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CHINA ISOTOPE & RADIATION CORPORATION

中國同輻股份有限公司

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

(Stock Code: 1763)

CONNECTED TRANSACTION ENTERING INTO THE INVESTMENT COOPERATION AGREEMENT ON THE CNNC XIONG'AN TECHNOLOGICAL PARK PROJECT

ENTERING INTO THE INVESTMENT COOPERATION AGREEMENT

On 25 May 2024, the Company entered into the Investment Cooperation Agreement with CNNC CNIH, the Project Company, CNNC Environmental Protection, China Nuclear Energy, CNNC Rich Energy, CNNC Capital Holdings, CNNC Sichuan Environmental Protection, CIRP, CNNC Environmental Protection Engineering and China Nuclear New Energy. Pursuant to the Investment Cooperation Agreement, CNNC CNIH or the Project Company established by CNNC CNIH will be responsible for the bidding of the Target Plot intended for the construction of the Project, the development and construction of the Project upon winning the bid and the allocation of the houses upon completion of the Project. Each of the Investors shall acquire the agreed size of the houses upon completion of the Project as stipulated under the Investment Cooperation Agreement by fulfilling its payment obligation, among which, the Company is expected to contribute a total investment of RMB90 million, and acquire 4,000 square meters of scientific research and office space and 1,000 square meters of ancillary residential space upon completion of the Project.

IMPLICATIONS OF THE LISTING RULES

As at the date of this announcement, CNNC indirectly holds approximately 73.83% of the Company's total issued share capital, and is the ultimate controlling Shareholder of the Company. Since each of CNNC CNIH, the Project Company, CNNC Environmental Protection, China Nuclear Energy, CNNC Rich Energy, CNNC Capital Holdings, CNNC Sichuan Environmental Protection, CIRP, CNNC Environmental Protection Engineering and China Nuclear New Energy is a subsidiary of CNNC, each of CNNC CNIH, the Project Company, China Nuclear Energy, CNNC Environmental Protection, CNNC Rich Energy, CNNC Capital Holdings, CNNC Sichuan Environmental Protection, CIRP, CNNC Environmental Protection Engineering and China Nuclear New Energy is an associate of CNNC and a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the entering into of the Investment Cooperation Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated under the Listing Rules in respect of the transactions under the Investment Cooperation Agreement exceeds 0.1% but is less than 5%, such transaction is subject to the reporting and announcement requirements but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

I. INTRODUCTION

On 25 May 2024, the Company entered into the Investment Cooperation Agreement with CNNC CNIH, the Project Company, CNNC Environmental Protection, China Nuclear Energy, CNNC Rich Energy, CNNC Capital Holdings, CNNC Sichuan Environmental Protection, CIRP, CNNC Environmental Protection Engineering and China Nuclear New Energy. Pursuant to the Investment Cooperation Agreement, CNNC CNIH or the Project Company established by CNNC CNIH will be responsible for the bidding of the Target Plot intended for the construction of the Project, the development and construction of the Project upon winning the bid and the allocation of the houses upon completion of the Project. Each of the Investors shall acquire the agreed size of the houses as stipulated under the Investment Cooperation Agreement by fulfilling its payment obligation, among which, the Company is expected to contribute a total investment of RMB90 million, and acquire 4,000 square meters of scientific research and office space and 1,000 square meters of ancillary residential space upon completion of the Project.

II. INVESTMENT COOPERATION AGREEMENT

The principal terms of the Investment Cooperation Agreement are summarized as bellow:

Date: 25 May 2024

Parties:

- (1) CNNC CNIH;
- (2) China Nuclear Energy;
- (3) CNNC Environmental Protection;
- (4) CNNC Rich Energy;
- (5) CNNC Capital Holdings;
- (6) CNNC Sichuan Environmental Protection;
- (7) CIRP;
- (8) CNNC Environmental Protection Engineering;
- (9) China Nuclear New Energy;
- (10) the Project Company; and
- (11) the Company

Effective date: The Investment Cooperation Agreement shall come into effect from the date on which it is jointly affixed with the chops or special chop of the contract and signed/stamped by the legal representative or authorized representative of each party.

Contribution amount and method of payment:

The investment actually borne by each of the Investors shall be further determined by the parties on the basis of the location, scope and space (subject to the completion certificate) of the houses actually acquired by each of the Investors in accordance with the Investment Cooperation Agreement. China Nuclear Energy is expected to contribute a total investment of RMB504 million with an initial payment of RMB390 million and acquire a total of 20,000 square meters of scientific research and office space and 8,000 square meters of ancillary residential space upon completion of the Project. CNNC Environmental Protection is expected to contribute a total investment of RMB90 million with an initial payment of RMB12.5 million and acquire a total of 3,700 square meters of scientific research and office space and 1,250 square meters of ancillary residential space upon completion of the Project. CNNC Rich Energy is expected to contribute a total investment of RMB648 million with an initial payment of RMB500 million and acquire a total of 26,000 square meters of scientific research and office space and 10,000 square meters of ancillary residential space upon completion of the Project. The Company is expected to contribute a total investment of RMB90 million with an initial payment of RMB20 million and acquire a total of 4,000 square meters of scientific research and office space and 1,000 square meters of ancillary residential space upon completion of the Project. CNNC Capital Holdings is expected to contribute an initial payment of RMB20 million. CNNC Sichuan Environmental Protection is expected to contribute a total investment of RMB110 million with an initial payment of RMB15 million and acquire 4,500 square meters of scientific research and office space and 1,500 square meters of ancillary residential space upon completion of the Project. CIRP is expected to contribute a total investment of RMB50 million with an initial payment of RMB7 million and acquire 2,200 square meters of scientific research and office space and 700 square meters of ancillary residential space upon completion of the Project. CNNC Environmental Protection Engineering is expected to contribute a total investment of RMB18 million, with an initial payment of RMB3 million and acquire 900 square meters of research and office space and 300 square meters of ancillary residential space upon completion of the Project. China Nuclear New Energy is expected to contribute a total investment of RMB90 million with an initial payment of RMB12.5 million and acquire 3,700 square meters of scientific research and office space and 1,250 square meters of ancillary residential space upon completion of the Project.

Within 5 working days after the signing of the Investment Cooperation Agreement, the Investors shall make initial payment in full to the designated account of CNNC CNIH. The Project Company shall pay the bidding deposit, land-transferring fees and related taxes for the Target Plot on time.

The remaining funds required for the development and construction of the Project shall be financed by CNNC CNIH and/or the Project Company in accordance with the specific capital requirements of the Project during its development and construction. The Investors shall, within 3 months after the completion and acceptance of the Project and the completion of the delivery (or deemed to have been delivered) of the houses to be acquired, pay the remaining balance of the Settlement Amount, less the initial payment actually made by the Investors, respectively, to the bank account designated by CNNC CNIH in full (the initial payment actually made by the Investors previously shall be automatically converted into a portion of the housing price payable by the Investors, respectively).

Pricing mechanism:

Upon completion of the Project, the housing price to be paid by Investors to the Project Company (the “**Settlement Amount**”) shall be calculated on the basis of the measured area of the house to be acquired by each of the Investors and the construction cost per square meter, i.e. the Settlement Amount = the measured area of the house to be acquired by the Investors x the construction cost per square meter of the Project. In the aforesaid formula, the measured area of the house to be acquired by the Investor shall be determined by the Investors based on the written document to be signed by the Investors in accordance with the Investment Cooperation Agreement upon completion and acceptance filing and the measurement of the Project. The construction cost per square meter of the Project shall be determined by the Project Company on the basis of the total development costs of the Project as audited in its final accounts, including the overall preliminary costs, the costs of the civil and installation works, the project management fees, the financing costs, and the taxes and fees of the Project, as well as the overall measured area of the Project. The final settlement price of similar properties will take into account the differences in floors and costs.

(1) Research office project

The total investment in the research office project is estimated to be RMB2.04 billion, and the co-construction price = total investment/co-construction area, i.e. approximately RMB18,053 per square meter (tax inclusive). The co-construction price is tentative, and the final price shall be determined on the basis of the amount as audited in the final account of the Project and the overall measured area of the Project. The public facilities and underground spaces in the CNNC Xiong'an Technological Park are available for common use of the member units of CNCC. In principle, parking spaces will be allocated and used in proportion to the research and office space finally acquired by each of the Investors. If the property rights of the parking spaces can be divided, the Project Company will take the lead in handling the property rights related procedures, and the Investors shall cooperate.

(2) Ancillary residential project

The ancillary residential land of the Project is used for the construction of housing with full property rights, housing with shared property rights (individual property rights for 80% and government property rights for 20%) and self-holding rental housing in accordance with the ratio of 4:3:3 of the construction area. The ancillary residential units are for sale to the internal staff and member units of CNNC. According to the requirements of Xiong'an New Area, the ancillary residences shall be delivered with fine decoration. The sellable unit cost of the residences at the Project's establishment stage is RMB17,500 per square meter (including tax and fine decoration cost of RMB1,600-1,950 per square meter), on the basis of which, it is expected that the self-holding rental housing of the Project will be priced at RMB18,000 per square meter (tax inclusive). The above prices are provisional estimates, and when the Project enters into the sales phase, the government of Xiong'an New Area will make further adjustments to the guide price of residential housing based on the construction and installation costs, labor costs and market supply and demand at that time. The price of residential housing shall be subject to the approved guide price of the government at that time.

House range confirmation:

Within 30 days after the completion and acceptance filing and the completion of the actual measurement of the Project, the Investors shall sign a written document with Project Company to determine specific matters such as the location, range, floor, number of rooms, measured area, etc. of the houses to be allocated to and acquired by each Investor.

Delivery and registration of title transfers:

The locations and floors acquired by each Investor shall be separately agreed upon in the future.

After the wholly-owned houses and co-owned houses within the ancillary residential section meet the sales criteria, priority will be accorded to the employees of the Investors that have relocated to Xiong'an New Area and contributed the first installment. According to the relevant policies of Xiong'an New Area, all parties to the Investment Cooperation Agreement shall make every effort to provide competitive conditions for the employees who have relocated to the area.

The Project is scheduled to be completed by the end of June 2027. After the completion and acceptance filing of the Project and upon the allocation of houses to each of the Investors being determined among CNNC CNIH and the Investors in accordance with the Investment Cooperation Agreement, the Project Company will deliver such houses to the Investors or their designated entities in accordance with the determined delivery standards, respectively.

After the completion and acceptance filing of the Project and upon the first registration of the real estate as a whole, the Project Company will assist each of the Investors in the registration of the transfer of the real estate and register the houses as determined by each of the Investors under the name of the Investors or their designated entities in a certain manner and assist the Investors to obtain the certificate of the real estate title within 6 months from the date of property delivery of the Project, respectively. For purpose of the aforesaid, the Investors and their designated entities shall actively cooperate with CNNC CNIH in, among other things, signing the relevant agreements and written documents, providing corresponding information and paying relevant taxes and fees in a timely manner.

III. 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 purposes and engineering, procurement and construction 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 CNIH

Founded in June 1994, CNNC CNIH is a professional platform for the integration of non-production real estate investment, construction, operation, management and retirement under CNNC, with Class I qualification of real estate development, and performs the functions of the infrastructure office of CNNC. As at the date of this announcement, CNNC CNIH is a wholly-owned subsidiary of CNNC, which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the State Council.

CNNC Environmental Protection

CNNC Environmental Protection was founded in November 2017, and it is mainly engaged in nuclear environmental protection industries such as decommissioning of nuclear facilities, radioactive waste management, spent fuel off-loading management, radiation protection and safety, and pan-nuclear environmental protection. As at the date of this announcement, CNNC Environmental Protection is a wholly-owned subsidiary of CNNC.

China Nuclear Energy

China Nuclear Energy was founded in January 1982, and is principally engaged in the manufacture of nuclear fuel products (uranium purification and conversion, uranium enrichment, components and specialized equipment), engineering and construction, research and development of key technologies, as well as import and export trade in uranium products, nuclear fuel cycle equipment, and nuclear power technology and equipment. As at the date of this announcement, China Nuclear Energy is a wholly-owned subsidiary of CNNC.

CNNC Rich Energy

CNNC Rich Energy was founded in November 2011 and is principally engaged in wind power, photovoltaic and geothermal power generation. As at the date of this announcement, CNNC Rich Energy is an indirect non-wholly owned subsidiary of CNNC.

CNNC Capital Holdings

CNNC Capital Holdings was founded in July 2016 and is the specialized management platform of the financial segment of CNNC, CNNC Capital Holdings is positioned as the CNNC's industrial financial risk control center, industrial financial investment control center, industrial financial resource allocation center and the industrial financial business synergy center. As at the date of this announcement, CNNC Capital is a wholly-owned subsidiary of CNNC.

CNNC Sichuan Environmental Protection

CNNC Sichuan Environmental Protection was founded in May 2006 and is specialized in nuclear facility decommissioning and radioactive waste management. As at the date of this announcement, CNNC Sichuan Environmental Protection is a wholly-owned subsidiary of CNNC.

CIRP

CIRP was founded in July 1962, and is principally engaged in research, application and production and operation in the fields of radiation protection, nuclear emergency and nuclear safety, radiation medicine and environmental medicine, nuclear environmental science, radioactive waste treatment and decommissioning of nuclear facilities, irradiation technology, environmental protection technology, nuclear electronic information technology, biological materials, occupational disease diagnosis and treatment technology. As at the date of this announcement, CIRP is a public institution affiliated to CNNC.

CNNC Environmental Protection Engineering

CNNC Environmental Protection Engineering was founded in May 2018, and is principally engaged in ecological protection and environmental governance. As at the date of this announcement, CNNC Environmental Protection is an indirect non-wholly owned subsidiary of CNNC.

China Nuclear New Energy

China Nuclear New Energy was founded in January 1999 and is specialized in the "investment-construction-operation" of municipal water affairs. As at the date of this announcement, China Nuclear New Energy is an indirect non-wholly owned subsidiary of CNNC.

Project Company

The Project Company was founded in April 2024, and its business scope includes commercial complex management services, engineering and technical research and experimental development, real estate development and operation, and intelligent building system design. As at the date of this announcement, the Project Company is a wholly-owned subsidiary of CNNC CNIH.

IV. REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTMENT COOPERATION AGREEMENT

The Project will house the Xiong'an headquarters of CNNC upon its completion, focusing on the incremental expansion of scientific and technological innovation, strategic emerging industries, and future-oriented industries. It features three major functional centers, i.e. technological innovation center, international exchange center, and high-end service center. The irradiation application industry, in which the Company is actively engaged, holds a significant position within the strategic emerging industries. The Company's establishment within the Xiong'an New Area aligns seamlessly with the industrial positioning of the CNNC Xiong'an Technological Park. Government of Xiong'an New Area has successively issued supportive policies for strategic emerging industries which are anticipated to be settled in Xiong'an New Area. The Company's presence in Xiong'an New Area will further its development in irradiation application industry with the benefit of supportive policies, thereby attracting professionals in the nuclear industry and the irradiation application industry. This influx of skilled personnel will contribute to the expansion of the Company's workforce, ensuring its sustained and robust development over the long term.

V. LISTING RULES IMPLICATIONS

As at the date of this announcement, CNNC indirectly holds approximately 73.83% of the Company's total issued share capital, and is the ultimate controlling Shareholder of the Company. Since each of CNNC CNIH, the Project Company, CNNC Environmental Protection, China Nuclear Energy, CNNC Rich Energy, CNNC Capital Holdings, CNNC Sichuan Environmental Protection, CIRP, CNNC Environmental Protection Engineering and China Nuclear New Energy is a subsidiary of CNNC, each of CNNC CNIH, the Project Company, China Nuclear Energy, CNNC Environmental Protection, CNNC Rich Energy, CNNC Capital Holdings, CNNC Sichuan Environmental Protection, CIRP, CNNC Environmental Protection Engineering and China Nuclear New Energy is an associate of CNNC and a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the entering into of the Investment Cooperation Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated under the Listing Rules in respect of the transactions under the Investment Cooperation Agreement exceeds 0.1% but is less than 5%, such transaction is subject to the reporting and announcement requirements but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

In respect of the Directors attending the Board meeting, connected Directors, Zhang Junqi, Fan Guomin, Chen Shoulei, Ding Jianmin and Liu Xiuhong were deemed to have material interests in entering into the Investment Cooperation Agreement and the transactions contemplated thereunder by virtue of being employed by CNNC and/or its associates and had thus abstained from voting on relevant Board resolutions in respect of the entering into of the Investment Cooperation Agreement and the transactions contemplated thereunder.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Investment Cooperation Agreement are determined through arm's length negotiation on normal commercial terms, and the transactions contemplated thereunder are fair and reasonable and are 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.

VI. 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 of the Company
“China Nuclear Energy”	China Nuclear Energy Industry Corp. (中國原子能工業有限公司)
“China Nuclear New Energy”	China Nuclear New Energy Investment Co. Ltd. (中核新能源投資有限公司)
“CIRP”	China Institute for Radiation Protection (中國輻射防護研究院)
“CNNC Capital Holdings”	CNNC Capital Holdings Limited (中國核工業集團資本控股有限公司)
“CNNC CNIH”	CNNC China Nuclear Industrial Holdings Co., Ltd. (中核興業控股有限公司)
“CNNC Environmental Protection”	CNNC Environmental Protection Co., Ltd. (中核環保有限公司)
“CNNC Environmental Protection Engineering”	CNNC Environmental Protection Engineering Co., Ltd. (中核環保工程有限公司)
“CNNC Rich Energy”	CNNC Rich Energy Corporation Limited (中核匯能有限公司)
“CNNC Sichuan Environmental Protection”	CNNC Sichuan Environmental Protection Engineering Co., Ltd. (中核四川環保工程有限責任公司)
“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 ultimate controlling Shareholder of the Company
“Company”	China Isotope & Radiation Corporation (中國同輻股份有限公司)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Investment Cooperation Agreement”	the investment and cooperation agreement on the CNNC Xiong’an Technological Park Project dated 25 May 2024 entered into among the Company, CNNC CNIH, Project Company, CNNC Environmental Protection, China Nuclear Energy, CNNC Rich Energy, CNNC Capital Holdings, CNNC Sichuan Environmental Protection, CIRP, CNNC Environmental Protection Engineering and China Nuclear New Energy

“Investor(s)”	CNNC Environmental Protection, China Nuclear Energy, CNNC Rich Energy, CNNC Capital Holdings, CNNC Sichuan Environmental Protection, CIRP, CNNC Environmental Protection Engineering, China Nuclear New Energy and the Company, each an “Investor”
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (subject to revision from time to time)
“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
“Project Company”	CNNC (Xiong’an) Technological Park Development Co., Ltd. (中核(雄安)科技園發展有限公司)
“Project”	the CNNC Xiong’an Technological Park project to be built by CNNC CNIH or the Project Company through bidding for the Target Plot, including the construction of research office project and the ancillary residential project
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Target Plot”	the research and office land (new industry land) and ancillary residential land in Xiong’an New Area, Tianjin, China
“%”	per cent

By order of the Board
China Isotope & Radiation Corporation
Chairman
Zhang Junqi

Beijing, the PRC, 25 May 2024

As at the date of this announcement, the Board comprises Mr. Zhang Junqi, Mr. Xu Hongchao and Mr. Fan Guomin as executive Directors; Mr. Chen Shoulei, Mr. Ding Jianmin, Ms. Chang Jinyu and Ms. Liu Xiuhong as non-executive Directors; and Mr. Poon Chiu Kwok, Mr. Tian Jiahe, Ms. Chen Jingshan and Mr. Lu Chuang as independent non-executive Directors.