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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 BUSINESS UPDATE AND 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 Rules 13.09(2) and 13.24A of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) 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 announcements (the “Announcements”) of the Company dated 31st March, 29th April, 30th April, 13th May, 28th May, 31st May and 24th June, 2021 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

The Audit Committee has appointed SHINEWING Financial Advisory Services Limited as the Independent Expert to perform the Review.

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 with a preliminary draft summary of the report, the finalization of which is subject to further work to be undertaken
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

As disclosed in the announcements of the Company dated 6th July, 2020 and 31st March, 2021, the Pandemic had led to, among other things, weaker demand, deteriorating credits, economic slowdown and various limitations, such as movement of people and goods and work resumptions, which had material adverse effects to the Group's supply chain business. Considering the financial benefits from the supply chain business had been decreasing, whilst the financial risks had been increasing, and the adverse impacts of the Pandemic were expected to continue in the near future, the management had decided to reduce the scale of its supply chain business since mid-year of 2020, and 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. To this end, the Group has continued to be engaged in the discussion with the Mongolian Authority to resolve the expiry issue of the exploration licenses of the Group's investment in its uranium resources project in Mongolia. During the current year, the Group has continued its business of trading of uranium products in its normal and usual course of business, but has not concluded any supply chain business for the first half of the current year after having assessed the supply chain business prospects and the strategy of the Group. For further information, please refer to the announcement of the Company of even date regarding profit warning. It is presently intended that the Group would cease the supply chain business, after dealing with the impaired inventory, to the extent practicable. 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.

As disclosed in the announcement of the Company dated 31st May, 2021, the Group has applied for a waiver from the lender regarding the event of default of the Loan due to suspension in trading of the shares of the Company, and is awaiting the reply from the lender.

In relation to the Impairment, upon advice from the Group's legal advisers, on 28th July, 2021, the Group reported suspected fraud of supplying refurbished or defective goods to the Group to the police in Hong Kong, which involved one of the Suppliers, and approximately HK\$17 million of the impaired inventory. The Group will co-operate with the police in the investigation of the matter.

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 July, 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 Liguo, Mr. Zhang Lei and Mr. Chan Yee Hoi.