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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)**

### **MAJOR AND CONNECTED TRANSACTION IN RELATION TO PROPOSED INVESTMENTS IN CNNC FINANCIAL LEASING COMPANY LIMITED**

#### **THE INVESTMENTS**

The Board is pleased to announce that after trading hours on 12th March, 2018, the Investor (an indirect wholly-owned subsidiary of the Company), XHK and CNNC Leasing entered into the Transfer Framework Agreement, pursuant to which XHK conditionally agreed to transfer, and the Investor conditionally agreed to accept, the Contribution Rights, at the consideration with reference to the asset appraisal report of CNNC Leasing and to be confirmed by XHK and the Investor. The consideration of the Contribution Rights is subject to a cap of RMB3 million. The Contribution Rights confer upon the Investor the right to contribute to the registered capital of CNNC Leasing in the amount of RMB120.19 million and acquire approximately 12.0% of the registered capital in CNNC Leasing (i.e. the First Tranche Investment).

On the same day, the Investor and CNNC Leasing entered into the Investment Framework Agreement, pursuant to which the Investor conditionally agreed to make the Second Tranche Investment in the amount of RMB250 million, subject to completion of the First Tranche Investment and capital contributions of other existing shareholders of CNNC Leasing and/or other potential investors in relation to the Capital Increase. Upon completion of the First Tranche Investment and the Second Tranche Investment, together with the capital contributions of other existing shareholders of CNNC Leasing and/or other potential investors in relation to the Capital Increase, the issued and paid-up registered capital of CNNC Leasing will be enlarged to RMB2 billion and the Investor will hold, in aggregate, not more than 18.51% of the registered capital in CNNC Leasing.

#### **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (as defined under the Listing Rules) is greater than 25% but less than 100%, the Transfer Framework Agreement and the Investment Framework Agreement and the respective transactions contemplated thereunder constitute major transactions for the Company and are subject to the reporting, announcement, circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Company is owned as to approximately 66.72% by CNNC Overseas Uranium Holding Limited, which is an indirect wholly-owned subsidiary of CNNC, and is the controlling Shareholder of the Company. XHK is an indirect wholly-owned subsidiary of CNNC and holds approximately 25% equity interest in CNNC Leasing, including both the paid-up capital of RMB129.81 million and the unpaid-up capital of RMB120.19 million to be transferred to the Investor (i.e. the Contribution Rights). All other existing shareholders of CNNC Leasing are within the CNNC Group. Accordingly, XHK and CNNC Leasing are connected persons of the Company under the Listing Rules, and therefore the Transfer Framework Agreement and the Investment Framework Agreement and the respective transactions contemplated thereunder also constitute non-exempt connected transactions for the Company and are subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Transfer Framework Agreement and the Investment Framework Agreement and the respective transactions contemplated thereunder. CNNC is regarded as having material interests in the Transfer Framework Agreement and the Investment Framework Agreement and the respective transactions contemplated thereunder by virtue of CNNC's interests in the Investor, XHK and CNNC Leasing. Accordingly, CNNC and its associates will be required to abstain from voting on the relevant resolutions in relation to the Transfer Framework Agreement and the Investment Framework Agreement and the respective transactions contemplated thereunder to be proposed at the EGM.

The Independent Board Committee which comprises Mr. Cheong Ying Chew Henry, Mr. Cui Liguo and Mr. Zhang Lei, all being independent non-executive Directors, will be established to advise the Independent Shareholders in respect of the Transfer Framework Agreement and the Investment Framework Agreement and the respective transactions contemplated thereunder. The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among others things, (i) details of the Transfer Framework Agreement and the transactions contemplated thereunder; (ii) details of the Investment Framework Agreement and the transactions contemplated thereunder; (iii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iv) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (v) the financial information of the Group; (vi) the financial information of CNNC Leasing; (vii) other information required to be disclosed under the Listing Rules; and (viii) the notice of the EGM, is expected to be despatched to the Shareholders on or before 30th April, 2018 so as to allow sufficient time for preparation of the relevant information for the inclusion in the circular.

## **INTRODUCTION**

The Board is pleased to announce that after trading hours on 12th March, 2018, the Investor (an indirect wholly-owned subsidiary of the Company), XHK and CNNC Leasing entered into the Transfer Framework Agreement, pursuant to which XHK conditionally agreed to transfer, and the Investor conditionally agreed to accept, the Contribution Rights, at the consideration with reference to the asset appraisal report of CNNC Leasing and to be confirmed by XHK and the Investor. The consideration of the Contribution Rights is subject to a cap of RMB3 million. The Contribution Rights confer upon the Investor the right to contribute to the registered capital of CNNC Leasing in the amount of RMB120.19 million and acquire approximately 12.0% of the registered capital in CNNC Leasing (i.e. the First Tranche Investment).

On the same day, the Investor and CNNC Leasing entered into the Investment Framework Agreement, pursuant to which the Investor conditionally agreed to make the Second Tranche Investment in the amount of RMB250 million, subject to completion of the First Tranche Investment and capital contributions of other existing shareholders of CNNC Leasing and/or other potential investors in relation to the Capital Increase. Upon completion of the First Tranche Investment and the Second Tranche Investment, together with the capital contributions of other existing shareholders of CNNC Leasing and/or other potential investors in relation to the Capital Increase, the issued and paid-up registered capital of CNNC Leasing will be enlarged to RMB2 billion and the Investor will hold, in aggregate, not more than 18.51% of the registered capital in CNNC Leasing.

The principal terms of the Transfer Framework Agreement and the Investment Framework Agreement are set out below:

## **THE TRANSFER FRAMEWORK AGREEMENT**

### **Date**

12th March, 2018

### **Parties**

- (i) the Investor, an indirect wholly-owned subsidiary of the Company, being the transferee;
- (ii) XHK, being the transferor; and
- (iii) CNNC Leasing.

As at the date of this announcement, the Company is owned as to approximately 66.72% by CNNC Overseas Uranium Holding Limited, which is an indirect wholly-owned subsidiary of CNNC, and is the controlling Shareholder of the Company. CNNC is wholly owned by the SASAC. XHK is an indirect wholly-owned subsidiary of CNNC and holds approximately 25% equity interest in CNNC Leasing, including both the paid-up capital of RMB129.81 million and the unpaid-up capital of RMB120.19 million to be transferred to the Investor (i.e. the Contribution Rights). XHK is principally engaged in the trading of electronic products. All other existing shareholders of CNNC Leasing are within the CNNC Group. Accordingly, XHK and CNNC Leasing are connected persons of the Company under the Listing Rules.

## **Subject matter**

Pursuant to the Transfer Framework Agreement, XHK conditionally agreed to transfer, and the Investor conditionally agreed to accept, the Contribution Rights, at the consideration with reference to the asset appraisal report of CNNC Leasing and to be confirmed by XHK and the Investor. The consideration of the Contribution Rights is subject to a cap of RMB3 million. The Contribution Rights confer upon the Investor the right to make the First Tranche Investment, which refers to the right to contribute to the registered capital of CNNC Leasing in the amount of RMB120.19 million and acquire approximately 12.0% of the registered capital in CNNC Leasing.

## **Basis of determining the consideration of the Contribution Rights and the First Tranche Investment**

The consideration of the Contribution Rights is determined after arm's length negotiations among the parties to the Transfer Framework Agreement and with reference to the asset appraisal report of CNNC Leasing. The Investor will make the First Tranche Investment in the amount of RMB120.19 million to the registered capital of CNNC Leasing. The Investor intends to finance the consideration of the Contribution Rights and the First Tranche Investment by the internal resources of the Group and bank borrowings.

## **Conditions precedent to the Transfer Framework Agreement**

The transactions contemplated under the Transfer Framework Agreement are conditional upon the fulfillment of the following conditions:

- (i) the transfer of the Contribution Rights and the First Tranche Investment having been approved by the authorised unit of the SASAC;
- (ii) the asset appraisal report of CNNC Leasing having been approved by the authorised unit of the SASAC and the consideration of the Contribution Rights having been confirmed by XHK and the Investor;
- (iii) the completion of satisfactory legal, financial and business due diligence review on CNNC Leasing by the Investor;
- (iv) the approval by the Stock Exchange of the issuance by the Company of a circular to the Shareholders in relation to the Transfer Framework Agreement and the transactions contemplated thereunder;
- (v) the Independent Shareholders having approved the Transfer Framework Agreement and the transactions contemplated thereunder in accordance with the Listing Rules;
- (vi) the Investor having obtained a legal opinion (in such form and substance to the satisfaction of the Investor) issued by a PRC legal adviser acceptable to the Investor in respect of CNNC Leasing and its business;

- (vii) the parties to the Transfer Framework Agreement (including the Company) having obtained all necessary approvals, consents and authorisations (if applicable) in relation to the Transfer Framework Agreement and the transactions contemplated thereunder;
- (viii) the representations and warranties given by XHK and CNNC Leasing in the Transfer Framework Agreement being true and accurate as at the Transfer Completion Date, for which XHK and CNNC Leasing shall have performed or complied with at or before the Transfer Completion Date (as the case may be);
- (ix) there being no form of legal restriction on the completion of transactions contemplated under the Transfer Framework Agreement or which may have a material adverse effect on the Investor or CNNC Leasing as at the Transfer Completion Date;
- (x) there being no material adverse change in the business, financial or operation positions, or assets, liabilities or profitability or prospects of CNNC Leasing, or an event reasonably likely to result in such a material adverse change as at the Transfer Completion Date;
- (xi) the Investor having obtained sufficient financing on terms and conditions considered to be appropriate by it for the transactions contemplated under the Transfer Framework Agreement; and
- (xii) the Investor and CNNC Leasing having completed the registration of change of shareholders of CNNC Leasing in competent industry and commerce authority in respect of the transactions contemplated under the Transfer Framework Agreement (such date is referred to as the “Transfer Completion Date”).

Conditions (i), (ii), (iv), (v) and (vii) above are not capable of being waived by any party. The Investor may waive in whole or in part all or any of the other conditions or extend the period in which the conditions are to be satisfied.

If any of the conditions shall not have been fulfilled (or waived, as the case may be) on or before the First Long Stop Date (i.e. 31st July, 2018 or such other date as the parties may agree), the Transfer Framework Agreement shall lapse and no party shall make any claim against the other in respect thereof, save for any antecedent breaches of the Transfer Framework Agreement. Completion of the Transfer Framework Agreement is not conditional on the completion of the Investment Framework Agreement.

## **Completion of the transfer of the Contribution Rights and the First Tranche Investment**

Completion of the transfer of the Contribution Rights shall take place upon all the conditions as mentioned above having been fulfilled (or waived, as the case may be) and on the day on which registration of change of shareholders of CNNC Leasing has been completed. Subject as aforesaid, the Investor shall pay for the consideration of the Contribution Rights and make the First Tranche Investment within 7 days after the Transfer Completion Date.

Upon completion of the First Tranche Investment, the Investor will hold, approximately 12.0% of the registered capital in CNNC Leasing and such equity investment will be accounted for as an available-for-sale investment of the Company.

## **THE INVESTMENT FRAMEWORK AGREEMENT**

### **Date**

12th March, 2018

### **Parties**

- (i) the Investor; and
- (ii) CNNC Leasing.

As mentioned in the section headed “the Transfer Framework Agreement” above, CNNC Leasing is a connected person of the Company under the Listing Rules.

### **Subject matter**

Pursuant to the Investment Framework Agreement, the Investor conditionally agreed to make the Second Tranche Investment in the amount of RMB250 million, subject to completion of the First Tranche Investment and capital contributions of other existing shareholders of CNNC Leasing and/or other potential investors in relation to the Capital Increase. Upon completion of the First Tranche Investment and the Second Tranche Investment, together with the capital contributions of other existing shareholders of CNNC Leasing and/or other potential investors in relation to the Capital Increase, the issued and paid-up registered capital of CNNC Leasing will be enlarged to RMB2 billion and the Investor will hold, in aggregate, not more than 18.51% of the registered capital in CNNC Leasing.

In relation to the Capital Increase, the Investor may enter into agreement(s) with other existing shareholders of CNNC Leasing and/or other potential investors regarding the capital contributions by them.



## **Basis of determining the Second Tranche Investment**

The amount of the Second Tranche Investment is determined after arm's length negotiations between CNNC Leasing and the Investor, and with reference to the asset appraisal report of CNNC Leasing and the amount of capital contributions of other existing shareholders of CNNC Leasing and/or other potential investors. The Investor intends to finance the Second Tranche Investment by the internal resources of the Group and bank borrowings.

## **Conditions precedent to the Investment Framework Agreement**

The transactions contemplated under the Investment Framework Agreement are conditional upon the fulfillment of the following conditions:

- (i) the Second Tranche Investment having been approved by the authorised unit of the SASAC;
- (ii) the asset appraisal report of CNNC Leasing having been approved by the authorised unit of the SASAC and the final amount of the Second Tranche Investment Capital having been confirmed by CNNC Leasing and the Investor;
- (iii) the completion of satisfactory legal, financial and business due diligence review on CNNC Leasing by the Investor;
- (iv) the approval by the Stock Exchange of the issuance by the Company of a circular to the Shareholders in relation to the Investment Framework Agreement and the transactions contemplated thereunder;
- (v) the Independent Shareholders having approved the Investment Framework Agreement and the transactions contemplated thereunder in accordance with the Listing Rules;
- (vi) the Investor having obtained a legal opinion (in such form and substance to the satisfaction of the Investor) issued by a PRC legal adviser acceptable to the Investor in respect of CNNC Leasing and its business;
- (vii) the parties to the Investment Framework Agreement (including the Company) having obtained all necessary approvals, consents and authorisations (if applicable) in relation to the Investment Framework Agreement and the transactions contemplated thereunder;
- (viii) the representations and warranties given by CNNC Leasing in the Investment Framework Agreement being true and accurate as at the Investment Completion Date, for which CNNC Leasing shall have performed or complied with at or before the Investment Completion Date (as the case may be);



- (ix) there being no form of legal restriction on the completion of transactions contemplated under the Investment Framework Agreement or which may have a material adverse effect on the Investor or CNNC Leasing as at the Investment Completion Date;
- (x) there being no material adverse change in the business, financial or operation position or assets, liabilities or profitability or prospects of CNNC Leasing, or an event reasonably likely to result in such a material adverse change as at the Investment Completion Date;
- (xi) the Investor having obtained sufficient financing on terms and conditions considered to be appropriate by it for the transactions contemplated under the Investment Framework Agreement;
- (xii) the Transfer Framework Agreement having remained valid and the conditions stated thereunder having been satisfied;
- (xiii) the other shareholders of CNNC Leasing and/or other investors having agreed to invest in the remaining portion of the Capital Increase (i.e. the portion not subscribed by the Investor); and
- (xiv) the Investor, CNNC Leasing and XHK having completed the registration of change of shareholders of CNNC Leasing in competent industry and commerce authority in respect of the transactions contemplated under the Transfer Framework Agreement and the Investment Framework Agreement, and the other existing shareholders of CNNC Leasing and/or other potential investors having completed their registration of their respective capital contributions in competent industry and commerce authority in respect of the transactions contemplated under the Investment Framework Agreement (such latest date is referred to as the “Investment Completion Date”).

Conditions (i), (ii), (iv), (v) and (vii) above are not capable of being waived by any party. The Investor may waive in whole or in part all or any of the other conditions or extend the period in which the conditions are to be satisfied.

If any of the conditions shall not have been fulfilled (or waived, as the case may be) on or before the Second Long Stop Date (i.e. 31st July, 2018 or such other date as the parties may agree), the Investment Framework Agreement shall lapse and no party shall make any claim against the other in respect thereof, save for any antecedent breaches of the Investment Framework Agreement.

## **Completion of the Second Tranche Investment**

Completion of the Second Tranche Investment shall take place upon all the conditions as mentioned above having been fulfilled (or waived, as the case may be) and on the day on which registration of change of shareholders of CNNC Leasing has been completed. Subject as aforesaid, the Investor shall make the Second Tranche Investment within 7 days after the Investment Completion Date.

Upon completion of the Second Tranche Investment, the Investor will hold, in aggregate, not more than 18.51% of the registered capital in the enlarged registered capital of CNNC Leasing and the Investments will be accounted for as available-for-sale investments of the Company.

## **INFORMATION OF CNNC LEASING**

CNNC Leasing is a company established in the China (Shanghai) Pilot Free Trade Zone of the PRC in December 2015. As at the date of this announcement, it is owned as to 31% by CNNC, 25% by XHK (including the unpaid-up capital to be transferred to the Investor (i.e. the Contribution Rights)) and 44% by eight other companies within the CNNC Group. The registered capital of CNNC Leasing is RMB1 billion and its paid-up capital is approximately RMB880 million (i.e. the unpaid-up capital in the amount of approximately RMB120 million represents the Contribution Rights proposed to be transferred to the Investor by XHK pursuant to the Transfer Framework Agreement).

CNNC Leasing is principally engaged in the provision of financial leasing and financial guarantees on clean energy-related projects including but not limited to nuclear energy, wind power and hydro power. It capitalises on the expertise of its shareholder in the nuclear industry and is strategically focused on the provision of financing for business engaged in the field of nuclear energy. It recorded a growth of more than 50% in net profit for the year ended 31st December, 2017 as compared to the corresponding period in 2016. CNNC Leasing intends to follow this strategic focus with the aim to develop into the top nuclear-related financial leasing brand in the PRC. In order to support its future expansion, CNNC Leasing intends to enlarge its capital from RMB1 billion to RMB2 billion (i.e. the Capital Increase) through the Investment Framework Agreement as well as capital contributions of other existing shareholders of CNNC Leasing and/or other potential investors.

Set out below is a summary of the financial information of CNNC Leasing prepared in accordance with the generally accepted accounting principles in the PRC:

	<b>For the year ended 31st December, 2016 (RMB'000) (audited)</b>	<b>For the year ended 31st December, 2017 (RMB'000) (audited)</b>
Revenue	67,405	142,207
Profit before tax	42,638	65,088
Profit after tax	31,979	48,730
		<b>As at 31st December, 2017 (RMB'000) (audited)</b>
Net assets		960,518

## **REASONS FOR THE PROPOSED INVESTMENTS**

The Company is an investment holding company principally engaged in the investment in uranium resources and trading in uranium products. It has also commenced the business of trading in electronics products in 2018. As stated in the 2017 interim report of the Company, the Group has been exploring possible opportunities to expand its business, diversify its activities and explore investment projects with reasonable returns by leveraging on the strengths of CNNC.

In the last decade, the financial leasing industry in the PRC has experienced robust growth. The total contracted outstanding amount in financial leasing business in the PRC has reached approximately RMB2,000 billion in 2016. The management believes that there is considerable potential for the development of a financial leasing business in the PRC. Moreover, the management is of the view that, by leveraging on the market expertise and size of its shareholders including CNNC, a market leader in the nuclear energy market such as, CNNC Leasing could be able to develop into a promising business and generate satisfactory returns to its shareholders. As mentioned in the section headed “information of CNNC Leasing”, it recorded a significant growth in net profit in 2017. The management expects the growth of CNNC Leasing to be sustainable under CNNC’s management and believes that it is beneficial for the Group to invest in CNNC Leasing in its early growth stage. The management therefore considers that the proposed

investments contemplated under the Transfer Framework Agreement and the Investment Framework Agreement to be beneficial to the Group and its Shareholders as a whole.

The Directors (excluding the independent non-executive Directors who shall form their view after receiving the advice from the Independent Financial Adviser) consider that the respective terms of the Transfer Framework Agreement and the Investment Framework Agreement are fair and reasonable and on normal commercial terms, and the transactions contemplated under the Transfer Framework Agreement and the Investment Framework Agreement, although not in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as whole.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (as defined under the Listing Rules) is greater than 25% but less than 100%, the Transfer Framework Agreement and the Investment Framework Agreement and the respective transactions contemplated thereunder constitute a major transaction for the Company and are subject to the reporting, announcement, circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Company is owned as to approximately 66.72% by CNNC Overseas Uranium Holding Limited, which is an indirect wholly-owned subsidiary of CNNC, and is the controlling Shareholder of the Company. XHK is an indirect wholly-owned subsidiary of CNNC and holds approximately 25% equity interest in CNNC Leasing, including both the paid-up capital of RMB129.81 million and the unpaid-up capital of RMB120.19 million to be transferred to the Investor (i.e. the Contribution Rights). All other existing shareholders of CNNC Leasing are within the CNNC Group. Accordingly, XHK and CNNC Leasing are connected persons of the Company under the Listing Rules, and therefore the Transfer Framework Agreement and the Investment Framework Agreement and the respective transactions contemplated thereunder also constitute non-exempt connected transactions for the Company and are subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Transfer Framework Agreement and the Investment Framework Agreement and the respective transactions contemplated thereunder.

CNNC is regarded as having material interests in the Transfer Framework Agreement and the Investment Framework Agreement and the respective transactions contemplated thereunder by virtue of CNNC's interests in the Investor, XHK and CNNC Leasing. Accordingly, CNNC and its associates will be required to abstain from voting on the relevant resolutions in relation to the Transfer Framework Agreement and the

Investment Framework Agreement and the respective transactions contemplated thereunder to be proposed at the EGM. Mr. Yang Chaodong, Mr. Bai Donghai and Mr. Li Zhihuang, all being Directors, also held positions in CNNC Group or its associates and are regarded as having material interests in the Transfer Framework Agreement and the Investment Framework Agreement and the respective transactions contemplated thereunder. Mr. Yang Chaodong held positions in CNNC Group or its associates, including XHK. Mr. Bai Donghai held positions in CNNC Group or its associates, including XHK and CNNC Leasing. Mr. Li Zhihuang held positions in CNNC Group or its associates. Accordingly, each of them had abstained from voting at the Board meeting on the relevant resolutions. To the best of the Directors' knowledge and information, no other Shareholder is required to abstain from voting on the relevant resolutions in relation to the Transfer Framework Agreement and the Investment Framework Agreement and the respective transactions contemplated thereunder.

The Independent Board Committee which comprises Mr. Cheong Ying Chew Henry, Mr. Cui Liguang and Mr. Zhang Lei, all being independent non-executive Directors, will be established to advise the Independent Shareholders in respect of the Transfer Framework Agreement and the Investment Framework Agreement and the respective transactions contemplated thereunder. The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among others things, (i) details of the Transfer Framework Agreement and the transactions contemplated thereunder; (ii) details of the Investment Framework Agreement and the transactions contemplated thereunder; (iii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iv) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (v) the financial information of the Group; (vi) the financial information of CNNC Leasing; (vii) other information required to be disclosed under the Listing Rules; and (viii) the notice of the EGM, is expected to be despatched to the Shareholders on or before 30th April, 2018 so as to allow sufficient time for preparation of the relevant information for the inclusion in the circular.

## **DEFINITIONS**

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors

“Capital Increase”	the proposed increase in the registered capital of CNNC Leasing from RMB1 billion to RMB2 billion through the Investment Framework Agreement as well as capital contributions of other existing shareholders of CNNC Leasing and/or other potential investors
“CNNC”	China National Nuclear Corporation (中國核工業集團有限公司), which is wholly owned by the SASAC
“CNNC Group”	CNNC and its subsidiaries
“CNNC Leasing”	CNNC Financial Leasing Company Limited (中核融資租賃有限公司) a company established in the PRC with limited liability
“Company”	CNNC International Limited, a company incorporated in the Cayman Islands whose issued Shares are listed on the main board of the Stock Exchange (Stock Code: 2302)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Contribution Rights”	the right to contribute to the registered capital of CNNC Leasing in the amount of RMB120.19 million
“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve (i) the Transfer Framework Agreement and the transactions contemplated thereunder; and (ii) the Investment Framework Agreement and the transactions contemplated thereunder
“First Long Stop Date”	31st July, 2018, or such other date as the parties to the Transfer Framework Agreement may agree in writing
“First Tranche Investment”	the investment in the amount of RMB120.19 million by the Investor in the registered capital of CNNC Leasing pursuant to the terms of the Transfer Framework Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent committee of the Board, comprising Mr. Cheong Ying Chew Henry, Mr. Cui Liguang and Mr. Zhang Lei, all being independent non-executive Directors, to be established to give recommendations to the Independent Shareholders in respect of the Transfer Framework Agreement and the Investment Framework Agreement and the respective transactions contemplated thereunder
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Transfer Framework Agreement and the Investment Framework Agreement and the respective transactions contemplated thereunder
“Independent Shareholder(s)”	the Shareholder(s) other than CNNC and its associates
“Investment Framework Agreement”	the investment framework agreement dated 12th March, 2018 entered into between the Investor and CNNC Leasing in relation to the Second Tranche Investment
“Investment Completion Date”	has the meaning given to it in the paragraph headed “Conditions precedent to the Investment Framework Agreement” in the section headed “The Investment Framework Agreement” of this announcement
“Investments”	the First Tranche Investment and the Second Tranche Investment
“Investor”	CNNC International (HK) Limited (中核國際(香港)有限公司), a company established in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Second Tranche Investment”	the investment in the Second Tranche Investment Capital by the Investor pursuant to the terms of the Investment Framework Agreement



“Second Tranche Investment Capital”	the amount of registered capital to be invested by the Investor pursuant to the terms of the Investment Framework Agreement
“Second Long Stop Date”	31st July, 2018, or such other date as the parties to the Investment Framework Agreement may agree in writing
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer Framework Agreement”	the transfer framework agreement dated 12th March, 2018 entered into among the Investor, XHK and CNNC Leasing in relation to the transfer of the Contribution Rights and the First Tranche Investment
“Transfer Completion Date”	has the meaning given to it in the paragraph headed “Conditions precedent to the Transfer Framework Agreement” in the section headed “The Transfer Framework Agreement” of this announcement
“XHK”	Xie He Kong Company Limited (協和港有限公司), a company established in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the CNNC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 12th March, 2018

*As at the date of this announcement, the Board comprises non-executive director and chairman, namely, Mr. Yang Chaodong, executive director and chief executive officer, namely, Mr. Bai Donghai, non-executive director, namely, Mr. Li Zhihuang and independent non-executive directors, namely, Mr. Cheong Ying Chew Henry, Mr. Cui Ligu and Mr. Zhang Lei.*