

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CNNC INTERNATIONAL LIMITED

中核國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2302)

QUARTERLY UPDATE ON STATUS OF RESUMPTION

This announcement is made by CNNC International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.24A of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

References are made to the announcements (the “**Announcements**”) of the Company dated 31st March, 29th April, 30th April, 13th May, 28th May, 31st May, 24th June, 29th July, 31st August, 8th October, 27th October, 29th October and 29th November, 2021, and the interim report of the Company for the six months ended 30th June, 2021 in relation to, amongst other matters, the delay in publication of the annual results of the Group for the year ended 31st December, 2020 (the “**Year**”) and the suspension of trading of shares of the Company (the “**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 announcements of the Company dated 28th May and 29th November, 2021, the Stock Exchange set out the following Resumption Guidance for the Company:

- a) 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;
- b) publish all outstanding financial results required under the Listing Rules and address any audit modifications;

- c) demonstrate the Company’s compliance with Rule 13.24;
- d) inform the market of all material information for the Company’s shareholders and investors to appraise the Company’s position; and
- e) to conduct an independent internal control review (the “**Internal Control Review**”) and demonstrate that the Company has in place adequate internal controls and procedures to meet the obligations under the Listing Rules.

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

Set out below is the resumption plan with details of actions that the Company has taken or intends to take as well as the expected timeframe with a view of resumption of trading in the shares of the Company:

Key Events	Timeframe
<p>Conducting the Review</p>	<p>As at the date of this announcement, the Review is still ongoing.</p> <p>After discussion with the relevant professional parties and the Audit Committee, the Company resolved to expand the scope of the Review including (without limitation) i) extending the review period up to the year of commencement of the Group’s electronics product supply chain business (the “Electronic Products Business”); ii) looking into the comparability of historical transactions between the Problematic Purchases and other transactions under the Electronic Products Business; and iii) further investigate the backgrounds of the customers and suppliers involved in the Problematic Purchases, with a view of facilitating a more in-depth understanding of the root causes of the Issues and whether the Issues involved any fraud or misconduct of personnel of the Group as well as to devise more targeted rectification measures as necessary.</p> <p>In conjunction with the above, the Company has appointed (or is in the process of appointing, as the case may be) selected professional advisers including legal</p>

	<p>adviser, financial adviser and background investigation service provider to facilitate the Review and more effectively address the Resumption Guidance. In addition, the Board has resolved to establish an independent director committee (the “Independent Director Committee”), comprising all independent non-executive directors of the Company with Mr. Chan Yee Hoi (the chairman of the Audit Committee) appointed as the chairman, to commission the Independent Expert to carry out the Review, work closely with the management of the Company, the Auditors, professional advisers of the Company and other relevant parties and to take actions where it considers necessary and fit for the purpose of the Review. Other professional advisers and/or agents will also be appointed to facilitate the Review if necessary as considered by the Independent Director Committee.</p>
<p>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</p>	<p>The expected timeframe to announce the findings of the Review, to assess and announce the impact on the Company’s business operation and financial position (if any), and to take remedial actions is subject to the actual work progress and further assessment by the Board.</p> <p>The Board will make further announcement(s) in respect of the progress of the Review as and when appropriate. In the meantime, the Board shall continue to inform the shareholders and potential investors of the Company of all material information of the Company.</p>
<p>Conducting the Internal Control Review and demonstrating that the Company has in place adequate internal controls and procedures to meet the obligations under the Listing Rules</p>	<p>The Company is in the course of engaging an independent internal control consultant for the Group to review its internal control systems and procedures and make recommendations on remedial actions in response to the findings of the Internal Control Review.</p> <p>The Company will make further announcement(s) in respect of the engagement of internal control consultant in due course.</p>
<p>Publication of the announcement of the audited results and the annual report of the Company for the Year</p>	<p>The Audit Committee has maintained continued communication with the Auditors in relation to the audit for the annual results of the Company for the Year. Based on the latest communication with the Auditors, the Auditors advised, inter alia, that the audit work</p>

	<p>would be completed after reviewing the findings of the Review.</p> <p>The Company will endeavour to publish the announcement of the audited results and the annual report for the Year as soon as practicable, the expected timeframe of which is subject to further assessment by the Board.</p>
Resumption of trading in the shares of the Company	Subject to further assessment by the Board and confirmation of the Stock Exchange

The above timeline is only an estimate. 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

Notwithstanding the suspension of trading of shares of the Company, the Group has continued its business of trading of uranium products in its normal and usual course of business. Leveraged on the years of accumulated experience and its already established operational infrastructure in the international trading of uranium products, the Group will continue to devote to the development of the uranium trading business. The Company will inform its Shareholders of any major development of the business of the Group as and when necessary in accordance with the requirements of the Listing Rules.

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 30 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, 28th January, 2022

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 Ligu, Mr. Zhang Lei and Mr. Chan Yee Hoi.