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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)

BUSINESS UPDATE

Reference is made to the announcements dated 28th August, 2015 and 15th October, 2015 and the Interim Report 2015 of CNNC International Limited (the “Company” together with its subsidiaries, the “Group”) in relation to the business and operation of the Group.

The existing operation of the Group comprises two major lines of business, namely, trading and exploration of uranium mineral property:-

- (i) The Group commenced uranium trading business in 2012. However, due to the poor market environment for uranium trading business, the activities of the uranium trading business in 2015 have slowed down, as compared to previous years, and no revenue was concluded for the nine months ended 30th September, 2015. The Company is pleased to announce that on the date of this announcement, the Group has entered into a sale contract valued at no less than HK\$56,000,000 for the sale of certain uranium concentrates inventory to a third party to be delivered in about November 2015 (For the avoidance of doubt, such information is by no means equivalent to or an indication of any estimate or forecast of the revenue or profit of the Company). It is the intention of the Group to continue its uranium trading business. The Group will continue to closely monitor the market conditions for further uranium trading business.
- (ii) On the second hand, the Group is also actively pursuing the mining licence of its exploration assets. As of the date of this announcement, all exploration works of the Mongolian uranium mine project (“Mongolian Project”) have been completed, and the Group is in negotiations with the Mongolian Government for the issuance of the requisite mining licence. It is expected that the Mongolian Government will hold 51% of the Mongolian Project, and the Group will hold 49%, upon issuance of the licence. Based on advice from Mongolian Government officials and to the belief of the Company, the principal remaining conditions for the granting of the licence are: (1) approval of the environmental report, which was submitted by the Group in late 2014, by the Mongolian Government, and (2) the setting up of the joint-venture company with the Mongolian Government.

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

Hong Kong, 2nd November, 2015

As of the date of this announcement, the Board comprises chairman and non-executive director, namely Mr. Du Yunbin, executive director, namely Ms. Wang Ying, non-executive director, namely Mr. Xu Shouyi and independent non-executive directors, namely Mr. Cheong Ying Chew Henry, Mr. Cui Liguu and Mr. Zhang Lei.