CNNC INTERNATIONAL LIMITED
中 核 國 際 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2302)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2015

The Board of Directors (the "Board") of CNNC International Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2015 (the "Year") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the year ended 31st December,	
		2015	2014
	NOTES	***HK$'000***	*HK$'000*
Revenue	3	**57,755**	520,380
Cost of sales		**(56,170)**	(480,997)
Gross profit		**1,585**	39,383
Other income, gains and losses	4	**4,792**	5,954
Administrative expenses		**(18,363)**	(21,196)
Impairment loss on amount due from an associate		**(72,898)**	—
Share of loss of an associate		**(135,715)**	(180,364)
Loss before taxation	5	**(220,599)**	(156,223)
Taxation	6	**—**	(174)
Loss for the year		**(220,599)**	(156,397)

	NOTES	For the year ended 31st December, 2015 HK$'000	2014 HK$'000
Other comprehensive (expense) income			
Item that will not be reclassified to profit or loss			
Exchange differences arising on translation to presentation currency		**(112)**	22
Total comprehensive expense for the year attributable to owners of the Company		**(220,711)**	(156,375)
Loss per share			
— Basic	7	**(HK45.1 cents)**	(HK32.0 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	As at 31st December, 2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment		**20,533**	23,002
Exploration and evaluation assets		**205,786**	203,469
Interest in an associate		—	135,715
Amount due from an associate	8	—	70,839
		226,319	433,025
Current assets			
Inventories		**29,158**	85,345
Other receivables and prepayments	9	**4,461**	103,546
Bank balances and cash		**348,778**	210,579
		382,397	399,470
Current liabilities			
Other payables and accruals	10	**16,281**	14,767
Amount due to immediate holding company		—	5,157
Amount due to intermediate holding company		**1,596**	1,756
Amount due to ultimate holding company		**1,473**	91
Amounts due to fellow subsidiaries		**121**	768
Income tax payable		**19,360**	19,360
		38,831	41,899
Net current assets		**343,566**	357,571
Net assets		**569,885**	790,596
Capital and reserves			
Share capital		**4,892**	4,892
Reserves		**564,993**	785,704
Equity attributable to owners of the Company		**569,885**	790,596

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance ("CO").

The disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the provisions of the new Hong Kong Companies Ordinance (Cap. 622) regarding preparation of accounts and directors' reports and audits and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31st December, 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31st December, 2014 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, the following amendments to Hong Kong Accounting Standards ("HKAS(s)") and HKFRSs issued by the HKICPA.

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]

[1] Effective for annual periods beginning on or after 1st January, 2016.
[2] Effective for first annual HKFRS financial statements beginning on or after 1st January, 2016.
[3] Effective for annual periods beginning on or after 1st January, 2018.
[4] Effective for annual periods beginning on or after a date to be determined.

The directors anticipate that the application of the new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

Information reported to the Group's executive directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group currently organises its operations into two operating divisions, which also represent the operating segments of the Group for financial reporting purposes, namely trading of mineral property and exploration and trading of mineral properties. They represent two major lines of business engaged by the Group. The Group's operating and reportable segments under HKFRS 8 are as follows:

- Trading of mineral property — trading of uranium
- Exploration and trading of mineral properties — exploration and trading of uranium

Segment results

The following is an analysis for the Group's revenue and results from continuing operations by reportable and operating segments:

For the year ended 31st December, 2015

	Trading of mineral property *HK$'000*	**Exploration and trading of mineral properties** *HK$'000*	**Consolidated** *HK$'000*
Segment revenue	**57,755**	**—**	**57,755**
Segment loss	**(35,409)**	**(139,737)**	**(175,146)**
Unallocated other income and gains			**3,950**
Unallocated other expenses			**(36,114)**
Central administration costs			**(13,289)**
Loss before taxation			**(220,599)**

For the year ended 31st December, 2014

	Trading of mineral property *HK$'000*	Exploration and trading of mineral properties *HK$'000*	Consolidated *HK$'000*
Segment revenue	520,380	—	520,380
Segment profit (loss)	38,934	(182,646)	(143,712)
Unallocated other income and gains			4,733
Central administration costs			(17,244)
Loss before taxation			(156,223)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit earned (loss incurred) by each segment without allocation of interest income, impairment loss on amount due from an associate and central administration costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	2015	2014
	HK$'000	*HK$'000*
ASSETS		
Segment assets		
— Trading of mineral property	**29,158**	121,090
— Exploration and trading of mineral properties	**233,478**	367,928
	262,636	489,018
Unallocated assets	**346,080**	343,477
Consolidated assets	**608,716**	832,495
LIABILITIES		
Segment liabilities		
— Exploration and trading of mineral properties	**15,470**	13,488
Unallocated liabilities	**23,361**	28,411
Consolidated liabilities	**38,831**	41,899

For the purposes of monitoring segment performance and allocating resources:

- Segment assets include property, plant and equipment, exploration and evaluation assets, interest in an associate, inventories, other receivables, amount due from an associate and bank balances and cash which are directly attributable to the relevant reportable segment.

- Segment liabilities include other payables and accruals and amount due to intermediate holding company which are directly attributable to the relevant reportable segment.

Other segment information

	2015			
	Trading of mineral property	**Exploration and trading of mineral properties**	**Unallocated**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Amounts included in the measure of segment results or segment assets				
Addition to non-current assets	**—**	**2,637**	**—**	**2,637**
Depreciation of property, plant and equipment	**—**	**(2,498)**	**(91)**	**(2,589)**
Allowance for inventories	**(1,109)**	**—**	**—**	**(1,109)**
Impairment loss on amount due from an associate	**(36,784)**	**—**	**(36,114)**	**(72,898)**
Share of loss of an associate	**—**	**(135,715)**	**—**	**(135,715)**
Interest income on amount due from an associate	**1,036**	**—**	**1,018**	**2,054**

	2014			
	Trading of mineral property	Exploration and trading of mineral properties	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amounts included in the measure of segment results or segment assets				
Addition to non-current assets	—	5,086	8	5,094
Depreciation of property, plant and equipment	—	(4,108)	(173)	(4,281)
Allowance for inventories	(8,566)	—	—	(8,566)
Share of loss of an associate	—	(180,364)	—	(180,364)
Interest in an associate	—	135,715	—	135,715

Geographical information

The Group's revenue by geographical market (irrespective of the origin of the goods) based on the location of the customers are detailed below:

	Revenue	
	2015	2014
	HK$'000	*HK$'000*
Hong Kong	**57,755**	520,380

Information about major customer

The Group's revenue of HK$57,755,000 (2014: HK$520,380,000) arose from sales of uranium to an independent third party (2014: sales of uranium to immediate holding company).

The Group's operation is principally located in the Mongolia (country of domicile) and the Republic of Niger. Information about the Group's non-current assets by geographical location of the assets is detailed below:

	Non-current assets	
	2015	2014
	HK$'000	*HK$'000*
Mongolia (country of domicile)	**226,222**	226,283
Hong Kong	**97**	188
Republic of Niger	**—**	206,554
	226,319	433,025

4. OTHER INCOME, GAINS AND LOSSES

	2015	2014
	HK$'000	*HK$'000*
Included in other income, gains and losses are the following:		
Interest income	**3,898**	3,741
Commission income	**52**	992
Compensation from a litigation	**735**	1,672
Net exchange gain (loss)	**77**	(466)

5. LOSS BEFORE TAXATION

	2015	2014
	HK$'000	*HK$'000*
Loss before taxation has been arrived at after charging (crediting):		
Directors' remuneration	**1,844**	1,863
Other staff costs	**4,960**	6,102
Retirement benefit schemes contributions	**73**	106
Total staff costs	**6,877**	8,071
Less: Amount capitalised in exploration and evaluation assets	**(1,337)**	(1,557)
	5,540	6,514
Allowance for inventories (included in cost of sales)	**1,109**	8,566
Depreciation of property, plant and equipment	**2,589**	4,281
Gain on disposal of property, plant and equipment	**(6)**	—
Auditors' remuneration	**1,280**	1,506
Cost of inventories recognised as an expense	**55,061**	472,431
Operating lease charges on land and buildings	**3,681**	3,725

6. TAXATION

	2015	2014
	HK$'000	*HK$'000*
Current tax — PRC enterprise income tax	**—**	174

Under the Law of People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate for foreign owned enterprises is 25% from 1st January, 2008 onwards.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the group entities incurred tax losses for both years.

7. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	2015	2014
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company	**(220,599)**	(156,397)

	2015	2014
Number of ordinary shares for the purposes of loss per share	**489,168,308**	489,168,308

8. AMOUNT DUE FROM AN ASSOCIATE

	2015	2014
	HK$'000	*HK$'000*
Trade receivable	**—**	35,745
Loan advance	**72,898**	35,094
Total amount due from an associate *(note)*	**72,898**	70,839
Less: Impairment loss	**(72,898)**	—
	—	70,839

Note: On 2nd January, 2015, the Group entered into an agreement with Société des Mines d'Azelik S.A. ("Somina") and agreed to extend the loan advance and the trade receivable with the total outstanding balance of US$9,135,000 (equivalent to HK$70,839,000) due from Somina to 31st December, 2016 and it is interest bearing at Hong Kong Dollar Best Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited plus 0.8% per annum, with a ceiling limit of 7.8% per annum.

Subsequently, in light of the deteriorating financial position of the associate as a result of the suspension of operation of the associate and no operating cash flow can be generated, the recoverability of the amount due from the associate is in doubt, and the carrying amount of amount due from the associate was fully impaired.

9. OTHER RECEIVABLES AND PREPAYMENTS

	2015	2014
	HK$'000	*HK$'000*
Other receivables	**3,712**	102,908
Deposits paid	**382**	401
Prepayments	**367**	237
	4,461	103,546

10. OTHER PAYABLES AND ACCRUALS

	2015	2014
	HK$'000	*HK$'000*
Accruals	**2,877**	3,033
Other payables	**13,404**	11,734
	16,281	14,767

FINAL DIVIDEND

The directors do not recommend the payment of a final dividend for the year ended 31st December, 2015 (2014: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

The Group has been engaged in the uranium product trading business since 2012. However, due to poor market environment for the uranium product trading business, the trading activities for the year ended 31st December, 2015 (the "Year") have slowed down, as compared to previous years. Although the price of uranium product hit bottom in 2014, the price in 2015 remained low as there were surplus reserves of uranium product in the market. Nevertheless it is the intention of the Group to continue its uranium product trading business and the Group will closely monitor the market conditions for further uranium product trading business.

Through the acquisition of Ideal Mining Limited ("Ideal Mining"), the Group holds 37.2% equity interest in Société des Mines d'Azelik S.A. ("Somina") which owns a uranium mine in Niger (the "Niger Mine"). The production process of Somina had encountered multiple difficulties since the commencement of production operation. With issues such as project delays, construction over budgets and under production, Somina had suffered heavy losses and been in default bank loans repayment. As disclosed in the announcement of the Company dated 17th February, 2015, due to tight cash flow position, Somina had temporarily suspended the production of the Niger Mine (the "Suspension") since about mid February 2015 after completion of the annual routine maintenance (including passing the safety inspection). The Suspension involved placing the Niger Mine on care and the remaining ore body will be preserved until the cash flow position is improved. If Somina is to resume production, it would require a large amount of capital. Under such circumstances, Somina cannot predict the date of resuming production and, it would be very difficult for it to break-even in a short time and losses may continue to grow even if it resumes production. As the associate has run into serious going concern problem and significant loss was incurred during the Year, the Group has made full provision on loan receivables from Somina amounting to HK$72,898,000 as disclosed in the Company's Interim Report 2015 and the share of loss of Somina for the Year by the Group amounting to HK$135,715,000. The Group will closely monitor the situation.

During the Year, the Group had negotiations with the representatives of the Mongolian Government in relation to the formation of a joint venture company for the operation of the uranium mine in Mongolia ("Mongolian Project"). The Group is still waiting for feedback from the Mongolian Government. All exploration works of the Mongolian Project had been completed. Progress has also been made with respect to the environment impact report which is still subject to approval of the Mongolian Government.

During the Year, the Group strengthened its research in the investment and development of global uranium mines. The Group also contacted with some mining companies with intention to explore the possibility of an in-depth cooperation.

Business Review

During the Year, the Group reported a revenue of approximately HK$57,755,000 (2014: approximately HK$520,380,000) from its operating business, realizing a gross profit of approximately HK$1,585,000 (2014: approximately HK$39,383,000). Revenue was approximately 88.9% lower than that of last year as the market conditions were difficult for trading of uranium products. Cost of sales included an impairment loss of inventory of approximately HK$1,109,000 (2014: approximately HK$8,566,000) arising from the decline in the market price of uranium products at the end of 2015.

Other income, gains and losses of approximately HK$4,792,000 (2014: approximately HK$5,954,000) were mainly from interest income, commission income and compensation from a litigation received by a subsidiary company in Mongolia. Such amount was approximately 19.5% lowered than that of corresponding period last year as the commission income and the final compensation payment received in the Year dropped as compared to last year. The administrative expenses of approximately HK$18,363,000 (2014: approximately HK$21,196,000) was approximately 13.4% below to that of the corresponding period last year, affirming the achievement of the Group's effort on cost control.

The share of loss of an associate of approximately HK$135,715,000 (2014: approximately HK$180,364,000) belonged to the share of loss of Somina during the Year. The interest in an associate investment regarding Somina has been fully written off after taken in account of the share of loss during the Year. The share of loss was approximately 24.8% lower than that of the corresponding period last year as a further approximately HK$172,247,000 (2014: Nil) unrecognised share of loss of an associate would otherwise be incurred should the investment in an associate had not been fully written off.

The Group had entered into a loan agreement with Somina with repayment by 31st December, 2016. In light of the deteriorating financial position of Somina as a result of the Suspension and no operating cash flow can be generated, the recoverability of the amount due from Somina is in doubt, and the carrying amount of amount due from Somina of approximately HK$72,898,000 was fully impaired.

During the Year, the Group did not record any interest expenses (2014: Nil). The Group is currently free of any interest bearing debt. No tax charge was provided as the Group incurred tax losses during the Year (2014: approximately HK$174,000).

Comprehensive expense for the Year

Summing up the combined effects of the foregoing, loss for the Year amounted to approximately HK$220,599,000 (2014: approximately HK$156,397,000). After taken into account of the loss of approximately HK$112,000 (2014: gain approximately HK$22,000) of the exchange differences arising on translation of foreign currencies, the total comprehensive expense for the Year amounted to approximately HK$220,711,000 (2014: approximately HK$156,375,000).

Future Strategies

The Group noticed that existing trading business of uranium products and the investment projects in uranium resources are in stagnation. However, against the backdrop of China's vigorous development of nuclear power, the outlook of long-term demand for uranium products, the main fuel of nuclear power, is still optimistic. The Group will closely monitor the market and prices of uranium products, and intend to seek and negotiate with major uranium product traders in the market, with a view to expand its supplier and customer base. The Group will also continue to focus on development and investment in uranium mines and step up efforts in research and negotiation and seek long-term partners leveraging the good opportunities of sluggish market and relatively low valuation of uranium mines to invest quality mines. The Group will take advantage of the resources in the parent company and its position in nuclear power industry in China for continuous expansion of the Group's business scale and income.

In view of the expected future uranium product price and the amount of funds Somina could raise in the near future, Somina will assess the plan for its next move. The top priority for Somina is to safeguard its assets. The Suspension of Somina will not have further material impact to the operations of the Group, as the Group had made full provision for its investment equity of and loan receivables from Somina and the Group will continue to engage in the business of exploration and trading of mineral properties as its principal activities.

For the Mongolian Project, the Group will continue to negotiate on the formation of the joint venture company with the Mongolian Government and complete all the procedures for the application of mining license. The Group will ensure the costs on the project are under tight control.

As disclosed in the announcement of the Company dated 24th April, 2013, the Company and its parent company entered into a framework agreement in respect of the uranium trading, provision of technical and administrative support services. Such framework agreement expired on 31st December, 2015. As the mining license for the Group's Mongolian Project is still under application, the Group is yet to determine plans for supplying uranium products to its parent group. The company will continue to discuss with its parent company for the need of the framework agreement.

Employees and Remuneration Policies

As at 31st December, 2015, the Group employed approximately 15 (2014: 16) full-time employees of whom 2 (2014: 3) were based in Hong Kong, 8 (2014: 6) were based in the PRC and 5 (2014: 7) were based in Mongolia. Total staff costs incurred during the Year amounted to approximately HK$6,877,000 (2014: approximately HK$8,071,000).

Remuneration policies and packages for the Group's employees are based on their performance, working experiences and conditions prevailing in the industry. Depending on the financial results of the Group and the performance of individual employees, eligible staff may also be granted discretionary performance bonuses, in addition to basic salaries, retirement schemes and medical benefit schemes. To raise work quality and management abilities of its employees, the Group provides job rotation, in-house training and external training courses to employees.

Liquidity and Financial Resources

As at 31st December, 2015, the Group did not have any bank borrowings (at 31st December, 2014: Nil). The Group had net current assets amounting to approximately HK$343,566,000 (at 31st December, 2014: approximately HK$357,571,000) and the current liabilities amounting to approximately HK$38,831,000 (at 31st December, 2014: approximately HK$41,899,000) as at 31st December, 2015. During the Year, the Group continued trading in uranium products, and as at 31st December, 2015, the Group had no trade receivables (at 31st December, 2014: Nil) and trade payables (at 31st December, 2014: Nil). Capital expenditures on plant, equipment, leasehold improvements and construction in progress were approximately HK$204,000 during the Year (2014: approximately HK$216,000). Capital expenditures on exploration and evaluation assets were approximately HK$2,433,000 (2014: approximately HK$4,878,000). The Group did not have any commitment to purchase additional property, plant and equipment that had been contracted for but not provided in the financial statements as at 31st December, 2015 (at 31st December, 2014: Nil).

During the Year, net cash inflow from operating activities amounted to approximately HK$143,519,000 (2014: cash outflow approximately HK$53,043,000). The Group's cash on hand and bank balances increased from approximately HK$210,579,000 as at 31st December, 2014 to approximately HK$348,778,000 as at 31st December, 2015.

Total shareholders' funds decreased from approximately HK$790,596,000 as at 31st December, 2014 to approximately HK$569,885,000 as at 31st December, 2015, mainly due to the loss during the Year. The gearing ratio, in terms of total debts to total assets, was approximately 0.06 (at 31st December, 2014: approximately 0.05) as at 31st December, 2015.

Acquisitions and Disposals of Subsidiaries and Associated Companies

There were no material acquisitions and disposals of subsidiaries and associated companies for the Year.

Exposure to Foreign Exchange Risk

The Group's income, expenditure of raw materials, manufacturing, investment and borrowings are mainly denominated in USD, HKD, Mongolian Tugrigs and RMB. Fluctuations of the exchange rates of Mongolian Tugrigs and RMB against foreign currencies could affect the operating costs of the Group. Currencies other than Mongolian Tugrigs and RMB were relatively stable during the Year, the Group did not expose to significant foreign exchange risk. The Group currently does not have a foreign currency hedging policy for hedging significant foreign currency exposure.

Capital Structure

There has been no significant change in the capital structure of the Group since 31st December, 2014.

Charge on Assets

Apart from the 37.2% of the share capital in Somina held by Ideal Mining pledged to a bank for banking facilities granted to Somina, there was no charge on the Group's assets during the Year (2014: apart from the shares in Somina, Nil).

PURCHASE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31st December, 2015 as set out in the preliminary announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions laid down in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules throughout the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all the directors, all the directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

AUDIT COMMITTEE

An audit committee has been established by the Company for the purpose of reviewing and providing supervision on the financial reporting system, internal control procedures and risk management and maintaining good and independent communications with the management as well as external auditors of the Company.

The audit committee comprises three independent non-executive directors namely Mr. Cheong Ying Chew Henry (Chairman of the audit committee), Mr. Cui Liguo and Mr. Zhang Lei and one non-executive director namely Mr. Xu Shouyi. The Group's annual report for the Year as well as the accounting principles and practices have been reviewed by the audit committee.

REMUNERATION COMMITTEE

In accordance with the requirements of the CG Code, a remuneration committee has been established by the Company to consider the remuneration of the directors of the Company. The remuneration committee comprises three independent non-executive directors namely Mr. Cui Liguo (Chairman of the remuneration committee), Mr. Cheong Ying Chew Henry and Mr. Zhang Lei, one executive director namely Ms. Wang Ying and one non-executive director namely Mr. Xu Shouyi.

NOMINATION COMMITTEE

In accordance with the requirements of the CG Code, a nomination committee has been established by the Company to review the structure, size and composition of the Board and identify individuals suitably qualified to become Board members. The nomination committee comprises one non-executive director namely Mr. Du Yunbin (Chairman of the Board and the nomination committee), one executive director namely Ms. Wang Ying and three independent non-executive directors namely Mr. Cheong Ying Chew Henry, Mr. Cui Liguo and Mr. Zhang Lei.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

The electronic version of this announcement will be published on the website of the Stock Exchange (http://www.hkexnews.hk). An annual report for the year ended 31st December, 2015 containing all the information required by Appendix 16 of the Listing Rules will be despatched to shareholders and published on the website of the Stock Exchange as well as the Company in due course.

APPRECIATION

The directors would like to take this opportunity to thank our shareholders, the management and our staff members for their dedication and support.

On behalf of the Board
CNNC International Limited
中核國際有限公司
Du Yunbin
Chairman

Hong Kong, 22nd March, 2016

As of the date of this announcement, the Board comprises non-executive director and chairman, namely, Mr. Du Yunbin, executive director, namely, Ms. Wang Ying, non-executive director, namely, Mr. Xu Shouyi and independent non-executive directors, namely, Mr. Cheong Ying Chew Henry, Mr. Cui Liguo and Mr. Zhang Lei.