

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CNNC INTERNATIONAL LIMITED

中核國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2302)

PROFIT WARNING, UPDATES ON THE LAWSUIT RELATING TO THE MONGOLIAN MINING PROJECT AND BUSINESS UPDATE

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 also made to the announcements of the Company dated 9th January, 2020 and 3rd February, 2020 (the “Announcements”). Unless the context requires otherwise, terms used in this announcement shall have the same meanings as defined in the Announcements.

Profit Warning

The board of directors (the “Board”) of the Company wishes to inform the shareholders of the Company (“Shareholders”) and potential investors that, based on a preliminary review on the unaudited consolidated management accounts for the year ended 31st December, 2019 (the “2019 Year”) of the Group and information presently available to the Board, the Group is expected to record a significant net loss attributable to Shareholders for the 2019 Year as compared to a net profit recorded for the corresponding period in 2018 (the “2018 Year”). Despite the fact that the Group has recorded increase in revenue and gross profit generated from the business of trading of uranium and supply chain management services, and contributions from CNNC Financial Leasing Company Limited (“CNNC Leasing”), an

associate of the Group (which more or less sets off the finance costs for the investment in CNNC Leasing and the trading facilities (“Finance Costs”)), for the 2019 Year as compared to that recorded for the 2018 Year, the significant net loss for the 2019 Year is expected to be due to (i) a material impairment of the Group’s Mongolian Mining Project following a significant decrease in its fair value valuation in 2019, after taking into account of the decrease of uranium market price at the end of 2019, and the delay and possible effects of the Lawsuit; (ii) the Finance Costs; and (iii) the absence of write-back of tax provision in the 2019 Year (amount of write-back of tax provision in the 2018 Year: approximately HK\$19,360,000).

The above information is only a preliminary assessment by the management of the Company based on the information currently available to the Group, and is not based on any figures or information which has been audited or reviewed by the auditors. Shareholders and potential investors should refer to the announcement of the annual results of the Group for the 2019 Year which is expected to be released before the end of March 2020, and the subsequent publication of the Group’s Annual Report 2019.

Lawsuit relating to the Mongolian Mining Project

The Company has been informed by the Group’s Mongolian legal adviser that due to possible outbreak of novel coronavirus epidemic (the “Epidemic”) in Mongolia, as a precaution, the Court, to which the Group has filed the Lawsuit, has suspended all proceedings until further notice. Meanwhile, the Group is awaiting the response from the respondent which has been delayed due to the Epidemic.

The Company is closely monitoring the progress of the Lawsuit and will make further announcement(s) as and when appropriate to inform the Shareholders and potential investors if there is any significant development in respect of the Lawsuit.

Business Update

Most of the customers, end users and suppliers of the Group’s supply chain management business are based in the Guangdong Province in the PRC. The Epidemic outbreak in the PRC has adversely affected the operations and business logistical arrangements of the Group’s supply chain management services. The Group is assessing the actual impact, and will closely monitor the market situation and the development of the Epidemic. It will also seek to adjust its business strategies with a view to minimize the adverse impact of the Epidemic.

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, 17th March, 2020

As at the date of this announcement, the Board comprises the Chairman and Non-executive Director, namely, Mr. Yang Chaodong, the Chief Executive Officer and Executive Director, namely, Mr. Cheng Lei, Non-executive Director, namely, Mr. Li Zhihuang and Independent Non-executive Directors, namely, Mr. Cui Liguo, Mr. Zhang Lei and Mr. Chan Yee Hoi.