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CHINA ISOTOPE & RADIATION CORPORATION

中國同輻股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 1763)

CONTINUING CONNECTED TRANSACTION AND MAJOR TRANSACTION

ENTERING INTO THE RENEWED FINANCIAL SERVICES AGREEMENT WITH CNNC

RENEWED FINANCIAL SERVICES AGREEMENT

Reference is made to the Existing Financial Services Agreement entered into between the Company and CNNC which will expire on the date of the 2022 annual general meeting of the Company to be convened in 2023. With a view to continue the transactions under the Existing Financial Services Agreement, on 30 March 2023, the Board resolved to enter into the Renewed Financial Services Agreement with CNNC, pursuant to which the Company will continue to utilize the financial services available from CNNC. Such agreement will be effective on 1 July 2023 upon approval of the Independent Shareholders at the 2022 annual general meeting and expire on 31 December 2025.

The Directors (excluding the independent non-executive Directors whose views will be formed after taking into account the advice of the Independent Financial Adviser) are of the view that the terms of the Renewed Financial Services Agreement are determined after arm's length negotiations on normal commercial terms, the proposed transactions and annual caps thereunder are fair and reasonable and have been entered into in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CNNC holds approximately 73.83% of the Company's total issued share capital directly and indirectly through CIAE, NPIC, CNNC Fund, 404 Company and Baoyuan Investment, and is the controlling Shareholder of the Company. As such, CNNC and its associates are connected persons of the Company under Chapter 14A of the Listing Rules. Furthermore, when the Company provides entrusted loans to its subsidiaries through CNNCFC, the recipients may include its connected subsidiaries. Therefore, transactions under the Renewed Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more applicable percentage ratios for the proposed annual caps of the Deposit Services under the Renewed Financial Services Agreement exceed 5%, the Deposit Services are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Furthermore, as one or more applicable percentage ratios for the proposed annual caps of the Deposit Services under the Renewed Financial Services Agreement exceed 25%, the Deposit Services also constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements thereunder.

Since one or more applicable percentage ratios for the proposed annual caps of the Settlement, Entrusted Loan and Other Financial Services under the Renewed Financial Services Agreement exceed 5%, the Settlement, Entrusted Loans and Other Financial Services are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since one or more applicable percentage ratios for the proposed annual caps of the Financial Leasing Services under the Renewed Financial Services Agreement exceed 5%, the Financial Leasing Services are subject to the reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since one or more applicable percentage ratios for the proposed annual caps of the Factoring Services under the Renewed Financial Services Agreement exceed 5%, the Factoring Services are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The 2022 annual general meeting of the Company will be held to consider and, if appropriate, approve the resolutions proposed in respect of the Renewed Financial Services Agreement (including the proposed annual caps).

A circular containing, among other things, (i) details of the Renewed Financial Services Agreement; (ii) a letter from the Independent Board Committee containing its opinions and recommendations in respect of the Renewed Financial Services Agreement; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Renewed Financial Services Agreement; and (iv) a notice of the 2022 annual general meeting, is expected to be dispatched to the Shareholders within 15 business days.

1. BACKGROUND

Reference is made to the announcements of the Company dated 22 April 2020 and the circular of the Company dated 2 June 2020 in relation to, among other things, the Existing Financial Services Agreement with CNNC dated 30 June 2020.

Since the Existing Financial Services Agreement will expire on the date of the 2022 annual general meeting of the Company to be convened in 2023, the Company intends to continue the transactions under the Existing Financial Services Agreement and renew the relevant agreement. Thus, on 30 March 2023, the Board resolved to enter into the Renewed Financial Services Agreement with CNNC, pursuant to which the Company will continue to utilize the financial services available from CNNC. Such agreement will be effective on 1 July 2023 upon approval of the Independent Shareholders at the 2022 annual general meeting, and expire on 31 December 2025. In respect of the Directors attending the Board meeting, connected Directors Mr. Wang Suohui, Mr. Xu Hongchao, Mr. Du Jin, Mr. Chen Shoulei, Mr. Dai Shuquan and Ms. Liu Xiuhong were considered to have material interests by virtue of being employed by CNNC and its associates and had thus abstained from voting on the Board resolution(s) in respect of the transaction.

2. THE RENEWED FINANCIAL SERVICES AGREEMENT

The principal terms of the Renewed Financial Services Agreement are set out below:

Parties: the Company (service recipient); and
CNNC (service provider).

Principal Terms: The Company will enter into the Renewed Financial Services Framework Agreement with CNNC, pursuant to which CNNC and/or its associates would provide the Group with, among other things, (i) Deposit Services; (ii) Settlement, Entrusted Loan and Other Financial Services; (iii) Financial Leasing Service for certain assets used in the operation of the Group; and (iv) Factoring Services.

Term: The Renewed Financial Services Agreement will be effective on 1 July 2023 upon approval of the Independent Shareholders at the 2022 annual general meeting, and expire 31 December 2025.

Under the Renewed Financial Services Agreement, CNNC and/or its associates have agreed to provide the Group with the financial services pursuant to the following principal terms:

- a) other than the services provided by CNNC and/or its associates under the Renewed Financial Services Agreement, the Group may obtain financial services from other financial institutions;
- b) any counterparty may not terminate the Renewed Financial Services Agreement unilaterally; and
- c) after the termination of the Renewed Financial Services Agreement, the Group has the right to withdraw its deposits with CNNC and/or its associates immediately.

Pricing Policy:

The pricing policy under the Renewed Financial Services Agreement is as follows:

- a) **Deposit Services:** The deposit interest rates shall not be lower than (i) the deposit interest rates of a similar category of deposit in the same period promulgated by PBOC; or (ii) the public interest rates of a similar category of deposit in the same period provided by major commercial banks in the PRC.
- b) **Settlement, Entrusted Loan and Other Financial Services:** The fees payable to CNNCFC for the settlement, entrusted loan and other financial services will be determined with reference to the market rates of similar services promulgated by PBOC and, will be equal to or more favorable than the rates offered by major independent commercial banks in the PRC under the same conditions.
- c) **Financial Leasing Services:** The financial leasing service fees to be charged by CNNC and/or its associates will be equal to or more favorable than the fees of relevant services offered by other domestic financial leasing institutions in the PRC under the same conditions.
- d) **Factoring Services:** The factoring services fees to be charged by CNNC and/or its associates will be equal to or more favorable than the fees of relevant services offered by other domestic factoring institutions in the PRC under the same conditions.

Historic annual caps and actual amount of the financial services:

Nature of the transaction	Annual caps for the period from the date of the 2019 Shareholders' general meeting to the date of the 2020 Shareholders' general meeting	Actual transaction amount for the year ended 31 December 2020	Annual caps for the period from the date of the 2020 Shareholders' general meeting to the date of the 2021 Shareholders' general meeting	Actual transaction amount for the year ended 31 December 2021	Annual caps for the period from the date of the 2021 shareholders' general meeting to the date of the 2022 shareholders' general meeting	Actual transaction amount for the year ended 31 December 2022
	(RMB '000)	(RMB '000)	(RMB '000)	(RMB '000)	(RMB '000)	(RMB '000)
Existing Financial Services Agreement						
• Deposit Services						
(a) Maximum outstanding daily balance	3,082,666	1,998,993	3,082,666	2,031,668	3,082,666	2,711,722
(b) Interest income	45,778	13,993	45,778	21,379	45,778	24,433
• Settlement, Entrusted Loans and Other Financial Services						
(a) Maximum daily outstanding balance of entrusted loans provided by the Group through CNNFC	500,000	154,000	500,000	367,727	1,000,000	489,647
(b) Service fees for settlement, entrusted loans and other financial services	150	37.5	150	39	150	17
• Finance Leasing Services	248,980	25,833	248,980	16,342	248,980	1,996

Proposed annual cap for the renewed financial services:

Nature of the transaction	Proposed annual caps for the period from 1 July 2023 to 31 December 2023 (RMB'000)	Proposed annual caps for the year ending 31 December 2024 (RMB'000)	Proposed annual caps for the year ending 31 December 2025 (RMB'000)
Renewed Financial Services Agreement			
• Deposit Services			
(a) Maximum outstanding daily balance	5,000,000	5,000,000	5,000,000
(b) Interest income	50,000	100,000	100,000
• Settlement, Entrusted Loans and Other Financial Services			
(a) Maximum daily outstanding balance of entrusted loans provided by the Group through CNNCFC	1,000,000	1,000,000	1,000,000
(b) Service fees for settlement, entrusted loans and other financial services	75	150	150
• Finance Leasing Services	250,000	250,000	250,000
• Factoring Services	1,000,000	1,000,000	1,000,000

The Board considers that the services under the Renewed Financial Services Agreement shall not be consolidated in aggregate due to the different types of the services transactions.

The above proposed annual caps are determined with reference to the pricing policy as mentioned above and the following:

- a) **Deposit Services:** the Company mainly refers to, among other things, (i) the actual amount of deposits and interest income of the Group with CNNCFC incurred for the three years ended 31 December 2022; (ii) the net cash inflow for the year ended 31 December 2022; (iii) as the Company is developing and growing, it conducts more financing through the capital market, and (iv) the Company intends to transfer some of its existing cash reserves to CNNCFC due to the higher interest rate offered by CNNCFC with reference to prevailing market rates. The Company proposes to increase the annual cap for 2023-2025.
- b) **Settlement, Entrusted Loans and Other Financial Services:** the Company mainly refers to, among other things, (i) for the three years ended 31 December 2022, the maximum daily outstanding balance of entrusted loans provided by the Group through CNNCFC, and the service fee charged by CNNCFC; (ii) from 1 July 2022 to 31 December 2025 (including the expected payment of continuing contracts and new contracts); (iii) that the Company intends to use part of the funds raised in the capital market to issue entrusted loans through CNNCFC for provision of funding for the business and development of its subsidiaries; (iv) the projected business volume of the Group from 1 July 2022 to 31 December 2025; and (v) the historical fee amounts charged by CNNCFC for cash settlement for the three years ended 31 December 2022. The Company proposes to increase the annual cap for 2023-2025.
- c) **Financial Leasing Services:** the Company mainly refers to: (i) the expected increase in assets required for its irradiation and radiopharmaceuticals business; and (ii) the expected rental payable by the Group for such assets from 1 July 2022 to 31 December 2025.
- d) **Factoring Services:** the Company mainly refers to: (i) the amount of accounts receivable of the Group as at 31 December 2022; and (ii) the Group's expected factoring business for such assets from 1 July 2022 to 31 December 2025.

Internal monitoring procedures regarding the annual cap

- ***Internal measures of the Company***

- The Company has formulated its rules and regulations, including the Financing Management Measures of China Isotope & Radiation Corporation and the Financial Management System of China Isotope & Radiation Corporation, to safeguard against fund risks, strengthen its internal financial management, regulate financing activities, and meet the capital requirements of its development. The Company has set up an integrated management system on targeting, assessment and incentiveness. The Company adheres to the principle of financing at the Group level, and adopts the integrated management system for investment and financing. The Company adheres to the principles of proper scale and reasonable structure, and strikes a balance between costs and risks.

- When providing entrusted loans to connected persons (whether through CNNCFC or otherwise), the Company will consider the interest rate, processing fees, term and use of loan and credit worthiness of the ultimate borrower, based on principles of reasonable return, cost control and risk control. The entrusted loan agreements (setting out interest rate, processing fees, term and use of loan) are first approved by the finance department of the Company and then submitted to the legal representative for signing and approval. In addition, the finance department of the Company will be responsible for closely monitoring such ongoing continuing connected transactions and will submit matters to the Board for consideration as appropriate.
- At the end of each quarter, the Company will request CNNCFC to provide sufficient information, including various financial indicators such as the status of the Company's deposits and interest income, charges on entrusted loans and rental of financial leasing, as well as annual and interim financial statements, to enable the Company to understand and review the financial condition of CNNCFC. CNNCFC shall notify the Company, subject to compliance with applicable laws and regulations, should it have any judicial, legal or regulatory proceedings or investigations which are reasonably likely to have a material impact on its financial condition. If the Company considers that there is any material adverse change in the financial condition of CNNCFC, the Company will take appropriate measures (including early withdrawal of deposits, termination of entrusted loans and a moratorium on further deposits and entrusted loans) to protect its financial position.
- The independent non-executive Directors will independently scrutinize the implementation and enforcement of the transactions under the Renewed Financial Services Agreement. Only independent non-executive Directors may vote in respect of matters under the Renewed Financial Services Agreement. If the majority of the independent non-executive Directors reasonably consider that it would be in its interests to reduce the level of deposits with CNNCFC or entrusted loans to connected persons, the Company will take appropriate steps to implement the decision of its independent non – executive Directors. Any material findings in the analysis reports, the views of the independent non-executive Directors on the deposits, settlement, entrusted loans and other financial services, finance leasing and factoring under the Renewed Financial Services Agreement (including their views on how the terms of the Renewed Financial Services Agreement have been complied with) and their decisions on any matters in relation thereto will be disclosed in the Company's annual and interim reports.
- During the Company's annual audit, the Company will engage its auditors to review the connected transactions between the Company and CNNC and/or its associates to ensure that the transactions under the Renewed Financial Services Agreement have been conducted in accordance with the Listing Rules and have fulfilled the relevant disclosure requirements.

- Each of CNNCFC and CNNC Financial Leasing Company will provide a monthly report per the Company's request on the status of its deposits and interest income, charges on entrusted loans and rental of financial leasing so as to enable the Company to monitor and ensure that the relevant annual caps under the Renewed Financial Services Agreement have not been exceeded. Should the balance at the end of any day exceed the maximum daily balance of deposits and interest income prevailing from time to time, the Company will notify CNNCFC that the exceeded funds will be transferred to the Company's designated bank accounts with an independent commercial bank. The financial head of the Company will also be notified at the same time once the maximum daily balance has been exceeded. The Company will, from time to time at its sole discretion, request for the deposits with CNNCFC and the entrusted loans through CNNCFC to connected persons to be withdrawn or early terminated (either in full or in part) to assess and ensure the liquidity and safety of its deposits and entrusted loans.
 - In addition to the monthly report, the Company has implemented internal control measures to make sure the Company will monitor the Group's daily balances with CNNCFC in a timely manner. In particular, the Company's responsible financial person shall check the balances through relevant IT system on daily basis, and promptly report to the Company's financial officer if such daily balances are close to, or likely to exceed the proposed caps.
- ***CNNCFC and CNNC Financial Leasing Company's measures***
 - In addition to the Company's internal monitoring, CNNCFC will also monitor the maximum daily balance of the deposits and interest income (in the case of CNNCFC only), the amount of interest income accrued on loans, and charges on entrusted loans, on a daily basis, to ensure that the aggregate outstanding amounts do not exceed the applicable annual caps. They will submit report to the Company on a monthly basis per its request to enable the Company to monitor such indicators.

Reasons for and benefits of entering into the Renewed Financial Services Agreement

PRC laws do not permit companies, including subsidiaries and associates, other than regulated financial institutions, to extend intra-group loans directly. Any such loan must be directed through a regulated financial institution. CNNCFC is a non-banking financial institution approved and regulated by the People's Bank of China and the China Banking Regulatory Commission, and is authorized to provide various kinds of financial services to CNNC and its member companies in the PRC, including deposit-taking and loan services. CNNCFC, a non-bank financial company and a subsidiary of CNNC, has deep understanding in the industry characteristics, capital structures, business operations, financing need, cash flow patterns and the entire financial management system of the Group through its previous cooperation with the Company. It provides services to the Group on equal or better commercial terms compared to those offered by other external independent commercial banks. In addition, as it is a major clearing and settlement platform of CNNC and its associates, using the services from CNNCFC enables the Company to reduce costs, maximize efficiency and benefit from the capital pool managed by CNNC.

CNNC also has a professional financial leasing service provider, namely CNNC Financial Leasing Company. As CNNC Financial Leasing Company is familiar with the business nature of the Group, the Group is able to obtain financial leasing services from CNNC Financial Leasing Company with ease, and benefit from equal or more favorable fees as compared to those provided by major independent commercial banks.

CNNC also has a professional factoring service provider, namely CNNC Factoring. Since CNNC Factoring is familiar with the business nature of the Group, the Group is able to obtain factoring services from CNNC Factoring with ease, and benefit from equal or more favorable terms as compared to those provided by major domestic factoring companies under the same conditions.

The Directors (excluding the independent non-executive Directors whose views will be formed after taking into account the advice of the Independent Financial Adviser) are of the view that the terms of the Renewed Financial Services Agreement are determined after arm's length negotiations on normal commercial terms, the proposed transactions and annual caps thereunder are fair and reasonable and have been entered into in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

3. GENERAL INFORMATION

The Company

The Company and its subsidiaries are primarily engaged in the research, development, manufacturing and sale of diagnostic and therapeutic radio pharmaceuticals and radioactive source products for medical and industrial applications. The Company also provides irradiation services for sterilization purpose and EPC services for the design, manufacturing and installation of gamma ray irradiation facilities. In addition, the Company provides independent clinical laboratory services to hospitals and other medical institutions.

CNNC

CNNC was established on 29 June 1999 and is principally engaged in scientific research and development, construction and production operations in nuclear power, nuclear power generation, nuclear fuel, natural uranium, nuclear environmental protection, non-nuclear civilian products, new energy sources, etc.

CNNCFC

CNNCFC was established on 21 July 1997 by CNNC and CNNC's 25 member units, with a registered capital of RMB2,009.6 million. CNNCFC is a non-bank financial institution which strengthens the centralized management of fund within the CNNC group, improves the fund utilization efficiency and the financial management services for CNNC groups' member units. With respect to the entrustment loan service provided by CNNCFC, CNNCFC only acts as a financial agent to facilitate the Company to provide loans to its subsidiaries. Under PRC laws, the Company is prohibited from lending money directly to its subsidiaries and is required to engage financial institutions to provide entrusted loans. On one hand, during the ordinary business of the Group, from time to time the Company needs to finance

its subsidiaries to conduct investments, establish new projects, among others. The use of CNNCFC as a vehicle through which intra-group loans could be arranged allows for the more efficient deployment of funds. Compared to other financial institutions, CNNCFC is a safe, flexible and cost efficient option which may not otherwise be available in the open market. On the other hand, as the Company only provides entrustment loans when the Company has surplus cash, such loans did not in the past, nor are they expected in the future, pose any cash flow pressure on the Company. In addition, as mentioned above, with a deep understanding of the industry characteristics, capital structures, business operations, financing needs, cash flow patterns and the entire financial management system of the Group, CNNCFC is able to provide entrusted loan services to members within the Group on terms no less than, or more favorable than, those available from major commercial banks or independent financial institutions, which enables the Company to reduce costs, maximize efficiency and benefit from the capital pool managed by CNNC.

CNNCFC is subject to the Administrative Measures on Finance Companies within Group Enterprises and other relevant regulations promulgated by PBOC and CBRC. The establishment of such non-bank financial institutions is subject to approval by CBRC and their operation is subject to the ongoing supervision of CBRC. Non-bank financial institutions shall comply with applicable regulations relating to interests rates issued by PBOC and CBRC.

Pursuant to applicable PRC laws and regulations, finance companies within enterprises group are only permitted to provide financial services to enterprises within the group or companies of which more than 20% of the shares are held by the parent company. Therefore, CNNCFC may only provide financial services to members units of the CNNC group (including the Company). As a non-bank financial institution, CNNCFC is subject to various regulatory and capital adequacy requirements, including capital adequacy ratios, collateral ratio, long-term investment ratio and deposit reserve thresholds.

The business scope of CNNCFC includes: (i) providing financial and financing consultancy, credit certification and related consultancy and agency services to members of the CNNC group; (ii) assisting members of the CNNC group in collection and payment of transaction funds; (iii) providing guarantees to members of the group; (iv) providing entrusted loan and entrusted investment services to members of the CNNC group; (v) providing bill acceptance and discount services to members of the CNNC group; (vi) processing the settlement of internal fund transfers among members of the CNNC group and providing solution plans for relevant settlement and clearing; (vii) taking deposits from members of the CNNC group; (viii) providing loan and finance leases to members of the CNNC group; (ix) conducting inter – borrowings among finance companies; (x) issuing corporate bonds; (xi) underwriting the corporate bonds issued by members of the CNNC group; (xii) equity investments in financial institutions; and (xiii) investments in negotiable securities.

CNNC Financial Leasing Company

CNNC Financial Leasing Company was established in Pilot Free Trade Zone (Shanghai) on 22 December 2015. It is a sino-foreign leasing company, jointly established by CNNC and other 10 companies, including CNNC Shenzhen Xie He Kong Co. Ltd. (Hong Kong), with registered capital of RMB1 billion. The business scope of CNNC Financial Leasing Company includes: (i) financial leasing; (ii) leasing; (iii) purchase of leased property from domestic and overseas sellers; (iv) treatment of residual value of, and maintenance of, leased property; (v) consultation and guarantee for leasing transactions; and (vi) factoring business associated with principal businesses.

CNNC Factoring

CNNC Factoring was established on 17 July 2020, and is 100% controlled by China National Nuclear Corporation Capital Holdings Co., Ltd. Its business scope includes: factoring financing; sales account (classification) management; collection business related to the transfer of accounts receivable; non-commercial bad debt guarantee; customer credit investigation and evaluation; consulting services related to commercial factoring; other businesses approved and recognized by relevant state departments.

4. LISTING RULES IMPLICATIONS

As at the date of this announcement, CNNC holds approximately 73.83% of the Company's total issued share capital directly and indirectly through CIAE, NPIC, CNNC Fund, 404 Company and Baoyuan Investment, and is the controlling Shareholder of the Company. As such, CNNC and its associates are connected persons of the Company under Chapter 14A of the Listing Rules. Furthermore, when the Company provides entrusted loans to its subsidiaries through CNNCFC, the recipients may include its connected subsidiaries. Therefore, transactions under the Renewed Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more applicable percentage ratios for the proposed annual caps of the Deposit Services under the Renewed Financial Services Agreement exceed 5%, the Deposit Services are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Furthermore, as one or more applicable percentage ratios for the proposed annual caps of the Deposit Services under the Renewed Financial Services Agreement exceed 25%, the Deposit Services also constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements thereunder.

Since one or more applicable percentage ratios for the proposed annual caps of the Settlement, Entrusted Loan and Other Financial Services under the Renewed Financial Services Agreement exceed 5%, the Settlement, Entrusted Loans and Other Financial Services are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since one or more applicable percentage ratios for the annual caps of the Financial Leasing Services under the Renewed Financial Services Agreement exceed 5%, the Financial Leasing Services are subject to the reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios of the annual caps for the Factoring Services under the Renewed Financial Services Agreement exceeds 5%, the Factoring Services are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

5. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Renewed Financial Services Agreement (including the proposed annual caps). Rainbow Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

6. 2022 ANNUAL GENERAL MEETING

The 2022 annual general meeting of the Company will be held to consider and, if appropriate, approve the resolutions proposed in respect of the Renewed Financial Services Agreement (including the proposed annual caps). As at the date of this announcement, CNNC, directly and indirectly, holds approximately 73.83% of the Company's total issued share capital, and is the controlling Shareholder of the Company. CNNC and its associates will therefore abstain from voting on each of the resolutions for considering the Renewed Financial Services Agreement (including the proposed annual caps) at the 2022 annual general meeting in which they have material interests. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, save as disclosed herein, none of other Shareholders shall abstain from voting at the 2022 annual general meeting.

A circular containing, among other things, (i) details of the Renewed Financial Services Agreement; (ii) a letter from the Independent Board Committee containing its opinions and recommendations in respect of the Renewed Financial Services Agreement; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Renewed Financial Services Agreement; and (iv) a notice of the 2022 annual general meeting, is expected to be dispatched to the Shareholders within 15 business days.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions have the meanings set forth below:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“CNNC”	China National Nuclear Corporation (中國核工業集團有限公司, previously known as “中國核工業集團公司”), a company established under the laws of the PRC on 29 June 1999, the controlling Shareholder

“CNNCFC”	CNNC Finance Company Limited (中核財務有限責任公司), a company established under the laws of the PRC on 21 July 1997 and controlled by CNNC
“CNNC Financial Leasing Company”	CNNC Financial Leasing Co., Ltd. (中核融資租賃有限公司), a company established under the laws of the PRC on 22 December 2015 and controlled by CNNC
“CNNC Factoring”	CNNC Commercial Factoring Co., Ltd. (中核商業保理有限公司), a company established under the laws of the PRC on 17 July 2020 and controlled by CNNC
“Company”	China Isotope & Radiation Corporation (中國同輻股份有限公司)
“connected persons”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Director(s)”	director(s) of the Company
“Existing Financial Services Agreement”	the financial services agreement entered into by the Company and CNNC dated 30 June 2020, pursuant to which CNNC and/or its associates would provide the Group with certain financial services
“Group”	the Company and its subsidiaries
“Independent Board Committee”	the independent board committee of the Board, comprising Mr. Hui Wan Fai, Mr. Tian Jiahe, Ms. Chen Jingshan and Mr. Lu Chuang, all being the independent non-executive Directors of the Company
“Independent Financial Adviser” or “Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the renewal of the Existing Financial Services Agreement (including the proposed annual caps)
“Independent Shareholders”	the Shareholders who are not required to abstain from voting in favor of the resolution for approving the proposed resolutions under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this announcement only, Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Renewed Financial Services Agreement”	the financial services agreement proposed to be entered into by the Company and CNNC, pursuant to which CNNC and/or its associates would provide the Group with certain financial services, and such agreement will be effective on 1 July 2023 upon approval of the Independent Shareholders at the 2022 annual general meeting, and expire on 31 December 2025
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
China Isotope & Radiation Corporation
Wang Suohui
Chairman

Beijing, the PRC, 30 March 2023

As at the date of this announcement, the Board comprises Mr. Wang Suohui, Mr. Xu Hongchao and Mr. Du Jin as executive Directors; Mr. Chen Shoulei, Mr. Dai Shuquan, Ms. Chang Jinyu and Ms. Liu Xiuhong as non-executive Directors; and Mr. Hui Wan Fai, Mr. Tian Jiahe, Ms. Chen Jingshan and Mr. Lu Chuang as independent non-executive Directors.