



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 2018
二零一八年中期報告

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CORPORATE INFORMATION

公司資料

CNNC INTERNATIONAL LIMITED

(the “Company” together with its subsidiaries is referred to as the “Group”)
(Incorporated in the Cayman Islands with limited liability)

BOARD OF DIRECTORS

Chairman and Non-Executive Director

Yang Chaodong

Executive Director

Bai Donghai

Non-Executive Director

Li Zhihuang

Independent Non-Executive Directors

Cheong Ying Chew Henry

Cui Ligu

Zhang Lei

AUDIT COMMITTEE

Cheong Ying Chew Henry (*Chairman*)

Li Zhihuang

Cui Ligu

Zhang Lei

REMUNERATION COMMITTEE

Cui Ligu (*Chairman*)

Bai Donghai

Li Zhihuang

Cheong Ying Chew Henry

Zhang Lei

NOMINATION COMMITTEE

Yang Chaodong (*Chairman*)

Bai Donghai

Cheong Ying Chew Henry

Cui Ligu

Zhang Lei

COMPANY SECRETARY

Li Philip Sau Yan

中核國際有限公司

(「本公司」及其附屬公司統稱「本集團」)

(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

白東海

非執行董事

李志煌

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*)

李志煌

崔利國

張雷

薪酬委員會

崔利國 (*主席*)

白東海

李志煌

張英潮

張雷

提名委員會

楊朝東 (*主席*)

白東海

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, 2018 (the “Period”), the Group has recorded revenue from trading of natural uranium and supply chain business of approximately HK\$717,899,000 (2017 Period: approximately HK\$80,391,000), a substantial increase of approximately 793% over the corresponding period last year. The significant increase in revenue is due to the significant increase in revenue generated from the business of trading of natural uranium and electronics products (which are covered under the supply chain segment). During the Period, a net profit of approximately HK\$5,246,000 was recorded as compared to a net loss of approximately HK\$684,000 recorded in the corresponding period last year. The aforesaid turnaround from loss to profit is primarily due to the write-back of a tax provision in the People’s Republic of China which were provided in previous years.

MARKET AND BUSINESS OVERVIEW

During the Period, in addition to its investment in uranium resources and its trading business in uranium products, the Group has also commenced the business of trading in electronics products, including but not limited to trading of liquid crystal displays, flash drives, memory cards etc. In view of the significant revenue generated from the business of trading in electronics products of the Group, which was commenced at the beginning of 2018, the Group has set up a new business segment, namely the “Supply Chain” segment, in addition to its “Trading of Mineral Property” and “Exploration and Trading of Mineral Properties” segments, and intends to diversify its trading activities to other products, such as metal raw materials, electrical appliances, etc. The Supply Chain segment covers the Group’s business of trading in electronic products and other products, through its participation in supply chain management.

OPERATIONS

During the Period, the Group recorded a “Revenue” and “Cost of sales” of approximately HK\$717,899,000 (2017 Period: approximately HK\$80,391,000) and approximately HK\$711,694,000 (2017 Period: approximately HK\$75,603,000) respectively, a substantial increase of approximately 793% and approximately 841% respectively, which resulted in a “Gross profit” of approximately HK\$6,205,000 (2017 Period: approximately HK\$4,788,000), an increase of approximately 29.6% over the corresponding period last year. The significant increase in revenue and gross profit is due to the significant increase in revenue generated from the business of trading of natural uranium and electronics products (which are covered under the supply chain segment).

業績

於截至二零一八年六月三十日止六個月（「回顧期」），本集團錄得天然鈾及供應鏈貿易業務收入約港幣717,899,000元（二零一七年同期：港幣80,391,000元）相比二零一七年同期收入大幅增長，大幅上升約793%。收入大幅增長由於天然鈾貿易及電子產品貿易（包含在供應鏈分部）收入大幅增長所致。回顧期內錄得淨利潤約港幣5,246,000元，相比二零一七年同期錄得虧損約港幣684,000元。轉虧為盈主要原因是於前年度中國稅務撥備之回撥。

市場及業務回顧

於回顧期內本集團，除天然鈾資源投資及天然鈾產品貿易外，本集團亦開展電子產品貿易，包括但不限於液晶顯示器、驅動器及記憶卡貿易等。鑒於本集團於二零一八年年初開展電子產品貿易業務產生重大收益，除「經營礦產物業」和「勘探及經營礦產物業」分部外，本集團亦成立新業務分部，即「供應鏈」分部，意向擴大其他產品經營範圍，如金屬原材料，電器等。供應鏈分部通過參與供應鏈管理，涵蓋本集團電子產品及其他產品貿易業務。

經營業務

於回顧期內，本集團錄得「收入」及「銷售成本」分別為約港幣717,899,000元（二零一七年同期：約港幣80,391,000元）及約港幣711,694,000元（二零一七年同期：約港幣75,603,000元），比去年同期大幅上升分別為約793%及約841%，產生「毛利」約港幣6,205,000元（二零一七年同期：約港幣4,788,000元），比去年同期上升約29.6%。收入及毛利大幅增長由於天然鈾貿易及電子產品貿易（包含在供應鏈分部）收入大幅增長所致。

During the Period, "Other income, gains and losses" of approximately HK\$1,910,000 (2017 Period: approximately HK\$1,517,000) were mainly from interest income, an increase of approximately 25.9% over last year due to the increase of deposit interest rate.

As the Revenue has increased substantially during the Period, the "Selling and distributing expenses" has also increased to approximately HK\$1,224,000 (2017 Period: approximately HK\$380,000), an increase of approximately 222% over last year. Despite of the substantial increase in "Revenue", the "Administrative expenses" which amounted to approximately HK\$6,623,000 (2017 Period: approximately HK\$6,609,000) was similar to that of last year, an increase of approximately 0.2%. 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 (2017 Period: nil). The Group is currently free of any interest bearing debt. After review of the Group tax position, the Group has written back a tax provision in the People's Republic of China which were provided in previous years of approximately HK\$4,978,000 (2017 Period: nil).

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

Summing up the combined effects of the foregoing, profit for the Period was approximately HK\$5,246,000 (2017 Period: loss of approximately HK\$684,000). After taking into account of the other comprehensive income approximately HK\$648,000 (2017 Period: approximately HK\$1,507,000) relating to exchange differences arising on translation to presentation currency, the total comprehensive income for the Period was approximately HK\$5,894,000 (2017 Period: approximately HK\$823,000).

FUTURE STRATEGIES AND PROSPECTS

During the Period the Group has recorded a significant increase in revenue, the Group will continue to develop its natural uranium trading and supply chain management business, and will be proactive in expanding and diversifying its trading activities, including trading in other products with a view to increase returns for the Group. The Group expects the supply chain segment will be a major source of income of the Group in 2018.

於回顧期內，「其他收入、收益及虧損」約港幣1,910,000元(二零一七年同期：約港幣1,517,000元)，主要來源於利息收入，由於存款利率增加比去年同期上升約25.9%。

於回顧期內，由於收入大幅增加，「銷售及分銷開支」亦同時增加至約港幣1,224,000元(二零一七年同期：約港幣380,000元)，比去年同期上升約222%。「行政開支」約港幣6,623,000元(二零一七年同期：約港幣6,609,000元)與上年同期相約，增加約0.2%。縱使回顧期內收入大幅增長，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(二零一七年同期：無)。本集團目前並無任何帶息債務。經檢討，本集團回撥前年度中國稅務撥備而產生的稅項抵免約港幣4,978,000元(二零一七年同期：無)。

期內全面收入

綜合以上各項原因，回顧期內稅後盈利約港幣5,246,000元(二零一七年同期：虧損約港幣684,000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648,000元(二零一七年同期：約港幣1,507,000元)後，期內全面收入約港幣5,894,000元(二零一七年同期：約港幣823,000元)。

未來策略及展望

於回顧期本集團貿易業務收入錄得大幅增長，本集團會繼續發展天然鈾及供應鏈貿易業務，積極尋求機會擴大及多元化業務活動領域，包括擴大供應鏈貿易活動至其他高回報產品。預期二零一八年，供應鏈分部將成為本集團重要收入來源。

As mentioned in the announcement, dated 12th March, 2018, of the Company (“Announcement”), the Group has plans to invest in CNNC Financial Leasing Company Limited (“CNNC Leasing”). Total consideration will be approximately RMB373,190,000. Upon completion, the Group will hold, in aggregate, not more than 18.51% of the registered capital in CNNC Leasing. By leveraging on the market expertise and size of the shareholders of CNNC Leasing including China National Nuclear Corporation (“CNNC”), the ultimate holding company of the Company, a market leader in the nuclear energy market, the management believes that CNNC Leasing could be able to develop into a promising business and generate satisfactory returns to its shareholders. Completion of the investment is subject to, among other things, approval of the independent shareholders of the Company. For further details, please refer to the Announcement.

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 aims to expand and diversify its business by leveraging on the strengths of CNNC, in the field of nuclear energy, to develop project with reasonable returns for the Group and continues to explore other possible investment opportunities.

HUMAN RESOURCES MANAGEMENT

As at 30th June, 2018, the Group employed 13 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\$163,331,000 (2017 Period: approximately HK\$66,676,000) during the Period, which was mainly due to the payment of inventories for electronics products. 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 0.16 as at 30th June, 2018 (as at 31st December, 2017: approximately 0.25).

誠如本公司於二零一八年三月十二日刊發之公告(「公告」)·本集團計畫出資中核融資租賃有限公司(「中核租賃」)·總代價約人民幣373,190,000元·完成交易後·本集團共持有的中核租賃註冊資本將不超過18.51%·管理層認為中核租賃的股東(包括中國核工業集團有限公司(「中核集團」)(本集團之最終控股公司)·其為核能市場的市場領導者)的市場專業知識及規模·其能夠發展為前景看好的業務·及為其股東帶來理想回報·完成投資包括取決於本公司獨立股東之批准·詳情請參閱公告·

本集團會繼續與蒙古國政府商議合營公司的籌備事項·項目較慢的進展沒有嚴重負面影響·因為天然鈾價格於本年度仍處於低位·本集團將計畫專案生產期配合天然鈾價格回升·

憑藉中核集團於核能領域之優勢·本集團將重點專注擴大及多元化發展業務·開發有合理回報的專案·及繼續探討其他投資機會·

人力資源管理

於二零一八年六月三十日·本集團僱用約13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·公司將進一步充實專業人員·理順工作機制·確保公司業務發展與員工成長·

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163,331,000元(二零一七年同期:約港幣66,676,000元)·主要是支付電子產品存貨款項·本集團之財務狀況維持穩健·沒有帶息負債·本集團於二零一八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0.16(二零一七年十二月三十一日:0.25)·

The working capital of the Group was generally financed by bank and cash balance. As at 30th June, 2018 due to the increase of inventories and the reduction of trade payables amount, the Group's bank balances and cash have reduced to approximately HK\$84,451,000 (as at 31st December, 2017: approximately HK\$247,743,000) and the Group had no bank loan outstanding (as at 31st December, 2017: nil). At 30th June 2018, the Group's net current assets and current liabilities are approximately HK\$324,704,000 (as at 31st December, 2017: approximately HK\$319,282,000) and approximately HK\$108,992,000 (as at 31st December, 2017: approximately HK\$182,684,000) respectively.

Total shareholders' funds increased from approximately HK\$545,706,000 as at 31st December, 2017 to approximately HK\$551,600,000 as at 30th June, 2018, as a result of the increase of total comprehensive income during the Period.

ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Apart from the plans to invest in CNNC Leasing as mentioned in the Announcement of the Company, 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, 2017.

本集團之營運資金一般以銀行結餘及現金撥付。於二零一八年六月三十日，由於增加存貨及應付貿易款項減少，本集團之銀行結餘及現金約為港幣84,451,000元(二零一七年十二月三十一日：約港幣247,743,000元)，本集團並沒有任何銀行貸款(二零一七年十二月三十一日：無)。於二零一八年六月三十日，本集團之流動資產淨值及流動負債額分別為約港幣324,704,000元(二零一七年十二月三十一日：約港幣319,282,000元)及約港幣108,992,000元(二零一七年十二月三十一日：約港幣182,684,000元)。

本公司權益持有人總金額由二零一七年十二月三十一日之約港幣545,706,000元增至二零一八年六月三十日之約港幣551,600,000元，主要是期內全面收入增加所致。

收購及出售附屬公司及聯營公司

截至二零一八年六月三十日止六個月，除已於二零一八年三月十二日刊發出資中核融資租賃有限公司的公告外，本集團並無任何重大收購或出售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二零一七年十二月三十一日以來並無重大變動。

CHARGE ON ASSETS

Apart from the 37.2% of the share capital in Société des Mines d’Azelik S.A. (“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 (2017 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 (2017 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.

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.

資產抵押

除了抵押予銀行以取得授予Société des Mines d’Azelik S.A. (「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(二零一七年同期：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(二零一七年同期：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。

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。

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 Liguu and Mr. Zhang Lei, and one Non-executive director namely Mr. Li Zhihuang. 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 Liguu and Mr. Zhang Lei, one Executive Director namely Mr. Bai Donghai and one Non-executive Director namely Mr. Li Zhihuang. Mr. Cui Liguu is the Chairman of the Remuneration Committee.

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. Bai Donghai 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, 22nd August, 2018

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李志煌先生組成。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、一名執行董事白東海先生以及一名非執行董事李志煌先生組成。崔利國先生為薪酬委員會主席。

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、一名執行董事白東海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，二零一八年八月二十二日

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, 2018 截至二零一八年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		30.6.2018 二零一八年 HK\$'000 港幣千元 (unaudited) (未經審核)	30.6.2017 二零一七年 HK\$'000 港幣千元 (unaudited) (未經審核)
	NOTES 附註		
Revenue	3	717,899	80,391
Cost of sales		(711,694)	(75,603)
Gross profit		6,205	4,788
Other income, gains and losses		1,910	1,517
Selling and distribution expenses		(1,224)	(380)
Administrative expenses		(6,623)	(6,609)
Profit (loss) before taxation		268	(684)
Income tax credit	4	4,978	—
Profit (loss) for the period attributable to owners of the Company	5	5,246	(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	648	1,507
Total comprehensive income for the period, attributable to owners of the Company	本公司擁有人應佔期內全面收入總額	5,894	823
Basic earnings (loss) per share	7	HK1.07 cents 1.07港仙	(HK0.14 cent) (0.14港仙)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30th June, 2018 於二零一八年六月三十日

		NOTES 附註	30.6.2018 二零一八年 六月三十日 HK\$'000 港幣千元 (unaudited) (未經審核)	31.12.2017 二零一七年 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		15,394	15,715
Exploration and evaluation assets	勘探及評估資產	8	211,502	210,709
			226,896	226,424
Current assets	流動資產			
Inventories	存貨		332,107	179,670
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	17,138	74,553
Bank balances and cash	銀行結餘及現金		84,451	247,743
			433,696	501,966
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	16,038	158,622
Contract liabilities	合約負債		74,417	—
Amount due to an intermediate holding company	應付一間中介控股公司款項	11	1,914	1,907
Amount due to ultimate holding company	應付最終控股公司款項	11	2,124	2,678
Amounts due to fellow subsidiaries	應付同母系附屬公司款項	11	117	117
Income tax payable	應付所得稅		14,382	19,360
			108,992	182,684
Net current assets	流動資產淨值		324,704	319,282
Net assets	資產淨值		551,600	545,706
Capital and reserves	股本及儲備			
Share capital	股本	12	4,892	4,892
Reserves	儲備		546,708	540,814
Equity attributable to owners of the Company	本公司擁有人應佔權益		551,600	545,706

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合資本變動表

For the six months ended 30th June, 2018 截至二零一八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, 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
At 1st January, 2018 (audited)	於二零一八年一月一日 (經審核)	4,892	868,805	80,827	16,584	127	12,055	(437,584)	545,706
Profit for the period	期內溢利	—	—	—	—	—	—	5,246	5,246
Exchange differences arising on translation	換算產生之匯兌差額	—	—	—	—	—	648	—	648
Total comprehensive income for the period	期內全面收入總額	—	—	—	—	—	648	5,246	5,894
At 30th June, 2018 (unaudited)	於二零一八年六月三十日 (未經審核)	4,892	868,805	80,827	16,584	127	12,703	(432,338)	551,600

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30th June, 2018 截至二零一八年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		30.6.2018 二零一八年 HK\$'000 港幣千元 (unaudited) (未經審核)	30.6.2017 二零一七年 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	(164,112)	(67,396)
Investing activities	投資活動		
Interest received	已收利息	1,562	1,388
Additions of exploration and evaluation assets	添置勘探及評估資產	—	(1,244)
Purchase of property, plant and equipment	購買物業、廠房及設備	(217)	(38)
Net cash from investing activities	來自投資活動之現金淨額	1,345	106
Financing activities	融資活動		
Repayment to fellow subsidiaries	還款予同母系附屬公司	—	(522)
(Repayment to) advance from ultimate holding company	(還款予)墊款自最終控股公司	(564)	1,136
Net cash (used in) from financing activities	(用作)來自融資活動之現金淨額	(564)	614
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(163,331)	(66,676)
Cash and cash equivalents at 1st January	一月一日之現金及現金等價物	247,743	285,020
Effect of foreign exchange rate changes	外匯匯率變動之影響	39	727
Cash and cash equivalents at 30th June	六月三十日之現金及現金等價物	84,451	219,071

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30th June, 2018 截至二零一八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.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2018 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31st December, 2017.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1st January, 2018 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

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。

除應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)導致會計政策變動外，截至二零一八年六月三十日止六個月之簡明綜合財務報表所採用的會計政策及計算方法與編製本集團截至二零一七年十二月三十一日止年度的年度財務報表所採用者一致。

應用新訂及經修訂香港財務報告準則

於本中期期間，本集團就編製本集團簡明綜合財務報表首次應用以下由香港會計師公會頒佈於二零一八年一月一日或之後的年度期間強制生效的新訂及香港財務報告準則的修訂：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收入及相關修訂
香港(國際財務報告詮釋委員會)一 詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號之修訂	股份支付交易分類及計量
香港財務報告準則第4號之修訂	與香港財務報告準則第4號「保險合約」一併應用香港財務報告準則第9號「金融工具」
香港會計準則第28號之修訂	香港財務報告準則的年度改進(二零一四年至二零一六年週期)之一部分
香港會計準則第40號之修訂	轉讓投資物業

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Application of new and amendments to HKFRSs (continued)

In addition, the Group has applied Amendments to HKFRS 9 “Prepayment Features with Negative Compensation” in advance of the effective date, i.e. 1st January, 2019.

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

Changes in accounting policies of application on HKFRS 15 “Revenue from Contracts with Customers”

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations.

The Group recognises revenue mainly from the following major sources:

- Trading of uranium, electronics and other products; and
- Exploration and trading of uranium.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1st January, 2018. Any difference at the date of initial application is recognised in the opening accumulated losses (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1st January, 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 and HKAS 11 and the related interpretations.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

此外，本集團已於香港財務報告準則第9號之修訂本「具有負補償之提前還款特點」生效日二零一九年一月一日前，提前應用該準則。

新訂及經修訂香港財務報告準則乃按照各相關準則及修訂之相關過渡條文應用，導致下文所述之會計政策、呈報金額及／或披露事項的變動。

應用香港財務報告準則第15號「客戶合約收益」的變動

於本中期期間，本集團首次應用香港財務報告準則第15號。香港財務報告準則第15號已取代香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。

本集團按以下主要來源確認收益：

- 買賣鈾，電子及其他產品；及
- 勘探及買賣鈾。

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則的累計影響於首次應用日期二零一八年一月一日確認。首次應用日期的任何差額於期初累計虧損確認及並無重列比較資料。此外，根據香港財務報告準則第15號的過渡條文，本集團已選擇僅將該準則追溯用於在二零一八年一月一日尚未完成的合約。由於比較資料乃根據香港會計準則第18號及香港會計準則第11號及有關詮釋而編製，故若干比較資料可能無法比較。

For the six months ended 30th June, 2018 截至二零一八年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Changes in accounting policies of application on HKFRS 15 "Revenue from Contracts with Customers" (continued)

Key changes in accounting policies resulting from application of HKFRS 15

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

2. 主要會計政策(續)

應用香港財務報告準則第15號「客戶合約收益」的變動(續)

應用香港財務報告準則第15號後的會計政策變動

根據香港財務報告準則第15號，本集團當(或於)達成履約責任時確認收入，即於特定履約責任相關的貨品或服務的「控制權」轉移予客戶時。

履約責任指可區分的單一貨品及服務(或組合貨品或服務)或大致相同的一系列可區分貨品或服務。

倘符合下列其中一項標準，按已完成相關履約責任的進度逐步轉移控制權及確認收入：

- 於本集團履約時客戶同時收取及耗用由本集團履約所帶來的利益；
- 本集團的履約導致創建及提升一項資產，該資產於本集團履約時即由客戶控制；或
- 本集團履約並無產生對本集團有替代用途的資產，且本集團可享有強制執行權，以收回至今已履約部分的款項。

否則，收入於客戶獲得可區分的貨品或服務的控制權時確認。

合約負債指本集團因已自客戶收取代價(或到期的代價金額)，而須向客戶轉移貨品或服務的責任。

For the six months ended 30th June, 2018 截至二零一八年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Changes in accounting policies of application on HKFRS 15 "Revenue from Contracts with Customers" (continued)

Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1st January, 2018. Line items that were not affected by the changes have not been included.

2. 主要會計政策 (續)

應用香港財務報告準則第15號「客戶合約收益」的變動(續)

首次應用香港財務報告準則第15號產生之影響摘要

於二零一八年一月一日簡明綜合財務狀況表中確認的金額予以下列調整。未列示未受變更影響的項目。

Carrying amounts previously reported at 31st December, 2017	Reclassification	Carrying amounts under HKFRS 15 at 1st January, 2018*
於二零一七年十二月三十一日已呈報的賬面值	重新分類	於二零一八年一月一日香港財務報告準則第15號項下的賬面值*
HK\$'000 港幣千元	HK\$'000 港幣千元 (note a) (附註a)	HK\$'000 港幣千元
158,622	(194)	158,428
—	194	194

Current liabilities

Trade and other payables and accruals
Contract liabilities

流動負債

應付貿易款項及其他應付款項
以及應計欠款
合約負債

* The amounts in this column are before the adjustments from the application of HKFRS 9.

Note:

(a) As at 1st January, 2018, receipt in advance of HK\$194,000 previously included in trade and other payables and accruals were reclassified to contract liabilities of HK\$194,000.

The following table summarises the impacts of applying HKFRS 15 on the Group's condensed consolidated statement of financial position as at 30th June, 2018 for each of the line items affected. Line items that were not affected by the changes have not been included.

* 此縱行之金額為調整應用香港財務報告準則第9號之前。

附註：

(a) 於二零一八年一月一日，港幣194,000元之預收款項由先前包含在應付貿易款項及其他應付款項以及應計欠款重新分類至合約負債。

下表概述應用香港財務報告準則第15號對本集團於二零一八年六月三十日簡明綜合財務狀況表就各條受影響的項目。未列示未受變更影響的項目。

For the six months ended 30th June, 2018 截至二零一八年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Changes in accounting policies of application on HKFRS 15 "Revenue from Contracts with Customers" (continued)

Summary of effects arising from initial application of HKFRS 15 (continued)

Impact on the condensed consolidated statement of financial position

2. 主要會計政策 (續)

應用香港財務報告準則第15號「客戶合約收益」的變動(續)

首次應用香港財務報告準則第15號產生之影響摘要(續)

簡明綜合財務狀況表之影響

		As reported	Adjustment	Amounts without application of HKFRS 15 無應用香港財務報告準則第15號之金額
		如呈報 HK\$'000 港幣千元	調整 HK\$'000 港幣千元	HK\$'000 港幣千元
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	16,038	74,417	90,455
Contract liabilities	合約負債	74,417	(74,417)	—

The application of HKFRS 15 has no significant impact on the timing and amounts of revenue in the current interim period and accumulated losses at 1st January, 2018.

應用香港財務報告準則第15號對收入之時間及金額於本中期期內及於二零一八年一月一日累計虧損並無重大影響。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Changes in accounting policies of application on HKFRS 9 “Financial Instruments”

In the current period, the Group has applied HKFRS 9 “Financial Instruments”, Amendments to HKFRS 9 “Prepayment Features with Negative Compensation” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and other items (for example, financial guarantee contracts) and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1st January, 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1st January, 2018. The difference between carrying amounts as at 31st December, 2017 and the carrying amounts as at 1st January, 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 “Financial Instruments: Recognition and Measurement”.

2. 主要會計政策(續)

應用香港財務報告準則第9號後的會計政策變動

於本期間，本集團已應用香港財務報告準則第9號「金融工具」，香港財務報告準則第9號之修訂本「具有負補償之提前還款特點」及其他相關香港財務報告準則相應之修訂。香港財務報告準則第9號引入有關(1)財務資產及財務負債之分類及計量，(2)財務資產及其他項目(如財務擔保合同)之預期信貸虧損，及(3)一般對沖會計法之新規定。

本集團已根據香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即就二零一八年一月一日(初步確認日期)尚未終止確認的工具追溯應用分類及計量的規定(包括減值)，且尚未應用於二零一八年一月一日已終止確認的工具的規定。於二零一七年十二月三十一日的賬面值與於二零一八年一月一日的賬面值的差額於期初累計虧損及其他權益部分中確認，且並無重列比較資料。

由於比較資料乃根據香港會計準則第39號「金融工具：確認與計量」而編製，故若干比較資料可能無法比較。

For the six months ended 30th June, 2018 截至二零一八年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Changes in accounting policies of application on HKFRS 9 “Financial Instruments” (continued)

Key changes in accounting policies resulting from application of HKFRS 9

Classification and measurement of financial assets

Trade receivables arising from sales of uranium, electronics and other products are initially measured in accordance with HKFRS 15.

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents that ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

2. 主要會計政策(續)

應用香港財務報告準則第9號 後的會計政策變動(續)

應用香港財務報告準則第9號導致的 會計政策主要變動

財務資產的分類及計量

銷售鈾、電子及其他產品產生的貿易應收款項初步按照香港財務報告準則第15號計量。

所有符合香港財務報告準則第9號範圍內已確認財務資產其後按攤銷成本或公平值計量。

符合下列條件的債務工具其後按攤銷成本計量：

- 根據商業模式以收取合約現金流量為目的而持有的財務資產；及
- 財務資產之合約條款於指定日期產生之現金流量僅為支付本金及未償還本金之利息。

預期信貸虧損模式項下的減值

本集團就根據香港財務報告準則第9號面臨減值的財務資產(包括貿易及其他應收款項)的預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期更新，以反映自初始確認起的信貸風險變動。

全期預期信貸虧損指於相關工具預期壽命內發生所有可能的違約事件而導致的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)則指預期於報告日期後12個月內可能發生的違約事件而導致的部分全期預期信貸虧損。預期信貸虧損根據本集團過往信貸虧損經驗進行評估，並根據應收款項特定因素、一般經濟狀況及於報告日期對當前狀況及未來狀況預測的評估而作出調整。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Changes in accounting policies of application on HKFRS 9 "Financial Instruments" (continued)

Key changes in accounting policies resulting from application of HKFRS 9 (continued)

Impairment under ECL model (continued)

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

2. 主要會計政策(續)

應用香港財務報告準則第9號後的會計政策變動(續)

應用香港財務報告準則第9號導致的會計政策主要變動(續)

預期信貸虧損模式項下的減值(續)

本集團經常就貿易應收款項確認全期預期信貸虧損。該等資產的預期信貸虧損將對各應收款項單獨評估，對重大餘額和/或共同地使用具有適當的分組的規定評估。

就所有其他工具而言，本集團計量與12個月預期信貸虧損等額的虧損撥備，除非信貸風險自初始確認以來已大幅增加，則本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損，乃基於自初始確認起出現違約的可能性或風險是否大幅增加。

信貸風險大幅增加

於評估信貸風險自首次確認以來是否大幅增加時，本集團對金融工具於報告日期就發生違約的風險與金融工具於首次確認日期就發生違約的風險作比較。作出此評估時，本集團會考慮合理及具支持的定量及定質資料，包括過往經驗及無需付出不必要的成本及精力獲取的前瞻性資料。

具體而言是，於評估信貸風險是否已大幅增加時會考慮以下資料：

- 金融工具的外部(如有)或內部信貸評級的實際或預期嚴重轉差；
- 信貸風險的外部市場指標嚴重轉差(如債務人的信貸息差及信貸違約掉期價格大幅增加)；

For the six months ended 30th June, 2018 截至二零一八年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Changes in accounting policies of application on HKFRS 9 “Financial Instruments” (continued)

Key changes in accounting policies resulting from application of HKFRS 9 (continued)

Impairment under ECL model (continued)

Significant increase in credit risk (continued)

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

2. 主要會計政策(續)

應用香港財務報告準則第9號 後的會計政策變動(續)

*應用香港財務報告準則第9號導致的
會計政策主要變動(續)*

預期信貸虧損模式項下的減值(續)

信貸風險大幅增加(續)

- 商業、金融或經濟情況目前或預期有不利變動，預期將導致債務人償還債項的能力大幅減少；
- 債務人的經營業績實際或預期嚴重轉差；
- 債務人的監管、經濟或技術環境有實際或預期重大不利變動，導致債務人償還債項的能力大幅減少。

不論上述評估的結果，當合約付款已逾期超過90日，則本集團均假定信貸風險自首次確認起大幅增加，除非本集團具有合理及具支持性的資料說明其他情況。

本集團認為，當工具已逾期超過90日，則已經發生違約，除非本集團具有合理及具支持性的資料說明更為滯後的違約準則更為適用。

預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約損失率(即出現違約時的損失幅度)及違約風險的函數。違約可能性及違約損失率之評估乃根據過往的數據進行，並就前瞻性資料作出調整。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Changes in accounting policies of application on HKFRS 9 “Financial Instruments” (continued)

Key changes in accounting policies resulting from application of HKFRS 9 (continued)

Impairment under ECL model (continued)

Measurement and recognition of ECL (continued)

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

As at 1st January, 2018, the directors of the Company reviewed and assessed the Group's existing financial position in accordance with the requirements of HKFRS 9 and HKFRS 15. There 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.

2. 主要會計政策(續)

應用香港財務報告準則第9號 後的會計政策變動(續)

應用香港財務報告準則第9號導致的 會計政策主要變動(續)

預期信貸虧損模式項下的減值(續)

預期信貸虧損之計量及確認(續)

一般而言，預期信貸虧損估算根據合約到期支付予本集團之所有合約現金流量與本集團預期收取之所有現金流量之間的差異，並按首次確認時釐定之實際利率折現。

財務擔保合約而言，本集團須僅在債務人違反保證文書條款的情況下作出付款。因此，預期損失是償還持有人信貸損失的預期付款的現值，該信貸損失減去本集團預期從持有人，債務人或任何其他方獲得的任何金額。

利息收入根據金融資產的賬面值總額計算，惟金融資產為信貸減值的情況除外，於此情況下，利息收入根據金融資產的攤銷成本計算。

本集團藉由調整金融工具的賬面值於損益中確認其減值收益或虧損，惟應收貿易賬款除外，相應調整於減損撥備賬中確認。

於二零一八年一月一日，本公司董事根據香港財務報告準則第9號及香港財務報告準則第15號規定，檢討及評估本集團現有財務狀況。對簡明綜合財務報告所載數據和/或披露資料並無重大影響。

For the six months ended 30th June, 2018 截至二零一八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 three operating divisions, which also represent the operating segments of the Group for financial reporting purposes, namely trading of mineral property, exploration and trading of mineral properties and supply chain. They represent three 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
- Supply chain — trading of electronics and other products

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, 2018

		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)	Supply chain 供應鏈 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	231,274	—	486,625	717,899
Segment profit (loss)	分部利潤(虧損)	1,469	(3,327)	2,348	490
Unallocated other income and gains	未分配之其他收入及收益				1,562
Central administration costs	中央行政成本				(1,784)
Profit before taxation	除稅前溢利				268

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三個營運部門(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,勘探及經營礦產物業以及供應鏈。該三個分部為本集團所從事的三大業務。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
- 供應鏈 — 買賣電子及其他產品

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:

截至二零一八年六月三十日止六個月

For the six months ended 30th June, 2018 截至二零一八年六月三十日止六個月

3. SEGMENT INFORMATION (continued)

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)

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。

3. 分部資料(續)

截至二零一七年六月三十日止六個月

For the six months ended 30th June, 2018 截至二零一八年六月三十日止六個月

3. SEGMENT INFORMATION (continued)

3. 分部資料(續)

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

本集團資產及負債按匯報及營運分部劃分之分析如下：

		30.6.2018 二零一八年 六月三十日 HK\$'000 港幣千元 (unaudited) (未經審核)	31.12.2017 二零一七年 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	3,995	249,675
— Exploration and trading of mineral properties	— 勘探及經營礦產物業	232,849	231,888
— Supply chain	— 供應鏈	352,463	—
		589,307	481,563
Unallocated assets	未分配資產	71,285	246,827
Consolidated assets	綜合資產	660,592	728,390
LIABILITIES	負債		
Segment liabilities	分部負債		
— Trading of mineral property	— 經營礦產物業	61,383	144,152
— Exploration and trading of mineral properties	— 勘探及經營礦產物業	16,222	15,710
— Supply chain	— 供應鏈	16,263	—
		93,868	159,862
Unallocated liabilities	未分配負債	15,124	22,822
Consolidated liabilities	綜合負債	108,992	182,684

For the purposes of monitoring segment performance and allocating resources:

就監察分部表現及分配分部間資源而言：

- 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, contract liabilities and amounts due to an intermediate holding company, ultimate holding company and fellow subsidiaries which are directly attributable to the relevant reportable segment.
- 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以及應計欠款、合約負債，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之款項。

For the six months ended 30th June, 2018 截至二零一八年六月三十日止六個月

4. INCOME TAX CREDIT

The income tax credit is related to the write-back of a tax provision in the People's Republic of China which was provided in previous year.

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.

5. PROFIT (LOSS) FOR THE PERIOD

4. 所得稅抵免

所得稅抵免為以前年度中國稅務撥備之回撥。

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. 期內溢利(虧損)

		Six months ended 截至六月三十日止六個月	
		30.6.2018 二零一八年 HK\$'000 港幣千元 (unaudited) (未經審核)	30.6.2017 二零一七年 HK\$'000 港幣千元 (unaudited) (未經審核)
Profit (loss) for the period has been arrived at after charging (crediting):	期內溢利(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	687	995
Net exchange gains	匯兌收益淨額	(338)	(129)
Interest income from bank deposits	銀行利息收入	(1,562)	(1,388)

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, 2018 截至二零一八年六月三十日止六個月

7. BASIC EARNINGS (LOSS) PER SHARE

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

		Six months ended	
		截至六月三十日止六個月	
		30.6.2018	30.6.2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Profit (loss) for the period attributable to owners of the Company	本公司擁有人應佔期內盈利(虧損)	5,246	(684)
Number of ordinary shares for the purposes of basic earnings (loss) per share	每股基本盈利(虧損)之普通股數目	489,168,308	489,168,308

7. 每股基本盈利(虧損)

本公司擁有人應佔每股基本盈利(虧損)乃根據下列數據計算：

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.

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, 2018 截至二零一八年六月三十日止六個月

8. EXPLORATION AND EVALUATION ASSETS (continued) 8. 勘探及評估資產(續)

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, 2018, included in the exploration and evaluation assets is an amount of approximately HK\$211,502,000 (31st December, 2017: HK\$210,615,000) 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.

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, June 2016 and October 2017. 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 delayed to 2019 for completion. 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.

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。於二零一八年六月三十日，勘探及評估資產包括約港幣211,502,000元(二零一七年十二月三十一日：港幣210,615,000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。

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，期待於二零一九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。

For the six months ended 30th June, 2018 截至二零一八年六月三十日止六個月

8. EXPLORATION AND EVALUATION ASSETS
(continued)

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, 2018.

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The Group allows a credit period of up to 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:

8. 勘探及評估資產(續)

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。管理層認為於二零一八年六月三十日，勘探及評估資產沒有計提減值必要。

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：

		30.06.2018 二零一八年 六月三十日 HK\$'000 港幣千元 (unaudited) (未經審核)	31.12.2017 二零一七年 十二月三十一日 HK\$'000 港幣千元 (audited) (經審核)
Trade receivables — aged 0 to 30 days	應收貿易款項 — 賬齡0至30日	—	70,005
Other receivables	其他應收款項	4,732	4,244
Deposits paid	已付訂金	108	120
Prepayments	預付款項	12,298	184
		17,138	74,553

For the six months ended 30th June, 2018 截至二零一八年六月三十日止六個月

10. TRADE AND OTHER PAYABLES AND ACCRUALS

As at 30th June, 2018, no trade payable is included in trade and other payables and accruals (31st December, 2017: HK\$141,257,000). The age of the amount was within 30 days at 31st December, 2017.

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**10. 應付貿易款項及其他應付款項以及應計欠款**

於二零一八年六月三十日，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(二零一七年十二月三十一日：港幣141,257,000元)，於二零一七年十二月三十一日，該筆貿易賬款之賬齡為30日之內。

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, 2017,	於二零一七一月一日、		
31st December, 2017	二零一七十二月三十一日及		
and 30th June, 2018	二零一八年六月三十日	1,000,000,000	10,000
Issued and fully paid:	已發行及繳足：		
At 1st January, 2017,	於二零一七一月一日、		
31st December, 2017	二零一七十二月三十一日及		
and 30th June, 2018	二零一八年六月三十日	489,168,308	4,892

For the six months ended 30th June, 2018 截至二零一八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	
		截至六月三十日止六個月	
		30.6.2018	30.6.2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Short-term benefits	短期福利	948	1,399
Post-employment benefits	退休後福利	9	9
		957	1,408

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：

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。

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 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, 2018, the Group paid rental expenses of HK\$147,398 (six months ended 30th June, 2017: HK\$632,625) to fellow subsidiaries of the Company, which are subsidiaries of CNNC, for its office in 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。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) 截至二零一八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147,398元（截至二零一七年六月三十日止六個月：港幣632,625元）。

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