



CNNC International Limited 中核國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 2302



Interim Report 2017
二零一七年年中期報告

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CORPORATE INFORMATION

公司資料

CNNC INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

BOARD OF DIRECTORS

Chairman and Non-Executive Director

Yang Chaodong

Executive Directors

Xie Jiajie

Wang Ying

Non-Executive Director

Xu Shouyi

Independent Non-Executive Directors

Cheong Ying Chew Henry

Cui Ligu

Zhang Lei

AUDIT COMMITTEE

Cheong Ying Chew Henry (*Chairman*)

Xu Shouyi

Cui Ligu

Zhang Lei

REMUNERATION COMMITTEE

Cui Ligu (*Chairman*)

Xie Jiajie

Xu Shouyi

Cheong Ying Chew Henry

Zhang Lei

NOMINATION COMMITTEE

Yang Chaodong (*Chairman*)

Xie Jiajie

Cheong Ying Chew Henry

Cui Ligu

Zhang Lei

COMPANY SECRETARY

Li Philip Sau Yan

中核國際有限公司

(於開曼群島註冊成立之有限公司)

董事局

主席暨非執行董事

楊朝東

執行董事

謝嘉杰

王英

非執行董事

徐守義

獨立非執行董事

張英潮

崔利國

張雷

審核委員會

張英潮 (*主席*)

徐守義

崔利國

張雷

薪酬委員會

崔利國 (*主席*)

謝嘉杰

徐守義

張英潮

張雷

提名委員會

楊朝東 (*主席*)

謝嘉杰

張英潮

崔利國

張雷

公司秘書

李守仁

MANAGEMENT DISCUSSION & ANALYSIS

管理層討論及分析

RESULTS

For the six months ended 30th June, 2017 (the “Period”), the loss for the Period for the Group was approximately HK\$684,000, as compared to approximately HK\$12,993,000 in the corresponding period last year. The material decrease in loss was primarily due to a significant increase in revenue and the gross profit generated from the trading of natural uranium business of the Group in the Period.

MARKET AND BUSINESS OVERVIEW

The principal activities of the Group remained as the development of uranium resources assets and trading of natural uranium products during the Period. The international natural uranium market has been over-supplied for the past few years and during the Period the price of natural uranium mostly maintained at a low level. However, the Group was able to sell part of its stock of natural uranium products when the price was at the peak level during the Period, thus generating a gross profit for its trading activities.

During the Period, the Group has kept in close contact with the representatives of the Mongolian Government and continued the negotiation on the formation of a joint venture company to develop the uranium mining assets of the Group in Mongolia and the application of the related mining license.

OPERATIONS

During the Period, the Group recorded a “Revenue” of approximately HK\$80,391,000 (2016 Period: HK\$22,942,000), an increase of approximately 250% over last year, which resulted in a “Gross profit” of approximately HK\$4,788,000 (2016 Period: “Gross loss” of approximately HK\$6,216,000) as the Group was able to sell part of its inventory of natural uranium products at the highest price during the Period.

“Other income, gains and losses” of approximately HK\$1,517,000 (2016 Period: approximately HK\$1,267,000) were mainly from interest income and exchange gains recorded during the Period, an increase of approximately 20% over last year mainly due to the increase of deposit interest rates during the Period as compared to last year.

業績

於截至二零一七年六月三十日止六個月(「回顧期」)，本集團期內虧損約港幣684,000元，與去年同期約港幣12,993,000元相比，虧損大幅減少的主要原因是本集團於回顧期內天然鈾貿易收入大幅增長及產生毛利所致。

市場及業務回顧

本集團於回顧期之主要業務仍為發展鈾資源資產及天然鈾產品貿易。近幾年國際天然鈾市場供過於求，因而導致天然鈾產品市價持續處於低位。然而，本集團於回顧期內市價處於相對高點時售出部分天然鈾產品存貨，因而從貿易業務中獲得毛利。

於回顧期內，本集團繼續與蒙古國政府相關機構保持緊密溝通，繼續商議建立合營公司，以開發本集團在蒙古國的鈾礦資產，並推進開採許可證申領進程。

經營業務

於回顧期內，本集團錄得「收入」約港幣80,391,000元(二零一六年同期：港幣22,942,000元)，比去年同期上升約250%。由於本集團在回顧期內價格處於相對高點時售出部分天然鈾產品存貨，產生「毛利」約港幣4,788,000元(二零一六年同期：「毛損」約港幣6,216,000元)。

於回顧期內，「其他收入、收益及虧損」約港幣1,517,000元(二零一六年同期：約港幣1,267,000元)，主要來源於利息收入及匯兌收益。主要由於回顧期內存款利率增加，「其他收入、收益及虧損」比去年同期上升約20%。

“Selling and distributing expenses” amounted to approximately HK\$380,000 during the Period. The corresponding expenses during last year were insignificant. There was a decrease of approximately 18% in “Administrative expenses” which amounted to approximately HK\$6,609,000 (2016 Period: approximately HK\$8,044,000) as compared to last year. The tight control measures in expenses imposed by the Group continued to be effective.

During the Period, the Group did not record any interest expenses (2016 Period: nil). The Group is currently free of any interest bearing debt. No tax charge was provided as the assessable profits of the Group during the Period were wholly absorbed by tax losses brought forward (2016 Period: nil).

TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD

Summing up the combined effects of the foregoing, loss for the Period was approximately HK\$684,000 (2016 Period: approximately HK\$12,993,000). After taking into account of the other comprehensive income of approximately HK\$1,507,000 (2016 Period: approximately HK\$190,000) relating to exchange differences arising on translation to presentation currency, the total comprehensive income for the Period was approximately HK\$823,000 (2016 Period: expense of approximately HK\$12,803,000), substantially improved as compared to the 2016 Period.

FUTURE STRATEGIES AND PROSPECTS

In short term the over-supply trend in the natural uranium market is expected to continue and the price of natural uranium in 2017 will maintain at a low level. The Group will exercise caution in the trading of natural uranium products to ensure reasonable returns for the Group.

As the price of natural uranium is currently at a low level, it is not economical to resume the production of the associate (Société des Mines d’Azelik S.A. (“Somina”)) of the Group. The Group will work closely with the other shareholders of Somina for its next move. The suspension of production of Somina will have no further material impact to the Group as the carrying amount of interest in Somina is nil. No further share of loss of Somina would be required until it becomes a positive net asset position.

於回顧期內，「銷售及分銷開支」約港幣380,000元。此開支於去年並不重大。「行政開支」與去年相比下降約18%至約港幣6,609,000元(二零一六年同期：約港幣8,044,000元)。本集團之大力控制成本開支持續有效。

於回顧期內，本集團並無錄得任何利息開支(二零一六年同期：無)。本集團目前並無任何帶息債務。由於本集團於回顧期內之應課稅溢利全數被年初帶入應課稅虧損抵銷，所以沒有計提稅項開支(二零一六年同期：無)。

期內全面收入(開支)

綜合以上各項原因，回顧期內稅後虧損約港幣684,000元(二零一六年同期：約港幣12,993,000元)。計入其他全面收入有關換算為呈列貨幣產生之匯兌收益約港幣1,507,000元(二零一六年同期：約港幣190,000元)後，期內全面收入約港幣823,000元(二零一六年同期：開支約港幣12,803,000元)，相比二零一六年同期相比大幅改善。

未來策略及展望

短期內國際天然鈾市場供過於求的趨勢難以改變，天然鈾價格在二零一七年估計繼續處於低位。本集團將謹慎地參與天然鈾貿易，以保證為集團創造合理收益。

鑒於目前天然鈾價格處於低位，本集團之聯營公司(Société des Mines d’Azelik S.A. (「Somina公司」))恢復生產不具備經濟性。本集團會緊密地與Somina公司其他股東制定其下一步走向。由於本集團於Somina公司之權益之賬面值為零，Somina公司停產對本集團之營運不會再有重大影響。Somina公司轉為正面淨資產狀況前，本集團不需要再分攤Somina公司的虧損。

For the Mongolian project, the Group will continue to negotiate with the Mongolian Government for the setting up of a joint venture company for the project. The project has not been, to a material extent, adversely affected by its slow progress, as the market price of natural uranium products has remained low during the Period. To optimise the returns of the project, the Group intends to time the production to match with the recovery of the natural uranium market price.

The Group will explore possible opportunity to expand its business, diversify its activities and explore in investment projects with reasonable returns by leveraging on the strengths of China National Nuclear Corporation (“CNNC”), the ultimate holding company of the Group, in the field of nuclear energy. In short term, the Group may increase its trading activities by engaging in trading in products other than natural uranium to increase its returns to shareholders.

HUMAN RESOURCES MANAGEMENT

As at 30th June, 2017, the Group employed 12 full-time employees. The Group’s remuneration package is determined with reference to the experience and qualifications of the individual’s performance. The Group also ensures that all employees are provided with adequate training and continued professional opportunities according to their needs.

LIQUIDITY AND FINANCIAL RESOURCES

The Group recorded a net cash outflow of approximately HK\$66,676,000 (2016 Period: approximately HK\$29,650,000) during the Period, which was mainly due to the payment of inventories. The Group’s financial position remained healthy and does not have any interest bearing borrowing. The gearing ratio, which is represented by the ratio of total debts to total assets, was reduced to approximately 0.07 as at 30th June, 2017 (as at 31st December, 2016: approximately 0.32).

The working capital of the Group was generally financed by bank and cash balance. As at 30th June, 2017, the Group’s cash-on-hand and bank balances amounted to approximately HK\$219,071,000 (as at 31st December, 2016: approximately HK\$285,020,000) and the Group had no bank loan outstanding (as at 31st December, 2016: nil). The Group’s net current assets and current liabilities are approximately HK\$315,909,000 (as at 31st December, 2016: approximately HK\$316,184,000) and approximately HK\$39,582,000 (as at 31st December, 2016: approximately HK\$250,265,000) respectively as at 30th June, 2017.

蒙古項目方面，本集團會繼續與蒙古國政府商議合營公司的籌備事項。該項目較慢的進展沒有嚴重負面影響，因為天然鈾價格於回顧期內仍處於低位。本集團將計劃項目生產期配合天然鈾價格回升，為項目取得最好回報。

憑藉中國核工業集團公司(「中核集團」)(本集團之最終控股公司)於核能領域之優勢，本集團將積極尋求機會擴大業務領域，開展多元化經營，開發有合理回報的投資項目。短期內，本集團可能擴大其貿易活動至非天然鈾產品貿易，為股東增加回報。

人力資源管理

於二零一七年六月三十日，本集團僱用12名全職員工。本集團之薪酬方案乃參考個別員工之經驗、資歷及表現而定。本集團亦確保全體員工獲提供足夠培訓以及符合個別需要之持續專業機會。

流動資金及財務資源

於回顧期內，本集團錄得現金流出淨額約為港幣66,676,000元(二零一六年同期：約港幣29,650,000元)，主要是支付存貨款項。本集團之財務狀況維持穩健，沒有帶息負債。本集團於二零一七年六月三十日資產負債比率(按負債總額相對資產總值計算)為0.07(二零一六年十二月三十一日：0.32)。

本集團之營運資金一般以銀行結餘及現金撥付。於二零一七年六月三十日，本集團之手頭現金及銀行結餘約為港幣219,071,000元(二零一六年十二月三十一日：約港幣285,020,000元)，沒有任何銀行貸款(二零一六年十二月三十一日：無)。於二零一七年六月三十日，本集團之流動資產淨值及流動負債額分別為約港幣315,909,000元(二零一六年十二月三十一日：約港幣316,184,000元)及約港幣39,582,000元(二零一六年十二月三十一日：約港幣250,265,000元)。

Total shareholders' funds increased from approximately HK\$541,883,000 as at 31st December, 2016 to approximately HK\$542,706,000 as at 30th June, 2017, as a result of the increase of translation reserve during the Period.

ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

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

EXPOSURE TO FOREIGN EXCHANGE RISK

The Group's income, cost of sales, administrative expenses, investment and borrowings are mainly denominated in USD, HKD, Mongolian Tugrik and RMB. Fluctuations of the exchange rates of Mongolian Tugrik and RMB could affect the operating costs of the Group. Currencies other than Mongolian Tugrik and RMB were relatively stable during the Period. The Group currently does not have a foreign currency hedging policy. However, management will continue to monitor foreign exchange exposure and will take prudence measure to minimise the currency translation risk. The Group will consider hedging significant foreign currency exposure should the need arise.

CAPITAL STRUCTURE

There has been no significant change in the capital structure of the Group since 31st December, 2016.

CHARGE ON ASSETS

Apart from the 37.2% of the share capital in Somina held by a wholly owned subsidiary of the Company, Ideal Mining Limited, pledged to a bank for banking facilities granted to Somina, there was no charge on the Group's assets during the Period (2016 Period: apart from the shares in Somina, nil).

INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the Period (2016 Period: nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

本公司權益持有人總金額由二零一六年十二月三十一日之約港幣541,883,000元增至二零一七年六月三十日之約港幣542,706,000元，主要匯兌儲備增加所致。

收購及出售附屬公司及聯營公司

於回顧期內，本集團並無收購或出售重大附屬公司及聯營公司。

外匯風險承擔

本集團之收入、銷售成本開支、行政開支、投資及借貸主要以美元、港幣、蒙古圖格裡克及人民幣計值。蒙古圖格裡克及人民幣兌匯率波動對本集團經營成本可構成影響。蒙古圖格裡克及人民幣以外之貨幣於回顧期內相對穩定。本集團現時並無外幣對沖政策。然而，管理層將繼續監察外匯風險，並採取審慎措施減低匯兌風險。本集團將於必要時考慮就重大外匯風險進行對沖。

資本結構

本集團之資本結構自二零一六年十二月三十一日以來並無重大變動。

資產抵押

除了抵押予銀行以取得授予Somina公司之銀行信貸而由本公司之一間全資附屬公司(理想礦業有限公司)持有之Somina公司之37.2%股本外，於回顧期內，本集團並無抵押任何資產(二零一六年同期：除了Somina公司之股份，無)。

中期股息

董事局不建議就回顧期派發中期股息(二零一六年同期：無)。

購買、出售或贖回本公司上市證券

回顧期內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

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 Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the Period.

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 Appendix 10 Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) of the Listing Rules. The Company has received confirmation from all Directors 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 throughout the Period.

AUDIT COMMITTEE

An Audit Committee has been established by the Company for the purpose of reviewing and providing supervision on the financial reporting process and internal control of the Group. The Audit Committee comprises three Independent Non-executive Directors namely, Mr. Cheong Ying Chew Henry, Mr. Cui Ligu and Mr. Zhang Lei, and one Non-executive director namely Mr. Xu Shouyi. Mr. Cheong Ying Chew Henry is the Chairman of the Audit Committee. The Group’s interim results for the Period and the accounting principles and practices adopted by the Group 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 Directors of the Company. The Remuneration Committee comprises three Independent Non-executive Directors namely Mr. Cheong Ying Chew Henry, Mr. Cui Ligu and Mr. Zhang Lei, one Executive Director namely Mr. Xie Jiajie and one Non-executive Director namely Mr. Xu Shouyi. Mr. Cui Ligu is the Chairman of the Remuneration Committee.

企業管治常規守則

本公司於回顧期內一直遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄14所載企業管治常規守則(「企業管治守則」)所訂守則條文。

董事進行證券交易的標準守則

本公司已就董事進行證券交易採納一套不寬鬆於上市規則附錄10所載上市公司董事進行證券交易的標準守則(「標準守則」)所規定標準的操守準則。向全體董事作出明確查詢後，全體董事確認於回顧期內已遵守標準守則及本公司就董事進行證券交易所採納的操守準則所載之標準規定。

審核委員會

本公司已成立審核委員會，負責審閱及監管本集團的財務報告程序及內部監控。審核委員會由三名獨立非執行董事張英潮先生、崔利國先生及張雷先生及一名非執行董事徐守義先生組成。張英潮先生為審核委員會主席。本集團於回顧期的中期報告連同會計準則及處理方法已經過審核委員會審閱。

薪酬委員會

本公司已根據企業管治守則的規定成立薪酬委員會，以釐定本公司董事酬金。薪酬委員會由三名獨立非執行董事張英潮先生、崔利國先生及張雷先生、一名執行董事謝嘉杰先生以及一名非執行董事徐守義先生組成。崔利國先生為薪酬委員會主席。

NOMINATION COMMITTEE

In accordance with the requirements of the CG Code, a Nomination Committee has been established by the Company to review the structure of the Board and identify individuals suitably qualified to become Board Members. The Nomination Committee comprises three Independent Non-executive Directors namely Mr. Cheong Ying Chew Henry, Mr. Cui Liguu and Mr. Zhang Lei, one Executive Director namely Mr. Xie Jijie and one Non-executive Director namely Mr. Yang Chaodong. Mr. Yang Chaodong is the Chairman of the Nomination Committee.

APPRECIATION

The Board 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
Chairman
Yang Chaodong

Hong Kong, 17th August, 2017

提名委員會

本公司已根據企業管治守則的規定成立提名委員會，以檢討董事局架構，並物色合資格人士成為董事局成員。提名委員會由三名獨立非執行董事張英潮先生、崔利國先生及張雷先生、一名執行董事謝嘉杰先生及一名非執行董事楊朝東先生組成。楊朝東先生為提名委員會主席。

致謝

董事局謹藉此機會向股東、管理人員及全體員工之不懈努力及鼎力支持表示謝意。

代表董事局
CNNC International Limited
中核國際有限公司
主席
楊朝東

香港，二零一七年八月十七日

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益表及其他全面收益表

For the six months ended 30th June, 2017 截至二零一七年六月三十日止六個月

		Six months ended 30th June, 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 港幣千元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 港幣千元 (unaudited) (未經審核)
	NOTES 附註		
Revenue	收入	3	80,391
Cost of sales	銷售成本		(75,603)
Gross profit (loss)	毛利(損)		4,788
Other income, gains and losses	其他收入、收益及虧損		1,517
Selling and distribution expenses	銷售及分銷開支		(380)
Administrative expenses	行政開支		(6,609)
Loss for the period attributable to owners of the Company	本公司擁有人應佔期內虧損	5	(684)
Other comprehensive income that will not be reclassified subsequently to profit or loss	其他全面收入隨後將不會重新分類至損益的項目		
Exchange differences arising on translation to presentation currency	換算為呈列貨幣產生之匯兌差額		1,507
Total comprehensive income (expense) for the period, attributable to owners of the Company	本公司擁有人應佔期內全面收入(開支)總額		823
Basic loss per share	每股基本虧損	7	(HK0.14 cent) (0.14港仙)
			(HK2.66 cents) (2.66港仙)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30th June, 2017 於二零一七年六月三十日

		NOTES 附註	30th June, 2017 二零一七年 六月三十日 HK\$'000 港幣千元 (unaudited) (未經審核)	31st December, 2016 二零一六年 十二月三十一日 HK\$'000 港幣千元 (audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備		16,182	17,781
Exploration and evaluation assets	勘探及評估資產	8	210,615	207,918
			226,797	225,699
Current assets	流動資產			
Inventories	存貨		131,768	108,500
Trade and other receivables and prepayments	應收貿易款項及其他應收款項以及預付款項	9	4,652	172,929
Bank balances and cash	銀行結餘及現金		219,071	285,020
			355,491	566,449
Current liabilities	流動負債			
Trade and other payables and accruals	應付貿易款項及其他應付款項以及應計欠款	10	14,865	226,175
Amount due to an intermediate holding company	應付一間中介控股公司款項	11	1,814	1,801
Amount due to ultimate holding company	應付最終控股公司款項	11	3,543	2,407
Amounts due to fellow subsidiaries	應付同母系附屬公司款項	11	—	522
Income tax payable	應付所得稅		19,360	19,360
			39,582	250,265
Net current assets	流動資產淨值		315,909	316,184
Net assets	資產淨值		542,706	541,883
Capital and reserves	股本及儲備			
Share capital	股本	12	4,892	4,892
Reserves	儲備		537,814	536,991
Equity attributable to owners of the Company	本公司擁有人應佔權益		542,706	541,883

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合資本變動表

For the six months ended 30th June, 2017 截至二零一七年六月三十日止六個月

		Share capital	Share premium	Capital reserve	Non- distributable reserve	Merger reserve	Translation reserve	Accumulated losses	Total
		股本	股份溢價	資本儲備	不可分派儲備	合併儲備	匯兌儲備	累計虧損	合共
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1st January, 2016 (audited)	於二零一六年一月一日 (經審核)	4,892	868,805	80,827	16,584	127	8,299	(409,649)	569,885
Loss for the period	期內虧損	—	—	—	—	—	—	(12,993)	(12,993)
Exchange differences arising on translation	換算產生之匯兌差額	—	—	—	—	—	190	—	190
Total comprehensive income (expense) for the period	期內全面收入(開支) 總額	—	—	—	—	—	190	(12,993)	(12,803)
At 30th June, 2016 (unaudited)	於二零一六年六月三十日 (未經審核)	4,892	868,805	80,827	16,584	127	8,489	(422,642)	557,082
At 1st January, 2017 (audited)	於二零一七年一月一日 (經審核)	4,892	868,805	80,827	16,584	127	8,489	(437,841)	541,883
Loss for the period	期內虧損	—	—	—	—	—	—	(684)	(684)
Exchange differences arising on translation	換算產生之匯兌差額	—	—	—	—	—	1,507	—	1,507
Total comprehensive income (expense) for the period	期內全面收入(開支) 總額	—	—	—	—	—	1,507	(684)	823
At 30th June, 2017 (unaudited)	於二零一七年六月三十日 (未經審核)	4,892	868,805	80,827	16,584	127	9,996	(438,525)	542,706

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30th June, 2017 截至二零一七年六月三十日止六個月

		Six months ended 30th June, 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 港幣千元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 港幣千元 (unaudited) (未經審核)
Net cash used in operating activities	用作經營業務之現金淨額	(67,396)	(30,365)
Investing activities	投資活動		
Interest received	已收利息	1,388	995
Additions of exploration and evaluation assets	添置勘探及評估資產	(1,244)	(1,104)
Purchase of property, plant and equipment	購買物業、廠房及設備	(38)	(194)
Net cash from (used in) investing activities	來自(用作)投資活動之現金淨額	106	(303)
Financing activities	融資活動		
(Repayment to) advance from fellow subsidiaries	(還款予)墊款自同母系附屬公司	(522)	2,491
Advance from (repayment to) ultimate holding company	墊款自(還款予)最終控股公司	1,136	(1,473)
Net cash from financing activities	來自融資活動之現金淨額	614	1,018
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(66,676)	(29,650)
Cash and cash equivalents at 1st January	一月一日之現金及現金等價物	285,020	348,778
Effect of foreign exchange rate changes	外匯匯率變動之影響	727	118
Cash and cash equivalents at 30th June	六月三十日之現金及現金等價物	219,071	319,246

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30th June, 2017 截至二零一七年六月三十日止六個月

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2017 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31st December, 2016.

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are mandatorily effective for the current interim period.

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements but the application may have impact on disclosures in the consolidated financial statements for the year ending 31st December, 2017.

1. 編製基準

簡明綜合財務報表已根據香港會計師公會（「香港會計師公會」）頒佈之香港會計準則第34號「中期財務報告」及香港聯合交易所有限公司證券上市規則附錄16之適用披露規定編製。

2. 主要會計政策

簡明綜合財務報表乃按歷史成本基準編製。

截至二零一七年六月三十日止六個月之簡明綜合財務報表所採用之會計政策及計算方法與編製本集團截至二零一六年十二月三十一日止年度之年度財務報表所採用者一致。

於本中期期間，本集團首次應用期間依法生效若干由香港會計師公會頒佈之新修改香港會計準則（「香港會計準則」）。

於本中期期間應用以上新修改之香港會計準則概無對該等簡明綜合財務報表所呈報之金額及／或所載之披露造成重大影響，但此應用可能對截至二零一七年十二月三十一日止年度綜合財務報表所載之披露有影響。

For the six months ended 30th June, 2017 截至二零一七年六月三十日止六個月

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

The following is an analysis for the Group's revenue and results regarding the reportable and operating segments for the current and prior periods:

Six months ended 30th June, 2017

		Trading of mineral property 經營礦產物業 HK\$'000 港幣千元 (unaudited) (未經審核)	Exploration and trading of mineral properties 勘探及經營礦產物業 HK\$'000 港幣千元 (unaudited) (未經審核)	Consolidated 綜合 HK\$'000 港幣千元 (unaudited) (未經審核)
Segment revenue	分部收入	80,391	—	80,391
Segment profit (loss)	分部利潤(虧損)	4,408	(4,024)	384
Unallocated other income and gains	未分配之其他收入及收益			1,388
Central administration costs	中央行政成本			(2,456)
Loss before taxation	除稅前虧損			(684)

3. 分部資料

就進行資源分配及分部表現評估而向主要營運決策人(即本集團執行董事)呈報之資料,主要集中在本集團之產品或服務運送或提供的類別。本集團現時將其業務分為兩個營運部門(即本集團用作財務報告目的之營運分部),分別為經營礦產物業以及勘探及經營礦產物業。該兩個分部為本集團所從事的兩大業務。根據香港財務報表準則第8號,本集團的營運及匯報分部如下:

- 經營礦產物業 — 買賣鈾
- 勘探及經營礦產物業 — 勘探及買賣鈾礦產物業

本集團本期間及過往期間關於匯報及營運分部收入及業績之分析如下:

截至二零一七年六月三十日止六個月

		Trading of mineral property 經營礦產物業 HK\$'000 港幣千元 (unaudited) (未經審核)	Exploration and trading of mineral properties 勘探及經營礦產物業 HK\$'000 港幣千元 (unaudited) (未經審核)	Consolidated 綜合 HK\$'000 港幣千元 (unaudited) (未經審核)
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Notes to the Condensed Consolidated Financial Statements (Continued)
 簡明綜合財務報表附註(續)

For the six months ended 30th June, 2017 截至二零一七年六月三十日止六個月

3. SEGMENT INFORMATION (continued)

Six months ended 30th June, 2016

3. 分部資料(續)

截至二零一六年六月三十日止六個月

		Trading of mineral property 經營 礦產物業 HK\$'000 港幣千元 (unaudited) (未經審核)	Exploration and trading of mineral properties 勘探及經營 礦產物業 HK\$'000 港幣千元 (unaudited) (未經審核)	Consolidated 綜合 HK\$'000 港幣千元 (unaudited) (未經審核)
Segment revenue	分部收入	22,942	—	22,942
Segment loss	分部虧損	(6,385)	(3,780)	(10,165)
Unallocated other income and gains	未分配之其他收入及 收益			995
Central administration costs	中央行政成本			(3,823)
Loss before taxation	除稅前虧損			(12,993)

Segment profit (loss) represents the profit earned or loss incurred by each segment without allocation of interest income and central administration costs.

分部利潤(虧損)指各分部產生之利潤或虧損，不包括利息收入及中央行政成本。

For the six months ended 30th June, 2017 截至二零一七年六月三十日止六個月

3. SEGMENT INFORMATION (continued)

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

3. 分部資料(續)

本集團資產及負債按匯報及經營分部劃分之分析如下：

		30th June, 2017 二零一七年 六月三十日 HK\$'000 港幣千元 (unaudited) (未經審核)	31st December, 2016 二零一六年 十二月三十一日 HK\$'000 港幣千元 (audited) (經審核)
ASSETS	資產		
Segment assets	分部資產		
— Trading of mineral property	— 經營礦產物業	131,768	274,987
— Exploration and trading of mineral properties	— 勘探及經營礦產物業	233,672	233,599
		365,440	508,586
Unallocated assets	未分配資產	216,848	283,562
Consolidated assets	綜合資產	582,288	792,148
LIABILITIES	負債		
Segment liabilities	分部負債		
— Trading of mineral property	— 經營礦產物業	3,762	213,118
— Exploration and trading of mineral properties	— 勘探及經營礦產物業	15,280	15,398
		19,042	228,516
Unallocated liabilities	未分配負債	20,540	21,749
Consolidated liabilities	綜合負債	39,582	250,265

For the purposes of monitoring segment performance and allocating resources:

- Segment assets include property, plant and equipment, exploration and evaluation assets, inventories, trade and other receivables and bank balances and cash which are directly attributable to the relevant reportable segment.
- Segment liabilities include trade and other payables and accruals and amounts due to an intermediate holding company, ultimate holding company and fellow subsidiaries which are directly attributable to the relevant reportable segment.

就監察分部表現及分配分部間資源而言：

- 分部資產包括相關匯報分部直接應佔之物業、廠房及設備、勘探及評估資產、存貨、應收貿易款項及其他應收款項及銀行結餘及現金。
- 分部負債包括相關匯報分部直接應佔之應付貿易款項及其他應付款項及應計欠款，以及應付一間中介控股公司、最終控股公司及同母系附屬公司款項。

For the six months ended 30th June, 2017 截至二零一七年六月三十日止六個月

4. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the assessable profits were wholly absorbed by tax losses brought forward.

4. 所得稅開支

香港利得稅按兩個期間之估計應課稅溢利以16.5%之稅率計算。由於應課稅溢利全數被年初帶入應課稅虧損抵銷，故於簡明綜合財務報表中無作出香港利得稅撥備。

5. LOSS FOR THE PERIOD

5. 期內虧損

Six months ended 30th June,
截至六月三十日止六個月

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Loss for the period has been arrived at after charging (crediting):	期內虧損經扣除(計入)下列項目:		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	995	1,114
Net exchange gains	匯兌收益淨額	(129)	(272)
Interest income from bank deposits	銀行利息收入	(1,388)	(995)

6. DIVIDENDS

No dividends were paid, declared or proposed during the current and prior periods. The directors have determined that no dividend will be paid in respect of the current interim period.

6. 股息

於本期間及過往期間沒有支付、宣派或建議派發股息。董事已決定不支付本中期期間的股息。

For the six months ended 30th June, 2017 截至二零一七年六月三十日止六個月

7. BASIC LOSS PER SHARE

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

		2017 二零一七年 HK\$'000 港幣千元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 港幣千元 (unaudited) (未經審核)
Loss for the period attributable to owners of the Company	本公司擁有人應佔期內虧損	(684)	(12,993)
Number of ordinary shares for the purposes of basic loss per share	每股基本虧損之普通股數目	489,168,308	489,168,308

8. EXPLORATION AND EVALUATION ASSETS

The Group's exploration and evaluation assets were mainly arising from the acquisition of Western Prospector Group Ltd. during the year ended 31st December, 2009.

On 15th August, 2009, the Mongolian's Law on Nuclear Energy and Mongolia's Law on Implementing Procedures of the Law on Nuclear Energy (collectively referred to as the "New Laws") came into force. Under the New Laws, the Mongolia Government has the right to take ownership without payment of either not less than 51% of the equity interest in the Group's Mongolian subsidiaries if the Mongolia Government's funding was used to determine the resource during exploration, or not less than 34% of the equity interest in the Mongolian subsidiaries if the Mongolia Government's funding was not used to determine the resource during exploration.

7. 每股基本虧損

本公司擁有人應佔每股基本虧損乃根據下列數據計算：

Six months ended 30th June,
截至六月三十日止六個月

	2017 二零一七年 HK\$'000 港幣千元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 港幣千元 (unaudited) (未經審核)
Loss for the period attributable to owners of the Company	(684)	(12,993)
Number of ordinary shares for the purposes of basic loss per share	489,168,308	489,168,308

8. 勘探及評估資產

本集團之勘探及評估資產主要由於截至二零零九年十二月三十一日止年度收購Western Prospector Group Ltd. 而產生。

於二零零九年八月十五日，蒙古有關核能法例實施程序之法例(統稱「新法例」)生效。根據新法例，蒙古政府有權取得不少於於本集團蒙古附屬公司股權之51%(倘於勘探過程中動用蒙古政府資金發掘資源)或不少於於蒙古附屬公司股權之34%(倘於勘探過程中並無動用蒙古政府資金發掘資源)之所有權，而毋須付款。

For the six months ended 30th June, 2017 截至二零一七年六月三十日止六個月

8. EXPLORATION AND EVALUATION ASSETS (continued)

The directors of the Company commenced negotiating with the relevant Mongolian authorities in respect of the implementation of various provisions under the New Laws during the year ended 31st December, 2010. Based on management's discussions with the relevant Mongolian authorities and the advice from its Mongolian legal advisers, the Group will have the right to apply for mining licenses to mine or extract the resources identified in the relevant areas covered by the exploration licenses. As at 30th June, 2017, included in the exploration and evaluation assets is an amount of approximately HK\$210,615,000 (31st December, 2016: HK\$207,918,000) of which the Group is currently in the progress of applying for mining licenses to mine or extract the resources identified in the relevant areas covered by these exploration licenses. In the opinion of directors, there is no legal obstacle for application of such mining licenses.

During the year ended 31st December, 2012, consensus has been reached between the Company and the relevant Mongolian authorities that a joint venture will be established for holding the mining licenses, which are currently under application, with the Mongolia Government holding 51% of the equity interest in the joint venture. Upon the completion of establishment of the joint venture, the Group's mining licenses together with the carrying amount of the Group's exploration and evaluation assets will be transferred to the joint venture by way of a shareholder loan. In addition, the Company has drafted the shareholders' agreement, joint venture agreement and memorandum and association of the joint venture and has commenced negotiation with the detailed terms of these documents with the relevant Mongolian authorities and a pre-mining cooperation agreement was signed on 26th June, 2012 to kick off the pre-mining activities.

8. 勘探及評估資產(續)

於截至二零一零年十二月三十一日止年度，本公司董事已與有關蒙古當局就實施新法例下多項條文展開商議。根據管理層與有關蒙古當局之討論及其蒙古法律顧問之意見，本集團將有權申請開採許可證，藉以開採或擷取於勘探許可證所涵蓋之相關地區內所識別之資源。於二零一七年六月三十日，勘探及評估資產包括約港幣210,615,000元(二零一六年十二月三十一日：港幣207,918,000元)指本集團現正申請開採許可證以開採或擷取該等勘探許可證所涵蓋之相關地區內所識別之資源。董事認為，申請該等開採許可證概無法律上之障礙。

截至二零一二年十二月三十一日止年度內，本公司與有關蒙古當局已就將會成立合營企業達成共識，以持有正在申請之開採許可證，而蒙古國將持有合營企業股權之51%。完成成立合營企業後，本集團之開採許可證連同本集團勘探及評估資產之賬面值將以股東貸款方式轉撥至合營企業。此外，本公司已草擬股東協議、合營企業協議以及合營企業組織章程大綱及章程，與有關蒙古當局就該等文件之詳細條款展開磋商，並於二零一二年六月二十六日簽訂採礦前期合作協議，以開展多項採礦前期活動。

For the six months ended 30th June, 2017 截至二零一七年六月三十日止六個月

8. EXPLORATION AND EVALUATION ASSETS (continued)

A notice was previously received in January 2014 from the relevant Mongolian authorities which mentioned that the joint venture would be expected to be established in 2014. However, the establishment has been postponed due to changes in government officials of relevant Mongolian authorities in 2014 and in June 2016. Further negotiations on the terms of the draft joint venture agreement has been carried out with the new government officials of relevant Mongolian authorities, and the finalisation of the joint venture agreement is anticipated to be completed in 2018. The Group's exploration and evaluation assets will then be transferred to the joint venture by way of a shareholder loan upon the completion of establishment of the joint venture.

The Company has continued the negotiation with the relevant Mongolian authorities and the directors are of the opinion that the recent changes will not result in significant impact on the consensus which has been reached previously. In addition, the management performed an impairment assessment of the exploration and evaluation assets, and the recoverable amount of the exploration and evaluation assets is estimated using fair value less costs of disposal taking into account the recent negotiation and consensus with the Mongolian authorities, regulatory requirements in Mongolia and the arrangement for the Group's mining licenses. The management considers that no impairment is required in respect of the exploration and evaluation assets as at 30th June, 2017.

8. 勘探及評估資產(續)

本集團先前於二零一四年一月接獲有關蒙古當局發出之通知，當中提及合營企業預期將於二零一四年成立。然而，因有關蒙古當局之政府官員於二零一四年及二零一六年六月出現調動，有關成立事宜因而順延。草擬合營企業協議之條款將會進一步與有關蒙古當局之新政府官員磋商，期待於二零一八年完成合營企業協議。本集團勘探及評估資產之賬面值將於完成成立合營企業後以股東貸款方式轉撥至合營企業。

本公司已繼續與有關蒙古當局磋商，而董事認為近期之調動將不會對先前達成之共識造成重大影響。此外，管理層對勘探及評估資產進行了減值評估，而估計勘探及評估資產可收回金額是使用公平值減出售成本，並考慮近期與蒙古當局之商議及共識、蒙古的法例要求及本集團開採許可證之安排。管理層認為於二零一七年六月三十日，勘探及評估資產沒有計提減值必要。

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9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The Group allows a credit period of 30 days to its trade customers. The following is an aged analysis of trade receivables presented based on the invoice date, which approximated the revenue recognition date at the end of the reporting period:

	30th June, 2017 二零一七年 六月三十日 HK\$'000 港幣千元 (unaudited) (未經審核)	31st December, 2016 二零一六年 十二月三十一日 HK\$'000 港幣千元 (audited) (經審核)
0 to 30 days	0至30日	— 166,487

9. 應收貿易款項及其他應收款項以及預付款項

本集團給予其貿易客戶30日的信貸期。於報告期終根據發票日期為基準呈列之應收貿易賬款賬齡分析如下：

10. TRADE AND OTHER PAYABLES AND ACCRUALS

As at 30th June, 2017, no trade payable is included in trade and other payables and accruals (31st December, 2016: HK\$210,190,000). The age of the amount at 31st December, 2016 was within 30 days at the end of the reporting period.

10. 應付貿易款項及其他應付款項以及應計欠款

於二零一七年六月三十日，沒有應付貿易賬款包括於應付貿易賬款及其他應付款項及應計欠款(二零一六年十二月三十一日：港幣210,190,000元)，於二零一六年十二月三十一日，該筆貿易賬款之賬齡為30日之內。

For the six months ended 30th June, 2017 截至二零一七年六月三十日止六個月

11. AMOUNTS DUE TO AN INTERMEDIATE HOLDING COMPANY/ULTIMATE HOLDING COMPANY/FELLOW SUBSIDIARIES

The amounts due to an intermediate holding company, ultimate holding company and fellow subsidiaries are unsecured, interest-free and repayable on demand.

12. SHARE CAPITAL**11. 應付一間中介控股公司／最終控股公司／同母系附屬公司款項**

應付一間中介控股公司、最終控股公司及同母系附屬公司款項為無抵押、免息及按要求償還。

12. 股本

		Number of ordinary shares 普通股數目	Amount 金額 HK\$'000 港幣千元
Ordinary shares of HK\$0.01 each	每股面值港幣0.01元之普通股		
Authorised:	法定：		
At 1st January, 2016,	於二零一六一月一日、		
31st December, 2016 and	二零一六十二月三十一日及		
30th June, 2017	二零一七年六月三十日	1,000,000,000	10,000
Issued and fully paid:	已發行及繳足：		
At 1st January, 2016,	於二零一六一月一日、		
31st December, 2016 and	二零一六十二月三十一日及		
30th June, 2017	二零一七年六月三十日	489,168,308	4,892

For the six months ended 30th June, 2017 截至二零一七年六月三十日止六個月

13. RELATED PARTY TRANSACTIONS

Apart from the related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following significant related party transaction during the period.

(i) Remuneration of directors and other members of key management

The remuneration of directors and other members of key management during the period was as follows:

		Six months ended 30th June, 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 港幣千元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 港幣千元 (unaudited) (未經審核)
Short-term benefits	短期福利	1,399	1,268
Post-employment benefits	退休後福利	9	9
		1,408	1,277

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

13. 關連方交易

除於簡明綜合財務報表其他部分所披露之關連方交易及結餘外，本集團於期內有以下重大關連方交易。

(i) 董事及其他主要管理層成員之酬金

期內董事及其他主要管理層成員之酬金如下：

		Six months ended 30th June, 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 港幣千元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 港幣千元 (unaudited) (未經審核)
Short-term benefits	短期福利	1,399	1,268
Post-employment benefits	退休後福利	9	9
		1,408	1,277

董事及主要行政人員之酬金乃由薪酬委員會經計及個人表現及市場趨勢後釐定。

For the six months ended 30th June, 2017 截至二零一七年六月三十日止六個月

13. RELATED PARTY TRANSACTIONS (continued)

(ii) Transactions and balances with PRC government-related entities in the PRC

The Group operates in an economic environment currently pre-dominated by entities controlled, jointly controlled or significantly influenced by the PRC government.

In addition, the Group itself is part of a larger group of companies under CNNC which is controlled by the PRC government. The balances are disclosed in the condensed consolidated statement of financial position in page 10.

The Group has also entered into various transactions, including deposits placements of approximately HK\$216,480,000 at 30th June, 2017 (31st December, 2016: approximately HK\$284,326,000) with certain banks and financial institutions which are PRC government-related entities in its ordinary course of business. The directors of the Company are of the opinion that except as disclosed above, transactions with other PRC government related entities are not significant to the Group's operations.

(iii) During the six months ended 30th June, 2017, the Group paid rental expenses of HK\$632,625 (six months ended 30th June, 2016: HK\$923,003) to fellow subsidiaries of the Company, which are subsidiaries of CNNC, for its office in Beijing, the PRC.

13. 關連方交易(續)

(ii) 於中國與中國政府相關實體之交易及結餘

本集團之營商環境現時由中國政府所控制、共同控制或對其有重大影響力之實體主導。

此外，本集團本身為中核集團旗下眾多公司成員之一，而中核集團受中國政府控制。有關結餘披露於第10頁簡明綜合財務狀況表。

本集團亦於一般業務過程中與若干屬中國政府相關實體之銀行及金融機構訂立多項交易，包括於二零一七年六月三十日存置存款約港幣216,480,000元(二零一六年六月三十日：約港幣284,326,000元)。本公司董事認為，除上文披露外，與其他中國政府相關實體之交易對本集團營運並不重要。

(iii) 截至二零一七年六月三十日止六個月，本集團就其位於中國之辦事處向本公司同母系附屬公司，亦是中核集團之附屬公司支付租金開支港幣632,625元(截至二零一六年六月三十日止六個月：港幣923,003元)。

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