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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 FURTHER INFORMATION ON IMPAIRMENT

This announcement is made by CNNC International Limited (the “Company”, together with its subsidiaries shall be referred to as the “Group”) pursuant to Rules 13.09 (2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 29th April, 2021 in relation to, among others, delay in publication of the 2020 Annual Results (the “Announcement”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board wishes to provide further information to the shareholders and potential investors of the Company regarding the impairment loss of inventory of approximately HK\$52 million (the “Impairment”). The Impairment relates to certain purchases over a five-month period from three different suppliers (the “Suppliers”), which included a mix of substandard or refurbished, and counterfeit goods. After discussion with the Auditors, in order to provide additional information to the shareholders and potential investors of the Company, relating to such matter occurred, the Audit Committee and the Auditors would need information on the causes of the Impairment, such as whether there is any staff misconduct, transfer of benefits, deception, and internal control issues of the Group (so as to avoid re-occurrence of such incidents), which may also include whether there are any other quality issues regarding transactions of the Group with the Suppliers. The Audit Committee will appoint an Independent Expert for the Review.

Trading in the shares of the Company on the Stock Exchange has been suspended at the request of the Company since 9:00 a.m. on 30th April, 2021 and will remain suspended until publication of the 2020 Annual Results. The Company will publish further announcement(s) regarding this matter in accordance with the Listing Rules as and when appropriate.

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

Hong Kong, 13th May, 2021

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.