

Interim Report 2010
二零一零年中期報告



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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CORPORATE INFORMATION

公司資料



CNNC INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

BOARD OF DIRECTORS

Chairman and Non-Executive Director

Qiu Jiangang

Executive Directors

Han Ruiping

Xu Hongchao

Non-Executive Director

Huang Mingang

Independent Non-Executive Directors

Cheong Ying Chew Henry

Cui Liguo

Zhang Lei

AUDIT COMMITTEE

Cheong Ying Chew Henry (*Chairman*)

Huang Mingang

Cui Liguo

Zhang Lei

REMUNERATION COMMITTEE

Han Ruiping (*Chairman*)

Huang Mingang

Cheong Ying Chew Henry

Cui Liguo

Zhang Lei

COMPANY SECRETARY

Li Philip Sau Yan

REGISTERED OFFICE

P.O. Box 309GT

Ugland House

South Church Street

Grand Cayman

Cayman Islands

中核國際有限公司*

(於開曼群島註冊成立之有限公司)

董事局

主席暨非執行董事

邱建剛

執行董事

韓瑞平

許紅超

非執行董事

黃敏剛

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*)

黃敏剛

崔利國

張雷

薪酬委員會

韓瑞平(*主席*)

黃敏剛

張英潮

崔利國

張雷

公司秘書

李守仁

註冊辦事處

P.O. Box 309GT

Ugland House

South Church Street

Grand Cayman

Cayman Islands

* For identification purpose only

* 僅供識別

CORPORATE INFORMATION (CONTINUED)

公司資料(續)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 2809, 28th Floor
China Resources Building
26 Harbour Road, Wanchai
Hong Kong
Tel: (852) 2598 1010
Fax: (852) 2598 6262
Email: info@cncintl.com

SOLICITOR

Baker & Mckenzie

AUDITOR

Deloitte Touche Tohmatsu

PRINCIPAL BANKERS

China Construction Bank Corporation
Industrial and Commercial Bank of China (Asia) Limited

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE (BRANCH REGISTRAR)

Computershare Hong Kong Investor Services Limited
46th Floor
Hopewell Centre, 183 Queen's Road East
Hong Kong

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE (REGISTRAR)

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street, George Town
Grand Cayman, KY1-1107
Cayman Islands

CORPORATE WEBSITE

www.cncintl.com

SHARE LISTING AND STOCK CODE

The Stock Exchange of Hong Kong Limited
Stock Code: 2302

總辦事處及主要營業地點

香港
灣仔港灣道26號
華潤大廈
28樓2809室
電話: (852) 2598 1010
傳真: (852) 2598 6262
電郵: info@cncintl.com

律師

貝克•麥堅時律師事務所

核數師

德勤•關黃陳方會計師行

主要往來銀行

中國建設銀行股份有限公司
中國工商銀行(亞洲)有限公司

香港股份過戶登記處(分處)

香港中央證券登記有限公司
香港
皇后大道東183號合和中心
46樓

開曼群島股份過戶登記處(總處)

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street, George Town
Grand Cayman, KY1-1107
Cayman Islands

公司網站

www.cncintl.com

股份上市及股份代號

香港聯合交易所有限公司
股份代號: 2302

MANAGEMENT DISCUSSION & ANALYSIS

管理層討論及分析

MARKET OVERVIEW

The Group is actively identifying and developing its overseas uranium leveraging business to supply nuclear power generation projects that are rapidly expanding in China. In response to global environmental protection measures, countries are striving in unison to develop clean energy projects, of which nuclear power is the most cost-effective energy source. This presents an excellent investment opportunity in uranium resources, as the market price of uranium, which is expected to surge in tandem with the increase in the number of nuclear power plants worldwide, remains at its current low level. For the six months ended 30th June, 2010 (“the Period”), having succumbed to the downturns of the overseas automotive and construction industries in 2008 and 2009, the die casting market revived at the beginning of 2010 as orders were creeping back to the pre financial tsunami level in view of the reversal of customers’ prudent buying attitude to hoarding reserves.

BUSINESS REVIEW

On 25th March, 2010, the Group was successful in its acquisition of 37.2% equity interests in Société des Mines d’Azelik S.A. (“SOMINA”) from its immediate controlling shareholder, CNNC Overseas Uranium Holding Limited (“CNNC Overseas”) through the acquisition of a subsidiary known as Ideal Mining Limited (“Ideal Mining”). SOMINA, a company incorporated in Niger, Africa with limited liability, is the registered holder of a mining license for a uranium ore mine located in the Agadez region of the Tchirozerine department of Niger. With exploration work finished, the construction of the said uranium mine, is expected to be completed for production commencing 2011. The full consideration of HK\$414 million was satisfied by the issue of the three-year 2% convertible note of the Company.

The operating results of the Group for the Period were primarily derived from the die casting business. Driven by robust domestic consumption and buoyant overseas orders, the die casting department strived to expand its market coverage. Turnover for the Period rebounded significantly by approximately 46.9% to approximately HK\$80,458,000 (six months ended 30th June, 2009: approximately HK\$54,769,000). The Group was committed to cost control by optimising processes, cutting expenses and switching resources to products with higher gross profit. Gross margin reversed from approximately 8.0% gross loss for the corresponding period of last year to approximately 12.0% gross profit for the Period despite raw material price hikes, domestic labour shortages and wages surges.

市場概覽

本集團積極尋求及拓展優質海外鈾資源項目，以供應中國現正迅速發展的核電項目。因應全球環保措施，各國正同步發展潔淨能源項目，核電是最具有成本效益的潔淨能源，預期市場鈾價格隨著全球核電廠之增加而大幅上升。市場鈾價格仍處於低水平，現正是投資鈾資源最好的良機。截至二零一零年六月三十日止六個月（「回顧期」），壓鑄市場經過二零零八年及二零零九年之海外汽車及建築業不景氣的影響，今年已開始復甦，加上客戶對經濟衰退時的審慎購貨態度，已改變為對經濟復甦時的積極儲貨，壓鑄訂單已回復金融海嘯前之水平。

業務回顧

本集團於二零一零年三月二十五日透過收購一所附屬公司名為理想礦業有限公司（「理想礦業」）成功從直接控股公司中核海外鈾業控股有限公司（「中核海外」），收購Société des Mines d’Azelik S.A.（「SOMINA」），一家於非洲尼日爾註冊成立的有限公司37.2%的權益，其是位於尼日爾Tchirozerine省Agadez地區的一個鈾礦開採許可證的登記持有人。該鈾礦的勘探工作已經完成，預期其建造將會完成，而生產將於二零一一年展開。代價港幣414,000,000元全數以本公司發行3年期票面年息2%的可換股票據支付。

於回顧期內，本集團經營業績主要來源於壓鑄業務，在國內內銷強勁帶動及海外訂單復甦的情況下，壓鑄業務部努力拓展市場，本集團於回顧期的營業額大幅上升約46.9%至約港幣80,458,000元（二零零九年六月三十日止六個月：約港幣54,769,000元）。同時本集團致力控制成本，在不斷的整頓流程，節省開支及將資源調配至高毛利產品下，儘管原材價格上漲、國內勞工短缺及工資飆升，毛利率由去年同期的負毛利8.0%迅速回復至回顧期錄得之毛利12.0%。

MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED)

管理層討論及分析(續)

BUSINESS REVIEW (Continued)

Other income for the Period fell by approximately 60.7% to approximately HK\$1,199,000 (for the six months ended 30th June, 2009: approximately HK\$3,049,000) in the absence of tax refunds for the Period. Selling and distribution expenses increased by approximately 21.4% to approximately HK\$2,963,000 (for the six months ended 30th June, 2009: approximately HK\$2,441,000) in line with the increase in turnover.

In June 2009, the Group acquired its subsidiary, Western Prospector Group Ltd. ("Western Prospector"), a company then listed in Canada, which subsidiaries hold uranium exploration licenses in Mongolia. Administrative and other expenses for the Period rose by approximately 106.8% to approximately HK\$23,815,000 (for the six months ended 30th June, 2009: approximately HK\$11,515,000) which was primarily attributable to the administrative expenses of Western Prospector and the service fees of intermediaries and professionals in respect of the acquisition of Ideal Mining.

The above-mentioned convertible note issued to CNNC Overseas on 25th March, 2010 were appraised to have an effective interest rate of 8.80% per annum. While no interest was payable in respect of the portion of effective interest rate in excess of the annual coupon rate, the amount in respect of such portion was required to be charged to the income statement and be reversed and credited to reserves upon redemption under Hong Kong Accounting Standards. As a result, the finance cost for the Period increased by approximately 167.0% to approximately HK\$12,793,000 (for the six months ended 30th June, 2009: approximately HK\$4,791,000).

Summing up the combined effects of the foregoing, loss after taxation for the Period amounted to approximately HK\$28,305,000 (six months ended 30th June, 2009: loss of approximately HK\$20,960,000).

FUTURE STRATEGY AND OUTLOOK

The Group is primarily focused on developing overseas uranium resources segment, while keeping its existing die casting segment. The two existing uranium projects, one in Mongolia and another one with 37.2% ownership in Niger, held by the Group are in their initial stages, through which the uranium segment is destined to endow shareholders with substantial returns upon maturity. The Group will continue to identify uranium resources leveraging projects and engage in uranium products trading business when good opportunity arises to reward shareholders. In respect of the die casting business, significant improvements were made during the Period. With steady increases in sale orders in the second half of the year, substantial improvement in performance is expected in the second half so long as efficiency continues to pick up to relieve labour shortages.

業務回顧(續)

於回顧期內，其他收入並沒有受惠於去年同期退稅而下跌約60.7%至約港幣1,199,000元(二零零九年六月三十日止六個月：港幣3,049,000元)。銷售及分銷開支因營業額上升帶動下，比去年同期上升約21.4%至約港幣2,963,000元(二零零九年六月三十日止六個月：港幣2,441,000元)。

二零零九年六月本集團收購當時於加拿大上市及其子公司擁有位於蒙古之鈾礦勘探許可證之Western Prospector Group Ltd. (「西部公司」)。於回顧期內的行政及其他開支費用比去年同期上升約106.8%至約港幣23,815,000元(二零零九年六月三十日止六個月：港幣11,515,000元)，上升原因主要是西部公司於回顧期內的行政費用及收購理想礦業時的中介及專業人員服務費用。

本公司於二零一零年三月二十五日向中核海外發行上文提及之可換股票據。經評估師評定之實際年利率為8.80%利息。縱使實際利率超出票面年利率之部份不用支付，但根據香港會計準則，要在收益中扣除，於贖回票據時可回撥儲備。因此，融資成本於回顧期間上升約167.0%至約港幣12,793,000元(二零零九年六月三十日止六個月：約港幣4,791,000元)。

總結以上各項原因後，於回顧期內稅後虧損約港幣28,305,000元(二零零九年六月三十日止六個月：虧損約港幣20,960,000元)。

未來策略及展望

發展海外鈾資源業務是本集團重點方向，與此同時本集團亦保持現有的金屬鑄業業務。鈾業務方面，本集團現擁有蒙古及37.2%的尼日爾鈾項目，該兩個項目現時處於起步階段，項目成熟後定能帶給股東可觀回報。本集團亦繼續尋找優質鈾項目，同時擇機開展鈾貿易業務，回饋股東。鑄業業務方面，於回顧期內已得到重大改善，下半年訂單仍然穩步上升，只要繼續提升效率，舒緩勞工短缺問題，下半年期望可錄得更大的業績改善。

MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED)

管理層討論及分析(續)

HUMAN RESOURCES MANAGEMENT

As at 30th June, 2010, the Group employed approximately 1,410 fulltime 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\$18,064,000 during the Period, which was mainly for operation purpose, resulting in cash-on-hand and bank balances of approximately HK\$589,560,000 as at 30th June, 2010.

During the Period, stock turnover days increased to 70 days, compared with a yearly average of about 66 days for the previous year. Debtors' turnover days decreased from 104 days as at 31st December, 2009 to 92 days as at 30th June, 2010.

The Group's financial position remained healthy. During the Period, the Group issued convertible note to acquire Ideal Mining, as a result, the gearing ratio, which is represented by the ratio of total debts to total assets, increased to 0.35 (as at 31st December, 2009: 0.14).

The working capital of the Group was generally financed by internally generated cash flows from its operation and existing banking facilities. As at 30th June, 2010, the Group's cash-on-hand and bank balances amounted to approximately HK\$589,560,000 (as at 31st December, 2009: HK\$607,626,000) and unsecured bank loans which was due within one year amounted to approximately HK\$16,000,000 (as at 31st December, 2009: HK\$16,000,000). The Group's net current assets and current liabilities amounted to HK\$618,732,000 (as at 31st December, 2009: HK\$634,970,000) and HK\$45,790,000 (as at 31st December, 2009: HK\$44,417,000) respectively as at 30th June, 2010.

人力資源管理

於二零一零年六月三十日，本集團僱用約1,410名全職員工。本集團之薪酬方案乃參考個別員工之經驗、資歷及表現而定。本集團亦確保全體員工獲提供足夠培訓以及符合個別需要之持續專業機會。

流動資金及財務資源

於回顧期內，本集團錄得現金流出淨額約為港幣18,064,000元，主要用作營運用途，令於二零一零年六月三十日之手頭現金及銀行結餘約達港幣589,560,000元。

於回顧期內，存貨周轉期由過往年度平均數約為66天增至70天。應收賬款收款期由二零零九年十二月三十一日之104天降至二零一零年六月三十日之92天。

本集團之財務狀況維持穩健，於回顧期內，本集團增發可換股票據收購理想礦業以致資產負債比率(按負債總額相對資產總值計算)增至0.35(二零零九年十二月三十一日：0.14)。

本集團之營運資金一般以經營業務產生之現金流量及現有銀行信貸撥付。於二零一零年六月三十日，本集團之手頭現金及銀行結餘約為港幣589,560,000元(二零零九年十二月三十一日：港幣607,626,000元)，而於一年內到期償還之無抵押銀行貸款則約為港幣16,000,000元(二零零九年十二月三十一日：港幣16,000,000元)。於二零一零年六月三十日，本集團之流動資產淨值及流動負債額分別為港幣618,732,000元(二零零九年十二月三十一日：港幣634,970,000元)及港幣45,790,000元(二零零九年十二月三十一日：港幣44,417,000元)。

MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED)

管理層討論及分析(續)

LIQUIDITY AND FINANCIAL RESOURCES

(Continued)

Total shareholders' funds increased from HK\$857,595,000 as at 31st December, 2009 to HK\$941,123,000 as at 30th June, 2010, as a combined result of the increase in convertible notes equity reserve arising from the issuance of CN 2010 for acquiring Ideal Mining, the contribution of capital reserve from holding company for the fair value of net assets acquired over the consideration and the recognised loss incurred for the Period.

ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save from the acquisition of Ideal Mining mentioned above, there were no material acquisitions and disposals of subsidiaries and associated companies for the Period.

EXPOSURE TO FOREIGN EXCHANGE RISK

The Group's income, expenditure of raw materials, manufacturing, investment and borrowings are mainly denominated in USD, HKD and RMB. Fluctuations of the exchange rates of RMB against foreign currencies could affect the operating costs of the Group. Currencies other than RMB were relatively stable during the Period, the Group did not expose to significant foreign exchange risk. 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 minimize the currency translation risk. The Group will consider hedging significant foreign currency exposure should the need arise.

CAPITAL STRUCTURE

Save from the issue of CN 2010, there has been no significant change in the capital structure of the Group since 31st December, 2009.

CHARGE ON ASSETS

There was no charge on the Group's assets during the Period (six months ended 30th June, 2009: Nil).

流動資金及財務資源(續)

本公司擁有人總額由二零零九年十二月三十一日之港幣857,595,000元增至二零一零年六月三十日之港幣941,123,000元，主要是由於本集團從控股公司購買理想礦業發行CN 2010時的可換股票據評估的股本儲備，控股公司對資產及代價公平值之差額貢獻及扣除回顧期內虧損所致。

收購及出售附屬公司及聯營公司

於回顧期內，除上文提及收購理想礦業外，本集團並無任何重大的附屬公司及聯營公司收購或出售。

外匯風險承擔

本集團之收入、原材料開支、製造、投資及借貸主要以美元、港幣及人民幣列值。人民幣兌外幣匯率波動對本集團經營成本可構成影響。人民幣以外之貨幣於期內相對穩定，本集團並無面對重大外匯風險。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二零零九年十二月三十一日以來，除上文提及發行CN 2010外，並無重大變動。

資產抵押

於回顧期內，本集團並無抵押任何資產(截至二零零九年六月三十日止六個月：無)。

SUPPLEMENTARY INFORMATION

補充資料

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th June, 2010, none of the directors and chief executives of the Company, or any of their associates, had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

DIRECTORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Period was the Company or any of its subsidiaries a party to any arrangements to enable the directors and chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the directors nor the chief executives had any right to subscribe for the securities of the Company, or had exercised any such right.

SHARE OPTIONS

The Company's share option scheme (the "Scheme") was adopted for a period of ten years commencing from 11th December, 2002 pursuant to a written resolution of all shareholders passed on 11th December, 2002. Particulars of the Scheme have been summarized in the 2009 Annual Report of the Company. Up to the date of approval of this interim report, no options have been granted under the Scheme.

SUBSTANTIAL SHAREHOLDERS

At 30th June, 2010, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO shows that, the following persons had notified the Company and the Stock Exchange of relevant interests and short positions in the issued share capital of the Company under the SFO.

董事及主要行政人員於股份、相關股份及債券之權益

於二零一零年六月三十日，本公司董事及主要行政人員或彼等任何聯繫人士概無於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部分)之股份、相關股份及債券中，擁有本公司根據證券及期貨條例第352條規定存置之登記冊所記錄之權益及淡倉，或根據上市公司董事進行證券交易的標準守則已知會本公司及香港聯合交易所有限公司(「聯交所」)。

董事及主要行政人員購入股份或債券之權利

於期內任何時間，本公司或其任何附屬公司並無參與任何安排，導致本公司董事及主要行政人員可藉著購入本公司或任何其他法人團體之股份或債券而獲取利益，而各董事或主要行政人員並無擁有可認購本公司證券之權利，亦無曾經行使任何上述權利。

購股權

根據全體股東於二零零二年十二月十一日通過的書面決議案，本公司所採納的購股權計劃(「該計劃」)，由二零零二年十二月十一日起計為期十年。該計劃詳情摘要載於本公司二零零九年年報內。截至批准本中期報告日期止，概無根據該計劃授出任何購股權。

主要股東

於二零一零年六月三十日，按照本公司根據證券及期貨條例第336條規定存置之主要股東登記冊所記錄，以下人士已根據證券及期貨條例知會本公司及聯交所彼等在本公司已發行股本中擁有之相關權益及淡倉。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

SUBSTANTIAL SHAREHOLDERS (Continued)

Long positions

Ordinary shares of HK\$0.01 each of the Company

主要股東(續)

好倉

本公司每股面值港幣0.01元之普通股

Name of shareholder 股東姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已 發行股本百分比
CNNC Overseas Uranium Holding Limited 中核海外鈾業控股有限公司	Corporate interest 公司權益	266,372,273	62.07%
China Uranium Corporation Limited 中國國核海外鈾業有限公司	Corporate interest 公司權益	266,372,273	62.07%
China National Nuclear Corporation 中國核工業集團公司	Corporate interest 公司權益	266,372,273	62.07%
Shine Top Limited (Note) Shine Top Limited (附註)	Corporate interest 公司權益	14,219,622	3.31%
China Top Limited (Note) China Top Limited (附註)	Corporate interest 公司權益	14,219,622	3.31%
Thomas Lau, Luen-hung (Note) 劉鑾鴻(附註)	Personal and Corporate interest 個人及公司權益	23,994,622	5.82%

Note: These securities are registered in the name of and beneficially owned by Shine Top Limited, a company incorporated in the British Virgin Islands. The entire issued share capital of Shine Top Limited is beneficially owned by China Top Limited, a company incorporated in the British Virgin Islands and is ultimately owned by Mr. Thomas Lau, Luen-hung. Accordingly, Mr. Thomas Lau, Luen-hung was deemed to be interested in 14,219,622 shares held by Shine Top Limited under the SFO as at 30th June, 2010.

附註：該等證券乃以在英屬維爾京群島註冊成立之 Shine Top Limited 的名義登記，並由該公司實益擁有。Shine Top Limited 全部已發行股本均由 China Top Limited 實益擁有。China Top Limited 於英屬維爾京群島註冊成立及由劉鑾鴻先生最終擁有。因此，於二零一零年六月三十日，根據證券及期貨條例，劉鑾鴻先生被視作於 Shine Top Limited 所持有 14,219,622 股股份中擁有權益。

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30th June, 2010

除上文披露者外，於二零一零年六月三十日，本公司並不知悉於本公司已發行股本中有任何其他相關權益或淡倉。

SUPPLEMENTARY INFORMATION (CONTINUED)**補充資料(續)****INTERIM DIVIDEND**

The Board of Directors (the “Board”) does not recommend the payment of an interim dividend for the Period (six months ended 30th June, 2009: 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 on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) of the Listing Rules. The Company has received confirmation from all directors that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company throughout the Period.

AUDIT COMMITTEE

An Audit Committee has been established by the Company for the purpose of reviewing and providing supervision on the financial reporting process and internal control of the Group. The Audit Committee comprises three independent non-executive directors namely, Mr. Cheong Ying Chew Henry, Mr. Cui Liguang and Mr. Zhang Lei, and one non-executive director namely Mr. Huang Mingang. Mr. Cheong Ying Chew Henry is the Chairman of the Audit Committee. The Group’s interim report for the Period as well as the accounting principles and practices have been reviewed by the Audit Committee and the independent auditor, Deloitte Touche Tohmatsu.

中期股息

董事局(「董事局」)不建議就回顧期內派發中期股息(截至二零零九年六月三十日止六個月:無)。

購買、出售或贖回本公司上市證券

於回顧期內,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。全體董事已向本公司確認已於回顧期內一直遵守標準守則及本公司就董事進行證券交易所採納的操守準則所載之標準規定。

審核委員會

本公司已成立審核委員會,負責審閱及監管本集團的財務報告程序及內部監控。審核委員會由三名獨立非執行董事張英潮先生、崔利國先生及張雷先生及一名非執行董事黃敏剛先生組成。張英潮先生為審核委員會主席。本集團於回顧期內的中期報告連同會計準則及處理方法已經過審核委員會及獨立核數師德勤•關黃陳方會計師行審閱。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

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 Liguo and Mr. Zhang Lei, one executive director namely Mr. Han Ruiping and one non-executive director namely Mr. Huang Mingang. Mr. Han Ruiping is the Chairman of the Remuneration Committee.

CHANGE IN INFORMATION OF DIRECTOR

Mr. Cheong Ying Chew Henry was appointed as an independent non-executive director of Creative Energy Solutions Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange, and BTS Group Holdings Public Company Limited, a company listed on The Stock Exchange of Thailand, on 29th July, 2010.

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
Chairman
Qiu Jiangan

Hong Kong, 31st August, 2010

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先生，一名執行董事韓瑞平先生以及一名非執行董事黃敏剛先生組成，韓瑞平先生為薪酬委員會主席。

董事資料變動

張英潮先生於二零一零年七月二十九日獲委任為科瑞控股有限公司(於聯交所創業板上市的公司)及BTS Group Holdings Public Company Limited (於泰國證券交易所上市的公司)之獨立非執行董事。

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
中核國際有限公司
主席
邱建剛

香港，二零一零年八月三十一日

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

中期財務資料審閱報告

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF CNNC INTERNATIONAL LIMITED
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 14 to 40, which comprises the condensed consolidated statement of financial position of CNNC International Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 30th June, 2010 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

致中核國際有限公司董事局：
(於開曼群島註冊成立之有限公司)

引言

本核數師(以下簡稱「我們」)已審閱列載於第14至40頁的中期財務資料，此中期財務資料包括中核國際有限公司(「貴公司」)及其附屬公司於二零一零年六月三十日之簡明綜合財務狀況表與截至該日止六個月期間之相關簡明綜合全面收益表，資本變動表及現金流量表，以及若干解析附注。香港聯合交易所有限公司主板證券上市規則規定，就中期財務資料編製之報告必須符合聯交所有關條文以及香港會計師公會頒佈之香港會計準則第34號「中期財務報表」(「香港會計準則第34號」)之要求。貴公司董事須負責根據香港會計準則第34號編製及呈列該中期財務資料。我們之責任是根據我們之審閱對該中期財務資料作出結論，並按照委聘之協定條款僅向整體董事局報告，除此之外本報告並無其他目的。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。

審閱範圍

我們已根據香港會計師公會頒佈之香港審閱委聘準則第2410號「由實體之獨立核數師執行中期財務資料審閱」進行審閱。中期財務資料審閱工作包括主要向負責財務及會計事務之人員作出查詢，並應用分析性和其他審閱程式。審閱之範圍遠較根據香港核數準則進行審計之範圍為小，故不能令我們保證我們將知悉在審核中可能發現之所有重大事項。因此，我們不會發表審核意見。

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION (CONTINUED)

中期財務資料審閱報告(續)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
31st August, 2010

結論

按照我們之審閱，我們並無發現任何事項，令我們相信中期財務資料在各重大方面未有根據香港會計準則第34號編製。

德勤•關黃陳方會計師行
執業會計師

香港
二零一零年八月三十一日

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收益表

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

		Six months ended 30th June, 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 港幣千元 (unaudited) (未經審核)	2009 二零零九年 HK\$'000 港幣千元 (unaudited) (未經審核)
		Notes 附註	
Revenue	收益	3	80,458
Cost of sales	銷售成本		(70,837)
			54,769
			(59,149)
Gross profit (loss)	毛利(毛損)		9,621
Other income	其他收入		1,199
Selling and distribution costs	銷售及分銷成本		(2,963)
Administrative and other expenses	行政及其他開支		(23,815)
Finance costs	融資成本	4	(12,793)
			(4,791)
Loss before taxation	除稅前虧損		(28,751)
Income tax credit (expense)	所得稅抵免(開支)	5	446
			(20,078)
			(18)
Loss for the period, attributable to owners of the Company	本公司擁有人應佔期內虧損	6	(28,305)
			(20,096)
Other comprehensive income (expense)	其他全面收入(虧損)		
Exchange differences arising on translation to presentation currency	換算呈報貨幣產生之匯兌差額		474
			(147)
Total comprehensive expense for the period, attributable to owners of the Company	本公司擁有人·應佔期內全面開支總額		(27,831)
			(20,243)
Basic and diluted loss per share	每股基本及攤薄虧損	8	(HK6.6 cents港仙)
			(HK5.3 cents港仙)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30th June, 2010

於二零一零年六月三十日

			30th June, 2010 於二零一零年 六月三十日 HK\$'000 港幣千元 (unaudited) (未經審核)	31st December, 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元 (audited) (經審核)
		Notes 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	138,256	143,557
Exploration and evaluation assets	勘探及評估資產	10	170,738	165,568
Prepaid lease payments	預付租賃款項		5,821	5,887
Interest in an associate	於聯營公司之權益	11	464,079	—
Deposits paid on acquisition of property, plant and equipment	收購物業、廠房及設備已付之訂金		567	519
			779,461	315,531
Current assets	流動資產			
Inventories	存貨		27,179	24,002
Trade and other receivables and prepayments	應收貿易賬款及其他應收款項以及預付款項	12	47,372	47,304
Prepaid lease payments	預付租賃款項		133	133
Investments held for trading	持作買賣投資		278	322
Bank balances and cash	銀行結餘及現金		589,560	607,626
			664,522	679,387
Current liabilities	流動負債			
Trade and other payables and accruals	應付貿易賬款及其他應付款項以及應計欠款	13	29,790	28,371
Taxation payable	應付稅項		—	46
Unsecured bank loan	無抵押銀行貸款	14	16,000	16,000
			45,790	44,417
Net current assets	流動資產淨值		618,732	634,970
Total assets less current liabilities	總資產減流動負債		1,398,193	950,501

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

簡明綜合財務狀況表(續)

At 30th June, 2010

於二零一零年六月三十日

			30th June, 2010 於二零一零年 六月三十日 HK\$'000 港幣千元 (unaudited) (未經審核)	31st December, 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元 (audited) (經審核)
		<i>Notes</i> 附註		
Non-current liabilities	非流動負債			
Convertible notes	可換股票據	15	443,062	90,279
Deferred tax liability	遞延稅項負債	16	14,008	2,627
			457,070	92,906
Net assets	資產淨值		941,123	857,595
Capital and Reserves	股本及儲備			
Share capital	股本	17	4,292	4,292
Reserves	儲備		936,831	853,303
Equity attributable to owners of the Company	本公司擁有人 應佔權益		941,123	857,595

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合資本變動表

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

		Share capital	Share premium	Capital reserve	Non-distributable reserve	Merger reserve	General reserve fund	Convertible notes equity reserve	Translation reserve	Accumulated profits	Attributable to owners of the Company	Non-controlling interests	Total
		股本	股份溢價	資本儲備	不可分派儲備	合併儲備	一般儲備基金	可換股票據股本儲備	匯兌儲備	累計溢利	本公司權益擁有人應佔	非控股股東權益	合共
		HK\$'000	HK\$'000	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	港幣千元	港幣千元
		(note 17)		(note i)	(note ii)	(note iii)	(note iv)						
		(附註17)		(附註i)	(附註ii)	(附註iii)	(附註iv)						
At 1st January, 2009 (audited)	於二零零九年一月一日 (經審核)	3,792	316,227	—	16,584	127	7,206	20,370	5,992	99,342	469,640	—	469,940
Loss for the period	期內虧損	—	—	—	—	—	—	—	—	(20,096)	(20,096)	—	(20,096)
Exchange difference arising on translation to presentation currency	換算呈報貨幣產生之匯兌差額	—	—	—	—	—	—	—	(147)	—	(147)	—	(147)
Total comprehensive expense for the period	期內全面開支總額	—	—	—	—	—	—	—	(147)	(20,096)	(20,243)	—	(20,243)
Acquisition of subsidiaries	收購附屬公司	—	—	—	—	—	—	—	—	—	—	63,071	63,071
At 30th June, 2009 (unaudited)	於二零零九年六月三十日 (未經審核)	3,792	316,227	—	16,584	127	7,206	20,370	5,845	79,246	449,397	63,071	512,468
Loss for the period	期內虧損	—	—	—	—	—	—	—	—	(20,294)	(20,294)	—	(20,294)
Exchange difference arising on translation to presentation currency	換算呈報貨幣產生之匯兌差額	—	—	—	—	—	—	—	1,384	—	1,384	—	1,384
Total comprehensive income (expense) for the period	期內全面收入(開支)總額	—	—	—	—	—	—	—	1,384	(20,294)	(18,910)	—	(18,910)
Issue of new shares	發行新股	500	438,500	—	—	—	—	—	—	—	439,000	—	439,000
Share issue expenses	發行股份開支	—	(11,892)	—	—	—	—	—	—	—	(11,892)	—	(11,892)
Acquisition of additional interest in subsidiaries	增購附屬公司權益	—	—	—	—	—	—	—	—	—	—	(63,071)	(63,071)
At 31st December, 2009 (audited)	於二零零九年十二月三十一日 (經審核)	4,292	742,835	—	16,584	127	7,206	20,370	7,229	58,952	857,595	—	857,595
Loss for the period	期內虧損	—	—	—	—	—	—	—	—	(28,305)	(28,305)	—	(28,305)
Exchange difference arising on translation to presentation currency	換算呈報貨幣產生之匯兌差額	—	—	—	—	—	—	—	474	—	474	—	474
Total comprehensive income (expense) for the period	期內全面收入(開支)總額	—	—	—	—	—	—	—	474	(28,305)	(27,831)	—	(27,831)
Contribution from equity participant (note 18)	股權擁有人貢獻 (附註18)	—	—	50,723	—	—	—	—	—	—	50,723	—	50,723
Recognition of equity component of the convertible note	確認可換股票據股本部份	—	—	—	—	—	—	72,619	—	—	72,619	—	72,619
Deferred tax liability on recognition of equity component of convertible note	確認可換股票據股本部份所產生之遞延稅項負債	—	—	—	—	—	—	(11,983)	—	—	(11,983)	—	(11,983)
At 30th June, 2010 (unaudited)	於二零一零年六月三十日 (未經審核)	4,292	742,835	50,723	16,584	127	7,206	81,006	7,703	30,647	941,123	—	941,123

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

簡明綜合資本變動表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

Notes:

- (i) The amount represents deemed contribution from immediate holding company of the Company, CNNC Overseas, in connection with the acquisition of a subsidiary as set out in note 18.
- (ii) The non-distributable reserve represents the aggregate amount of the share premium of the subsidiaries as at the time of a group reorganisation effected on 13th December, 2002 (the "Group Reorganisation").
- (iii) The merger reserve represents the difference between the aggregate nominal amount of the share capital of the subsidiaries and the nominal amount of the Company's shares issued in exchange thereof pursuant to the Group Reorganisation.
- (iv) As stipulated by the relevant laws and regulations in the People's Republic of China (the "PRC"), subsidiaries established in the PRC (the "PRC subsidiaries") are required to maintain a general reserve fund which is non-distributable. Appropriations to this reserve fund are made out of profit for the year of the PRC subsidiaries' PRC statutory financial statements which are prepared in accordance with the accounting principles generally accepted in the PRC. The amount and allocation basis are decided by the board of directors of the PRC subsidiaries annually and is not less than 10% of the profit for the year of the PRC subsidiaries for that year. The general reserve fund can be used for expanding the capital base of the PRC subsidiaries by means of capitalisation issue.

附註:

- (i) 此數額被視為直接控股公司，中核海外於誠如附註18所載收購一間附屬公司的貢獻。
- (ii) 不可分派儲備指於二零零二年十二月十三日進行集團重組(「集團重組」)時附屬公司之股份溢價總額。
- (iii) 合併儲備為根據集團重組收購附屬公司股本面值總額與本公司就換取有關股本所發行股份面值間之差額。
- (iv) 根據中華人民共和國(「中國」)有關法律及規例規定，在中國成立的附屬公司(「中國附屬公司」)須設立一般儲備基金，而該等儲備基金乃不可分派。該儲備基金乃撥付自中國附屬公司遵照中國公認會計原則所編製中國法定財務報表之年內溢利。分配數額及分配基準由中國附屬公司之董事局每年釐定，惟該數額不可少於中國附屬公司於該年度之年內溢利10%。一般儲備基金可用於透過資本化發行擴大中國附屬公司之資本基礎。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

		Six months ended 30th June, 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 港幣千元 (unaudited) (未經審核)	2009 二零零九年 HK\$'000 港幣千元 (unaudited) (未經審核)
		Notes 附註	
Net cash (used in) from operating activities	(用作)來自經營業務之現金淨額		(10,487) 5,065
Net cash used in investing activities:	用作投資活動之現金淨額：		
Purchase of property, plant and equipment	購買物業、廠房及設備		(3,338) (1,564)
Acquisition of subsidiaries	收購附屬公司	18	— (117,540)
Deposits paid for the acquisition of subsidiaries	收購附屬公司已付之訂金		— (61,967)
Other investing cash flows	其他投資現金流量		(3,491) 429
			(6,829) (180,642)
Net cash used in financing activities	用作融資活動之現金淨額		(748) (1,117)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額		(18,064) (176,694)
Cash and cash equivalents at 1st January,	一月一日之現金及現金等價物		607,626 400,150
Effect of foreign exchange rate changes	外匯匯率變動之影響		(2) (3)
Cash and cash equivalents at 30th June, represented by bank balances and cash	六月三十日之現金及現金等價物由銀行結餘及現金組成		589,560 223,453

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30th June, 2010
截至二零一零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 the applicable disclosure requirements of Appendix 16 to the Listing Rules and with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31st December, 2009 except for as described below.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) — Int 17	Distributions of Non-cash Assets to Owners

1. 編製基準

簡明綜合財務報表已根據上市規則附錄16之適用披露規定及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」編製。

2. 主要會計政策

除若干金融工具按公平值計量外，簡明綜合財務報表乃按歷史成本基準編製。

編製簡明綜合財務報表採納之會計政策與本集團於截至二零零九年十二月三十一日止年度之年度財務報表所採納者一致，惟下述者除外。

在本中期期間，本集團首次應用以下由香港會計師公會頒佈之新訂及經修訂準則、修訂以及詮釋（「新訂及經修訂香港財務報告準則」）。

香港財務報告準則（修訂本）	香港財務報告準則第5號之修訂作為二零零八年頒佈之香港財務報告準則之改進之一部分
香港財務報告準則（修訂本）	二零零九年頒佈之香港財務報告準則之改進
香港會計準則第27號（經修訂）	綜合及獨立財務報表
香港會計準則第39號（修訂本）	合資格對沖項目
香港財務報告準則第1號（修訂本）	首次採納者之額外豁免
香港財務報告準則第2號（修訂本）	集團以現金結算股份為基礎之付款交易
香港財務報告準則第3號（經修訂）	業務合併
香港（國際財務報告詮釋委員會）— 詮釋第17號	向擁有人分派非現金資產

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

HKFRS 3 (Revised) Business Combination and HKAS 27 (Revised) Consolidated and Separate Financial Statements

The Group applies HKFRS 3 (Revised) "Business Combinations" prospectively to business combinations for which the acquisition date is on or after 1st January, 2010. The requirements in HKAS 27 (Revised) "Consolidated and Separate Financial Statements" in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1st January, 2010.

As there was no transaction during the current interim period in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the Group has applied the consequential amendment to HKAS 28 to account for the acquisition of 37.2% equity interest in SOMINA (see note 18). The application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

2. 主要會計政策(續)

香港財務報告準則第3號(經修訂)業務合併及香港會計準則第27號(經修訂)綜合及獨立財務報表

本集團以未來適用法應用香港財務報告準則第3號(經修訂)「業務合併」處理收購日期為二零一零年一月一日或之後的業務合併。本集團亦以未來適用法應用香港會計準則第27號(經修訂)「綜合及獨立財務報表」處理於二零一零年一月一日或之後有關獲得控制權後於附屬公司之擁有權有所變動及失去對附屬公司之控制權的會計事宜。

由於在本中期期間，本集團並無進行香港財務報告準則第3號(經修訂)及香港會計準則第27號(經修訂)適用的交易，故本集團已應用香港會計準則第28號相應修訂對收購SOMINA的37.2%股權進行會計處理(見附註18)。香港財務報告準則第3號(經修訂)、香港會計準則第27號(經修訂)及其他香港財務報告準則的相應修訂本對本集團本期或過往會計期間的簡明綜合財務報表並無重大影響。

倘日後進行香港財務報告準則第3號(經修訂)、香港會計準則第27號(經修訂)及其他香港財務報告準則的相應修訂本適用的交易，本集團未來期間的業績或會受影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**簡明綜合財務狀況表(續)**

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)**Amendments to HKFRS 17 Lease**

As part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, lessees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendment has removed such a requirement. Instead, the amendment requires the classification of leasehold land to be based on the general principles set out in HKAS 17, that is whether or not substantially risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

The application of this amendment has had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The application of the other new and revised HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

In addition, the following accounting policies were adopted in current period.

2. 主要會計政策(續)**香港財務報告準則第17號租賃之修訂本**

作為二零零九年頒佈的香港財務報告準則之改進的一部份，香港會計準則第17號租賃已作出有關租賃土地分類的修訂。於修訂香港會計準則第17號前，承租人須將租賃土地分類為經營租賃並於綜合財務狀況表內呈列為預付租賃款項。該修訂本已取消上述規定，取而代之的是要求租賃土地分類基於香港會計準則第17號所載的一般原則，取決於租賃資產擁有權隨附的絕大部分風險及回報是否已轉交承租人。

應用本修訂本對本集團本期或過往會計期間的簡明綜合財務報表並無影響。

應用其他新訂及經修訂香港財務報告準則對本集團本期或過往會計期間的簡明綜合財務報表並無影響。

此外，本期間已採納以下會計政策。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Interest in an associate

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale (in which case it is accounted for under HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations") or when the investment is designated as at fair value through profit or loss upon initial recognition or is classified as held for trading (in which case it is accounted for under HKAS 39 "Financial Instruments: Recognition and Measurement"). Under the equity method, investments in associates are carried in the condensed consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associates, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

2. 主要會計政策(續)

於聯營公司之權益

聯營公司指投資者對其擁有重大影響力之實體，且不屬於附屬公司或於合營公司之權益。重大影響力乃有權參與被投資公司之財務及經營政策決定而非控制或共同控制該等政策。

聯營公司之業績及資產與負債乃按權益會計法納入此等綜合財務報表內，惟歸類為持作出售的投資會根據香港財務報告準則第5號「持作出售非流動資產及終止業務」進行會計處理，以及初始確認時指定按公平值計入損益的投資或歸類為持作買賣的投資會根據香港會計準則第39號「金融工具：確認及計量」進行會計處理則除外。根據權益會計法，於聯營公司之投資乃按成本，另就本集團攤佔聯營公司之資產淨值於收購後之變動調整，減任何已識別減值虧損，列於簡明綜合財務狀況表。當本集團攤佔聯營公司之虧損等於或超過其於該聯營公司之權益(包括實質上構成本集團在聯營公司之投資淨額中一部分之任何長期權益)，本集團終止確認其攤佔之進一步虧損。額外攤佔虧損之提撥及負債之確認水平，僅以本集團已招致之法定或推定責任或代表該聯營公司支付之款項為限。

當集團實體與本集團之聯營公司進行交易，損益會互相抵銷，數額以本集團於有關聯營公司之權益為限。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKAS 24 (Revised)	Related Party Disclosures ⁴
HKAS 32 (Amendment)	Classification of Rights Issues ²
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ³
HKFRS 9	Financial Instruments ⁵
HK(IFRIC) — Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ⁴
HK(IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments ³

¹ Effective for annual periods beginning on or after 1st July, 2010 and 1st January, 2011, as appropriate

² Effective for annual periods beginning on or after 1st February, 2010

³ Effective for annual periods beginning on or after 1st July, 2010

⁴ Effective for annual periods beginning on or after 1st January, 2011

⁵ Effective for annual periods beginning on or after 1st January, 2013

The directors of the Company anticipate that the application of new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

2. 主要會計政策(續)

本集團並無提早應用下列已頒佈但尚未生效之新訂或經修訂準則、修訂或詮釋：

香港財務報告準則 (修訂本)	二零一零年香港財務報告準則之改進 ¹
香港會計準則第24號 (經修訂)	有關連人士披露 ⁴
香港會計準則第32號 (修訂本)	供股分類 ²
香港財務報告準則第1號(修訂本)	首次採納者有關香港財務報告準則第7號比較披露資料的有限豁免 ³
香港財務報告準則第9號	金融工具 ⁵
香港(國際財務報告詮釋委員會) — 詮釋第14號 (修訂本)	最低資本規定之預付款項 ⁴
香港(國際財務報告詮釋委員會) — 詮釋第19號	以股本工具清償金融負債 ³

¹ 自二零一零年七月一日或二零一一年一月一日(按適用情況而定)或之後開始之年度期間生效

² 自二零一零年二月一日或之後開始之年度期間生效

³ 自二零一零年七月一日或之後開始之年度期間生效

⁴ 自二零一一年一月一日或之後開始之年度期間生效

⁵ 自二零一三年一月一日或之後開始之年度期間生效

本公司董事預期應用新訂及經修訂準則、修訂或詮釋將不會對本集團業績及財務狀況構成重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

3. SEGMENT INFORMATION

The Group's operating segments, based on information reported to the chief operating decision maker, i.e. the Group's Executive Directors, for the purposes of resource allocation and performance assessment are as follows:

- Exploration and development of mineral properties — exploration of uranium and coal
- Manufacture and distribution of die casting parts — manufacture and distribution of aluminium, zinc and magnesium die casting parts

The following is an analysis for the Group's revenue and results by operating segment for the periods under review:

3. 分部資料

就進行資源分配及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,本集團營運分部主要業務如下:

- 勘探及發展礦產物業 — 勘探鈾及煤
- 製造及分銷壓鑄部件 — 製造及分銷鋁、鋅及鎂壓鑄部件

本集團收益及業績於回顧期間按營運分部之分析如下:

Six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

		Exploration and development of mineral properties 勘探及 發展礦產物業 HK\$'000 港幣千元	Manufacture and distribution of die casting parts 製造及 分銷壓鑄部件 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
REVENUE	收益	—	80,458	80,458
RESULTS	業績			
Segment loss	分部虧損	(4,716)	(537)	(5,253)
Central administration costs	中央行政成本			(10,705)
Finance costs	融資成本			(12,793)
Loss before taxation	除稅前虧損			(28,751)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

3. SEGMENT INFORMATION (Continued)

3. 分部資料(續)

Six months ended 30th June, 2009
截至二零零九年六月三十日止六個月

	Exploration and development of mineral properties 勘探及 發展礦產物業 HK\$'000 港幣千元	Manufacture and distribution of die casting parts 製造及 分銷壓鑄部件 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元	
REVENUE	收益	—	54,769	54,769
RESULTS	業績			
Segment loss	分部虧損	—	(15,334)	(15,334)
Change in fair value of investments held for trading	持作買賣投資之公 平值變動			205
Interest income	利息收入			419
PRC tax refund on capital investment in a subsidiary	中國附屬公司資本 投資退稅			2,214
Central administration costs	中央行政成本			(2,791)
Finance costs	融資成本			(4,791)
Loss before taxation	除稅前虧損			(20,078)

Segment loss represents the loss incurred by each segment without allocation of central administrative costs, finance costs, change in fair value of investments held for trading, interest income and PRC tax refund on capital investment in a subsidiary. This is the measure reported to the Group's Executive Directors for the purposes of resource allocation and performance assessment.

分部虧損指各分部產生之虧損，不包括中央行政成本、融資成本、持作買賣投資之公平值變動、利息收入及中國附屬公司資本投資退稅之分配。此乃向本集團執行董事呈報之方法，以進行資源分配及評估表現。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

4. FINANCE COSTS

		Six months ended 30th June, 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Interest on bank loan wholly repayable within one year	須於1年內悉數償還之銀行借貸利息	44	55
Effective interest expenses on convertible notes	可換股票據之實際利息開支	12,749	4,736
		12,793	4,791

4. 融資成本

5. INCOME TAX (CREDIT) EXPENSE

		Six months ended 30th June, 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Current tax	本期稅項		
Hong Kong Profits Tax	香港利得稅	—	—
Other jurisdictions	其他司法權區	156	18
		156	18
Deferred taxation	遞延稅項		
Current period	本期間	(602)	—
		(446)	18

5. 所得稅(抵免)開支

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group had no assessable profit for both periods.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

由於本集團於兩個期間並無應課稅溢利，故於財務報表並無作出香港利得稅撥備。

其他司法權區之稅項乃根據有關司法權區之現行稅率計算。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

6. LOSS FOR THE PERIOD

		Six months ended 30th June, 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Loss for the period has been arrived at after charging (crediting) the following items:	期內虧損經扣除(計入)下列項目:		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	7,894	8,346
Release of prepaid lease payments	預付租賃款項	66	66
Change in fair value of investments held for trading	持作買賣投資之公平值變動	44	(205)

7. DIVIDENDS

No dividends were paid, declared or proposed for both reported periods. The directors do not recommend the payment of an interim dividend.

8. BASIC AND DILUTED LOSS PER SHARE

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

6. 期內虧損

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

2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
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7. 股息

於兩個期間沒有支付，宣派或建議派發股息。董事不推薦派發中期股息。

8. 每股基本及攤薄虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據下列數據計算：

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

2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
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Loss for the period attributable to owners of the Company	本公司擁有人應佔期內虧損	(28,305)	(20,096)
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

8. BASIC AND DILUTED LOSS PER SHARE
(Continued)

8. 每股基本及攤薄虧損(續)

		Six months ended 30th June, 截至六月三十日止六個月	
		2010 二零一零年 '000 千股	2009 二零零九年 '000 千股
Number of ordinary shares for the purposes of basic and diluted loss per share	計算每股基本及攤薄虧損之已發行普通股份數目	429,168	379,168

Diluted loss per share for the period ended 30th June, 2010 does not assume the conversion of convertible notes as it would result in a decrease in loss per share.

由於兌換可換股票據可導致每股虧損減少，故並無呈列截至二零一零年六月三十日止期間之每股攤薄虧損。

Diluted loss per share for the period ended 30th June, 2009 does not assume the conversion of convertible note and the exercise of outstanding share options of a subsidiary as it would result in a decrease in loss per share.

由於兌換可換股票據及行使附屬公司尚未行使之購股權可導致每股虧損減少，故並無呈列截至二零零九年六月三十日止期間之每股攤薄虧損。

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

9. 物業、廠房及設備變動

During the period, the Group spent approximately HK\$3,338,000 (six months ended 30th June, 2009: HK\$1,564,000) on acquisition of property, plant and equipment in order to upgrade its manufacturing capabilities.

於期內，本集團動用約港幣3,338,000元(截至二零零九年六月三十日止六個月：港幣1,564,000元)收購物業、廠房及設備，以提升其生產能力。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

10. EXPLORATION AND EVALUATION ASSETS

The Group's uranium exploration licenses were temporarily suspended in April 2009 and July 2009 due to the purported non-compliance with Law on Minerals, Land Law and Law on Radiation Safety of Mongolia and purported breaches of various laws of Mongolia respectively, reported by the inspector of the Mineral Resources Authority of Mongolia ("MRAM"). These suspensions were lifted in early July 2009 and November 2009 respectively, and the MRAM re-registered all such uranium exploration licenses on 12th November, 2009. Details of these are set out in the Group's announcements dated 27th July, 2009, 21st August, 2009, 13th November, 2009 and 29th 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, the "New Laws") have come into force. Under the New Laws, the People of Mongolia (the "State") has the right to take ownership without payment of either not less than 51% of the shares of the Group's Mongolia subsidiaries if the State funding was used to determine resource during exploration, or not less than 34% if State funding was not used to determine the resource during exploration.

Based on management's discussions with the relevant Mongolian authorities and the advice from its Mongolian legal advisers, following the re-registration of the uranium exploration licenses, the license holders 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 once consensus is reached between the Group and the relevant Mongolian authorities in respect of the implementation of various provisions under the New Laws.

As at 30th June, 2010, the implementation of various provisions of the New Laws remains unclear. After taking into consideration of legal advice and discounted cash flow analysis, in the opinion of the directors, the outcome cannot be reasonably determined. However, the directors are confident that the Group's interest in the exploration and evaluation assets will not be materially affected.

10. 勘探及評估資產

根據蒙古礦產資源管理局(「MRAM」)蒙古檢查人員指出，本集團因未有遵守蒙古礦產法、土地法及輻射保護及安全法，以及違反多項蒙古法律，其鈾勘探許可證分別於二零零九年四月及二零零九年七月被暫停。該等暫停已於二零零九年七月初及二零零九年十一月撤銷，而於二零零九年十一月十二日，MRAM已重新登記全部該等鈾勘探許可證。有關詳情載於本集團在二零零九年七月二十七日、二零零九年八月二十一日、二零零九年十一月十三日及二零零九年十二月二十九日刊發之公告內。

於二零零九年八月十五日，蒙古的核能法例及蒙古有關核能法例實施程序的法例(統稱「新法例」)均已生效。根據新法例，蒙古國民(「蒙古國」)有權取得不少於本集團蒙古附屬公司51%之股份(倘於勘探過程中動用蒙古國資金發掘資源)；或不少於該等34%之股份(倘於勘探過程中並無動用蒙古國資金發掘資源)，而毋須付款。

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，當本集團與有關蒙古當局就實施新法例下多項條文達成共識後，隨著重新登記鈾勘探許可證後，許可證持有人將有權申請開採許可證，藉以開採及擷取其勘探許可證所涵蓋之相關地區內所識別之資源。

於二零一零年六月三十日，新法例下多項條文之實施仍不清晰。本公司董事經考慮法律意見及計及貼現現金流量後，仍不能合理釐定結果。然而，本公司董事有信心，本集團於勘探及評估資產之權益將不受到重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

11. INTEREST IN AN ASSOCIATE

On 25th March, 2010, the Group acquired a 37.2% equity interest in SOMINA, through the acquisition of a subsidiary known as Ideal Mining. Details of the acquisition and particulars of the associate set out in note 18.

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The Group generally allows credit periods ranging from 30 days to 90 days to its trade customers. The following is an aged analysis of trade receivables presented based on the invoice date (net of allowance for doubtful debts) at the end of the reporting periods:

11. 於聯營公司之權益

於二零一零年三月二十五日，本集團透過收購一所附屬公司名為理想礦業，收購 SOMINA 之 37.2% 的權益。收購詳情及聯營公司資料載於附註 18。

12. 應收貿易賬款及其他應收款項以及預付款項

本集團一般給予其貿易客戶30日至90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(扣除呆賬撥備)之賬齡分析如下：

		30th June, 2010 於二零一零年 六月三十日 HK\$'000 港幣千元	31st December, 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元
Trade receivables	應收貿易賬款		
0 to 30 days	0日至30日	14,156	12,179
31 to 60 days	31日至60日	13,230	12,613
61 to 90 days	61日至90日	8,396	9,818
91 to 120 days	91日至120日	1,855	2,684
Over 120 days	超過120日	3,049	1,520
		40,686	38,814
Other receivables	其他應收款項		
Deposits paid	已付訂金	2,216	3,316
Others	其他	2,813	3,002
		5,029	6,318
Prepayments	預付款項	1,657	2,172
		47,372	47,304

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

13. TRADE AND OTHER PAYABLES AND ACCRUALS

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting periods:

		30th June, 2010 於二零一零年 六月三十日 HK\$'000 港幣千元	31st December, 2009 於二零零九年 十二月三十一日 HK\$'000 港幣千元
Trade payables	應付貿易賬款		
0 to 30 days	0日至30日	3,892	6,294
31 to 60 days	31日至60日	5,520	298
61 to 90 days	61日至90日	4,361	63
91 to 120 days	91日至120日	196	15
Over 120 days	超過120日	796	351
		14,765	7,021
Other payables	其他應付款項		
Accruals	應計欠款	5,075	12,691
Other payables	其他應付款項	4,267	6,454
Deposits received	已收訂金	5,683	2,205
		15,025	21,350
		29,790	28,371

14. UNSECURED BANK LOAN

The unsecured bank loan carries an effective interest rate of approximately 0.6% per annum (six months ended 30th June, 2009: 1.9%). The Group did not obtain any new bank loan during both periods.

13. 應付貿易賬款及其他應付款項以及應計欠款

於報告期終根據發票日期為基準呈列之應付貿易賬款之賬齡分析如下：

14. 無抵押銀行貸款

無抵押銀行貸款之實際年利率約0.6% (二零零九年：1.9%)。於兩個期間，本集團並無獲任何新銀行貸款。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

15. CONVERTIBLE NOTES

On 5th November, 2008, the Company issued a 2% unsecured convertible note to the immediate holding company of the Company, CNNC Overseas, with a principal amount of US\$13,702,000 ("CN 2008"). The fixed note interest of US\$68,512 will be settled quarterly. CN 2008 entitles CNNC Overseas to convert it, in whole or in part of the principal amount, into ordinary shares of the Company at any time prior to seven business days preceding the maturity date on 4th November, 2011, at the conversion price of US\$0.23 per share, subject to anti-dilutive adjustments. If CN 2008 has not been converted, it will be redeemed at par on 4th November, 2011. The effective interest rate of the liability component of CN 2008 is 11.58%.

On 25th March, 2010, the Group issued another 2% unsecured convertible note to CNNC Overseas with a principal amount of US\$53,281,853 ("CN 2010") in connection with the acquisition of Ideal Mining as set out in note 18. CN 2010 entitles CNNC Overseas to convert it, in whole or in part of the principal amount, into ordinary shares of the Company at any time prior to seven business days preceding the maturity date on 24th March, 2013, at the conversion price of HK\$9.50 per share, subject to anti-dilutive adjustments. The number of shares to be issued upon conversion is determined by dividing the principal amount of CN 2010 to be converted (translated into Hong Kong Dollars at a fixed rate of HK\$7.77 to US\$1.00) by the conversion price of HK\$9.50, subject to anti-dilutive adjustments. If CN 2010 has not been converted, it will be redeemed at par on 24th March, 2013. At initial recognition, the fair value of CN 2010 is estimated to be HK\$413,356,000, including the liability component of HK\$340,737,000 at an effective interest rate of 8.80% and the conversion option amounted to HK\$72,619,000 was credited to convertible notes equity reserve.

15. 可換股票據

於二零零八年十一月五日，本公司向中核海外發行本金額13,702,000美元的2%無抵押可換股票據(「CN 2008」)。固定票息68,512美元將每季清償。在反攤薄調整規限下，CN 2008持有人可於二零一一年十一月四日到期日前七個營業日以前任何時間按換股價每股0.23美元將本金額全數或部份轉換為本公司之普通股。倘CN 2008未予以兌換，則將於二零一一年十一月四日按面值予以贖回。可換股票據負債部份之實際利率為11.58%。

誠如附註18所載，於二零一零年三月二十五日，本公司再向中核海外發行本金額53,281,853美元的2%無抵押可換股票據(「CN 2010」)以收購理想礦業。在反攤薄調整規限下，CN 2010持有人可於二零一三年三月二十四日到期日前七個營業日以前任何時間按換股價每股港幣9.50元將本金額全數或部份轉換為本公司之普通股。在反攤薄調整規限下，可換股份數量是取決於要轉換CN 2010本金除以港幣9.50元之換股價(以固定匯率港幣7.77元對1.00美元折算)。倘CN 2010未予以兌換，則將於二零一三年三月二十四日按面值予以贖回。在初始確認時，CN 2010之公平值被評估為港幣413,356,000元，包括港幣340,737,000元的負債部份及其實際利率為8.80%，及價值港幣72,619,000元可換股權已計入可換股票據股本儲備。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

15. CONVERTIBLE NOTES (Continued)

The movement of the liability component of CN 2008 and CN 2010 is set out as below:

		CN 2008 CN 2008 HK\$'000 港幣千元	CN 2010 CN 2010 HK\$'000 港幣千元	Total 總數 HK\$'000 港幣千元
At 1st January, 2009	於二零零九年一月一日	83,284	—	83,284
Interest charge	利息支出	9,473	—	9,473
Interest paid	已付利息	(2,478)	—	(2,478)
At 31st December, 2009	於二零零九年 十二月三十一日	90,279	—	90,279
Issued during the period	於期內發行	—	340,737	340,737
Interest charge	利息支出	4,698	8,051	12,749
Interest paid	已付利息	(703)	—	(703)
At 30th June, 2010	於二零一零年 六月三十日	94,274	348,788	443,062

15. 可換股票據(續)

CN 2008及CN 2010負債部份之變動如下：

16. DEFERRED TAX LIABILITY

The following are the major deferred tax liability recognised and movements thereon during the current and prior periods:

		Convertible note 可換股票據 HK\$'000 港幣千元
At 1st January, 2009	於二零零九年一月一日	4,025
Credited to profit or loss	於損益計入	(1,398)
At 31st December, 2009	於二零零九年十二月三十一日	2,627
Credited to profit or loss	於損益計入	(602)
Charged to equity	於權益內扣除	11,983
At 30th June, 2010	於二零一零年六月三十日	14,008

16. 遞延稅項負債

已確認之主要遞延稅項負債與資產以及於現行及以往年度之變動如下：

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

17. SHARE CAPITAL

17. 股本

		Number of ordinary shares 普通股數目	Amount 金額
		'000 千股	HK\$'000 港幣千元
Ordinary shares of HK\$0.01 each	每股面值港幣0.01元的 普通股		
Issued and fully paid:	已發行及繳足：		
At 1st January, 2009 and 30th June, 2009	於二零零九年 一月一日及 二零零九年 六月三十日	379,168	3,792
Issue of new shares	發行新股	50,000	500
At 31st December, 2009 and 30th June, 2010	於二零零九年 十二月三十一日及 二零一零年 六月三十日	429,168	4,292

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

18. ACQUISITION OF A SUBSIDIARY

On 23rd January, 2010, a directly wholly-owned subsidiary of the Company and CNNC Overseas entered into a sale and purchase agreement pursuant to which CNNC Overseas agreed to sell its entire 100% equity interest in Ideal Mining, an investment holding company incorporated in the British Virgin Islands, to the directly wholly-owned subsidiary of the Company at a consideration to be satisfied through issuance of CN 2010 to CNNC Overseas with a principal amount of US\$53,281,853. The principal asset of Ideal Mining is a 37.2% equity interest in SOMINA, a company incorporated in Niger with limited liability, which is the registered holder of the mining license for a uranium mine located in the Agadez region of the Tchirozérine department of Niger. Details of the transaction are set out in the Company's circular dated 4th March, 2010.

Ideal Mining is inactive and SOMINA has not commenced commercial production of the mine. The Company acquired Ideal Mining from its immediate holding company, CNNC Overseas, at a consideration which is about 90% of the fair value of the net assets acquired. The difference between the fair value of the consideration paid and the fair value of net assets acquired is deemed as capital contribution from CNNC Overseas, which is credited directly to the capital reserve in the equity. The transaction was completed on 25th March, 2010.

18. 收購附屬公司

於二零一零年一月二十三日，公司的一間直接全資附屬公司與中核海外訂立買賣協議，據此，中核海外同意出售理想礦業，一所在英屬維爾京群島註冊成立的投資控股公司，全部已發行股本給公司的一間直接全資附屬公司，代價以公司發行給中核海外本金53,281,853美元的CN 2010。理想礦業主要資產是在SOMINA(一所在尼日爾註冊成立的有限公司)之37.2%的權益，其是位於尼日爾Tchirozérine省Agadez地區一個鈾礦開採許可證的登記持有人。有關交易詳情載於本公司在二零一零年三月四日刊發之通函內。

理想礦業是不活潑的，並且SOMINA未開始礦的商業生產。本公司以約90%淨資產公平值的代價購買理想礦業。收購代價與收購資產的公平值之間的差額被視作為中核海外的資本貢獻，直接地計入資本儲備。交易於二零一零年三月二十五日完成。

		HK\$'000 港幣千元
Consideration transferred at fair value		
Issuance of CN 2010	轉讓代價公平值 發行CN 2010	413,356
Asset recognised at the date of acquisition		
		Fair value 公平值 HK\$'000 港幣千元
Interest in an associate acquired	收購於聯營公司之權益	464,079
Deemed contribution from immediate holding company	直接控股公司被視為的貢獻	(50,723)
		413,356

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

19. CAPITAL COMMITMENTS

19. 資本承擔

		30th June, 2010	31st December, 2009
		於二零一零年 六月三十日	於二零零九年 十二月三十一日
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Capital expenditure in respect of acquisition of property, plant and equipment:	就收購物業、廠房及設備之資本開支：		
Authorised but not contracted for in the condensed consolidated financial statements	已授權但未訂約及未於簡明綜合財務報表撥備	1,004	1,173
Contracted for but not provided in the condensed consolidated financial statements	已訂約但未於簡明綜合財務報表撥備	16,835	16,779
		17,839	17,952

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

20. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases for rented premises which fall due as follows:

		30th June, 2010	31st December, 2009
		於二零一零年 六月三十日	於二零零九年 十二月三十一日
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within one year	一年內	4,832	4,855
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	4,210	5,095
		9,042	9,950

Operating lease payments represent rentals payable by the Group for certain of its office premises and factory land and buildings. The average lease term is 3 years. Rentals are fixed and no arrangements have been entered into for contingent rental payments.

20. 經營租賃承擔

於報告期終，本集團根據就已租物業訂立之不可撤銷經營租賃，於下列年期到期支付之未償還日後最低租賃款項承擔如下：

經營租賃款項指本集團就其若干辦公室物業以及廠房土地及樓宇應付之租金。平均租賃年期為3年。租金乃固定，且無就或然租金付款訂立任何安排。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

21. RELATED PARTY TRANSACTIONS

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

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

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Short-term benefits	短期福利	5,551	4,570
Post-employment benefits	退休後福利	53	29
		5,604	4,599

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

On 3rd December, 2008, Mr. Tsang Chiu Wai and Mr. Kong Cheuk Luen Trevor, former directors and existing shareholders of the Company, had entered into new service agreements with the Company for two years until 3rd December, 2010. Pursuant to the agreed terms of the service agreements, each of Mr. Tsang and Mr. Kong shall be entitled to a fixed salary of HK\$3,500,000 per annum plus potential 15% profit bonus and 5% discretionary profit bonus. It is also a term of the service agreements that both Mr. Tsang and Mr. Kong shall guarantee on United Non-Ferrous (Overseas) Limited, a wholly-owned subsidiary of the Company, and its subsidiaries' consolidated net asset value of not less than the sum of HK\$189,674,000 as at 3rd December, 2010. Otherwise, each of Mr. Tsang and Mr. Kong shall be liable to pay half of such shortfall to the Group.

21. 有關連人士交易

(i) 董事及其他主要管理層成員之酬金

期內董事及其他主要管理層成員之酬金如下：

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

薪酬委員會考慮董事及主要行政人員個別表現及市場趨勢後釐定彼等之薪酬。

於二零零八年十二月三日，本公司前任董事及現有股東曾昭偉先生及江爵煖先生與本公司訂立新服務協議，為期兩年，至二零一零年十二月三日止。根據服務協議之協定條款，曾先生及江先生將可獲得港幣3,500,000元之固定年薪加潛在15%溢利花紅及5%酌情溢利花紅。其中一項服務協議條款規定曾先生及江先生均須保證，於二零一零年十二月三日，本公司之全資附屬公司United Non-Ferrous (Overseas) Limited及其附屬公司之綜合資產淨值將不少於港幣189,674,000元，否則，曾先生及江先生各自須向本集團支付半數差額。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

簡明綜合財務狀況表(續)

For the six months ended 30th June, 2010
截至二零一零年六月三十日止六個月

21. RELATED PARTY TRANSACTIONS (Continued)

(ii) Transactions and balances with other state-controlled entities in the PRC

The Group itself is part of a larger group of companies under China National Nuclear Corporation ("CNNC") which is controlled by the PRC government. The Group has acquired Ideal Mining from, and issued CN 2010 to, CNNC Overseas which is an indirectly wholly-owned subsidiary of CNNC as set out in notes 18 and 15 respectively. The Group has also incurred interest expense in relation to CN 2008 and CN 2010 of approximately HK\$12,749,000 (six months ended 30th June, 2009: HK\$4,736,000) to CNNC Overseas during the period. In addition, the Group has entered into various transactions, including deposits placements with certain banks and financial institutions which are state-controlled entities in its ordinary course of business. In view of the nature of those transactions, the directors of the Company are of the opinion that separate disclosure would not be meaningful.

22. MAJOR NON-CASH TRANSACTION

The acquisition of Ideal Mining as set out in note 18 was satisfied through the issuance of convertible notes, which is a non-cash transaction.

21. 有關連人士交易(續)

(ii) 與中國其他國家控制實體之交易及結餘

本集團本身是中國政府控制的中國核工業集團公司(「中核集團」)旗下較大集團公司之部分。誠如附註18及15所載，本集團向中核海外(中核集團之間接全資附屬公司)收購理想礦業，發行CN 2010給中核海外，以及向中核海外支付約港幣12,749,000元(截至二零零九年六月三十日止六個月：港幣4,736,000元)關於CN 2008及CN 2010之相關利息開。此外，本集團於一般業務過程中與若干屬國家控制實體之銀行及金融機構訂立多項交易，包括存置存款。鑒於該等銀行交易性質，本公司董事認為，另行披露意義不大。

22. 主要非現金交易

誠如附註18所載，收購理想礦業是以發行可換股票據滿足代價，是為一項非現金交易。

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