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CNNC INTERNATIONAL LIMITED

中核國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2302)

INSIDE INFORMATION FURTHER UPDATES ON PROFIT WARNING

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

References are made to the announcement of the Company dated 4th May, 2020 in respect of the Lawsuit relating to the Mongolian Mining Project and the announcements of the Company dated 17th March, 23rd March, 27th March and 28th April, 2020 in respect of profit warning (the “Announcements”). Unless the context requires otherwise, terms used in this announcement shall have the same meanings as defined in the Announcements.

Having discussed with the auditors of the Company with reference to the Court hearing on 30th April, 2020 in relation to the Lawsuit, which was not favourable to the Group and the applicable accounting requirements, the Group expects that full impairment loss for the Group’s Mongolian Mining Project in the amount of approximately HK\$210,367,000 would be made (the “Full Impairment”), and the net loss attributable to the Shareholders for the 2019 Year would be adjusted to not less than HK\$219,000,000. Notwithstanding the aforesaid, as set out in the announcement of the Company dated 4th May, 2020 in respect of the Lawsuit, the management remains optimistic that the Lawsuit could eventually be resolved satisfactorily. The Management will work closely with the Group’s Mongolian legal adviser about the appeal against the decision of the Court.

Upon the Full Impairment being made, the Group would not be able to satisfy a financial covenant in relation to the ratio of the total liabilities to the total assets of the Group (the “Ratio”) of not more than 65%, as contained in certain facility agreement in the principal amount of up to HK\$300 million and made by the Group with a financial institution in February 2019. The financial institution has agreed to adjust the Ratio to not more than 72%, such that the Full Impairment would not trigger a breach of the financial covenant by the Group.

As the Company is still in the process of finalizing the Group’s consolidated results for the 2019 Year, the information contained in this announcement is only based on the assessment by

the Company's management with reference to the information currently available and is not based on any figures or information that has been audited or reviewed by the auditors or audit committee of the Company. Therefore, the actual results of the Group for the 2019 Year may differ from the disclosure herein and be subject to adjustments. Shareholders and potential investors of the Company are advised to refer to the annual results announcement of the Company for the 2019 Year and the subsequent publication of the Group's Annual Report 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 5th May, 2020

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