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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 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)(a) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

PROFIT WARNING

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review on the unaudited consolidated management accounts of the Company for the six months ended 30th June, 2024 (the “**2024 Half Year**”) and information presently available to the Board, the Group is expected to record (i) a significant decrease in revenue of the Group for the 2024 Half Year of not less than approximately HK\$69 million (or not less than approximately 90%), as compared to the revenue of the Group for the six months ended 30th June, 2023 (the “**2023 Half Year**”) of approximately HK\$76.14 million; (ii) an increase in gross profits of not less than approximately HK\$5 million (or not less than approximately 8 times), as compared to the

gross profits of the Group for the 2023 Half Year of approximately HK\$0.67 million; and (iii) a change from a net profit attributable to Shareholders for the 2023 Half Year of approximately HK\$8.33 million to a net loss attributable to Shareholders for the period for the 2024 Half Year of not less than approximately HK\$8 million.

The expected significant decrease in revenue of the Group for the 2024 Half Year was primarily attributable to a substantial drop in trading volume within the Group's uranium trading business. As spot uranium prices had experienced rapid and significant surge and volatility during the period, the Directors considered the associated transaction risks of conducting spot uranium trades amid such heightened price volatility and uncertainty in the international spot uranium trading environment to be overly burdensome to the Group in the short run. As a means of prudent risk management, the Group had instead focused on executing the continuing connected transactions under the Uranium Purchase Transaction with Rössing Uranium Mine (as defined and further particularised in the continuing connected transaction announcement of the Company dated 23 February 2022) which did not involve assumption of pricing risks by the Group, and consequently contributing to the higher gross profit of the Group for the 2024 Half Year. As spot uranium prices are observed to have somewhat stabilized, it is currently expected that the Group should be able to resume and pick-up its uranium trading business in the second half of 2024.

The expected change to a net loss attributable to Shareholders for the 2024 Half Year from a net profit attributable to Shareholders for the 2023 Half Year was in turn primarily attributable to the increase in staff costs of not less than approximately HK\$3 million as compared to the 2023 Half Year due to manpower expansion, with the increase in professional fees of not less than approximately HK\$2 million as compared to the 2023 Half Year mainly related to the continuing connected transaction exercise conducted during the 2024 Half Year, the increase in finance costs of not less than approximately HK\$6 million as compared to the 2023 Half Year due to additional drawdown on banking facilities, a decrease in the share of results of an associate of not less than approximately HK\$6 million as compared to the 2023 Half Year, and the increase in income tax expenses of not less than HK\$1 million as compared to the 2023 Half Year.

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 Company's auditors. Further, the information in this announcement is not based on any figures or information reviewed or approved by the audit committee of the Company. The Company is still in the process of finalising its consolidated interim results for the 2024 Half Year, which are subject to possible adjustments upon further review. Shareholders and potential investors of the Company should refer to the announcement of the results of the Group for the 2024 Half Year, which is expected to be approved by the Board and published by the end of August 2024.

Shareholders and potential investors of the Company 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 August, 2024

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