business.

IMPLICATIONS UNDER THE LISTING RULES IN RESPECT OF THE CT LOAN

As at the effective date of the CT Loan Agreement, the Parent Company is the immediate controlling shareholder and holds approximately 66.72% of the shareholding of the Company, and hence is a connected person of the Company pursuant to the Listing Rules. As such, the CT Loan constituted a connected transaction for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.90 of the Listing Rules, financial assistance received by the Group from a connected person is fully exempt if it is conducted on normal commercial terms or better and it is not secured by the assets of the Group. As such, the CT Loan would be fully exempt from all disclosure, annual review, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

CONTINUED SUSPENSION OF TRADING

Pursuant to Rule 13.50 of the Listing Rules, the Stock Exchange will normally require suspension of trading in an issuer’s securities if an issuer fails to publish periodic financial information in accordance with the Listing Rules, and the suspension will normally remain in force until the issuer publishes the requisite financial information. At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 30th April, 2021, and will remain suspended until further notice.

The Company will publish further announcement(s) to keep the Company’s shareholders and potential investors informed of the status and development of the Company as and when

appropriate, as well as announce quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

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

Hong Kong, 27th October, 2021

As of the date of this announcement, the Board comprises non-executive Director and chairman, namely, Mr. Zhong Jie, executive Director and chief executive officer, namely, Mr. Zhang Yi, non-executive Director, namely, Mr. Wu Ge and independent non-executive Directors, namely, Mr. Cui Liguo, Mr. Zhang Lei and Mr. Chan Yee Hoi.