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中核集团
CNNC

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 (i) 31st March, 2021, 29th April, 2021, 30th April, 2021 and 13th May, 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 (“**FY2020**”) and the suspension of trading of shares of the Company (the “**Shares**”); (ii) 28th May, 2021, 31st May, 2021, 24th June, 2021, 8th October, 2021, 27th October, 2021 and 29th November, 2021 in relation to, amongst other matters, the Resumption Guidance and other inside information of the Company; (iii) 29th July, 2021, 31st August, 2021, 30th March, 2022 and 31st March, 2022, and the interim report of the Company for the six months ended 30th June, 2021 in relation to, amongst other matters, the unaudited consolidated results of the Group for the six months ended 30th June, 2021 and for the year ended 31st December, 2021 (“**FY2021**”); and (iv) 29th July, 2021, 29th October, 2021 and 28th January, 2022 in relation to, amongst other matters, the quarterly updates on status of resumption of trading in 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, 2021 and 29th November, 2021, the Stock Exchange set out the following Resumption Guidance for the Company:

- (a) to 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) to publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (c) to demonstrate the Company’s compliance with Rule 13.24;
- (d) to inform the market of all material information for the 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 in the Shares 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:

<u>Key Events</u>	<u>Timeframe</u>
1. Conducting the Review	<p>As at the date of this announcement, the Review is still ongoing.</p> <p>The current scope of the Review includes (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 investigation on 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</p>

Key Events

Timeframe

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.

In conjunction with the above, professional advisers, including legal adviser, financial adviser and background investigation service provider, have been appointed, and the Independent Director Committee has been established to facilitate the Review and more effectively address the Resumption Guidance.

As at the date of this announcement, it is expected that the Review will be completed by mid-2022. Upon completion of the Review, it is expected that the report containing the key findings of the Review will be submitted to the Independent Director Committee for consideration. The Company will make further announcement(s) to update the Shareholders and potential investors on the progress and findings of the Review.

2. 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

The expected timeframe to announce the findings of the Review, to assess and announce the impact on the Group'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.

The Company 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.

3. Conducting the Internal Control Review

The Company has engaged SWRS Risk

Key Events

Timeframe

and demonstrating that the Company has in place adequate internal controls and procedures to meet the obligations under the Listing Rules

Services Limited (the “**Internal Control Consultant**”) as the 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.

As at the date of this announcement, the Internal Control Consultant has completed the Internal Control Review and has provided its advanced draft report to the Independent Director Committee. The Independent Director Committee will review and discuss the key findings of the report with the Internal Control Consultant, and provide its views and recommendations to the Board. The Company will release a further announcement in this regard to inform the market of the key findings of the Internal Control Review, and the views of and recommendations from the Independent Director Committee in due course.

4. Publication of the announcement of the audited results and the annual report of the Company for FY2020 and FY2021

The Audit Committee has maintained continued communication with the Auditors in relation to the audit for the annual results of the Company for FY2020 and FY2021. Based on the latest communication with the Auditors, the Auditors advised, *inter alia*, that the audit work for the annual results of the Company for FY2020 and FY2021 would be completed after reviewing the findings of the Review.

The Company will endeavour to publish the announcements of the audited results and the annual reports for FY2020 and FY2021 as soon as practicable, the expected timeframe of which is subject to further assessment by the Board.

Key Events

Timeframe

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| 5. | Resumption of trading in the Shares | Subject to further assessment by the Board and confirmation of the Stock Exchange. |
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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 as soon as practicable.

BUSINESS UPDATE

Notwithstanding the suspension of trading of Shares, the Group has continued its business of trading of uranium products in its normal and usual course of business. The Group intends to focus on and will continue to devote to the development of the uranium products trading business, and to actively seek high-quality uranium resources projects to complement the development of its parent group, as well as to leverage on the strengths of the parent group in the field of nuclear energy.

As disclosed in the announcement of the Company dated 23rd February, 2022, the Company (for itself and on behalf of each of its subsidiaries) and China National Uranium Corporation, Limited (中國鈾業有限公司) (“**CNUC**”), an indirect holding company of the Company, (for itself and on behalf of each of its subsidiaries (other than the Group) (“**CNUC Group**”)) entered into a continuing connected transactions framework agreement (the “**Framework Agreement**”), pursuant to which the Group agreed to (i) act as the prioritised supplier of CNUC Group for its short term demand for natural uranium products and the regional sole supplier of CNUC Group for its medium-to-long-term demand for natural uranium products; and (ii) act as the exclusive authorised distributor for the sale and distribution of uranium products produced by the Rössing uranium mine (being indirectly owned by CNUC as to approximately 68.62%), for on-sale to third party customers in all countries and regions around the world except the PRC.

The Group believes the transactions contemplated under the Framework Agreement are in line with the Group's strategic pursuit of becoming CNUC Group's major platform in overseas uranium resources exploration, development and trading, and will facilitate the Group in further strengthening its uranium trading business and expand its reach into the PRC and worldwide market, which in turn will enhance the Group's profitability in the long run. The continuing connected transactions contemplated under the Framework Agreement are expected to occur on a regular and continuing basis and in the ordinary and usual course of business of the Group. In compliance with the requirements under the Listing Rules, the Framework Agreement and the transactions contemplated thereunder are conditional and subject to the approval by the independent Shareholders at a general meeting to be convened by the Company, and the draft circular (the “**Circular**”) of the Company containing further details of the Framework Agreement and the transactions contemplated thereunder has been submitted to the Stock Exchange for vetting. As disclosed in the announcement of the Company dated 13th

April, 2022, it is expected that the Circular will be despatched to the Shareholders on or before 16th May, 2022, or the Company will make further announcement(s) in accordance with the Listing Rules should additional time be required for the finalisation of the Circular leading to a further delay in despatch of the Circular.

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 on the Stock Exchange has been suspended with effect from 9:00 a.m. on 30th April, 2021, and will remain suspended until further notice.

The Company will publish further announcement(s) to keep the 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 April, 2022

As at 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 Liguang, Mr. Zhang Lei and Mr. Chan Yee Hoi.