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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)

QUARTERLY UPDATE ON STATUS OF RESUMPTION

This announcement is made by CNNC International Limited (the "Company", together with its subsidiaries shall be referred to as the "Group") pursuant to Rule 13.24A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

References are made to the announcements (the "Announcements") of the Company dated 31st March, 29th April, 30th April, 13th May, 28th May, 31st May, 24th June, 29th July, 21st August 8th October and 27th October, 2021, and the 2021 Interim Report in relation to, amongst other matters, the delay in publication of the final results of the Group for the year ended 31st December, 2020 (the "Year") and the suspension of trading of its shares. Unless otherwise defined, capitalised terms in this announcement shall have the same meanings as those defined in the Announcements.

RESUMPTION GUIDANCE

As disclosed in the announcement of the Company dated 28th May, 2021, the Company received the Letter from the Stock Exchange, in which the following Resumption Guidance was set out for the Company to:

- (i) conduct an appropriate independent review on the Issues, assess the impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions;
- (ii) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (iii) demonstrate the Company's compliance with Rule 13.24; and
- (iv) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position.

In compliance with Rule 13.24A of the Listing Rules, the quarterly updates on the Company's progress and development of the resumption of trading of the shares of the Company are set out below.

UPDATES ON RESUMPTION PLAN OF THE GROUP AND PROGRESS OF RESUMPTION PLAN

Set out below is the resumption plan with details of actions that the Company intends to take and the expected timeframe with a view of resumption of trading in the shares of the Company:

Key Events	Timeframe
Conducting the Review and preparation of report of the Review	The Independent Expert has provided the Company, the Audit Committee and the Auditors with a preliminary draft summary of the report, the finalization of which is subject to further work (if any) to be recommended by the Auditors or the Audit Committee
Publication of the findings of the Review, including assessment of the impact of the Issues on the Group's business operation and financial position and the appropriate actions to be taken	Subject to further assessment by the Board
Publication of the announcement of the audited results for the Year	Subject to further assessment by the Board
Publication of the annual report for the Year	Subject to further assessment by the Board
Resumption of trading in the shares of the Company	Subject to further assessment by the Board

The Company is taking appropriate steps to resolve the Issues causing its trading suspension and to fully comply with the Listing Rule to the Stock Exchange's satisfaction with the aim of resuming trading in the shares of the Company as soon as practicable.

BUSINESS UPDATE

Notwithstanding the suspension of trading of shares of the Company, the Group has continued its business of trading of uranium products in its normal and usual course of business. As disclosed in the announcement of the Company dated 31st August 2021 and the 2021 Interim Report, the Group has not conducted any supply chain business in the first half of the current year and would cease the supply chain business, after dealing with the impaired inventory, to the extent practicable. The Group intends to focus more on the uranium products trading business and to actively seek high-quality uranium resources projects to complement the development of its parent group, as well as to leverage on the strengths of the parent group in the field of sourcing of uranium for the generation of electricity with nuclear energy. The

Company will inform its Shareholders on any major development of the business of the Group as and when necessary in accordance with the requirements of the Listing Rules.

On 27th October, 2021 the Group received the CT Loan from its Parent Company of approximately HK\$230,000,000 and applied the same amount to fully repay the Loan. The Company has also received a one-time waiver or release regarding certain breaches under the Loan, including due to the Suspension. Pursuant to Rule 14A.90 of the Listing Rules, the CT Loan would be fully exempt from all disclosure, annual review, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The CT Loan demonstrates the commitment and full support of the Parent Company towards the Group in the future development of the Group in the uranium resources business, as well as providing financial stability to the Group and a financial platform to enlarge its uranium trading business. For further information, please refer to the announcement of the Company dated 27th October 2021.

The associate of the Group (Société des Mines d'Azelik S.A. ("Somina")) is still facing severe cash flow problems and will not be able to resume production within a short period of time. The Group will closely monitor the situation and continue to work with the other shareholders of Somina for its future plans.

In relation to the Group's Mongolian Mining Project, the Group will continue to engage in discussion with the Mongolian Authority to resolve the issue of availability of the exploration licenses of the Group's investment in its uranium resources project in Mongolia. The project has not been, to a material extent, adversely affected by its slow progress, as the market price of natural uranium products has remained low.

In relation to the Impairment, the Group had reported alleged fraud of supplying refurbished or defective goods to the Group to the police in Hong Kong, involving one of the Suppliers, and approximately HK\$17 million of the impaired inventory. Upon discussion with the police and under the advice provided by Group's legal advisers, the Group has reported further the same matter to the Hong Kong Customs and Excise Department. The Group will co-operate with all of the relevant authorities in the investigation of the alleged fraud.

CONTINUED SUSPENSION OF TRADING

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

The Company will publish further announcement(s) to keep the Company's shareholders and potential investors informed of the status and development of the Company as and when appropriate, as well as announce quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

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

Hong Kong, 29th October, 2021

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