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CNC HOLDINGS LIMITED

中國新華電視控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 8356)

QUATERLY UPDATE ON RESUMPTION PROGRESS

The announcement is made by CNC Holdings Limited (the “**Company**”), together with its subsidiaries, the “**Group**”) pursuant to Rule 17.26A of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated (i) 21 June 2022 and 29 July 2022 in relation to the delay in publication of the 2021/2022 Audited Annual Results and the 2021/2022 Audit Report, (ii) 15 August 2022 in relation to the delay in publication of the 2021/2022 Audited Annual Results and the 2021/2022 Audit Report and the 2022/2023 First Quarterly Results and the 2022/2023 First Quarterly Report and the suspension of trading in the shares of the Company on the Stock Exchange, (iii) 14 October 2022 in relation to the resignation of an independent executive Director, (iv) 11 November 2022 in relation to the Resumption Guidance, quarterly update on progress of resumption process and the delay in publication of the 2022/2023 Interim Results and the 2022/2023 Interim Report, (v) 12 December 2022, 14 February 2023, 15 February 2023, 8 March 2023 and 19 April 2023 in relation to winding-up petition filed against the Company, (vi) 12 January 2023 in relation to Additional Resumption Guidance and (vii) 10 February 2023 in relation to quarterly update on progress of resumption process and the delay in publication of the 2022/2023 Third Quarterly Result and the 2022/2023 Third Quarterly Report (collectively, the “**Announcements**”). Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Announcements.

RESUMPTION GUIDANCE

On 10 November 2022, the Company received a letter from the Stock Exchange setting out the following guidance for the resumption of trading in the Shares (the “**Resumption Guidance**”):

- (i) publishing all outstanding financial results required under the GEM Listing Rules and address any audit modifications;
- (ii) demonstrating compliance with Rule 17.26 of the GEM Listing Rules; and
- (iii) informing the market of all material information for the Company’s shareholders and investors to appraise the Company’s position.

On 11 January 2023, the Company further received a letter from the Stock Exchange, in which, inter alia, the Stock Exchange sets out the following additional resumption guidance (the “**Additional Resumption Guidance**”) for the resumption of trading in the shares of the Company:

- (i) re-complying with the Rules 5.05, 5.05A, 5.28 and 5.36A of the GEM Listing Rules, and
- (ii) having the winding-up petition (or order, if made) against the Company withdrawn or dismissed and the appointment of any liquidators (provisional or not) discharged.

The Stock Exchange may modify the resumption guidance and/or give further guidance as and when appropriate.

QUARTERLY UPDATE ON RESUMPTION PROGRESS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide the shareholders and potential investors of the Company with the following updates on the latest resumption progress as at the date of this announcement.

(a) Business updates

The Group is principally engaged in the provision of civil engineering services for the public sector in Hong Kong and media advertising business in return for advertising and related revenue.

To the best knowledge of the Directors, as of the date of this announcement, the day-to-day operations of the Group are continuing as usual in all material aspects, and have not been affected by the delay in publication of the outstanding financial results and the suspension of trading in the shares of the Company on the Stock Exchange.

(b) Publication of Outstanding Financial Results

As stated in the Announcements, additional time is required to finalise certain information for the publication of the announcement for the 2021/22 Audited Annual

Results, in particular, information in relation to the renewal of the convertible notes, which was overdue on 9 December 2021 and was issued to China Xinhua News Network Co. Limited, a substantial shareholder of the Company and necessary to obtain the corresponding audit conformation letter to enable the auditors of the Company to complete the necessary audit procedures and form the audit opinion. As at the date of this announcement, the Company and the relevant parties have not yet come to an agreed plan to resolve the above-mentioned issues. As a result, the Company and the auditors of the Company will require additional time to complete the necessary audit work so as to finalize the 2021/22 Audited Annual Results, and the publication of the 2021/22 Audited Annual Results and the 2021/22 Annual Report will hence be further delayed. As the publication of the 2021/22 Audited Annual Results and the despatch of the 2021/22 Annual Report are still pending, additional time is required to finalise certain information of the 2022/23 First Quarterly Results, the 2022/23 First Quarterly Report, the 2022/23 Interim Results, the 2022/23 Interim Report, the 2022/23 Third Quarterly Results and the 2022/23 Third Quarterly Report, the publication of the 2022/23 First Quarterly Results, the 2022/23 First Quarterly Report, the 2022/23 Interim Results, the 2022/23 Interim Report, the 2022/23 Third Quarterly Results and the 2022/23 Third Quarterly Report will also be delayed.

The Company has been using its best endeavours to work closely with the auditor of the Company to complete the audit work, so that 2021/22 Audited Annual Results, 2022/23 First Quarterly Results, 2022/23 Interim Results and 2022/23 Third Quarterly Results can be finalised, approved and published as soon as practicable. The Company will publish further announcement(s) to inform the Shareholders of material updates as and when appropriate.

(c) Compliance with GEM Listing Rule 17.26

At the date of this announcement, the business operations of the Group are continuing as usual in all material respects. The Group is currently taking appropriate steps to fulfill the resumption condition. The Group will continue to review its existing businesses and its financial position from time to time and is committed to improving the existing business operations and identifying potential business to expand its source of income in order to maximise the return to the shareholders of the Company.

(d) Compliance with GEM Rules 5.05, 5.05(A), 5.28 and 5.36A

The Company is in the process of identifying suitable candidate to fill the vacancy. The Company will continue to use its best endeavours to ensure that suitable candidate is appointed as soon as practicable. Further announcement(s) will be made by the Company as and when appropriate in this regard.

(e) Updates on winding-up petition

As disclosed in the announcements of the Company dated 8 March 2023 and 19 April 2023, upon the withdrawal applications by the Original Petitioner and the Substituting

Petitioner respectively, the High Court has granted the leave for the Original Petitioner and the Substituting Petitioner to withdraw the Petition.

(f) Resumption Plan

In order to satisfy the requirements under the Resumption Guidance, the Company will continue to work with its professional advisors to advance the resumption progress and will make further announcement(s) in relation to its business operations and the status of resumption as and when appropriate to keep the Company's shareholders and potential investors informed.

CONTINUED SUSPENSION OF TRADING

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 15 August 2022, and will remain suspended until the Company fulfills the Resumption Guidance and the Additional Resumption Guidance. The Company will make further announcement(s) to keep its shareholders and potential investors informed of any progress as and when appropriate and will announce quarterly updates on its development in accordance with Rule 17.26A of the GEM Listing Rules.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
CNC Holdings Limited
Li Yong Sheng
Vice Chairman and CEO

Hong Kong, 10 May 2023

As at the date of this announcement, the Directors are Dr. Jiang Yan¹ (Chairman), Dr. Li Yong Sheng¹ (Vice Chairman and Chief Executive Officer), Mr. Liu Da Yong¹, Mr. Kan Kwok Cheung¹, Ms. Tang Li², Mr. Law Cheuk Hung², Mr. Wu Guo Ming³ and Mr. Wan Chi Keung, Aaron, BBS, JP³.

¹ *Executive Director*

² *Non-executive Director*

³ *Independent non-executive Director*

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least seven days from the date of its posting and the Company's website at <http://www.cnctv.hk>.