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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

POSITIVE PROFIT ALERT

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).

POSITIVE PROFIT ALERT

The board of directors (the “**Board**”) 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 for the year ended 31st December, 2023 (the “**2023 Year**”) of the Group and information presently available to the Board, the Group is expected to record an apparent decrease in revenue by not less than HK\$300 million and, conversely, an increase in gross profit by not less than HK\$20 million for the 2023 Year, respectively, as compared to the revenue and gross profit for the year ended 31st December, 2022 (the “**2022 Year**”) of approximately HK\$905 million and approximately HK\$102 million, respectively.

The apparent decrease in revenue was primarily attributable to the decrease in the sales of uranium products through trades to and from independent third parties. This downturn has been significantly influenced by the upward shift in interest rates during the 2023 Year, resulting in an increased borrowing costs associated with financing for international trade, where such economic conditions have notably impacted many sectors that are heavily reliant on capital investment. Notwithstanding the above challenges, the Group has achieved an improved overall gross margin on the back of a notably improving uranium trade market, particularly on the second half of the year, and the benefits derived from physical delivery trades undertaken by the Group during the 2023 Year. Unlike trades to and from independent third parties, which are typically executed on a book transfer basis, the physical delivery trades

involve a more complex array of services and logistical arrangements. This added complexity has enabled the Group to secure better profit margins.

During the 2023 Year, the Group has completed sales of approximately HK\$369 million through Uranium Supply Transactions (has the meaning ascribed to it in the Company's circular dated 31st May, 2022) by physical delivery, and completed Uranium Purchase Transactions (has the meaning ascribed to it in the Company's circular dated 31st May, 2022) recognising a commission income of approximately HK\$13 million.

As a result of the foregoing, coupled with the improvement in the share of profit from an associate in the 2023 Year as compared to the 2022 Year, the Group is expected to record an amount of net profit attributable to shareholders of not less than HK\$100 million for the 2023 Year after deducting all other expenses incurred, as compared to a net profit recorded for the 2022 Year of approximately HK\$81 million.

The above information is only a preliminary assessment by the management of the Company based on the unaudited consolidated management accounts for the 2023 year and the information currently available, and is not based on any figures or information which has been audited or reviewed by the auditors and the Audit Committee of the Company, and may be subject to adjustments. Shareholders and potential investors should refer to the announcement of the final results of the Group for the 2023 Year, which is expected to be published by end of March 2024.

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, 21st March, 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.