



2020

INTERIM REPORT

中期報告



**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





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## 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

Zhong Jie (appointed on 4th May, 2020)

#### Chief Executive Officer and Executive Director

Zhang Yi (appointed on 4th May, 2020)

#### Non-Executive Director

Wu Ge (appointed on 4th May, 2020)

#### Independent Non-Executive Directors

Cui Ligu

Zhang Lei

Chan Yee Hoi (appointed on 9th March, 2020)

### AUDIT COMMITTEE

Chan Yee Hoi (*Chairman*)

Wu Ge

Cui Ligu

Zhang Lei

### REMUNERATION COMMITTEE

Cui Ligu (*Chairman*)

Zhang Yi

Wu Ge

Zhang Lei

Chan Yee Hoi

### NOMINATION COMMITTEE

Zhong Jie (*Chairman*)

Zhang Yi

Cui Ligu

Zhang Lei

Chan Yee Hoi

### COMPANY SECRETARY

Li Philip Sau Yan

### STOCK CODE

2302

## 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

鐘杰 (於二零二零年五月四日上任)

#### 行政總裁暨執行董事

張義 (於二零二零年五月四日上任)

#### 非執行董事

吳戈 (於二零二零年五月四日上任)

#### 獨立非執行董事

崔利國

張雷

陳以海 (於二零二零年三月九日上任)

### 審核委員會

陳以海 (*主席*)

吳戈

崔利國

張雷

### 薪酬委員會

崔利國 (*主席*)

張義

吳戈

張雷

陳以海

### 提名委員會

鐘杰 (*主席*)

張義

崔利國

張雷

陳以海

### 公司秘書

李守仁

### 股份代號

2302



### RESULTS

For the six months ended 30th June, 2020 (the "Period"), the Group has recorded a slight increase in revenue of approximately 3%, mainly from trading of natural uranium business, to approximately HK\$1,224,963,000 (2019 Period: approximately HK\$1,187,537,000) over the corresponding period last year ("2019 Period"). During the Period, a net loss of approximately HK\$3,758,000 (2019 Period: profit of approximately HK\$2,283,000) was recorded. Despite the Group has recorded a slight increase in revenue and the share of result of an associate of approximately HK\$9,130,000 (which covers the finance costs for the associated investment) (2019 Period: nil) for the Period, a net loss for the Period was recorded, due to, as compared to the 2019 Period, (i) a decrease of approximately HK\$1,822,000 in gross profit from the business of trading of uranium and electronics and other products; and (ii) an increase of expenses as detailed below in the sub-section headed "Operations".

### MARKET AND BUSINESS OVERVIEW

During the Period, the Group has continued its business of trading of mineral properties and the provision of supply chain management services, including the trading of electronics, dispersed metals and other products. Despite the uncertainty resulted from the COVID-19 pandemic outbreak (the "Pandemic"), the Group is able to record a slight increase in turnover.

During the Period, the Group continued to communicate and negotiate with the Mongolian Government to set up a joint venture company for the application of the mining licenses of the Group's Mongolian Mining Project. As mentioned in the announcements dated 9th January, 3rd February, 17th March, 28th April, 4th and 22nd May, 5th June, and 6th July, 2020, the Company has received the written judgment of the Appellate Court regarding the hearing on 4th June, 2020 (the "Written Judgment"). According to the Group's Mongolian legal adviser, the Appellate Court did not consider the new evidence as it was not previously presented to Capital City Administrative Court of First-Instance of Mongolia (the "Court"). The Written Judgment concluded the decision of the Court was right. In light of the new evidence, the Appellate Court stated that the Group had the rights to make the application with the new evidence to the Court again. After receiving further advice of the Group's Mongolian legal adviser, the Group had made the application to the Court again on 26th August, 2020.

The Company is closely monitoring the progress of the lawsuit and will make further announcement(s) as and when appropriate to inform its shareholders and potential investors if there is any significant development in respect of the lawsuit.

### 業績

於回顧期內，本集團錄得業務收入約港幣1,224,963,000元(二零一九年同期：港幣1,187,537,000元)，相比去年同期(「二零一九年同期」)收入錄得輕微增長約3%。收入增長主要由於天然鈾業務收入增長所致。回顧期內錄得淨虧損約港幣3,758,000元(二零一九年同期：淨利潤約港幣2,283,000元)。相比二零一九年同期，回顧期內淨虧損與二零一九年同期相比，儘管錄得收入輕微增長及應佔聯營公司業績約港幣9,130,000元(足以覆蓋因投資聯營公司產生的融資成本)(二零一九年同期：無)，(i)毛利錄得下降約港幣1,822,000元；及(ii)開支及費用增加，詳情載於下文「經營業務」。

### 市場及業務回顧

於回顧期內，本集團繼續礦產貿易及提供供應鏈管理服務，包括電子，金屬及其他產品貿易。儘管COVID-19大流行病爆發(「大流行病」)帶來不穩定因素，本集團仍錄得營業額輕微增長。

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採礦項目。誠如於為二零二零年一月九日，二月三日，三月十七日，四月二十八日，五月四日，五月二十二日，六月五日及七月六日的公告，本公司已收到關於在二零二零年六月四日上訴法院的書面判決(「書面判決」)。根據本集團蒙古法律顧問意見，上訴法院沒有審議新證據，因為新證據以前沒有提交法院。書面判決得出結論，法院的裁決是正確的。鑒於新證據，上訴法院指出本集團有權再次向蒙古首都一審行政法院(「法院」)採用新證據提出申請。在本集團蒙古法律顧問提供進一步諮詢意見後，於二零二零年八月二十六日本集團再次向法院提出申請。

本公司將密切跟蹤訴訟的進展，並將於適當時候另行發表公告，以告知其股東和潛在投資者訴訟是否有重大進展。



## OPERATIONS

During the Period, the Group recorded a “Revenue” and “Cost of sales” of approximately HK\$1,224,963,000 (2019 Period: approximately HK\$1,187,537,000) and approximately HK\$1,211,713,000 (2019 Period: approximately HK\$1,172,465,000) respectively, an increase of approximately 3% in both “Revenue” and “Cost of sales”, which resulted in a “Gross profit” of approximately HK\$13,250,000 (2019 Period: approximately HK\$15,072,000), a decrease of approximately 12% over the corresponding period last year. The increase in revenue is due to the increase in revenue generated from the business of trading of mineral properties. However, the gross profit of trading of mineral properties for the Period decreased as compared to the 2019 Period.

During the Period, “Other income and gains” of approximately HK\$1,245,000 (2019 Period: approximately HK\$869,000) were mainly earned from interest income, an increase of approximately HK\$376,000 over the 2019 Period.

“Net exchange losses” of approximately HK\$1,505,000 (2019 Period: gains of approximately HK\$238,000) were mainly from the depreciation of assets denominated in the US\$ during the Period.

Although the Revenue has increased slightly during the Period, the “Selling and distribution expenses” has been increased by approximately 86% to approximately HK\$2,124,000 (2019 Period: approximately HK\$1,141,000) due to the increase in transportation costs. In addition, the “Administrative expenses” which amounted to approximately HK\$9,121,000 (2019 Period: approximately HK\$8,144,000) has increased by approximately 12%.

The Group recorded “Share of result of an associate” of approximately HK\$9,130,000 (2019 Period: nil). The share of result of associate was generated from the Group’s 18.45% share of the registered capital in CNNC Financial Leasing Company Limited (“CNNC Leasing”) since CNNC Leasing became the Group’s associate on 11th September, 2019.

During the Period, the Group incurred “Finance costs” of approximately HK\$11,234,000 (2019 Period: approximately HK\$4,574,000) mainly due to interests incurred for the investment in an associate and trading facilities.

During the Period, “Income tax expense” of approximately HK\$3,399,000 was provided (2019 Period: approximately HK\$37,000). The increase was mainly due to the provision of PRC withholding tax of approximately HK\$2,589,000 (2019 Period: nil).

## 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1,224,963,000元(二零一九年同期：約港幣1,187,537,000元)及約港幣1,211,713,000元(二零一九年同期：約港幣1,172,465,000元)。「收入」及「銷售成本」均上升約3%，產生「毛利」約港幣13,250,000元(二零一九年同期：約港幣15,072,000元)，比去年同期下跌約12%。收入增長是由於經營礦產物業收入增長所致。然而經營礦產物業的毛利於回顧期比去年同期下跌。

於回顧期內，「其他收入及收益」約港幣1,245,000元(二零一九年同期：約港幣869,000元)，主要來源於利息收入，比二零一九年同期上升約港幣376,000元。

「淨滙兌虧損」約港幣1,505,000元(二零一九年同期：收益約港幣238,000元)，主要由於期內美元資產貶值所致。

於回顧期內，儘管收入輕微增加，由於運輸費用增加，「銷售及分銷開支」上升86%至約港幣2,124,000元(二零一九年同期：約港幣1,141,000元)。此外，「行政開支」約港幣9,121,000元(二零一九年同期：約港幣8,144,000元)，增加約12%。

本集團錄得「應佔聯營公司業績」約港幣9,130,000元(二零一九年同期：無)。應佔聯營公司業績來自於本集團持有中核融資租賃有限公司(「中核租賃」)18.45%註冊資本之股本投資，於二零一九年九月十一日中核租賃成為本集團之聯營公司。

於回顧期內，本集團產生「財務費用」約港幣11,234,000元(二零一九年同期：約港幣4,574,000元)，主要用於投資聯營公司及貿易業務的利息。

於回顧期內，「所得稅開支」約港幣3,399,000元(二零一九年同期：約港幣37,000元)。增加主要是預扣中華人民共和國的股利稅約港幣2,589,000元(二零一九年同期：無)所致。

## TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

Summing up the combined effects of the foregoing and income tax expense, loss for the Period was approximately HK\$3,758,000 (2019 Period: profit of approximately HK\$2,283,000). After taking into account of the other comprehensive expense of approximately HK\$12,405,000 (2019 Period: income of approximately HK\$17,666,000) relating to exchange differences arising on translation to presentation currency and the share of exchange differences of an associate, the total comprehensive expense for the Period was approximately HK\$16,163,000 (2019 Period: income of approximately HK\$19,949,000).

## FUTURE STRATEGIES AND PROSPECTS

Due to the Pandemic in the PRC and across the globe, which results in, among other things, weakening demand, deteriorating credits, slowdown of the economy and various limitations, such as movement of people and goods and work resumptions, the customers, end-users and suppliers of the Group's supply chain management business, who are mostly based in the PRC, have been affected. As stated in the business update announcement of the Company dated 6th July, 2020, considering the financial benefits from the supply chain management business are decreasing, whilst the financial risks are increasing, and the adverse impacts of the Pandemic are expected to continue in the near future, the Group would gradually reduce the scale of its supply chain management business, and focus more in the uranium products trading business, in which the Group has established competitive advantages, and to actively seek high-quality uranium resources projects to complement the development of its parent group.

The associate of the Group (Société des Mines d'Azelik S.A. ("Somina")) is still facing severe cash flow problems and will not be able to resume production within a short period of time. The Group will closely monitor the situation and continue to work with the other shareholders of Somina for its future plans.

The Group will continue to negotiate with the Mongolian Government for the setting up of a joint venture company for the project. The Group will endeavour to expedite the process although 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.

## 回顧期內全面收入

綜合以上各項原因及所得稅開支，回顧期內虧損約港幣3,758,000元(二零一九年同期：利潤約港幣2,283,000元)。計入其他全面開支約港幣12,405,000元(二零一九年同期：收入約港幣17,666,000元)有關換算為呈列貨幣產生之匯兌收益及應佔聯營公司之匯兌差額，回顧期內，全面開支約港幣16,163,000元(二零一九年同期：收入約港幣19,949,000元)。

## 未來策略及展望

由於在中國乃至全球爆發的大流行病，導致需求減弱，信貸惡化，經濟放緩以及各種限制，例如人員和貨物流動以及復工進度，本集團供應鏈管理業務的客戶，最終用戶和供應商(主要位於中國)受到影響。誠如本公司二零二零年七月六日有關業務更新公告指出，考慮到供應鏈管理業務的財務效益在下降，財務風險在加大，大流行病的不利影響預期進一步加劇，本集團逐步縮小供應鏈管理業務規模，更專注於鈾產品貿易業務，在此本集團已建立了競爭優勢，並積極尋求優質的鈾資源專案，以配合母公司的發展。

本集團聯營公司(Societe des Mines d'Azelik S.A. (「Somina公司」))仍面對嚴重現金流問題，短期內未能重啟生產。本集團會緊密地觀察情況及繼續與Somina公司其他股東制定其下一步計畫。

本集團會繼續與蒙古國政府商議合營公司的籌備事項。儘管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，本集團將致力加快進程。

For the Mongolian Mining Project, the Group filed the lawsuit in January 2020. For further details, please refer to the sub-section headed "Market and Business Overview" above. The management remains optimistic that the lawsuit could eventually be resolved satisfactorily. The management will work closely with the Group's Mongolian legal adviser and had made the application to the Court again on 26th August, 2020. The Group would continue to closely monitor the progress of the case and will make further announcement(s) as and when appropriate to inform its shareholders and potential investors if there is any significant development in respect of the case.

The Group aims to expand and diversify its business by leveraging on the strengths of China National Nuclear Corporation, the ultimate holding company of the Company and a market leader in the nuclear energy market in the PRC, in the field of nuclear energy, to develop project with reasonable returns and continues to explore other possible investment opportunities.

## HUMAN RESOURCES MANAGEMENT

As at 30th June, 2020, the Group employed 23 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\$31,337,000 (2019 Period: approximately HK\$118,598,000) during the Period, which was mainly due to the repayment of bank borrowings. The Group's financial position remained healthy.

The working capital of the Group was generally financed by bank borrowings and bank balances and cash. The Group's cash on hand and bank balances after repayment of bank borrowings decreased from approximately HK\$100,543,000 as at 31st December, 2019 to approximately HK\$67,991,000 as at 30th June, 2020. The Group also has restricted cash of approximately HK\$20,554,000 (at 31st December, 2019: approximately HK\$19,004,000) as at 30th June, 2020 which was pledged to various banks for bank facilities and bills payables.

對於蒙古國的採礦項目，本集團於二零二零年一月提出訴訟。有關更多詳情，請參閱上文「市場及業務回顧」。管理層依然對訴訟保持樂觀及後可圓滿解決。管理層會與蒙古法律顧問緊密合作及已於二零二零年八月二十六日再次向蒙古法院提出申請。本公司將密切監察訴訟的進展，並將於適當時候另行發表公告，以告知其股東和潛在投資者訴訟是否有重大進展。

憑藉中國核工業集團有限公司，本公司的最終控股公司，於核能領域之領導地位，本集團將重點專注擴大及多元化發展業務，開發有合理回報的投資專案及繼續尋求其它投資機會。

## 人力資源管理

於二零二零年六月三十日，本集團雇用約23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31,337,000元(二零一九年同期：約港幣118,598,000元)，主要是用於償還銀行借款。本集團之財務狀況維持穩健。

本集團之營運資金一般以銀行貸款及銀行及現金結餘撥付。本集團之手頭現金及銀行結餘由二零一九年十二月三十一日約港幣100,543,000元因償還銀行借款後減少至二零二零年六月三十日約港幣67,991,000元。於二零二零年六月三十日，本集團受限制存款約港幣20,554,000元(於二零一九年十二月三十一日：約港幣19,004,000元)為貿易業務融資及票據抵押給多間銀行。



As stated in the 2019 Annual Report, the Group had not complied with certain financial covenant as stipulated in the bank loan agreement of the Group's bank borrowing of approximately HK\$285,013,000 outstanding as at 31st December, 2019, which required the Group to meet certain ratio of consolidated total liabilities to consolidated total assets at all times, after recognition of the impairment loss of exploration and evaluation assets in the consolidated financial statements as at 31st December, 2019. Accordingly, such bank borrowing was repayable on demand. Subsequently, the Group has applied for a waiver from the bank for such non-compliance. The waiver, which included a short term adjustment on certain ratio, for the non-compliance of the covenant as stated in the bank loan agreement has been granted by the bank. Therefore, as at 30th June, 2020, the Group reclassified bank borrowings of an amount of approximately HK\$266,099,000 as non-current liability (31st December, 2019: nil). The Group had net current assets amounting to approximately HK\$178,427,000 (at 31st December, 2019: net current liabilities approximately HK\$100,080,000) and the current liabilities amounting to approximately HK\$225,384,000 (at 31st December, 2019: approximately HK\$811,994,000) as at 30th June, 2020.

Total shareholders' funds decreased from approximately HK\$334,922,000 as at 31st December, 2019 to approximately HK\$318,759,000 as at 30th June, 2020, mainly due to the total comprehensive expense during the Period. The gearing ratio, in terms of total liabilities to total assets, decreased to 0.61 (at 31st December, 2019: 0.71) as at 30th June, 2020 due to the decrease in bank borrowings.

誠如二零一九年年報所載，本集團於二零一九年十二月三十一日未償還的銀行借款約港幣285,013,000元的銀行貸款協議中未有達成某些財務約定，要求本集團全部滿足合併負債總額與合併資產總額的一定比率。於二零一九年十二月三十一日在綜合財務報表中確認勘探及評估資產減值損失後，該等銀行借款須按要求償還。其後，本集團已就此未達成財務約定向銀行申請豁免，及銀行就此違規已授予本集團豁免，其中包括對一定比率的短期調整。因此，本集團於二零二零年六月三十日重新分類銀行借款約港幣266,099,000元為非流動負債（於二零一九年十二月三十一日：無）。於二零二零年六月三十日，本集團流動資產淨值及流動負債分別約港幣178,427,000元（於二零一九年十二月三十一日：流動負債淨值約港幣100,080,000元）及約港幣225,384,000元（於二零一九年十二月三十一日：約港幣811,994,000元）。

股東資金總額由二零一九年十二月三十一日約港幣334,922,000元下跌至二零二零年六月三十日約港幣318,759,000元，主要因期內之全面開支所致。於二零二零年六月三十日，由於銀行借款的減少，資產負債比率（按負債總額相對資產總值計算）下跌至0.61（於二零一九年十二月三十一日：0.71）。



## CONTINUING DISCLOSURE REQUIREMENTS

The following circumstances giving rise to the obligations of disclosure pursuant to Rule 13.18 of the Listing Rules continue to exist after the period ended 30th June, 2019.

- (1) Terms used herein have the same meaning as those defined in the announcement made by the Company on 18th February, 2019 pursuant to Rule 13.18 of the Listing Rules (the "Announcement"). On 18th February, 2019, the Company made the Announcement that CNNC International (HK) Limited, the Investor, as the borrower, has entered into the Facility Agreement (the "Facility Agreement"), with a financial institution for a term loan facility in the principal amount of up to HK\$300,000,000 (the "Loan") for the purpose of financing the proposed investments in CNNC Financial Leasing Company Limited ("CNNC Leasing"). The Loan is repayable over a period of 36 months (subject to extension to 72 months as provided in the Facility Agreement) from the date of the Facility Agreement. Pursuant to the Facility Agreement, among other matters, early repayment of the Loan may be required (together with interests accrued thereon and other amounts payable thereunder) upon occurrence of any of the following events: (i) the Stated-owned Assets Supervision and Administration Commission of the State Council of the PRC ("SASAC") ceases to directly wholly own the China National Nuclear Corporation ("CNNC"); (ii) CNNC ceases to wholly own 中國中原對外工程有限公司 (China Zhongyuan Engineering Corporation, "China Zhongyuan"), a company incorporated in the PRC which was assigned by CNNC to provide a letter of comfort in relation to the Loan (on 29th May, 2020, the financial institution accepted 中國鈾業有限公司 (China National Uranium Co., Ltd, "CNUC") as the letter of comfort provider to replace China Zhongyuan and therefore CNNC is required to wholly own CNUC during the period in the Facility Agreement); (iii) CNNC, together with the management and staff who are currently employed by CNNC and/or any of its subsidiaries, cease to collectively own, directly or indirectly, majority of the share capital in the Company, or the Company ceases to be a subsidiary of CNNC; (iv) CNNC ceases to remain the single largest shareholder of the Company; and (v) CNNC ceases to maintain control over the management and the board of directors of China Zhongyuan and the Company. As at the date of this report, the Company was owned as to approximately 66.72% by CNNC Overseas Uranium Holding Limited, an indirect wholly-owned subsidiary of CNNC (which is wholly-owned by the SASAC).

## 持續披露規定

以下根據上市規則第13.18條產生披露責任之情況於截至二零一九年六月三十日止期間後繼續存在。

- (1) 本節所用詞彙與本公司於二零一九年二月十八日根據上市規則第13.18條發表之公佈(「公佈」)所界定者具有相同涵義。於二零一九年二月十八日本公司發出公佈，投資方中核國際(香港)有限公司(作為借款人)與一間金融機構訂立本金額最高為港幣300,000,000元之定期貸款融資(「貸款」)的融資協議(「融資協議」)，目的是為建議出資中核融資租賃有限公司(「中核租賃」)提供資金。貸款須於融資協議日期起計36個月(可根據融資協議規定延長至72個月)期間內償還。根據融資協議，(其中包括)倘下列任何情況發生，則可要求提早償還貸款(連同相關累計利息及項下其他應付款項)：(i)中國國務院國有資產監督管理委員會(「國資委」)不再直接全資擁有中國核工業集團有限公司(「中核集團」)；(ii)中核集團不再全資擁有中國中原對外工程有限公司(「中國中原」)(一間於中國註冊成立之公司，其就貸款由中核集團委託提供安慰函)(於二零二零年五月二十九日這金融機構同意中國鈾業有限公司(「中國鈾業」)代替中國中原提供安慰函，因此中核集團需要於融資協議期內全資擁有中國鈾業)；(iii)中核集團，連同中核集團及／或其任何附屬公司目前聘用的管理層及員工不再直接或間接共同擁有本公司大部分股本，或本公司不再是中核集團的附屬公司；(iv)中核集團不再是本公司的唯一最大股東；及(v)中核集團不再控制中國中原及本公司的管理層及董事局。於本報告日期，本公司由中核海外鈾業控股有限公司擁有約66.72%，中核海外鈾業控股有限公司為中核集團(由國資委全資擁有)的間接全資附屬公司。

Details of the Loan are set out below:

Facility Agreement: The facility agreement dated 18th February, 2019 and executed by the Borrower, the Mortgagor, and the Lender;

Borrower: CNNC International (HK) Limited, a wholly owned subsidiary of the Company;

Mortgagor: The Company;

Lender: Chong Hing Bank Limited; and

Loan: Term loan facility in the principal amount of up to HK\$300,000,000, which is repayable over a period of 36 months (subject to extension to 72 months as provided in the Facility Agreement) from the date of the Facility Agreement.

貸款之詳情載列如下：

融資協議：日期為二零一九年二月十八日由借款方、抵押方及貸款方所簽訂的融資協議；

借款方：中核國際(香港)有限公司，本公司之全資附屬公司；

抵押方：本公司；

貸款方：創興銀行有限公司；及

貸款：本金額不多於港幣300,000,000元的定期貸款融資，貸款須於融資協議日期起計36個月(可根據融資協議規定延長至72個月)期間內償還。

- (2) Terms used herein have the same meaning as those defined in the announcement made by the Company on 19th August, 2019 pursuant to Rule 13.18 of the Listing Rules. In March 2019, China Nuclear International Corporation as the borrower (the "Borrower"), a direct wholly-owned subsidiary of the Company, accepted the terms of a general banking facility of a banking institution for trade finance in the amount of up to US\$30,000,000 (the "Facility"). Utilization of the Facility is conditional upon the prior approval of the bank, and each drawdown is repayable within 150 days.

Pursuant to the Facility, among other matters, the Company and the Borrower undertake and procure with the bank that, throughout the life of the Facility: (i) The State-owned Assets Supervision and Administration Commission of the State Council (the "SASAC") of the People's Republic of China (the "PRC") shall maintain directly 100% equity interest in China National Nuclear Corporation ("CNNC"); (ii) CNNC shall maintain (directly or indirectly) 100% equity interest in China Zhongyuan Engineering Corporation, a company incorporated in the PRC which is assigned by CNNC to provide a letter of comfort in relation to the Facility; and (iii) CNNC shall maintain (directly or indirectly) not less than 51% equity interest in the Company. As at the date of this report, the Company is owned as to approximately 66.72% by CNNC Overseas Uranium Holding Limited, an indirect wholly-owned subsidiary of CNNC (which is wholly-owned by the SASAC).

- (2) 本節所用詞彙與本公司於二零一九年八月十九日根據上市規則第13.18條發表之公佈所界定者具有相同涵義。於二零一九年三月，本公司之直接全資附屬公司，中核國際集團有限公司作為借款人(「借款人」)接受一間銀行機構的貿易融資的條款，金額最高為30,000,000美元(「融資」)。融資之使用取決於銀行的事先批准及每筆提款還款期為150日內。

根據融資(其中包括)，本公司及借款人向銀行承諾及促成於融資的全個年期內：(i)中華人民共和國(「中國」)國務院國有資產監督管理委員會(「國資委」)直接全資擁有中國核工業集團有限公司(「中核集團」)的股權；(ii)中核集團(直接或間接)全資擁有中國中原對外工程有限公司(一間於中國註冊成立之公司，其受中核集團委託就融資提供安慰函)的股權；及(iii)中核集團(直接或間接)擁有不少於51%本公司股權。於本報告日期，本公司由中核海外鈾業控股有限公司擁有約66.72%，中核海外鈾業控股有限公司為中核集團(由國資委全資擁有)的間接全資附屬公司。



- (3) On 2nd September, 2019, China Nuclear International Corporation (the "Borrower") as the borrower, a direct wholly-owned subsidiary of CNNC International Limited (the "Company"), entered into a general banking facility agreement with a banking institution for the purchase of electronic components or other goods acceptable to the bank for its trading business in the amount of up to US\$30,000,000 (the "Facility"). The Facility is uncommitted facility and available commitment may be cancelled by the bank at any time. Each drawdown is repayable within 60 days.

Pursuant to the Facility, among other matters, early repayment of the Facility may be required (together with interests accrued thereon and other amounts payable thereunder) if China National Nuclear Corporation (中國核工業集團有限公司) ("CNNC") ceases to be the major shareholder and beneficially own (directly or indirectly) at least 66.72% of the issued share capital of the Company except for the prior written consent from the bank, such consent not be unreasonably withheld. As at the date of this report, the Company is owned as to approximately 66.72% by CNNC Overseas Uranium Holding Limited, an indirect wholly-owned subsidiary of CNNC (which is wholly owned by The State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) of the People's Republic of China).

## ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group had no material acquisitions or disposals of subsidiaries and associated companies during the Period.

- (3) 於二零一九年九月二日，中核國際有限公司(「本公司」)之全資附屬公司，中核國際集團有限公司(「借款人」)作為借款人與一間銀行機械就貿易融資達成協議，用於其貿易業務，購買銀行可接受的電子元件或其他商品，金額最高為30,000,000美元(「融資」)。該融資是未承諾融資，銀行可隨時取消可用的融資。每次提款均在60天內償還。

根據融資(其中包括)倘若中國核工業集團有限公司(「中核集團」)不再是本公司主要股東及(直接或間接)擁有最少66.72%本公司股權，銀行事前書面同意除外(同意不會無理地拒絕)，則可能需要提早償還融資(連同相關累計利息及項下其他應付款項)。於本報告日期，本公司由中核海外鈾業控股有限公司(「中核海外」)擁有約66.72%，中核海外為中核集團(由中國國務院國有資產監督管理委員會全資擁有)的間接全資附屬公司。

## 收購及出售附屬公司及聯營公司

期內本集團並無任何重大收購或出售附屬公司及聯營公司。

## EXPOSURE TO FOREIGN EXCHANGE RISK

The Group's revenue, cost of sales, selling and distribution expenses, administrative expenses, finance costs, 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 measures 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, 2019.

## CHARGE ON ASSETS

The 37.2% of the share capital in Somina held by a wholly owned subsidiary of the Company, Ideal Mining Limited, was pledged to a bank for banking facilities granted to Somina. As security for banking facilities granted to the Group for its approximately 18.45% investment in CNNC Leasing ("Investment Interest"), the following was charged on the Group: (i) the Investment Interest; (ii) the 100% share capital in CNNC International (HK) Limited ("CNNC (HK)") (a wholly owned subsidiary of the Company and the holder of the Investment Interest); (iii) the dividend payment of CNNC Leasing; and (iv) certain bank account(s) of CNNC (HK). As security for banking facilities granted to the Group for its trading operation, certain bank accounts of China Nuclear International Corporation and CNNC International Holdings (Shenzhen) Limited, both are wholly owned subsidiaries of the Company, was charged. Apart from the above, there was no charge on the Group's assets during the Period and the corresponding period last year.

## 外匯風險承擔

本集團之收入、銷售成本開支、銷售及分銷開支、行政開支、財務費用、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二零一九年十二月三十一日以來並無重大變動。

## 資產抵押

由本公司的全資子公司理想礦業有限公司持有的Somina公司37.2%的股本已抵押給一家銀行，以獲取授予Somina公司的銀行融資。為本集團就中核租賃中約18.45%的投資（「投資權益」）而授予的銀行融資，本集團將以下資產向銀行抵押：(i)投資權益；(ii)中核國際（香港）有限公司（「中核（香港）」）（本公司全資附屬公司及投資權益持有人）之100%股本；(iii)中核租賃的股息支付；(iv)中核（香港）的銀行帳戶。為本集團就貿易業務而授予的銀行融資，本集團以中核國際集團有限公司及中核國際控股（深圳）有限公司（兩間均為本公司之全資附屬公司）的銀行帳戶抵押。除上述以外，本集團於本期內及去年同期並無抵押任何資產。



## INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the Period (2019 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, except that when Mr. Cheong Ying Chew Henry resigned as an Independent Non-executor Director on 31st December, 2019, (i) the Company had only two Independent Non-executive Directors, which fell below the minimum number required under Rule 3.10(1) of the Listing Rules, and did not have an Independent Non-executive Director with the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules ("Appropriate Expertise"); (ii) the Audit Committee did not have an Independent Non-executive Director with Appropriate Expertise nor have a Chairman as required under Rule 3.21 of the Listing Rules; and (iii) each of the Remuneration Committee and the Nomination Committee comprised an Executive Director, a Non-executive director and two Independent Non-executive Directors, which failed to meet the requirements under Rule 3.25 and Code Provision A.5.1 of the CG Code, which respectively require the Remuneration Committee and the Nomination Committee comprising a majority of Independent Non-executive Directors. Following the appointment of Mr. Chan Yee Hoi as an Independent Non-executor Director and Chairman or member of committees of the Company on 9th March, 2020, the Company has complied with the requirements under Rules 3.10(1), 3.10(2), 3.21 and 3.25 of the Listing Rules and Code Provision A.5.1 of the CG Code.

## 中期股息

董事局不建議就回顧期派發中期股息(二零一九年同期: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

除下列所述,於回顧期內本公司已遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載《企業管治常規守則》(「管治守則」)所載守則條文。張英潮先生於二零一九年十二月三十一日辭任獨立非執行董事職務,由當天起(i)本公司只有兩名獨立非執行董事,低於上市規則第3.10(1)要求的最低人數,並且沒有獨立非執行董事具有上市規則第3.10(2)所要求的適當專業資格或會計或相關財務管理專業知識(「適當的專業知識」);(ii)根據上市規則第3.21,審核委員會並無擁有具備適當專業知識的獨立非執行董事,亦無主席;(iii)薪酬委員會及提名委員會各自由一名執行董事,一名非執行董事及兩名獨立非執行董事組成,均不符合上市規則第3.25及管治守則第A.5.1的規定,分別要求薪酬委員會和提名委員會由大多數獨立非執行董事組成。於二零二零年三月九日本公司委任陳以海先生為獨立非執行董事及委員會主席或委員後,本公司已遵守上市規則3.10(1)、3.10(2)、3.21和3.25的規定規則,以及管治守則的守則條文第A.5.1的規定。

## 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. Chan Yee Hoi, Mr. Cui Liguu and Mr. Zhang Lei, and one Non-executive director namely Mr. Wu Ge. Mr. Chan Yee Hoi 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. Cui Liguu, Mr. Zhang Lei and Mr. Chan Yee Hoi, one Executive Director namely Mr. Zhang Yi and one Non-executive Director namely Mr. Wu Ge. 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. Cui Liguu, Mr. Zhang Lei and Mr. Chan Yee Hoi, one Executive Director namely Mr. Zhang Yi and one Non-executive Director namely Mr. Zhong Jie. Mr. Zhong Jie is the Chairman of the Nomination Committee.

## 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陳以海先生、崔利國先生及張雷先生及一名非執行董事吳戈先生組成。陳以海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崔利國先生、張雷先生及陳以海先生、一名執行董事張義先生以及一名非執行董事吳戈先生組成。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崔利國先生、張雷先生及陳以海先生、一名執行董事張義先生及一名非執行董事鐘杰先生組成。鐘杰先生為提名委員會主席。



## 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*  
**Zhong Jie**

Hong Kong, 31st August, 2020

## 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*  
**鐘杰**

香港，二零二零年八月三十一日

# 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, 2020 截至二零二零年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		30.6.2020 二零二零年 HK\$'000 港幣千元 (unaudited) (未經審核)	30.6.2019 二零一九年 HK\$'000 港幣千元 (unaudited) (未經審核)
	NOTES 附註		
Revenue	3	1,224,963	1,187,537
Cost of sales		<b>(1,211,713)</b>	(1,172,465)
Gross profit		<b>13,250</b>	15,072
Other income and gains		<b>1,245</b>	869
Net exchange (losses) gains		<b>(1,505)</b>	238
Selling and distribution expenses		<b>(2,124)</b>	(1,141)
Administrative expenses		<b>(9,121)</b>	(8,144)
Share of result of an associate		<b>9,130</b>	—
Finance costs		<b>(11,234)</b>	(4,574)
(Loss) profit before taxation		<b>(359)</b>	2,320
Income tax expense	4	<b>(3,399)</b>	(37)
(Loss) profit for the period attributable to owners of the Company	5	<b>(3,758)</b>	2,283
Other comprehensive (expense) income			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation to presentation currency		<b>(1,247)</b>	820
Fair value gain on an equity instrument at fair value through other comprehensive income ("FVTOCI")		—	16,846
<i>Item that maybe reclassified subsequently to profit or loss:</i>			
Share of exchange differences of an associate		<b>(11,158)</b>	—
Other comprehensive (expense) income for the period		<b>(12,405)</b>	17,666
<b>Total comprehensive (expense) income for the period, attributable to owners of the Company</b>		<b>(16,163)</b>	19,949
Basic and diluted (loss) earnings per share	7	<b>HK(0.77) cent (0.77)港仙</b>	HK0.47 cent 0.47港仙

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 簡明綜合財務狀況表

At 30th June, 2020 於二零二零年六月三十日

	NOTES 附註	30.6.2020 二零二零年 六月三十日 HK\$'000 港幣千元 (unaudited) (未經審核)	31.12.2019 二零一九年 十二月三十一日 HK\$'000 港幣千元 (audited) (經審核)
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	11,948	12,605
Exploration and evaluation assets	勘探及評估資產	—	—
Right-of-use asset	使用權資產	389	556
Interests in associates	於聯營公司之權益	394,152	422,069
		<b>406,489</b>	<b>435,230</b>
<b>Current assets</b>	<b>流動資產</b>		
Inventories	存貨	145,954	340,858
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	169,312	251,509
Restricted cash	受限制存款	20,554	19,004
Bank balances and cash	銀行結餘及現金	67,991	100,543
		<b>403,811</b>	<b>711,914</b>
<b>Current liabilities</b>	<b>流動負債</b>		
Trade, bills and other payables and accruals	應付貿易款項、票據及其他應付款項以及應計欠款	74,325	241,622
Contract liabilities	合約負債	12,381	25,617
Bank borrowings	銀行借款	133,024	538,774
Lease liability	租賃負債	338	331
Amount due to an intermediate holding company	應付一間中介控股公司款項	1,891	1,901
Amount due to ultimate holding company	應付最終控股公司款項	1,977	1,977
Amount due to a fellow subsidiary	應付一間同母系附屬公司款項	140	140
Income tax payable	應付所得稅	1,308	1,632
		<b>225,384</b>	<b>811,994</b>
<b>Net current assets (liabilities)</b>	<b>流動資產(負債)淨值</b>	<b>178,427</b>	<b>(100,080)</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>	<b>584,916</b>	<b>335,150</b>
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Bank borrowings	銀行借款	266,099	—
Lease liability	租賃負債	58	228
		<b>266,157</b>	<b>228</b>
<b>Net assets</b>	<b>資產淨值</b>	<b>318,759</b>	<b>334,922</b>
<b>Capital and reserves</b>	<b>股本及儲備</b>		
Share capital	股本	4,892	4,892
Share premium and reserves	股份溢價及儲備	313,867	330,030
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>	<b>318,759</b>	<b>334,922</b>



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 簡明綜合資本變動表

For the six months ended 30th June, 2020 截至二零二零年六月三十日止六個月

		Share capital	Share premium	Capital reserve	Non-distributable reserve	FVTOCI reserve	Merger reserve	Statutory reserve	Translation reserve	Accumulated losses	Total
		股本	股份溢價	資本儲備	不可分派儲備	按公平值計入其他收益儲備	合併儲備	法定儲備	匯兌儲備	累計虧損	總計
		HK\$'000	HK\$'000	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	港幣千元	港幣千元
At 1st January, 2019 (audited)	於二零一九年 一月一日(經審核)	4,892	868,805	80,827	16,584	—	127	—	9,430	(413,971)	566,694
Profit for the period	期內溢利	—	—	—	—	—	—	—	—	2,283	2,283
Other comprehensive income for the period	期內其他全面收益	—	—	—	—	—	—	—	—	—	—
Exchange differences arising on translation to presentation currency	換算為呈列貨幣產生之匯兌差額	—	—	—	—	—	—	—	820	—	820
Fair value gain on an equity instrument at FVTOCI	按公平值計入其他收益之股權工具之公平值收益	—	—	—	—	16,846	—	—	—	—	16,846
Total comprehensive income for the period	期內全面收入總額	—	—	—	—	16,846	—	—	820	2,283	19,949
At 30th June, 2019 (unaudited)	於二零一九年 六月三十日 (未經審核)	4,892	868,805	80,827	16,584	16,846	127	—	10,250	(411,688)	586,643
At 1st January, 2020 (audited)	於二零二零年 一月一日(經審核)	4,892	868,805	80,827	16,584	—	127	635	1,157	(638,105)	334,922
Loss for the period	期內虧損	—	—	—	—	—	—	—	—	(3,758)	(3,758)
Other comprehensive expense for the period	期內其他全面支出	—	—	—	—	—	—	—	—	—	—
Exchange differences arising on translation to presentation currency	換算為呈列貨幣產生之匯兌差額	—	—	—	—	—	—	—	(1,247)	—	(1,247)
Share of exchange differences of an associate	應佔聯營公司業績之匯兌差額	—	—	—	—	—	—	—	(11,158)	—	(11,158)
Total comprehensive expense for the period	期內全面支出總額	—	—	—	—	—	—	—	(12,405)	(3,758)	(16,163)
At 30th June, 2020 (unaudited)	於二零二零年 六月三十日 (未經審核)	4,892	868,805	80,827	16,584	—	127	635	(11,248)	(641,863)	318,759

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

## 簡明綜合現金流量表

For the six months ended 30th June, 2020 截至二零二零年六月三十日止六個月

		Six months ended 截至六月三十日止六個月	
		30.6.2020 二零二零年 HK\$'000 港幣千元 (unaudited) (未經審核)	30.6.2019 二零一九年 HK\$'000 港幣千元 (unaudited) (未經審核)
Net cash generated from (used in) operating activities	來自(用作)經營活動之現金淨額	<b>120,289</b>	(67,790)
Investing activities	投資活動		
Interest received	已收利息	<b>219</b>	633
Placement of restricted cash	存放受限制存款	<b>(1,550)</b>	—
Purchase of property, plant and equipment	購買物業、廠房及設備	<b>(239)</b>	(1)
Refunds for rental deposit	退回租賃押金	<b>55</b>	—
Subscription of investment in equity instrument at FVTOCI	認購按公平值計入其他收益之股權工具之投資	—	(443,524)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	—	161
Net cash used in investing activities	用作投資活動之現金淨額	<b>(1,515)</b>	(442,731)
Financing activities	融資活動		
New bank borrowings raised	銀行借款	<b>313,473</b>	396,497
Repayments of bank borrowings	償還銀行借款	<b>(453,648)</b>	—
Interest paid	已付利息	<b>(9,773)</b>	(4,574)
Repayment of a lease liability	償還租賃負債	<b>(163)</b>	—
Net cash (used in) generated from financing activities	(用作)來自融資活動之現金淨額	<b>(150,111)</b>	391,923
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	<b>(31,337)</b>	(118,598)
Cash and cash equivalents at 1st January	一月一日之現金及現金等價物	<b>100,543</b>	177,917
Effect of foreign exchange rate changes	外匯匯率變動之影響	<b>(1,215)</b>	63
Cash and cash equivalents at 30th June	六月三十日之現金及現金等價物	<b>67,991</b>	59,382

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT

## 簡明綜合中期財務報表附註

For the six months ended 30th June, 2020 截至二零二零年六月三十日止六個月

### 1. BASIS OF PREPARATION

The condensed consolidated interim financial statement 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.

The functional currency of the Company is United States dollars (“US\$”). The condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”) for the convenience of the shareholders, as the Company is listed in Hong Kong. All values are rounded to the nearest thousand (“HK\$’000”) unless otherwise indicated.

These condensed consolidated interim financial statements contain condensed consolidated interim financial statement and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2019 annual financial statements. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”) and should be read in conjunction with the 2019 consolidated financial statements.

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial statement have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values. The condensed consolidated interim financial statements are unaudited but has been reviewed by the Company’s audit committee.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated interim financial statement for the six months ended 30th June, 2020 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31st December, 2019.

### 1. 編製基準

簡明綜合中期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。

本公司之功能貨幣為美元(「美元」)。由於本公司於香港上市，為方便股東，本簡明綜合中期財務報表以港幣(「港幣」)呈列。所有價值均湊整至最接近千位數(「港幣千元」)。

簡明綜合中期財務報表包含簡明綜合中期財務報表和選定的解釋性說明。附註包括對事件和交易的解釋，這些事件和交易對於理解自二零一九年度財務報表以來本集團的財務狀況和業績變化具有重要意義。簡明綜合中期財務報表和附註未包含根據香港財務報告準則(「香港財務報告準則」)編製的完整財務報表所需的全部信息，應與二零一九年綜合財務報表一併閱讀。

### 2. 主要會計政策

簡明綜合中期財務報表乃按歷史成本基準編製，有些金融工具按公平值計算除外。中期財務報告為未經審核，但已經本公司審核委員會審閱。

除下文所述外，編製截至二零二零年六月三十日止六個月之簡明綜合中期財務報表所採用的會計政策及計算方法，與本集團編製截至二零一九年十二月三十一日止年度之年度財務報表所採用者一致。



For the six months ended 30th June, 2020 截至二零二零年六月三十日止六個月

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

### Application of new and amendments to Hong Kong Financial Reporting Standards (“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, 2020 for the preparation of the Group’s condensed consolidated interim financial statement:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 7, HKFRS 9 and HKAS 39	Interest Rate Benchmark Reform
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Conceptual Framework for Financial Reporting (Revised)	

The new and amendments to HKFRSs that are effective from 1st January, 2020 did not have any significant impact on the Group’s accounting policies.

## 2. 主要會計政策(續)

### 應用新訂及經修訂香港財務報告準則(「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中期財務報表首次應用以下由香港會計師公會頒布於二零二零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3號(修訂本)	業務的定義
香港財務報告準則第7號、香港財務報告準則第9號及香港會計準則第39號(修訂本)	利率基準改革
香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義
香港財務報告準則第16號(修訂本)	Covid-19相關租金寬減
財務報告的概念框架(經修訂)	

自二零二零年一月一日起生效的新訂或經修訂的香港財務報告準則並無對本集團的會計政策產生任何重大影響。

Notes to the Condensed Consolidated Interim Financial Statement (Continued)  
簡明綜合中期財務報表附註(續)

For the six months ended 30th June, 2020 截至二零二零年六月三十日止六個月

### 3. REVENUE AND SEGMENT INFORMATION 3. 收益及分部資料

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 selling 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 selling of mineral properties — exploration and selling of uranium
- Supply chain — selling of electronics and other products, dispersed metal and provision of supply chain services

Disaggregation of revenue from contracts with customers

For the six months ended 30th June, 2020

Segments	分部	Trading of mineral property 經營礦產物業 HK\$'000 港幣千元 (unaudited) (未經審核)	Exploration and selling of mineral properties 勘探及銷售礦產物業 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)	Total 總計 HK\$'000 港幣千元 (unaudited) (未經審核)
Trading of — uranium	買賣 — 鈾	380,890	—	—	380,890
— electronics and other products	— 電子及其他產品	—	—	844,073	844,073
		380,890	—	844,073	1,224,963

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、勘探及銷售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, 本集團的營運及滙報分部如下:

- 經營礦產物業 — 買賣鈾
- 勘探及銷售礦產物業 — 勘探及銷售鈾礦產物業
- 供應鏈 — 銷售電子和其他產品, 金屬及提供供應鏈服務

客戶合約收入細分

截至二零二零年六月三十日止六個月

For the six months ended 30th June, 2020 截至二零二零年六月三十日止六個月

**3. REVENUE AND SEGMENT INFORMATION**  
(continued)Disaggregation of revenue from contracts  
with customers (continued)

For the six months ended 30th June, 2019

Segments	分部	Trading of mineral property 經營 礦產物業 HK\$'000 港幣千元 (unaudited) (未經審核)	Exploration and selling of mineral properties 勘探及銷售 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)	Total 總計 HK\$'000 港幣千元 (unaudited) (未經審核)
Trading of	買賣				
— uranium	— 鈾	175,977	—	—	175,977
— electronics and other products	— 電子及其他 產品	—	—	1,011,560	1,011,560
		175,977	—	1,011,560	1,187,537

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

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：

For the six months ended 30th June, 2020

截至二零二零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 selling of mineral properties 勘探及銷售 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)	Total 總計 HK\$'000 港幣千元 (unaudited) (未經審核)
Segment revenue	分部收入	380,890	—	844,073	1,224,963
Segment profit (loss)	分部利潤(虧損)	1,290	(3,872)	3,886	1,304
Unallocated other income and gains	未分配之其他收入 及收益				145
Unallocated corporate costs	未分配企業成本				(2,711)
Share of result of an associate	應佔聯營公司業績				9,130
Unallocated finance costs	未分配財務費用				(8,227)
Loss before taxation	除稅前虧損				(359)



Notes to the Condensed Consolidated Interim Financial Statement (Continued)  
簡明綜合中期財務報表附註(續)

For the six months ended 30th June, 2020 截至二零二零年六月三十日止六個月

3. REVENUE AND SEGMENT INFORMATION (continued) 3. 收益及分部資料(續)

For the six months ended 30th June, 2019

截至二零一九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 selling of mineral properties 勘探及銷售 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)	Total 總計 HK\$'000 港幣千元 (unaudited) (未經審核)
Segment revenue	分部收入	175,977	—	1,011,560	1,187,537
Segment profit (loss)	分部利潤(虧損)	3,093	(2,860)	8,085	8,318
Unallocated other income and gains	未分配之其他收入 及收益				1,107
Unallocated corporate costs	未分配企業成本				(2,531)
Unallocated finance costs	未分配財務費用				(4,574)
Profit before taxation	除稅前溢利				2,320

Segment profit (loss) represents the profit earned or loss incurred by each segment without allocation of unallocated other income and gains, unallocated corporate costs, share of result of an associate and unallocated finance costs.

分部利潤(虧損)指各分部產生之利潤或虧損，不包括未分配之其他收入及收益、未分配企業成本、應佔聯營公司業績及未分配財務費用。

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### 3. REVENUE AND SEGMENT INFORMATION (continued) 3. 收益及分部資料(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：

		30.6.2020 二零二零年 六月三十日 HK\$'000 港幣千元 (unaudited) (未經審核)	31.12.2019 二零一九年 十二月三十一日 HK\$'000 港幣千元 (audited) (經審核)
<b>ASSETS</b>	<b>資產</b>		
Segment assets	分部資產		
— Trading of mineral property	— 經營礦產物業	181,201	324,479
— Exploration and selling of mineral properties	— 勘探及銷售礦產物業	17,254	15,368
— Supply chain	— 供應鏈	216,408	378,979
		<b>414,863</b>	718,826
Interests in associates	於聯營公司之權益	394,152	422,069
Unallocated corporate assets	未分配企業資產	1,285	6,249
Consolidated assets	綜合資產	<b>810,300</b>	1,147,144
<b>LIABILITIES</b>	<b>負債</b>		
Segment liabilities	分部負債		
— Trading of mineral property	— 經營礦產物業	77,246	337,588
— Exploration and selling of mineral properties	— 勘探及銷售礦產物業	20,220	16,753
— Supply chain	— 供應鏈	108,146	167,202
		<b>205,612</b>	521,543
Unallocated corporate liabilities	未分配企業負債	285,929	290,679
Consolidated liabilities	綜合負債	<b>491,541</b>	812,222

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 prepayments, restricted cash and bank balances and cash which are directly attributable to the relevant reportable segment.
- Segment liabilities include trade, bills and other payables and accruals, contract liabilities and amounts due to an intermediate holding company, the ultimate holding company and a fellow subsidiary and bank borrowings 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以及預付款項、受限制存款及銀行結餘及現金。
- 分部負債包括相關匯報分部直接應佔之應付貿易款項、票據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、最終控股公司及一間同母系附屬公司之款項及銀行借款。

## 4. TAXATION

### Hong Kong Profits Tax

On 21st March, 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28th March, 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

### PRC Enterprise Income Tax ("EIT")

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of a PRC subsidiary is 25%. In 2020, a PRC subsidiary of the Company was qualified as enterprise operating in encouraged industries in Shenzhen and was subject to an Enterprise Income Tax rate of 15%.

### PRC Withholding tax

The PRC withholding tax at a rate of 10% is levied on one of the Company's subsidiaries in Hong Kong in respect of dividend distributions arising from profits of a PRC associate.

## 4. 所得稅開支

### 香港利得稅

香港立法會於二零一八年三月二十一日通過《二零一七年稅務(修訂)(第七號)條例草案》(「條例草案」)，引入兩級制利得稅率制度。條例草案於二零一八年三月二十八日簽署成為法律，並於翌日在憲報上刊登。根據兩級利得稅率制度，合資格集團實體的首200萬港元利潤將按8.25%的稅率徵稅，而200萬港元以上的利潤將按16.5%的稅率徵稅。不符合兩級制利得稅率制度的集團實體的利潤將繼續按16.5%的統一稅率徵稅。

因此，合資格集團實體的香港利得稅按估計應課稅溢利的首200萬港元計算為8.25%，而超過200萬港元的估計應課稅利潤為16.5%。香港利得稅乃根據該年度之預算須課稅溢利按稅率16.5%計算。

### 中國企業所得稅(「企業所得稅」)

根據中華人民共和國企業所得稅法和企業所得稅法實施條例，中國子公司的稅率為25%。於二零二零年，本公司的中國附屬公司獲准成為深圳市鼓勵類產業企業，並須繳納15%的企業所得稅。

### 中國預扣稅款

就本集團在國內的聯營公司由利潤產生的股息分配，對本集團在香港的一家子公司按10%的稅率徵收預扣稅款。



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## 4. TAXATION (continued)

## 4. 所得稅開支(續)

		Six months ended 截至六月三十日止六個月	
		30.6.2020 二零二零年 HK\$'000 港幣千元 (unaudited) (未經審核)	30.6.2019 二零一九年 HK\$'000 港幣千元 (unaudited) (未經審核)
The income tax expenses comprises: 所得稅開支包括：			
— Hong Kong profits tax	— 香港利得稅	414	—
— PRC EIT	— 中國企業所得稅	429	37
— Over provision in prior periods	— 上年度所得稅回撥	(33)	—
— PRC withholding tax on dividend received from an associate	— 收取一間聯營公司股息時繳納預扣稅	2,589	—
		<b>3,399</b>	<b>37</b>

## 5. (LOSS) PROFIT FOR THE PERIOD

## 5. 期內(虧損)溢利

		Six months ended 截至六月三十日止六個月	
		30.6.2020 二零二零年 HK\$'000 港幣千元 (unaudited) (未經審核)	30.6.2019 二零一九年 HK\$'000 港幣千元 (unaudited) (未經審核)
(Loss) profit for the period has been arrived at after charging (crediting): 期內(虧損)溢利經扣除(計入)下列項目：			
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	733	311
Depreciation of right-of-use assets	使用權資產之折舊	167	—
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損(收益)	71	(161)
Net exchange losses (gains)	匯兌虧損(收益)淨額	1,505	(238)
Bank interest income	銀行利息收入	(219)	(633)

Notes to the Condensed Consolidated Interim Financial Statement (Continued)  
簡明綜合中期財務報表附註(續)

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## 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.

## 7. BASIC AND DILUTED (LOSS) EARNINGS PER SHARE

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

## 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。

## 7. 每股基本及攤薄後(虧損)盈利

本公司擁有人應佔每股基本及攤薄後(虧損)盈利乃根據下列數據計算：

		Six months ended 截至六月三十日止六個月	
		30.6.2020 二零二零年 HK\$'000 港幣千元 (unaudited) (未經審核)	30.6.2019 二零一九年 HK\$'000 港幣千元 (unaudited) (未經審核)
(Loss) profit for the period attributable to owners of the Company	本公司擁有人應佔期內(虧損)盈利	<b>(3,758)</b>	2,283
Number of ordinary shares for the purpose of basic (loss) earnings per share	計算每股基本(虧損)盈利之普通股數目	<b>489,168,308</b>	489,168,308

There were no potential dilutive ordinary shares outstanding during six months ended 30th June, 2020 and 2019, and hence diluted (loss) earnings per share is the same as basic (loss) earnings per share.

於截至二零二零及二零一九年六月三十日六個月內，沒有潛在攤薄普通股，所以攤薄後每股(虧損)盈利與基本每股(虧損)盈利一致。

## 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。

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## 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.

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 and the grant of mining licenses had been postponed due to changes in government officials of relevant Mongolian authorities in 2014, October 2017, and June 2019. Further negotiations on the terms of the draft joint venture agreement have been carried out with the new government officials of relevant Mongolian authorities. In 2018, the Group received assistance from the Embassy of the People's Republic of China in Mongolia, to speed up the application progress. Several communications were made between the Embassy and the Mongolian government officials regarding the application of the mining licence. In December 2019, the Group received a notice from the relevant Mongolian authority, which suggested the Group to apply for a court order in relation to the matters relating to resumption of the application for the mining licenses for the reason that the relevant exploration licenses have expired.

## 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。

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，合營企業及採礦許可證的審批因有關蒙古當局之政府官員於二零一四年，二零一七年十月及二零一九年六月出現調動而延遲。本集團與蒙古當局新政府官員已進一步進行磋商合營協定條款。在二零一八年，本集團已獲得中華人民共和國駐蒙古大使館的協助，以加快申請進度。大使館和蒙古政府官員就採礦許可證進行了多次溝通。二零一九年十二月，本集團收到有關蒙古當局的通知，建議本集團就恢復申請採礦許可證有關的事項申請法院命令，原因是勘探許可證已過期。



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

Based on the advice from the Group's Mongolian legal advisers, on 9th January, 2020, Emeelt Mines LLC, an indirect wholly owned subsidiary of the Company, which is the holder of the exploration licenses (as the applicant) has filed in the Capital City Administrative Court of First-Instance of Mongolia (the "Court") an administrative lawsuit (the "Lawsuit") with the Mineral Resources and Petroleum Authority of Mongolia (as the respondent) claiming, among other things, to confirm the non-performance of the respondent in relation to the granting of the mining licenses in accordance with the Mongolian laws and reinstate the validity of the exploration licenses. As mentioned in the announcements dated 9th January, 3rd February, 17th March, 28th April, 4th and 22nd May, 5th June, and 6th July, 2020, the Company has received the written judgment of the Appellate Court regarding the hearing on 4th June, 2020 (the "Written Judgment"). According to the Group's Mongolian legal adviser, the Appellate Court did not consider the new evidence as it was not previously presented to Capital City Administrative Court of First-Instance of Mongolia (the "Court"). The Written Judgment concluded the decision of the Court was right. In light of the new evidence, the Appellate Court stated that the Group had the rights to make the application with the new evidence to the Court again. After receiving further advice of the Group's Mongolian legal adviser, the Group had made the application to the Court again on 26th August, 2020.

At 31st December, 2019, the directors performed an impairment assessment and re-assessed the recoverable amount of assets based on fair value less costs of disposal, which is derived by using the market approach. The Group has engaged GCA Professional Services Group, an independent qualified professional valuer, to perform the valuation for assessment.

根據本集團蒙古法律顧問的建議，於二零二零年一月九日，本公司的間接全資子公司Emeelt Mines LLC，勘探許可證的持有人(作為申請人)，對蒙古礦產資源和石油管理局(Mineral Resources and Petroleum Authority of Mongolia)(作為答辯人)，向蒙古首都一審行政法院(Capital City Administrative Court of First-Instance of Mongolia)申請行政訴訟(「訴訟」)，主張確認答辯人未按蒙古法例規定頒發採礦許可證的不作為行動及恢復勘探許可證的有效性。誠如於為二零二零年一月九日，二月三日，三月十七日，四月二十八日，五月四日，五月二十二日，六月五日及七月六日的公告，本公司已收到關於在二零二零年六月四日上訴法院的書面判決(「書面判決」)。根據本集團蒙古法律顧問意見，上訴法院沒有審議新證據，因為新證據以前沒有提交法院。書面判決得出結論，法院的裁決是正確的。鑒於新證據，上訴法院指出本集團有權再次向蒙古首都一審行政法院(「法院」)採用新證據提出申請。在本集團蒙古法律顧問提供進一步諮詢意見後，於二零二零年八月二十六日本集團再次向法院提出申請。

於二零一九年十二月三十一日，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根據公平值減出售成本，主要採用市場方法評估。本集團已聘用獨立專業評估師漢華專業服務集團進行評估。

For the six months ended 30th June, 2020 截至二零二零年六月三十日止六個月

## 8. EXPLORATION AND EVALUATION ASSETS (continued)

In determining the fair value, the valuer has adopted the comparable transaction method to calculate the value of the assets. There was no change to the valuation technique during the year. The fair value of the asset is a level 3 fair value measurement. One of the key inputs to the method is the measured resources from the uranium mines as market observable transactions related to the acquisition of companies which held mining project at preliminary stage, adjusted by the measured and indicated price multiple, which is determined as the market comparable projects. The valuer has also applied an adjusting factor with reference to the market price of natural uranium. In addition to the valuation assessment, the directors also applied another adjustment factor (adjustment factor for the status of Lawsuit), taken into consideration the notice from the relevant Mongolian authority, the uncertain outcome of the Lawsuit, regulatory requirements in Mongolia and the arrangement procedures for the Group's mining licenses.

The directors are of the view that possibly unfavourable outcome of the Lawsuit causes the recoverable amount of assets is lower than the carrying value of the assets and full impairment loss on the exploration and evaluation assets amounting to HK\$210,367,000 was recognised in consolidated statement of profit or loss and other comprehensive income for the year ended 31st December, 2019.

## 9. INTERESTS IN ASSOCIATES

		30.6.2020 二零二零年 六月三十日 HK\$'000 港幣千元 (unaudited) (未經審核)	31.12.2019 二零一九年 十二月三十一日 HK\$'000 港幣千元 (audited) (經審核)
Cost of unlisted investments	非上市投資之成本	894,457	894,457
Share of post-acquisition losses	應佔收購後虧損	(456,631)	(465,761)
Dividend payment	股息支付	(25,889)	—
Exchange difference	滙兌差額	(17,785)	(6,627)
Interests in associates	於聯營公司之權益	<b>394,152</b>	422,069

## 8. 勘探及評估資產(續)

在確定公平值時，評估師採用可比交易法計算資產的價值。評估方法在本年內沒有改變。資產的公平值是第三級公平值計量。該方法的主要輸入之一是鈾礦的可測資源，作為與收購持有礦業項目的公司有關的可觀察到的市場交易，並已根據測得的及指示的價格倍數進行了調整，並確定為與市場可比的價格倍數。評估師還參考了天然鈾的市場價格採用了調整因子。除評估外，董事還考慮了蒙古有關當局的通知，訴訟的不確定結果，蒙古的監管要求和安排程序，採用了另一個調整因子(訴訟狀態的調整因子)。

董事認為該可能不利的訴訟結果會導致資產之可收回金額低於資產之賬面值，而勘探及評估資產之全額減值虧損為港幣210,367,000元已確認在截至二零一九年十二月三十一日止年度的綜合損益表及其他全面收益內。

## 9. 於聯營公司之權益

Notes to the Condensed Consolidated Interim Financial Statement (Continued)  
簡明綜合中期財務報表附註(續)

For the six months ended 30th June, 2020 截至二零二零年六月三十日止六個月

9. INTERESTS IN ASSOCIATES (continued)

Particulars of the Group's associates at 30th June, 2020 and 31st December, 2019 are set out below:

9. 於聯營公司之權益(續)

於二零二零年六月三十日及二零一九年十二月三十一日，本集團之聯營公司詳情如下：

Name of associate 聯營公司名稱	Country of incorporation and operation 公司成立和經營	Attributable equity interest held by the Group 集團持有的歸屬股權		Principal activity 主要業務
		30.06.2020 二零二零年六月三十日 %	31.12.2019 二零一九年十二月三十一日 %	
Somina Somina公司	Republic of Niger 尼日爾	37.20	37.20	Mining 礦業開採
CNNC Financial Leasing Company Limited ("CNNC Leasing") 中核融資租賃有限公司 (「中核租賃」)	The PRC 中國	18.45*	18.45*	Provision of financial leasing services 於提供融資租賃服務

\* The company is accounted for as an associate of the Company at 30th June, 2020 and 31st December, 2019 as in accordance with the memorandum and articles of association of the company, major financial and operating policies of the company require consent with simple majority in the board of directors. The Group has two out of eleven directors in the board of directors of CNNC Leasing. Therefore, the Group has significant influence over CNNC Leasing.

\* 根據公司章程大綱和組織章程細則，該公司於二零二零年六月三十日及二零一九年十二月三十一日被視為本公司的聯營公司，該公司的主要財務和經營政策需要獲得董事會簡單多數同意。本集團在中核租賃的董事會中有十一名董事中有兩名，因此，本集團對中核租賃具有重大影響力。

10. INVENTORIES

		30.6.2020 二零二零年六月三十日 HK\$'000 港幣千元 (unaudited) (未經審核)	31.12.2019 二零一九年十二月三十一日 HK\$'000 港幣千元 (audited) (經審核)
Uranium concentrates 濃縮鈾		92,485	213,449
Electronic and other products 電子及其他產品		53,469	127,409
		145,954	340,858

10. 存貨



For the six months ended 30th June, 2020 截至二零二零年六月三十日止六個月

**11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS**

The Group allows a credit period of up to 30 to 60 days to its trade customers. The following is an ageing analysis of trade receivables based on the invoice date, which approximated the revenue recognition date at the end of the reporting period:

		<b>30.6.2020</b> <b>二零二零年</b> <b>六月三十日</b> <b>HK\$'000</b> <b>港幣千元</b> <b>(unaudited)</b> <b>(未經審核)</b>	31.12.2019 二零一九年 十二月三十一日 HK\$'000 港幣千元 (audited) (經審核)
Trade receivables	應收貿易款項		
— aged 0 to 30 days	— 賬齡0至30日	<b>123,316</b>	231,322
Trade receivables	應收貿易款項		
— aged 31 to 60 days	— 賬齡31至60日	<b>17,401</b>	16,521
		<b>140,717</b>	247,843
Other receivables	其他應收款項	<b>367</b>	3,377
Deposits paid	已付按金	<b>34</b>	89
Prepayments	預付款項	<b>2,305</b>	200
Amount due from an associate (note)	應收一間聯營公司款項 (附註)	<b>25,889</b>	—
		<b>169,312</b>	251,509

Note: The amount is unsecured, interest-free and repayable on demand.

附註：該款項為無抵押，免息及按要求還款。

**12. TRADE, BILLS AND OTHER PAYABLES AND ACCRUALS**

As at 30th June, 2020, approximately HK\$49,266,000 of trade and bills payables are included in trade, bills and other payables and accruals (31st December, 2019: HK\$219,342,000). The age of trade payables was within 30 days at the end of each reporting period.

The Group's other payables included an amount due to a joint operator of the joint operation of approximately HK\$18,214,000 (31st December, 2019: approximately HK\$14,703,000). The amount is unsecured, interest-free and repayable on demand.

**11. 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至60日的信貸期。於呈報未按發票日(與收入確認日期相若)呈列之應收貿易款項之賬齡分析如下：

**12. 應付貿易款項、票據及其他應付款項以及應計欠款**

於二零二零年六月三十日，應付貿易款項及票據約港幣49,266,000元(二零一九年十二月三十一日：約港幣219,342,000元)已計入應付貿易款項、票據及其他應付款項以及應計欠款。該應付貿易款項於報告期末的賬齡為30日以內。

集團其他應付款項包括應付合營業務關聯方款項約18,214,000港元(二零一九年十二月三十一日：約14,703,000港元)。該款項為無抵押，免息及按要求還款。

For the six months ended 30th June, 2020 截至二零二零年六月三十日止六個月

**13. AMOUNTS DUE TO AN INTERMEDIATE HOLDING COMPANY/ULTIMATE HOLDING COMPANY/A FELLOW SUBSIDIARY**

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

**14. BANK BORROWINGS**

During the period, the Group raised new bank borrowings of approximately HK\$313,473,000 (six months ended 30th June, 2019: HK\$396,497,000). The proceeds of new bank borrowings were used to finance daily operation of the Group. These bank borrowings bear variable-rate interests at a premium over London Interbank Offered Rate, Loan Prime Rate or prevailing lending rate quoted by the People's Bank of China, as appropriate, which are ranged from 1.69% to 5.00% per annum.

The Group's borrowing of approximately HK\$283,561,000 that are denominated in currencies other the functional currencies of the relevant group entity. The borrowings are secured by the 18.45% equity investment in CNNC Leasing with carrying value of approximately HK\$394,152,000, entire share capital of CNNC International (HK) Limited ("CNNC (HK)"), a wholly owned subsidiary of the Company, restricted cash of approximately HK\$4,100,000 and all monies, dividends and interest receivable in respect of CNNC Leasing, if any.

**15. SHARE CAPITAL****13. 應付一間中介控股公司／最終控股公司／一間同母系附屬公司款項**

應付一間中介控股公司、最終控股公司及一間同母系附屬公司款項為無抵押、免息及按要求償還。

**14. 銀行借款**

期內，本集團籌措新銀行借款約港幣313,473,000元(截至二零一九年六月三十日止六個月：約港幣396,497,000元)。新銀行借貸的所得款項用於提供資金以本集團的日常營運。該等銀行借款按高於倫敦銀行同業拆息、貸款優惠利率或中國人民銀行所報現行貸款利率的浮動利率計息，介乎每年1.69%至5.00%。

本集團的約港幣283,561,000元借貸是以本集團的功能貨幣以外之貨幣計值。此貸款以中核租賃賬面值的約港幣394,152,000元的18.45%的股權投資，及本公司全資附屬子公司中核國際(香港)有限公司(簡稱「中核(香港)」)的全部股權。及約港幣4,100,000元的受限制存款、全部貨幣、以及中核租賃的股息支付及應收中核租賃的利息作為抵押，如有。

**15. 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, 2019, 31st December, 2019 and 30th June, 2020	於二零一九年一月一日、 二零一九年十二月三十一日 及二零二零年六月三十日	1,000,000,000	10,000
Issued and fully paid:	已發行及繳足：		
At 1st January, 2019, 31st December, 2019 and 30th June, 2020	於二零一九年一月一日、 二零一九年十二月三十一日 及二零二零年六月三十日	489,168,308	4,892

For the six months ended 30th June, 2020 截至二零二零年六月三十日止六個月

## 16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The fair values of the financial assets and liabilities are not materially different from their carrying amounts because of the immediate or the short term maturity of those financial instruments. The following table presents assets measured at fair value in the condensed consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups assets into three levels based on the relative reliability of significant inputs used in measuring the fair value of these assets. The fair value hierarchy has the following levels:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 16. 金融工具公平值之計量

金融資產及負債的公平值與其賬面值並無重大差異，原因為該等金融工具為即時或短期內到期。下表呈列簡明綜合財務狀況表中根據公平值分級按公平值計量的資產。該分級根據用作計量資產公平值的主要輸入值的相對可靠性將資產分為三級。公平值分級分為以下級別：

- 第一級公平值計量乃自相同資產或負債於活躍市場中所報未調整價格得出；
- 第二級公平值計量乃除第一級計入之報價外，自資產或負債可直接（即價格）或間接（即自價格衍生）觀察輸入數據得出；及
- 第三級公平值計量乃自包括並非根據可觀察市場數據之資產或負債輸入數據（不可觀察輸入數據）之估值方法得出。



Notes to the Condensed Consolidated Interim Financial Statement (Continued)  
簡明綜合中期財務報表附註(續)

For the six months ended 30th June, 2020 截至二零二零年六月三十日止六個月

## 17. RELATED PARTY TRANSACTIONS

Apart from the related party transactions and balances disclosed elsewhere in the condensed consolidated interim financial statement, 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:

		<b>Six months ended 截至六月三十日止六個月</b>	
		<b>30.6.2020 二零二零年 HK\$'000 港幣千元 (unaudited) (未經審核)</b>	<b>30.6.2019 二零一九年 HK\$'000 港幣千元 (unaudited) (未經審核)</b>
Short-term benefits	短期福利	<b>2,102</b>	1,698
Post-employment benefits	退休後福利	<b>87</b>	27
		<b>2,189</b>	1,725

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

### (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 on page 16.

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.

## 17. 關連方交易

除於簡明綜合中期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：

		<b>Six months ended 截至六月三十日止六個月</b>	
		<b>30.6.2020 二零二零年 HK\$'000 港幣千元 (unaudited) (未經審核)</b>	<b>30.6.2019 二零一九年 HK\$'000 港幣千元 (unaudited) (未經審核)</b>
Short-term benefits	短期福利	<b>2,102</b>	1,698
Post-employment benefits	退休後福利	<b>87</b>	27
		<b>2,189</b>	1,725

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。

### (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16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。

For the six months ended 30th June, 2020 截至二零二零年六月三十日止六個月

## 17. RELATED PARTY TRANSACTIONS (continued)

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

During the six months ended 30th June, 2020, the Group paid rental expenses of approximately HK\$126,000 (six months ended 30th June, 2019: approximately HK\$131,000) to a fellow subsidiary of the Group for its office in the PRC.

## 18. CONTINGENT LIABILITIES

As at 30th June, 2020, the Group does not have any significant contingent liabilities (31st December, 2019: Nil).


## 17. 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(續)

截至二零二零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集團一間同母系附屬公司支付租金開支約港幣126,000元(截至二零一九年六月三十日止六個月：約港幣131,000元)。

## 18. 或然負債

於二零二零年六月三十日，本集團無重大或然負債(二零一九年十二月三十一日：無)。



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