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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 INVENTORY IMPAIRMENT

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).

Inventory Impairment

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 certain inventory of the Group and information presently available to the Board, the Group is expected to incur impairment charge to its inventory of not less than HK\$9 million for the year ended 31 December 2020 (the “2020 Year”) (Amount of inventory impairment in 2019: Nil). Inventory impairment is calculated as the difference between the carrying amount and recoverable amount (ie. net realisable value), and is entered as an expense in the profit & loss account. The impairment is due to defects of certain electronics components inventory in the supply chain business. The final impairment amount is subject to the net realisable value measured by independent valuer or the management of the Company, and audit by the auditors of the Group. The Group had initiated claims against the relevant supplier, however, the claiming process, if successful, could be lengthy.

The above information (i) is only a preliminary assessment by the management of the Company of certain inventory of the Group, based on the information currently available to the Group, and is not based on any figures or information which has been valued by valuer, or audited or reviewed by the auditors; and (ii) does not constitute the complete financial results of the Group, or any business segment for the 2020 Year. Shareholders and potential investors should refer to the announcement of the annual results of the Group for the 2020 Year which is expected to be released before the end of March 2021, and the subsequent publication of the Group’s Annual 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, 8th January, 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.