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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)

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) 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).

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 six months ended 30th June, 2020 (the “2020 Half Year”) of the Group and information presently available to the Board, the Group is expected to record a net loss attributable to the Shareholders for the 2020 Half Year of not less than HK\$3 million as compared to a net profit recorded for the corresponding period in 2019 (the “2019 Half Year”) of approximately HK\$2,283,000. Despite the Group has recorded a slight increase in revenue and the share of result of an associate of approximately HK\$9 million (which covers the finance costs for the associated investment) (2019 Half Year: nil) for the 2020 Half Year, a net loss for the 2020 Half Year is expected, due to, as compared to the 2019 Half Year, (i) a decrease of approximately HK\$1.8 million in gross profit from the business of trading of uranium and electronics and other products; and (ii) increases of expenses, due to (1) net exchange losses of approximately HK\$1.5 million mainly as a result of the devaluation of the United States Dollar (net exchange gain in 2019 Half Year: approximately HK\$238,000); (2) increases in the selling and distribution expenses, and

administrative expenses of approximately HK\$1 million each; (3) increases in the finance costs for the investment and trading facilities of approximately HK\$6.7 million, as the facility for the investment was fully utilized in the 2020 Half Year; and (4) the income tax expense of approximately HK\$3.4 million mainly as a result of the provision of PRC withholding tax at a rate of 10% for the dividend receivable from an associate (income tax expense in 2019 Half Year: approximately HK\$37,000).

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 interim results of the Group for the 2020 Half Year which is expected to be released before the end of August 2020, and the subsequent publication of the Group's Interim Report 2020.

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, 24th August, 2020

As at the date of this announcement, the Board comprises the chairman and non-executive director, 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.