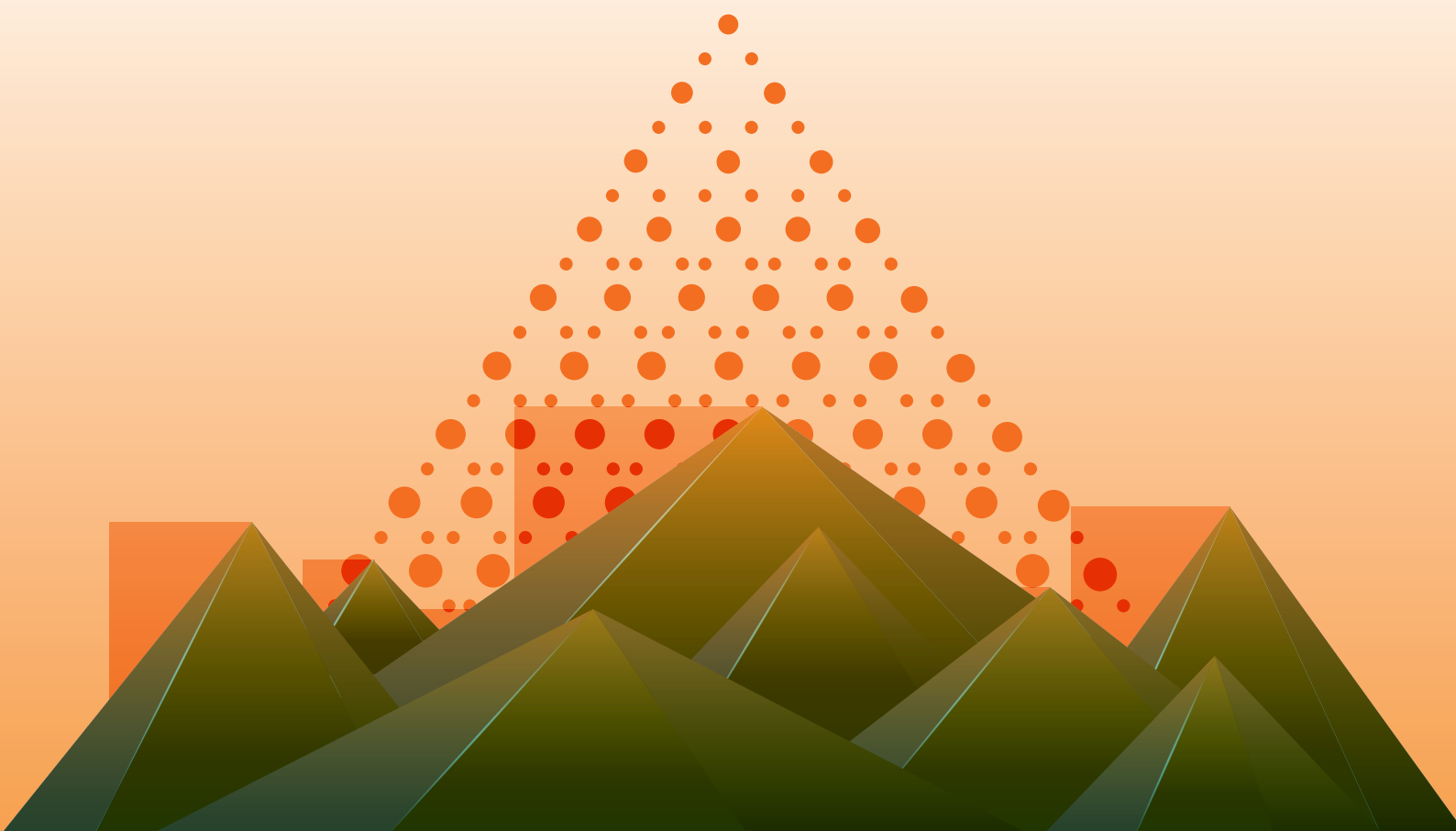
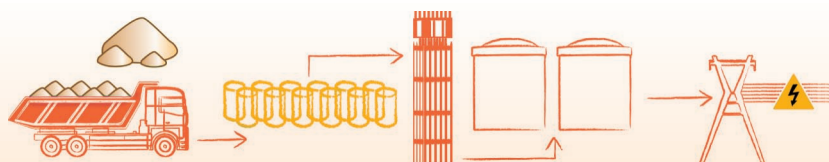


年度報告 Annual Report

2017



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Corporate Information

公司資料

ABOUT CGN MINING

CGN Mining is a company incorporated in the Cayman Islands, and is a company listed on the main board of the Stock Exchange (stock code: 1164). The principal activities of the Company at present are development and trading of natural uranium resources for use by nuclear energy companies. The Company positions itself as the sole overseas uranium development platform for the CGN Group, which strives to provide nuclear power plants owners with high-quality and reliable natural uranium products, and contributes to a clean environment.

The Company adheres to its core value of “Doing Things Right in One Go” and takes “Safety First, Quality Foremost, Pursuing Excellence” as its working principle.

關於中廣核礦業

中廣核礦業註冊地為開曼群島，為一家在聯交所主板上市的公司（股票代號：1164），主要業務為核能企業使用的天然鈾資源的開發與貿易。本公司定位為中廣核集團海外鈾資源開發的唯一平台，致力於為核電業主提供優質可靠的天然鈾產品，為清潔環境貢獻力量。

本公司始終堅持「一次把事情做好」的核心價值觀，並以「安全第一、質量第一、追求卓越」為工作原則。

DIRECTORS

Chairman and Non-executive Director

Yu Zhiping (re-designated from an ED and the chief executive officer to a NED and the chairman on 25 January 2018)
Zhou Zhenxing (resigned on 25 January 2018)

Executive Directors

An Junjing (chief executive officer, appointed on 25 January 2018)
Chen Deshao (appointed on 25 January 2018)
Xing Jianhua (resigned on 25 January 2018)

Non-executive Directors

Fang Chunfa
Zhang Chengbai (appointed on 28 November 2017)
Wu Junfeng (resigned on 28 November 2017)
Liu Mingdong (resigned on 4 December 2017)

Independent Non-executive Directors

Qiu Xianhong
Gao Pei Ji
Lee Kwok Tung Louis

AUDIT COMMITTEE

Qiu Xianhong (chairman)
Fang Chunfa
Lee Kwok Tung Louis

REMUNERATION COMMITTEE

Qiu Xianhong (chairman)
Yu Zhiping
An Junjing (appointed on 25 January 2018)
Xing Jianhua (resigned on 25 January 2018)
Gao Pei Ji
Lee Kwok Tung Louis

NOMINATION COMMITTEE

Yu Zhiping (chairman, appointed on 25 January 2018)
Zhou Zhenxing (resigned on 25 January 2018)
An Junjing (appointed on 25 January 2018)
Qiu Xianhong
Gao Pei Ji
Lee Kwok Tung Louis

董事

主席暨非執行董事

余志平(於2018年1月25日由執行董事及首席執行官調任非執行董事及主席)
周振興(於2018年1月25日辭任)

執行董事

安軍靖(首席執行官，於2018年1月25日獲委任)
陳德邵(於2018年1月25日獲委任)
幸建華(於2018年1月25日辭任)

非執行董事

方春法
張承柏(於2017年11月28日獲委任)
吳俊峰(於2017年11月28日辭任)
劉明東(於2017年12月4日辭任)

獨立非執行董事

邱先洪
高培基
李國棟

審核委員會

邱先洪(主席)
方春法
李國棟

薪酬委員會

邱先洪(主席)
余志平
安軍靖(於2018年1月25日獲委任)
幸建華(於2018年1月25日辭任)
高培基
李國棟

提名委員會

余志平(主席，於2018年1月25日獲委任)
周振興(於2018年1月25日辭任)
安軍靖(於2018年1月25日獲委任)
邱先洪
高培基
李國棟

Corporate Information 公司資料

JOINT COMPANY SECRETARIES

Zheng Xiaowei
Lai Siu Kuen

聯席公司秘書

鄭曉衛
黎少娟

AUTHORISED REPRESENTATIVES

Chen Deshao (appointed on 25 January 2018)
Xing Jianhua (resigned on 25 January 2018)
Lai Siu Kuen

授權代表

陳德邵(於2018年1月25日獲委任)
幸建華(於2018年1月25日辭任)
黎少娟

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1903, 19/F, China Resources Building
No. 26 Harbour Road
Wanchai, Hong Kong

香港總辦事處及主要營業地點

香港灣仔
港灣道26號
華潤大廈19樓1903室

CORPORATE WEBSITE

www.cgnmc.com

公司網址

www.cgnmc.com

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited

主要往來銀行

中國銀行(香港)有限公司
中國工商銀行(亞洲)有限公司

AUDITOR

SHINEWING (HK) CPA Limited

核數師

信永中和(香港)會計師事務所有限公司

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

開曼群島股份登記及過戶總處

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Corporate Information 公司資料

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

SHARE LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE

1164

香港股份登記及過戶分處

聯合證券登記有限公司
香港
北角
英皇道338號
華懋貿易廣場2期
33樓3301-04室

股份上市

香港聯合交易所有限公司

股份代號

1164

Financial Highlights

財務摘要

OPERATING RESULTS 業績

		For the year ended 31 December 截至12月31日止年度				
		2017	2016	2015	2014	2013
		2017年	2016年	2015年	2014年	2013年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
					(Restated)	
					(經重列)	
Continuing operations	持續性業務					
Revenue	營業額	372,790	707,749	703,422	1,151,707	796,594
Operating profit	經營溢利	67,746	469,513	275,273	113,049	60,320
Finance costs	融資成本	-	(5,601)	(21,990)	(28,802)	(27,292)
Profit before taxation	除稅前溢利	67,746	463,912	253,283	84,247	33,028
Income tax expenses	所得稅支出	(15,668)	(74,782)	(49,920)	(22,462)	(16,978)
Profit from continuing operations	於持續性業務所得之溢利	52,078	389,130	203,363	61,785	16,050
Discontinued Operation	非持續性業務					
Profit (loss) from discontinued operation	於非持續性業務所得之溢利(虧損)	-	-	94,640	(103,660)	-
Profit (loss) for the year	本年度溢利(虧損)	52,078	389,130	298,003	(41,875)	16,050
Profit (loss) attributable to:	下列人士應佔溢利(虧損):					
Owners of the Company	本公司擁有人	52,078	389,130	297,981	(41,706)	16,365
Non-controlling interests	非控股權益	-	-	22	(169)	(315)
		52,078	389,130	298,003	(41,875)	16,050

FINANCIAL POSITION 財務狀況

		As at 31 December 於12月31日				
		2017	2016	2015	2014	2013
		2017年	2016年	2015年	2014年	2013年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
					(Restated)	
					(經重列)	
Total assets	資產總值	1,911,275	1,886,549	1,145,300	2,244,346	1,652,395
Total liabilities	負債總值	(120,520)	(69,990)	(385,650)	(844,869)	(573,819)
		1,790,755	1,816,559	759,650	1,399,477	1,078,576
Equity attributable to owners of the Company	本公司擁有人應佔權益	1,790,755	1,816,559	759,650	1,397,836	1,076,778
Non-controlling interests	非控股權益	-	-	-	1,641	1,798
		1,790,755	1,816,559	759,650	1,399,477	1,078,576

Dear Shareholders,

Although the international natural uranium price remained low in the past 2017, CGN Mining recorded a profit against a backdrop of continuing market depression, which was like a splash of color in the uranium mining industry.

Apart from pursuing stable operation, we have been always actively seeking market opportunities while the uranium price remains low. As the CGN Group's sole overseas natural uranium development platform, CGN Mining has been committed to exploring and investing in high-grade and low-cost natural uranium resources in uranium-rich global regions. As well as supplying natural uranium to the CGN Group, CGN Mining is also attempting to expand into third-party markets for trading natural uranium as part of its effort to improve the Company's ability to continue as a going concern and enhance its industrial competitiveness. In the past year, we tried and validated new business models while elaborating existing assets. We have adopted an open-minded approach to looking for quality resources with competitive advantages that will bring returns for Shareholders. We are seeking to work with partners with same values to seize opportunities arising from industry restructuring and to build CGN Mining into an enterprise of significant influence.

We have always emphasized the importance of internal control and risk management of the Company. When striving for business breakthroughs, we have always recognised the great significance of internal control and risk management in the operation of the Company. To this end, the Board pays close attention to possible risks and fully assesses their potential impact, to ensure that every decision is discussed and argued to the fullest reasonable extent. Our firm belief that sound internal control is the Company's "invisible strength" has led us to adopt stringent internal controls. These enable us to identify potential operational risks and select truly high-quality assets as a solid foundation for our Company's development. Therefore, we will continue to uphold this rigorously prudent approach to be accountable to all Shareholders as we further strengthen our internal controls and risk management, in order to preserve and increase the value of their assets.

各位股東，

過去的2017年，國際天然鈾價格持續低迷，中廣核礦業在天然鈾市場仍然處於寒冬的大環境下保持了盈利，是鈾礦行業內少有的一抹色彩。

在穩定經營的同時，我們一直在積極尋求低鈾價下的新的市場機會。作為中廣核集團旗下進行海外天然鈾資源開發的唯一平台，中廣核礦業始終致力於在全球富鈾地區發掘並投資高品位、低成本的天然鈾資源；在向中廣核集團供應天然鈾的同時，也在嘗試拓展面向第三方市場的天然鈾貿易，以不斷提升公司的持續營運能力及行業競爭力。過往一年，我們在踏實耕耘現有資產的基礎上嘗試及驗證新的業務模式，始終以開放的心態尋找具競爭優勢及真正帶給股東回報的優質資源，並努力尋求與我們具有同樣價值觀的合作夥伴，以共同攜手抓住行業重組機遇，將中廣核礦業打造成為業內頗具影響力的企業。

我們始終強調公司的內控和風險管理。在努力實現業務突破的同時，我們一貫關注內控及風險管理對於公司經營的重大影響。在每次決策前，董事會均高度關注其可能存在的風險，並充分評估其對於公司經營的潛在影響，力求每一項決策的作出都經過充分討論及論證。同時，我們堅信良好的內控為企業的隱性實力，認為嚴格的內控能夠幫助企業識別出運營中的潛在風險，並甄別出真正優質的資產，為企業發展打下堅實的基礎。因此，我們將繼續秉持嚴謹審慎對全體股東負責的態度，進一步加強內控及風險管理，實現股東資產的保值增值。

Chairman's Statement

主席致辭

We remain confident to the prospects of natural uranium industry when looking forward to the future. As a clean, high-tech and cost-competitive energy, we believe that the nuclear power will remain to be an indispensable composition to the global energy for a long time to come. Being a company principally engaged in operations pertaining to natural uranium, we are confident that the industry will rebound in the long run. What is required now is patience and pursue a course of seizing existing opportunities to enhance the management level and expand the scale of assets, so that the Company may rise abruptly based on its accumulated strength upon the recovery of the natural uranium industry.

APPRECIATION

As the chairman of the Board, I wish to express on behalf of the Board of CGN Mining my heartfelt gratitude to the business partners, clients and Shareholders who have given us their trust and support. I also take this opportunity to sincerely thank all staff whose endeavours have contributed to the development of the Company.

Chairman of the Board
Yu Zhiping

Beijing, 27 March 2018

着眼未來，我們對天然鈾行業的長期前景保持信心。作為一種清潔的、高技術的及成本有競爭力的能源，我們相信核能在未來很長一段時間內都將是全球能源結構中不可或缺的組成部分。作為一家以經營天然鈾資源為主的礦業公司，從長期來看，我們對天然鈾行業的回暖保有信心。而在此之前，我們需要做的是耐心等待並緊緊抓住當下機遇，努力提升經營水平及擴大資產規模，真正使公司在天然鈾行業復甦時實現厚積薄發。

致謝

作為董事會主席我謹代表中廣核礦業董事會，對給予我們信任及支持的業務夥伴、客戶及各位股東致以衷心的感謝。同時我也代表董事會衷心感謝全體員工竭誠盡責為公司發展做出的貢獻。

董事會主席
余志平

北京，2018年3月27日

Chief Executive Officer's Statement

首席執行官致辭

Dear Shareholders,

On behalf of the management, I present to you the Company's annual results for 2017. The Company's major results for the Reporting Period are as follows:

- Revenue of HK\$373 million (2016: HK\$708 million);
- Gross profit margin (deducting sales and distribution expenditure) being 32% (2016: 60%);
- Profit attributable to owners of the Company being HK\$52 million (2016: HK\$389 million), with basic earnings per share at HK0.79 cents (2016: HK7.05 cents).

The continuing downturn of the natural uranium market posed significant challenges to the operating profit of the Company. Although there was a closer correlation between the pricing mechanism for a new three-year term of continuing connected transaction and the natural uranium price index and the natural uranium price recorded a further drop, the Company was still profitable in 2017. As the chief executive officer, I hereby thank the Shareholders for their recognition and support, and our staff for their diligent efforts and contributions. I will summarise the performance of CGN Mining in 2017 and outline subsequent work plans.

Steady operation of the uranium project

During the Reporting Period, Semizbay Mine and Irkol Mine of Semizbay-U operated effectively and exceeded targets set by the annual mining plan. However, due to the on-going downturn of natural uranium market and the increase in its composite cost, Semizbay-U recorded a loss in 2017 but it still maintained a leading industry position in terms of production costs. Fission's PLS Project carried out winter and summer exploratory programmes which successfully identified new land-based ore bodies, along with a significant increase of its resources. Considering that PLS Project is in the exploratory stage, it can be expected that there is still potential for the growth of its resources.

各位股東，

本人謹代表管理層向各位股東呈上本公司2017年度業績，於報告期內，本公司主要業績如下：

- 營業額為373百萬港元(2016年：708百萬港元)；
- 扣除銷售及分銷開支後毛利率為32%(2016年：60%)；
- 本公司擁有人應佔溢利為52百萬港元(2016年：389百萬港元)，每股基本盈利0.79港仙(2016年：7.05港仙)。

天然鈾市場的持續低迷給本公司經營利潤的實現帶來重大挑戰。雖然新一輪三年持續關連交易的定價機制與天然鈾價格指數關連更加密切，且天然鈾價格在2017年進一步下探，但是本公司於2017年仍然實現盈利。作為首席執行官，我要感謝各位股東對我們的肯定與支持，同時對廣大員工的無私奉獻和辛勤付出表示感謝。以下我將總結中廣核礦業於2017年度的主要表現，並概述後續的主要工作計劃。

鈾礦項目穩定經營

報告期內，謝公司旗下的謝礦及伊礦運行良好並超額完成年度採鈾計劃。雖然因天然鈾市場持續低迷及綜合成本上升，謝公司2017年錄得虧損，但其生產成本仍然保持在行業前列。Fission公司旗下的PLS項目通過冬季和夏季勘探成功發現新的陸基礦體，資源量總量有較大幅度增長。考慮到PLS項目仍處於勘探階段，預計其資源量仍有增加潛力。

Chief Executive Officer's Statement

首席執行官致辭

Steady implementation of the new Kazakhstan uranium project

Pursuant to the mining development agreement entered into in 2016, Kazatomprom has incorporated a mining partnership for its two subject mines in 2017. As scheduled, we will consequently acquire a 20,000-ton reserve of uranium through purchasing part of the equity interest in the mining partnership.

Improvement in asset operation capability

According to the nuclear fuel report published by the World Nuclear Association ("WNA") on 14 September 2017, although the growth in global nuclear installed capacity is to slow down in future, the total number of nuclear power units is still increasing, which means a corresponding gradual rise in market demand for natural uranium. We expect the price trend for natural uranium gradually to recover or perhaps even rebound from its downturn over the medium to long term. In the meantime we have explored several options which may enable us to capture future opportunities. For example, we approached potential investors in Beijing, Shanghai, Shenzhen and Hong Kong to sound out their willingness to jointly establish a natural uranium fund. We will further assess this initiative's feasibility based on natural uranium market trends. We have also conducted special studies on other possible business models of natural uranium to expand future business of the Company. Furthermore, in the interest of improving the competitiveness of the Company's principal business, we intend to expand into third-party uranium market by way of acquisition and seek out sales channels beyond the CGN Group. Finally, in order to clearly specify the Company's beneficiation criteria and provide a reference for Board and management decision-making, we have conducted systematic analysis and research to compile a screening report on potential high-quality uranium mine projects. The Company will examine and select high-quality uranium projects with reference to these criteria.

The Company held two roadshows during the Reporting Period. Through our communications with investors, we found that most investors are not familiar with the natural uranium industry, and as a result tended to pay less attention to the Company in the capital market. In light of this finding, we intend to hold roadshows and results announcement press conferences on a more regular basis, with the aim of strengthening interaction with investors and enhancing recognition of the Company in the capital market.

持續推進哈薩克斯坦新鈾礦項目

根據2016年訂立的有關礦業開發協議，哈原工已於2017年完成旗下兩座標的礦山裝入礦業合夥企業，按計劃，後續我們將通過收購該礦業合夥企業的部分股權來獲取約20,000噸鈾的權益儲量。

資產經營能力提升

根據世界核能協會（「WNA」）於2017年9月14日發佈的核燃料報告顯示，雖然未來全球核電裝機增幅會下降，但機組的絕對數量仍在增加，這意味著未來市場對天然鈾的需求也會逐步增加。我們預計中長期天然鈾價格將逐步走出低迷，並不排除出現反彈的可能。為抓住未來機遇，我們多方面進行了探索和嘗試：如我們先後在北京、上海、深圳、香港等地與潛在投資人進行接觸以瞭解其對於共同建立天然鈾基金的意願，後續我們將結合天然鈾市場的走勢進一步評估該方案可行性。同時，我們在天然鈾其他可能的經營模式上也進行了專題研究，以拓展公司未來的業務領域。另外，為提升公司主營業務市場競爭能力，我們將考慮以收購方式開發第三方天然鈾市場，拓展中廣核集團以外的銷售渠道。再者，為明確公司選礦的標準，為董事會及管理層決策提供參考依據，經系統分析與研究，我們編製了優質鈾礦潛在項目的篩選報告，後續公司將參考該標準篩選出優質鈾資源項目並重點關注跟蹤。

報告期內，本公司共舉行兩次路演。通過與投資者的溝通交流，我們發現大部分投資者對天然鈾行業比較陌生，從而導致資本市場對於本公司的關注程度不高。為此，我們擬嘗試將路演的常態化並定期舉辦業績發佈會，以加強與投資者的溝通互動，提升本公司於資本市場的關注度。

Chief Executive Officer's Statement

首席執行官致辭

Subsequent plan

Although many large uranium producers such as Cameco and Kazatomprom announced large-scale production cuts for 2018, the global natural uranium market is expected to remain sluggish in 2018 due to the high global inventory of natural uranium and the slow recovery of Japan's nuclear power sector. While the situation does pose challenges for the Company's operations, it also offers favourable conditions for acquisitions.

In 2018, we will continue to stabilise operations and promote steady, orderly development by continuous management-level enhancement and creating value for Shareholders. To achieve the goals set by the Board, we will continue to seek out and acquire new resources to create a better foundation tier of natural uranium reserves on the basis of promoting the production and exploration plans of existing mines. We will also continue our exploration and development of new businesses with which to minimise the negative operational impact caused by significant fluctuations in natural uranium prices, and will endeavour to seize opportunities during this trough period in order to be well prepared for the next natural uranium price rise.

Chief Executive Officer

An Junjing

Beijing, 27 March 2018

後續計劃

雖然Cameco、哈原工等大型鈾生產商紛紛宣佈將於2018年進行較大規模減產，但受全球天然鈾庫存高企及日本核電重啟進程緩慢等綜合因素影響，預計2018年全球天然鈾市場仍將保持低迷，這一方面將為公司經營帶來挑戰，另一方面對於公司來說仍將是併購的好時機。

我們在2018年將繼續堅持穩健經營，通過不斷提升自身管理水平，推動公司平穩有序發展，持續為各位股東創造價值。為實現董事會制定的目標，我們將在推動既有權益礦山生產及勘探計劃落地的基礎上，不斷尋求併購新的資源，以形成更加良好的天然鈾資源儲備梯隊。同時，我們也將堅持探索和開發新的業務以儘量降低天然鈾價格大幅波動對經營帶來的負面影響，並嘗試抓住這一低谷時期的機遇在天然鈾價格提振前做好充分準備。

首席執行官

安軍靖

北京，2018年3月27日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in investment and trading of natural uranium resources. As at 31 December 2017, the Group held 49% equity interest and 49% off-take rights of products in Semizbay-U, as well as 19.92% equity interest in Fission.

In 2017, the Company realised revenue of HK\$373 million, and HK\$52 million in profits attributable to owners of the Company.

Analysis of Business Environment

The nuclear power market and its industrial development

Currently, overall development of the international nuclear power industry has slowed down. In its 2017 report, WNA lowered the global installed capacity of nuclear power and demand for natural uranium based on its 2015 forecast and reduced the expected accumulated demand for natural uranium from 2018 to 2030 (middle term) from 1,024,467 to 958,759 tons, representing a decrease of 6.4%. In China, the development of nuclear power continues to be affected by the Fukushima nuclear accident. Influenced by the commissioning of the first AP1000 nuclear reactor (a third-generation nuclear reactor designed by Westinghouse Electric Corporation), the technological convergence of Hualong I (an advanced 1000 MW pressurised water reactor jointly researched and developed by the China National Nuclear Group and the CGN Group), and close state scrutiny of nuclear safety, no reactors were approved for construction during two consecutive years in 2016 and 2017.

However, we believe that China's general direction in nuclear power development remains unchanged. The report of the 19th National Congress of the Communist Party of China pointed out that China will build an energy sector that is clean, low-carbon, safe and efficient. As it is characterised by low resource consumption, marginal environmental impact and stable supply, nuclear power will undoubtedly be an important component of China's energy infrastructure. Therefore, in the long run, we remain confident about the development of nuclear power and the growth of demand for nuclear fuel.

業務回顧

本集團主要從事天然鈾資源投資及貿易，於2017年12月31日，本集團持有謝公司49%的股權及49%產品的包銷權，以及Fission公司19.92%的股權。

2017年本公司實現營業額373百萬港元，本公司擁有人應佔溢利為52百萬港元。

經營環境分析

核電市場與行業發展

當前，世界核電整體發展趨勢放緩。根據WNA 2017年發佈的報告，其在2015年預測的基礎上下調了全球核電裝機容量及天然鈾需求，其中2018至2030年預計天然鈾累計需求量(中案)從1,024,467噸鈾下調至958,759噸鈾，下降6.4%。而中國核電發展也仍未走出福島核事故影響，受AP1000(美國西屋公司設計的第三代核電堆型)首堆調試和華龍一號(由中國核工業集團與中廣核集團共同研發的先進百萬千瓦級壓水堆)技術融合影響，加之國家對核安全的高度重視，中國於2016年及2017年連續兩年未批准核電反應堆建設。

然而，我們認為中國積極發展核電的大方向沒有變。中國共產黨第十九次全國代表大會報告指出，中國要構建清潔低碳、安全高效的能源體系。而核電因其資源消耗少、環境影響小、供應能力穩定等特點，無疑將是未來中國能源體系的重要力量。因此，從長遠來看，我們對核電發展及核燃料需求的增長仍充滿信心。

Management Discussion and Analysis 管理層討論及分析

Natural uranium market and its industry development

In 2017, the fundamental that global supply of natural uranium exceeding demand remained unchanged, the natural uranium price remained at low level but the trading volume increased. In the first three quarters of the year, the price of uranium maintained at a low level and the volume of trading shrank. However, in the wake of production cuts announced by three international producers of natural uranium (namely Orano, formerly known as Areva; Cameco Corp. and Kazatomprom), the price of natural uranium rebounded and trading volume increased significantly in the fourth quarter.

During the year, the monthly price of natural uranium in the international spot market fell to less than USD20/lb in May and October, but then rebounded after November to USD23.75/lb by the end of 2017. The monthly average price in the spot market was USD21.62/lb, representing a year-on-year decrease of 16.1%. The monthly average price in the long-term market was USD31.08/lb, representing a year-on-year decrease of 20.7%.

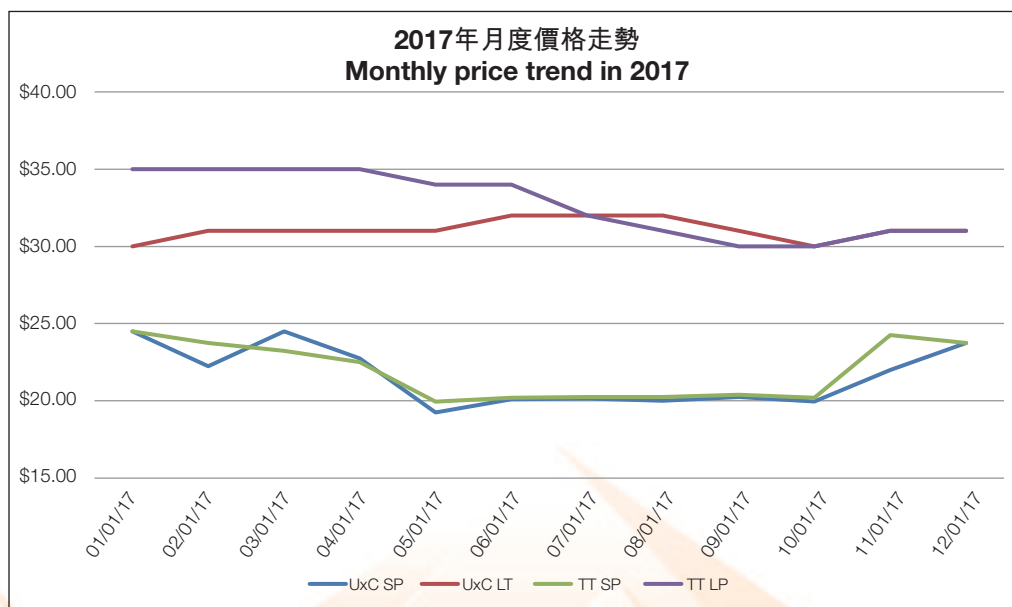
Note: The natural uranium price data in the paragraph are derived from the UxC.

天然鈾市場與行業發展

2017年國際天然鈾市場供大於需的基本面保持不變，天然鈾價格仍然處於低位，但交易量有所上漲。其中，前三季度價格低迷，交易量萎縮，但隨著國際三大天然鈾生產商（即Orano，前稱Areva；Cameco Corp. 及哈原工）陸續宣佈減產計劃，第四季度天然鈾價格有所反彈，且交易量大幅提升。

縱觀全年，國際天然鈾市場現貨價格（月度）曾在5月及10月兩次跌破20美元/lb，但自11月起出現反彈，最終以23.75美元/lb實現2017年收官；現貨價格月度均價為21.62美元/lb，同比下跌16.1%；長期市場價格月度均價為31.08美元/lb，年度同比下跌20.7%。

註：本段中天然鈾價格取自UxC發佈的數據。



Management Discussion and Analysis

管理層討論及分析

BUSINESS PERFORMANCE AND ANALYSIS

During the Reporting Period, the Company continued to firmly implement the annual trading plan approved by the Board, to ensure the achievement of the revenue targets of principal business, and to optimize its management and control of existing assets.

Asset management

During the Reporting Period, based on the summary of the board and shareholders' meetings of Semizbay-U and its proposals in 2016, the Company conducted a comprehensive evaluation of its governance and control, put forward advice on the optimisation of the management and control, and specified various aspects of concern to the Company in the areas of corporate development strategy, decision-making, risk management and internal control in respect to the governance of Semizbay-U. In terms of Fission, the Company has implemented its governance through participation in the board of Fission by designated directors, and through financial supervision by designating a financial manager on site.

Production and operation of Semizbay-U

In early 2017, Kazatomprom announced that it would cut the production volume of the mines under its control by 10% in order to cope with the natural uranium market downturn. In 2017, the two mines of Semizbay-U operated satisfactorily, and the actual uranium production volume was 1,128 tons. Although there was a decrease of 9.18% as compared to the production of 1,242 tons in 2016, the annual mining targets were exceeded, of which 421 tons produced by Semizbay Mine and the remaining 707 tons by Irkol Mine. Semizbay-U did not conduct any further exploratory work during the Reporting Period.

Although the production volume of Semizbay-U decreased on a year-on-year basis, the Company's off-take of natural uranium for the year were not affected on the basis of negotiation between both parties. At the end of 2017, Kazatomprom announced a further 20% production cut for its mines between 2018 and 2020. It is expected that the production of Semizbay-U for the next three years will be correspondingly adjusted, and the Company will enhance communications with Kazatomprom and endeavour to maintain the off-take volume acquired from Semizbay-U at the same level as that prior to the production cut.

業務表現及分析

報告期內，本公司繼續穩健落實董事會批准的年度貿易計劃，確保了主營業務收入的實現，同時針對現有資產不斷優化管控。

資產管理

報告期內，本公司在總結謝公司2016年度董事會及股東會會議召開情況及議案提交情況的基礎上就對其的治理管控進行了綜合評價，提出了管控優化建議，並明確了本公司在參與謝公司管治時在企業發展戰略、經營決策、風險管理及內控等方面的關注點。而在對Fission公司管理方面，本公司通過派出董事參與其董事會決策並委派財務經理於現場進行財務監督。

謝公司生產經營

2017年年初，哈原工宣佈其控股的礦山2017年減產10%，以應對低迷的天然鈾市場。謝公司旗下兩座礦山2017年運行情況良好，實際生產1,128噸鈾，較2016年實際產量1,242噸鈾下降9.18%，但超額完成年度採鈾計劃。其中，謝礦實際生產421噸鈾，伊礦實際生產707噸鈾。報告期內，謝公司未進行進一步勘探工作。

雖然謝公司產量同比下降，但經雙方股東協商，本公司本年度天然鈾包銷量未受到影響。2017年末，哈原工進一步宣佈旗下控股礦山將在2018至2020年期間減產20%，預計謝公司未來三年的產量會相應進行調整，本公司將加強與哈原工溝通，爭取從謝公司獲得的包銷量維持在減產前水平不降低。

Management Discussion and Analysis 管理層討論及分析

By adopting effective measures, the unit production cost of Semizbay-U maintained high market competitiveness which is significantly lower than the global average production cost of uranium mine in recent years.

通過採取有效措施，謝公司的單位生產成本仍具較強的市場競爭力，顯著低於近年全球在產鈾礦山平均生產成本。

As of 31 December 2017, the resources of Semizbay-U were as follows:

截至2017年12月31日，謝公司資源情況如下：

Table 1 – Uranium deposit reserves of Semizbay-U

表1—謝公司旗下鈾礦儲量

Number 序號	Name of mine (project) 礦山(項目)名稱	Grade (%u) 品位(%U)	Reserve (C1+C2) (tons of uranium) 儲量(C1+C2)(噸鈾)
1	Semizbay Mine 謝礦	0.056	12,996
2	Irkol Mine 伊礦	0.043	22,448

Note: According to Kazakh Classification System (CIS) standards, since the establishment of Semizbay-U in 2008, uranium reserves of the Semizbay Mine stood 17,108 tons, while uranium reserves of the Irkol Mine was 29,541 tons (relevant data extracted from the competent person's report prepared by Blackstone Mining Associates Limited in 2014). The existing reserve data is calculated based on the past reserve, less the cumulative uranium mining volume.

註：根據哈薩克斯坦地質分類系統(CIS)標準，2008年謝公司成立時，謝礦儲量為17,108噸鈾，伊礦儲量為29,541噸鈾(有關數據來源於2014年黑石所做合資格人士報告)。現儲量數目是根據當時儲量減去累計採鈾量計算而得。

Exploration by Fission

During the Reporting Period, the expenditures on exploration of the PLS Project amounted to approximately CAD15 million, which included implementation of 72 drilling holes (3,480.4 metres). Fission successfully identified a new land-based ore body, R1515W, in the westernmost zone of Triple R deposit during its winter and summer exploration in 2017. The strike of the mineralized Patterson Lake trend lies in an east-west direction, and the length of which is approximately 3.17 km. From west to east, the high grade zones discovered includes R1515W, R840W, R00E, R780E and R1620E. Collectively they form the longest high-grade uranium metallogenic belt discovered in Saskatchewan, Canada, and it is also one of the biggest untapped high-grade uranium mines in the world. The current exploration results indicate that the resources of PLS Project still has high potential of growth in the future.

Fission 公司勘探

報告期內，PLS項目勘探支出約15百萬加元，共部署鑽孔72口，完成勘探工作量3,480.4米。經過2017年度冬季及夏季勘探，Fission公司成功在Triple R礦體最西側陸上發現一個新的陸基礦體R1515W。PLS項目目前已發現的礦體呈東西走向，從西到東依次為R1515W，R840W，R00E，R780E和R1620E，長度約3.17公里，組成加拿大薩斯喀徹溫省已發現的最長的高品位鈾礦成礦帶，亦是全球最大的待開發高品位鈾礦項目之一。當前勘探結果表明，PLS項目未來仍具備較高的資源增長潛力前景。

Management Discussion and Analysis 管理層討論及分析



Figure 1: Distribution of Identified High-grade Zone on the PLS Project

圖 1 PLS 項目已識別礦體地理分佈示意圖

On 20 January 2018, Fission appointed an independent third-party technical advisor RPA Inc. (“RPA”) to update the resources of PLS Project (Table 2) based on the exploratory data as at 4 January 2018. The total uranium resources announced were approximately 54,086 tons, which increased by approximately 30% compared to the estimated results issued by RPA in 2015. Among that, the indicated resources increased by approximately 8%, while inferred resources increased by approximately 95%. Comparing with the estimated results of RungePincock Minarco (“RPM”), the competent person at the time of acquisition of Fission, the total resource increased by 27%. Among that, the indicated resources decreased by approximately 8%, while inferred resource increased by approximately 95%. The estimated results in indicated resources of RPA have slightly decreased from those of RPM, which was attributable to: (i) in order to utilize the capital in a highly effective manner, Fission has established the exploratory policy to prior increase the inferred resource and no targeted exploratory plan was formulated to evaluate resource level since the completion of the acquisition of Fission; (ii) RPM adopted 0.25% as the ore cut-off grade when estimating the underground mining sector, while RPA adopted 0.3% as the ore cut-off grade; and (iii) different competent persons have different working experiences and knowledge about mineral deposit, which lead to a common phenomenon of inconsistent judgement on resources classification. Overall, the discrepancy of the resources estimation results of RPA and RPM stay within normal range. The significant increase in inferred resources of PLS Project indicated the potential resources growth.

2018年1月20日，Fission公司聘請獨立第三方技術顧問RPA Inc. (「RPA」) 基於截至2018年1月4日的勘探數據更新了項目資源量(表2)。本次公佈的資源總量約54,085噸鈾，較RPA 2015年出具的估算結果，資源總量增長約30%，其中：控制級資源量增長約8%，推斷級資源量增長約95%；較本公司入股Fission公司時合資格人士RungePincock Minarco (「RPM」) 之估算結果，資源總量增長約27%，其中，控制級資源量減少約8%，推斷級資源增長約95%。RPA本次估算的控制級資源量較RPM估算結果有所減少，原因在於：(i) 為高效利用資金，在本公司完成其股權收購後，Fission公司制定了優先增加推斷級資源的勘探策略，並未有針對性的制定提升資源量級別的勘探計劃；(ii) RPM估算時井下開採部分邊界品位採用0.25%，本次RPA採用的邊界品位是0.3%；及(iii)因不同合資格人士工作經驗及對礦床認識存在差異，從而導致對資源類型劃分判斷不一致是常見現象。綜合來看，RPA與RPM資源估算結果的差異在正常範圍內。項目推斷級資源量大幅增加，表明項目仍有資源增長潛力。

Table 2 – Resources of PLS Project under Fission

表 2 – Fission 公司旗下項目資源量

Number 序號	Name of project 項目名稱	Indicated Resources 控制資源量		Inferred Resources 推斷資源量	
		Grade (%U) 品位(%U)	Tons of uranium 噸鈾	Grade (%U) 品位(%U)	Tons of uranium 噸鈾
1	PLS Project PLS 項目	1.54	33,757	1.53	20,329

Management Discussion and Analysis 管理層討論及分析

Description of differences in calculation criteria and parameters of Kazakhstan and Canada mines reserves: in Kazakhstan and other countries of the Commonwealth of Independent States (CIS), mineral resources and reserves are classified according to the 1981 “System of Classification of Reserves and Resources of Mineral Deposits”. This uses seven categories in three groups based on the level of exploration performed. Table 3 presents a ‘best estimate’ correlation of the Kazakh classification system (CIS) to the JORC standard definitions. The CIS system and the JORC system are not directly reconcilable. The primary reason is that the reserves in the CIS system equal to the resources in the JORC system. The reserves in the CIS system only related to geological reliability, whereas the resources in the JORC system not only related to geological reliability, but also related to the factors such as mining, metallurgical, economic, marketing, legal, environmental, social and governmental.

Table 3 – Correlation of CIS to JORC standard definitions

CIS Classification CIS 分類	CIS Categories CIS 類別	JORC Resources JORC 資源	JORC Reserves JORC 儲量
Explored Reserves 勘探儲量	A and B A 和 B	Measured 探明級	Proven 證實級
Explored Reserves 勘探儲量	C1 C1	Indicated 控制級	Probable 概實級
Pre-assessment Reserves 預評估儲量	C2 C2	Inferred 推斷級	
Prognosticated Reserves 預測儲量	P1, P2 and P3 P1、P2 和 P3	Exploration Results 勘探結果	

Natural uranium trading business

As of 31 December 2017, most of the natural uranium products sold by the Company were sourced from self-owned mines of Semizbay-U, and the amount of natural uranium trading achieved HK\$371 million, representing a 47% decrease compared to 2016 (2016: HK\$706 million). Pursuant to the New Natural Uranium Sales Framework Agreement, the natural uranium transactions between the Company and CGNPC-URC are conducted under new pricing mechanism, namely a floor price and ceiling price with reference to the basis of market price. The selling price of natural uranium declined significantly compared to 2016 during the Reporting Period, resulting a 72% decrease in gross profits.

哈薩克斯坦及加拿大礦山儲量計算標準及參數差別說明：在哈薩克斯坦和獨立國家聯合體（獨聯體）的其他國家，礦產資源和儲量是根據 1981 年的「儲備和礦藏資源的分類體系」分類。該分類系統根據勘探水平採用三組七個類別，表 3 給出了哈薩克分類系統 (CIS) 與 JORC 準則定義的「最佳估計」相關性。CIS 系統和 JORC 系統是不能直接調和的。主要原因為，CIS 系統中的儲量相當於 JORC 規範中的資源量，它們僅與地質可靠程度有關。JORC 系統中的儲量除與地質可靠性和地質數據真實性相關外，還與採礦、冶煉、經濟、市場、法律、環境、社會、政府等因素有關。

表 3—哈薩克分類系統 CIS 與 JORC 準則定義的相關性

天然鈾貿易業務

截至 2017 年 12 月 31 日，本公司銷售的天然鈾產品大部分來自謝公司自有礦山，共實現天然鈾貿易額 371 百萬港元，較 2016 年下降 47% (2016 年：706 百萬港元)。根據《新天然鈾銷售框架協議》，報告期內，本公司與中廣核鈾業發展開展的天然鈾貿易實行新的定價機制，即在參考市場價格的基礎上封頂保底的價格機制。由於報告期內天然鈾銷售價格較 2016 年度出現大幅下降，導致毛利下降 72%。

Management Discussion and Analysis

管理層討論及分析

Developing new projects

Pursuant to the Mining Principles Agreement on the Joint Development of Kazakhstan Uranium Deposit and its supplemental agreement entered into by the Company, CGNPC, CGNPC-URC, Kazatomprom and UMP in 2016, the Company has conditionally selected the subject mines. In October 2017, Kazatomprom completed the integration of two subject mines and consolidated them into a mining partnership. The partnership made good progress in production and operation during the Reporting Period. Currently, the Company is taking forward the acquisition of uranium mines according to the above agreements and in connection with the progress of the fuel assembly plant constructed by CGNPC-URC and Kazatomprom in Kazakhstan.

The Company always be optimistic about the future development of the natural uranium market. As such, it endeavours to seize the favourable investment opportunities arising from the current downturn in the natural uranium market, and is proactively seeking uranium projects with cost competitiveness in the current market so as to further strengthen the Company's competitiveness in the industry.

Potential risks during operation and risk management

Risks of failing to identify the market cycle

Due to the difficulty of accurately predicting price trends for natural uranium and taking into consideration that excessive irrational investment and excessively conservative investment will adversely affect the Company's future development, the Company pays close attention to the analysis, research and price forecasting of the natural uranium market in order to provide an effective basis for the Board's decision-making. To this end, the Company has established an internal uranium price forecast system and dedicated posts for continually tracking the natural uranium market and monitoring industry dynamics which gives on-going price forecast support for business strategies, business operations, contract negotiations and project cooperation.

Risk of diluting the shareholding in Fission

As it represents a significant investment and mark of the Company's confidence, Fission has been a point of intense focus for the Company's management. Since the proportion of shareholdings involved in the investment is directly related to the Company's off-take rights of natural uranium products and the right to participate in the governance of Fission, the Company will endeavour to slow down its fund use appropriately by exerting its influence from the directors of Fission designated by the Company in future to ensure that Fission has sufficient cash flow to meet demand during the downturn of the natural uranium market. The Company will subsequently conduct a comprehensive analysis of the feasibility of further investment, combined with the actual progress and prospects of the project.

新項目開發

根據2016年本公司與中廣核集團公司、中廣核鈾業發展、哈原工及UMP共同簽署的《有關共同開發哈薩克斯坦鈾礦的礦業原則協議》及其補充協議，本公司已有條件鎖定標的礦山。於2017年10月，哈原工已完成兩座標的礦山的整合並已併入礦業合夥企業，且該礦業合夥企業在報告期內生產經營情況良好。目前，本公司正依據前述協議結合中廣核鈾業發展與哈原工聯合在哈薩克斯坦建設的燃料組件廠的項目進度推進鈾礦項目收購工作。

本公司長期看好天然鈾市場的未來發展，並通過努力抓住天然鈾市場低谷的有利投資時機，積極關注並尋找在當前市場具有成本競爭力的鈾礦項目，來進一步加強公司在行業的競爭力。

經營中的潛在風險及風險管理

未能把握市場周期的風險

由於天然鈾價格走勢難以準確預測，及考慮到過度的不合理投資與過分的裹足不前都將為公司未來的發展帶來不利影響，本公司高度關注天然鈾市場的分析研究及價格預測，以爭取盡可能為董事會的決策提供有效支持。為此，本公司已建立起內部鈾價預測體系，並設立專門崗位持續跟蹤天然鈾市場及監控行業動態，以持續為經營戰略、經營業務、合同談判、項目合作等提供價格預測支持。

持有 Fission 公司股權稀釋風險

作為本公司的重要投資項目及出於對 Fission 公司未來的看好，管理層高度關注於 Fission 公司的投資。由於該筆投資涉及的股權比例直接關係到本公司對於 Fission 公司後續天然鈾產品的包銷權及參與治理的權利，本公司未來將通過發揮本公司派出於 Fission 公司的董事的影響，爭取適當減緩其資金使用節奏，確保 Fission 公司有足夠的現金流度過天然鈾市場寒冬。後續還將結合項目實際進展及前景，綜合分析進一步投資的可行性。

Management Discussion and Analysis

管理層討論及分析

High proportion of connected transaction

Due to the narrow applications of natural uranium, its buyers are limited to the owners of nuclear power stations or international traders of natural uranium. As the CGN Group has a large demand for natural uranium of which only about 15% can be satisfied by the natural uranium products supplied by the Company, the off-take natural uranium products in the Company were fully supplied to the CGN Group currently, causing a high proportion of connected transactions in the Company's main business. To this end, the Company has been working to expand into third-party markets while intending to enhance its business scale and adjust its profit-making model through acquisitions of high-quality uranium mines. The Company additionally intends to exploit new markets through business combination.

Capital guarantee risk

In the current environment of depressed natural uranium prices, the Company will continue to track high-quality and high-grade uranium mine projects and acquire the same as and when appropriate. Taking into account the Company's future development demand for capital, it will formulate a sound capital and financing plan based on a reasonable assessment of the economic efficiency and feasibility of potential projects, and introduce new strategic partners as and when appropriate to jointly develop and operate them.

BUSINESS PROSPECTS

Forecast of the natural uranium market

Combining analyses and forecasts from various international major institutions, the Company forecasts that the fundamentals of over-supply of natural uranium market will remain unchanged for years to come. In face of this market environment, the Company will maintain stable operations via such measures as controlling production costs and strengthening its management and control of risks.

Business Development

Operation of Semizbay-U and management and control of Fission

To ensure gains on its long-term equity investment in Semizbay-U, the Company will continue to participate in the project's operation and management and will ensure that it meets its annual production targets and controls the production costs of Semizbay Mine and Irkol Mine within the targets set by the board of Semizbay-U. At the same time, the Company will assist Semizbay-U in its exploratory work and strive to complete the preparation of the exploration plan for the surrounding area of Semizbay Mine and the development plan for No.4 and No.5 mine belt of Irkol Mine in 2018.

關連交易比重過高

受限於天然鈾的使用範圍較窄的特點，其買家局限於核電站業主或從事國際天然鈾貿易商。由於中廣核集團對於天然鈾的需求較大，而本公司供應的天然鈾產品僅能滿足其約15%左右的需求，本公司目前包銷的天然鈾產品全部用於供應中廣核集團，從而導致主營業務關連交易佔比較高。為此，本公司一直努力開拓第三方市場，一方面擬通過併購優質鈾礦提升自身業務規模及調整盈利模式，另一方面也在考慮通過企業併購等途徑開拓新的市場。

資金保障風險

在當前天然鈾價格低迷的大環境下，本公司將不斷跟蹤優質的高品位鈾礦項目，並在合適時機進行收購。考慮到公司未來發展對於資金的需求，本公司將在合理評估潛在項目經濟性及可行性的基礎上，制定完善的資金及融資計劃，並適時引入新的戰略合作方共同開發經營。

業務展望

天然鈾市場形勢研判

結合國際各大機構的分析預測，本公司預計未來數年天然鈾市場供應過剩的基本面不會改變。面對此種大環境，本公司將採取控制生產成本、加強風險管控等措施，確保公司平穩經營。

業務發展

謝公司經營及 Fission 公司管控

為確保於謝公司的長期投資收益，本公司將繼續深度參與謝公司的經營管理，確保其完成年度生產目標，並實現謝礦及伊礦生產成本控制在謝公司董事會下達的目標內。同時，本公司也將協助謝公司開展勘探工作，並爭取在2018年度完成謝礦周邊區域勘探計劃和伊礦4號及5號礦帶開發利用計劃的編製。

Management Discussion and Analysis 管理層討論及分析

Due to continuing discoveries of new land-based ore bodies, Fission's resources are expected to increase substantially. In the meantime, the board of Fission has considered conducting preliminary feasibility research on some of the shallow ore bodies in order to counterbalance the operational risks posed by the current low natural uranium prices. The Company will participate in the preparation and determination of Fission's annual exploration plan and give reasonable advice on its early technical plan for preliminary feasibility research by designated directors, in order to lay a good foundation for its exploration and development of subsequent projects in the long and medium-term.

Expanding new market and exploring new business

To control and reduce the risks from the single market and substantial fluctuations in natural uranium prices, and thus enhance market competitiveness, the Company will continue its efforts to expand the third-party trade of natural uranium in 2018 and will also demonstrate the feasibility of jointly establishing natural uranium commercial reserves and a natural uranium fund by introduction of strategic investors from the perspective of operation.

Promoting the acquisition of new projects

In 2018, the Company will continue to implement the new uranium deposit project in Kazakhstan and will reach its targets by phases. It also intends to continuously track other overseas uranium projects which have low costs and high quality, especially projects including the in-situ leachable sandstone-type uranium mines of Central Asia, and will contact potential targets in due course. In addition, the Company will seek to establish strategic partnerships with international uranium manufacturers and traders, and will study the feasibility of joint development of uranium deposit projects.

Enhancing maintenance of the investor relationship

The Company intends to further increase its investment in investor relationships to help investors better understand the characteristics of the industry and promote mutual understanding. This will be facilitated by regular roadshows, enhancing the quality of information disclosure, and adding professional information on the natural uranium industry and updating the Company's news on its website. The ultimate aim of these measures is to establish a smooth, bidirectional communication mechanism between the Company and capital markets.

由於不斷有新的路基礦體被發現，預計 Fission 公司的資源量將有較大幅度增長。同時，為抵禦當前天然鈾價格過低帶來的經營風險，Fission 公司董事會已考慮針對部分淺層礦體進行預可行性研究。本公司後續將通過派出董事參與 Fission 公司年度勘探計劃的編製及確定，並對其預可行性研究前期技術方案給予合理意見，為其後續項目的中長期勘探及開發打好基礎。

積極開拓新市場及探索新業務

為控制市場單一化及天然鈾價格大幅波動帶來的風險，提升本公司的市場競爭力，2018年本公司將繼續嘗試拓展天然鈾第三方貿易，同時也將從經營角度論證引入戰略投資者共同開展天然鈾商業儲備及天然鈾基金的可行性。

推進新項目併購

本公司在2018年將繼續推動哈薩克斯坦新鈾礦項目完成階段里程碑目標，同時將持續跟蹤其他海外優質低成本鈾資源項目，並重點關注中亞地區可地浸砂岩鈾礦等項目，擇機與潛在目標進行接洽。另外，本公司將尋求與國際知名鈾生產商及貿易商建立戰略合作關係，研究携手開發鈾礦項目的可行性。

加強投資者關係維護

本公司擬進一步加強在投資者關係方面的投入，並考慮通過定期組織路演、提升信息披露質量、於公司網站增加天然鈾行業專業信息及豐富公司動態等途徑，幫助投資者更好的瞭解本公司所從事行業的特點及增進理解，以建立起資本市場和公司之間雙向順暢的傳導機制。

Management Discussion and Analysis

管理層討論及分析

Optimising corporate operations

The Company will further strengthen its internal controls and improve management efficiency through continuous optimization of its operation system by prioritization and refining of the departments' functions and the job responsibilities in 2018. Meanwhile, in order to strengthen the identification and monitoring of connected transactions and avoid default risks, the Company will also introduce a specific connected transaction management procedure to further perfect its connected transaction management.

優化組織運作

為進一步提升內控並提高管理效率，本公司將在2018年通過梳理並優化各部門職能及崗位職責繼續優化運作體系。同時，為加強對關連交易的識別監控及避免違規風險，本公司將出台專門的關連交易管理程序，以進一步健全關聯交易管控體系。

FINANCIAL PERFORMANCE AND ANALYSIS

Financial performance reflects the operation of the Company throughout the year. By paying attention to changes in financial indicators, business development of the Company can be fully understood.

財務表現與分析

財務表現反映本公司全年運營情況，通過關注財務指標的變動，將能全面瞭解本公司的業務發展狀況。

OVERVIEW OF FINANCIAL RESULTS AND POSITION

Major Financial Indicators

財務業績及狀況概覽

主要財務指標

		2017	2016
		2017年	2016年
Profitability indicators	盈利能力指標		
Gross profit margin (%) ¹	毛利率 (%) ¹	31.93	59.84
EBITDA (HK\$' million) ²	EBITDA (百萬港元) ²	69.60	471.46
EBITDA/Revenue (%) ³	EBITDA/營業額比率 (%) ³	18.67	66.61
Net profit margin (%) ⁴	淨溢利率 (%) ⁴	13.97	54.98
Operation ability indicators	營運能力指標		
Receivables cycle – average (Days) ⁵	應收款周期 – 平均 (天) ⁵	67	50
Investment return indicators	投資回報指標		
Return on equity (%) ⁶	權益回報率 (%) ⁶	2.89	30.21
Profit attributable to owners of the Company to revenue ratio ⁷	本公司擁有人應佔溢利與營業額比率 ⁷	13.97	54.98
Return on assets (%) ⁸	總資產回報率 (%) ⁸	2.74	25.67
Repayment ability indicators	償債能力指標		
Bank balances and cash (HK\$' million)	銀行結存及現金 (百萬港元)	1,017.11	40.92
Net tangible assets (HK\$' million) ⁹	有形資產淨值 (百萬港元) ⁹	1,790.76	1,816.56
Gearing ratio (%) ¹⁰	資本負債比率 (%) ¹⁰	6.73	3.85
Interest coverage ¹¹	利息覆蓋率 ¹¹	N/A	83.83
		不適用	

Management Discussion and Analysis 管理層討論及分析

- | | |
|---|--|
| 1. Difference between revenue and cost of sales divided by revenue multiplied by 100%. | 1. 營業額與銷售成本之差除以營業額再乘以100%。 |
| 2. The sum of profit before tax, finance costs, depreciation and amortisation, if any. | 2. 除稅前溢利、融資成本支出、折舊及攤銷(如有)之總和。 |
| 3. The sum of profit before tax, finance costs, depreciation and amortisation, if any, divided by revenue multiplied by 100%. | 3. 除稅前溢利、融資成本支出、折舊及攤銷(如有)之總和除以營業額再乘以100%。 |
| 4. Profit for the year divided by revenue multiplied by 100%. | 4. 本年度溢利除以營業額再乘以100%。 |
| 5. Average receivables (i.e the arithmetic average of the beginning and the end of Reporting Period) divided by average daily sales (revenue divided by 360 days). | 5. 平均應收賬款(即報告期初及期末算術平均值)除以平均日營業額(營業額除以360天)。 |
| 6. Profit attributable to owners of the Company divided by total average equity (i.e the arithmetic average of the beginning and the end of Reporting Period) multiplied by 100%. | 6. 本公司擁有人應佔溢利除以平均權益(即報告期初及期末算術平均值)總額再乘以100%。 |
| 7. Profit attributable to owners of the Company divided by the revenue multiplied by 100%. | 7. 本公司擁有人應佔溢利除以營業額再乘以100%。 |
| 8. Profit for the year divided by total average assets (i.e the arithmetic average of the beginning and the end of Reporting Period) multiplied by 100%. | 8. 本年度溢利除以平均資產(即報告期初及期末算術平均值)總額再乘以100%。 |
| 9. Net assets less intangible assets, if any. | 9. 淨資產減去無形資產的淨值(如有)。 |
| 10. Total debt divided by total equity multiplied by 100%. | 10. 債務總額除以權益總額再乘以100%。 |
| 11. Profit before interest and taxes divided by finance costs. | 11. 除利息及稅項前的溢利除以融資成本支出。 |

Financial results

As at 31 December 2017, the Group realized revenue of HK\$373 million, representing a decrease of HK\$335 million or 47% as compared to the revenue of HK\$708 million in 2016; the Group realized profit of HK\$52 million, representing a decrease of HK\$337 million or 87% as compared to the profit of HK\$389 million in 2016. Profit attributable to owners of the Company was HK\$52 million, representing a decrease of HK\$337 million or 87% as compared to the profit of HK\$389 million in 2016.

The New Natural Uranium Sales Framework Agreement of the Group was approved by independent Shareholders on 29 December 2016, pursuant to which, a new pricing mechanism was implemented on the sales of natural uranium in 2017. Since the pricing mechanism is more closely tied to market fluctuations, the selling price of natural uranium decreased significantly for the Reporting Period as compared with the corresponding period in 2016, resulting in a considerable decline in revenue and profit in 2017.

財務業績

截至2017年12月31日，本集團實現營業額373百萬港元，較2016年的708百萬港元減少335百萬港元，同比減少47%；本集團實現溢利52百萬港元，比2016年的389百萬港元減少337百萬港元，同比減少87%。本公司擁有人應佔溢利52百萬港元，比2016年的389百萬港元減少337百萬港元，同比減少87%。

本集團於2016年12月29日獲獨立股東批准通過《新天然鈾銷售框架協議》。據此，天然鈾銷售自2017年開始執行新的價格機制。由於該價格機制與市場變動聯繫更緊密，報告期內天然鈾銷售價格較2016年同期出現較大幅下降，導致2017年營業額及溢利大幅下降。

Management Discussion and Analysis

管理層討論及分析

REVENUE

營業額

		For the year ended		Movements	Percentage change
		31 December			
		截至12月31日止年度		變動額	變動百分比
		2017	2016	Increase/ (Decrease)	Increase/ (Decrease)
		2017年	2016年	增加/(減少)	增加/(減少)
		HK\$'000	HK\$'000	HK\$'000	%
		千港元	千港元	千港元	
Natural uranium trading	天然鈾貿易	370,720	705,556	(334,836)	(47)
Property investment	物業投資	2,070	2,193	(123)	(6)
Total revenue	總營業額	372,790	707,749	(334,959)	(47)

The revenue of the Group decreased by 47% to HK\$373 million in 2017 as compared to the revenue of HK\$708 million of 2016. It was mainly due to the implementation of the pricing mechanism of the New Natural Uranium Sales Framework Agreement by the Group since 2017, which is more closely tied to market fluctuations, resulting in a significant decrease in the selling price of natural uranium as compared with the corresponding period of 2016.

本集團營業額由2016年的708百萬港元減少47%至2017年的373百萬港元。主要原因是本集團自2017年執行《新天然鈾銷售框架協議》下的價格機制，該價格機制與市場變動聯繫更緊密，天然鈾銷售價格較2016年同期有較大幅下降。

Cost of sales

銷售成本

		For the year ended		Movements	Percentage change
		31 December			
		截至12月31日止年度		變動額	變動百分比
		2017	2016	Increase/ (Decrease)	Increase/ (Decrease)
		2017年	2016年	增加/(減少)	增加/(減少)
		HK\$'000	HK\$'000	HK\$'000	%
		千港元	千港元	千港元	
Natural uranium trading	天然鈾貿易	253,774	284,244	(30,470)	(11)
Property investment	物業投資	-	-	-	-
Total cost of sales	銷售成本合計	253,774	284,244	(30,470)	(11)

The cost of sales of the Group decreased by 11% from HK\$284 million in 2016 to HK\$254 million in 2017. It was mainly due to the downturn of international natural uranium market, resulting in a slight decrease in the purchasing price of natural uranium of the Group for 2017 as compared with 2016.

本集團銷售成本由2016年的284百萬港元減少11%至2017年的254百萬港元。主要原因是國際天然鈾市場低迷，導致本集團2017年天然鈾採購價格較2016年小幅下降。

Management Discussion and Analysis

管理層討論及分析

Gross profit and gross profit margin of natural uranium trading

Influenced by the pricing mechanism under the New Natural Uranium Sales Framework Agreement, the Group's gross profit of natural uranium trading decreased by 72% from HK\$421 million in 2016 to HK\$117 million in 2017 and gross profit margin decreased from 60% in 2016 to 32% in 2017.

Other operating income

The other operating income of the Group increased by 172% from HK\$7 million in 2016 to HK\$20 million in 2017, mainly due to the increase of interest rate of deposit placed at CGNPC Huasheng during the Reporting Period as compared to the corresponding period of 2016, causing significant increase in interest income.

Administrative expenses

Administrative expenses of the Group decreased by 17% from HK\$41 million in 2016 to HK\$34 million in 2017, mainly due to no consultancy fee during the Reporting Period arising from the similar nature of the acquisition of equity interest in Fission as in the corresponding period of 2016, and the further implementation of cost reducing and efficiency improving measures by the Group in the downturn market environment.

Share of results of a joint venture

The major joint venture of the Company is Semizbay-U. The share of results of a joint venture decreased by 146% from the profit of HK\$45 million in 2016 to the loss of HK\$21 million in 2017, mainly due to the decrease in sales prices of natural uranium produced by the Semizbay-U as a result of the continuous downturn of international natural uranium market in 2017, and the production-cut measures implemented by Semizbay-U during the Reporting Period.

天然鈾貿易毛利及毛利率

受《新天然鈾銷售框架協議》下價格機制影響，本集團天然鈾貿易毛利由2016年的421百萬港元降低72%至2017年的117百萬港元，毛利率亦由2016年的60%下降至2017年的32%。

其他營業收入

本集團其他經營收入由2016年的7百萬港元增加172%至2017年的20百萬港元，主要原因是本集團報告期內存放於中廣核華盛的資金之存款利率較2016年同期有所提升，導致利息收入有較大幅度增長。

行政開支

本集團行政開支由2016年的41百萬港元減少17%至2017年的34百萬港元，主要原因是報告期內沒有類似2016年同期因併購Fission公司股權而產生的諮詢費及在低迷的市場環境下本集團進一步落實降本增效措施。

應佔一間合營企業業績

本公司的合營公司主要為謝公司，本公司應佔合營公司業績由2016年的溢利45百萬港元減少146%至2017年的虧損21百萬港元，主要原因是2017年國際天然鈾市場持續低迷，導致謝公司生產的天然鈾的銷售價格下降。同時，謝公司於報告期內實施了減產措施。

Management Discussion and Analysis

管理層討論及分析

Share of results of an associate

The major associate of the Company is Fission. The share of results of an associate decreased by 149% from the profit of HK\$33 million in 2016 to the loss of HK\$16 million in 2017, including HK\$9 million share of loss for the Reporting Period and the HK\$7 million provision of long-term investment impairment.

During the Reporting Period, part of the share options granted by Fission to its directors and employees were exercised and 1,463,044 ordinary shares were issued, as a result, the equity interests in Fission held by the Company decreased to 19.92% (31 December 2016: 19.98%).

Finance costs

The Company did not incur any finance costs in 2017. Finance costs in 2016 amounted to HK\$6 million, mainly due to that China Uranium Development exercised the conversion rights attached to the convertible bonds in respect of a principal amount of HK\$300,000,000 at the conversion price of HK\$0.23 per conversion share. As at 9 May 2016, all convertible bonds held by China Uranium Development were converted.

Income tax expenses

Income tax expenses decreased by 79% from HK\$75 million in 2016 to HK\$16 million in 2017, mainly due to the significant decrease in profit before taxation of the Company for 2017 as compared with 2016.

Profit for the year

Our annual profit significantly decreased from HK\$389 million in 2016 to HK\$52 million in 2017. It was mainly due to the decrease in trading profits of off-take products, the loss recorded by Semizbay-U and no one-off gain on bargain purchase arising from the acquisition of equity interest in Fission, an associate of the Company, in the Reporting Period as compared to the corresponding period in 2016.

ASSETS CONDITION AND ANALYSIS

Total Assets

As at 31 December 2017, the Group's total assets amounted to HK\$1,911 million, representing an increase of HK\$24 million or 1% from HK\$1,887 million as at 31 December 2016.

應佔一間聯營企業業績

本公司的聯營公司主要為Fission公司。本公司應佔聯營公司業績由2016年的溢利33百萬港元減少149%至2017年的虧損16百萬港元，包括報告期內應佔虧損9百萬港元和長期投資減值撥備7百萬港元。

報告期內，Fission公司根據購股權計劃向其董事及僱員發放的部分購股權被行權，發行1,463,044股普通股，本公司持有Fission公司的權益比例減少至19.92%（2016年12月31日：19.98%）。

融資成本

本公司2017年未產生融資成本。2016年的融資成本為6百萬港元，主要因為中國鈾業發展以每股換股股份0.23港元的轉換價就本金額300,000,000港元的可換股債券行使換股權。截至2016年5月9日，中國鈾業發展持有的可換股債券已全部完成換股。

所得稅支出

所得稅支出由2016年的港幣75百萬港元減少79%至2017年的16百萬港元，主要原因是本公司2017除稅前溢利較2016年大幅下降。

年度溢利

本公司2017年年度溢利由2016年的389百萬港元大幅下降至52百萬港元。主要因為包銷產品貿易利潤的下降、謝公司錄得虧損及較2016年同期報告期內並無一筆來自於收購本公司聯營企業Fission公司權益之一次性議價收益。

資產狀況及分析

總資產

於2017年12月31日，本集團資產總額為1,911百萬港元，較2016年12月31日的1,887百萬港元增加24百萬港元，增長1%。

Management Discussion and Analysis

管理層討論及分析

Liabilities

As at 31 December 2017, the Group's total liabilities amounted to HK\$121 million, representing an increase of HK\$51 million or 72% from HK\$70 million as at 31 December 2016, mainly due to the fact that the purchase amount payable by the Group to Semizbay-U for the delivery of natural uranium in December 2017 was in the credit period.

Net current Assets

As at 31 December 2017, the Group's net current assets was HK\$1,044 million (2016: HK\$1,079 million). The change was primarily due to the distribution of final dividend for 2016 during the Reporting Period, resulting in the decrease in bank deposits of the Group.

Current Assets

		As at 31 December		Movements	Percentage
		於 12 月 31 日		變動額	變動百分比
		2017	2016	Increase/ (Decrease)	Increase/ (Decrease)
		2017 年	2016 年	增加 / (減少)	增加 / (減少)
		HK\$'000	HK\$'000	HK\$'000	%
		千港元	千港元	千港元	
Trade and other receivables	應收賬款及其他應收賬款	128,900	8,886	120,014	1,351
Amount due from an intermediate holding company	應收一間中間控股公司款項	1,546	2,650	(1,104)	(42)
Amount due from fellow subsidiaries	應收同系附屬公司款項	-	1,080,947	(1,080,947)	(100)
Bank balances and cash	銀行結存及現金	1,017,111	40,915	976,196	2,386
Income tax recoverable	可收回所得稅款	4,280	-	4,280	N/A
					不適用
Total current assets	流動資產總額	1,151,837	1,133,398	18,439	2

As at 31 December 2017, the current assets of the Group were HK\$1,152 million, representing a slight increase as compared to HK\$1,133 million as at 31 December 2016. Trade and other receivables recorded a significant increase as compared to 2016, mainly due to the fact that the sales payment receivable by the Company from China Uranium Development for the delivery of natural uranium in December 2017 was in the credit period.

負債

於 2017 年 12 月 31 日，本集團負債總額為 121 百萬港元，較 2016 年 12 月 31 日的 70 百萬港元增加 51 百萬港元，增長 72%，主要原因是本集團就 2017 年 12 月謝公司交付的天然鈾而需支付的採購款尚處於信貸期。

流動資產淨值

於 2017 年 12 月 31 日，本集團流動資產淨額 1,044 百萬港元（2016 年：1,079 百萬港元），變動的主要原因是於報告期內派發了 2016 年度末期股息，使本集團的銀行存款減少。

流動資產

於 2017 年 12 月 31 日，本集團流動資產為 1,152 百萬港元，較 2016 年 12 月 31 日的 1,133 百萬港元小幅增加。應收賬款及其他應收款較 2016 年有較大幅度增加，主要因為本公司 2017 年 12 月交付中國鈾業發展而需收取的天然鈾銷售款尚處於信貸期。

Management Discussion and Analysis 管理層討論及分析

As at 31 December 2017, the deposits of the Group in CGNPC Huasheng were classified as bank balances and cash (31 December 2016: classified as amounts due from fellow subsidiaries).

於2017年12月31日，本集團存放於中廣核華盛的資金分類為銀行結存及現金（2016年12月31日：分類為應收同系附屬公司款項）。

As at 31 December 2017, the aggregate amount of bank balances and cash of the Group was approximately HK\$1,017 million (31 December 2016: HK\$41 million), among which approximately 30% (31 December 2016: 4%) was denominated in HKD, 68% (31 December 2016: 19%) was denominated in USD, and 2% (31 December 2016: 77%) was denominated in RMB.

於2017年12月31日，本集團擁有的銀行結餘及現金資金共計約1,017百萬港元（2016年12月31日：41百萬港元），其中約30%（2016年12月31日：4%）為港元，68%（2016年12月31日：19%）為美元，2%（2016年12月31日：77%）為人民幣。

As at 31 December 2017, the Group did not have any bank deposits and cash pledged to any banks (31 December 2016: Nil).

於2017年12月31日，本集團沒有任何銀行結存及現金抵押給銀行（2016年12月31日：無）。

As at 31 December 2017, the proportion of current assets of the Group over total assets was 60% (31 December 2016: 60%), and the proportion of bank balances and cash over total assets was 53% (31 December 2016: 2%).

於2017年12月31日，本集團流動資產佔總資產的比例為60%（2016年12月31日：60%），銀行結存及現金佔總資產的比例為53%（2016年12月31日：2%）。

Non-current Assets

非流動資產

		As at 31 December		Movements	Percentage
		於12月31日		變動額	變動百分比
		2017	2016	Increase/ (Decrease)	Increase/ (Decrease)
		2017年	2016年	增加/(減少)	增加/(減少)
		HK\$'000	HK\$'000	HK\$'000	%
		千港元	千港元	千港元	
Property, plant and equipment	物業、廠房及設備	16,529	17,347	(818)	(5)
Investment properties	投資物業	31,427	29,021	2,406	8
Interest in a joint venture	於一間合營企業之權益	161,280	186,467	(25,187)	(14)
Interest in an associate	於一間聯營企業之權益	550,202	520,316	29,886	6
Total non-current assets	非流動資產總額	759,438	753,151	6,287	1

Management Discussion and Analysis 管理層討論及分析

As at 31 December 2017, the non-current assets of the Group were HK\$759 million, representing an increase of HK\$6 million or 1% from HK\$753 million as at 31 December 2016.

於2017年12月31日，本集團非流動資產為759百萬港元，較2016年12月31日的753百萬港元增加6百萬港元，增加1%。

Current Liabilities

流動負債

		As at 31 December		Movements	Percentage
		於12月31日		變動額	變動百分比
		2017	2016	Increase/ (Decrease)	Increase/ (Decrease)
		2017年	2016年	增加/(減少)	增加/(減少)
		HK\$'000	HK\$'000	HK\$'000	%
		千港元	千港元	千港元	
Trade and other payables	應付帳款及其他應付款	90,152	8,803	81,349	924
Amount due to an intermediate holding company	應付一間中間控股公司款項	6,490	13,238	(6,748)	(51)
Amount due to a joint venture	應付一間合營企業款項	5,513	5,813	(300)	(5)
Amounts due to fellow subsidiaries	應付同系附屬公司款項	1,212	378	834	221
Income tax payable	應付所得稅	4,047	26,353	(22,306)	(85)
Total current liabilities	流動負債總額	107,414	54,585	52,829	97

As at 31 December 2017, the current liabilities of the Group were HK\$107 million, representing an increase of HK\$52 million or 97% from HK\$55 million as at 31 December 2016, primarily due to the fact that the purchases payment payable by the Group to Semizbay-U for the delivery of natural uranium in December 2017 was in the credit period.

於2017年12月31日，本集團流動負債為107百萬港元，較2016年12月31日的55百萬港元增長52百萬港元，增長97%，主要因為本集團2017年12月就謝公司交付而需支付的天然鈾採購款尚處於信貸期內。

As at 31 December 2017, the Group had no bank borrowings (31 December 2016: Nil). Pursuant to the loan agreement entered into between the Company and CGNPC Huasheng on 18 December 2015, the Company can borrow from CGNPC Huasheng for short-term capital within the limit of total borrowing from time to time within 3 years of first withdrawal.

於2017年12月31日，本集團並沒有任何銀行貸款(2016年12月31日：無)。根據本公司與中廣核華盛於2015年12月18日訂立的貸款協議，本公司自首次提款日起的三年內，在信貸總額度內，可不時向中廣核華盛借入資金用於短期資金周轉。

Management Discussion and Analysis 管理層討論及分析

Non-current liability

非流動負債

		As at 31 December		Movements	Percentage change
		於 12 月 31 日		變動額	變動百分比
		2017	2016	Increase/ (Decrease)	Increase/ (Decrease)
		2017 年	2016 年	增加/(減少)	增加/(減少)
		HK\$'000	HK\$'000	HK\$'000	%
		千港元	千港元	千港元	
Deferred tax liabilities	遞延稅項負債	13,106	15,405	(2,299)	(15)
Total non-current liability	非流動負債總額	13,106	15,405	(2,299)	(15)

As at 31 December 2017, the non-current liabilities of the Group were HK\$13 million, representing a decrease of HK\$2 million or 15% from HK\$15 million as at 31 December 2016, primarily due to the loss from share of results of Semizbay-U during the Reporting Period.

於 2017 年 12 月 31 日，本集團非流動負債為 13 百萬港元，較 2016 年 12 月 31 日的 15 百萬港元減少 2 百萬港元，減少 15%。主要原因是報告期內應佔謝公司業績錄得虧損。

Total equity

權益總額

		As at 31 December		Movements	Percentage change
		於 12 月 31 日		變動額	變動百分比
		2017	2016	Increase/ (Decrease)	Increase/ (Decrease)
		2017 年	2016 年	增加/(減少)	增加/(減少)
		HK\$'000	HK\$'000	HK\$'000	%
		千港元	千港元	千港元	
Share capital	股本	66,007	66,007	0	0
Reserves	儲備	1,724,748	1,750,552	(25,804)	(1)
Total equity	權益總額	1,790,755	1,816,559	(25,804)	(1)

As at 31 December 2017, total equity of the Group amounted to HK\$1,791 million, representing a decrease of HK\$26 million or 1% from HK\$1,817 million as at 31 December 2016, mainly due to the distribution of final dividend of approximately HK\$132 million in respect of the year ended 31 December 2016 during the Reporting Period.

於 2017 年 12 月 31 日，本集團權益總額為 1,791 百萬港元，較 2016 年 12 月 31 日的 1,817 百萬港元減少 26 百萬港元，減少 1%，主要原因是報告期內派發了截至 2016 年 12 月 31 日止年度的末期股息約 132 百萬港元。

The Group's gearing ratio (total borrowings/equity attributable to owners of the Company) was 7% (2016: 4%).

本集團資本借貸比率(全部借貸/本公司擁有人應佔權益)為 7% (2016 年: 4%)。

Management Discussion and Analysis

管理層討論及分析

Assets and investments

During the Reporting Period, the Group did not have any significant equity investment, major acquisition or disposal.

Investment orientation

According to business positioning and development strategy of the Company, the main investment direction of the Company is still to acquire overseas uranium resource projects with competitiveness and low cost. The Company will carry out relevant investment activities as and when appropriate to lay a solid foundation for the further development.

FINANCIAL CAPITAL

The Company adopts prudent capital and treasury policy and goals. During the Reporting Period, the Company's operating fund was mainly from the cash generated from operating activities. The capital needs requirements of the Company mainly come from the possible acquisition expenses of acquiring natural uranium resources and funds for operation.

The financing capacity of the Company is affected by multiple external and internal factors. In order to obtain financing on more favourable terms, the Company has to understand the external financing environment and adopts a reasonable financing model and strategies based on its structure of assets and liabilities.

The Company constantly pays close attention to the trends in the financial market, considers how to respond to internal and external financial risks, formulates reasonable financing model and strategies to ensure the safety and economical efficiency of financing, and adopts strict management measures for debt risks to prevent related risks exposed to the Company, and to facilitate the financial health and the development of core business.

資產與投資

報告期內，本集團未發生重大股權投資、重大收購及出售。

投資方向

根據本公司業務定位和發展戰略，後續仍將以併購有競爭力的低成本海外鈾資源項目為主要投資方向。本公司將適時開展相關投資活動，為進一步發展奠定基礎。

財務資本

本公司採納了謹慎的資金與財政政策及目標。報告期間，運營所需的資金主要來自經營活動產生的現金。本公司現金需求主要包括為收購天然鈾資源而可能發生的併購開支以及運營的資金需求。

本公司融資能力取決於外部和內部的多重因素。為實現以更有利條件取得融資的目標，公司需要了解外部融資環境，並基於自身的資產負債結構而採取合理的融資模式及策略。

本公司一直密切關注金融市場走向，積極考慮如何應對來自內外部的財務風險，制定合理的融資模式和策略，確保公司融資安全性和經濟性，並採取嚴謹的債務風險管理措施防範公司面臨的相關風險，以促進公司的財務健康及核心業務發展。

Management Discussion and Analysis

管理層討論及分析

Financing model

Given the complex and ever-changing financial market environment, the Company has been exploring diverse financing approaches and been striving to establish a financing model with combination of short, medium and long-term capitals, merges direct financing and indirect financing and other various financing channels to ensure the protection of stable fund. In the process of debt financing, the Company has taken a balanced approach to both costs and safety. The Company is committed to the pursuit of a competitive financing cost rather than the lowest one to ensure the security of financing and the quality of service received.

For projects with large amount of capital expenditures and sound expected returns, the Company will prudently consider using equity financing to balance risks and enhance Shareholders' value.

Types of financing products

Diversified financing varieties enable the Company to avoid from relying on a single financing channel, so as to ensure that the Company has choices in meeting the different capital needs.

On 18 December 2015, the Company (as borrower) and CGNPC Huasheng (as lender) entered into a loan agreement, pursuant to which the Company can borrow from CGNPC Huasheng for short-term capital within the limit of total borrowing from time to time within 3 years of first withdrawal. As at 31 December 2017, the Company did not have any borrowing from external banks. If any suitable acquisition opportunity arises in the future, the Company can borrow from CGNPC Huasheng for short-term capital and raise funds from diverse financing channels to meet project requirements.

On 13 December 2016, the Company completed the placing of 659,400,000 new shares to Hong Kong Xinmao at a price of HK\$0.52 per share and raised a fund of HK\$342,888,000. The Company intended to use the fund in acquiring oversea uranium resources at a competitive cost under weak market conditions.

融資模式

在複雜多變的金融市場環境下，本公司一直探索多元化的融資方式，努力建立短、中、長期資金相互搭配、直接融資與間接融資相結合、多種渠道並舉的融資模式，為公司提供穩健的資金保障。在債務融資過程中，本公司始終遵循成本和安全兼顧的原則。公司致力追求具有競爭力的融資成本，卻並不以最低的融資成本為唯一目標，以免損害融資安全及接受的服務質量。

對於具備良好收益預算的大額資本性開支項目，公司會謹慎地考慮採用股權融資平衡風險，增進股東價值。

融資品種

多元化的融資品種可避免對單一融資渠道的依賴，確保公司對於不同類型的資金需求有適當的選擇空間。

於2015年12月18日，本公司(作為借款人)與中廣核華盛(作為貸款人)訂立貸款協定，據此，本公司自首次提款日起的三年內，在總貸款額度內，可不時向中廣核華盛借入資金用於短期資金周轉。截至2017年12月31日，本公司尚無來自外部銀行的貸款。若未來有合適的併購機會，本公司可以從中廣核華盛借入短期資金，同時將利用多元化的融資渠道籌集長期資金，以應付項目所需。

本公司於2016年12月13日以每股0.52港元完成向香港鑫茂配售659,400,000新股份，實現融資342,888,000港元。本公司擬將該筆資金用於在市場低迷時按具競爭力的成本進行海外鈾資源併購。

Management Discussion and Analysis

管理層討論及分析

Capital structure

As at 31 December 2017, the Company had 6,600,682,645 ordinary shares in issue totally (31 December 2016: 6,600,682,645 ordinary shares), the market value of the Company was approximately HK\$4,160 million (31 December 2016: HK\$3,900 million).

FINANCIAL RISK MANAGEMENT

The development of the Group comes with various financial risks, such as debt risk and exchange rate risks.

Risk management of debt

As at 31 December 2017, there were no banking borrowings, other borrowings or interest-bearing liabilities of the Company, reserving more space for the Company to acquire overseas uranium resource projects through debt financing.

In order to manage liquidity risk, the Company closely monitors the cash and cash equivalents and the unutilized credit, to ensure a sufficient liquidity for the operation of the Company and to lower the effect from the cash flow volatility. Management of the Company will also keep an eye on the external borrowing, to ensure the sufficiency of borrowing credit. As at 31 December 2017, the Company has undrawn borrowing credit of USD300,000,000.

Exchange rate risk

The functional currency of the Company is USD. During the Reporting Period, the Group's sale and purchase of products were mainly settled in USD and RMB (2016: USD and RMB), while its cash was mainly denominated in USD and HKD (2016: USD and HKD).

資本結構

於2017年12月31日，本公司共發行共6,600,682,645股普通股(2016年12月31日：6,600,682,645股普通股)，市值約41.6億港元(2016年12月31日：39億港元)。

財務風險管理

本集團業務發展伴隨著各類財務風險，如債務風險、匯率風險等。

債務風險管理

於2017年12月31日，本公司無任何銀行借款、其他借款或有息負債，為本公司通過債務融資來進行海外鈾資源併購提供了較大空間。

為管理流動資金風險，本公司嚴密監控現金及現金等價物以及未動用的授信水平，以確保能夠為公司經營及減少現金流波動影響提供充足的現金支持。同時，公司管理層密切監控對外借款情況，以確保有足夠的借款信用額度。截止2017年12月31日，本公司擁有3億美元未提取的借款授信。

匯率風險

本公司的功能貨幣為美元，報告期內，本集團的產品銷售及採購主要以美元及人民幣結算(2016年：美元及人民幣)，持有資金主要為美元及港元(2016年：美元及港元)。

Management Discussion and Analysis

管理層討論及分析

Fluctuations in exchange rate of Tenge and CAD may have an impact on the Company's interest in Semizbay-U and Fission respectively.

For exchange rate risk management, the Company always targets to control cost rather than profitability. During the Reporting Period, the Group did not have any forward foreign exchange contracts, interests or currency swaps or other financial derivatives for hedging purposes, and the Group did not experience any significant difficulty or impact in its operation or liquidity due to the fluctuation in exchange rate.

CONTINGENCY EVENTS

External guarantees

During the Reporting Period, the Group did not have any external guarantee (2016: Nil). The Company did not provide any guarantee to its subsidiaries or other companies, nor allow subsidiaries to provide any form of guarantee to any entities or individuals without the approval of the Company.

Pledge of assets

During the Reporting Period, the Group did not have any pledge of assets (2016: Nil).

Contingent liability

As at 31 December 2017, the Group did not have any major contingent liability (31 December 2016: Nil).

Legal proceedings

The Company confirmed that there was no litigation, and it is not aware of any pending or threatened litigation against the Company which had or could have a material and adverse effect on the financial condition or results of operations of the Company during the Reporting Period.

堅戈及加元的匯率波動可能對本公司持有謝公司及Fission公司之權益造成影響。

對於匯率風險管理，公司始終以控制成本而非盈利為目標。報告期內，本集團並無任何遠期外匯合同、利息或貨幣掉期或其他對沖用途之金融衍生工具，且本集團未因匯率波動而導致營運或流動資金遭受任何重大困難或影響。

或然事項

對外擔保

報告期內，本集團無任何對外擔保(2016年：無)。本公司亦未對附屬公司或其他公司提供任何擔保，亦不允許附屬公司在未經本公司批准的前提下，為任何單位或個人提供任何形式的擔保。

資產抵押

報告期內，本集團無任何資產抵押(2016年：無)。

或然負債

於2017年12月31日，本集團無任何重大或然負債(2016年12月31日：無)。

法律訴訟

本公司確認於報告期內未面臨任何訴訟，且不知悉任何未決或面臨威脅的訴訟已經或可能會對本公司財務狀況或經營造成重大不利影響。

Corporate Governance Report

企業管治報告

The Company is committed to establishing and fulfilling a good corporate governance practice and procedures, for ensuring a quality Board, sound internal control, and transparency and accountability to all Shareholders in order to enhance credibility and reputation of the Company. We firmly believe that good corporate governance practice can earn the trust of Shareholders as well as other stakeholders, and most importantly, preserve the long-term interests of the Shareholders.

BIOGRAPHIES OF DIRECTORS

Chairman and Non-executive Director

Mr. Yu Zhiping (“Mr. Yu”), aged 54, is currently the chairman of the Board and serving as the chairman of CGNPC-URC, Swakop Uranium (PTY) Ltd. (“Swakop Uranium”) (中廣核鈾業斯科有限公司*) and China General Nuclear Power Services Corporation* (中廣核服務(集團)有限公司), respectively. Mr. Yu joined Guangdong Nuclear Joint Venture Limited* (“Guangdong Nuclear Joint Venture”) (廣東核電合營有限公司) (a subsidiary of the CGN Group) in 1989 and served as the deputy director (presiding) of the generation scheduling division of the production department since 1998. He subsequently served as the planned statistics manager of the development planning department, the secretary general of the financial and economic affairs committee, the director of the research centre and the general manager of the strategic planning department from July 2000 to September 2009. Mr. Yu served as the director and general manager of CGNPC-URC from September 2009 to January 2018 and as the general manager of the nuclear fuel division of CGNPC from May 2015 to January 2018. Mr. Yu graduated with a Bachelor degree in engineering mechanics from Huazhong University of Science and Technology* (華中科技大學) in 1985 and was accredited as a senior engineer by CGNPC in 1995. He has over 27 years of experience in corporate management and nuclear fuel system operation.

本公司致力於制定及履行良好的企業管治常規及程序，以確保擁有高素質的董事會、健全的內部監控以及對股東的透明度及問責性，從而提升本公司的公信力及聲譽。我們堅信良好的企業管治常規可贏得股東以及其他持有者的信任，及最重要的是，可維護股東的長遠利益。

董事簡介

主席兼非執行董事

余志平先生(「余先生」)，54歲，現擔任本公司董事會主席，同時擔任中廣核鈾業發展、中廣核鈾業斯科有限公司*(「斯科公司」)(Swakop Uranium (PTY) Ltd.)及中廣核服務(集團)有限公司董事長。余先生於1989年加入廣東核電合營有限公司(「廣東核電合營」)(中廣核集團的附屬公司)，自1998年起擔任生產發電部規劃處副處長(主持工作)。自2000年7月起至2009年9月期間先後擔任中廣核集團公司發展計劃部計劃統計經理、財經委員會秘書長、研究中心主任和戰略規劃部總經理。自2009年9月起至2018年1月期間擔任中廣核鈾業發展董事及總經理，並自2015年5月至2018年1月期間兼任中廣核集團公司核燃料事業部總經理。余先生1985年畢業於華中科技大學並獲得工程力學專業學士學位，並於1995年獲中廣核集團公司高級工程師職稱。彼擁有超過27年的公司管理和核燃料體系運作實操經驗。

Corporate Governance Report

企業管治報告

Executive Director and Chief Executive officer

Mr. An Junjing (“Mr. An”), aged 44, is currently the chief executive officer of the Company and serving as the general manager of the nuclear fuel division of CGNPC and the director and general manager of CGNPC-URC. Mr. An joined Guangdong Nuclear Joint Venture in July 1996 and successively served as the head of the general training division and assistant to director of the training centre of Daya Bay Nuclear Operation Management Co., Ltd.* (大亞灣核電運營管理有限責任公司) and the deputy general manager of Fangchenggang branch from March 2003 to August 2011. Mr. An served as the manager of production department and subsequently as the assistant to general manager of Guangxi Fangchenggang Nuclear Power Co., Ltd.* (廣西防城港核電有限公司) from December 2011 to May 2014. Mr. An served as the deputy director of the office of the board and director of the research office of CGNPC from February 2014 to February 2016. He served as the deputy general manager (presiding) of the system management department of CGNPC from February 2016 to January 2018. Mr. An graduated with a Bachelor’s degree in engineering in nuclear and thermal energy utilization from Tsinghua University* (清華大學) in July 1996 and subsequently obtained a Master’s degree in engineering in nuclear and nuclear engineering from Shanghai Jiao Tong University* (上海交通大學) in June 2009. Mr. An was accredited as a senior engineer by CGNPC in 2009.

執行董事兼首席執行官

安軍靖先生（「安先生」），44歲，現任本公司首席執行官，同時擔任中廣核集團公司核燃料事業部總經理及中廣核鈾業發展董事兼總經理。安先生於1996年7月加入廣東核電合營並於2003年3月至2011年8月期間先後擔任大亞灣核電運營管理有限責任公司綜合培訓處處長、培訓中心主任助理及防城港分公司副總經理等職務。安先生於2011年12月至2014年5月期間先後擔任廣西防城港核電有限公司生產部經理及總經理助理，並於2014年2月至2016年2月期間擔任中廣核集團公司董事會辦公室副主任及研究室主任。彼自2016年2月至2018年1月擔任中廣核集團公司體系管理部副總經理（主持工作）。安先生於1996年7月畢業於清華大學並獲得核能及熱能利用專業工學學士學位，並隨後於2009年6月獲得上海交通大學核能及核技術工程專業工程碩士學位。安先生於2009年獲中廣核集團公司高級工程師職稱。

Corporate Governance Report

企業管治報告

Executive Director

Mr. Chen Deshao (“Mr. Chen”), aged 43, is currently the chief financial officer of the Company and serving as the chief accountant of the nuclear fuel division of CGNPC and CGNPC-URC. Mr. Chen also serves as a director of certain subsidiaries of CGNPC-URC, including China Uranium Development, Swokop Uranium, etc. Mr. Chen served as the deputy manager of the finance department of the materials trading centre of Anhui Materials Corporation* (安徽物資集團公司) from July 1996 to December 2001. He subsequently joined Guangdong Daya Bay Nuclear Power Services Group Co., Ltd.* (廣東大亞灣核電服務集團有限公司) in December 2001. Mr. Chen successively held positions of head of finance department, manager of budget management, deputy director of budget department and director of budget department of CGNPC from May 2007 to July 2013. He served as an assistant manager of the finance department of China Nuclear Power Engineering Co., Ltd.* (中廣核工程有限公司) from July 2013 to June 2014 and the manager of finance department of CGNPC-URC from June 2014 to January 2018. Mr. Chen graduated with a Bachelor of economics degree in accounting from Anhui Finance and Trade College* (安徽財貿學院) in June 1996 and a Master’s degree in accounting from Xiamen University* (廈門大學) in 2012. Mr. Chen obtained the senior accountant title of the PRC in 2008 and was accredited as a non-practicing member of China Institute of Certified Public Accountants in 2009. He has over 21 years of financial management experience.

執行董事

陳德邵先生(「陳先生」)，43歲，現任本公司首席財務官，同時擔任中廣核集團公司核燃料事業部及中廣核鈾業發展總會會計師。陳先生同時還擔任中廣核鈾業發展的若干附屬公司(包括中國鈾業發展及斯科公司等)的董事。陳先生自1996年7月至2001年12月期間擔任安徽物資集團公司的物資貿易中心財務部副經理。彼隨後於2001年12月加入廣東大亞灣核電服務集團有限公司。陳先生於2007年5月至2013年7月期間，先後擔任中廣核集團公司財務部主管、預算管理經理、預算處副處長及預算處處長。彼於2013年7月至2014年6月期間擔任中廣核工程有限公司財務部經理助理並於2014年6月至2018年1月擔任中廣核鈾業發展財務部經理。陳先生於1996年6月畢業於安徽財貿學院並獲得會計學專業經濟學學士學位，於2012年獲得廈門大學頒發的會計專業碩士學位。陳先生於2008年獲得中國高級會計師職稱，並於2009年取得中國註冊會計師協會非執業會員資格。彼擁有逾21年財務管理經驗。

Corporate Governance Report

企業管治報告

Non-executive Director

Mr. Fang Chunfa (“Mr. Fang”), aged 49, is currently a general manager of the strategic planning department of CGNPC and CGN Power Co., Ltd.* (中國廣核電力股份有限公司) (“CGN Power”, a company listed on the Main Board of the Stock Exchange with stock code 01816) and serving as the director of CGNPC-URC, CGN Capital Holdings., Ltd. and CGN Energy International Holdings., Ltd. (“CGN Energy International”), respectively. Mr. Fang joined Guangdong Nuclear Joint Venture in June 1993 and he served successively as the secretary to the board of directors, the deputy manager of the administration department and the manager of the operation management department at Daya Bay Nuclear Power Operations & Management Company Limited* (大亞灣核電運營管理有限責任公司) from March 2003 to August 2011. Mr. Fang served as the director of the research center of CGNPC from August 2011 to May 2014. He also served as the secretary of the board of directors and the company secretary of CGN Power from March 2014 to March 2016 and from April 2014 to March 2016 respectively. Mr. Fang graduated from Beijing Foreign Studies Institute (北京外國語學院) with major in English language in July 1989, and obtained a master’s degree in business administration from Huazhong University of Science and Technology (華中科技大學) in June 2009. Mr. Fang was accredited as a senior engineer by CGNPC in December 2003.

非執行董事

方春法先生(「方先生」)，49歲，現任中廣核集團公司及中國廣核電力股份有限公司(「中廣核電力」，於聯交所主板上市，股份代號01816)戰略計劃部總經理，同時分別擔任中廣核鈾業發展、中廣核資本控股有限公司及中國廣核能源國際控股有限公司(「中廣核能源國際」)董事。方先生於1993年6月加入廣東核電合營，於2003年3月至2011年8月相繼擔任大亞灣核電運營管理有限責任公司董事會秘書、行政管理部副經理、經營管理部經理。方先生於2011年8月至2014年5月擔任中廣核研究中心主任。彼亦分別於2014年3月至2016年3月及2014年4月至2016年3月期間擔任中廣核電力董事會秘書及公司秘書。方先生於1989年7月畢業於北京外國語學院英語專業，於2009年6月獲得華中科技大學工商管理專業碩士學位。方先生於2003年12月獲中廣核集團公司高級工程師職稱。

Corporate Governance Report

企業管治報告

Non-executive Director

Mr. Zhang Chengbai (“Mr. Zhang”), aged 55, is currently serving as the general manager of capital operation department of CGNPC, a non-executive Director of CGN New Energy Holdings Co., Ltd (a company listed on the Main Board of the Stock Exchange with stock code 01811), a director of CGN Energy International, the general manager of Guangdong Nuclear Power Investment Company Limited (廣東核電投資有限公司) and an executive director of Shenzhen Nengzhihui Investment Co., Ltd. (深圳市能之匯有限公司). Mr. Zhang joined Guangdong Daya Bay Nuclear Power Service Group Co., Ltd.* (廣東大亞灣核電服務集團有限公司) in June 2002 and he served successively as the strategic planning director and the deputy manager of operation and development department. Mr. Zhang then served as the risk management director of the operation and management division and the deputy director of the board office of the asset operations department at CGNPC from April 2006 to June 2009. He was the chief accountant of China Techenergy Co., Ltd.* (北京廣利核系統工程有限公司) from June 2009 to May 2014, then was designated as the chief accountant of Liaoning Hongyanhe in May 2014 and he has been acting this position till January 2018. He was appointed as the general manager of capital operation department of CGNPC since October 2017. Mr. Zhang graduated from Wuhan Institute of Education (Xianning Campus)* (武漢師範學院咸寧分院) majored in Mathematics in 1982 and a master degree in public finance from Zhongnan University of Economics* (中南財經大學) (currently known as Zhongnan University of Economics and Law* (中南財經政法大學)) in July 1992. Mr. Zhang holds the Senior Accountant Certificate of the PRC and has more than 15 years of experience in capital operation.

非執行董事

張承柏先生(「張先生」)，55歲，現任中廣核集團公司資本運營部總經理，同時擔任中廣核新能源控股有限公司(於聯交所主板上市，股份代號01811)非執行董事、中廣核能源國際董事、廣東核電投資有限公司總經理及深圳市能之匯投資有限公司執行董事。張先生於2002年6月加入廣東大亞灣核電服務集團有限公司，先後擔任經營發展部部戰略規劃主任及副經理。2006年4月至2009年6月期間，曾擔任中廣核集團公司資產經營部經營管理處風險管理主任及董事會工作處副處長。2009年6月至2014年5月期間擔任北京廣利核系統工程有限公司總會計師，2014年5月被任命為遼寧紅沿河核電有限公司總會計師並一直擔任該職務至2018年1月，2017年10月獲委任為中廣核集團公司資本運營部總經理。張先生1982年於武漢師範學院咸寧分院數學專業畢業，並於1992年7月獲中南財經大學(現稱中南財經政法大學)財政學專業碩士研究生學位。張先生擁有中國高級會計師證書，並有超過15年資本運營方面的經驗。

Independent Non-executive Director

Mr. Qiu Xianhong (“Mr. Qiu”), aged 55, was appointed as an INED of the Company on 18 August 2011. Mr. Qiu possess the qualification as a Certified Public Accountant in the PRC and a senior accountant of the PRC. Mr. Qiu also served as a finance controller and the vice secretary general to China Institute of Strategy and Management, an independent director of Qinhuangdao Tolian Heavy Industry Co., Ltd. (秦皇島天業聯通重工股份有限公司) (a company listed on the Shenzhen Stock Exchange with stock code 002459). Prior to joining the Company, Mr. Qiu was a partner of Beijing QQCPA Accounting Firm, the deputy head of the financial department and asset management department of China National Packaging Corporation, and the deputy director of the financial department of China Patent Bureau. Mr. Qiu graduated with a bachelor degree in financial accounting from Jiangxi University of Finance and Economics* (江西財經大學). Mr. Qiu has over 30 years of experience in financial accounting, financial management and auditing.

Independent Non-executive Director

Mr. Gao Pei Ji (“Mr. Gao”), aged 71, was appointed as an INED of the Company on 22 August 2014. Mr. Gao also serves as an independent non-executive director of CITIC Resources Holdings Limited (a company listed on the Main Board of the Stock Exchange with stock code 01205). Mr. Gao was a deputy director of C & C Law Office in Beijing, a leading law firm in China, between 1984 and 1993. Mr. Gao became a partner of Clifford Chance, a leading international law firm, between 1993 and 2007. Following his retirement in 2007, he became a PRC legal consultant to Clifford Chance, Hong Kong office. Mr. Gao has extensive and diversified experience in a broad area of legal practices, including banking and finance, direct investment (both inbound and outbound from the perspective of the PRC) in the areas of energy, natural resource and petrochemical projects. Mr. Gao has been involved in the development of nuclear power projects since 1985, including the development of Daya Bay nuclear power project, the incorporation of the operating company for Daya Bay and Lingao nuclear power plants and the development of the Taishan nuclear power project (applying third generation technology). Mr. Gao holds a LL.M degree from the Law School of University of California, Berkeley. He has been admitted to practice law in the PRC since 1984.

獨立非執行董事

邱先洪先生 (「邱先生」)，55歲，於2011年8月18日獲委任為本公司獨立非執行董事。彼具有中國註冊會計師資格及中國高級會計師職稱。邱先生同時擔任中國戰略與管理研究會財務總監兼副秘書長、秦皇島天業聯通重工股份有限公司 (於深圳證券交易所上市，股份代號002459) 獨立董事。加入本公司前，邱先生曾擔任北京全企國際會計師事務所有限責任公司合夥人、中國包裝總公司財務部副主任、資產管理部副主任和中國專利局財務處副處長。邱先生畢業於江西財經大學，獲得學士學位(財務會計)。邱先生具有超過30年的財務會計、財務管理及審計經驗。

獨立非執行董事

高培基先生 (「高先生」)，71歲，於2014年8月22日獲委任為本公司獨立非執行董事。高先生同時擔任中信資源控股有限公司 (於聯交所主板上市，股份代號：01205) 之獨立非執行董事。高先生自1984年至1993年期間擔任中國領先的律師事務所北京中信律師事務所副主任；於1993年至2007年期間擔任國際領先的律師事務所高偉紳律師事務所的合夥人；於2007年退休後，彼成為高偉紳律師事務所香港辦事處的中國法律顧問。高先生在廣泛的法律實務領域擁有豐富及多元化的經驗，包括銀行及融資領域、及於能源、自然資源、石油化工項目領域的直接投資經驗 (包括中國境內外投資)。彼自1985年起一直參與核電項目的開發與建設，包括開發大亞灣核電站項目、大亞灣與嶺澳等核電站的運營公司的設立及台山核電項目 (採用第三代核技術) 的開發建設。彼持有加州伯克萊大學法學院的碩士學位。彼自1984年起獲得中國律師資格。

Corporate Governance Report

企業管治報告

Independent Non-executive Director

Mr. Lee Kwok Tung Louis (“Mr. Lee”), aged 50, was appointed as an INED of the Company in August 2014. Mr. Lee has been a certified practising accountant of the CPA Australia since 1996 and certified public accountant of the Hong Kong Institute of Certified Public Accountants since 1999. He has possessed over 25 years of experience with unlisted groups, listed groups and professional firms in finance, accounting and auditing. Mr. Lee is currently an independent non-executive director of Worldgate Global Logistics Ltd (a company listed on the GEM of the Stock Exchange with stock code 08292), Windmill Group Limited (a company listed on the GEM of the Stock Exchange with stock code 08409) and China Singyes New Materials Holdings Limited (listed on the GEM of the Stock Exchange with stock code 08073). Mr. Lee graduated with a bachelor of economics degree from Macquarie University in Australia in 1992.

BIOGRAPHIES OF SENIOR MANAGEMENT

Ms. Zheng Xiaowei (“Ms. Zheng”), aged 51, is currently the general counsel and joint company secretary of the Company and serving as the general counsel and secretary of board of directors of CGNPC-URC. Ms. Zheng has served as the project manager of the Hong Kong High Technology Development Management Company Limited* (香港高科技發展管理有限公司). She joined CGNPC in March 1999 and subsequently worked in the finance department and development planning department. Ms. Zheng served as the manager of planning and finance department, financial representative and secretary of the Board of Galaxy Captek Co., Ltd.* (北京銀河創新技術發展有限公司, a subsidiary of CGN Group) from October 2002 to August 2006. She served as the director of investment and legal department of CGNPC-URC from August 2006 to October 2010 and was re-designated to general counsel and secretary of board of directors of CGNPC-URC from October 2010 to now. Ms. Zheng graduated from Zhejiang University with a bachelor of engineering degree in industrial automation in 1988 and obtained a master of science degree in science and technology information from China Defense Science and Technology Information Center in 1992. Ms. Zheng possesses the qualification certificate for accounting of the PRC and the Enterprise Legal Adviser Qualification Certificate of the PRC* (中國企業法律顧問執業資格). Ms. Zheng has 21 years of experience in project investment and financial management, 16 years of experience in corporate governance and 11 years of experience in management of legal affairs.

獨立非執行董事

李國棟先生(「李先生」)，50歲，於2014年8月獲委任為本公司獨立非執行董事。李先生自1996年成為澳洲會計師公會執業會計師並於1999年成為香港會計師公會執業會計師，擁有逾25年於非上市集團、上市集團及專業機構從事財務、會計及審計工作經驗。李先生目前亦擔任盛良物流有限公司(聯交所GEM上市，股份代號08292)、海鑫集團有限公司(聯交所GEM上市，股份代號08409)及中國興業新材料控股有限公司(聯交所GEM上市，股份代號08073)獨立非執行董事。李先生於1992年畢業於澳洲麥克理大學，取得經濟學學士學位。

高級管理人員簡介

鄭曉衛女士(「鄭女士」)，51歲，現任本公司總法律顧問兼聯席公司秘書，同時擔任中廣核鈾業發展總法律顧問兼董事會秘書。鄭女士曾任香港高科技發展管理有限公司項目經理，於1999年3月加入中廣核集團公司，並先後任職於財務部和發展計劃部。2002年10月至2006年8月期間，擔任中廣核集團之下屬公司北京銀河創新技術發展有限公司計劃財務部經理、財務負責人及董事會秘書。於2006年8月至2010年10月期間擔任中廣核鈾業發展投資與法律部總監，並於2010年10月起至今擔任中廣核鈾業發展總法律顧問兼董事會秘書。鄭女士1988年畢業於浙江大學工業自動化專業，獲工學學士學位。1992年獲中國國防科技信息中心科技情報專業理學碩士學位；鄭女士擁有中國會計師資格以及中國企業法律顧問執業資格。鄭女士擁有21年項目投資與財務管理、16年公司治理經驗及11年法律事務管理經驗。

Corporate Governance Report

企業管治報告

Mr. He Fei (“Mr. He”), aged 41, is currently the vice president of the Company and serving as the vice general manager of CGNPC-URC and the director of CGNM UK Ltd. (the wholly-owned subsidiary of the Company). Prior to joining the Company, Mr. He held a position in the department of international cooperation of the State Commission of Science, Technology and Industry for National Defence, and was then appointed to the French Atomic Energy Commission; and served successively as the secretary of the general manager department of the general office, secretary to the chairman of the board of the secretariat, senior manager for business of Beijing business unit and director of the business liaison office of the general office of CGNPC. Mr. He graduated from the International Relations College with a bachelor of arts degree in English in 2000 and obtained a master of law degree in civil and commercial law from Renmin University of China in 2009. Mr. He has worked in the nuclear power industry for an extensive period and developed extensive understanding of the domestic and international nuclear power industry, and has rich corporate management experience.

CORPORATE GOVERNANCE

Corporate governance practices

The Company’s corporate governance policy follows all code provisions of the Corporate Governance Code set out in Appendix 14 of the Listing Rules during the Reporting Period and up to the date of this report, except for the deviation from the code provisions disclosed below.

Code provision A.6.7 stipulates that, the independent non-executive directors and other non-executive directors, as equal board members, should attend general meetings and develop a balanced understanding of the views of shareholders.

Except Mr. Zhou Zhenxing, Mr. Xing Jianhua, Mr. Qiu Xianhong, Mr. Gao Pei Ji, and Mr. Lee Kwok Tung Louis, other Directors were unable to attend annual general meeting held on 9 June 2017 (the “2017 AGM”) due to other business engagement.

何飛先生（「何先生」），41歲，現任本公司副總裁，同時擔任中廣核鈾業發展副總經理及中廣核礦業英國有限公司*（CGNM UK Ltd.，本公司全資附屬公司）董事。加入本公司前，何先生曾於國防科工委國際合作司掛職及委派至法國原子能委員會；曾先後出任中廣核集團公司辦公廳總經理部秘書、秘書處董事長秘書、北京工作部業務高級經理、辦公廳業務聯絡處處長。何先生2000年畢業於國際關係學院英文專業，獲文學學士學位，2009年獲中國人民大學民商法學專業法學碩士學位。何先生長期從事於核電行業，對國內外核電行業有全面瞭解，積累了豐富的企業管理經驗。

企業管治

企業管治常規守則

本公司於報告期內和截至本報告刊發日止已遵守載於上市規則附錄十四所列的企業管治守則的全部守則條文，惟下文所述偏離守則條文的情況除外。

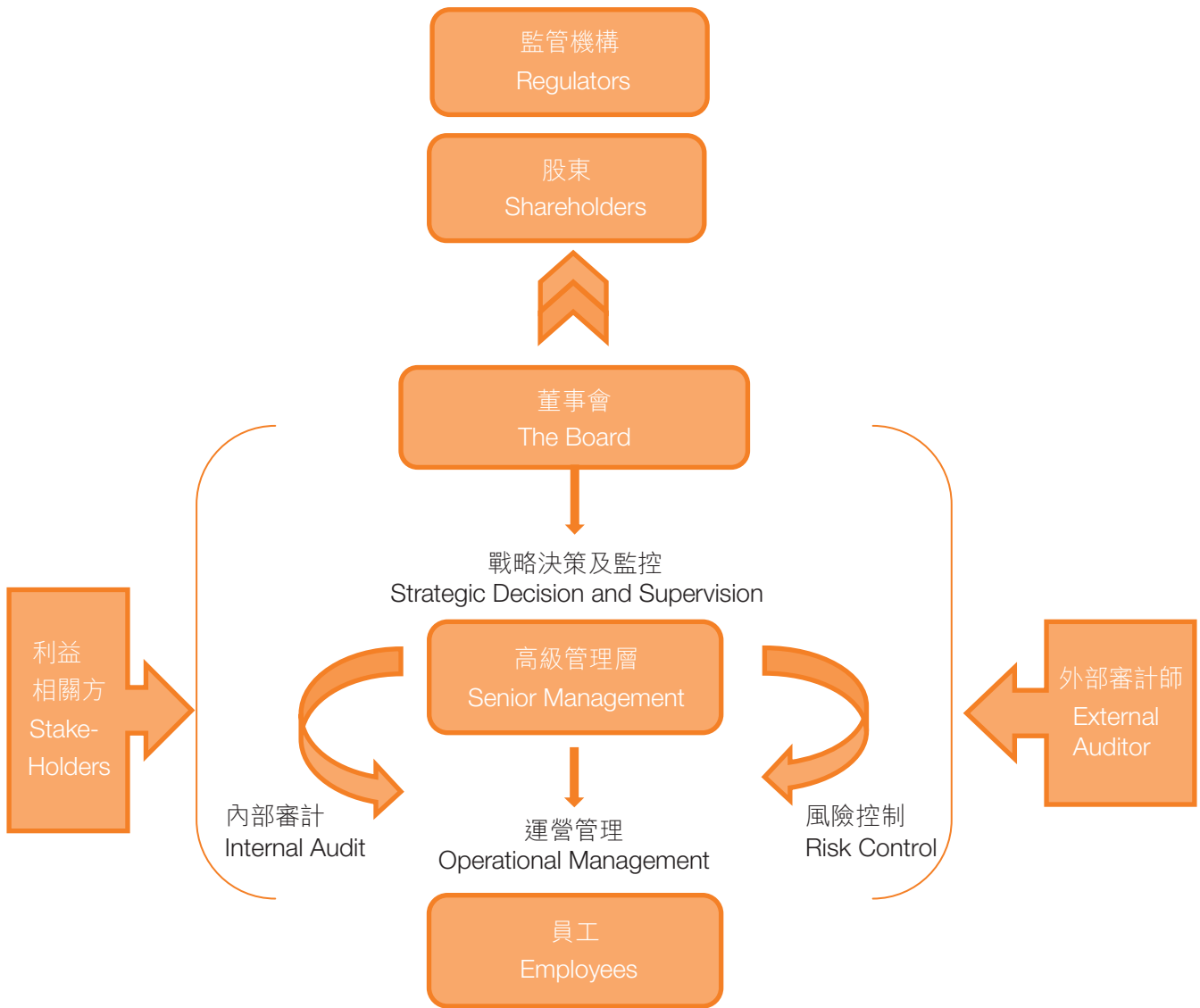
守則條文第A.6.7條規定獨立非執行董事及其他非執行董事作為與其他董事擁有同等地位的董事會成員，應出席股東大會，對股東的意見有公正的瞭解。

除周振興先生、李建華先生、邱先洪先生、高培基先生及李國棟先生外，由於另有公務安排，其他董事未能出席本公司於2017年6月9日舉行的股東週年大會（「2017年股東週年大會」）。

Corporate Governance Report 企業管治報告

CORPORATE GOVERNANCE STRUCTURE

企業管治架構



Corporate Governance Report

企業管治報告

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as the standards of securities transactions for the Directors. All Directors have confirmed, following specific enquiries made by the Company, that they have complied with the required standards set out in the Model Code regarding Directors' securities transactions during the year ended 31 December 2017.

BOARD OF DIRECTORS

Composition and role

The Board currently comprises 8 directors, including 2 EDs, 3 NEDs and 3 INEDs. The composition of the Board is based on a comprehensive consideration of the Directors' professional skills, working background and qualification. It shows the differentiated and diverse arrangement of Directors. As at the date of this report, the members of the Board are as follows:

董事進行證券交易的標準守則

本公司已採納標準守則為本公司董事進行證券交易的標準。經向所有董事作出特定查詢後，所有董事均確認彼等於截至2017年12月31日止年度內已遵守標準守則。

董事會

組成及角色

本公司董事會現由8名董事組成，包括2名執行董事、3名非執行董事及3名獨立非執行董事。董事會的組成基於董事的專業技能、職業背景及資格等多方面綜合考慮，體現了董事差異化及多元化的安排。於報告日期，董事會成員如下：

Directors	董事	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會	Nomination Committee 提名委員會
EDs	執行董事			
Mr. An Junjing (<i>chief executive officer</i>)	安軍靖先生 (<i>首席執行官</i>)	M		M
Mr. Chen Deshao	陳德邵先生			
NEDs	非執行董事			
Mr. Yu Zhiping (<i>chairman</i>)	余志平先生 (<i>主席</i>)	M		C
Mr. Fang Chunfa	方春法先生		M	
Mr. Zhang Chengbai	張承柏先生			
INEDs	獨立非執行董事			
Mr. Qiu Xianhong	邱先洪先生	C	C	M
Mr. Gao Pei Ji	高培基先生	M		M
Mr. Lee Kwok Tung Louis	李國棟先生	M	M	M

C – Chairman of the relevant Board committees

M – Member of the relevant Board committees

C – 有關董事委員會的主席

M – 有關董事委員會的成員

Corporate Governance Report 企業管治報告

The biographical details of each Director are set out in the section “Biographies of Directors” of the annual report.

The Board is responsible for formulating the overall strategy and policy of the Group and ensures there are sufficient capital and management resources for the implementation of relevant strategies and the completeness of the financial and internal control systems, and the compliance of business operation with relevant legal requirements. All members of the Board have fulfilled their duties and acts in the best interest of the Group and Shareholders. Unless otherwise disclosed in this annual report, to the knowledge of the Company, there was no financial, business, family and other material/related relationship among members of the Board.

All Directors should comply with rule 3.08(d) of the Listing Rules at all times to avoid actual and potential conflict of interest and duties. In each meeting of the Board and special committees of the Board (the “Meetings”), Directors are required to declare if they have any interest in the matters being considered in the Meetings. If a Director or any of his associates have major interests in the matters to be considered/ approved, the Director will not be counted as in the quorum and voting at the meeting. The Director shall not be present during the discussion on related matters.

Pursuant to Article 108 of the Company’s Articles of Association and the Corporate Governance Code, all Directors are required to retire from office by rotation once every three years. The Board complies with rules 3.10 (1) & (2) and 3.10A of the Listing Rules in relation to the appointment of at least three INEDs, which represents at least one-third of the Board, and one of the INEDs has appropriate professional qualifications in accounting or related financial management expertise.

In accordance with the requirements of code provision C.2.1 of the Corporate Governance Code, the Directors have conducted a review of the overall effectiveness of the internal control systems of the Group and concluded that all material controls, including financial, operational and compliance controls and risk management are effective.

各董事的履歷詳情載於本年報「董事簡介」一節。

董事會負責制定本集團整體策略及政策，以確保有足夠的資金和管理資源來保障相關策略的執行，財務和內部監控系統的完善性以及業務運作符合相關法律規定。董事會成員均勤勉盡責，以本集團及股東的最佳利益行事。除本年報內另有披露者外，據公司所知，董事會成員之間沒有任何財務、業務、家族或其他重大／相關關係。

全體董事於任何時候均須遵守上市規則第3.08(d)條以避免實際及潛在利益和職責衝突。董事需在每次董事會及董事會委員會會議（「該等會議」）上申報是否於該等會議考慮事項中擁有利益。如果一名董事或其任何聯繫人於將要考慮／批准的事項中擁有重大利益，該名董事不會被計入法定參會人數及於會上投票，且可能需在討論有關事項時避席。

根據本公司章程細則第108條及企業管治守則規定，所有董事均須每3年輪流退任。董事會根據上市規則第3.10(1)及(2)和第3.10A條規定，訂明本公司須最少委任三名獨立非執行董事，獨立非執行董事人數須滿足至少佔董事會成員三分之一的比例，且其中一名獨立非執行董事須具備適當的專業資格或會計或相關財務管理經驗。

按照企業管治守則守則條文第C.2.1段的要求，董事已對本集團的內部監控系統的整體有效性進行檢討，結論為所有重大控制點，包括財務、營運、合規控制與風險管理均有效。

Corporate Governance Report

企業管治報告

Responsibilities of the Board

As the decision authority of the Company, the Board takes charge of the corporate governance function. The major responsibilities of the Board include the tasks stated below. The Board may delegate the responsibilities to other committees as it thinks fit:

- (a) to review the Company's policies, programs and procedures and make recommendations as necessary from time to time;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices to ensure compliance with the legal and regulatory requirements;
- (d) to oversee the implementation of any code of conduct and/or business ethics of the Company to ensure the Company's compliance with the relevant rules and regulations, including but not limited to the Listing Rules and the Takeovers Code;
- (e) to review the Company's compliance with the code provisions and disclosure in the Corporate Governance Report;
- (f) to form any committee(s) or panels, appoint members thereto, delegate at any time and from time to time to any person or committee(s) or panel(s), any of its powers and functions conferred on it, review and approve the reports of the committee(s) and panel(s), review their performance and revise their composition and terms of reference as appropriate;
- (g) to oversee all matters and to formulate policies in relation to the Company's internal control, succession plans, remuneration and compensation for Directors and employees, risk management, corporate governance and corporate social responsibility, and to supervise the implementation of such policies conducted by the Company's management;

董事會職責

董事會作為公司的決策機構，就公司治理負有責任和義務。董事會的職責主要包括以下職責，在認為合適的情況下，董事會可能轉授其他委員會以履行相關職責：

- (a) 檢討本公司的制度、計劃及程序，並於有需要時提出建議；
- (b) 檢討及監察董事及高級管理層的培訓及持續專業發展；
- (c) 檢討及監察本公司的制度及常規做法，以確保遵守法律及監管規定；
- (d) 監督本公司對於任何操守守則及／或經營道德標準的執行，以確保本公司遵守有關規則及規例，包括但不限於上市規則及收購守則；
- (e) 檢討本公司遵守守則條文及於企業管治報告內作出披露的情況；
- (f) 成立任何委員會或小組委員會、委任該等委員會成員，並在任何時候及不時向任何人士或委員會委以該等委員會的權力及職能；審閱及批准該等委員會及小組委員會的報告；審閱彼等履行職務的表現；以及於適當情況下修改其組成及職權範圍；
- (g) 監督與本公司的內部監控、繼任計劃、董事與僱員的薪酬及酬金、風險管理、企業管治與企業社會責任有關的所有事宜及制定有關政策，以及監督本公司的管理層實施該等政策的情況；

Corporate Governance Report

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- (h) investigate any significant instances of non-compliance or potential non-compliance of the Company; and
- (i) to do any such things to enable the Board to discharge its obligations and responsibilities.

Major work performed by the Board as regards the corporate governance function during the year 2017 includes:

1. reviewing the “Internal Control Evaluation Report” of 2016;
2. reviewing and approving the internal audit plan of 2017;
3. reviewing and approving the adjustment proposal of Directors’ remuneration;
4. considering major matters in relation to major transactions and/or connected transactions;
5. reviewing the Model Code for securities trading that Directors are subject to; and
6. reviewing and accepting the independence of INEDs.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

All Directors, including the chairman and the chief executive officer, are required to retire from office by rotation once every three years and are subject to re-election by Shareholders at the annual general meeting in accordance with the Articles of Association and the Corporate Governance Code. The Articles of Association provides details in relation to the procedures of election and appointment of the Directors.

Pursuant to the Articles of Association, any further re-appointment of an INED who has served the Board for more than 9 years will be subject to separate resolution to be approved on general meeting.

Besides, pursuant to article 112 of the Articles of Association, Directors appointed to fill casual vacancy shall hold office only until the next general meeting after their appointment, and shall be subject to re-election by general meetings.

- (h) 調查本公司任何重大不合規或可能的不合規情況；及
- (i) 作出任何事情以讓董事會履行其職務及責任。

董事會於2017年年度有關企業管治功能的主要工作包括：

1. 審閱2016年《內控評價報告》；
2. 審批2017年內審計劃；
3. 審批董事薪酬調整建議方案；
4. 審議有關主要交易及／或關連交易等重大事項；
5. 審閱董事遵守證券交易之標準守則；及
6. 審閱及接納獨立非執行董事的獨立性。

董事的委任及重選

包括主席及首席執行官在內的所有董事均須根據公司章程細則及企業管治守則的規定，每三年輪流退任一次，並可於股東週年大會上經股東重選。公司章程細則中詳細規定了董事選聘的程序。

根據公司章程細則規定，對於在董事會服務超過9年的獨立非執行董事進行再次委任，須經股東大會以獨立的決議案審批通過。

另外，公司章程細則第112條規定，獲委任填補臨時空缺的董事任期將只至其獲委任後的下一屆股東大會為止，其後須經股東大會重選。

Corporate Governance Report

企業管治報告

All Directors will enter into a director service contract with the Company immediately after their appointment for a term of two years and subject to retirement and re-election of at least once every three years. The contract sets out the details of the duties and obligations of Directors. All Directors understand they have joint responsibility towards all Shareholders in terms of the operation, business and development of the Company. They are required to fulfill Directors' duties according to the director service contract and relevant laws and regulations. All Directors confirm that they provide sufficient time and effort in company affairs, express their views cautiously and diligently and fulfill their Directors' duties.

Directors' Interests

As recorded in the register required to be kept under section 352 of part XV of the SFO, none of the Directors held any shares of the Company or associated companies as at 31 December 2017.

Directors' Training and Continuous Professional Development

Newly appointed Directors will receive an introduction package related to the laws in relation to directors of a listed company and their duties, which covers the statutory and regulatory obligations of a director.

Pursuant to code provision A.6.5, directors should participate in continuous professional development training to develop and refresh their knowledge and skills. The Company encourages all Directors to participate in continuous professional development to ensure better fulfillment of Directors' duties and contribution to the Company's development. During the Reporting Period, all Directors participated in continuous professional development by attending internal training, seminar or forum. Furthermore, attending training seminars or reading materials is also beneficial to continuous professional development.

所有董事獲委任後均會立即與公司訂立董事服務合約為期兩年並至少每三年退任及重選一次，合約中詳細列明董事責任和義務。全體董事均理解他們對全體股東就公司的運營、業務及發展負有共同的責任，並須按照董事服務合約及相關法律法規履行董事職責。所有董事均確保投入足夠時間及精力處理公司事務，謹慎勤勉表達意見，確保董事責任的履行。

董事權益

根據香港《證券及期貨條例》第XV部第352條規定備存的登記冊所載，各董事於2017年12月31日概不持有本公司及關連公司的股份。

董事培訓及持續專業發展

獲委任的新董事將收到有關上市公司董事及擔任董事職務的法律及有關其職責文件介紹，內容涵蓋董事的法定及監管責任。

根據守則條文第A.6.5條規定，董事應參與持續專業發展訓練，以發展及更新其知識與技巧。公司鼓勵全體董事參與持續專業發展，以確保董事職責的更好履行及為公司的發展出謀獻策。於報告期內，所有董事已通過參與內部培訓、研討會或論壇等方式參與持續專業發展。此外，出席培訓講座或閱讀材料亦有助於持續專業發展。

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In 2017, a summary of training taken by the Directors is set out as follows:

於2017年，董事參與培訓概況如下：

Directors	董事	Type of training	培訓種類
EDs	執行董事		
Mr. An Junjing (appointed on 25 January 2018)	安軍靖先生(於2018年1月25日獲委任)	N/A	不適用
Mr. Chen Deshao (appointed on 25 January 2018)	陳德邵先生(於2018年1月25日獲委任)	N/A	不適用
Mr. Xing Jianhua (resigned on 25 January 2018)	幸建華先生(於2018年1月25日辭任)	a	
NEDs	非執行董事		
Mr. Zhou Zhenxing (resigned on 25 January 2018)	周振興先生(於2018年1月25日辭任)	a	
Mr. Yu Zhiping (re-designated as a NED on 25 January 2018)	余志平先生(於2018年1月25日調任非執行董事)	a	
Mr. Fang Chunfa	方春法先生	a	
Mr. Zhang Chengbai (appointed on 28 November 2017)	張承柏先生(於2017年11月28日獲委任)	b	
Mr. Wu Junfeng (resigned on 28 November 2017)	吳俊峰先生(於2018年11月28日辭任)	b	
Mr. Liu Mingdong (resigned on 4 December 2017)	劉明東(於2017年12月4日辭任)	b	
INEDs	獨立非執行董事		
Mr. Qiu Xianhong	邱先洪先生	a	
Mr. Gao Pei Ji	高培基先生	a	
Mr. Lee Kwok Tung Louis	李國棟先生	a	
a. attending training seminars in person/via video; on 26 October 2017, the Company held a training session for Directors, which covered the pricing of natural uranium and the trend analysis.		a.	出席/視頻參加培訓講座，本公司於2017年10月26日舉辦董事專項培訓，內容為天然鈾價格形成與趨勢分析。
b. Reading training materials relevant to the Company's business or to the Directors' duties and obligations.		b.	閱讀與本公司業務或與董事職務及職責有關的培訓資料。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision A.2.1 of the Corporate Governance Code stipulates that the roles of chairman of the Board and chief executive officer should be in charge by different persons. During the Reporting Period, the roles of chairman of the Board and chief executive officer of the Company were held by Mr. Zhou Zhenxing and Mr. Yu Zhiping, respectively. As Mr. Zhou Zhenxing retired due to reaching the retirement age, since 25 January 2018, the roles of chairman of the Board and chief executive officer of the Company have been held by Mr. Yu Zhiping and Mr. An Junjing, respectively. They are responsible for ensuring that the Board is functioning properly, with good corporate governance practices and procedures, whereas the chief executive officer, supported by the management, is responsible for managing the Group's businesses, including the implementation of major strategies and measures adopted by the Board.

主席及首席執行官

根據企業管治守則第A.2.1條規定，董事會主席及首席執行官的職務應該由不同人士擔任。報告期內，本公司董事會主席與首席執行官分別由周振興先生及余志平先生擔任。由於周振興先生已達退休年齡退休，自2018年1月25日起，本公司董事會主席與首席執行官分別由余志平先生及安軍靖先生擔任，負責確保董事會在良好的企業管治慣例及程序下妥善地履行職務；首席執行官則負責在管理層支持下，管理本集團事務，包括執行董事會採納的主要策略及措施。

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NEDS

NEDs, including INEDs, are experienced individuals from different industries and backgrounds. At least one of them possesses the appropriate accounting qualifications and related financial management expertise as required by the Listing Rules. Based on the expertise and experience of each of the Director, the Directors provide independent judgment and advice on the Company's management. The number of NEDs representing more than half of the Board members, which helps the Company to make objective and independent judgment and decision. The advice of NEDs shall be considered as major advice, in case where the conflicts of interest of related matters arises. The fixed initial term for NEDs is 2 years, and thereafter, the service agreement shall continue unless terminated by the Company or NED himself in writing pursuant to the relevant terms in the Director's service agreement.

Each INED has made an annual confirmation of independence in accordance with rule 3.13 of the Listing Rules. The Company is of the view that, all INEDs meet the independent guidelines as set out in rule 3.13 of the Listing Rules, and that they are independent.

JOINT COMPANY SECRETARY

Ms. Zheng Xiaowei ("Ms. Zheng") has been appointed as joint company secretary since 1 June 2014. In the meantime, in accordance with the requirement of the Listing Rules, the Company appointed Ms. Lai Siu Kuen ("Ms. Lai") of TMF Hong Kong Limited, as the joint company secretary, to assist the work of Ms. Zheng. The role of the company secretary is to support the chairman of the Board, the Board and relevant committees, to ensure smooth communications and timely transmission of information. At the same time, the company secretary plays an important role such as to ensure the Board meetings are convened in accordance with laws and regulations, and the Board's decisions are executed correctly. The company secretary is an important communication bridge between the Company and Shareholders, it also assists the Board to perform the responsibility to Shareholders in accordance with the Listing Rules.

In accordance with the rule 3.29 of the Listing Rules, Ms. Zheng and Ms. Lai have received no less than 15 hours professional training for the year ended 31 December 2017.

非執行董事

本公司非執行董事(包括獨立非執行董事)為來自不同行業及背景的資深人士，其中至少一名擁有上市規則規定的適當會計及相關財務管理專長。各位董事憑藉各自的專長及經驗承擔有關職責就公司的管理提供獨立判斷及意見。非執行董事的人數佔董事會的人數一半以上，能幫助公司作出客觀獨立的判斷和決策，且在就有關事項存在潛在利益衝突時，非執行董事意見將作為主要參考決策意見。非執行董事的初始任期為兩年，期滿後繼續生效，公司及非執行董事本人可根據董事服務協議中的有關條款書面通知終止聘任。

各獨立非執行董事已根據上市規則第3.13條作出年度獨立性確認。本公司認為，所有獨立非執行董事均符合上市公司第3.13條的獨立指引，具有獨立身份。

聯席公司秘書

鄭曉衛女士(「鄭女士」)自2014年6月1日起獲委任為本公司聯席公司秘書。另外，根據上市規則的規定，我們聘請達盟香港有限公司的黎少娟女士(「黎女士」)為聯席公司秘書，協助鄭女士開展工作。公司秘書負責支持董事會主席、董事會及相關委員會，以保證溝通的順暢及信息的及時傳遞。同時，公司秘書在確保董事會合法合規召開及董事會決策得到準確執行方面發揮著重要作用。公司秘書亦是公司與股東間的重要溝通橋樑，並協助董事會按照上市規則的要求履行對股東的責任。

根據上市規則第3.29條，鄭女士及黎女士於截至2017年12月31日止年度已接受不少於15個小時的專業訓練。

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企業管治報告

BOARD PROCESS AND ATTENDANCE OF MEETINGS

There are at least 4 regular Board meetings held every year, and a special Board meeting is convened when necessary. In addition to acting by written resolutions, Directors participated in the meetings either in person, by proxy or through electronic means of communications. Board members have full access to the business development of the Company at the meetings at regular interval.

At least 14 days' notices of all regular Board meetings were given to all Directors, who were given an opportunity to add matters in the agenda for discussion. The finalised agenda and accompanying board papers were sent to all Directors at least 3 days prior to the meetings.

During the year ended 31 December 2017, there were altogether four (4) Board meetings held by the Company. The attendance of each Director at the Board meeting and relevant committee meetings are as follows:

董事會程序及會議出席情況

董事會每年至少召開4次定期董事會會議及於需要時召開專題董事會會議。除透過書面決議案參與決策外，董事亦通過親自出席或委任代表出席或以電子通訊方式參與會議。董事會成員可於會議上定期全面獲悉公司業務發展狀況。

所有定期董事會會議均已向所有董事發出最少14日的通知，讓董事有機會在議程中加入議題以供討論。落實後的議程及相關的董事會文件於會議召開前最少3日發送至所有董事。

於截至2017年12月31日止年度，本公司共召開四(4)次董事會，各董事出席董事會會議及相關委員會會議的情況如下：

Name 姓名	Position 職位	Number of meetings attended/Number of meetings held 出席次數/會議舉行次數			
		Board Meeting 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Mr. Zhou Zhenxing (resigned on 25 January 2018) 周振興先生 (於2018年1月25日辭任)	Chairman of the Board and NED and chairman of the nomination committee 董事會主席兼非執行董事、提名委員會主席	4/4			2/2
Mr. Yu Zhiping (re-designated as a NED, chairman of both the Board and nomination committee on 25 January 2018, and continues to act as a member of remuneration committee) 余志平先生(於2018年1月25日調任非執行董事、董事會主席、提名委員會主席，並繼續出任薪酬委員會委員)	ED and member of the nomination committee and remuneration committee 執行董事、提名委員會委員、薪酬委員會委員	3/4		1/2	1/2

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Name 姓名	Position 職位	Number of meetings attended/Number of meetings held 出席次數/會議舉行次數			
		Board Meeting 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Mr. An Junjing (appointed as an ED and member of both nomination committee and remuneration committee on 25 January 2018) 安軍靖先生(於2018年1月25日獲委任為執行董事、提名委員會委員及薪酬委員會委員)	N/A 不適用	N/A 不適用		N/A 不適用	N/A 不適用
Mr. Xing Jianhua (resigned on 25 January 2018) 幸建華先生 (於2018年1月25日辭任)	ED and member of the remuneration committee 執行董事、薪酬委員會委員	4/4		2/2	
Mr. Chen Deshao (appointed as an ED on 25 January 2018) 陳德邵先生(於2018年1月25日獲委任為執行董事)	N/A 不適用	N/A 不適用			
Mr. Wu Junfeng (resigned on 28 November 2017) 吳俊峰先生 (於2017年11月28日辭任)	NED 非執行董事	1/4			
Mr. Fang Chunfa 方春法先生	NED and member of the audit committee 非執行董事、審核委員會委員	2/4	0/5		
Mr. Liu Mingdong (resigned on 4 December 2017) 劉明東先生 (於2017年12月4日辭任)	NED 非執行董事	1/4			
Mr. Zhang Chengbai (appointed on 28 November 2017) 張承柏先生 (於2017年11月28日獲委任)	NED 非執行董事	0/1			

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Name 姓名	Position 職位	Number of meetings attended/Number of meetings held 出席次數/會議舉行次數			
		Board Meeting 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Mr. Qiu Xianhong 邱先洪先生	INED, chairman of both the audit committee and the remuneration committee and member of the nomination committee 獨立非執行董事、審核委員會主席、薪酬委員會主席及提名委員會委員	4/4	5/5	2/2	2/2
Mr. Gao Pei Ji 高培基先生	INED, member of both the remuneration committee and the nomination committee 獨立非執行董事、薪酬委員會委員及提名委員會委員	4/4		2/2	2/2
Mr. Lee Kwok Tung Louis 李國棟先生	INED, member of the audit committee, the remuneration committee and the nomination committee 獨立非執行董事、審核委員會委員、薪酬委員會委員及提名委員會委員	4/4	5/5	2/2	2/2

Should a potential conflict of interest involving a substantial Shareholder or a Director arise, the matter would be considered and approved in a physical meeting, as opposed to being dealt with by written resolution. Other Directors and INEDs with no material conflict of interest would be present at meetings dealing with such conflict.

若控股股東或有董事存在可能的利益衝突，有關事宜將以會議形式進行審議批准，而非以書面決議處理。不存在重大利益衝突的其他董事及獨立非執行董事將出席有關董事會會議。

The Company has arranged appropriate Directors and officers liability insurance in respect of potential legal action against Directors.

公司已就其董事可能會面臨的法律行動作適當的董事及高級管理人員責任保險投保安排。

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企業管治報告

DELEGATION AND WORK DONE BY THE BOARD

The Board provides leadership and oversees the Group's business management, strategic decisions, performance and affairs.

The Board has formulated a clear written policy that delineates matters reserved for Board approval of the Group. The reserved matters include, among other things:

1. the business development and planning;
2. corporate policies;
3. financial planning;
4. investment planning;
5. annual budget;
6. major disposals and acquisitions;
7. major connected transactions;
8. appointment of Directors, company secretary and other senior management; and
9. other significant operational and financial matters.

董事會權力轉授及已完成工作

董事會領導公司運作並監察本集團的業務管理、策略決定、表現及事務。

董事會已制定清晰的書面政策，清楚列載本集團需董事會預先批准的事宜。特別需要董事會預先批准的事宜包括：

1. 業務發展及規劃；
2. 公司政策；
3. 財務規劃；
4. 投資規劃；
5. 年度預算；
6. 主要出售及收購事宜；
7. 主要關連交易；
8. 董事、公司秘書及其他高級管理層之委任；及
9. 其他重大經營及財務事宜。

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In addition to work relating to corporate governance function, other major work performed by the Board during the year ended 31 December 2017 includes:

1. approving the 2017 business plan and budget planning;
2. approving the Directors' report, audited financial statements and auditor's report for the year ended 31 December 2016;
3. approving the unaudited interim results for the period ended 30 June 2017;
4. considering the payment of dividend for the year ended 31 December 2016;
5. considering the non-payment of dividend for the interim period as at 30 June 2017;
6. proposing the re-election of Directors and the authority of the Board to fix the remuneration of the Directors to be approved at the 2017 AGM;
7. proposing the share issue and repurchase general mandate to be approved at the 2017 AGM;
8. proposing the re-appointment of SHINEWING (HK) CPA Limited as the auditors of the Company and the authority of the Board to fix the auditor remuneration to be approved at the 2017 AGM;
9. approving the Domestic Financial Service Framework Agreement entered into between the Company and CGN Financial;
10. approving the resignation of Mr. Wu Junfeng as a NED and the appointment of Mr. Zhang Chengbai as a NED; and
11. approving the third supplemental deed under the Previous Share Subscription Agreement in respect of the previous Vital Group.

除與企業管治功能有關的工作外，董事會於截至2017年12月31日止年度進行的主要工作包括：

1. 通過2017年年度經營計劃與預算；
2. 通過截至2016年12月31日止年度之董事報告，經審核之財務報表及核數報告；
3. 通過截至2017年6月30日止期間之未經審核中期業績；
4. 考慮派發截至2016年12月31日止年度股息；
5. 考慮不派發截至2017年6月30日之中期股息；
6. 通過於2017年股東週年大會上提呈有關董事重選及授權董事會釐定董事袍金事宜予以批准；
7. 通過於2017年股東週年大會上提呈有關發行股份及購回股份之一般性授權予以批准；
8. 通過於2017年股東週年大會上提呈有關續聘信永中和(香港)會計師事務所有限公司為本公司核數師及授權董事會釐定核數師酬金予以批准；
9. 通過本公司與中廣核財務簽署《境內金融服務框架協議》；
10. 通過吳俊峰先生辭任非執行董事及委任張承柏先生為非執行董事；及
11. 通過原維奧《原股份認購協議》之第三份補充契約。

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企業管治報告

The day-to-day operation and management of the Group is delegated to the senior management. Certain authorities are also granted to relevant Board committee, the granted authorities and responsibilities are reviewed by the Board from time to time.

BOARD COMMITTEES

There are three committees under the Board of the Company, which are audit committee, remuneration committee and nomination committee, respectively, with its terms of reference established. Each specific committee performs on specific area, provides comments and recommendations to the Board for consideration.

AUDIT COMMITTEE

The audit committee of the Company is delegated by the Board to exercise its specific rights within the ambit of the terms of reference.

During the Reporting Period, the audit committee of the Company comprised a NED, namely Mr. Fang Chunfa, and two INEDs, namely Mr. Qiu Xianhong (Chairman) and Mr. Lee Kwok Tung Louis.

The function of the audit committee is basically to assist the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, and oversee the audit process. The audit committee also serves as a focal point for communication, among Directors, the external auditors, and the management as regards financial reporting, internal control and the auditing.

Major work performed by the audit committee during the year ended 31 December 2017 includes:

1. assessing the independence and objectivity of external auditors;
2. reviewing the internal control and risk management systems of the Company;
3. reviewing the audited annual results for the year ended 31 December 2016; and
4. reviewing the unaudited interim results for the period ended 30 June 2017.

董事會將本集團日常營運及管理的權力轉授予高級管理層，並將部分權限授權予相關董事會委員會，授權職能及職責由董事會不定期進行檢討。

董事委員會

本公司董事會下設有三個委員會，分別為審核委員會、薪酬委員會及提名委員會，並已制定其職權範圍，各專門委員會就特定範疇履職，提出意見及建議供董事會決策參考。

審核委員會

審核委員會在董事會授權範圍內行使特定權利。

於報告期內，本公司審核委員會由1名非執行董事方春法先生、2名獨立非執行董事邱先洪先生(主席)及李國棟先生組成。

審核委員會的職責為協助董事會對本集團的財務申報程序、內部監控及風險管理系統的有效性進行獨立檢討，監督審計程序。同時，審核委員會就財務申報、內部監控及審計事宜充當董事、外聘核數師及管理層之間的溝通橋樑。

截至2017年12月31日止年度，審核委員會的主要工作包括：

1. 評估外聘核數師的獨立及客觀性；
2. 檢討公司內部監控及風險管理系統；
3. 審閱截至2016年12月31日止年度的經審核年度業績；及
4. 審閱截至2017年6月30日止期間未經審核中期業績。

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During the Reporting Period, the Board had no disagreement with the audit committee's view on the selection, appointment, resignation or dismissal of the external auditor.

REMUNERATION COMMITTEE

The remuneration committee is delegated by the Board to exercise its specific rights within the ambit of the terms of reference.

During the Reporting Period, the remuneration committee of the Company comprised two EDs, namely Mr. Yu Zhiping and Mr. Xing Jianhua, and three INEDs, namely, Mr. Qiu Xianhong (chairman), Mr. Gao Pei Ji and Mr. Lee Kwok Tung Louis. Due to the change of Directors, the remuneration committee of the Company comprised a NED, namely Mr. Yu Zhiping, an ED, namely Mr. An Junjing and three INEDs, namely, Mr. Qiu Xianhong (chairman), Mr. Gao Pei Ji and Mr. Lee Kwok Tung Louis since 25 January 2018.

The function of the remuneration committee is basically to make recommendations to the Board on the Company's policy and structure of all remuneration of EDs, NEDs and senior management and review the remuneration packages of the EDs and senior management with reference to the corporate goals and objectives.

Major work performed by the remuneration committee during the year ended 31 December 2017 includes:

1. reviewing the management's remuneration packages for the year 2017, with reference to the corporate goals and objectives formulated by the Board; and
2. making recommendations to the Board as to the adjustment proposal of Directors' remuneration for the year 2017.

Pursuant to code provision B.1.5 of the Corporate Governance Code, the annual remuneration of the members of the senior management (excluding the Directors) by band for the year ended 31 December 2017 is set out below:

報告期內，董事會與審核委員會在外聘核數師的甄選、委任、辭任或罷免方面並無分歧意見。

薪酬委員會

薪酬委員會在董事會授權範圍內行使特定權利。

報告期內，本公司薪酬委員會由兩名執行董事余志平先生及李建華先生，以及三名獨立非執行董事邱先洪先生(主席)、高培基先生及李國棟先生組成。由於董事調整，自2018年1月25日起，本公司薪酬委員會由一名非執行董事余志平先生，一名執行董事安軍靖先生及三名獨立非執行董事邱先洪先生(主席)、高培基先生及李國棟先生組成。

薪酬委員會的職責為就公司執行董事、非執行董事及高級管理層的薪酬政策及架構向董事會提出建議，並參考公司方針及目標檢討全體執行董事及高級管理層的薪酬組合。

截至2017年12月31日止年度，薪酬委員會的主要工作包括：

1. 根據董事會訂立的公司方針及目標檢討2017年管理層薪酬組合；及
2. 向董事會就2017年董事薪酬調整方案提供建議。

根據企業管治守則第B.1.5條，高級管理層成員(不包括董事)於截至2017年12月31日止年度的年度薪酬在下列範圍內：

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Remuneration band (HK\$) 薪酬範圍 (港元)	Number of individuals 人數
0 – 1,000,000	2
1,000,001 – 1,500,000	1

Details of the remuneration of the Directors and the 5 highest paid individuals are set out in note 16 to the consolidated financial statements.

董事及五名最高薪酬人士的酬金詳情，載於綜合財務報表附註16。

NOMINATION COMMITTEE

The nomination committee is delegated by the Board to exercise its specific rights within the ambit of terms of reference.

提名委員會

提名委員會在董事會授權範圍內行使特定權利。

During the Reporting Period, the nomination committee comprised a NED, namely Mr. Zhou Zhenxing (chairman), an ED, namely Mr. Yu Zhiping and three INEDs, namely Mr. Qiu Xianhong, Mr. Gao Pei Ji and Mr. Lee Kwok Tung Louis. Due to the change of Directors, the nomination committee of the Company comprised a NED, namely Mr. Yu Zhiping (Chairman), an ED, namely Mr. An Junjing and three INEDs, namely, Mr. Qiu Xianhong, Mr. Gao Pei Ji and Mr. Lee Kwok Tung Louis since 25 January 2018.

於報告期內，提名委員會由一名非執行董事周振興先生(主席)、一名執行董事余志平先生及三名獨立非執行董事邱先洪先生、高培基先生及李國棟先生組成。由於董事調整，自2018年1月25日起，本公司提名委員會由一名非執行董事余志平先生(主席)，一名執行董事安軍靖先生及三名獨立非執行董事邱先洪先生、高培基先生及李國棟先生組成。

The function of the nomination committee is basically to review and formulate the nomination procedure as regards the appointment, re-appointment and removal of Directors; review the structure, size and composition of the Board and make recommendations or any proposed changes to the Board to implement the corporate strategy; and make recommendation to the Board on candidates for appointment as Directors. The nomination committee follows rigorous selection procedure in choosing the right person as a member of the Board. Various criteria such as appropriate professional knowledge, experience, skills and possible contribution of the candidate will be considered.

提名委員會的職責為審閱及制定有關董事委任、重新委任及罷免的提名程序；檢討董事會的架構、人數及組成並向董事會提出建議或提出任何變動計劃，以配合公司策略；向董事會就董事委任推薦人選。提名委員會按照嚴謹的篩選程序選擇合適人士為董事會成員。在考慮提名人選時，提名委員會將考慮各方因素，包括適當的專業知識、經驗、技能及可能付出的貢獻。

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For the year ended 31 December 2017, major work performed by the nomination committee includes:

1. reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board;
2. reviewing the terms of reference of the nomination committee and their effectiveness in the discharge of their duties and considering the need for any changes;
3. making recommendations to the Board as to nomination of directors for re-election at the 2017 AGM;
4. making recommendations to the Board as to the change of the Board and Board committee members;
5. making recommendations to the Board as to the re-designation of Directors; and
6. assessing the independence of INEDs.

Board Diversity policy

The Board adopted the “Board Diversity Policy”. The Company recognises the merits of Board diversity and sees the edge of Board diversity in driving competitiveness. In making up the Board’s composition, the Board considers various skills, regional and industry experience, background, gender and other attributes of the Board members. All Board appointments are based on the talent, skill and experience of the individual, as well as gender diversity, so as to meet the operational needs.

截至2017年12月31日止年度，提名委員會的主要工作包括：

1. 檢討董事會的架構、人數及組成（包括技能、知識及經驗）；
2. 檢討提名委員會的職責範圍及其履行職責的效益及考慮任何變動的需要；
3. 向董事會就提名董事於2017年股東週年大會上重選為董事提出建議；
4. 向董事會就董事會及董事委員會成員變動提出建議；
5. 向董事會就董事調任提出建議；及
6. 評核獨立非執行董事的獨立性。

董事多元化政策

董事會已採納董事會成員多元化政策。本公司認可董事會成員多元化的優點，並已看到董事會成員多元化在提高競爭力方面的優勢。在董事會成員的組成上，董事會將考慮董事會成員的不同技能、區域和行業經驗、背景、性別以及其他特點。所有的董事會任命均基於才幹、技能、經驗以及性別差異等，以適應工作需要。

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Internal Control

The Board has overall responsibility for setting up and maintaining effective internal control system and for reviewing its effectiveness, to safeguard the Group's assets and Shareholders' interest. The management of the Company at each level assesses and reports on the adequacy and effectiveness of the internal control system by performing reviews. Internal control department reports to the audit committee once a year on key findings regarding internal controls. Audit committee, in turn, communicates any material issues regarding internal control system to the Board.

During the year ended 31 December 2017, the audit committee conducted a review on the effectiveness of the internal control system, and no serious deficiencies were identified. Therefore, the Board considered that the internal control systems of the Group are effective, and complied with the provisions of the Corporate Governance Code.

DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group. In preparing the financial statements, the HKFRSs have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made. The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements.

The Company's auditor, SHINEWING (HK) CPA Limited acknowledged its reporting responsibilities pursuant to the Corporate Governance Code. The auditor's responsibilities are set out in the independent auditor's report.

內部監控

董事會整體負責建立與維持公司內部監控體系的有效性，並不斷檢討其效力以保障本集團的資產及股東的利益。公司各級管理層通過對內部監控系統的檢討來評估內部監控系統的充足性和有效性。內部監控部門每年度向審核委員會匯報一次有關內部監控的主要調查結果，審核委員會向董事會匯報有關內部監控系統中存在的重大事項和問題。

截至2017年12月31日止年度，審核委員會已檢討內部監控系統的有效性，並無發現任何嚴重不足。因此，董事會認為本集團的內部監控系統有效且符合企業管治守則的守則條文。

董事及核數師對財務報表應負的責任

董事確認其對於編製本集團財務報表應負的責任。公司在編製財務報表時，已採用香港財務報告準則、使用適當的會計政策並貫徹地應用，並已作出合理和審慎的判斷與估計。董事會並不知悉任何或可能對本集團持續經營的能力構成重大疑問的事件或情況有關的任何重大不明朗因素存在。因此，董事會於編製財務報表時已持續採用持續經營基準。

本公司的核數師信永中和(香港)會計師事務所有限公司確認其根據企業管治守則應負的報告責任。核數師的職責載於獨立核數師報告內。

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AUDITOR'S REMUNERATION

For the year ended 31 December 2017, the remuneration paid by the Company to the auditor, Messrs. SHINEWING (HK) CPA Limited, is set out as follows:

Services rendered	所提供的服務	Fees paid/payable
		已付／應付的費用 (HK\$'000) (千港元)
Audit services	審核服務	1,330
Non-audit services	非審核服務	345

The significant amount of fee incurred for non-audit services arose from interim review service, consultant services for continuing connected transaction and consultant services for acquisition projects.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

In order to ensure that all Shareholders of the Company enjoy equal status and effective exercise of their own rights, the Company convenes general meetings every year in accordance with the Articles of Association. During the Reporting Period, one (1) general meeting were held, namely the annual general meeting held on 9 June 2017. The attendance of each Director at the annual general meeting is set out as follows:

Name 姓名		Number of meetings attended/ Number of meetings held
		出席次數／會議舉行次數
Mr. Zhou Zhenxing (resigned on 25 January 2018)	周振興先生(於2018年1月25日辭任)	1/1
Mr. Yu Zhiping	余志平先生	0/1
Mr. An Junjing (appointed on 25 January 2018)	安軍靖先生(於2018年1月25日獲委任)	N/A 不適用
Mr. Xing Jianhua (resigned on 25 January 2018)	幸建華先生(於2018年1月25日辭任)	1/1
Mr. Chen Deshao (appointed on 25 January 2018)	陳德邵先生(於2018年1月25日獲委任)	N/A 不適用
Mr. Wu Junfeng (resigned on 28 November 2017)	吳俊峰先生(於2017年11月28日辭任)	0/1
Mr. Fang Chunfa	方春法先生	0/1
Mr. Liu Mingdong (resigned on 4 December 2017)	劉明東先生(於2017年12月4日辭任)	0/1
Mr. Zhang Chengbai (appointed on 28 November 2017)	張承柏先生(於2017年11月28日獲委任)	N/A 不適用
Mr. Qiu Xianhong	邱先洪先生	1/1
Mr. Gao Pei Ji	高培基先生	1/1
Mr. Lee Kwok Tung Louis	李國棟先生	1/1

核數師酬金

截至2017年12月31日止年度，本公司支付給核數師信永中和(香港)會計師事務所有限公司的酬金載列如下：

非審核服務所產生的重大費用來自中期審閱服務，持續關連交易諮詢服務及收購項目諮詢服務。

股東和股東大會

為保障本公司所有股東享有平等地位並有效地行使自身的權利，本公司根據章程細則的規定每年召開股東大會。報告期內，本公司舉行了一(1)次股東大會，為2017年6月9日舉行的股東週年大會。董事出席股東大會情況如下：

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SHAREHOLDERS' RIGHTS

Right to convene an extraordinary general meeting

Pursuant to article 64 of the Articles of Association, on the requisition of one or more Shareholders at the date of deposit of the requisition holding not less than one-tenth of the paid-up share capital of the Company having the right to vote at general meetings, the directors are obliged to proceed to convene an extraordinary general meeting of the Company.

Such requisition shall be made in writing to the Directors or the company secretary for the purpose of requiring an extraordinary general meeting and deposited at the registered office of the Company in Cayman Islands and/or the principal place of business of the Company in Hong Kong. The requisitionists must state the purposes of the meeting and sign the requisition letter.

If the Directors do not convene a meeting within 21 days from the date of the deposit of the requisition, the requisitionist(s) himself (themselves) may convene a meeting, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the requisitionist(s) by the Company.

Right to put enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries may be made in writing and sent to the attention of the joint company secretary, Ms. Zheng Xiaowei, in one of the following ways:

1. By post: CGN Mining Company Limited
Rm 1903, 19/F., China Resources Building
No. 26 Harbour Road
Wanchai, Hong Kong
2. By facsimile: (852) 2116 4031
3. By email: ir.cgnmc@cgnpc.com.cn

Voting by poll

Pursuant to rule 13.39 of the Listing Rules and article 72 of the Articles of Association, any votes of the Shareholders at a general meeting must be taken by poll, except where the chairman decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands.

股東權利

要求召開股東特別大會的權利

根據公司章程細則第64條規定，如於提出要求當日，持有不少於有權於股東大會上投票的本公司繳足股本十分之一的一名或多名公司股東提出要求，董事可召開本公司的股東特別大會。

該等要求召開股東特別大會的要求須以書面形式向董事或公司秘書發出，並送達本公司於開曼群島的註冊辦事處及／或位於香港的主要營業地點。提出要求的人士須在要求函件中說明開會的目的並簽署。

如董事未能於接獲要求日期起計21日內召開會議，要求召開會議的人士可自行召開該大會，並且公司應為要求召開會議的人報銷因董事會未能召開該會議而產生的所有合理費用。

向董事會提出查詢的權利

股東有權向董事會提出查詢。所有查詢可以書面形式提出，並以下列任何一種方式送呈聯席公司秘書鄭曉衛女士收啟：

1. 郵遞：中廣核礦業有限公司
香港灣仔
港灣道26號
華潤大廈19樓1903室
2. 傳真：(852) 2116 4031
3. 電郵：ir.cgnmc@cgnpc.com.cn

以點票方式進行投票

根據上市規則第13.39條及公司章程細則第72條規定，股東於股東大會上作出的任何投票必須以點票方式進行，惟經主席允許且僅有關程序及行政事宜的決議案可以以舉手方式進行表決。

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Procedures to put forward proposals at general meetings

Shareholders who would like to put forward proposals at a general meeting shall follow the procedures below:

On the requisition in writing of either: i) any number of Shareholder of the Company representing not less than one-fortieth of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or ii) not less than 50 Shareholders, the Company shall, at the expense of the requisitionists:

- a) circulate to Shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be proposed and is intended to be proposed at that meeting;
- b) circulate to Shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition must be signed by the requisitionists and deposited at the registered office of the Company in Cayman Islands and/or the principal place of business of the Company in Hong Kong for the attention of the joint company secretary not less than 6 weeks before the general meeting, and in case of a requisition requires notice of a resolution, or not less than 1 week before the general meeting for any other requisition.

Change in Constitutional Documents

During the year ended 31 December 2017, there is no significant change in constitutional documents of the Company.

Risk management and internal control

Comprehensive risk management

During the Reporting Period, the Company has initially established a relatively comprehensive risk management system. With reference to relevant risk management requirements of the "Risk Management — Principles and Guidelines" of ISO31000:2009 standard and the Corporate Governance Code, the Company effectively identified, tracked and controlled the risks. It also strictly facilitated the Comprehensive Risk Management Policy. Meanwhile, the Company classified the overall risk business into four levels, namely major

於股東大會上提呈建議的程序

擬於股東大會上提呈建議的股東須遵從以下程序：

於 i) 持有代表不少於提出要求當日有權在該要求所相關的大會上投票的所有股東總投票權四十分之一票數的任何本公司股數；或 ii) 不少於 50 名股東以書面提出要求時，本公司須作出以下事項，產生的支出將由提出要求的人士承擔：

- a) 向有權接收下屆股東週年大會通告的本公司股東發出可能於大會上正式提呈或擬提呈的任何決議案；
- b) 向有權接收任何股東大會通告的股東發出不多於一千字數的陳述，內容有關該大會將提呈的任何決議案所述的事情或將於該大會上處理的事務。

有關要求須由提出要求的人士簽署，並於股東大會前不少於六個星期（如為需要出決議案通知的要求）或股東大會前不少於一星期（如為任何其他要求）送達本公司於開曼群島的註冊辦事處及／或位於香港的主要營業地點由公司秘書收啟。

章程文件變動

截至 2017 年 12 月 31 日止年度，本公司章程文件概無任何重大變動。

風險管理與內控

全面風險管理

報告期內，本公司已基本建立起較為完善的全面風險管理體系。該體系以 ISO31000：2009 標準《風險管理—原則及指引》及企業管治守則中有關風險管理的要求作為重要參考，對風險進行有效識別、跟蹤及控制，嚴格落實《全面風險管理制度》，並將全面風險業務劃分為重大經營風險、非投資類專項風險、項目投資

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operating risk, non-investment specific risk, project investment risk and general risk, and established different management process for those risks separately. The Board, management, the risk management department and relevant business departments were responsible for their relevant duties within risk management and reviewed on the implementation of risk management to ensure the efficient operation of the system.

Internal audit

During the Reporting Period, according to the internal audit plan approved by the Board, the audit department carried out a series of audit work including: capital management audit, connected transaction management audit, risk management evaluation and internal control evaluation. Through the above audit programs, the department identified 11 audit problems, proposed 11 audit recommendations and launched 7 reforming plans. Through regularly implementing specific audit measures and regularly providing management advice to the Board, the Company is able to prevent from and control the potential risks in relevant sectors and its management, also, shows its effectiveness of internal audit in risk prevention and internal control refining, which ensures that the Company's operation complies with laws and regulations.

The Company regulates the handling and dissemination of inside information as set out in the information disclosure policy which contains the detailed procedures to ensure that inside information could be identified timely and remain confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is effectively and consistently made.

HUMAN CAPITAL

We have built up an excellent team of management and professional talents, with the guidance and value of treasuring, caring for and optimizing talents to support the sustainable development of the Company.

As at 31 December 2017, the Group had 25 employees, 15 of these employees were located in China, 6 in Hong Kong, 3 in Kazakhstan and 1 in Canada. For further information about staff remuneration, please refer to the relevant contents in notes 15 and 16 of the consolidated financial statements.

風險、一般風險四個層次，並建立了相區分的風險管理流程。董事會、管理層、風險管理部門及相關業務部門根據其於風險管理中承擔的職責開展工作並檢討風險管理中的實施情況，確保公司風險管理體系有效運作。

內部審計

報告期內，根據董事會批准的內部審計計劃，審計部共開展了一系列包括資金管理審計、關連交易管理審計、風險管理評價、內部控制評價等在內的審計工作。通過開展上述審計項目，共發現審計問題11個，提出審計建議11條，累計發放7項整改計劃。通過定期實施專項審計及定期向董事會提供管理建議，有效防範和監控了公司在相關領域運作與管理中存在的風險，發揮了內部審計在風險防控和健全內控方面的積極作用，確保了公司的合法合規經營。

本公司按列示於公司信息披露制度中的詳細流程就內幕信息進行處理及發佈，以確保內幕信息被及時識別並確保有關內幕信息於獲得適當批准前保持保密，有關信息將以有效及一致的方式進行發佈。

人力資本

為保障公司的持續健康發展，我們以重視人才、愛護人才、提升人才的指導思想和價值觀念打造了一支優秀的管理和專業人才隊伍。

於2017年12月31日，本集團共有25名僱員，其中15名駐於中國，6名駐於香港，3名駐於哈薩克斯坦及1名駐於加拿大。有關僱員薪金詳情，請參考綜合財務報表附註15及16有關內容。

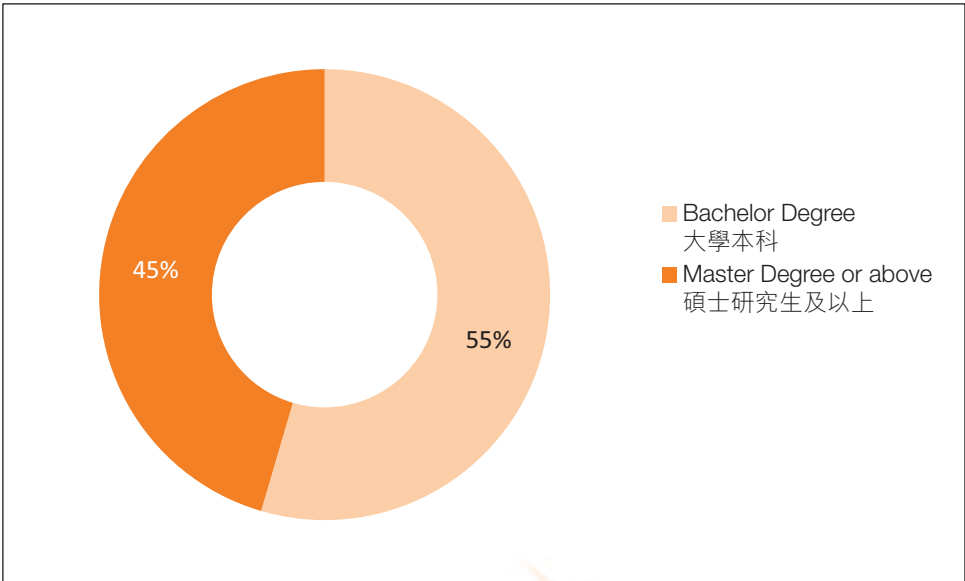
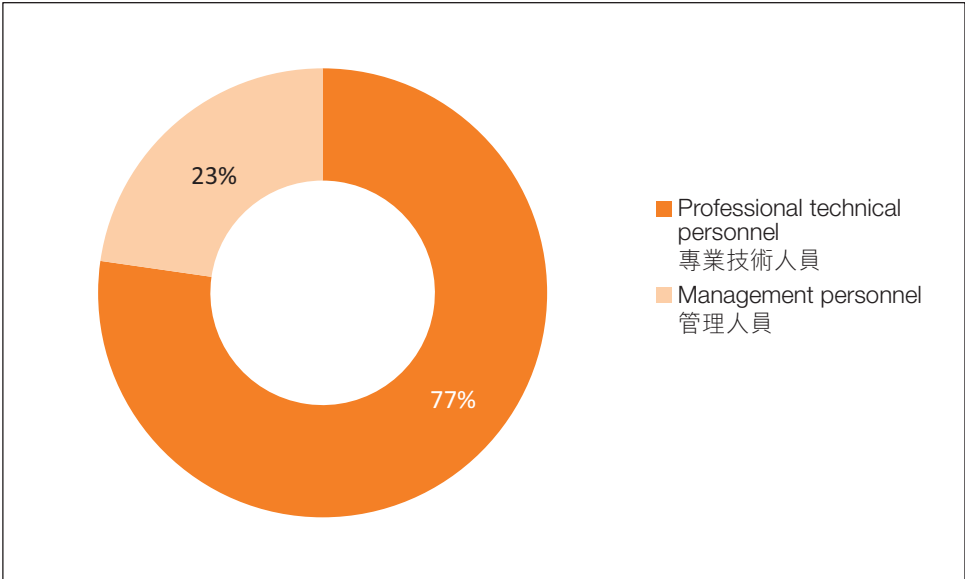
Corporate Governance Report 企業管治報告

TALENTS

Employee composition

人才隊伍

員工結構



Corporate Governance Report

企業管治報告

Professional qualifications

In the current workforce, 73% employees have intermediate professional qualification or above.

Employment Mechanism

Path of development

The Company respects growth and career development of each employee. The Company has set two paths of career development, namely the management and the professional technology path, and has established the switch mechanism between the two paths. Staff can freely choose from the two career development paths and show their talents. Meanwhile, the Company provides guidance to staff to set up their personal career development plan, so as to help them to make rapid career growth.

Internal talent market

For better use of the ability and expertise of each employee, the Company established the internal talent market. The vacancies of the Company will be filled by internal talents firstly, through which the aspiration of individual employees can be better realized and the optimized allocation of internal human resources is achieved, thus to accomplish the common improvement of both the Company and employees.

Evaluation System

In order to ensure the Company's objectives could be effectively implemented, we have established a both incentive and restraint mechanism for staff appraisal, and tends to guide employees' conducts by way of continuous communication, feedback and improvement. In addition, the Company established a complete performance management system by following the steps of communication, coaching, tracking and assessment during the formation and implementation of the performance plan, so as to reach the expected performance results, and promotes the co-development of the Company and staff.

專業資格

現有員工隊伍中，持有中級及以上專業資格的員工佔比73%。

用人機制

發展通道

公司注重員工的成長和職業發展。公司設有管理和專業技術兩個職業發展通道，並建立起兩個通道的轉換機制。員工可以在兩條職業發展通道上自由發展，充分發揮每一位員工的專長。與此同時，公司通過指導員工制定個人職業發展規劃，幫助員工實現快速成長。

內部人才市場

为了更好的發揮每位員工的能力和專長，公司建立了內部人才市場。空缺崗位優先通過內部人才市場補員，更好的實現了員工個人的發展訴求及企業內部人力資源的優化配置，達到企業與員工共同發展的目標。

考核制度

為有效落實公司目標，我們建立起激勵與約束的員工評估機制，通過持續的溝通、反饋、改進，引導員工工作行為。同時公司建立了完善的績效管理體系，通過績效計劃制定、績效計劃執行過程中進行溝通、輔導、跟蹤及評估，達成預期績效結果，促進公司和員工共同發展。

Corporate Governance Report

企業管治報告

Cultivating talents

Adhering the core idea of “to cultivate talents, not only to train talents”, the Company incorporated international experience in talent cultivation and combined its own characteristics. Then it formed an effective autonomous talent cultivation system with authorized employment, training for entire staff and lifelong education as basic principles, and formulated key position cultivation rolling plan and supportive system.

Training resources

In close combination with business needs, and giving full play to our advantages, the Company has established a comprehensive training resources system for all the staff, covering management personnel, professional technicians and international talent reservation. Meanwhile, utilizing abundant teaching resources of CGN Group and sharing thousands of online courses within the CGN Group, it's available for staff to conduct self-learning and on-the-job training whenever needed, which effectively satisfies the rapid development and the need for talents of the Company.

Remuneration system

Combined with the characteristics of the industry, the Company constructed a competitive remuneration system which appeals to quality talents and motivates employees effectively. The remuneration system reflects the value of positions and individual contribution and encourages long-term service of employees, jointly striving for continuous growth and sustainable development of the Company and sharing the results of corporate development. Remuneration is mainly composed of monthly salary, performance bonus, over-time pay, allowance and subsidy and benefits.

人才培養

本公司堅持「培養人，而不僅僅是培訓人」的核心理念，通過吸收借鑒國際化人才培養經驗，明確「授權上崗、全員培訓、終身教育」的基本原則，制定了關鍵崗位人才培養滾動計劃與配套制度，形成了規範高效的自主化人才培養體系。

培訓資源

本公司緊密結合業務需求，充分發揮自身優勢，建立了完善的全員培訓資源體系，覆蓋管理層、專業技術人員與國際化人才儲備；同時依托中國廣核集團豐富培訓師資，共享中廣核集團千餘門網絡課程，實現了隨時隨需員工自主學習與在崗培訓，有效滿足了公司快速發展與人才培養需求。

薪酬體系

為有效吸引高素質人才，激發員工潛能，公司結合行業特點，搭建了富有競爭力的薪酬體系。薪酬體系著重體現崗位價值和個人貢獻，鼓勵員工長期為企業服務，共同致力於企業的不斷成長和可持續性發展，同時共享企業發展所帶來的成果。薪酬主要由月薪、績效獎金、加班工資、津補貼和福利構成。

Directors' Report 董事會報告

The Board is pleased to present their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES AND ANALYSIS OF OPERATIONS

The Company is an investment holding company and principally engaged in development and trading of natural uranium. The principal businesses of our subsidiaries include trading and investments of natural uranium. An analysis of the Group's business for the year is set out in note 9 to the consolidated financial statements.

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The head office and principal place of business of the Company in Hong Kong is located in Room 1903,19/F, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong.

EARNINGS AND DIVIDEND DISTRIBUTION

The earnings of the Group for the year of 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 106 and 107 of the annual report.

The Board recommended a payment of final cash dividend of HK0.2 cents per share for the year ended 31 December 2017 to Shareholders as of the record date for payment of dividend on 20 June 2018 (Wednesday). The ratio of final dividend distribution for the year is based on the various factors such as business performance in 2017 and subject to not less than 20% of distributable profits of continuing business (the year ended 31 December 2016: HK2 cents per share).

ANNUAL RESULTS

Details of the Group's business performance for the year of 2017 and its analysis are set out in the section "Management Discussion and Analysis" to this annual report.

董事會欣然呈交本集團截至2017年12月31日年度董事會報告及經審核綜合財務報表。

主要業務及分析

本公司為投資控股公司，主要從事天然鈾開發及貿易。附屬公司的主要業務為天然鈾貿易及投資。本集團本年度業務分析載於綜合財務報表附註9。

香港主要營業點

本公司於香港的辦事處及主要營業地點為香港灣仔港灣道26號華潤大廈19樓1903室。

盈利及股息派發

本集團2017年度盈利詳細載於本年報第106及107頁的綜合損益及其他全面收益表。

董事會建議派發截至2017年12月31日止年度的末期現金股息每股0.2港仙予截至末期股息登記日期2018年6月20日(星期三)的股東。本年度末期股息分配比例乃基於本公司2017年度業務表現等各方面因素考慮，以不低於當年持續性業務可供分配溢利的20%為準(截至2016年12月31日止年度：每股2港仙)。

年度業績

本集團2017年度業績表現和分析詳細載於本年報「管理層討論與分析」章節。

Directors' Report

董事會報告

BUSINESS REVIEW

The business review of the Group during the Reporting Period, the Group's exposure to potential risks and uncertainties, significant events after Reporting Period, business prospects, financial performance and relevant analysis, together with compliance with the relevant laws and regulations that have a significant impact on the Group are set out in the section "Management Discussion and Analysis" to this annual report.

RESERVES

Movements in the reserves of the Group during the Reporting Period are set out on pages 110 and 111 of the annual report.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of the movements in property, plant and equipment and investment properties of the Group are set out in notes 17 and 18 to the consolidated financial statements respectively.

SUBSIDIARIES

Details of the major subsidiaries held by the Company are set out in note 35 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 27 to the consolidated financial statements.

CONVERTIBLE BONDS

As at 31 December 2017, there are no outstanding convertible bonds of the Company. Details of the convertible bonds are set out in note 28 to the consolidated financial statements.

業務回顧

本集團於報告期內之業務回顧、本集團可能面對的風險及不確定因素、報告期後重大事項、業務展望、財務表現及分析及於本集團有重大影響的相關法律及法規遵守情況等已詳細載於本年報「管理層討論與分析」章節。

儲備

本集團報告期內的儲蓄變動情況載於本年報第 110 及 111 頁。

物業、廠房及設備及投資物業

本集團的物業、廠房及設備及投資物業的變動詳情分別載於綜合財務報表附註 17 及 18。

附屬公司

本公司主要附屬公司的詳情載於綜合財務報表附註 35。

股本

本公司股本變動的詳情載於綜合財務報表附註 27。

可換股債券

於 2017 年 12 月 31 日，本公司無尚未轉股的可換股債券。本公司可換股債券的詳情載於綜合財務報表附註 28。

Directors' Report 董事會報告

DIRECTORS

During the Reporting Period and as at the date of this report, Directors of the Company are as followed:

EDs

Mr. An Junjing (*Chief Executive Officer, appointed on 25 January 2018*)

Mr. Chen Deshao (*appointed on 25 January 2018*)

Mr. Xing Jianhua (*resigned on 25 January 2018*)

NEDs

Mr. Yu Zhiping (*Chairman, and re-designated from an ED to an NED on 25 January 2018*)

Mr. Fang Chunfa

Mr. Zhang Chengbai (*appointed on 28 November 2017*)

Mr. Zhou Zhenxing (*resigned on 25 January 2018*)

Mr. Liu Mingdong (*resigned on 4 December 2017*)

INEDs

Mr. Qiu Xianhong

Mr. Gao Pei Ji

Mr. Lee Kwok Tung Louis

In accordance with Article 112 of the Articles of Association, any Director appointed to fill a casual vacancy or as an additional Director shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such general meeting. On 28 November 2017, Mr. Zhang Chengbai was appointed as a NED, and Mr. An Junjing and Mr. Chen Deshao were appointed as EDs on 25 January 2018. All of them are eligible for re-election at the forthcoming annual general meeting.

In accordance with Article 108 of the Articles of Association, Mr. Yu Zhiping, Mr. Fang Chunfa and Mr. Qiu Xianhong will retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

董事

本公司於報告期內及截至本報告日期之董事構成如下：

執行董事

安軍靖先生(首席執行官，於2018年1月25日獲委任)

陳德邵先生(於2018年1月25日獲委任)

幸建華先生(於2018年1月25日辭任)

非執行董事

余志平先生(主席，於2018年1月25日由執行董事調任為非執行董事)

方春法先生

張承柏先生(於2017年11月28日獲委任)

周振興先生(於2018年1月25日辭任)

劉明東先生(於2017年12月4日辭任)

獨立非執行董事

邱先洪先生

高培基先生

李國棟先生

根據公司章程細則第112條規定，獲委任填補臨時空缺的任何董事或額外獲委任加入董事會的董事任期將只至本公司下屆股東大會，屆時將合資格在大會上獲重選連任，而被釐定將於該股東大會上輪流告退的董事人選或數目不應計算在內。於2017年11月28日，張承柏先生獲委任為非執行董事及於2018年1月25日，安軍靖先生及陳德邵先生獲委任為執行董事，彼等均符合資格將於即將舉行的股東週年大會上重選連任。

根據章程細則第108條規定，余志平先生、方春法先生及邱先洪先生將於即將舉行的股東週年大會上輪值告退，但符合資格將膺選連任。

Directors' Report

董事會報告

DIRECTORS' SERVICE CONTRACTS

There is no service contract, which is not terminable by the Company within one year without payment of compensation (other than statutory compensation), in respect of all Directors who are proposed and offered for re-election at the forthcoming annual general meeting of the Company.

DIRECTORS' INTERESTS IN CONTRACTS, TRANSACTIONS AND ARRANGEMENT

No contract, transactions and arrangement of significance to which the Company, any of its holding companies, or any of subsidiaries of the above-mentioned companies was a party, in which a Director of the Company had a material interest, subsisted during the Reporting Period.

DIRECTORS' INDEMNITIES

Pursuant to the Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company has arranged appropriate liability insurance coverage for the Directors and senior management.

BIOGRAPHIES OF DIRECTORS

The biographical details of the Directors are set out on pages 34 and 40 of the annual report.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2017 amounted to approximately HK\$690 million.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association and there was no restriction against such rights under the laws of the Cayman Islands.

董事服務合約

所有擬於本公司應屆股東週年大會上膺選連任的董事概無與本公司訂立於一年內須作出賠款(法定補償除外)方可終止的服務合約。

董事於合約、交易及安排的權益

本公司、其任何控股公司或前述公司的任何下屬公司均未訂立於報告期內仍然有效且本公司董事於當中擁有重大權益的重大合約、交易及安排。

董事的彌償保證

根據公司章程細則規定，每位董事就履行其職務或職責或有關其他事情而蒙受或招致的任何損失或責任，均有權獲得公司以其資產賠償。本公司已為董事及高級管理層安排適當的責任保險。

董事簡介

董事簡介詳情載於本報告第34至40頁。

可分派儲備

於2017年12月31日，本公司可供分派儲備為約690百萬港元。

優先購買權

本公司的章程細則無有關優先購買權的條文，而開曼群島法例沒有對該等權利實施限制。

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

None of the Company or its subsidiaries redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year ended 31 December 2017.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "2010 Share Option Scheme") at the annual general meeting of the Company held on 2 June 2010. After the adoption of the 2010 Share Option Scheme, no share option was granted.

The 2010 Share Option Scheme

The following disclosure is a summary of the 2010 Share Option Scheme as required by chapter 17 of the Listing Rules:

(1) *Purpose:*

The purpose of the 2010 Share Option Scheme is to enable the Company to grant options to eligible participants (as defined below) as incentives or rewards for their contribution to the Company and/or any of the subsidiaries.

(2) *Participants:*

The eligible participants of the 2010 Share Option Scheme to whom option(s) may be granted by the Board shall include any employees, NEDs, Directors, suppliers, customers, advisors, consultants, joint venture partners and any shareholders of any members of the Group or any invested entities or any holders of any securities issued by any members of the Group or any invested entities.

購買、出售或贖回本公司的上市股份

本公司及其附屬公司於截至2017年12月31日止年度未贖回任何股份，亦未購買或出售本公司任何股份。

購股權計劃

本公司於2010年6月2日舉行的股東周年大會上採納了一項購股權計劃（「2010年購股權計劃」）。於採納2010年購股權計劃後，未有任何購股權被授出。

2010年購股權計劃

以下為根據上市規則第17章披露的2010年購股權計劃概要：

(1) *目的：*

2010年購股權計劃之目的為使本公司可向合資格參與者（定義見下文）授出購股權，作為鼓勵及獎賞彼等對本公司及／或任何下屬公司作出的貢獻。

(2) *參與者：*

可獲董事會授予購股權之2010年購股權計劃合資格參與者包括本集團任何成員公司或任何被投資實體之僱員、非執行董事、董事、供貨商、客戶、顧問、諮詢人、合營企業夥伴及任何股東或本集團任何成員公司或任何被投資實體所發行任何證券之任何持有人。

Directors' Report 董事會報告

- (3) *Total number of shares available for issue under the 2010 Share Option Scheme and percentage of issued share capital at the date of approval of the share option scheme:*

The number of shares which can be issued is 155,105,699 shares representing approximately 10% of the issued share capital of the Company at the date of approval of the 2010 Share Option Scheme.

- (4) *Maximum entitlement of each participant:*

The total number of shares issued and to be issued upon exercise of the options granted under the 2010 Share Option Scheme and any other share option schemes of the Company (including exercised, canceled and outstanding options) to each eligible participant in any 12-month period must not exceed one percent (1%) of the then total issued share capital of the Company.

- (5) *The periods within which the shares must be taken up under an option:*

An option shall be exercisable in whole or in part and in accordance with the terms of the 2010 Share Option Scheme at any time during a period to be determined and notified by the Board to each grantee, which period may commence on the day on which the offer for the grant of options is made but shall end in any event not later than ten (10) years commencing from the date the Board makes an offer of the grant of an option subject to the provisions for early termination thereof.

- (6) *The minimum period for which an option must be held before it can be exercised:*

Unless the Directors otherwise determine and state in the offer of the grant of options to an eligible participant, there is no minimum period for which an option granted under the 2010 Share Option Scheme must be held before it can be exercised.

- (3) *根據2010年購股權計劃可發行的股份總數及其所佔於購股權計劃批准當日已發行股本百分比：*

可發行之的股份數目為155,105,699股，相等於本公司於2010年購股權計劃批准當日已發行股本約10%。

- (4) *各參與者可享有的最高配額：*

在任何12個月期間內每名合資格參與者根據2010年購股權計劃及本公司任何其他購股權計劃獲授的購股權(包括已行使、已注銷及尚未行使的購股權)予以行使時，已發行及將予發行的股份總數，不得超過本公司當時已發行股本總額的百分之一(1%)。

- (5) *行使購股權的時限：*

購股權可按照2010年購股權計劃的條款於董事決定並已知會各承授人之期間內任何時間全部或部分行使，該期間可自授出購股權要約提出當日開始，惟在任何情況下不得遲於董事會授予購股權建議當日起計十(10)年終止(惟可根據該計劃條款而提早終止)。

- (6) *行使購股權前規定的最短持有期：*

除非董事另有決定並於向合資格參與者提出授予購股權要約時表明，否則根據2010年購股權計劃授出購股權毋須先行持有一段最短期限始能行使。

- (7) *The amount payable on application or acceptance of the option and the period within which payments of calls must or may be made or loans for such purpose must be paid:*

An offer of grant of an option may be accepted by an eligible participant within twenty-eight (28) days from the date of the offer of grant of the option. A consideration of HK\$1.00 is payable on acceptance of the offer of grant of an option.

- (8) *The basis of determining the exercise price:*

Subject to the adjustment made in accordance with the terms of the 2010 Share Option Scheme, the exercise price in respect of any particular option shall be such price as determined by the Board in its absolute discretion at the time of making the offer of grant of an option (which shall be stated in the letter containing the offer of grant of an option) but in any case the exercise price must be at least the highest of (i) the closing price of shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a trading day; (ii) the average closing price of shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares.

- (9) *The remaining life:*

The 2010 Share Option Scheme will remain in force for a period of 10 years commencing on 2 June 2010 and has a remaining life of approximately 2 years and 3 months as at the date of this report.

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes are set out in notes 15 and 16 of the consolidated financial statements.

COMPANY WEBSITE

www.cgnmc.com

- (7) 申請認購或接納購股權時應付的金額，以及付款或通知付款或償還購股權貸款的期限：

合資格參與者須於授出購股權要約提出當日起計二十八(28)日內接納獲授的購股權要約，而接納獲授購股權要約時須支付代價1.00港元。

- (8) 行使價的釐定基準：

受限於按2010年購股權計劃條款作出的調整，任何特定購股權的行使價應為董事會於提出授出購股權要約時全權酌情釐定價格（其須於授出的購股權要約函件內訂明），惟在任何情況下行使價必須最少為下列三者中的最高者：(i) 股份於授出購股權要約當日（須為交易日）的收市價（以聯交所每日報價表所載者為準）；(ii) 股份於緊接授出購股權要約日期前五(5)個營業日的平均收市價（以聯交所每日報價表所載者為準）；及(iii) 股份面值。

- (9) 尚餘有效期：

2010年購股權計劃有效期為自2010年6月2日起10年且截至本報告日期，有效期大約還剩2年零3個月。

退休福利計劃

退休福利計劃詳情載於綜合財務報表附註15及16。

公司網站

www.cgnmc.com

Directors' Report

董事會報告

DISCLOSURE OF INTERESTS

(a) The Directors' and chief executives' interests and short position in the shares, underlying shares and debentures of the Company or any associated corporation

As at 31 December 2017, none of the Directors and the chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or its associated corporations (as defined in the part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to divisions 7 and 8 of part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders' interests and short positions in the shares, underlying shares of the Company

As at 31 December 2017, according to the register of substantial Shareholders kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons/entities, other than a Director or chief executives of the Company, had an interest or short position in the shares and underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of divisions 2 and 3 of Part XV of the SFO:

權益披露

(a) 董事及行政總裁於本公司或任何相聯法團的股份、相關股份及債券中的權益及淡倉

於2017年12月31日，並無本公司董事、行政人員及其各自之聯繫人士於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文其被當作或視作擁有的權益及淡倉），或根據證券及期貨條例第352條規定須記錄於該條所指登記冊的權益及淡倉或根據上市規則所載標準守則須知會本公司及聯交所的權益及淡倉。

(b) 主要股東於本公司股份及相關股份中的權益及淡倉

於2017年12月31日，按本公司根據證券及期貨條例第336條規定存置的主要股東登記冊，在向董事作出合理查詢後所知或確認，下列人士／實體（不包括本公司董事或行政人員）於本公司股份、相關股份及債券中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益或淡倉：

Directors' Report 董事會報告

Name of Shareholder 股東名稱	Capacity 身份	Number of shares 股份數目	Approximate percentage of shareholding 股權概約百分比
China Uranium Development (Note 1) 中國鈾業發展(附註1)	Beneficial owner 實益擁有人	4,323,695,652 (L)	65.50% (L)
CGNPC – URC (Notes 1 & 2) 中廣核鈾業發展(附註1及2)	Interest in a controlled corporation 受控法團權益	4,323,695,652 (L)	65.50% (L)
CGNPC (Notes 1 & 2) 中廣核集團公司(附註1及2)	Interest in a controlled corporation 受控法團權益	4,323,695,652 (L)	65.50% (L)
Hong Kong Xinmao 香港鑫茂	Beneficial owner 實益擁有人	659,400,000 (L)	9.99% (L)
Hainan Mining (Note 3) 海南礦業(附註3)	Interest in a controlled corporation 受控法團權益	659,400,000 (L)	9.99% (L)
Shanghai Fosun Industrial Investment Co., Ltd 上海復星產業投資有限公司	Interest in a controlled corporation 受控法團權益	659,400,000 (L)	9.99% (L)
Shanghai Fosun High Technology (Group) Co., Ltd. 上海復星高科技(集團)有限公司	Interest in a controlled corporation 受控法團權益	659,400,000 (L)	9.99% (L)
Fosun International Limited 復星國際有限公司	Interest in a controlled corporation 受控法團權益	659,400,000 (L)	9.99% (L)
Fosun Holdings Limited 復星控股有限公司	Interest in a controlled corporation 受控法團權益	659,400,000 (L)	9.99% (L)
Fosun International Holdings.Ltd. 復星國際控股有限公司	Interest in a controlled corporation 受控法團權益	659,400,000 (L)	9.99% (L)
Guo Guangchang 郭廣昌	Interest in a controlled corporation 受控法團權益	659,400,000 (L)	9.99% (L)
Hainan Haigang Group Co., Ltd. 海南海鋼集團有限公司	Interest in a controlled corporation 受控法團權益	659,400,000 (L)	9.99% (L)
State-owned Assets Supervision and Administration Commission of Hainan Province 海南省政府國有資產監督管理委員會	Interest in a controlled corporation 受控法團權益	659,400,000 (L)	9.99% (L)

Directors' Report 董事會報告

Notes:

1. The long position represents (i) the 4,278,695,652 Shares held by China Uranium Development; and (ii) the 45,000,000 shares charged by Perfect Develop Holding Inc. (established by the Directors of the preceding controlling shareholders of the Company) in favor of China Uranium Development, pursuant to the share charge dated 1 April 2011 (the "Charged Shares"), 35,000,000 Charged Shares will be released upon the completion of relevant preconditions pursuant to the announcement of the Company dated 11 December 2017).
2. CGNPC-URC holds 100% of the issued share capital of China Uranium Development. CGNPC holds 100% of the equity interests of CGNPC-URC. Therefore, it is deemed to be interested in the interest held by China Uranium Development.
3. According to the information available on the Stock Exchange website, Hainan Mining is the sole shareholder of Hong Kong Xinmao, and is indirectly held as to 35% by Hainan Haigang Group Co., Ltd. and 54% by Shanghai Fosun High Technology (Group) Co., Ltd., respectively.
4. The letter "L" denotes the person's/entity's long position in the shares.

Save as disclosed above, the Directors are not aware of any person as at 31 December 2017 who had an interest or short position in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

RIGHTS TO ACQUIRE THE COMPANY'S SECURITIES

Save as disclosed in this annual report, none of the Company, or any of its holding companies or subsidiaries, or any of its fellow subsidiaries, a party to any arrangement enables the Directors or chief executives of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

附註：

1. 該好倉代表(i)中國鈾業發展持有的4,278,695,652股股份，及(ii)根據日期為2011年4月1日的股份抵押，由Perfect Development Holding Inc. (由本公司前控股股東之董事創立)以中國鈾業發展為受益人抵押的45,000,000股股份(「該抵押股份」)，根據本公司日期為2017年12月11日的公告，該抵押股份中的35,000,000股將在相關前置條件達成後解除抵押。
2. 中廣核鈾業發展持有中國鈾業發展已發行股本的100%，中廣核集團公司持有中廣核鈾業發展100%股本權益，因而被視為擁有中國鈾業發展所持的權益。
3. 根據聯交所網站信息，海南礦業是香港鑫茂的唯一股東，且由海南海鋼集團有限公司間接持有35%及由上海復星高科技(集團)有限公司間接持有54%。
4. 「L」代表該等人士／實體在此等股份中所持之好倉。

除上文所披露外，於2017年12月31日，董事並不知悉有任何人士於本公司股份、相關股份及債券中擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益或淡倉。

購買本公司證券的權利

除本年報內所披露者外，本公司、或其任何控股公司或附屬公司、或其任何同系附屬公司概無訂立任何安排，以使本公司董事或最高行政人員或彼等各自的聯繫人(定義見上市規則)擁有任何認購本公司或其任何相聯法團(定義見證券及期貨條例)證券的權利或以購買本公司或任何其他法人團體的股份或債權證的方式而獲得利益的權利。

CONTINUING CONNECTED TRANSACTIONS

The Group entered into the following continuing connected transactions with the connected persons as defined in the Listing Rules, and transactions have been conducted in accordance with the agreed terms. The execution of the continuing connected transactions for the year 2017 are set out as below.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

持續關連交易

本集團與上市規則定義的關連人士已訂立下列持續關連交易協議，並按協議條款開展交易。2017年持續關連交易的執行情況列示如下。

本公司已遵守上市規則第14A章的披露規定。

No. 編號	Name of agreement, date and existing term 協議名稱、日期 及現有期限	Transaction parties of the Group 本集團交易方	Connected transaction parties 關連交易對方	Nature of transaction and description 交易性質及情況	Pricing basis 定價基礎	Annual cap, actual transaction/maximum balances 年度上限、實際交易/ 最高餘額
1	The New "Natural Uranium Sales Framework Agreement" was entered into on 6 December 2016, with a term from 1 January 2017 to 31 December 2019 《新天然鈾銷售框架協議》於2016年12月6日訂立，有效期：2017年1月1日至2019年12月31日	The Company	CGNPC-URC and its wholly-owned subsidiaries	The sale of natural uranium to CGNPC-URC and its wholly-owned subsidiaries by the Group	the price per pound of natural uranium shall be determined with reference to the arithmetic average prices of the long-term price index published by UxC and Trade Tech in the second month prior to the delivery month, subject to a floor price and a ceiling price.	HK\$ 752,000,000/ HK\$370,720,151
		本公司	中廣核鈾業發展及其全資附屬公司	本集團出售天然鈾予中廣核鈾業發展及其全資附屬公司	天然鈾每磅價格將參考UxC及TradeTech於交付月份前第二個月的長期價格指數的算術平均價，但設有封頂及保底價格。	752,000,000港元/ 370,720,151港元
2	The New "Financial Service Framework Agreement" was entered into on 6 December 2016, with a term from 1 January 2017 to 31 December 2019 《新財務服務框架協議》於2016年12月6日訂立，有效期：2017年1月1日至2019年12月31日	The Company and its subsidiary	CGNPC Huasheng	The Group may place deposits in CGNPC Huasheng and gain interest income. CGNPC Huasheng provides settlement service and grants loans and facilities (if necessary) to the Company.	The interest payable by CGNPC Huasheng to the Company shall be equal to or higher than (1) the relevant interest rate offered by CGNPC Huasheng to other members of the CGN Group in similar arrangement; and (2) the deposits interest rate as announced by other independent commercial banks in Hong Kong from time to time in similar arrangement. Settlement and similar services fees shall be (1) equal to or lower than the settlement and similar services fees charged by CGNPC Huasheng to other members of the CGN Group in settlement services arrangements; and (2) equal to or lower than the settlement and similar services fees as announced by other independent commercial banks in Hong Kong from time to time for settlement and similar services provided by CGNPC Huasheng.	USD220,000,000/ USD140,918,188
		本公司及一間附屬公司	中廣核華盛	本集團可存款於中廣核華盛，並從中獲得利息收入。中廣核華盛向本公司提供結算服務及在有需要時貸款和融資服務。	中廣核華盛支付本公司利息將等於或高於(1)中廣核華盛在同類安排中向中廣核集團旗下其他成員公司提供之利率；及(2)香港其他獨立商業銀行在同類安排中不時所報存款利率。 結算及同類服務費用(1)等於或低於中廣核華盛在結算服務安排中向中廣核集團旗下其他成員公司收取之結算及同類服務費用；及(2)等於或低於香港獨立商業銀行就中廣核華盛提供之結算及同類服務不時所報結算及同類服務費用。	220,000,000美元/ 140,918,188美元

Directors' Report

董事會報告

No. 編號	Name of agreement, date and existing term 協議名稱、日期 及現有期限	Transaction parties of the Group 本集團交易方	Connected transaction parties 關連交易對方	Nature of transaction and description 交易性質及情況	Pricing basis 定價基礎	Annual cap, actual transaction/maximum balances 年度上限、實際交易/ 最高餘額
3	The "Domestic Financial Service Framework Agreement"	Its subsidiary	CGN Financial	CGN Financial provides the Group with domestic financial services in the PRC, including deposits, loans, financing and settlement services.	<p>The interest payable by CGN Financial to the Company shall be equal to or higher than (1) the interest rates prescribed by the People's Bank of China for the same type of deposit in the same period; (2) the deposit interest rates offered by Agricultural Bank of China, Bank of China, China Construction Bank and Industrial and Commercial Bank of China (the "China's Big-Four Commercial Banks") to the service recipient for the same type of deposit in the same period; and (3) the deposit interest rates provided by the CGN Financial to the CGN Group for the same type of deposit in the same period.</p> <p>The interest rates for loans and financing receivable by CGN Financial shall be equal to or lower than (1) the interest rates prescribed by PBOC for the same type of loan in the same period; (2) the loan interest rates charged by China's Big-Four Commercial Banks to the service recipient for the same type of loan in the same period; and (3) the loan interest rates charged by CGN Financial to the CGN Group for the same type of loan in the same period.</p> <p>The fees charged by CGN Financial for the provision of settlement services shall be in compliance with the fees standard prescribed by PBOC or the China Banking Regulatory Commission in respect of such services. If no such fees standard is available, the service fees shall not higher than (1) the fees charged by China's Big-Four Commercial Banks or other financial institutions in the PRC for the same type of financial services; and (2) the fees charged by CGN Financial for the provision of similar type of financial services to the CGN Group.</p>	<p>USD220,000,000/ USD364,194</p> <p>Such annual cap is included in the annual cap under the New Financial Service Framework Agreement</p>
	《境內金融服務框架協議》	一間附屬公司	中廣核財務	中廣核財務於中國向本集團提供境內金融服務包括存置存款、貸款、融資及結算服務。	<p>中廣核財務支付本公司利息將等於或高於(1)中國人民銀行於同期就同類存款公佈之利率；(2)中國農業銀行、中國銀行、中國建設銀行及中國工商銀行(「中國四大商業銀行」)於同期就同類存款向服務接收方提供的存款利率；及(3)中廣核財務於同期就同類存款向中廣核集團提供的存款利率。</p> <p>中廣核財務收取的貸款及融資利率將等於或低於(1)中國人民銀行於同期就同類貸款公佈之利率；(2)中國四大商業銀行於同期就同類貸款向服務接收方收取的貸款利率；及(3)中廣核財務於同期就同類貸款向中廣核集團收取的貸款利率。</p> <p>中廣核財務就提供結算服務收取之費用將遵守中國人民銀行或中國銀行業監督管理委員會就該等服務所公佈之費用標準。倘若無有關費用標準則，有關服務費不得高於(1)中國四大商業銀行或中國其他金融機構就同類服務收取的費用；及(2)中廣核財務向中廣核集團提供類似財務服務收取的費用。</p>	<p>220,000,000美元/ 364,194美元</p> <p>該年度上限包含於《新財務服務框架協議》的年度上限內</p>

Directors' Report

董事會報告

Annual review of continuing connected transactions

The INEDs of the Company have reviewed and confirmed the continuing connected transactions set out above are:

1. in the ordinary and usual course of business of the Group;
2. on normal commercial terms or better; and
3. entered into in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

The external auditor of the Company has also reviewed these continuing connected transactions and confirmed to the Board that these transactions:

1. have been approved by the Board;
2. have been entered into in accordance with the relevant agreement governing the transactions;
3. are in accordance with the pricing policies of the Group (if the transactions involve provision of goods or services by the Group); and
4. have not exceeded the relevant annual caps disclosed in previous announcements.

The Board acknowledged the receipt of the auditors' confirmation letter dated 27 March 2018 which confirms the matters as required by Rule 14A.56 of the Listing Rules.

MAJOR TRANSACTIONS AND CONNECTED TRANSACTIONS

During the Reporting Period, except for above announced continuing connected transactions, the Company has not carried out other major transactions and connected transactions needed to be disclosed.

持續關連交易的年度審閱

本公司獨立非執行董事已審閱上述的持續關連交易，並確認該等持續關連交易為：

1. 屬於本集團一般及日常業務範圍；
2. 按正常或更佳商業條款進行；及
3. 根據監管該等交易的相關協議，按公平合理及符合本公司股東整體利益的條款訂立。

本公司外聘核數師已審閱該等持續關連交易，並向董事會確認該等交易：

1. 已獲董事會批准；
2. 已根據監管該等交易的相關協議訂立；
3. 符合本集團的定價政策（如該等交易涉及本集團提供商品或服務）；及
4. 未超逾之前的公佈中披露的相關年度上限。

董事會確認收到核數師於2018年3月27日發出的確認書以確認上市規則第14A.56條所規定的事宜。

主要交易及關連交易

報告期內，本公司未進行任何除上述持續關連交易公佈以外的需以披露的主要交易及關連交易。

Directors' Report

董事會報告

RELATED PARTY TRANSACTIONS

The Group entered into certain transactions with “related parties” as defined under the applicable accounting standards, which include transactions that constitute connected/continuing connected transactions for which the disclosure requirements under the Listing Rules have been complied with.

A summary of the related party transactions entered into by the Group during Reporting Period is contained in note 32 to consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales attributable to the Company's major suppliers and customers are as follows:

Purchases

- the largest supplier: 99%
- five largest suppliers: 100%

Sales

- the largest customer: 100%
- five largest customers: 100%

China Uranium Development, the controlling Shareholder, is the largest customer of the Company. Mr. An Junjing, an ED and the chief executive officer of the Company, Mr. Chen Deshao, an ED and the chief financial officer of the Company, Mr. Yu Zhiping, a NED and chairman of the Company, Mr. Fang Chunfa and Mr. Zhang Chengbai, NEDs, all are the Directors and/or the senior management of CGNPC-URC, at different times throughout 2017. Save as disclosed above, none of the Directors, their associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

MANAGEMENT CONTRACTS

In 2017, the Company (as service receiver) and CGNPC-URC entered into “Shared Administrative Services Agreement” for providing shared administrative services to the Company by CGNPC-URC.

關聯方交易

本集團與根據會計準則定義的「關聯方」訂立若干交易，當中包括構成關連／持續關連交易的交易，就此已遵守上市規則項下相關披露規定。

本集團於報告期內進行的關聯方交易概要載於綜合財務報表附註32。

主要客戶及供應商

本公司主要供貨商及客戶所佔購買及銷售之百分比如下：

購買

- 最大供貨商：99%
- 五大供貨商：100%

銷售

- 最大客戶：100%
- 五大客戶：100%

本公司的最大客戶為控股股東中國鈾業發展。本公司執行董事兼首席執行官安軍靖先生，執行董事兼首席財務官陳德邵先生，非執行董事兼主席余志平先生，非執行董事方春法先生及張承柏先生均在2017年不同時間為中廣核鈾業發展董事及／或高級管理層。除上述披露外，並無董事、其聯繫人或任何按董事所知悉擁有本公司股本5%以上的股東於上述主要供貨商或客戶擁有權益。

管理合約

2017年，本公司(作為享有服務方)與中廣核鈾業發展就後者向前者提供行政共享服務訂立《共享行政服務協議》。

OTHER INFORMATION

Environmental Protection

The Company, as a green energy affiliate, pays high attention to environmental protection. We vigorously promotes environmental protection by promoting green, energy saving and environmental protection concept, such as advocating the green office, encouraging the replacement of paper document with electronic document, the use of double-sided printing and eco-friendly appliances etc. At the same time, the Company requests the staff to participate in promotional activities from time to time, such as tree planting activity, and promotes the use of public transports, or walking to substitute driving.

Relationship with Suppliers and Customers

During the Reporting Period, the Company maintained a good relationship with its suppliers and customers.

Social Participation

Details of the social participation are set out in section B8 to the Environmental, Social and Governance Report.

Equal Opportunity and Diversity

The Company respects and treats every employee the same, and promotes equal opportunity and policy of diversification regardless of age, sex, marital status.

Compliance with laws and regulations

For the year ended 31 December 2017 and up to the date of this report, to the knowledge of the Directors, the Group complied in all material aspects with applicable laws, rules and regulations that have a significant impact on the Group.

其他資料

環境保護

本公司作為與綠色能源相關的企業，十分重視環境保護。本公司大力提倡保護環境，倡導綠色、節能及環保理念。包括在日常工作中大力倡導綠色辦公，鼓勵使用電子文件替代紙質文件、文件雙面打印及複印、裝置環保節能的電器等。同時，本公司亦不定期組織員工參與植樹活動及提倡以搭乘公共交通工具或者步行替代駕車出行的宣傳活動等。

與供應商及客戶的關係

於報告期內，本公司與供應商及客戶之間保持良好關係。

社會參與

本集團社會參與詳情載於環境、社會及管治報告B8章節。

平等機會與多元化

本公司尊重及平等對待每一位員工，並提倡機會平等及不分年齡、性別、婚姻狀況等的多元化政策。

遵守法律及法規

截至2017年12月31日及直至本報告之日，據董事所知，本集團在所有重大方面均遵守相關法律、規則及法規。

Directors' Report

董事會報告

DIRECTORS' INTERESTS IN COMPETING BUSINESS

In 2017, none of the Directors and their respective associates (as defined in the Listing Rules) had an interest in a business which causes or may cause any significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

EQUITY-LINKED AGREEMENTS

During the Reporting Period, the Company has not entered into any equity-linked agreement.

DONATIONS

During the Reporting Period, the Group did not made any charitable donations.

PUBLIC FLOAT

As of the Latest Practicable Date prior to the publication of this report, and based on the information that is publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's issued shares are held by public Shareholders as required under the Listing Rules.

AUDITOR

The consolidated financial statements for the year ended 31 December 2017 have been audited by SHINEWING (HK) CPA Limited who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

CHANGE OF DIRECTORS

On 28 November 2017, Mr. Wu Junfeng has resigned as the NED of the Company due to work reallocation, and on the same day, Mr. Zhang Chengbai has been appointed as the NED of the Company. On 4 December 2017, Mr. Liu Mingdong has resigned as the NED of the Company due to other work arrangement.

董事於競爭業務的權益

2017年，本公司董事及彼等各自聯繫人（定義見上市規則）概無在與本集團業務構成或可能構成任何重大競爭的業務中擁有任何權益，而任何該等人士與本集團亦無或可能出現其他利益衝突。

股票掛鈎協議

報告期內，本公司並未訂立任何股票掛鈎協議。

慈善捐款

報告期內，本集團並未作出任何慈善捐贈。

公眾持股量

於本報告刊發前的最後實際可行日期，根據本公司可以得悉而本公司董事亦知悉的公開資料，如上市規則要求，本公司至少有25%已發行股份被公眾股東持有。

核數師

截至2017年12月31日止年度的綜合財務報表已經由信永中和(香港)會計師事務所有限公司審核。信永中和(香港)會計師事務所有限公司將任滿告退，惟合資格並願意於應屆股東週年大會上膺選連任。

董事調整

由於工作調動，吳俊峰先生於2017年11月28日辭任本公司非執行董事；張承柏先生於同日被委任為本公司非執行董事。由於其他工作安排，劉明東先生於2017年12月4日辭任本公司非執行董事。

EVENTS AFTER THE REPORTING DATE

On 25 January 2018, Mr. Zhou Zhenxing has retired as a NED, the chairman of the Board and the nomination committee of the Company due to reaching the retirement age. On the same day, Mr. Yu Zhiping has been appointed as a NED, the chairman of the Board and the nomination committee of the Company and he continues to act as a member of remuneration committee, but ceased to act as an ED and chief executive officer. On the same day, Mr. An Junjing has been appointed as an ED, a member of the nomination committee and the remuneration committee. On the same day, Mr. Xing Jianhua has resigned as an ED, a member of the remuneration committee, the vice president, the chief financial officer, an authorised representative of the Company for the purpose of rule 3.05 of the Listing Rules and an agent for service of process in Hong Kong (the "Authorised Representative") due to his intention to pursue other business. On the same day, Mr. Chen Deshao has been appointed as an ED, the chief financial officer and an Authorised Representative of the Company.

By Order of the Board

Yu Zhiping

Chairman

Hong Kong, 27 March 2018

報告日期後事項

由於已到退休年齡，周振興先生於2018年1月25日起不再擔任本公司非執行董事、董事會主席及提名委員會主席；余志平先生於同日獲委任為本公司非執行董事、董事會主席及提名委員會主席並繼續為薪酬委員會委員，同時不再擔任執行董事及首席執行官；安軍靖先生於同日獲委任為本公司執行董事、提名委員會委員及薪酬委員會委員；由於有意發展其他事業，幸建華先生於同日辭任本公司執行董事、薪酬委員會委員、副總裁、首席財務官、根據上市規則第3.05條而言的授權代表及香港法律程序文件代理人（「授權代表」）；陳德邵先生於同日獲委任為本公司的執行董事、首席財務官及授權代表。

承董事會命

主席

余志平

香港，2018年3月27日

Enterprise Environmental, Social and Governance Report

企業環境、社會及管治報告

SCOPE OF REPORT

This annual report covers the operating sites of CGN Mining Company Limited in Hong Kong and Beijing (hereinafter referred to as “the Company”), and the operating sites in Kazakhstan, including Semizbay-U, of which CGN Mining Company Limited holds a 49% equity interest, as well as the two mines under its management, Semizbay-U Mine and Irkol Mine (hereinafter referred to as “the Mine”), for the year ended 31 December 2017. The Reporting Period, i.e. fiscal year 2017 (from 1 January to 31 December 2017), is consistent with the reporting period of the annual report of CGN Mining Company Limited. The definitions in this report contain the same meanings as those used in the aforementioned report.

This report is prepared in accordance with Appendix 27 *Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*. It is the second ESG report prepared by the Company in accordance with the Guide.

COMMUNICATION WITH STAKEHOLDERS

As a listed company, CGN Mining Company Limited discloses information regarding business operation and progress of projects as required by the Listing Rules in the Company’s website (www.cgnmc.com) and the Stock Exchange’s designated website for information disclosure (HKEX news: www.hkexnews.hk). All disclosures are prepared and published in accordance with the requirements of the Listing Rules. Furthermore, upon receiving inquiries from investors, the Company will promptly make contact with them, assist them in understanding the Company’s operation, and answer their questions by inviting them to visit the Company or through telephone conferences and other means. The Company will also, from time to time, invite investor representatives, potential investors and analysts to various road shows to present performance meetings and Company’s latest news.

報告範圍

本年度報告涵蓋中廣核礦業有限公司截至2017年12月31日止年度位於香港及北京的營運點(下稱「本公司」)，以及哈薩克斯坦的營運點涉及中廣核礦業有限公司擁有49%權益的謝公司及旗下的謝礦及伊礦(下稱「礦場」)。報告的時段為2017年財政年度(2017年1月1日至12月31日)，與中廣核礦業有限公司年報報告期一致。本報告所界定之詞彙與前述報告所使用者具有相同含義。

本報告依據《香港聯合交易所有限公司證券上市規則》附錄二十七《環境、社會及管治報告指引》編撰，為公司第二份依循該指引編撰的環境、社會及管治報告。

與持份者溝通

中廣核礦業有限公司作為一家上市公司，根據上市規則的要求，於公司網站(www.cgnmc.com)及聯交所指定資訊披露網站(披露易：www.hkexnews.hk)中披露本公司的經營情況及項目進展等，有關披露為按照上市規則的要求編製及發佈。此外，當收到投資者查詢時，本公司將及時與投資者取得聯繫，並通過邀請投資者親臨公司或透過電話會議等形式助其瞭解公司經營資訊及解答疑問；同時本公司亦不定期舉辦業績發佈會等形式的路演，邀請部分投資者或潛在投資者及分析師參加，以介紹本公司最新情況。

Enterprise Environmental, Social and Governance Report

企業環境、社會及管治報告

A ENVIRONMENTAL

A1 Emissions

To address problems such as environmental pollution and greenhouse effect, the world is turning its eyes to clean energy development. The Company and the Mine are also participating in it. We are committed to exploiting natural uranium resources, which are the main source of fuel for the nuclear industry. At the same time, environmental stewardship is being practised in the operation of the Company and the Mine, with an aim to ensuring compliance with environmental laws and regulations and fostering a better environment.

Hazardous wastes generated in production, such as lead-based batteries and cells, waste oil and used chemical reagents, are recycled by qualified processing companies in accordance with local environmental regulations. On the other hand, to reduce waste generation, the Mine also separates the non-hazardous wastes such as plastics, glass and metal for recycling and reuse.

In terms of air emissions, the Mine is currently upgrading frequently used mechanical equipment and transport vehicles to replace diesel fuel with natural gas. While reducing air emissions including SO₂, it also lowers diesel consumption. In addition, the Mine has obtained the air emission permits issued by the environmental department of the Kazakhstan government and regularly conducted the air emission measurements to ensure compliance with emissions standards.

A 環境

A1 排放物

為解決環境污染及溫室效應等問題，全球正聚焦發展潔淨能源，而本公司及礦場亦參與其中。我們致力於天然鈾資源的開採，為核能產業提供主要燃料，而同時，對於環境的管理亦深入到本公司及礦場的營運當中，並以遵守環保法規及改善環境為我們的目標。

礦場嚴格按照當地的環保法例將生產過程中產生的有害廢棄物，如含鉛的蓄電池和電池、廢油、廢棄的化學試劑等轉交相關的合資格處理商進行回收處置。另一方面，為減少廢棄物的產生，礦場亦對塑膠、玻璃、金屬等無害廢棄物進行分類收集及安排回收以鼓勵回收再造。

而在廢氣排放管理方面，礦場現正對經常使用到的機械設備及運輸車輛進行油改氣升級改造，以天然氣代替柴油作燃料，有效減少二氧化硫等的廢氣排放之餘，亦能減少柴油的消耗。此外，礦場又取得哈薩克斯坦政府環保部門所發出的廢氣排放許可，並定期測量廢氣排放量以確保排放達標。

Enterprise Environmental, Social and Governance Report

企業環境、社會及管治報告

		NO _x emissions from vehicle use (kg) 汽車使用產生的氮氧化物排放(kg)	Emissions of suspended particles from vehicle use (kg) 汽車使用產生的懸浮顆粒排放(kg)	SO _x emissions from vehicle use (kg) 汽車使用產生的硫氧化物排放(kg)
Mine in Kazakhstan	哈薩克斯坦礦場	4,231	3,201	68

		Greenhouse gas emissions in total (tCO ₂ e) 溫室氣體總排放量(tCO ₂ e)	Intensity of greenhouse gas emissions 溫室氣體排放密度
Mine in Kazakhstan	哈薩克斯坦礦場	41,854	36.6 tCO ₂ e/per ton of production 36.6 tCO ₂ e/產量噸
Hong Kong and Beijing offices	香港及北京辦公室	22.74	0.9475 tCO ₂ e/staff 0.9475 tCO ₂ e/僱員

		Total hazardous waste generated (ton) 有害廢棄物總量(噸)	Total non-hazardous waste generated (ton) 無害廢棄物總量(噸)	Intensity of hazardous waste generated (measured by per ton of uranium production) 有害廢棄物產生密度(以鈾產量噸計)	Intensity of non-hazardous waste generated (measured by per ton of uranium production) 無害廢棄物產生密度(以鈾產量噸計)
Mine in Kazakhstan	哈薩克斯坦礦場	0.159	2.193	0.00014	0.0019

The Company and the Mine are in strict compliance with relevant environmental laws and regulations. During the Reporting Period, there has been no case of prosecution for violation of above.

本公司及礦場嚴格遵守相關的環保法例，報告期內未有因為違反與環保相關法例而被檢控的個案。

Enterprise Environmental, Social and Governance Report

企業環境、社會及管治報告

A2 Use of Resources

“Caring for the environment and cherishing the earth’s resources” is our commitment. The Company and the Mine are rolling out concrete measures on the use of energy, water and raw materials to maximize resources and energy efficiency:

- A large sewage recycling system has been set up, sewage generated in production have been transported to a bio-processing station for purification and disinfection, and then used again in garden irrigation, equipment cleaning and production. The system could save 10% of industrial water for the Mine each year;
- Iron-based solid wastes were collected and put in leaching liquid pools to help extract more natural uranium, this has reduced waste and increased output;
- Qualified processing companies were contracted for recovering, processing and recycling hazardous wastes such as used oil and drilling fuel;
- In light of the different heating needs for day-time and night-time, moderately adjust the heating temperature at different time period to save energy; and
- We have imposed control on lighting time to reduce unnecessary electricity consumption.

A2 資源使用

「愛護環境，珍惜地球資源」是我們的承諾，而本公司及礦場針對能源使用、水資源及原材料提煉三大環節亦正努力不懈推行多項措施，以盡力提升資源能源效益：

- 建立了大型的廢水循環再用系統，生產區產生的廢水會輸送到生物進化站，經淨化消毒後再循環使用在澆灌綠化設施、清洗設備及生產用水環節等，此系統可以為礦場每年節省10%的工業用水；
- 收集含鐵的固體廢棄物，再放進溶浸液池以協助提取更多的天然鈾，減少浪費並有助增加產量；
- 聘請合資格處理商對廢油、鑽井液等有害廢棄物安排回收並經加工處理後，再循環使用；
- 因應白天和夜間不同的供暖需求，適度調節不同時段的供暖溫度以降低能源消耗；及
- 按時控制燈光照明時間，減少不必要的電力消耗。

Enterprise Environmental, Social and Governance Report

企業環境、社會及管治報告

Complementarily, the Company and the Mine are extremely mindful of the importance of education on environmental protection. We encourage employees to conserve energy and protect the environment in every aspect of their work, use less water, electricity, paper and office supplies, and develop a stronger environmental awareness.

此外，本公司及礦場亦極為重視向員工推行環保教育，鼓勵節能環保從工作生活細節做起，提倡節約用水、用電及用紙，節約使用辦公用品，增強他們的環保意識。

		Mine in Kazakhstan 哈薩克斯坦礦場	Hong Kong and Beijing Offices 香港及北京辦公室
Electricity consumption (kWh)	耗電量 (kWh)	33,052,753	25,365
Intensity of electricity consumption	耗電密度	28,919 kWh/per ton of production 28,919 kWh/產量噸	1,208 kWh/staff 1,208 kWh/僱員

		Mine in Kazakhstan 哈薩克斯坦礦場
Water consumption (m ³)	耗水量 (m ³)	127,162,000
Intensity of water consumption	耗水密度	111,259 m ³ /per ton of production 111,259 m ³ /產量噸

Note: As uranium finished products do not involve finished packaging, thus no package materials data could be provided.

註：由於鈾制成品不涉及成品包裝，因此無包裝材料用量數據可提供。

A3 The Environment and Natural Resources

To minimize the damage caused to the environment and natural resources, the Company and the Mine are making robust efforts to promote environmental sustainability through renewable energy and related technologies. They include the following:

- To reduce both carbon emission and energy consumption, solar heat exchangers have been installed to replace fossil fuels for indoor heating;

A3 環境及天然資源

為減少對環境及天然資源所造成的損害，本公司及礦場積極採用可再生能源等技術以促進環境的可持續發展，詳情如下：

- 安裝了太陽能熱交換器為室內供暖，利用熱交換原理取代以傳統石化燃料提供熱能，以減少碳排放及能源消耗；

Enterprise Environmental, Social and Governance Report

企業環境、社會及管治報告

- Photovoltaic power stations have been built to serve the Mine's daily lighting needs, which can save 5% of electricity consumption;
 - For mining areas that have been exploited, the Mine will restore the original ecological environment through replantation in order to reduce damage caused; and
 - Promoting paperless office and green procurement and giving priority to energy-saving raw materials procurement. The Mine is also planning to introduce an electronic document system to save office paper.
- 建造了光伏電站，採用太陽能發電為礦場提供日常照明，此計劃可節省5%的耗電量；
 - 對開墾過的礦區，礦場會進行地表植被的復墾工作以恢復原來的生態環境，減少對環境造成的破壞；及
 - 提倡無紙化辦公，並推行綠色採購，優先考慮採購節能的原材料。礦場現正籌備推行文件電子化管理，以減低辦公用紙量。

B SOCIAL

B1 Employment

As an employer who promotes equal opportunities and cares for employee welfare, the Company has established a recruitment management system based on the principles of "openness, fairness and merit". Following these principles, the Company will only examine whether the applicants have the ability and qualifications required for the positions. Complementarily, in order to be more effective in finding the right candidates for different jobs, the Company also encourages recommendations from its current employees. The recommended applicants must take part in examinations in accordance with the procedures set out by the Company to ensure fairness in the recruitment process. On the other hand, in compliance with the corporate ethic laws enacted by the Kazakhstan government and the provisions of the employee management process, the Mine treats all employees under the principle of fairness and without prejudice to fulfil the pledge of diversity and anti-discrimination in the workforce. There will not be any discrimination on employees' ethnic and cultural background, nor will there be any set out ratio of male and female staff.

B 社會

B1 僱傭

作為一個提倡機會平等及關心員工的僱主，本公司的崗位聘任管理制度中提及人員聘用原則為「公正公開、人崗匹配」，依照該原則，公司招聘員工只強調應徵者的個人能力資歷是否適合職位所定的要求；而為更有效地尋找到合適的人員加入本公司，公司亦鼓勵在職員工推薦人才，被推薦者須按照公司既定的招聘流程進行考核，以確保整個過程公平公正。另外，礦場亦遵從哈薩克斯坦政府訂立的企業道德法以及員工管理流程中的規定，按照公平和無成見的原則對待所有員工以實踐僱員多元化及反歧視，不規限僱員的民族及文化背景，亦不會規定男女員工比例。

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A competitive package of employee benefits and welfare helps the Company to attract and retain talents. The Company provides employees with medical insurance as well as maternity and paternity leave. The Mine also provides holiday expenses and maternity allowances. Moreover, based on local labour laws, the Mine offers its employees three years maternity leave and a one-month paid annual leave. To promote work-life balance, sports games would be organized on a regular basis.

為員工提供優厚的福利待遇，能有助企業吸引及挽留人才。本公司為員工提供醫療保險、女士產假及男士侍產假；而礦場更為員工提供過節費及產假補貼以真正關心員工的生活，另外，又會依照當地勞動法規定，向員工提供三年的產假及一個月的有薪假期。為了讓員工在工作與生活之間取得平衡，礦場會定期組織員工參與運動會。

Employee structure of Hong Kong and Beijing Offices (persons) 香港及北京辦公室員工分佈 (人)

Total number of employees	員工總數	24 ¹			
Employees by gender	按性別劃分	Male		Female	
		男		女	
		16		8	
Employees by age group	按年齡組別劃分	18 – 30	31 – 45	46 – 60	> 60
		9	13	2	0

1: 3 employees working in Kazakhstan has been counted.

1: 3名於哈薩克斯坦工作的員工已包含在內。

Monthly Employee Turnover Rate of Hong Kong and Beijing Offices (%) 香港及北京辦公室每月員工平均流失率 (%)

Turnover rate by gender	按性別劃分	Male		Female	
		男		女	
		0.68		0	
Turnover rate by age group	按年齡組別劃分	18 – 30	31 – 45	46 – 60	> 60
		0.35	0.33	0	0

Employee Structure of the Mine in Kazakhstan 哈薩克斯坦礦場員工分佈 (人)

Total number of employees	員工總數	547			
Employees by gender	按性別劃分	Male		Female	
		男		女	
		490		57	
Employees by age group	按年齡組別劃分	18 – 30	31 – 45	46 – 60	> 60
		131	254	156	6

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Monthly Employee Turnover Rate of the Mine in Kazakhstan (%) 哈薩克斯坦礦場每月員工平均流失率(%)

Turnover rate by gender	按性別劃分	Male		Female	
		男	女	男	女
		0.60		0.58	
Turnover rate by age group	按年齡組別劃分	18 – 30	31 – 45	46 – 60	> 60
		0.35	0.47	0.30	0.06

The Company and the Mine are in strict compliance with relevant employment laws and regulations. During the Reporting Period, there has been no case of prosecution for violation of employment laws and regulations.

本公司及礦場嚴格遵守相關的僱傭法例，報告期內未有因為違反與僱傭相關法例而被檢控的個案。

B2 Health and Safety

Safety of employees has always been the priority of the Company and the Mine. In this connection, a safety management system has been established to ensure that employees can always work in a safe working environment.

Risk assessment of the production areas can effectively prevent accidents. The Mine will conduct analysis and risk assessment on the working environment to identify the processes and areas with risk. We will also take appropriate corrective and preventive measures on the operations that fail to meet the internal safety and occupational health regulations. Additionally, in order to improve safety management of the Mine, a safety department has been set up in managing various safety issues. The safety department will conduct weekly safety inspections on the work place and report on existing risks and corresponding rectification measures. The safety department will also monitor and keep track of the completion status of the rectification measures.

B2 健康與安全

本公司及礦場一直把員工的安全放在首位，為此，建立了系統化的安全管理制度，務求令員工時刻能在安全的工作環境中作業。

對生產區域進行安全風險評估能有效預防意外的發生，礦場會對工作環境進行分析及風險評估以識別出存在風險的工序及範圍，並對未能符合由內部編製的安全和職業健康規定的操作採取相應的糾正預防措施。此外，為提升礦場的安全管理水準，礦場設立了安全部門專責礦場內的安全事務，安全部門會每週進行工作場地的安全檢查，並匯報存在的風險和相應的整改措施，更會對整改措施的完成狀態進行監督及追蹤。

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The Mine has implemented the following measures to protect the safety and health of employees:

- Providing sufficient personal protective equipment which includes safety belts, dust and gas masks and acid-proof work clothes etc., and strictly required employees to put on the equipment when entering the work place;
- Motor vehicle safety inspectors conduct inspections on the conditions of the mining vehicles and the health of drivers to ensure driving safety;
- Regular inspections on the operating conditions of relevant equipments and mining vehicles;
- Providing employees with comprehensive body check-ups on a yearly basis, keeping track of their health status, and inviting medical experts to give health seminars at the mining sites, in order to enhance employees's knowledge on health;
- Regularly checking and analysing the concentration of indoor toxic gases to make sure no harm on human health; and
- All new employees are required to undergo safety training and examination. In addition, safety exams will be arranged every two years.

礦場積極推行下列的多項措施以加強保障員工的安全及健康，包括：

- 提供充足的個人防護裝備，如高空作業安全帶、防粉塵和防有害氣體口罩、防酸工作服等，並嚴格規定進入工作場地必須佩戴；
- 機動車安全檢查員對礦產車輛的行駛狀況和駕駛員的健康狀態進行巡查，確保車輛安全行駛；
- 定期對有關設備及礦產車輛進行運行狀態測試；
- 每年定期為員工提供全面的身體檢查，關注員工的健康狀況，並會邀請醫學專家到礦場進行健康講座，增進員工的健康知識；
- 定期檢測室內的有害氣體含量及進行分析，確保不會危害人體健康；及
- 規定所有員工入職前必須經過安全培訓和通過考核，此外，又安排每兩年進行一次安全考試。

Number and rate of work-related fatalities
Lost days due to work injury

因工作關係而死亡的人數及比率
因工傷而損失的工作日數

0
0

The Company and the Mine are in strict compliance with relevant safety laws and regulations. During the Reporting Period, there has been no case of prosecution for violation of laws and regulations relating to occupational safety.

本公司及礦場嚴格遵守相關的安全法例，報告期內未有因為違反與職業安全相關法例而被檢控的個案。

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B3 Development and Training

Employees are valuable assets of the Company. A comprehensive and diversified talent training program can help employees and the Company to grow together. To facilitate the personal development of employees and optimise the allocation of human resources, the Company implements an internal recruitment plan, under which vacancies will be filled firstly by internal staff applications. Implementing staff transfer policy can bring out the implicit qualities of employees. It also ensures them to familiarize with the Company operations, thus increasing the Company's overall efficiency. The Company has also prepared a staff training plan for new employees to complete the designated training. In this way, they can familiarize with their job responsibilities before starting their work.

On the other hand, the Mine provides employees with training courses in various aspects in order to equip them with the professional and language skills required for their jobs. These courses cover subjects such as engineering design, instrumentation and software applications, English and Kazakhstan languages. The Mine continued its winter and summer camp study programs in 2017, which enabled employees to acquire knowledge regarding lean production through a relaxed team learning model. The program enhanced the professional management skills of the employees and increased the Company's operation efficiency.

B4 Labour Standards

The Company and the Mine pay close attention to the basic rights and interests of employees, and strictly abide by the local labour laws and regulations. Our management guideline is based on the principles of "legality and compliance" and we make sure no child labour is recruited and no forced labour.

B3 發展及培訓

員工是公司寶貴的資產，配合完善及多元化的人才培訓計劃，員工與公司的共同發展便能得以實現。為促進及協助員工的個人發展，並優化公司內部人力資源配置，本公司推行內部招聘計劃，公司的職位空缺會優先通過公司現有員工內部申請進行填補，員工調配到不同的職能部門工作能有助發揮員工的個人才能，令他們熟悉公司系統運作，從而提高公司的整體工作效率。另外，本公司特別編製了職位培訓項目大綱，給剛上任的員工完成指定的授權培訓，等員工能先熟悉本身職位的負責範疇。

另外，礦場為員工提供各方面的專業技能及語言技巧培訓課程以裝備工作所需，課程涵蓋工程設計、儀器及軟件應用，亦提供英語和哈薩克斯坦語等的課程。礦場於2017年繼續開展冬季和夏季營學習計劃，員工透過輕鬆的團隊學習模式以獲得精益生產的相關知識，提升員工的專業管理技巧及提高公司的營運效益。

B4 勞工準則

本公司及礦場向來重視員工的基本權益，並嚴格遵守當地的勞動法規，以「合法合規」為管理原則，保證不會招聘童工及強制勞工。

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The Company's employee handbook stipulates that employees are not encouraged to work overtime in order to ensure a good work-life balance. Separately, the Company has established the Group's Labour Management System, with explicit rules on the requirement of compliance in accordance with national and local labour laws and regulations in places we operate. The Company stipulates that if the employee is found to have provided false documentation or made false statements about personal information after signing a labour or employment contract, the contract signed by the two parties shall be void ab initio, and the employee will be requested to compensate the losses incurred by the Company. The Mine also abides by the provisions of Kazakhstan's labour law concerning the prohibition of forced labour, including the prohibition of servitude, corporal punishment or violence against employees, and makes appropriate arrangements on their working hours and workload.

The Company and the Mine are in strict compliance with relevant labour laws and regulations. During the Reporting Period, there has been no case of prosecution for violation of laws and regulations relating to the prevention of child labour or forced labour.

B5 Supply Chain Management

While committing to environmental protection and corporate social responsibilities, the Company and the Mine also actively encourage suppliers and service contractors to protect the environment and undertake social responsibilities.

The Mine has established stringent criteria for supplier selection and performance assessment. The criteria include supplier's equipment, reliability of their technical skills, environmental protection and the safety scope. Energy consumption of supplier's equipment, environmental impact of the production process and the level of reduction in raw material consumption are also considered. Moreover, equipment safety is also one of the criteria.

本公司的員工手冊中訂明不鼓勵員工加班，以確保員工能擁有良好的作息時間。另外，本公司亦建立了《集團勞動用工管理制度》，規章制度清楚列明須符合當地的國家及地方勞工法律法規要求。本公司訂明在員工簽訂勞動或僱傭合同後，如被發現該員工提供了虛假的證明文件或對個人資料作虛假陳述，雙方簽訂的勞動合同自始無效，而本公司會要求該員工賠償對公司所造成的損失。礦場亦按照哈薩克斯坦勞動法中關於禁止強制勞工的要求，包括禁止對員工行使勞役、體罰或暴力威迫，並合理安排員工的工作時間和勞動強度。

本公司及礦場嚴格遵守相關的勞工法例，報告期內未有因為違反與防止童工或強迫勞工相關的法例而被檢控的個案。

B5 供應鏈管理

本公司及礦場高度關注環保及企業社會責任兩大議題的同時，亦積極鼓勵供應商及服務承辦商推動其在環保及社會責任方面的事務。

礦場訂立了嚴謹的供應商評選及表現評估的標準，評審準則包括供應商設備的先進程度，技術技能的可靠性；而評審準則同時亦覆蓋環保及安全的範疇，當中包括評核供應商設備的能耗、生產過程對環境的影響、減少原材料消耗的程度；還有設備的安全性等。

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On the other hand, the Mine also requires suppliers to provide employees with adequate personal protective equipment and impose mandatory requirement on the use of the equipment during work. When selecting suppliers, the Mine gives priority to those on the list of organizations that employ persons with disabilities.

B6 Product Responsibility

The quality and safety of products are of vital importance. The Mine has obtained the certification of the ISO 9001 quality management system which guarantees that the entire mining process is conducted in accordance with international standard. In addition, in order to ensure the quality and reliability of the products provided, sample analysis will be conducted before delivery according to the customer's product standards. The Mine strictly stipulates that during the storage and transportation of products, all uranium containers must be sealed to the fullest extent possible to avoid leaking of radioactive materials and damage to the biosphere. In the course of transportation, it is required that the hazardous nature of uranium products must be clearly marked on the transportation vehicles to serve as safety warnings.

Separately, the Mine has formulated a policy that prohibits all employees from disclosing information about customers who purchase natural uranium. Due to the uniqueness of the product's ways of use and standards of quality assessment, the information released by the Mine in promoting its products is basically consistent with the information of the products itself and is without any exaggeration or falsification. Furthermore, the Company has put in place sound rules and regulations on intellectual property rights, and organized training for employees to raise their awareness of intellectual property protection.

The Company and the Mine are in strict compliance with the relevant product responsibility laws and regulations. During the Reporting Period, there has been no case of prosecution for violation of laws and regulations relating to product responsibility or privacy, and there has been no complaint about products and services.

另一方面，礦場亦要求供應商為員工配置足夠的個人防護裝備及要求在工作時佩戴。在選定採購商時，礦場會優先向已在殘疾人機構名單上的商戶進行採購。

B6 產品責任

產品的質量安全至關重要，礦場已獲得ISO 9001質量管理體系認證，保證整個開採過程根據國際標準進行。另外，為確保提供的產品優質可靠，會按照客戶制定的產品標準在交付前進行取樣分析化驗。礦場嚴格規定在產品存放及運輸途中，所有盛載鈾的容器必須配以最大限度的密閉，以避免放出放射性物質，對生物圈造成危害。而在運輸過程中，規定運輸車輛必須清晰標示鈾產品的危害性以作安全警示。

另外，礦場制定了政策禁止所有員工向外界洩露購買天然鈾的客戶資訊。由於產品的使用途徑及品質衡量標準的單一性，礦場對產品的宣傳基本保持與產品本身資訊一致，並不涉及任何誇大失實成分。除此之外，公司亦建立了健全的知識產權的規章制度，又為員工安排知識產權的教育培訓，提高員工對知識產權的保護意識。

本公司及礦場嚴格遵守相關的產品責任法例，報告期內未有因為違反與產品責任或私隱相關法例而被檢控的個案。而在報告期內，亦無接獲任何關於產品及服務的投訴。

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B7 Anti-corruption

The Company and the Mine abide by the principle of fair business practices. Separately, the Mine has formulated anti-corruption and fraud prevention policies. These clearly prescribe that all violations of financial regulatory measures such as money laundering, illegal provision of material rewards to individuals and enterprises, illegal receipt of material rewards from individuals are all illegal acts of corruption. Targeted preventive measures have also been introduced to remove corruption. Additionally, training courses on preventing of corruption-related crimes, such as money laundering, are also organized to enhance employee's awareness of integrity practice.

The Mine organizes open tendering and bidding in strict accordance with the procurement rules set by Kazakhstan's state-owned asset management fund to ensure fairness and compliance of the relevant procedures. The procurement rules also stipulate that the tender notice and related information must be published on the designated media to material suppliers or service contractors. Furthermore, the Company's internal service procurement must undergo a rigorous pre-approval process, while a tiered approval system must be set up for bids and contracts with different amounts to ensure that the procurement procedures are closely monitored.

The Company and the Mine are in strict compliance with the relevant anti-corruption laws and regulations. During the Reporting Period, there has been no case of prosecution for violation of relevant laws and regulations.

B8 Community Investment

The Company and the Mine continue to contribute to the development of communities in different areas through charitable donations and support for cultural and educational activities.

B7 反貪污

本公司及礦場堅守公平營商的原則，礦場更制定了反貪污和防止欺詐政策，明確定義一切違反金融監控措施包括洗黑錢、非法向私人 and 企業提供物質獎勵、非法收受私人的物質獎勵均屬違法的貪污行為，並制定針對性的預防措施以杜絕貪污情況的出現。另外，亦會舉辦反腐敗犯罪行為的培訓，如防止洗黑錢的培訓，以加強員工對商業誠信的認知。

礦場嚴格按照哈薩克斯坦國有資產管理基金訂下的採購辦法實行公開招標及投標，確保相關程序公平合規進行，採購辦法亦同時規定必須向物資供應商或服務承辦商於指定媒介發佈招標告示及相關資訊。除此之外，公司內部的服務採購須經過嚴謹的前置審批流程，而對不同額度的標書及合約更設立分級別的審批制度，確保採購程序得到嚴密監管。

本公司及礦場嚴格遵守相關的反貪污法例，報告期內未有因為違反相關法例而被檢控的個案。

B8 社區投資

本公司及礦場作為所處社區的一份子，不斷透過慈善捐獻、支持文化教育等活動，並身體力行，為不同領域的社區發展不遺餘力。

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Committed to corporate social responsibilities, the Mine in Kazakhstan has organized large-scale community activities over the years, and vigorously supported and participated in charity programs. The main activities during the reporting period include:

1. A long-term internship training program with the Prairie Mining Technical School* (草原城採礦技術學校) and the Semimrazine Geotechnical School* (謝米巴拉津地質技術學校) was initiated. Through this program, students were able to experience the actual working environment and made themselves prepared for future participation in the society.
2. Organized employees to participate in sports events hosted by the local government as a mean to support the development of sports. Employees were encouraged to take active parts in sports activities. On the other hand, the Mine has actively participated in the Islamic New Year celebrations hosted by local organizations. The participation in these cultural and sports activities helped bringing people closer and building a harmonious society.
3. Actively took part in various educational and cultural activities. These include book donations to schools run by the local government and donations for the maintenance of school roads. Funds have also been provided to cover the daily operating expenses of the local stadium.

位於哈薩克斯坦的礦場多年來致力履行社會責任，開展多項大型社區活動，並大力支持及參與公益慈善活動，期內參與活動包括：

1. 與草原城採礦技術學校和謝米巴拉津地質技術學校簽訂了長期的實習培訓計劃，安排學生到礦場實習，通過此計劃讓學生有機會認識實際的工作環境，為未來投身社會及早作好準備。
2. 組織員工參與當地政府舉辦的體育賽事，以支持當地的體育項目發展。同時，亦鼓勵員工積極參與體育活動。除此之外，礦場亦熱衷於參與地方組織舉辦的伊斯蘭教新年慶祝活動，藉著參與文化體育項目，促進人與人的融合，努力與各方共同創建一個融和的社會。
3. 熱心參與各種教育及文娛康樂事務，當中包括向地方政府的學校捐贈圖書以及為上學道路維修工程提供捐贈。另外，又為當地體育館的日常營運開支提供贊助。

* For identification only
僅供識別

Enterprise Environmental, Social and Governance Report 企業環境、社會及管治報告

The Company advocates green and low-carbon lifestyle and took the initiative to organize regular green activities. Since its establishment, the Company has every year kept the practice of organizing tree-planting activities for employees in building a green home. Complementarily, hiking and other fitness activities were also organized on a yearly basis. Details of the activities are as follows:

1. In April 2017, echoing the call of the Beijing Municipal Government to increase the urban green coverage rate, the Company's trade union organized a voluntary tree-planting activity under the theme of "a Date with Spring and Hug the Green Land". Through the concerted efforts of our employees, more than 300 trees were planted.
2. In March 2017, the Company organized an activity entitled "Travel Green". Employees who have signed up for the program shared bicycle-ride to the Beijing Olympic Forest Park and went jogging in the Park. With its focus on environmental-friendly transportation, the activity aimed at encouraging greater interests in environmental protection and promoting a low-carbon mean of travel. It could also enhance internal communication among employees of different departments.

本公司一直提倡綠色低碳生活，並自發舉辦綠色活動。自成立以來，本公司堅持每年組織員工參與植樹造林活動，共建美好綠色家園；此外，又會每年組織徒步健身等活動，詳情如下：

1. 2017年4月份公司工會組織開展了名為「約會燦爛春天，擁抱綠色大地」的義務植樹活動，以響應北京市政府的號召，提高城市綠化覆蓋率，並在一眾員工的努力協作下，共完成植樹300餘株。
2. 2017年3月開展了名為「放飛夢想，綠色出行」愛企愛家主題實踐活動，參與的員工先騎乘共用單車到北京奧林匹克森林公園，再開始健身跑步活動。整個活動強調使用環保的代步工具以喚起大家關注保護環境，多選擇低碳的出行方式，並同時增進不同部門同事之間的溝通。

Independent Auditor's Report 獨立核數師報告



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會計師事務所有限公司
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TO THE MEMBERS OF CGN MINING COMPANY LIMITED

中廣核礦業有限公司

(incorporated in the Cayman Islands with limited liability)

致中廣核礦業有限公司

全體股東

(於開曼群島註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of CGN Mining Company Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) set out on pages 106 to 210, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

我們已審核載於第106至210頁之中廣核礦業有限公司(「貴公司」)及其附屬公司(下文統稱為「貴集團」)之綜合財務報表，該等綜合財務報表包括於2017年12月31日的綜合財務狀況表，及截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已按照香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於2017年12月31日之財務狀況及其截至該日止年度之綜合財務表現及綜合現金流量，並已按香港《公司條例》之披露規定妥為編製。

意見的基礎

我們已根據香港會計師公會頒佈之香港審核準則(「香港審核準則」)進行審核。我們於該等準則項下的責任在本報告「核數師對審核綜合財務報表之責任」一節中詳述。我們獨立於 貴集團並根據香港會計師公會之職業會計師道德守則(「守則」)及已遵循該等要求及守則履行其他道德責任。我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

IMPAIRMENT ASSESSMENT ON THE INTEREST IN AN ASSOCIATE

Refer to note 20 to the consolidated financial statements and the accounting policies on pages 128-130.

The key audit matter

The Group has 19.92% interest in an associate, Fission Uranium Corp. which is a listed company in Canada. As at 31 December 2017, the interest in an associate held by the Group is approximately HK\$550,202,000.

During the year ended 31 December 2017, the associate has incurred loss in operation. Following a review of the business, the outlook for the industry and the market conditions, as the uranium price was in a decreasing trend from the date of acquisition to the end of reporting period and the Canadian dollar was in fluctuation, there is a risk of impairment in respect of the interest in an associate; management has carried out the impairment assessment on the interest in an associate.

We considered this a key audit matter because this involves a significant degree of management judgement in respect of the valuation methods and assumptions for the estimation of the recoverable amount of the interest in the associate.

How the matter was addressed in our audit

Our procedures were designed to review the management's assessment of the indicators of impairment and understand and assess the reasonableness of the methods and assumptions used in the valuation model to estimate the recoverable amount of the associate.

We have discussed and assessed the indicators of possible impairment with the management and the component auditor and, where such indicators were identified, assessed the management's impairment testing.

We have assessed the valuation methodology and compared significant inputs to third party sources. We have also understood and assessed the key assumptions and critical judgement used by the management based on our knowledge of the business and industry.

關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期綜合財務報表中最重要的事項。我們在整體審核綜合財務報表和就此形成意見時處理此等事項，而不會就此等事項單獨發表意見。

一間聯營企業權益的減值評估

請參閱綜合財務報表附註20及第128-130頁的會計政策。

關鍵審核事項

貴集團擁有一間聯營企業Fission Uranium Corp 19.92%權益，Fission Uranium Corp為一間於加拿大上市的公司。於2017年12月31日，貴集團持有該間聯營企業的權益約550,202,000港元。

於截至2017年12月31日止年度期間，聯營企業業務產生虧損。於回顧業務、行業前景和市況後，由於收購日至報告期完結期間鈾價格有下降的趨勢及加拿大元匯率波動，因此存在對聯營企業權益減值的風險；管理層對聯營企業的權益進行了減值評估。

由於估算聯營企業權益可收回金額的估值方法及假設涉及管理層的重大判斷，因此我們判斷為關鍵審核事項。

我們的審核如何處理該事項

我們旨在審查管理層對減值指標的評估，並對估值模式中用以估算聯營企業的可收回金額而使用的方法及假設的合理性進行了解及評估。

我們已與管理層和組成部分核數師討論及評估潛在減值指標，並於識別有關指標後，評估管理層的減值測試。

我們已評估估值方法，並與第三方資料來源的重要輸入作比較。我們還基於我們對業務及行業的知識，對管理層所使用的關鍵假設及重要判斷進行了解及評估。

Independent Auditor's Report 獨立核數師報告

IMPAIRMENT ASSESSMENT ON THE INTEREST IN A JOINT VENTURE

Refer to note 19 to the consolidated financial statements and the accounting policies on pages 128-130.

The key audit matter

The Group has 49% interest in a joint venture, Semizbay-U Limited Liability Partnership. As at 31 December 2017, the interest in a joint venture held by the Group is approximately HK\$161,280,000.

During the year ended 31 December 2017, the joint venture has incurred loss in operation. Following a review of the business, the outlook for the industry and the market conditions, as the uranium price was in a decreasing trend from the beginning to the end of reporting period, there is a risk of impairment in respect of the interest in a joint venture; management has carried out the impairment assessment on the interest in a joint venture.

We considered this a key audit matter because this involves a significant degree of management judgement in respect of the valuation methods and assumptions for the estimation of the recoverable amount of the interest in the joint venture.

How the matter was addressed in our audit

Our procedures were designed to review the management's assessment of the indicators of impairment and understand and assess the reasonableness of the methods and assumptions used in the valuation model to estimate the recoverable amount of the joint venture.

We have discussed and assessed the indicators of possible impairment with the management and the component auditors and, where such indicators were identified, assessed the management's impairment testing.

We have assessed the valuation methodology and compared significant inputs to third party sources. We have also understood and assessed the key assumptions and critical judgement used by the management based on our knowledge of the business and industry.

一間合營企業權益的減值評估

請參閱綜合財務報表附註 19 及第 128-130 頁的會計政策。

關鍵審核事項

貴集團擁有一間合營企業謝米茲拜伊有限合夥企業 49% 權益。於 2017 年 12 月 31 日，貴集團持有該間合營企業的權益約 161,280,000 港元。

於截至 2017 年 12 月 31 日止年度期間，合營企業業務產生虧損。於回顧業務、行業前景和市況後，由於報告日開始至結束期間，鈾價格有下降的趨勢，因此存在對合營企業權益減值的風險；管理層對合營企業的權益進行了減值評估。

由於估算合營企業權益可收回金額的估值方法和假設涉及管理層的重大判斷，因此我們判斷為關鍵審核事項。

我們的審核如何處理該事項

我們旨在審查管理層對減值指標的評估，並對估值模式中用以估算合營企業的可收回金額使用的方法及假設的合理性進行了解及評估。

我們已與管理層和組成部分核數師討論及評估潛在減值指標，並於識別有關指標後，評估管理層的減值測試。

我們已評估估值方法，並與第三方資料來源的重要輸入作比較。我們還基於我們對業務及行業的知識，對管理層所使用的關鍵假設及重要判斷進行了了解及評估。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他資料

貴公司董事需為其他資料負責。其他資料包括年度報告內所有資料，但不包括綜合財務報表及相關核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對其他資料發表任何形式的鑒證結論。

審核綜合財務報表時，我們的責任為閱讀其他資料，於此過程中，考慮其他資料是否與綜合財務報表或我們於審核過程中所瞭解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於我們已執行的工作，倘我們認為其他資料有重大錯誤陳述，我們須報告該事實。

於此方面，我們沒有任何報告。

貴公司董事及治理層對綜合財務報表之責任

貴公司董事之責任乃按香港會計師公會頒佈的香港財務報告準則及香港《公司條例》披露規定編製該等綜合財務報表，真實而公平地呈列其內容以及進行 貴公司董事認為必要之內部監控，確保綜合財務報表之不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時， 貴公司董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非 貴公司董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

治理層須負責監督 貴集團的財務報告過程。

Independent Auditor's Report 獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

核數師對審核綜合財務報表之 責任

我們的目標乃對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告，並按照協定的委聘條款僅向閣下(作為一個整體)報告，除此之外，本報告不作其他用途。我們概不就本報告內容對任何其他人士負責或承擔責任。合理保證為高水平的保證，但不能保證按照香港審核準則進行的審核總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則被視為重大錯誤陳述。

根據香港審核準則進行審核時，我們運用專業判斷，於整個審核過程中保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足及適當的審核憑證，作為我們提供意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 瞭解與審核相關的內部控制，以設計在有關情況下屬適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估貴公司董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。

Independent Auditor's Report 獨立核數師報告

- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 總結 貴公司董事採用持續經營會計基礎的適當性，並根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請注意綜合財務報表中的相關披露。假若有關的披露不足，則修訂我們的意見。我們的結論乃基於截至核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致 貴集團不能持續經營業務。
- 評估綜合財務報表的整體列報方式、結構及內容(包括披露)事項以及綜合財務報表是否公平反映相關交易及事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足適當的審核憑證，以便對綜合財務報表發表意見。我們負責 貴集團審核的指導、監督及執行。我們為審核意見承擔全部責任。

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

我們與治理層溝通審核的計劃範圍及時間以及重大審核發現等，其中包括我們在審核中識別出內部控制的任何重大不足之處。

我們亦向治理層提交聲明，表明我們已符合有關獨立性的相關專業道德要求，並就所有被合理認為會影響我們獨立性的關係及其他事項以及相關的防範措施(如適用)與治理層溝通。

Independent Auditor's Report 獨立核數師報告

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pang Wai Hang.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Pang Wai Hang

Practising Certificate Number: P05044

Hong Kong
27 March 2018

從與治理層溝通的事項中，我們決定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。我們在核數師報告中闡釋該等事項，除非法律或規例不允許公開披露該等事項，或在極端罕見的情況下，若有合理預期於我們報告中註明某事項造成的負面後果將超過其產生的公眾利益，則本行決定不應在報告中註明該事項。

出具獨立核數師報告的審核項目合夥人為彭衛恒。

信永中和(香港)會計師事務所有限公司

執業會計師

彭衛恒

執業證書號碼：P05044

香港
2018年3月27日

Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表

For the year ended 31 December 2017 截至2017年12月31日止年度

		NOTES 附註	2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Revenue	營業額	8	372,790	707,749
Cost of sales	銷售成本		(253,774)	(284,244)
Gross profit	毛利		119,016	423,505
Other operating income	其他經營收入	8	19,753	7,269
Administrative expenses	行政開支		(34,366)	(41,278)
Changes in fair value of investment properties	投資物業公允值變動	18	358	2,158
Share of results of a joint venture	應佔一間合營企業業績		(20,558)	44,575
Share of results of an associate	應佔一間聯營企業業績		(16,457)	33,284
Finance costs	融資成本	10	-	(5,601)
Profit before taxation	除稅前溢利		67,746	463,912
Income tax expenses	所得稅支出	11	(15,668)	(74,782)
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利	12	52,078	389,130
Earnings per share	每股盈利	14		
Basic	基本		HK0.79 cents 0.79 港仙	HK7.05 cents 7.05 港仙
Diluted	攤薄		HK0.79 cents 0.79 港仙	HK6.61 cents 6.61 港仙

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2017 截至2017年12月31日止年度

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Profit for the year	本年度溢利	52,078	389,130
Other comprehensive income (expenses):	其他全面收益(開支):		
<i>Items that may be subsequently reclassified to profit or loss:</i>	<i>其後或可重新分類至損益的項目:</i>		
Exchange differences on translation of financial statements of subsidiaries	換算附屬公司財務報表產生之匯兌差異	5,332	(4,412)
Exchange differences on translation of financial statements of a joint venture	換算一間合營企業財務報表產生之匯兌差異	2,457	3,620
Exchange differences on translation of financial statements of an associate	換算一間聯營企業財務報表產生之匯兌差異	42,843	29,459
Other comprehensive income for the year	本年度其他全面收益	50,632	28,667
Total comprehensive income for the year	本年度全面收益總額	102,710	417,797

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2017 於2017年12月31日

			31 December 2017 2017年 12月31日 HK\$'000 千港元	31 December 2016 2016年 12月31日 HK\$'000 千港元
		NOTES 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	16,529	17,347
Investment properties	投資物業	18	31,427	29,021
Interest in a joint venture	於一間合營企業之權益	19	161,280	186,467
Interest in an associate	於一間聯營企業之權益	20	550,202	520,316
			759,438	753,151
Current assets	流動資產			
Trade and other receivables	應收賬款及其他應收款項	21	128,900	8,886
Amount due from an intermediate holding company	應收一間中間控股公司款項	22	1,546	2,650
Amounts due from fellow subsidiaries	應收同系附屬公司款項	23	-	1,080,947
Bank balances and cash	銀行結存及現金	24	1,017,111	40,915
Income tax recoverable	可收回所得稅款		4,280	-
			1,151,837	1,133,398
Total assets	資產總值		1,911,275	1,886,549
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	25	90,152	8,803
Amount due to an intermediate holding company	應付一間中間控股公司款項	22	6,490	13,238
Amount due to a joint venture	應付一間合營企業款項	26	5,513	5,813
Amounts due to fellow subsidiaries	應付同系附屬公司款項	23	1,212	378
Income tax payable	應付所得稅		4,047	26,353
			107,414	54,585
Net current assets	流動資產淨值		1,044,423	1,078,813
Total assets less current liabilities	資產總值減流動負債		1,803,861	1,831,964

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2017 於2017年12月31日

			31 December 2017 2017年 12月31日 HK\$'000 千港元	31 December 2016 2016年 12月31日 HK\$'000 千港元
		NOTES 附註		
Capital and reserves	資本及儲備			
Share capital	股本	27	66,007	66,007
Reserves	儲備		1,724,748	1,750,552
Total equity	權益總額		1,790,755	1,816,559
Non-current liability	非流動負債			
Deferred tax liabilities	遞延稅項負債	29	13,106	15,405
			1,803,861	1,831,964

The consolidated financial statements on pages 106 to 210 were approved and authorised for issue by the board of directors on 27 March 2018 and are signed on its behalf by:

載於第106至210頁之綜合財務報表於2018年3月27日經董事會批准及授權刊發，並由下列董事代表簽署：

Director 董事

Director 董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2017 截至2017年12月31日止年度

		Equity attributable to owners of the Company							
		本公司擁有人應佔權益							
		Share capital	Share premium	Exchange translation reserve	Share options reserve	Reserve fund	Retained earnings	Other reserve	Total
		股本	股份溢價	匯兌儲備	購股權儲備	儲備基金	保留盈利	其他儲備	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
						(Note a)		(Note b)	
						(附註 a)		(附註 b)	
At 1 January 2017	於2017年1月1日	66,007	1,681,112	(597,839)	154	27,583	722,258	(82,716)	1,816,559
Profit for the year	本年度溢利	-	-	-	-	-	52,078	-	52,078
Other comprehensive income for the year:	本年度其他全面收益：								
Exchange differences on translation of financial statements of subsidiaries	換算附屬公司財務報表產生之匯兌差異	-	-	5,332	-	-	-	-	5,332
Exchange differences on translation of financial statements of a joint venture	換算一間合營企業財務報表產生之匯兌差異	-	-	2,457	-	-	-	-	2,457
Exchange differences on translation of financial statements of an associate	換算一間聯營企業財務報表產生之匯兌差異	-	-	42,843	-	-	-	-	42,843
Total comprehensive income for the year	本年度全面收益總額	-	-	50,632	-	-	52,078	-	102,710
Dividend recognised as distribution (note 13)	確認為分派之股息(附註13)	-	-	-	-	-	(132,014)	-	(132,014)
Share of other reserve of an associate	應佔一間聯營企業其他儲備	-	-	-	-	-	-	3,500	3,500
At 31 December 2017	於2017年12月31日	66,007	1,681,112	(547,207)	154	27,583	642,322	(79,216)	1,790,755

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2017 截至2017年12月31日止年度

		Equity attributable to owners of the Company 本公司擁有人應佔權益								
		Equity component of			Exchange	Share	Reserve	Retained	Other	Total
		Share capital	Share premium	convertible bonds	translation reserve	options reserve	fund	earnings	reserve	
		股本	股份溢價	可換股債券	匯兌儲備	購股權	儲備基金	保留盈利	其他儲備	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
							(Note a)		(Note b)	
							(附註a)		(附註b)	
At 1 January 2016	於2016年1月1日	46,369	995,873	69,414	(626,506)	154	27,583	333,128	(86,365)	759,650
Issued of shares upon conversion of convertible bonds	於轉換可換股債券時發行股份	13,044	351,904	(69,414)	-	-	-	-	-	295,534
Profit for the year	本年度溢利	-	-	-	-	-	-	389,130	-	389,130
Other comprehensive (expense) income for the year:	本年度其他全面(開支)收益									
Exchange differences on translation of financial statements of subsidiaries	換算附屬公司財務報表產生之匯兌差異	-	-	-	(4,412)	-	-	-	-	(4,412)
Exchange differences on translation of financial statements of a joint venture	換算一間合營企業財務報表產生之匯兌差異	-	-	-	3,620	-	-	-	-	3,620
Exchange differences on translation of financial statements of an associate	換算一間聯營企業財務報表產生之匯兌差異	-	-	-	29,459	-	-	-	-	29,459
Total comprehensive income for the year	本年度全面收益總額	-	-	-	28,667	-	-	389,130	-	417,797
Issue of new shares, net of transaction cost	發行新股份(扣除交易成本)	6,594	333,335	-	-	-	-	-	-	339,929
Share of other reserve of an associate	應佔一間聯營企業其他儲備	-	-	-	-	-	-	-	3,649	3,649
At 31 December 2016	於2016年12月31日	66,007	1,681,112	-	(597,839)	154	27,583	722,258	(82,716)	1,816,559

Note (a): Subsidiaries in the People's Republic of China (the "PRC") have appropriated 10% of the profit to reserve fund. The reserve fund is required to be retained in the accounts of the subsidiaries for specific purposes.

附註(a): 於中華人民共和國(「中國」)成立之附屬公司須將溢利之10%撥入儲備基金。儲備基金須保留於附屬公司之賬目內作特定用途。

Note (b): The other reserve represents (i) the difference between the consideration of United States dollars ("USD") 133,000,000 (equivalent to approximately HK\$1,030,899,000) and the aggregate paid-in capital of 北京中哈鈾資源投資有限公司 (for identification purpose, in English, Beijing Sino-Kazakh Uranium Resources Investment Company Limited, referred to as "Beijing Sino-Kazakh") of Renminbi ("RMB") 823,770,000 (equivalent to approximately HK\$944,534,000) acquired under business combinations under common control and (ii) share of other reserve of an associate.

附註(b): 其他儲備指(i)根據共同控制下之業務合併收購的代價133,000,000美元(相當於約1,030,899,000港元)與北京中哈鈾資源投資有限公司(「北京中哈鈾」)實繳資本總額人民幣823,770,000元(相當於約944,534,000港元)之間的差額及(ii)應佔一間聯營企業的其他儲備。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017 截至2017年12月31日止年度

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
OPERATING ACTIVITIES	經營活動		
Profit before taxation	除稅前溢利	67,746	463,912
Adjustments for:	調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,849	1,950
Changes in fair value of investment properties	投資物業公允值變動	(358)	(2,158)
Finance costs	融資成本	-	5,601
Interest income	利息收入	(16,733)	(46)
Interest income from overdue sale proceeds of disposal of subsidiaries	出售附屬公司之逾期應收款之利息收入	-	(269)
Loan interest income from fellow subsidiaries	同系附屬公司之貸款利息收入	-	(4,273)
Trade deposit interest income from a joint venture	一間合營企業之預付款利息收入	-	(161)
Share of results from a joint venture	應佔一間合營企業業績	20,558	(44,575)
Share of results from an associate	應佔一間聯營企業業績	16,457	(33,284)
Operating cash flow before movements in working capital	營運資金變動前之經營現金流量	89,519	386,697
(Increase) decrease in trade and other receivables	應收賬款及其他應收款項(增加)減少	(115,805)	121,517
Increase (decrease) in trade and other payables	應付賬款及其他應付款項增加(減少)	81,349	(37,667)
(Decrease) increase in current account with an intermediate holding company	一間中間控股公司往來款項(減少)增加	(6,314)	8,990
(Decrease) increase in amount due to a joint venture	應付一間合營企業款項(減少)增加	(300)	2,521
Increase (decrease) in amounts due to fellow subsidiaries	應付同系附屬公司款項增加(減少)	793	(2,503)
Cash from operations	經營業務所得現金	49,242	479,555
Hong Kong tax paid	已付香港稅項	(44,084)	(62,053)
The United Kingdom Corporation Tax paid	已付英國企業稅	(650)	(1,371)
NET CASH FROM OPERATING ACTIVITIES	經營活動所得現金淨額	4,508	416,131

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017 截至2017年12月31日止年度

			2017	2016
		Notes	2017年	2016年
		附註	HK\$'000	HK\$'000
			千港元	千港元
INVESTING ACTIVITIES	投資活動			
Transfer from amounts due from fellow subsidiaries to bank balances and cash	轉撥應收同系附屬公司款項至銀行結存及現金	24	1,080,947	-
Repayment from fellow subsidiaries	同系附屬公司還款		-	1,051,153
Interest income from fellow subsidiaries	同系附屬公司之利息收入		-	4,449
Interest income from overdue trade receivable from an intermediate holding company	一間中間控股公司之逾期應收賬款之利息收入		-	3,577
Interest income from overdue sale proceeds of disposal of subsidiaries	出售附屬公司之逾期應收款之利息收入		-	269
Interest income received	已收利息收入		12,524	46
Trade deposit interest income from a joint venture	一間合營企業之預付款利息收入		-	161
Dividend received from a joint venture	收取一間合營企業的股息		7,086	-
Deposits advanced to fellow subsidiaries	向同系附屬公司提供之存款		-	(1,655,517)
Purchase of property, plant and equipment	購買物業、廠房及設備		-	(5)
Cash inflow from deferred cash consideration from disposal of subsidiaries	出售附屬公司之遞延現金對價之現金流入		-	35,000
Acquisition of an associate	收購一間聯營企業	36	-	(437,363)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	投資活動所得(所用)現金淨額		1,100,557	(998,230)
FINANCING ACTIVITIES	融資活動			
Dividend paid	已付股息		(132,014)	-
Net proceeds from issue of shares by subscription	認購發行股份所得款項淨額		-	339,929
NET CASH (USED IN) FROM FINANCING ACTIVITIES	融資活動(所用)所得現金淨額		(132,014)	339,929
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加(減少)淨額		973,051	(242,170)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	於年初之現金及現金等值項目		40,915	285,528
Effect of foreign exchange rate changes	匯率變動影響		3,145	(2,443)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	於年終之現金及現金等值項目，即銀行結存及現金		1,017,111	40,915

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

1. GENERAL

CGN Mining Company Limited (the “Company”) was incorporated in Cayman Islands as an exempted company with limited liabilities. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its parent is 中國鈾業發展有限公司 (China Uranium Development Company Limited) (“China Uranium Development”), a company incorporated in Hong Kong and a wholly-owned subsidiary of 中廣核鈾業發展有限公司 (CGNPC Uranium Resources Co. Ltd.) (“CGNPC-URC”), which is in turn a subsidiary of 中國廣核集團有限公司 (China General Nuclear Power Corporation) (“CGNPC”). CGNPC is the ultimate parent of the Company. Both CGNPC-URC and CGNPC were established in the PRC and state-owned enterprises.

The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the Annual Report.

The principal activities of the Company and its subsidiaries (collectively referred to the “Group”) are property investment, trading of natural uranium and other investments.

The functional currency of the Company is USD. As the Company is listed in Hong Kong, the directors of the Company consider that it is appropriate to present the consolidated financial statements in Hong Kong dollars (“HK\$”).

1. 一般資料

中廣核礦業有限公司(「本公司」)為於開曼群島註冊成立之獲豁免有限公司，本公司股份於香港聯合交易所有限公司(「聯交所」)上市。其母公司為中國鈾業發展有限公司(「中國鈾業發展」)，該公司為一家於香港註冊成立的公司，並為中廣核鈾業發展有限公司(「中廣核鈾業發展」)的全資附屬公司，後者為中國廣核集團有限公司(「中廣核集團公司」)的附屬公司。中廣核集團公司為本公司的最終母公司。中廣核鈾業發展及中廣核集團公司均於中國成立的國有企業。

本公司之註冊辦事處及主要營業地點地址載於年報之「公司資料」一節。

本公司及其附屬公司(統稱「本集團」)之主要業務為物業投資、天然鈾貿易及其他投資。

本公司之功能貨幣為美元。由於本公司於香港上市，故本公司董事認為綜合財務報表以港元(「港元」)呈列乃恰當做法。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”)

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards (“HKAS(s)”), amendments and Interpretations (“Int(s)”), issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle: Amendments to HKFRS 12
Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

The application of the new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團已應用下列由香港會計師公會（「香港會計師公會」）頒佈之新訂及經修訂香港財務報告準則，包括香港財務報告準則、香港會計準則（「香港會計準則」）、修訂及詮釋。

香港財務報告準則修訂本	香港財務報告準則 2014年至2016年週期的年度改進：香港財務報告第12號修訂本
香港會計準則第7號修訂本	披露計劃
香港會計準則第12號修訂本	就未變現虧損確認遞延稅項資產

於本年度應用新訂及經修訂香港財務報告準則對本集團本年度及過往年度的財務表現及狀況及／或此等綜合財務報表所載之披露事項並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”) (Continued)

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ³
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但仍未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用下列已頒佈惟尚未生效之新訂或經修訂香港財務報告準則：

香港財務報告準則第9號(2014年)	金融工具 ¹
香港財務報告準則第15號	來自客戶的合約收入 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第17號	保險合約 ³
香港財務報告準則修訂本	香港財務報告準則2014年至2016年週期的年度改進 ¹
香港財務報告準則修訂本	香港財務報告準則2015年至2017年週期的年度改進 ²
香港財務報告準則第2號修訂本	以股份為基礎支付交易的分類及計量 ¹
香港財務報告準則第4號修訂本	與香港財務報告準則第4號保險合同一併應用之香港財務報告準則第9號金融工具 ¹
香港財務報告準則第9號修訂本	具有負補償之提前還款特性 ²

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”) (Continued)

New and revised HKFRSs issued but not yet effective (Continued)

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 28	Long-term Investments in Associates and Joint Ventures ²
Amendments to HKAS 40	Transfer of Investment Property ¹
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ²

- ¹ Effective for annual periods beginning on or after 1 January 2018.
- ² Effective for annual periods beginning on or after 1 January 2019.
- ³ Effective for annual periods beginning on or after 1 January 2021.
- ⁴ Effective date not yet been determined.

The directors of the Company anticipate that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但仍未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第10號及香港會計準則第28號修訂本	投資者與其聯營或合營企業之間資產出售或注資 ⁴
香港會計準則第28號修訂本	聯營公司及合營企業長期投資 ²
香港會計準則第40號修訂本	投資物業轉移 ¹
香港（國際財務報告詮釋委員會）—詮釋第22號	外幣交易及預付代價 ¹
香港（國際財務報告詮釋委員會）—詮釋第23號	所得稅處理的不確定性 ²

- ¹ 於2018年1月1日或之後開始之年度期間生效。
- ² 於2019年1月1日或之後開始之年度期間生效。
- ³ 於2021年1月1日或之後開始之年度期間生效。
- ⁴ 生效日期尚未獲釐定。

本公司董事預期，除下文所述者外，應用新訂及經修訂香港財務報告準則對本集團的業績及財務狀況並無重大影響。

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綜合財務報表附註

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”) (Continued)

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a “fair value through other comprehensive income” (“FVTOCI”) measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an “expected credit loss” model for impairment assessments.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號（2014年）—金融工具

於2009年頒佈之香港財務報告準則第9號引入金融資產之分類及計量之新規定。其後於2010年修訂之香港財務報告準則第9號加入金融負債之分類及計量及中止確認之規定。2013年，香港財務報告準則第9號經再行修訂大幅修改對沖會計，允許實體在財務報表中更好的反映彼等的風險管理活動。於2014年頒佈香港財務報告準則第9號的最終版本加入於先前年度頒佈的香港財務報告準則第9號的所有規定，藉為若干金融資產引入透過「按公允值列賬並於其他全面收益內處理」（「按公允值列賬並於其他全面收益內處理」）計量類別，對分類及計量規定作出有限修訂。香港財務報告準則第9號的最終版本亦為減值評估引入了「預期信貸虧損」樣本。

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綜合財務報表附註

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”) (Continued)

HKFRS 9 (2014) Financial Instruments (Continued)

Key requirements of HKFRS 9 (2014) that are relevant to the Group are described as follows:

- All recognised financial assets that are within the scope of HKFRS 9 (2014) to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號(2014年)－金融工具(續)

與本集團相關之香港財務報告準則第9號(2014年)之主要規定載述如下：

- 所有符合香港財務報告準則第9號(2014年)已確認金融資產其後將按攤銷成本或公允值計量。具體而言，根據業務模式以收取合約現金流量為目的持有及合約現金流量純粹為支付本金及未償還本金之利息之債務投資，一般於其後報告期間結束時按攤銷成本計量。於目的為同時收回合約現金流及出售金融資產之業務模式中持有之債務工具，以及金融資產條款令於特定日期產生之現金流純粹為支付本金及未償還本金之利息的債務工具，按透過按公允值列賬並於其他全面收益內處理之方式計量。所有其他債務投資及股權投資乃按於其後報告期間結束時之公允值計量。此外，根據香港財務報告準則第9號(2014年)，實體可以不可撤回地選擇在其他全面收益中呈列股權投資(並非持作買賣)之其後公允值變動，並只在損益中確認股息收入。

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For the year ended 31 December 2017 截至2017年12月31日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”) (Continued)

HKFRS 9 (2014) Financial Instruments (Continued)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.
- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號(2014年)－金融工具(續)

- 就指定為按公允值計入損益之金融負債而言，香港財務報告準則第9號(2014年)規定該負債信貸風險變動導致之金融負債公允值變動金額於其他全面收益呈列，除非在其他全面收益確認負債之信貸風險變動影響會導致或擴大損益上之會計錯配。金融負債信貸風險變動導致之公允值變動其後不會重新分類至損益。根據香港會計準則第39號，指定為按公允值計入損益之金融負債公允值變動全數金額於損益列報。
- 在減值評估方面，加入了有關實體對其金融資產及提供信貸承擔之預期信貸虧損會計之減值規定。該等規定消除香港會計準則第39號就確認信貸虧損所定的門檻。根據香港財務報告準則第9號(2014年)之減值方法，於確認信貸虧損前毋須已發生信貸事件。反之，實體須一直將預期信貸虧損以及此等預期信貸虧損之變動入賬。預期信貸虧損之金額在各報告日期進行更新，以反映自初始確認以來信貸風險之變動，因此，已就預期信貸虧損提供適時的資料。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”) (Continued)

HKFRS 9 (2014) Financial Instruments (Continued)

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號（2014年）—金融工具（續）

- 香港財務報告準則第9號（2014年）引入新模式，允許公司在對沖彼等之金融及非金融風險時更好地利用所進行的風險管理活動調整對沖會計。香港財務報告準則第9號（2014年）是一種以原則為基礎的方法，著眼於風險組成部分是否可供確認及計量，但並不區分金融項目和非金融項目。該新模式亦允許實體利用內部產生的資料進行風險管理作為對沖會計的基準。根據香港會計準則第39號，有必要使用僅用作會計目的度量來展現相對於香港會計準則第39號的合格性及合規性。該新模式亦包括合格性標準，但該等標準基於對沖關係優勢的經濟評估。可以利用風險管理數據釐定。相較於香港會計準則第39號之對沖會計內容，應該可以降低實行成本，乃因其降低了僅為會計處理所需進行的分析量。

香港財務報告準則第9號（2014年）將於2018年1月1日或之後開始之年度期間生效，允許提早應用。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”) (Continued)

HKFRS 9 (2014) Financial Instruments (Continued)

The directors of the Company has performed a preliminary analysis of the Group’s financial instruments as at 31 December 2017 based on the fact and circumstances existing at that date. The directors of the Company have assessed the impact of adoption of HKFRS 9 (2014) on the Group’s results and financial position, including the classification categories and the measurement of financial assets, and disclosures, as follows:

(a) *Impairment*

The application of the expected credit loss model may result in earlier recognition of credit losses for trade and other receivables and increase the amount of impairment allowance recognised for these items.

The directors of the Company will perform a more detailed analysis which considers all reasonable and supportable information for the estimation of the effect of adoption of HKFRS 9 (2014). Based on the preliminary assessment, the directors of the Company expect that the adoption of HKFRS 9 (2014) will not have other material impact on amounts reported in the Group’s consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號（2014年）—金融工具（續）

本公司董事已根據當時存在的事實及狀況，於2017年12月31日對本集團的金融工具進行初步分析。本公司董事已評估採納香港財務報告準則第9號（2014年）對本集團業績及財務狀況（包括分類類別及金融資產計量及披露）的影響如下：

(a) *減值*

應用預期信貸虧損模型可能導致提早確認應收賬款及其他應收款項的信貸虧損並增加就該等項目確認的減值撥備金額。

本公司董事將進行更詳細分析，考慮採納香港財務報告準則第9號（2014年）之影響之估計所有合理及可支持之資料。根據初步評估，本公司董事預期採納香港財務報告準則第9號（2014年）將不會對本集團綜合財務報表所呈報金額造成其他重大影響。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”) (Continued)

HKFRS 15 Revenue from Contracts with Customers

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

- i) Identify the contract with the customer;
- ii) Identify the performance obligations in the contract;
- iii) Determine the transaction price;
- iv) Allocate the transaction price to the performance obligations; and
- v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第15號－來自客戶合約的收入

香港財務報告準則第15號的核心原則為實體所確認描述向客戶轉讓承諾貨品或服務的收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得的代價。因此，香港財務報告準則第15號引入適用於客戶合約的模型，其特點為以合約為基礎，對交易進行五項分析，以釐定是否確認收益、確認收益之金額及確認收益之時間。五個步驟如下：

- i) 識別與客戶訂立的合約；
- ii) 識別合約中的履約責任；
- iii) 釐定交易價；
- iv) 將交易價分配至合約中的履約責任；及
- v) 於實體完成履約責任時（或就此）確認收益。

香港財務報告準則第15號亦引用大量定性及定量的披露要求，為財務報告使用者了解自與客戶所訂立合約所產生之收入及現金流之性質、金額、時間及不確定性等全面質化及量化資訊。

於香港財務報告準則第15號生效後，其將取代現時包括香港會計準則第18號－收益、香港會計準則第11號－建築合約及相關詮釋的收益確認指引。

香港財務報告準則第15號將於2018年1月1日或之後開始之年度期間生效，允許提早應用。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”) (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

The major sources of revenue of the Group are sales of goods, investment income and rental income. Under HKFRS 15, revenue is recognised for each of the performance obligations when control over a good or service is transferred to a customer. The directors of the Company have preliminarily assessed each type of the performance obligations and consider that the performance obligations are similar to the current identification of separate revenue components under HKAS 18 Revenue. Furthermore, HKFRS 15 requires the transaction price to be allocated to each performance obligation on a relative stand-alone selling price basis, which may affect the timing and amounts of revenue recognition, and results in more disclosures in the consolidated financial statements. However, the directors of the Company expect that the adoption of HKFRS 15 will not have a material impact on the timing and amounts of revenue recognised based on the existing business model of the Group as at 31 December 2017.

HKFRS 16 Leases

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees.

In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第15號－來自客戶合約的收入（續）

本集團的主要收入來源為銷售貨品、投資收入及租金收入。根據香港財務報告準則第15號，當對貨品或服務的控制權轉移至客戶時，收益按每項表現責任確認。本公司董事已初步評估各類履約責任，並認為履約責任與香港會計準則第18號－收益項下目前確定的獨立收入組成部分相若。此外，香港財務報告準則第15號要求將交易價格按相對獨立售價基準分配至各項履約責任，其可能影響收益確認的時間及金額，並導致綜合財務報表出現更多披露。然而，本公司董事預期於2017年12月31日採納香港財務報告準則第15號將不會對本集團現有業務模式的收益確認時間及金額造成重大影響。

香港財務報告準則第16號－租賃

香港財務報告準則第16號為租賃安排之識別以及其於出租人及承租人財務報表之處理方式提供一個綜合模型。

就承租人會計處理而言，該準則引入單一承租人會計處理模式，規定承租人就租賃期超過十二個月的所有租賃確認資產及負債，惟相關資產價值較低則除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”) (Continued)

HKFRS 16 Leases (Continued)

At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 Property, Plant and Equipment, while interest accrual on lease liability will be charged to profit or loss.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

HKFRS 16 will supersede the current lease standards including HKAS 17 Leases and the related Interpretations when it becomes effective.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號－租賃（續）

於租賃開始日期，承租人須按成本確認使用權資產，包括租賃負債之初始計量金額，加上於開始日期或之前向出租人作出之任何租賃付款，扣除任何已收取之租賃優惠、初始估計修復成本及承租人所產生之任何初始直接成本。租賃負債初步按於租賃付款尚未支付當日之現值確認。

其後，使用權資產按成本減任何累計折舊及任何累計減值虧損計量，並就任何重新計量之租賃負債作出調整。租賃負債之其後計量方式為透過增加賬面值以反映租賃負債之利息，透過削減賬面值以反映所作出之租賃付款，以及透過重新計量賬面值以反映任何重新評估或租賃修訂或反映經修訂之實質固定租賃付款。使用權資產之折舊及減值費用（如有）將按照香港會計準則第16號－物業、廠房及設備之規定計入損益，而租賃負債之應計利息將於損益內扣除。

就出租人會計處理而言，香港財務報告準則第16號實質上沿用香港會計準則第17號的出租人會計規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並以不同方式將此兩類租賃入賬。

香港財務報告準則第16號生效後，將取代現有租賃準則，包括香港會計準則第17號－租賃及相關詮釋。

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綜合財務報表附註

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”) (Continued)

HKFRS 16 Leases (Continued)

HKFRS 16 will become effective for annual periods beginning on or after 1 January 2019 with early application permitted provided that the entity has applied HKFRS 15 Revenue from Contracts with Customers at or before the date of initial application of HKFRS 16.

As at 31 December 2017, the Group has non-cancellable operating lease commitments of HK\$4,683,000 as disclosed in note 33. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in the measurement, presentation and disclosure as indicated above. The directors of the Company are in the process to determine the amounts of right-of-use assets and lease liabilities to be recognised in the consolidated statement of financial position, after taking into account all practical expedients and recognition exemption under HKFRS 16. The directors of the Company expect that the adoption of HKFRS 16 will not have material impact on the Group's result but certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties that are measured at fair values.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號－租賃（續）

香港財務報告準則第16號將於2019年1月1日或之後開始的年度期間生效，並可提早應用，惟該實體於首次應用香港財務報告準則第16號之日或之前應用香港財務報告準則第15號客戶合約收入。

如附註33所披露，於2017年12月31日，本集團之不可撤銷經營租賃承擔約為4,683,000港元。初步評估顯示，此等安排將符合香港財務報告準則第16號項下之租賃定義，因此本集團將確認所有此等租賃之使用權資產及相應之負債，除非其於應用香港財務報告準則第16號後符合低價值或短期租賃。此外，應用新規定可能導致上文所述計量，呈列及披露的變動。根據香港財務報告準則第16號，本公司董事考慮所有實際權宜之計及確認豁免後，正釐定將於綜合財務狀況表確認之使用權資產及租賃負債金額。本公司董事預期採納香港財務報告準則第16號將不會對本集團業績造成重大影響，惟該等租賃承擔的若干部分將須於綜合財務狀況表內確認為使用權資產及租賃負債。

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及香港《公司條例》適用之披露規定。

綜合財務報表乃按歷史成本基準編製，惟投資物業則按公允值計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. its subsidiaries). If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. When the Group has less than a majority of the voting rights of an investee, power over the investee may be obtained through: (i) a contractual arrangement with other vote holders; (ii) rights arising from other contractual arrangements; (iii) the Group's voting rights and potential voting rights; or (iv) a combination of the above, based on all relevant facts and circumstances.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

3. 主要會計政策 (續)

歷史成本一般根據交換商品及服務提供代價之公允值計算。

公允值為市場參與者於現時市況下於計量日在主要(或最有利)市場因出售資產而收取或因轉讓負債而支付之價格(即平倉價)，不論該價格是否直接觀察或利用其他估值方法估計。公允值計量詳情闡述於下文載列之會計政策。主要會計政策載於下文：

主要會計政策載於下文：

綜合基準

綜合財務報表包括本公司及受本公司所控制實體(即其附屬公司)之財務報表。倘附屬公司編製其財務報表所採用之會計政策並非綜合財務報表中就類似情況下之類似交易及事件採用之會計政策，則應在編製綜合財務報表時在該附屬公司之財務報表中作出適當調整以確保與本集團所採取之會計政策相一致。

倘本集團(i)對投資對象擁有權力；(ii)對參與投資對象而獲得之可變回報須承擔風險或擁有權利；及(iii)可對投資對象行使其權力以影響本集團之回報金額，則獲得控制權。倘本集團於投資對象之投票權未能佔大多數，則可根據所有相關因素及情況通過以下途徑取得對投資對象之權力：(i)與其他投票權持有人訂立合約安排；(ii)其他合約安排產生之權利；(iii)本集團之投票權及潛在投票權；或(iv)上述途徑之組合。

倘相關事實及情況表明上述控制權之相關元素中一項或多項元素發生變動，則本公司會重估是否其對投資對象具有控制權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Company obtains control of the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Investments in an associate and a joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

3. 主要會計政策 (續)

綜合基準 (續)

當本公司獲得附屬公司之控制權時，附屬公司之綜合開始而當本集團失去附屬公司之控制權時則附屬公司之綜合終止。

於本集團取得控制權日期直至本集團不再控制附屬公司日期期間，附屬公司之收支計入綜合損益及其他全面收益表。

附屬公司之損益及其他全面收益之各部分歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此情況導致非控股權益產生虧絀結餘。

與本集團實體間之交易有關之所有集團內公司間資產及負債、權益、收益、開支及現金流量於綜合時全數撤銷。

於聯營及合營企業之投資

聯營企業指本集團能對其行使重大影響力。重大影響力指可參與受投資公司之財務及營運決策但不是控制或共同控制該等政策之權力。

合營企業指一項共同安排，對安排擁有共同控制權之訂約方據此對安排之資產淨值擁有權利。共同控制是指按照合約約定對某項安排所共有的控制，共同控制僅在當相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

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綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments in an associate and a joint venture (Continued)

The Group's investments in an associate and a joint venture are accounted for in the consolidated financial statements using the equity method. Under the equity method, investments in an associate and a joint venture are initially recognised at cost. The Group's share of the profit or loss and changes in the other comprehensive income of the associate and joint venture are recognised in profit or loss and other comprehensive income respectively after the date of acquisition. If the Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture, which determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are 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 the associate or joint venture.

If an associate or a joint venture uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to make the associate's or joint venture's accounting policies conform to those of the Group when the associate's or joint venture's financial statements are used by the Group in applying the equity method.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate or joint venture is recognised as goodwill and is included in the carrying amount of the investment.

3. 主要會計政策(續)

於聯營及合營企業之投資(續)

本集團於聯營及合營企業的投資於綜合財務報表入賬內採用權益法。根據權益法，於聯營及合營企業的投資初始按成本確認。本集團應佔聯營及合營企業的損益及其他全面收益之變動分別於收購日期後於益損及其他全面收益內確認。倘本集團應佔聯營及合營企業的虧損等於或超過本集團於該聯營及合營企業的權益(使用權益法釐定連同實質屬於本集團於聯營及合營企業的投資淨值的任何長期權益)時，本集團不再確認其分佔的進一步虧損。本集團僅在已招致法定或推定責任或代表聯營及合營企業支付款項的情況下確認額外虧損或負債。

就類似交易及於類似情況下之事件，倘聯營及合營企業使用的會計政策有別於本集團所採納者，則在權益法下本集團使用聯營及合營企業之財務報表時，須調整聯營及合營企業之會計政策，以符合本集團之會計政策。

於被投資方成為一間聯營及合營企業當日，於聯營及合營企業的投資採用權益法入賬。於收購投資後，投資成本超過本集團應佔聯營及合營企業可識別資產及負債之公允淨值部分確認為商譽，並計入投資賬面值。

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綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments in an associate and a joint venture (Continued)

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognised in profit or loss in the period in which the investment is acquired.

After application of the equity method, including recognising the associate's or joint venture's losses (if any), the Group determines whether it is necessary to recognise any additional impairment loss with respect to its investment in the associate or joint venture. Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not separately recognised. The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment in the associate or joint venture. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

When the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest is reclassified to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Gains and losses resulting from transactions between the Group and its associate or joint venture are recognised in consolidated financial statements only to the extent of unrelated investors' interests in the associate or joint venture. The Group's share in the associate's or joint venture's gains or losses resulting from these transactions is eliminated.

3. 主要會計政策 (續)

於聯營及合營企業之投資 (續)

本集團應佔可識別資產及負債之公允淨值超過投資成本之部分，經重新評估後於收購投資期間即時在損益中確認。

應用權益法後並且確認聯營及合營企業之虧損(如有)，本集團需決定是否需要就其於聯營及合營企業之投資確認任何額外減值虧損。作為聯營及合營企業投資之賬面值的一部分的商譽不單獨確認。該項投資(包括商譽)之全部賬面值作為單一資產，透過將其可收回金額(使用價值與公允值減出售成本之較高者)與賬面值比較進行減值測試。任何已確認減值虧損構構會成於聯營企業及合營企業之投資賬面值之一部分。有關減值虧損之任何撥回於該項投資可收回金額其後增加時確認。

當本集團於一間聯營及合營企業之擁有權益減少，但本集團仍應用權益法時，則先前於其他全面收益中就該擁有權益削減之收益或虧損按比例重新分類至損益(倘該收益或虧損就出售有關資產或負債被要求重新分類至損益)。

本集團與其合營及聯營企業進行交易所得之損益，只會在於該聯營及合營企業並無關連之投資者權益的情況下，方會在綜合財務報表確認。本集團應佔聯營及合營企業來自該等交易之損益予以抵銷。

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綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less accumulated impairment loss, if any.

Property, plant and equipment

Property, plant and equipment including leasehold land and buildings (classified as finance leases) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to allocate the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair value. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

3. 主要會計政策(續)

於附屬公司之投資

任何附屬公司投資於本公司財務狀況表按成本減累計減值虧損列賬(如有)。

物業、廠房及設備

物業、廠房及設備包括持作生產或供應商品或服務或作行政用途之土地及樓宇(分類為融資租賃)，乃按成本值減其後累計折舊及其後累計減值虧損(如有)列於綜合財務狀況表。

物業、廠房及設備項目之折舊按其估計可使用年期，以直線法分配其減除估計剩餘價值後之成本計算。估計使用年期、剩餘價值及折舊方法乃於各報告期間結束時檢討，估計變動之影響按前瞻基準入賬。

物業、廠房及設備項目於出售時或當預期不會因持續使用資產產生未來經濟利益時終止確認。因物業、廠房及設備項目被出售或報廢而產生之任何盈虧乃按該項資產之出售所得款項與賬面值之差額計算，並於損益內確認。

投資物業

投資物業指持作賺取租金及/或資本增值之物業。

投資物業初步按成本計量，包括任何直接應佔開支。於初步確認後，投資物業按其公允值計量。投資物業公允值變動所產生盈虧，於產生期間計入損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investment properties (Continued)

If an investment property becomes an owner-occupied property when there is a change in use, as evidenced by commencement of an owner-occupation, the fair value of that property at the date of transfer is the deemed cost for subsequent accounting for that property as an item of property, plant and equipment.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities as appropriate, on initial recognition.

Financial assets

The Group's financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 主要會計政策 (續)

投資物業 (續)

倘投資物業成為用途發生變動之擁有人佔用物業(以擁有人開始佔用為佐證)，則於轉讓日期該物業之公允值為後續計入物業、廠房及設備項目的認定成本。

金融工具

當某集團實體成為工具合同條文之訂約方時，金融資產及金融負債在綜合財務狀況表確認。

金融資產及金融負債初步按公允值計量。收購或發行金融資產及金融負債直接應佔之交易成本乃於初步確認時加入或扣除自金融資產或金融負債之公允值(視適用情況而定)。

金融資產

本集團之金融資產歸類為貸款及應收款項。有關分類於初步確認時視乎金融資產之性質及目的而釐定。所有按常規買賣金融資產乃按交易日基準確認及終止確認。按常規買賣指買賣須於按市場規則或慣例設定之時限內交付之金融資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, amounts due from an intermediate holding company and fellow subsidiaries and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Impairment loss on financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

實際利率法

實際利率法乃計算債務工具攤銷成本及按有關期間攤分利息收入之方法。實際利率為按債務工具之預測可使用年期或(視適用情況而定)較短期間貼現估計未來現金收入(當中包括所有構成實際利率部分之已付或已收費用及利率點、交易成本及其他溢價或折讓)至初步確認時賬面淨值之確切比率。

就債務工具而言，利息收入按實際利率基準確認。

貸款及應收款項

貸款及應收款項乃並非於活躍市場報價之固定或待定付款非衍生金融工具。於初步確認後，貸款及應收款項(包括應收賬款及其他應收款項、應收一間中間控股公司款項、應收同系附屬公司款項及銀行結存及現金)均按採用實際利率法計算之攤銷成本減任何已識別減值虧損入賬(見下文關於金融資產減值虧損之會計政策)。

金融資產減值虧損

金融資產於各報告期間結束時評估減值跡象。倘有客觀證據證明金融資產於初步確認後出現一項或多項影響其估計未來現金流量之事宜，則金融資產被認為已減值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment loss on financial assets (Continued)

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade and other receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period ranging from 25 to 30 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance amount are recognised in profit or loss. When trade and other receivables are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值虧損 (續)

客觀減值證據可包括：

- 發行人或交易方面對重大財政困難；或
- 違反合同，如利息及本金付款出現逾期或拖欠情況；或
- 借款人可能面臨破產或進行財務重組；或
- 因財政困難導致該金融資產失去活躍市場。

就應收賬款及其他應收款項等若干類別金融資產而言，個別評估時獲評為未有減值之資產將另行共同進行減值評估。有關應收款項組合減值之客觀證據可包括本集團過往收取款項之經驗、組合中已超過25日至30日信貸期之延誤付款數目增加，以及與拖欠應收款項相關之國家或本地經濟狀況顯著變動。

就按攤銷成本入賬之金融資產而言，減值虧損金額指資產賬面值與估計未來現金流量按金融資產之原有實際利率貼現之現值間之差額。

所有金融資產之賬面值均直接減去減值虧損，惟應收賬款及其他應收款項除外，其賬面金額乃透過撥備賬扣減。撥備賬之賬面值變動於損益確認。倘應收賬款或其他應收款項被評為無法收回，則有關款項與撥備賬對銷。其後收回過往撇銷之款項將計入損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment loss on financial assets (Continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities including trade and other payables and amounts due to an intermediate holding company, a joint venture and fellow subsidiaries are subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值虧損 (續)

就按攤銷成本計量之金融資產而言，倘往後期間減值虧損金額減少，而有關減少客觀上與確認減值虧損後發生之事件有關，則先前確認之減值虧損於損益撥回，惟該資產於減值撥回當日之賬面值不得超過倘並無確認減值而原應存在之攤銷成本。

金融負債及權益工具

集團實體發行之債務及權益工具乃根據合同安排之內容以及金融負債及權益工具之定義分類為金融負債或權益。

權益工具

權益工具乃任何證明本集團經扣減所有負債後之資產剩餘權益之合同。本公司發行之權益工具按收取所得款項(減直接發行成本後)確認。

金融負債

金融負債(包括應付賬款及其他應付款項、應付一間中間控股公司、一間合營企業及同系附屬公司款項)其後按攤銷成本採用實際利率法計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Convertible bonds

Convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the bonds into equity, is included in equity (equity component of convertible bonds).

3. 主要會計政策 (續)

金融工具 (續)

金融負債及權益工具 (續)

實際利率法

實際利率法乃計算金融負債攤銷成本及按相關期間攤分利息開支之方法。實際利率為在金融負債之預計年期或(視適用情況而定)較短期間，使估計未來現金支出(包括所有構成實際利率組成部分之已付或已收費用及利率點、交易成本及其他溢價或折讓)準確貼現至初步確認之賬面淨值之該利率。

利息開支按實際利率基準確認。

可換股債券

本集團發行的可換股債券包括負債及轉換權部分，乃於初步確認時根據合同安排之內容以及金融負債及權益工具之定義各自分類。將以固定金額現金或另一項金融資產交換本公司本身固定數目的權益工具方式結清的轉換權乃分類為權益工具。

於初步確認時，負債部分的公允值乃按類似不可轉換債務的現行市場利率釐定。發行可換股債券的所得款項總額與撥往負債部分的公允值的差額(代表讓持有人將債券轉換為股本的轉換權)列入權益(可換股債券權益部分)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Convertible bonds (Continued)

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in equity component of convertible bonds until the conversion option is exercised (in which case the balance stated in equity component of convertible bonds will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in equity component of convertible bonds will be released to the retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity components are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

Derecognition

A financial asset is derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognise its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. 主要會計政策 (續)

金融工具 (續)

可換股債券 (續)

於往後期間，可換股債券的負債部分乃以實際利率法按已攤銷成本列賬。權益部分（代表可將負債部分轉換為本公司普通股的選擇權）將保留於可換股債券權益部分，直至轉換權獲行使為止（於此情況下，可換股債券權益部分的結餘將轉撥至股份溢價）。倘轉換權於到期日尚未獲行使，可換股債券權益部分的結餘將解除至保留盈利。轉換權獲轉換或到期時不會於損益中確認任何盈虧。

發行可換股債券的交易成本，按所得款項總額的分配比例撥往負債及權益部分。權益部分交易成本會直接於股權中扣除。負債部分交易成本計入負債部分的賬面值中，並以實際利率法於可換股債券期限內攤銷。

終止確認

僅當從資產收取現金流量之權利屆滿時，或轉讓其金融資產及於金融資產擁有權之絕大部分風險及回報轉移予另一實體時，方終止確認該金融資產。倘本集團轉移或保留擁有權絕大部分風險及回報並繼續控制已轉移資產，則本集團確認其於資產之保留權益及可能需要支付之相關負債款項。倘本集團保留已轉讓金融資產擁有權絕大部分風險及回報，本集團可繼續確認金融資產，亦可就已收取的所得款項確認已抵押借貸。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Derecognition (Continued)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

A financial liability is derecognised when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents

Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of bank balances and cash as defined above.

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. 主要會計政策 (續)

金融工具 (續)

終止確認 (續)

於終止確認其全部金融資產時，資產賬面值與已收及應收代價及已於其他全面收入內確認及於權益累積之累計損益之總和之差額將確認為損益。

本集團僅當本公司之責任獲解除後、取消或到期時方終止確認金融負債。終止確認之金融負債賬面值與已付或應付代價之差額確認為損益。

現金及現金等值項目

載於綜合財務狀況表內之銀行結存及現金包括銀行及手頭現金以及到期日為三個月或以下之短期存款。

就綜合現金流量表而言，現金及現金等值項目包括上文界定之銀行結存及現金。

有形資產之減值虧損

本集團於報告期結束時評估其有形資產有限可使用之賬面值，以確定該等資產有否出現減值虧損跡象。倘有任何該等跡象，則會估計資產的可收回金額，以釐定減值虧損 (如有) 的程度。

倘無法估計個別資產之可收回金額，本集團估計資產所屬現金產生單位之可收回金額。如可識別合理及一致之分配基準，則公司資產亦被分配至個別現金產生單位，或於其他情況下彼等被分配至已識別合理及一致分配基準之現金產生單位之最小組合。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment losses on tangible assets (Continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

3. 主要會計政策 (續)

有形資產之減值虧損 (續)

可收回金額為公允價值減去處置成本及使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量乃以稅前貼現率貼現至現值，該貼現率能反映當前市場所評估之貨幣時間值及資產特定風險（未來現金流量估計尚未就此作出調整）。

倘估計一項資產（或現金產生單位）之可收回金額低於其賬面值，則該項資產（或現金產生單位）之賬面值即減至其可收回金額。減值虧損即時於損益中確認。

於其後撥回減值虧損時，資產（或現金產生單位）之賬面值將調高至其經修訂估計之可收回金額，惟經增加之賬面值不得高於在過往年度並無確認減值虧損下就該資產（或現金產生單位）原應釐定之賬面值。撥回之減值虧損即時於收益中確認。

收益確認

收益乃按日常業務中已售貨物之已收或應收代價之公允值計量，扣除折扣及相關銷售稅計算。

銷售貨品之收益乃於貨品交付及擁有權轉移時且當時下列所有條件獲達成後確認：

- 本集團已將擁有貨品之絕大部分風險及回報轉讓予買方；
- 本集團並無對售出貨品保留程度一般與擁有權相關的持續管理參與，亦無保留售出貨品的實際控制權；

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition (Continued)

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group's policy for recognition of revenue from operating leases is described in the accounting policy below.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Management fee income is recognised when services are provided.

Equity settled share-based payment transactions

Share options granted to employees (after 7 November 2002 and vested on or after 1 January 2005)

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

3. 主要會計政策(續)

收益確認(續)

- 收益金額能可靠地計量；
- 交易有關之經濟利益很可能流入本集團；及
- 交易產生或將予產生之成本能可靠地計量。

本集團關於確認經營租賃收益的會計政策如下：

倘若經濟利益可能將流入本集團及收益金額能夠可靠計量，則將會確認金融資產利息收入。利息收入乃參照未償還本金及適用實際利率，按時間基準累計，有關利率乃按金融資產預計年期，將估計未來所收取現金實際貼現至該資產於初步確認之賬面淨值。

管理費收入乃於提供服務時予以確認。

權益結算之股份付款交易

向僱員授出購股權(2002年11月7日後，並於2005年1月1日或之後歸屬)

參考購股權於授出日期之公允值釐定之所獲服務公允值，在購股權即時歸屬時於授出日期悉數確認為開支，並相應增加權益(購股權儲備)。

本集團於報告期間結束時修訂其對預期最終歸屬的購股權數目之估計。修訂原先估計產生之影響(如有)於損益確認，致使累計支出反映經修訂之估計，並於購股權儲備作相應調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Equity settled share-based payment transactions

(Continued)

Share options granted to employees (after 7 November 2002 and vested on or after 1 January 2005) (Continued)

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will continue to be held in share options reserve.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. 主要會計政策 (續)

權益結算之股份付款交易 (續)

向僱員授出購股權 (2002年11月7日後，並於2005年1月1日或之後歸屬)(續)

購股權獲行使時，早前於購股權儲備確認之金額將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於屆滿日仍未獲行使，則早前於購股權儲備確認之金額將繼續留存於購股權儲備。

稅項

所得稅支出指應付即期稅項及遞延稅項之總和。

應付即期稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合損益表中所報除稅前溢利不同，原因為前者不包括在其他年度應課稅或可扣稅收入或開支，且不包括毋須課稅或不可扣稅之項目。本集團之即期稅項負債乃按報告期間結束前已頒佈或實際已頒佈之稅率計算。

遞延稅項乃就於綜合財務報表所示資產及負債之賬面值與計算應課稅溢利所用相應稅基間臨時差額確認。遞延稅項負債一般就所有應課稅臨時差額確認，而遞延項資產則於可能可動用應課稅溢利以抵銷可扣減臨時差額之情況下確認。若於一項交易中，因商譽或因業務合併以外原因初步確認其他資產及負債而引致不會影響應課稅溢利亦不會影響會計溢利之臨時差額，則不會確認遞延稅項資產及負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associate and interest in joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the general principles above.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項負債乃按附屬公司及聯營企業投資及合營企業權益產生之應課稅臨時差額確認，惟倘本集團可控制臨時差額撥回及臨時差額未必於可見將來撥回之情況則除外。有關該等投資及權益之可扣減臨時差額所產生遞延稅項資產，僅於具有足夠應課稅溢利可動用暫時差異之利益，且預期於可見將來撥回時確認。

遞延稅項資產的賬面值於每一報告期末予以審閱，如不可能再有足夠應課稅溢利可供收回全部或部分資產，則將削減遞延稅項的賬面值。

遞延稅項資產及負債乃根據於報告期間結束時已頒佈或實際已頒佈之稅率（及稅法），按預期於清償負債或變現資產期間適用之稅率計算。

遞延稅項負債及資產之計量反映本集團預期於報告期間結束時收回或償還資產及負債賬面值產生之稅務後果。

就計量採用公允值模式計量的投資物業的遞延稅項負債或遞延稅項資產而言，該等物業的賬面值乃假設可透過銷售全部收回，除非該假設不再成立。當投資物業可予折舊及於本集團的業務模式（其業務目標是隨時間而非透過銷售消耗投資物業所包含的絕大部分經濟利益）內持有時，有關假設會不成立。倘有關假設不成立，則上述投資物業的遞延稅項負債及遞延稅項資產根據上述一般原則計量。

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綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period, except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

3. 主要會計政策 (續)

稅項 (續)

即期及遞延稅項於損益確認，惟倘即期及遞延稅項與其他全面收益或直接於權益確認之項目有關，則即期及遞延稅項亦分別於其他全面收益或直接於權益確認。倘即期稅項或遞延稅項因對業務合併進行初步會計處理而產生，則稅務影響計入業務合併會計處理。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率換算為各自之功能貨幣(即該實體經營所在主要經濟地區之貨幣)入賬。於報告期間結束時，以外幣列值之貨幣項目均按當日之適用匯率重新換算。按公允值以外幣列值之非貨幣項目乃按釐定公允值當日之適用匯率重新換算。按外幣歷史成本計量之非貨幣項目毋須重新換算。

來自結算貨幣項目及重新換算貨幣項目之匯兌差額乃於產生期間內於損益確認。來自重新換算按公允值列賬之非貨幣項目之匯兌差額於有關期間計入損益，惟在其他全面收益直接確認損益之非貨幣項目之重新換算除外，在該情況下，匯兌差額亦直接於其他全面收益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint arrangement that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of the reporting date. Exchange differences arising are recognised in the exchange translation reserve.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

3. 主要會計政策(續)

外幣(續)

就呈列綜合財務報表而言，本集團海外業務之資產與負債乃採用於各報告期間結束時之匯率換算為本集團之呈報貨幣(即港元)。收支項目乃按年內之平均匯率進行換算。所產生之匯兌差額(如有)乃於其他全面收益確認，並於權益以匯兌儲備累積(於適當時撥作非控股權益)。

於出售海外業務(即出售本集團海外業務全部權益或涉及失去對一間附屬公司(包括海外業務)的控制權的出售、涉及失去對一間共同控制實體(包括海外業務)的共同控制權的出售或涉及失去對一間聯營企業(包括海外業務)的重大影響力的出售)時，就本集團擁有人應佔該業務而於權益累計的全部匯兌差額則重新分類至損益。

收購海外業務產生之商譽及所收購可識別資產之公允值調整，乃視作該海外業務之資產及負債，並按各報告期間結束時之適用匯率重新換算。所產生匯兌差額於匯兌儲備內確認。

租賃

當租約條款將擁有權之絕大部分風險及回報轉移予承租人時，租約分類為融資租賃。所有其他租賃均分類為經營租賃。

本集團作為出租人

經營租賃之租金收入於相關租賃年內以直線法在損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leasing (Continued)

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease, except for those that are classified and accounted for as investment properties under the fair value model. When the lease payment cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Retirement benefits

Payments to state-managed retirement benefit scheme and the Mandatory Provident Fund Scheme (defined contribution plans) are recognised as an expense when employees have rendered service entitling them to the contributions.

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人

經營租賃付款以直線法，按相關租期確認為開支。

租賃土地及樓宇

當租賃包括土地及樓宇部分時，本集團按擁有各部分之大部分風險及回報是否已轉移至本集團之評估，將各部分獨立分類為融資租賃或經營租賃，除非兩項要素均為經營租賃，在該情況下整項租賃會分類為經營租賃。尤其是，最低租賃付款（包括任何一次性預付款）在租約期開始時，按租約之土地及樓宇部分之租賃權益相關公允值按比例分配於土地及樓宇部分。

倘租賃付款能可靠分配，列作經營租賃之租賃土地權益，惟已根據公允值模式分類及列作投資物業者則除外。當租賃付款不能在土地及樓宇部分之間可靠地分配時，整項租賃一般被分類為融資租賃，並作為物業、廠房及設備列賬。

退休福利

國家管理退休福利計劃及強制性公積金計劃（界定供款計劃）之供款於僱員提供服務而有權享有供款時入賬列為開支。

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綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Fair value measurement

When measuring fair value except for the Group's share-based payment transactions, leasing transactions, net realisable value of inventories and value in use of tangible assets for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. 主要會計政策(續)

辭退福利

辭退福利於僱員在正常退休日期前被本集團終止僱用以換取此等福利時支付。本集團能證明承諾根據一項不可撤回之詳盡正式計劃終止僱用現有僱員時確認辭退福利。

借貸成本

收購、建造或生產合資格資產(需大量時間方能達致可供擬定用途或出售的資產)直接應佔的借貸成本，乃加入該等資產的成本，直至該等資產大致可供擬定用途或出售為止。

其他借貸成本均於產生期間在損益確認。

公允值計量

當就減值評估目的而評估除本集團股本結算之股份付款交易外之公允值、租賃交易、可變現存貨淨值及有形資產使用價值時，本集團會考慮市場參與者於計量日對資產或負債定價時所考慮之資產或負債特點。

非金融資產之公允值計量乃考慮市場參與者通過使用其資產之最高及最佳用途或將其出售予將使用其最高及最佳用途之另一市場參與者，而能夠產生經濟利益之能力。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Fair value measurement (Continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

3. 主要會計政策 (續)

公允值計量 (續)

本集團使用適用於不同情況的估值方法，而其有足夠資料計量公允值，以盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。尤其是，本集團根據輸入數據之特點將公允值計量分為以下三個層級：

第一層－相同資產或負債在交投活躍市場的報價（未經調整）。

第二層－估值方法（藉此直接或間接觀察對公允值計量而言屬重要輸入數據之最低層級）。

第三層－估值方法（藉此無法觀察對公允值計量而言屬重要輸入數據之最低層級）。

於報告期間結束時，本集團通過審閱相關公允值計量確定就按經常性基準以公允值計量之資產及負債之架構中層級間是否發生轉移。

4. 主要會計判斷及估計不明朗因素之主要來源

應用載列於附註3之本集團會計政策時，本公司董事須就綜合財務報表中呈報及披露之資產、負債、收益及開支金額作出判斷、估計及假設。估計及相關假設乃根據過往經驗及其他視為相關之因素作出。實際情況可能有別於該等估計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities from investment properties that were measured using the fair value model, the directors of the Company reviewed the Group's investment property portfolios and concluded that the Group's investment properties in the PRC were held under a business model whose objective is to consume substantively all of the economic benefits embodied in the investment property over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors of the Company determined that the presumption that the carrying amounts of investment properties measured using the fair value model recovered entirely through sale was rebutted. As a result, the Group continues to recognise deferred tax liabilities on change in fair value of investment properties on the basis that the entire carrying amounts of the properties will be recovered through use.

4. 主要會計判斷及估計不明朗因素之主要來源(續)

估計及相關假設會按持續基準審閱。倘會計估計之修訂僅會對修訂估計之期間產生影響，則有關修訂會於該期間確認，而倘修訂影響當前及未來期間，則會於修訂及未來期間確認。

於會計政策中應用之主要判斷

除涉及估計之判斷以外(見下文)，以下為本公司董事於應用實體之會計政策時已作出且對綜合財務報表中確認之金額產生最大影響之重大判斷。

投資物業遞延稅項

就計量採用公允值模式計量的投資物業的遞延稅項負債而言，本公司董事已審閱本集團投資物業組合，總結為本集團於中國的投資物業是根據其業務目標是隨時間而非透過銷售消耗投資物業所包含的絕大部分經濟利益的商業模式持有。因此，於計量本集團於該等投資物業中的遞延稅項時，本公司董事釐定以公允值模式計量的該等投資物業賬面值乃全部透過出售收回的假設不成立。因此，本集團繼續按物業之全部賬面值將透過使用收回的假設確認投資物業公允值變動之遞延稅項負債。

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綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying accounting policies (Continued)

Significant influence over associate

As per note 20 to the consolidated financial statements, the directors of the Company considered Fission Uranium Corp. ("Fission"), in which the Group has 19.92% (2016: 19.98%) equity interest, is an associate of the Group as the Group has significant influence over Fission by virtue of its contractual right appointed two out of eight directors (2016: two out of nine) to the board of directors of Fission.

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated useful life and depreciation of property, plant and equipment

Property, plant and equipment were depreciated on a straight-line basis over their estimated useful lives, after taking into account their estimated residual values. The determination of the useful lives and residual values involved management's estimation. The Group assessed annually the residual value and the useful life of the property, plant and equipment and if the expectation differed from the original estimate, such a difference may impact the depreciation in the year and the estimate would be changed in the future period. As at 31 December 2017, the carrying amount of property, plant and equipment was approximately HK\$16,529,000 (2016: HK\$17,347,000).

4. 主要會計判斷及估計不明朗因素之主要來源(續)

於會計政策中應用之主要判斷(續)

對聯營企業有重大影響力

誠如綜合財務報表附註20，由於本集團憑藉其合同權利委任Fission董事會內八名(2016年：九名)董事的其中兩名(2016年：兩名)而於Fission擁有重大影響力，故本公司董事認為Fission Uranium Corp. (「Fission」，本集團持有其19.92%(2016年：19.98%)權益)屬本集團聯營企業。

估計不明朗因素之主要來源

以下為有關未來之主要假設及於報告期間結束時估計不明朗因素之其他主要來源，有關假設及不明朗因素構成須對下一財政年度資產及負債賬面值作出重大調整之重大風險。

物業、廠房及設備之估計使用年期及折舊

物業、廠房及設備經計及其估計剩餘價值，採用直線法按其估計可使用年期折舊。釐定可使用年期及剩餘價值涉及管理層之估計。本集團每年評估物業、廠房及設備之剩餘價值及可使用年期，倘預期與原先估計出現差異，有關差異可能影響該年度之折舊，而有關估計於日後期間將會出現變動。於2017年12月31日，物業、廠房及設備之賬面值約為16,529,000港元(2016年：17,347,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment loss recognised in respect of trade and other receivables and amounts due from fellow subsidiaries and an intermediate holding company

When there was objective evidence of impairment loss, the Group took into consideration the estimation of future cash flows. The amount of the impairment loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows were less than expected, a material impairment loss might arise. As at 31 December 2017, the carrying amounts of trade and other receivables, amounts due from fellow subsidiaries and an intermediate holding company were approximately HK\$128,176,000 (2016: HK\$8,453,000), Nil (2016: HK\$1,080,947,000) and HK\$1,546,000 (2016: HK\$2,650,000) respectively.

Impairment of property, plant and equipment

The impairment loss for property, plant and equipment was recognised for the amounts by which the carrying amounts exceed their recoverable amounts, in accordance with the Group's accounting policy. The recoverable amounts of property, plant and equipment are the greater of the fair value less costs of disposal and value-in-use. In determining the recoverable amount, use of estimates such as the future revenue and discount rates is required. As at 31 December 2017, the carrying amount of property, plant and equipment was approximately HK\$16,529,000 (2016: HK\$17,347,000).

4. 主要會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

就應收賬款及其他應收款項、應收同系附屬公司款項及應收一間中間控股公司款項確認減值虧損

倘客觀證據顯示出現減值虧損，本集團會考慮未來現金流量之估計。減值虧損之款額乃根據資產賬面值與估計未來現金流量(不包括未產生之日後信貸虧損)現值之差額，以金融資產之原實際利率(即初次確認時計算之實際利率)貼現計量。倘實際未來現金流量少於預期，則可能出現重大減值虧損。於2017年12月31日，應收賬款及其他應收款項、應收同系附屬公司款項及應收一間中間控股公司款項之賬面值分別約為128,176,000港元(2016年：8,453,000港元)、零(2016年：1,080,947,000港元)及1,546,000港元(2016年：2,650,000港元)。

物業、廠房及設備減值

物業、廠房及設備之減值虧損乃根據本集團之會計政策就賬面值超出其可收回款額之數額確認。物業、廠房及設備之可收回數額，乃公允值減銷售成本及使用價值之較高者。在釐定可收回數額時須使用未來收益及貼現率等多項估計。於2017年12月31日，物業、廠房及設備之賬面值約為16,529,000港元(2016年：17,347,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Fair value of investment properties

At the end of the reporting period, investment properties are stated at fair value based on the valuation performed by independent professional valuers. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates of market conditions. In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the assumptions used in the valuation have reflected the current market conditions. Changes to these assumptions would result in changes in the fair values of the Group's investment properties being recognised in profit or loss. The carrying amount of investment properties measured at fair value at 31 December 2017 was approximately HK\$31,427,000 (2016: HK\$29,021,000).

Impairment loss on investment in a joint venture

At the end of the reporting period, the Company reviews the carrying amounts of investment in a joint venture to determine whether there is any indication that the investment has suffered an impairment loss. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss, if any. The determination of recoverable amount of investment in a joint venture involves estimates as to: (1) future revenues based on forecasted uranium prices; (2) actual production volume of uranium mines held by the joint venture; (3) exchange rate between Tenge, the currency of the Republic of Kazakhstan ("Kazakhstan"), and USD; (4) the discount rate to be applied to such revenues and costs for the purpose of deriving a recoverable amount. If the recoverable amount of the investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. The carrying amount of investment in a joint venture is approximately HK\$161,280,000 (2016: HK\$186,467,000) as at 31 December 2017. No impairment is recognised for current and prior years.

4. 主要會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

投資物業之公允值

於報告期結束時，投資物業乃按獨立專業估值師進行之估值以公允值列賬。於釐定公允值時，估值師依據之估值方法涉及若干市況估計。於依賴估值報告時，本公司董事已行使其判斷力並信納於估值中使用之假設足以反映現時市況。該等假設之變動將引起於損益中確認之本集團投資物業公允值之變動。於2017年12月31日，按公允值計量之投資物業賬面值約為31,427,000港元(2016年：29,021,000港元)。

於一間合營企業之投資之減值虧損

於報告期間結束時，本公司檢討於一間合營企業之投資之賬面值以釐定是否有跡象顯示該投資已出現減值虧損。倘存在任何有關跡象，須估計該投資之可收回金額以釐定減值虧損(如有)之程度。釐定於一間合營企業之投資之可收回金額涉及估計：(1)根據預測鈾價計算之未來收益；(2)合營企業持有之鈾礦之實際產量；(3)哈薩克斯坦共和國(「哈薩克斯坦」)貨幣堅戈與美元之匯率；(4)為釐定可收回金額而對有關收益及成本適用之貼現率。倘估計該投資之可收回金額低於其賬面值，則該投資之賬面值減至其可收回金額。減值虧損即時於損益中確認。於2017年12月31日，於一間合營企業之投資之賬面值約為161,280,000港元(2016年：186,467,000港元)。於本年度及過往年度沒有確認減值。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment loss on investment in an associate

At the end of the reporting period, the Company reviews the carrying amounts of investment in an associate to determine whether there is any indication that the investment has suffered an impairment loss. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss, if any. The determination of recoverable amount of investment in an associate involves estimates as to: (1) the appropriateness of the comparable transactions selected under market approach; (2) the indicated resources of uranium; (3) exchange rate between Canadian dollar ("CAD"), the currency of Canada, and USD and (4) the uranium price adjustment rate to be applied to such comparable transactions for the purpose of deriving a recoverable amount. If the recoverable amount of the investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. For the year ended 31 December 2017, an impairment loss of approximately HK\$7,005,000 (2016: HK\$220,032,000) was recognised in profit or loss and included in share of results of an associate. The carrying amount of investment in an associate is approximately HK\$550,202,000 (2016: HK\$520,316,000) as at 31 December 2017.

Fair value measurement and valuation processes

Some of the Group's assets including investment properties and identifiable assets and liabilities of an associate at the acquisition date are measured at fair value for financial reporting purposes. The directors of the Company are responsible to determine the appropriate valuation techniques and inputs for fair value measurements. Details are set out in notes 18 and 20.

4. 主要會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

於一間聯營企業之投資之減值虧損

於報告期間結束時，本公司檢討於一間聯營企業之投資之賬面值以釐定是否有跡象顯示該投資已出現減值虧損。倘存在任何有關跡象，須估計該投資之可收回金額以釐定減值虧損(如有)之程度。釐定於一間聯營企業之投資之可收回金額涉及估計：(1)選擇市場法下可資比較交易之適合性；(2)指定之鈾資源；(3)加拿大貨幣加元與美元之匯率；(4)為釐定可收回金額而對有關可資比較交易適用之鈾價調整率。倘估計該投資之可收回金額低於其賬面值，則該投資之賬面值減至其可收回金額。截至2017年12月31日止年度，於損益中確認的減值虧損約為7,005,000港元(2016年：220,032,000港元)，並列入應佔一間聯營企業業績中。於2017年12月31日，於一間聯營企業之投資之賬面值約為550,202,000港元(2016年：520,316,000港元)。

公允值計量及估值程序

就財務呈報目的，本集團之若干資產(包括投資物業及收購日期一間聯營企業的可確認資產及負債)按公允值計量。本公司董事負責釐定有關公允值計量之適用估值方法及輸入數據。詳情載列於附註18及20。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Fair value measurement and valuation processes (Continued)

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent professional qualified valuers to perform the valuation. The directors of the Company work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Income taxes

As at 31 December 2017, the Group has not been recognised the tax losses of approximately HK\$76,376,000 (2016: HK\$63,685,000) due to the unpredictability of future profit streams. These losses relate to subsidiaries that have a history of tax losses and the Group has not accounted for the relevant deferred tax. The realisability of the deferred tax asset mainly depends on whether sufficient profits or taxable temporary differences will be available in the future. The directors of the Company determine the deferred taxation assets based on the enacted or substantially enacted tax rates and the best knowledge of profit projections of the Group for coming years during which the deferred taxation assets are expected to be utilised. The directors of the Company will review the assumptions and profit projections by the end of the reporting period.

4. 主要會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

公允值計量及估值程序(續)

在估計資產或負債之公允值時，本集團使用可獲得之可觀察市場數據。倘無法獲得第一層輸入數據，本集團會委聘獨立專業合資格估值師進行估值。本公司董事與合資格外部估值師緊密合作設立模式適用之估值方法及輸入數據。

所得稅

於2017年12月31日，本集團尚未確認稅項虧損約76,376,000港元（2016年：63,685,000港元），由於未能預測未來溢利來源。關於過往有稅務虧損的附屬公司的虧損，本集團並未有將相關的遞延稅項入賬。遞延稅項資產的可變現性主要須視乎未來是否有足夠溢利或應課稅臨時差異可供動用。本公司董事按已頒佈或大致上已頒佈的稅率，以及本集團對於預期遞延稅項資產將被動用的未來數年期間溢利預測的最佳所知釐定遞延稅項資產。本公司董事將於報告期末審閱該等假設及溢利預測。

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For the year ended 31 December 2017 截至2017年12月31日止年度

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes amounts due to an intermediate holding company, a joint venture and fellow subsidiaries, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves. The directors of the Company review the capital structure on a regular basis. As a part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital, and take appropriate actions to adjust the Group's capital structure.

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Financial assets	金融資產		
Loans and receivables (including bank balances and cash)	貸款及應收款項 (包括銀行結存及現金)	1,146,833	1,133,398
Financial liabilities	金融負債		
At amortised cost	按攤銷成本	103,367	28,232

5. 資本風險管理

本集團管理其資本，以確保本集團旗下實體能夠持續經營業務，並透過更完善平衡債務及權益，以為股東帶來最大回報。本集團整體策略與去年維持不變。

本集團之資本結構包括淨負債、應付一間中間控股公司款項、一間合營企業款項及同系附屬公司款項扣除現金及現金等值項目以及本公司擁有人應佔權益，當中包括已發行股本及儲備。本公司董事定期檢討資本結構。作為檢討其中一環，本公司董事考慮資本成本及與各類資本相關的風險，並就此採取適當行動調整本集團資本結構。

6. 金融工具

金融工具類別

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7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade and other receivables, amounts due from an intermediate holding company and fellow subsidiaries, bank balances and cash, trade and other payables and amounts due to an intermediate holding company, a joint venture and fellow subsidiaries. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The Group has transactional currency exposures. Such exposures arise from rental income and purchases by the Group in currencies other than the entities' functional currencies. Approximately 100% (2016: 100%) of the Group's rental income are denominated in currencies other than the functional currency of the group's entity. In addition, certain portion of trade and other receivables, amount due from an intermediate holding company and fellow subsidiaries, bank balances and cash, trade and other payables, amount due to an intermediate holding company and fellow subsidiaries are denominated in currencies other than the functional currency of the entity to which they relate.

7. 財務風險管理目標及政策

本集團之主要金融工具包括應收賬款及其他應收款項、應收一間中間控股公司及同系附屬公司款項、銀行結存及現金、應付賬款及其他應付款項、應付一間中間控股公司、一間合營企業及同系附屬公司款項。此等金融工具之詳情於相關附註披露。與此等金融工具有關之風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。下文載列如何減低該等風險之政策。管理層管理及監控該等風險，以確保及時有效地採取適當措施。

貨幣風險

本集團面對交易貨幣風險。有關風險源自租金收入及本集團以該等實體的功能貨幣以外之貨幣進行採購。本集團約100%(2016年: 100%)的租金收入以集團實體之功能貨幣以外之貨幣列值。此外，若干部分應收賬款及其他應收款項、應收一間中間控股公司及同系附屬公司款項、銀行結存及現金、應付賬款及其他應付款項、應付一間中間控股公司及同系附屬公司款項，乃以實體之相關功能貨幣以外之貨幣結算。

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7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Currency risk (Continued)

The following table shows the Group's exposure at the end of the reporting period to currency risk arising from recognised monetary assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

		USD'000		RMB'000		HK\$'000		CAD'000	
		千美元		人民幣千元		千港元		千加元	
Presented in:		2017	2016	2017	2016	2017	2016	2017	2016
列示為		2017年	2016年	2017年	2016年	2017年	2016年	2017年	2016年
Assets	資產	12,466	905	21,522	33,942	308,384	498,475	1	44,535
Liabilities	負債	-	-	(7,350)	(12,679)	(1,210)	(2,799)	(16)	-

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Sensitivity analysis

The Group is mainly exposed to the currency risk of RMB, USD, HK\$ and CAD.

The following table details the Group's sensitivity (i) to a 5%, 5% and 0.5% increase or decrease in HK\$ against the RMB, CAD and USD respectively for the years ended 31 December 2017 and 2016. 5%, 5% and 0.5% are the sensitivity rates used when reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rates.

7. 財務風險管理目標及政策 (續)

貨幣風險 (續)

下表顯示本集團於報告期間結束時因已確認貨幣資產或負債以與實體相關功能貨幣以外之貨幣結算產生之風險。

本集團現時並無外幣對沖政策。然而，管理層監察外匯風險，並於有需要時考慮對沖重大外幣風險。

敏感度分析

本集團主要面對人民幣、美元、港元及加元貨幣風險。

下表詳列本集團(i)截至2017年及2016年12月31日止年度對港元分別兌人民幣、加元及美元升值或貶值5%、5%及0.5%之敏感度。該敏感度比率(5%、5%及0.5%)為向主要管理人員就外匯風險作內部報告時採用之敏感度，代表管理層就外匯匯率可能產生之合理變動所作評估。

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7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Currency risk (Continued)

Sensitivity analysis (Continued)

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% or 0.5% (2016: 5% or 0.5%) change in foreign currency rates. A positive number below indicates an increase in post-tax profit where the respective functional currency strengthen 5% or 0.5% (2016: 5% or 0.5%) against the relevant currency. For a 5% or 0.5% (2016: 5% or 0.5%) weakening of the respective functional currency against the relevant currency, there would be an equal and opposite impact on the profit.

7. 財務風險管理目標及政策 (續)

貨幣風險 (續)

敏感度分析 (續)

敏感度分析僅包括尚未結算之外幣計值貨幣項目及於報告期間結束時就外幣匯率之5%或0.5% (2016年：5%或0.5%) 變動作出之換算調整。下文之正數顯示倘相應的功能貨幣兌有關貨幣升值5%或0.5% (2016年：5%或0.5%) 所導致除稅後溢利之升幅。倘相應的功能貨幣兌有關貨幣貶值5%或0.5% (2016年：5%或0.5%)，將會對溢利構成相反之等額影響。

	USD'000		RMB'000		HK\$'000		CAD'000	
	千美元		人民幣千元		千港元		千加元	
	2017	2016	2017	2016	2017	2016	2017	2016
Presented in: 列示為	2017年	2016年	2017年	2016年	2017年	2016年	2017年	2016年
Profit or loss 溢利或虧損	(467)	(34)	(623)	(857)	(1,282)	(2,069)	-	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to its variable-rate bank balances and amounts due from fellow subsidiaries included in bank balances and cash as at 31 December 2017. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

管理層認為，由於年結日之風險並無反映年內風險，故敏感度分析並不代表固有外匯風險。

利率風險

本集團就其於二零一七年十二月三十一日銀行結存及現金內所包括的浮息銀行結餘及應收同系附屬公司款項面對現金流量利率風險。本集團目前並無利率對沖政策。然而，管理層會監控利率風險，並於預期將出現重大利率風險時考慮採取其他所需行動。

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7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments including bank balances and cash and amounts due from fellow subsidiaries at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2016: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2016: 50 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2017 would increase/decrease by approximately HK\$4,230,000 (2016: HK\$4,668,000) bank balances and amounts due from fellow subsidiaries.

7. 財務風險管理目標及政策 (續)

利率風險(續)

敏感度分析

以下之敏感度分析乃根據於報告期間結束時非衍生工具(包括銀行結存及現金以及應收同系附屬公司的款項)之利率風險而釐定。編製該項分析時假設於報告期間結束時之未償還金融工具於全年內仍未償還。50個基點(2016年: 50個基點)之增加或減少為向主要管理人員就利率風險作內部報告時使用, 代表管理層就利率可能產生之合理變動所作評估。

倘利率上升/下跌50個基點(2016年: 50個基點), 而所有其他可變因素維持不變, 則本集團於截至2017年12月31日止年度之除稅後溢利會增加/減少約4,230,000港元(2016年: 4,668,000港元)之銀行結存及應收同系附屬公司款項。

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7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

As at 31 December 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

The directors of the Company consider the credit risk attributable to the amount due from an intermediate holding company and balances with fellow subsidiaries to be insignificant as the default risk of the advance to the intermediate holding company and fellow subsidiaries is limited considering the intermediate holding company and fellow subsidiaries has sufficient net assets to repay its debts and a good history of repayment. The Group does not expect to incur a significant loss for uncollected amounts due from an intermediate holding company and fellow subsidiaries.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 100% (2016: 100%) of the total trade receivable as at 31 December 2017.

Besides, the Group has concentration of credit risk as 100% (2016: 100%) of the total trade receivables was due from the Group's largest customer within natural uranium trading segment. However, the directors of the Company consider the credit risk to be insignificant as the major debtor was immediate holding company of the Company with good creditworthiness.

7. 財務風險管理目標及政策 (續)

信貸風險

於2017年12月31日，因交易方未能履行責任而令本集團蒙受財務虧損之最高信貸風險乃來自綜合財務狀況表所載列相關已確認金融資產之賬面值。

為將信貸風險減至最低，本集團管理層已委派一支團隊確保跟進收回逾期債項之情況。此外，本集團會於各報告期結束時檢討各個別應收賬款之可收回性，確保就不可收回金額作出足夠減值虧損。

考慮到一間中間控股公司及同系附屬公司有足夠資產淨值償還債務，而且過往還款記錄良好，及墊支予一間中間控股公司及同系附屬公司之違約風險有限，故本公司董事認為因應收一間中間控股公司款項及同系附屬公司結餘所造成的信貸風險並不重大，而本集團預期不會就應收一間中間控股公司款項及應收同系附屬公司款項之未收回金額產生重大虧損。

本集團按地區計的信貸風險集中度主要為集中於中國，佔於2017年12月31日應收賬款總額100% (2016年：100%)。

此外，本集團面對信貸風險集中的情況，應收賬款總額中100% (2016年：100%) 乃應收本集團於天然鈾貿易業務分部的最大客戶的款項。然而，本公司董事認為，該等信貸風險並不重大，因為主要的債務人為本公司一間具有良好信譽的直接控股公司。

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For the year ended 31 December 2017 截至2017年12月31日止年度

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

The credit risk on liquid funds other than those placed with fellow subsidiaries is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms as at 31 December 2017 and 2016 are repayable on demand or within one year.

Fair value

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values due to their immediate or short-term maturities.

7. 財務風險管理目標及政策 (續)

信貸風險(續)

存放於同系附屬公司以外之流動資金之信貸風險有限，原因為交易方均屬國際信貸評級機構評為信譽良好之銀行。就此而言，本公司董事認為，本集團的信貸風險已大大降低。

流動資金風險

於管理流動資金風險時，本集團監督及將現金及現金等值項目維持於管理層認為充足之水平，以撥付本集團之營運及減低現金流量波動之影響。

本集團按照於2017年及2016年12月31日之協定還款條款之非衍生金融負債餘下合約到期日為按要求隨時償還或須於一年內償還。

公允值

本公司董事認為，按攤銷成本在綜合財務報表列賬之金融資產及金融負債之賬面值與其公允值相若，此乃由於其即時或於短期內到期。

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8. REVENUE AND OTHER OPERATING INCOME

Revenue represents amount received and receivable from sales of natural uranium, net of returns, discounts allowed and sales related taxes, and gross rental income during the year. Revenue recognised during the year are as follows:

8. 營業額及其他經營收入

營業額指年內扣除退貨、允許折扣及相關銷售稅後的天然鈾之已收及應收款項，以及租金收入總額。於本年度確認之收益如下。

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	營業額		
Sales of goods	銷售貨品	370,720	705,556
Gross rental income	租金收入總額	2,070	2,193
		372,790	707,749
Other operating income	其他經營收入		
Bank interest income	銀行利息收入	1	46
Interest income from fellow subsidiaries	同系附屬公司之利息收入	16,732	4,273
Interest income from overdue sale proceeds of disposal of subsidiaries	出售附屬公司之逾期應收款之利息收入	-	269
Trade deposit interest income from a joint venture	一間合營企業之預付款利息收入	-	161
Management fee income	管理費收入	2,993	2,504
Others	其他	27	16
		19,753	7,269

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9. SEGMENT INFORMATION

Information reported to the chief executive officer (“CEO”), being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Operating segments identified by the chief operating decision maker are the same as the reportable segments of the Group.

Accordingly, the Group’s reportable and operating segments are as follows:

- property investment segment engages in leasing;
- natural uranium trading segment engages in trading of natural uranium; and
- other investments segment engages in investment in a joint venture and an associate.

No operating segments have been aggregated to form the above reportable segments.

Segment revenue and results

The following is an analysis of the Group’s revenue and results by reportable and operating segments:

For the year ended 31 December 2017

9. 分部資料

本集團為就資源分配及分部表現評估目的向首席執行官即主要營運決策者報告的資料集中於所交付或所提供的貨品或服務種類。主要營運決策者識別的經營分部與以組成本集團的可報告分部相同。

為此，本集團的可報告經營分部如下：

- 物業投資分部指租賃；
- 天然鈾貿易分部指天然鈾貿易；及
- 其他投資分部是指投資於一間合營及一間聯營企業。

本集團並無將經營分部整合以組成上述可報告分部。

分部收益及業績

本集團按可報告及經營分部呈列之收益及業績分析如下：

截至2017年12月31日止年度

		Property investment	Other investments	Natural uranium trading	Total
		物業投資	其他投資	天然鈾貿易	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Revenue	營業額	2,070	-	370,720	372,790
Segment (loss) profit	分部(虧損)溢利	(3,116)	(37,015)	107,190	67,059
Other income and gains	其他收入及收益				19,753
Central administration costs	中央行政成本				(19,066)
Profit before taxation	除稅前溢利				67,746

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9. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the year ended 31 December 2016

9. 分部資料(續)

分部收入及業績(續)

截至2016年12月31日止年度

		Property investment 物業投資 HK\$'000 千港元	Other investments 其他投資 HK\$'000 千港元	Natural uranium trading 天然鈾貿易 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue	營業額	2,193	-	705,556	707,749
Segment (loss) profit	分部(虧損)溢利	(65)	77,859	409,670	487,464
Other income and gains	其他收入及收益				7,269
Central administration costs	中央行政成本				(25,220)
Finance costs	融資成本				(5,601)
Profit before taxation	除稅前溢利				463,912

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of central administration costs, other income and gains and finance costs. This is the measure reported to the CEO for the purposes of resource allocation and performance assessment.

經營分部之會計政策與附註3所述之本集團會計政策相同。分部溢利(虧損)指各分部所賺取溢利(產生虧損)，並未分配中央行政成本、其他收入及收益及融資成本。此乃就資源分配及表現評估向首席執行官報告之計量。

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綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

9. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

Segment assets

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Property investment	物業投資	48,265	46,839
Other investments	其他投資	711,482	706,783
Natural uranium trading	天然鈾貿易	119,856	4,738
		879,603	758,360
Unallocated corporate assets	未分配公司資產	1,031,672	1,128,189
Total assets	資產總值	1,911,275	1,886,549

Segment liabilities

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Property investment	物業投資	1,371	8,597
Other investments	其他投資	–	–
Natural uranium trading	天然鈾貿易	93,266	6,999
		94,637	15,596
Unallocated corporate liabilities	未分配公司負債	25,883	54,394
Total liabilities	負債總額	120,520	69,990

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than amounts due from fellow subsidiaries, bank balances and cash, income tax recoverable and other assets for corporate use including certain property, plant and equipment and other receivables.

9. 分部資料(續)

分部資產及負債

下表呈列本集團可報告及經營分部分析之資產及負債：

分部資產

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Property investment	物業投資	48,265	46,839
Other investments	其他投資	711,482	706,783
Natural uranium trading	天然鈾貿易	119,856	4,738
		879,603	758,360
Unallocated corporate assets	未分配公司資產	1,031,672	1,128,189
Total assets	資產總值	1,911,275	1,886,549

分部負債

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Property investment	物業投資	1,371	8,597
Other investments	其他投資	–	–
Natural uranium trading	天然鈾貿易	93,266	6,999
		94,637	15,596
Unallocated corporate liabilities	未分配公司負債	25,883	54,394
Total liabilities	負債總額	120,520	69,990

就監察分部業績及分部間之資源分配而言：

- 除應收同系附屬公司款項、銀行結存及現金、可收回所得稅款以及作公司用途之其他資產，包括若干物業、廠房及設備以及其他應收款項外，所有資產均分配至經營分部。

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9. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

Segment liabilities (Continued)

- all liabilities are allocated to operating segments other than amounts due to an intermediate holding company and fellow subsidiaries, income tax payable, deferred tax liabilities and certain other payables.

Other segment information

2017

9. 分部資料(續)

分部資產及負債(續)

分部負債(續)

- 除應付一間中間控股公司款項及應付同系附屬公司款項、應付所得稅、遞延稅項負債及若干其他應付款項外，所有負債均分配至經營分部。

其他分部資料

2017年

		Property investment	Other investments	Natural uranium trading	Unallocated	Total
		物業投資	其他投資	天然鈾貿易	未分配	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Amounts included in the measure of segment profit or loss or segment assets:	計算分部損益或分部資產時已計入款項：					
Depreciation	折舊	909	-	-	940	1,849
Changes in fair value of investment properties	投資物業公允值變動	(358)	-	-	-	(358)
Share of results of a joint venture	應佔一間合營企業業績	-	20,558	-	-	20,558
Share of results of an associate (Note)	應佔一間聯營企業業績(附註)	-	16,457	-	-	16,457
Amounts regularly provided to the CEO but not included in the measure of segment profit or loss or segment assets:	定期向首席執行官提供但並不包括於分部損益或分部資產計量之款項：					
Income tax expenses	所得稅支出	-	-	-	15,668	15,668
Bank interest income	銀行利息收入	-	-	-	(1)	(1)
Interest income from fellow subsidiaries	同系附屬公司之利息收入	-	-	-	(16,732)	(16,732)
Management fee income	管理費收入	-	-	-	(2,993)	(2,993)

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綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

9. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

2016

9. 分部資料(續)

其他分部資料(續)

2016年

	Property investment	Other investments	Natural uranium trading	Unallocated	Total
	物業投資	其他投資	天然鈾貿易	未分配	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元

Amounts included in the measure of segment profit or loss or segment assets: 計算分部損益或分部資產時已計入款項：

Addition to property, plant and equipment	添置物業、廠房及設備	5	-	-	-	5
Depreciation	折舊	917	-	-	1,033	1,950
Changes in fair value of investment properties	投資物業之公允價值變動	(2,158)	-	-	-	(2,158)
Share of results of a joint venture	應佔一間合營企業業績	-	(44,575)	-	-	(44,575)
Share of results of an associate (Note)	應佔一間聯營企業業績(附註)	-	(33,284)	-	-	(33,284)

Amounts regularly provided to the CEO but not included in the measure of segment profit or loss or segment assets: 定期向首席執行官提供但並不包括於分部損益或分部資產計量之款項：

Interest expense	利息支出	-	-	-	5,601	5,601
Income tax expenses	所得稅支出	-	-	-	74,782	74,782
Bank interest income	銀行利息收入	-	-	-	(46)	(46)
Interest income from fellow subsidiaries	同系附屬公司之利息收入	-	-	-	(4,273)	(4,273)
Interest income from overdue sale proceeds of disposal of subsidiaries	出售附屬公司之逾期應收款之利息收入	-	-	-	(269)	(269)
Management fee income	管理費收入	-	-	-	(2,504)	(2,504)
Trade deposits interest income from a joint venture	一間合營企業之預付款利息收入	-	-	(161)	-	(161)

Note: An impairment loss of interest in an associate of approximately HK\$7,005,000 (2016: HK\$220,032,000) is included in the share of results of an associate.

附註：約7,005,000港元(2016：220,032,000港元)的減值虧損已列入於應佔一間聯營企業業績中。

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綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

9. SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations are located in Hong Kong ("HK"), the PRC, Kazakhstan and Canada.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

9. 分部資料(續)

地域資料

本集團的業務位於香港、中國、哈薩克斯坦及加拿大。

有關本集團來自外部客戶的收入的資料是根據經營所在地點呈列。有關本集團非流動資產的資料是根據資產所在的地點呈列。

		Revenue from			
		external customers		Non-current assets	
		來自外部客戶的收入		非流動資產	
		2017	2016	2017	2016
		2017年	2016年	2017年	2016年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
HK	香港	-	-	1,237	2,178
PRC	中國	372,790	707,749	46,719	44,190
Kazakhstan	哈薩克斯坦	-	-	161,280	186,467
Canada	加拿大	-	-	550,202	520,316
		372,790	707,749	759,438	753,151

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group is as follows:

有關主要客戶之資料

以下載列來自於相應年度內佔本集團銷售總額超過10%的客戶之收入：

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Customer A ¹	客戶甲 ¹	370,384	705,556

¹ Revenue from natural uranium trading segment

¹ 來自天然鈾貿易分部之收入

Notes to the Consolidated Financial Statements

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For the year ended 31 December 2017 截至2017年12月31日止年度

10. FINANCE COSTS

10. 融資成本

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Interest expenses on imputed interest charged on convertible bonds (note 28)	可換股債券之估算利息開支(附註28)	-	5,601

11. INCOME TAX EXPENSES

11. 所得稅支出

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Hong Kong Profits Tax	香港利得稅		
- current year	- 本年度	18,929	67,341
- (over) under provision in prior years	- 過往年度(超額撥備)撥備不足	(746)	682
		18,183	68,023
UK Corporation tax	英國企業稅		
- current year	- 本年度	724	646
- under provision in prior years	- 過往年度撥備不足	-	659
		724	1,305
		18,907	69,328
Deferred tax	遞延稅項	(3,239)	5,454
		15,668	74,782

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

香港利得稅按該兩個年度的估計應課稅溢利以16.5%的稅率計算。

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for both years.

根據中國企業所得稅法(「企業所得稅法」)及其實施條例，一間中國附屬公司於兩個年度之稅率為25%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

11. INCOME TAX EXPENSES (Continued)

The PRC subsidiary is in loss-making position for the current and the previous years and accordingly does not have any provision for PRC Enterprise Income Tax for both years.

The subsidiary operating in the UK is subject to Corporation Tax Act of UK and the tax rate of the UK subsidiary is 20% for both years.

Pursuant to the tax law of Kazakhstan, withholding income tax is levied on 10% of profit before distributed to overseas investors. The Kazakhstan Income Tax is withheld by the joint venture when 49% of total dividends were distributed to the Company by the joint venture.

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI for the both years.

11. 所得稅支出(續)

於本年度及過往年度，一間中國附屬公司處於虧損狀況，因此於兩個年度並無任何中國企業所得稅的撥備。

於英國營運之附屬公司須根據英國企業所得稅法，英國附屬公司於兩個年度之稅率為20%。

根據哈薩克斯坦稅法，預扣所得稅按分派海外投資之除稅前溢利之10%徵收。上述哈薩克斯坦所得稅由合營企業在其向本公司分派49%之總股息時預扣。

根據開曼群島及英屬處女群島之法律及法規，本集團於兩個年度毋須繳納開曼群島及英屬處女群島所得稅。

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綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

11. INCOME TAX EXPENSES (Continued)

The income tax expenses for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss as follows:

11. 所得稅支出 (續)

本年度所得稅支出與綜合損益表所示除稅前溢利對賬如下：

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Profit before taxation	除稅前溢利	67,746	463,912
Tax calculated at rates applicable to profits in the respective tax jurisdiction concerned	按有關稅務司法權區適用於溢利之稅率計算之稅項	8,924	79,968
Tax effect of share of results of a joint venture	應佔一間合營企業之稅務影響	5,140	(11,144)
Tax effect of share of results of an associate	應佔一間聯營企業之稅務影響	2,715	(5,492)
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	-	(258)
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	1,374	3,571
Deferred tax on undistributed earnings of a joint venture	一間合營企業未分配溢利的遞延稅項	(3,726)	5,028
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	1,987	1,768
(Over)under provision in prior years	過往年度(超額撥備)撥備不足	(746)	1,341
Income tax expenses for the year	本年度所得稅支出	15,668	74,782

Details of deferred taxation are set out in note 29.

遞延稅項詳情載於附註29。

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綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

12. PROFIT FOR THE YEAR

12. 本年度溢利

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Profit for the year has been arrived at after charging:	本年度溢利已扣除下列各項：		
Auditors' remuneration	核數師酬金	1,330	1,270
Cost of inventories recognised as an expense and included in cost of sales	確認為開支及計入銷售成本的存貨成本	253,774	284,244
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,849	1,950
Operating lease rental on land and buildings	土地及樓宇之經營租賃租金	1,856	1,846
Staff costs (including directors' emoluments) (note 15)	員工成本(包括董事酬金)(附註15)	14,661	14,746
Share of income tax (credit) expense of a joint venture	應佔一間合營企業所得稅(抵免)支出	(3,787)	14,465
Share of income tax expense of an associate	應佔一間聯營企業所得稅支出	-	3,110
Net exchange loss	淨匯兌虧損	524	2,748

13. DIVIDENDS

During the year ended 31 December 2017, a final dividend of HK2 cents per share in respect of the year ended 31 December 2016 had been declared and paid.

Subsequent to the end of the reporting period, a final dividend of HK0.2 cents per share in respect of the year ended 31 December 2017 has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

13. 股息

於截至2017年12月31日止年度期間，已宣佈及派發截至2016年12月31日止年度的每股末期股息2港仙。

於本報告期後，本公司董事會提議派發截至2017年12月31日止年度之末期股息為每股0.2港仙，該等擬派股息需經過即將召開的股東週年大會批准。

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綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

14. EARNINGS PER SHARE

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

14. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃按下列數據計算：

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Earnings	盈利		
Earnings for the year attributable to the owners of the Company for the purpose of basic earnings per share	用於計算每股基本盈利之本公司擁有人應佔年內盈利	52,078	389,130
Effect of dilutive potential ordinary shares: Interest on convertible bonds	具攤薄效應之潛在普通股之影響： 可換股債券利息	-	5,601
Earnings for the year attributable to the owners of the Company for the purpose of diluted earnings per share	用於計算每股攤薄盈利之本公司擁有人應佔本年內盈利	52,078	394,731
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	用於計算每股基本盈利之普通股加權平均數	6,600,682,645	5,515,784,641
Effect of dilutive potential ordinary shares: Convertible bonds	具攤薄效應之潛在普通股之影響： 可換股債券	-	459,729,151
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用於計算每股攤薄盈利之普通股加權平均數	6,600,682,645	5,975,513,792

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares during the year ended 31 December 2017.

由於截至2017年12月31日止年度期間沒有具攤薄效應之潛在普通股，故每股攤薄盈利等於每股基本盈利。

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15. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

15. 員工成本(包括董事酬金)

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Salaries, allowances, other benefits and bonus	薪金、津貼、其他福利及花紅	12,559	12,410
Retirement benefit schemes contribution	退休福利計劃供款	2,102	2,336
		14,661	14,746

The subsidiaries in Hong Kong operate defined contribution schemes (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance which are available to qualified employees. The assets of the schemes are held separately from those of the subsidiaries in independently administered funds. Monthly contributions made by the subsidiaries are calculated based on certain percentages of the applicable payroll costs or fixed sums as stipulated under the relevant requirements, as appropriate. The employees are required to contribute 5% of their monthly salaries or up to a maximum of HK\$1,500 and they can choose to make additional contributions. The employees are entitled to 100% of the employer's Mandatory Contributions upon their retirement at the age of 65, death or total incapacity.

香港附屬公司為合資格僱員按香港強制性公積金計劃條例推行定額供款計劃(「強積金計劃」)。該等計劃之資產與附屬公司之資產於獨立管理基金內分開持有。集團之每月供款乃按照有關規定所訂明以適用薪酬成本之若干百分比或固定款額(視適用情況而定)計算。僱員須按其月薪之5%或最高1,500港元作出供款，而彼等可選擇作出額外供款。僱員於65歲退休、身故或完全喪失工作能力時享有100%之僱主強制性供款。

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15. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

Pursuant to the regulations of the relevant authorities in the PRC, the subsidiaries of the Company in this country participate in respective government retirement benefit schemes (the "Schemes") whereby the subsidiaries are required to contribute to the Schemes to fund the retirement benefits of the eligible employees. Contributions made to the Schemes are calculated based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC. The relevant authorities of the PRC are responsible for the entire pension obligations payable to the retired employees. The only obligation of the Group with respect to the Schemes is to pay the ongoing required contributions under the Schemes.

The retirement benefit schemes contribution represent gross contributions by the Group to the Schemes operated by the relevant authorities of the PRC and the defined contribution schemes operated in Hong Kong.

The total cost charged to profit or loss of HK\$2,102,000 (2016: HK\$2,336,000) represents contributions payable to these schemes by the Group in respect of the current accounting period.

Details of the Company's share options granted to the employees of the Group are set out in note 31.

15. 員工成本(包括董事酬金)(續)

根據中國有關當局之規例，本公司之中國附屬公司參與各項政府退休福利計劃(「該等計劃」)，據此，該等附屬公司須向該等計劃作出供款，以撥付合資格僱員之退休福利。向該等計劃作出之供款乃按照中國規例所訂明適用薪酬成本之特定百分比計算。中國有關當局負責向退休僱員支付應付之全數退休福利。本集團就該等計劃之責任僅為根據該等計劃持續作出所需供款。

退休福利計劃供款即本集團向由中國有關當局運作之該等計劃以及於香港運作之定額供款計劃作出之供款總額。

自損益扣除之總成本2,102,000港元(2016年：2,336,000港元)，即本集團於本會計期間就該等計劃應付之供款。

本公司向本集團員工授出購股權之詳情載於附註31。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

16. DIRECTORS' AND INDIVIDUALS WITH HIGHEST EMOLUMENTS

(a) Directors' and chief executive's emoluments

The emoluments paid or payable to each of the nine (2016: ten) directors and the chief executive were as follows:

For the year ended 31 December 2017

16. 董事及最高薪酬人士之酬金

(a) 董事及主要行政人員酬金

已付或應付九名(2016年：十名)董事及主要行政人員之酬金如下：

截至2017年12月31日止年度

	Fees 袍金 HK\$'000 千港元	Other emoluments 其他酬金			Total 總計 HK\$'000 千港元
		Salaries, allowances and other benefits 薪金、津貼及其他福利 HK\$'000 千港元	Discretionary bonus 酌情花紅 HK\$'000 千港元	Retirement benefit schemes contribution 退休福利計劃供款 HK\$'000 千港元	
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company and its subsidiary undertakings 董事就有關本公司及其附屬公司業務之事務管理之其他服務已獲支付或應收之酬金					
<i>Executive directors:</i> Yu Zhiping ¹ Xing Jianhua ²					
執行董事： 余志平 ¹ 幸建華 ²	- -	950 864	- -	- -	950 864
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings 一名人士就擔任董事(無論為本公司及其附屬公司業務之董事)之服務已獲支付或應收之酬金					
<i>Non-executive directors:</i> Zhou Zhenxing ² Fang Chunfa ³ Wu Junfeng ⁴ Liu Mingdong ⁶ Zhang Chengbai ⁷					
非執行董事： 周振興 ² 方春法 ³ 吳俊峰 ⁴ 劉明東 ⁶ 張承柏 ⁷	183 138 138 104 -	- - - - -	- - - - -	- - - - -	183 138 138 104 -
<i>Independent non-executive directors:</i> Qiu Xianhong Lee Kwok Tung Louis Gao Pei Ji					
獨立非執行董事： 邱先洪 李國棟 高培基	120 120 120	- - -	- - -	- - -	120 120 120
	923	1,814	-	-	2,737

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

16. DIRECTORS' AND INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

(a) Directors' and chief executive's emoluments (Continued)

For the year ended 31 December 2016

	Fees 袍金 HK\$'000 千港元	Other emoluments 其他酬金			Total 總計 HK\$'000 千港元
		Salaries, allowances and other benefits 薪金、津貼及其他福利 HK\$'000 千港元	Discretionary bonus 酌情花紅 HK\$'000 千港元	Retirement benefit schemes contribution 退休福利計劃供款 HK\$'000 千港元	
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company and its subsidiary undertakings 董事就有關本公司及其附屬公司業務之事務管理之其他服務已獲支付或應收之酬金					
<i>Executive directors:</i> Yu Zhiping ¹ Xing Jianhua					
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings 一名人士就擔任董事(無論為本公司及其附屬公司業務之董事)之服務已獲支付或應收之酬金					
<i>Non-executive directors:</i> Zhou Zhenxing Fang Chunfa ³ Wu Junfeng ⁴ Chen Qiming ⁵ Yin Engang ⁵					
<i>Independent non-executive directors:</i> Qiu Xianhong Lee Kwok Tung Louis Gao Pei Ji					
	860	1,814	-	-	2,674

¹ Mr. Yu Zhiping was also the CEO of the Company and his emoluments disclosed above included those for services rendered by him as the CEO. He has re-designated as a non-executive director on 25 January 2018

² Resigned on 25 January 2018

³ Appointed on 29 June 2016

⁴ Appointed on 29 June 2016 and resigned on 28 November 2017

⁵ Resigned on 29 June 2016

⁶ Appointed on 23 March 2017 and resigned on 4 December 2017

⁷ Appointed on 28 November 2017

⁸ An Junjing and Chen Deshao were appointed as executive directors on 25 January 2018

16. 董事及最高薪酬人士之酬金 (續)

(a) 董事及主要行政人員酬金 (續)

截至2016年12月31日止年度

¹ 余志平先生亦為本公司的首席執行官，上文所披露彼獲付的酬金已包括其履行作為首席執行官的職務的酬金。余先生於2018年1月25日調任非執行董事

² 於2018年1月25日辭任

³ 於2016年6月29日獲委任

⁴ 於2016年6月29日獲委任及於2017年11月28日辭任

⁵ 於2016年6月29日辭任

⁶ 於2017年3月23日獲委任及於2017年12月4日辭任

⁷ 於2017年11月28日獲委任

⁸ 安軍靖及陳德邵於2018年1月25日獲委任為執行董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

16. DIRECTORS' AND INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

(a) Directors' and chief executive's emoluments (Continued)

During the years ended 31 December 2017 and 31 December 2016, retirement benefit schemes contribution for directors is borne by CGNPC, the ultimate parent of the Company, and its subsidiaries (collectively referred to as the "CGNPC Group"). No apportionment has been made as the directors of the Company consider that it is impracticable to apportion this amount between their services to the Group and their services to CGNPC Group.

(b) Individuals with highest emoluments

Of the five individuals with the highest emoluments in the Group, two (2016: two) were directors and the CEO of the Company whose emoluments are included in the disclosures in note 16(a) above. The emoluments of the remaining three (2016: three) individuals were as follows:

16. 董事及最高薪酬人士之酬金(續)

(a) 董事及主要行政人員酬金(續)

於截至2017年12月31日及2016年12月31日止年度，董事退休福利計劃供款乃由本公司之最終母公司中廣核集團公司及其附屬公司(統稱「中廣核集團」)承擔。由於本公司董事認為就其向本集團及中廣核集團提供服務而分攤該數目並不可行，因而尚未作出分攤。

(b) 最高薪酬人士

於本集團五名最高薪酬人士中，兩名(2016年：兩名)為本公司董事及首席執行官。其薪酬已在上述附註16(a)中作出披露。餘下三名人士(2016年：三名)的薪酬為如下：

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Salaries, allowances and other benefits	薪金、津貼及其他福利	2,670	2,369
Discretionary bonus	酌情花紅	316	88
Retirement benefit schemes contribution	退休福利計劃供款	391	323
		3,377	2,780

The emoluments were within the following bands:

其酬金在以下範圍內：

		2017 2017年 Number of Individuals 人數	2016 2016年 Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	2	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	1

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、裝置 及辦公設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本				
At 1 January 2016	於2016年1月1日	17,260	577	4,666	22,503
Exchange realignment	匯兌調整	(1,094)	-	(27)	(1,121)
Additions	添置	-	-	5	5
At 31 December 2016 and 1 January 2017	於2016年12月31日及 2017年1月1日	16,166	577	4,644	21,387
Exchange realignment	匯兌調整	1,133	-	28	1,161
At 31 December 2017	於2017年12月31日	17,299	577	4,672	22,548
ACCUMULATED DEPRECIATION AND IMPAIRMENT	累計折舊及減值				
At 1 January 2016	於2016年1月1日	431	112	1,621	2,164
Exchange realignment	匯兌調整	(63)	-	(11)	(74)
Provided for the year	本年度撥備	844	193	913	1,950
At 31 December 2016 and 1 January 2017	於2016年12月31日及 2017年1月1日	1,212	305	2,523	4,040
Exchange realignment	匯兌調整	114	-	16	130
Provided for the year	本年度撥備	836	193	820	1,849
At 31 December 2017	於2017年12月31日	2,162	498	3,359	6,019
CARRYING VALUES	賬面值				
At 31 December 2017	於2017年12月31日	15,137	79	1,313	16,529
At 31 December 2016	於2016年12月31日	14,954	272	2,121	17,347

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

17. PROPERTY, PLANT AND EQUIPMENT

(Continued)

The carrying values of properties shown above comprise:

17. 物業、廠房及設備(續)

上述物業之賬面值包括：

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Land and buildings outside Hong Kong:	於香港境外之土地及房產：		
Medium-term lease	中期租賃	15,137	14,954

The above items of property, plant and equipment are depreciated on a straight-line basis at the following useful lives and rates per annum:

上述物業、廠房及設備項目乃根據直線法按以下可使用年期及年率計算折舊：

Leasehold land and buildings	Over the shorter of the term of the lease or 40 years	租賃土地及樓宇	按租賃年期或40年，以較短者為準
Leasehold improvements	Over the shorter of the term of the lease or 5 years	租賃物業裝修	按租賃年期或5年，以較短者為準
Furniture, fixtures and office equipment	10% to 27%	傢俬、裝置及辦公設備	10%至27%

18. INVESTMENT PROPERTIES

18. 投資物業

		HK\$'000
		千港元
FAIR VALUE	公允值	
At 1 January 2016	於2016年1月1日	28,778
Net increase in fair value recognised in profit or loss	已於損益確認之公允值淨增加	2,158
Exchange realignment	匯兌調整	(1,915)
At 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	29,021
Net increase in fair value recognised in profit or loss	已於損益確認之公允值淨增加	358
Exchange realignment	匯兌調整	2,048
At 31 December 2017	於2017年12月31日	31,427

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

18. INVESTMENT PROPERTIES (Continued)

The carrying value of investment properties shown above are situated in the PRC and held under medium-term lease.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair values of the investment properties held by Beijing Sino-Kazakh as at 31 December 2017 and 2016 have been arrived at on the basis of a valuation carried out on that date by an independent qualified professional valuer not connected with the Group, Avista Valuation Advisory Limited, who has among its staff members of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The valuation was arrived at on an open market value basis by using the income approach of capitalising the net rental income receivable from the existing tenancies and the reversionary income potentials.

There has been no change from the valuation technique used in the prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The Group's investment properties that are measured subsequent to initial recognition at fair value are HK\$31,427,000 (2016: HK\$29,021,000). They are grouped into fair value hierarchy Level 3 based on the degree to which the inputs fair value measurements is observable.

There were no transfers between levels in fair value hierarchy for the two years ended 31 December 2017 and 2016.

18. 投資物業(續)

上述賬面值之投資物業乃位於中國，根據中期租賃持有。

本集團所有根據經營租賃持有以賺取租金或作資本增值用途之物業權益均以公允值模式計量，並分類及入賬列作投資物業。

北京中哈鈾於2017年及2016年12月31日所持有投資物業的公允值乃基於與本集團無關連之獨立合資格專業估值師艾華迪評估諮詢有限公司所進行估值而達致。艾華迪評估諮詢有限公司部分員工為香港測量師學會會員，擁有近期所估物業所在地點及其類別之估值經驗。該估價是按公開市值基準，假設在現有租賃下出售，透過資本化來自現有租賃的租金收入淨額及轉回潛在租金收入而達致。

估值技術較上一年度所用者並無改變。就計量物業之公允值而言，物業之最有效使用值為其現時之使用值。

本集團之投資物業以初步確認後之公允值31,427,000港元(2016年：29,021,000港元)計量，乃按公允值可觀察的程度分類為公允值第三級。

於2017年及2016年12月31日兩年內並無公允值等級制度之間的等級轉移。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

18. INVESTMENT PROPERTIES (Continued)

Information about Level 3 fair value measurements of investment properties:

18. 投資物業(續)

有關投資物業第三級公允值計量之資料：

	Valuation technique 估值技術	Key input 主要輸入值	Significant unobservable inputs 不可觀察之重要資料
All Investment properties	Income approach	Income approach takes into account net rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the market value at an appropriate capitalisation rate.	Term yield and reversion yield are at 6%
所有投資物業	收入法	收入法乃經計及有關物業以現有租賃所得及／或在現時市場上可收取之租金收入淨額，且已就有關租賃之復歸收入潛力作適當估量，再將有關租賃予以資本化以按某一適當資本化比率釐定市值。	期間收益率及復歸收益率為6%。

The fair value measurement of the investment properties determined by using income approach is negatively correlated to the term yield and reversion yield. A slight increase in term yield and reversion yield used would result in a significant decrease in fair value measurement of the properties, and vice versa.

採用收入法釐定之投資物業公允值計量乃與期間收益率及復歸收益率呈負相關。期間收益率及復歸收益率略微增長會導致物業公允值計量顯著減少，反之亦然。

The net increase in fair value of approximately HK\$358,000 (2016: HK\$2,158,000) was recognised in profit or loss for the year ended 31 December 2017.

截至2017年12月31日止年度，公允值增加淨額約358,000港元(2016年：2,158,000港元)於損益確認。

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綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

19. INTEREST IN A JOINT VENTURE

19. 於一間合營企業之權益

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Cost of unlisted interest in a joint venture	於一間合營企業之非上市權益之成本	793,730	793,730
Share of post-acquisition results and other comprehensive expenses, net of dividends received	應佔收購後業績及其他全面開支(扣除已收股息)	(632,450)	(607,263)
		161,280	186,467

Details of the joint venture as at 31 December 2017 and 2016 are as follows:

合營企業於2017年及2016年12月31日的詳情如下：

Name of entity	Form of entity	Place of incorporations/ establishment and operation	Class of shares held	Percentage of ownership held by the Group	Principal activities
實體名稱	實體形式	註冊/成立及業務地點	所持股份類別	本集團所持擁有百分比	主要業務活動
Semizbay-U	Limited liability partnership	Kazakhstan	Ordinary shares	49%	Extraction, preliminary processing and sale of uranium oxide on Semizbay and Irkol fields
謝公司	有限責任合夥	哈薩克斯坦	普通股	49%	提取、初步加工及銷售 Semizbay 及 Irkol 區域的氧化鈾

Summarised financial information of material joint ventures

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRSs.

The joint venture is accounted for using the equity method in these consolidated financial statements.

重大合營企業財務資料概要

本集團各合營企業的財務資料概要載列下文。下文的財務資料概要乃合營企業根據香港財務報告準則而編製的財務報表所顯示的金額。

於此等綜合財務報表中，合營企業以權益法列賬。

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綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

19. INTEREST IN A JOINT VENTURE (Continued)

19. 於一間合營企業之權益(續)

Semizbay-U

謝公司

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Current assets	流動資產	280,910	275,161
Non-current assets	非流動資產	401,747	530,924
Current liabilities	流動負債	285,434	358,813
Non-current liabilities	非流動負債	68,080	66,727
The above amounts of assets and liabilities include the following:	上述資產及負債金額包括下列：		
Cash and cash equivalents	現金及現金等值項目	4,191	8,352
Current financial liabilities (excluding trade and other payables and provisions)	流動金融負債 (不包括應付賬款及其他應付款項及撥備)	229,627	289,844
Non-current financial liabilities (excluding trade and other payables and provisions)	非流動金融負債 (不包括應付賬款及其他應付款項及撥備)	1,104	6,005

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	營業額	487,098	551,941
(Loss) profit for the year	本年度(虧損)溢利	(41,955)	90,970
Other comprehensive income for the year	本年度其他全面收益	5,015	7,388
Total comprehensive (expenses) income for the year	本年度總全面(開支)收益	(36,940)	98,358

Note: Dividend of approximately HK\$7,086,000 (2016:Nil) from joint venture has been received during the year ended 31 December 2017.

附註：於2017年12月31日止年度期間，已收取來自合營企業約7,086,000港元(2016：無)之股息。

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綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

19. INTEREST IN A JOINT VENTURE (Continued)

Semizbay-U (Continued)

The above (loss) profit for the year include the following:

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Depreciation and amortisation	折舊及攤銷	108,955	88,941
Interest income	利息收入	154	720
Interest expense	利息開支	12,451	20,206
Income tax (credit) expense	所得稅(抵免)支出	(7,729)	29,520

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture is set out as below:

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Net assets of Semizbay-U	謝公司資產淨值	329,143	380,545
Proportion of the Group's ownership interest in Semizbay-U	本集團於謝公司的權益比例	49%	49%
Carrying amount of the Group's interest in Semizbay-U	本集團於謝公司的權益的賬面值	161,280	186,467

No capital commitment and contingent liabilities incurred related to the Group's interest in a joint venture.

19. 於一間合營企業之權益(續)

謝公司(續)

上述本年度(虧損)溢利包括下列：

上述於合營企業之權益財務資料概要與賬面值的對賬如下：

本集團於一間合營企業的權益並無資本承擔及或然負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

20. INTEREST IN AN ASSOCIATE

20. 於一間聯營企業之權益

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Cost of listed interest in an associate (Note 36)	於一間聯營企業上市權益之成本(附註36)	453,924	453,924
Share of post-acquisition profit and other comprehensive income (Note a)	應佔收購後溢利及其他全面收益(附註a)	89,129	62,743
Share of other reserve	應佔其他儲備	7,149	3,649
		550,202	520,316

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Market value of the interest in the listed associate	於一間上市聯營企業權益之市值	367,146	360,096

Details of the associate as at 31 December 2017 are as follows:

於2017年12月31日之聯營企業詳情如下：

Name of entity 實體名稱	Form of entity 實體形式	Place of incorporations/ establishment and operation 註冊/成立及業務地點	Class of shares held 所持股份類別	Percentage of ownership held by the Group 本集團所持 擁有權百分比	Principal activities 主要業務活動
Fission	Corporation	Canada	Common shares	19.92% (Note c) (2016: 19.98%)	Acquisition and development of exploration and evaluation assets
Fission	企業	加拿大	普通股	19.92%(附註c) (2016年: 19.98%)	收購及開發勘探及評估資產

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綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

20. INTEREST IN AN ASSOCIATE (Continued)

Notes:

- (a) Fission was acquired by the Company on 27 January 2016. Details of the acquisition are set out in note 36.

As at 31 December 2017 and 2016, the management of the Group reviewed the interest in an associate for impairment and determined that interest in an associate is impaired based on a valuation carried out by an independent qualified professional valuer, HF Appraisal and Advisory Limited ("HF"). The fair value of exploration right held by Fission is arrived on a fair value less costs to sell by using the comparable transaction approach and adjusting the uranium price. The fair value is categorised as level 3 under the fair value hierarchy. The key inputs used in level 3 fair value measurement are the comparable transactions, uranium prices and the indicated resources of uranium.

During the year, as the associate incurred loss in operation and the market uranium price fluctuated, an impairment loss of approximately HK\$7,005,000 (2016: HK\$220,032,000) was recognised and included in the share of results of an associate for the current year.

- (b) The Group is able to exercise significant influence over Fission because it has appointed two out of the eight (2016: two out of nine) directors of Fission under the terms stated in the subscription agreement entered into by the Company and Fission on 11 January 2016 ("Subscription Agreement").
- (c) During the year, Fission issued approximately 1,463,000 (2016: 263,000) ordinary shares upon exercise of share options granted to the directors and employees of Fission under the share option schemes of Fission. As a result, the Group's interest in Fission reduced in aggregate by 0.06% (2016: 0.01%). The effect on the deemed disposal of partial interest in Fission is approximately HK\$1,012,000 which included in share of result of an associate for the current year. No loss on deemed disposal is recognised.

The market value of the Group's interest in an associate disclosed above is based on the quoted market price available on the Toronto Stock Exchange under the symbol "FCU", which is level 1 input in terms of HKFRS 13.

20. 於一間聯營企業之權益(續)

附註：

- (a) 本公司於2016年1月27日完成收購Fission。詳情載於附註36。

於2017年及2016年12月31日，本集團管理層審閱於一間聯營企業之權益減值，並根據獨立合資格專業估值師匯福評估及諮詢有限公司（「匯福」）所進行的估值而釐定減值。Fission擁有的勘探權之公允值乃使用可資比較方式按公允值減出售成本方式並經調整鈾價所導致。公允值分類為公允值等級制度的第三級。第三級公允值計量的主要輸入數據為可資比較交易、鈾價及控制級的鈾資源。

年內，由於聯營企業業務產生虧損及市場鈾價格波動，約7,005,000港元（2016年：220,032,000港元）的減值虧損於本年度的應佔一間聯營企業業績內確認。

- (b) 本集團對Fission行使重大影響，乃由於根據本公司與Fission於2016年1月11日訂立的認購協議（「認購協議」）列明的條款，本集團有權於八名（2016年：九名）Fission董事中委任兩名（2016年：兩名）董事。
- (c) 年內，Fission行使根據其購股權計劃向其董事及僱員授予的購股權後，發行約1,463,000股（2016年：263,000股）普通股。因此，本集團於Fission的權益合共減少0.06%（2016年：0.01%）。視作出售部分Fission股權的影響約1,012,000港元並於本年度期間列入應佔聯營企業業績中。視作出售事項概無確認虧損。

上述披露的本集團於一間聯營企業權益的市值乃根據多倫多證券交易所中代號“FCU”所報之市價（即就香港財務報告準則第13號而言的第一級輸入數據）而釐訂。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

20. INTEREST IN AN ASSOCIATE (Continued)

Summarised financial information of a material associate

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with International Financial Reporting Standards.

The associate is accounted for using the equity method in these consolidated financial statements.

Fission

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Current assets	流動資產	256,372	290,573
Non-current assets	非流動資產	2,758,798	2,565,665
Current liabilities	流動負債	3,032	2,732
Non-current liabilities	非流動負債	250,082	249,321

20. 於一間聯營企業之權益(續)

重大聯營企業之財務資料概要

有關本集團重大聯營企業之財務資料概要載列如下。下文所述之財務資料概要乃指聯營企業根據國際財務報告準則編製之財務報表中所示金額。

該聯營企業於綜合財務報表中採用權益法入賬。

Fission

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

20. INTEREST IN AN ASSOCIATE (Continued)

Fission (Continued)

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	營業額	-	-
Loss for the year	本年度虧損	(77,535)	(41,645)
Other comprehensive income for the year	本年度其他全面收益	215,073	147,441
Total comprehensive income for the year	本年度總全面收益	137,538	105,796
Other reserve for the year	本年度其他儲備	17,570	18,261
		155,108	124,057

The above loss for the year include the following:

上述本年度虧損包括下列：

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Depreciation and amortisation	折舊及攤銷	736	732
Interest income	利息收入	182	3,168
Interest expense	利息支出	-	-
Income tax expense	所得稅支出	-	15,566

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

20. INTEREST IN AN ASSOCIATE (Continued)

Fission (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate is set out as below:

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Net assets of Fission	Fission 資產淨值	2,762,056	2,604,185
Proportion of the Group's ownership interest in Fission	本集團於 Fission 的權益比例	19.92%	19.98%
Carrying amount of the Group's interest in Fission	本集團於 Fission 的權益的賬面值	550,202	520,316

No capital commitment and contingent liabilities incurred related to the Group's interest in an associate.

20. 於一間聯營企業之權益(續)

Fission (續)

上述於聯營企業之權益財務資料概要與賬面值的對賬如下：

本集團於一間聯營企業的權益並無資本承擔及或然負債。

21. TRADE AND OTHER RECEIVABLES

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Trade receivables (Note a)	應收賬款(附註a)	119,856	4,738
Prepayments, deposits and other receivables (Note b)	預付款項、按金及其他應收款項(附註b)	9,044	4,148
		128,900	8,886

The Group did not hold any collateral over these balances. At 31 December 2017 and 2016, there were no impairment loss provided.

Notes:

- (a) Trade receivables represents amount due from the immediate holding company, China Uranium Development.

21. 應收賬款及其他應收款項

本集團並無就該等結餘持有任何抵押品。於2017年及2016年12月31日，本集團未就減值虧損作出撥備。

附註：

- (a) 應收賬款來自應收一間直接控股公司中國鈾業發展的款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

21. TRADE AND OTHER RECEIVABLES

(Continued)

Notes: (Continued)

- (b) At 31 December 2016, included in prepayments, deposits and other receivables are HK\$88,000 (2017: Nil) due from an intermediate holding company, CGNPC-URC.

Included in prepayments, deposits and other receivables, approximately HK\$4,179,000 (2016: Nil) and HK\$30,000 (2016: Nil) are interest receivables due from CGNPC Huasheng Investment Limited ("Huasheng") and 中廣核財務有限責任公司 (for identification purpose, in English, CGN Finance Co., Ltd., referred to as "CGN Finance") respectively, fellow subsidiaries of the Company.

The Group normally grants to its trade customer credit periods for natural uranium segment ranging from 28 days to 120 days after delivery dates. No trade receivables are past due as at the end of reporting periods.

The following is an ageing analysis of the trade receivables presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Within 30 days	30天內	109,514	4,738
31 to 60 days	31天至60天	3,367	-
61 to 120 days	61至120天	6,975	-
		119,856	4,738

The Group's trade and other receivables that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

Presented in: 列示為:	HK\$'000 千港元		RMB'000 人民幣千元		CAD'000 千加元	
	2017 2017年	2016 2016年	2017 2017年	2016 2016年	2017 2017年	2016 2016年
Trade and other receivables	1,838	433	3,072	3,061	1	-

21. 應收賬款及其他應收款項

(續)

附註：(續)

- (b) 於2016年12月31日，預付款項、按金及其他應收款項包括一間間接控股公司中廣核鈾業發展的款項約88,000港元(2017年：無)。

預付款項、按金及其他應收款項包括來自同系附屬公司—中廣核華盛投資有限公司(「華盛」)及中廣核財務有限責任公司(「中廣核財務」)約4,179,000港元(2016：無)及30,000港元(2016：無)的應收利息。

本集團就天然鈾分部授予其貿易客戶始於送貨日介乎28日至120日的信貸期。截至報告期末，沒有逾期應收賬款。

於報告期間結算日，以與收益確認日期相若的發票日期為基準，應收賬款賬齡分析如下。

本集團以有關集團實體功能貨幣以外之貨幣計價之應收賬款及其他應收款項如下：

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綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

22. AMOUNTS DUE FROM (TO) AN INTERMEDIATE HOLDING COMPANY

The amount due from an intermediate holding company represents the rental receivable from CGNPC-URC of which maximum outstanding amount during the year ended 31 December 2017 is approximately HK\$2,650,000 (2016: HK\$10,074,000).

The amount due to an intermediate holding company represents unsettled amount of management service provided by and the administrative expenses paid by CGNPC-URC on behalf of the Group.

The amounts are unsecured, interest-free, and repayable within a specified credit period.

The Group's amount due from (to) an intermediate holding company that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

22. 應收(付)一間中間控股公司款項

應收一間中間控股公司款項即就收中廣核鈾業發展租金，其中，截至2017年12月31日止年度最高未償還金額約2,650,000港元(2016年：10,074,000港元)。

應付一間中間控股公司款項即中廣核鈾業發展向本集團提供的管理服務及代支付的行政費用。

款項乃無抵押、不計息及根據購買協議信用條款。

本集團應收(付)一間中間控股公司款項以相關集團實體作出採購之功能貨幣以外之貨幣計價載列如下：

		RMB'000 人民幣千元	
Presented in: 列示為：		2017 2017年	2016 2016年
Amount due from an intermediate holding company	應收一間中間控股公司款項	1,293	2,370
Amount due to an intermediate holding company	應付一間中間控股公司款項	5,425	11,841

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23. AMOUNTS DUE FROM (TO) FELLOW SUBSIDIARIES

During the year ended 31 December 2016, Huasheng and CGN Finance, fellow subsidiaries of the Company, performed certain treasury activities for the Group and CGNPC Group. Pursuant to the arrangement, the fellow subsidiaries receive funds from the Group, pools the funds together with funds from CGNPC Group companies and provides intra-group financial services for the Group and CGNPC Group. The fellow subsidiaries will reimburse interest to the Group with reference to the prevailing market interest rate. At 31 December 2016, the Group had approximately HK\$1,080,871,000 and HK\$76,000 due from Huasheng and CGN Finance respectively, under this arrangement. During the year ended 31 December 2016, the Group earned interest income amounting to approximately HK\$4,177,000 and HK\$96,000 from Huasheng and CGN Finance under this arrangement.

During the year ended 31 December 2016, the amounts are unsecured, interest-bearing ranging from 0.06% to 1.36% (2017: Nil) per annum and repayable within one year according to terms of deposit agreements.

On 6 December 2016, the Company entered into the new Financial Service Framework Agreements (the "Agreements") with Huasheng for a terms of three years commencing from 1 January 2017 and ending on 31 December 2019. Under the Agreements, the directors of the Company consider that these deposits made to Huasheng is qualified as cash with effective from 1 January 2017.

23. 應收(付)同系附屬公司款項

截至2016年12月31日止年度，華盛及中廣核財務為本集團及中廣核集團進行若干財資活動。根據安排，同系附屬公司從本集團收取資金、將資金與中廣核集團的資金匯集，並為本集團及中廣核集團提供集團內部金融服務。同系附屬公司將會參照當時的市場利率向本集團償付利息。於2016年12月31日，本集團根據該安排有應收華盛及中廣核財務款項約1,080,871,000港元及76,000港元。截至2016年12月31日止年度，本集團根據該安排分別從華盛及中廣核財務賺取利息收入約4,177,000港元及96,000港元。

截至2016年12月31日止年度，有關金額乃無抵押、按每年0.06%至1.36%(2017年：無)不等的利率計息及根據存款協議條款須於一年內償還。

於2016年12月6日，本公司與華盛訂立新財務服務框架協議(「該協議」)，自2017年1月1日開始至2019年12月31日止，為期三年。根據該協議，本公司董事認為，存置於華盛的存款合資格作為現金，自2017年1月1日起生效。

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For the year ended 31 December 截至2017年12月31日止年度

23. AMOUNTS DUE FROM (TO) FELLOW SUBSIDIARIES (Continued)

The amounts due to fellow subsidiaries are unsecured, interest-free and repayable within a specified credit term.

The Group's amounts due from (to) fellow subsidiaries that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

23. 應收(付)同系附屬公司款項(續)

應付同系附屬公司款項乃無抵押、不計息及根據購買協議信用條款。

本集團應收(付)同系附屬公司款項以相關集團實體作出採購之功能貨幣以外之貨幣計價載列如下：

Presented in: 列示為：		HK\$'000 千港元		RMB'000 人民幣千元	
		2017	2016	2017	2016
		2017年	2016年	2017年	2016年
Amounts due from fellow subsidiaries	應收同系附屬公司款項	-	496,577	-	68
Amounts due to fellow subsidiaries	應付同系附屬公司款項	-	-	1,014	-

24. BANK BALANCES AND CASH

24. 銀行結存及現金

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Bank deposits:	銀行結存		
Cash at bank and on hand	銀行結存及現金	1,017,111	40,915
Analyse of bank balances and cash at the end of the year:	於年末銀行結存及現金分析：		
Cash at bank and on hand (Note a)	銀行結存及現金(附註a)	16,593	40,915
Cash placed at Huasheng and CGN Finance (Note b)	存放於華盛及中廣核財務的現金(附註b)	1,000,518	-
		1,017,111	40,915

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For the year ended 31 December 截至2017年12月31日止年度

24. BANK BALANCES AND CASH (Continued)

Notes:

- (a) Bank balances carry interest at average market rate of 0.14% (2016: 0.15%).
- (b) The balance is unsecured, interest bearing at ranging from 0.10% to 2.42% per annum and recoverable on demand. As the Group can withdraw the deposits without giving any notice and without suffering any penalty, the directors of the Company consider that the deposits made to Huasheng and CGN Finance are qualified as cash. Details are stated in note 23.

The Group's bank balances and cash that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

Presented in: 列示為：	HK\$'000 千港元		RMB'000 人民幣千元		USD'000 千美元	
	2017 2017年	2016 2016年	2017 2017年	2016 2016年	2017 2017年	2016 2016年
Bank balances and cash 銀行結存 及現金	306,547	1,466	17,157	28,443	12,466	905

25. TRADE AND OTHER PAYABLES

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Trade payables (Note) Accrued expenses and other payables	應付賬款(附註) 應計開支及其他應付款項	87,676 2,476 90,152	1,419 7,384 8,803

Note: Trade payables represented amount due to a joint venture of the Company, Semizbay-U.

24. 銀行結存及現金(續)

附註：

- (a) 銀行存款按固定平均年利率0.14% (2016: 0.15%) 計息。
- (b) 該結存為無抵押，按年率介乎0.10%至2.42%計息並於需要時可收回。因本集團能夠提取該存款(毋須發出任何通知及不會受任何懲罰)，本公司董事認為存放於華盛及中廣核財務的存款合資格作為現金。詳情載列於附註23。

本集團以有關集團實體功能貨幣以外之貨幣計價之銀行結存及現金如下：

附註：應付賬款為應付本公司之合營企業謝公司的款項。

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25. TRADE AND OTHER PAYABLES (Continued)

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

		2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Within 30 days	30天內	80,826	1,419
31 to 60 days	31天至60天	2,635	–
61 to 120 days	61至120天	4,215	–
		87,676	1,419

The average credit period on purchases of goods was ranging from 28 days to 120 days after delivery date. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

The Group's trade and other payables that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		HK\$'000 千港元		RMB'000 人民幣千元		Pound sterling ("GBP") '000 千英鎊	
Presented in: 列示為:		2017 2017年	2016 2016年	2017 2017年	2016 2016年	2017 2017年	2016 2016年
Trade and other payables	應付賬款及其他應付款項	1,210	2,799	911	838	7	–

26. AMOUNT DUE TO A JOINT VENTURE

As at 31 December 2017 and 2016, the amount represents other taxes in relation to purchase of natural uranium resources from Semizbay-U, a joint venture of the Group, charged by the local government of Semizbay-U. The amount is reimbursed to Semizbay-U in accordance with a purchase agreement entered into between the Group and Semizbay-U. Included in the amount as at 31 December 2016 was approximately HK\$301,000 of the other payable for the delay of settlement of trade payable.

The balance was unsecured, interest-free and repayable within a specified credit period.

25. 應付賬款及其他應付款項 (續)

於報告期間結算日，根據發票日期呈列之應付賬款之賬齡分析如下：

採購貨品之平均信貸期為到貨日後介乎28日至120日。本集團已實施財務風險管理政策，以確保所有應付款項於信貸期內清償。

本集團以有關集團實體功能貨幣以外之貨幣列值之應付賬款及其他應付款項如下：

26. 應付一間合營企業款項

於2017年及2016年12月31日，該款項指有關自本集團合營企業謝公司採購天然鈾資源而支付謝公司當地政府的其他稅項。該款項乃根據本集團與謝公司訂立的購買協議而支付謝公司。列入2016年12月31日款項為數約301,000港元為就延遲結算應付賬款之其他應付款。

結餘為無抵押、不計息及按指定信貸期限償還。

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27. SHARE CAPITAL

27. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary share of HK\$0.01 each	每股面值0.01 港元之普通股		
Authorised:	法定：		
At 1 January 2016,	於2016年1月1日、		
31 December 2016,	2016年12月31日、		
1 January 2017 and	2017年1月1日及		
31 December 2017	2017年12月31日	50,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2016	於2016年1月1日	4,636,934,819	46,369
Issue of shares upon conversion of convertible bonds	於轉換可換股債券 時發行股份	1,304,347,826	13,044
Placing and subscription of new shares	配售及認購新股份	659,400,000	6,594
At 31 December 2016,	於2016年12月31日、		
1 January 2017 and	2017年1月1日及		
31 December 2017	2017年12月31日	6,600,682,645	66,007

During the year ended 31 December 2016, convertible bonds with an aggregate principal amount of HK\$300,000,000 were converted into 1,304,347,826 ordinary shares of HK\$0.01 each at a conversion price of HK\$0.23 per share.

於截至2016年12月31日止年度，本金額合共為300,000,000港元的可換股債券按兌換價每股0.23港元兌換為1,304,347,826股每股值為0.01港元的普通股。

On 8 November 2016, the Company entered into a subscription agreement with an independent third party for subscription of an aggregate 659,400,000 new shares of the Company at a subscription price of HK\$0.52 per share. The gross proceeds raised amounted to HK\$342,888,000 (before transaction costs of approximately HK\$2,959,000) and resulted in the net increase in share capital and share premium of approximately HK\$6,594,000 and HK\$333,335,000 respectively. The subscription was completed on 13 December 2016. Details of the subscription are set out in the Company's announcements dated 9 November 2016 and 13 December 2016.

於2016年11月8日，本公司與一名獨立第三方就以認購價每股股份0.52港元認購合共659,400,000股本公司新股份而訂立認購協議。所得款項總額增至342,888,000港元（未計入交易成本約2,959,000港元），導致股本及股份溢價分別錄得淨增加約6,594,000港元及333,335,000港元。認購於2016年12月13日完成。認購之詳情載列於本公司日期為2016年11月9日及2016年12月13日的公告。

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27. SHARE CAPITAL (Continued)

All the ordinary shares issued during the year ended 31 December 2016 rank pari passu with the then existing shares in all respects.

28. CONVERTIBLE BONDS

On 18 August 2011, the Company issued zero coupon convertible bonds (the “CB”) in principal amount of HK\$600,000,000 to China Uranium Development. The CB are denominated in HK\$. The CB entitled the holder to convert the CB in full or in part (in an amount of HK\$1,000 and integral multiples thereof) into the ordinary shares of the Company at any time on or after the date of issue of the CB up to seven days prior to the maturity date on 17 August 2016 at an initial conversion price of HK\$0.23 per share, subject to adjustments.

The CB contained two components, liability and equity elements. The equity element was presented in equity heading “equity component of convertible bonds”. The fair value of the liability component was calculated as the present value of the stream of future cash flows. The effective interest rate of the liability component was 5.43% per annum. The movement of the liability component of the CB for the year was set out below:

27. 股本(續)

於截至2016年12月31日止年度所有已發行的普通股與當時現有股份於各方面享有同地位。

28. 可換股債券

本公司於2011年8月18日向中國鈾業發展發行本金額為600,000,000港元之零息可換股債券(「可換股債券」)。可換股債券以港元計值。可換股債券持有者有權於發行可換股債券之日期或之後直至到期日(2016年8月17日)前七日之任何時間將可換股債券悉數或部分(金額為1,000港元及其完整倍數)按初步轉換價每股0.23港元(可予調整)轉換為本公司普通股股份。

可換股債券包括兩部分：負債及權益部分。權益部分於「可換股債券權益部分」項下之權益內呈列。負債部分公允值以未來現金流量之現值計算。負債部分之實際利率為年利率5.43%。下表載列年內可換股債券負債部分之變動：

		HK\$'000 千港元
At 1 January 2016	於2016年1月1日	289,933
Imputed interest charged (note 10)	估算利息開支(附註10)	5,601
Conversion of shares (note 30)	兌換股份(附註30)	(295,534)
At 31 December 2016	於2016年12月31日	-

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29. DEFERRED TAXATION

The followings are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior year:

29. 遞延稅項

以下為於本年度及過往年度確認之主要遞延稅項負債及資產以及有關變動：

		Change in fair			Total
		Accumulated tax depreciation	value of land and buildings and investment properties	Undistributable profits of a joint venture	
		土地及樓宇以及投資物業之	一間合營企業之	未分配溢利	總計
		累計稅項折舊	公允值變動	未分配溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2016	於2016年1月1日	2,923	3,727	4,209	10,859
(Credited) charged to profit or loss	於損益(扣除)計入	(114)	540	5,028	5,454
Exchange realignment	匯兌調整	(171)	(260)	(477)	(908)
At 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	2,638	4,007	8,760	15,405
Charged (credit) to profit or loss	於損益計入(扣除)	397	90	(3,726)	(3,239)
Exchange realignment	匯兌調整	172	284	484	940
At 31 December 2017	於2017年12月31日	3,207	4,381	5,518	13,106

At the end of the reporting period, the Group has unused tax losses of approximately HK\$76,376,000 (2016: HK\$63,685,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses of approximately HK\$76,376,000 (2016: HK\$63,685,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK\$76,376,000 (2016: HK\$63,685,000) that will expire after five years from the year of assessment to which they relate to.

於報告期間結算日，本集團可供抵銷未來溢利之未動用稅項虧損約為76,376,000港元(2016年：63,685,000港元)。由於未能預測未來溢利來源，故並無就約76,376,000港元(2016年：63,685,000港元)之稅項虧損確認遞延稅項資產。未確認稅項虧損中約76,376,000港元(2016年：63,685,000港元)將於與其相關之評稅年度起計五年後屆滿。

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30. MAJOR NON-CASH TRANSACTION

During the year ended 31 December 2016, the bondholder converted convertible bonds in aggregate principal amount of HK\$300,000,000 at the conversion price of HK\$0.23 per share whereby a respective total number of 1,304,347,826 conversion shares were issued. As a result of the conversion, share capital and share premium of the Company have been increased by approximately HK\$13,044,000 and HK\$351,904,000 respectively while the carrying amount of the convertible bonds and the equity component of convertible bonds have been decreased by approximately HK\$295,534,000 and HK\$69,414,000 respectively.

31. SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at the annual general meeting held on 2 June 2010, a new share option scheme (“2010 Share Option Scheme”) was adopted. Details of which were set out in the Company’s circular dated 27 April 2010.

30. 主要非現金交易

於截至2016年12月31日止年度，債券持有人按兌換價每股0.23港元兌換本金額合共為300,000,000港元的可換股債券，因此共發行1,304,347,826股股份。由於兌換可換股票據，本公司的股本及股份溢價分別增加約13,044,000港元及351,904,000港元，可換股債券及可換股債券權益部分的賬面值分別減少約295,534,000港元及69,414,000港元。

31. 購股權計劃

根據於2010年6月2日舉行之股東週年大會上通過一項普通決議案，本公司已採納一項新購股權計劃（「2010年購股權計劃」）。有關詳情載於本公司日期2010年4月27日之通函。

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For the year ended 31 December 截至2017年12月31日止年度

31. SHARE OPTION SCHEME (Continued)

The board of directors of the Company may, at their discretion, grant option to the eligible participant including any employees, any non-executive directors, directors, suppliers, customers, advisors, consultants, joint venture partners and any shareholders of any members of the Group or any invested entities or any holders of any securities issued by any members of the Group or any invested entities. The maximum number of shares of the Company which may be issued upon exercise of all options granted under its share option scheme or any other share option scheme adopted by the Company must not in aggregate exceed 30% of its issued share capital of the Company from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the 2010 Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue as at the date of passing the relevant resolution adopting the share option scheme unless it is approved by shareholders in a general meeting of the Company. The maximum number of shares issuable under the options to each eligible participant in any 12-month period is limited to 1% of the shares in issue unless it is approved by shareholder in a general meeting of the Company. Any grant of options under the share option scheme to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). Any share options granted to a substantial shareholder or an independent non-executive director of the Company or to any of their respective associates, in excess of 0.1% of the shares in issue and with an aggregate value (based on the closing price of the shares at the date of grant) in excess of HK\$5,000,000, in any 12-month period, are subject to shareholders' approval in a general meeting of the Company.

During the years ended 31 December 2017 and 2016, no share options were granted, cancelled or exercised.

31. 購股權計劃(續)

本公司董事會可酌情向合資格參與者授出購股權，包括本集團任何成員公司或被投資實體之任何僱員、非執行董事、董事、供應商、客戶、顧問、諮詢人、合營夥伴及股東或本集團任何成員公司或被投資實體所發行證券之持有人。悉數行使根據本公司購股權計劃或本公司所採納任何其他購股權計劃所授出購股權而可能發行之本公司股份數目，合共最多不得超過本公司不時已發行股本之30%。悉數行使根據2010年購股權計劃及本集團任何其他購股權計劃所授出購股權而可能發行之股份總數，不得超過採納購股權計劃之有關決議案獲通過日期已發行股份之10%，除非股東於本公司股東大會批准則作別論。除非於本公司股東大會獲股東批准，否則每名合資格參與者於任何12個月根據購股權可獲發行之股份總數最多為已發行股份之1%。根據購股權計劃向本公司任何董事、主要行政人員或主要股東或彼等各自之連繫人士授出購股權必須獲獨立非執行董事(不包括同為購股權承授人之獨立非執行董事)之批准。倘於任何12個月期間向本公司之主要股東或獨立非執行董事或彼等各自之連繫人士授出之購股權超過已發行股份之0.1%及總值超過5,000,000港元(根據股份於授出日期之收市價計算)，則須於本公司股東大會獲股東批准。

於截至2017年及2016年12月31日止年度，概無授出、註銷或行使任何購股權。

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32. RELATED PARTY TRANSACTIONS

- (a) Save as disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties during the year:

32. 關聯人士交易

- (a) 除於本綜合財務報表內其他地方披露者外，本集團年內與關聯人士曾發生以下的重大交易：

			2017	2016
		Notes	2017年	2016年
		附註	HK\$'000	HK\$'000
			千港元	千港元
Sales of natural uranium resources to CGNPC-URC	向中廣核鈾業發展銷售天然鈾資源	(i)	336	-
Sales of natural uranium resources to China Uranium Development	向中國鈾業發展銷售天然鈾資源	(i)	370,384	705,556
Purchases of natural uranium resources from Semizbay-U including taxes	自謝公司購買天然鈾資源(含稅)	(ii)	252,794	284,244
Dividend income received from a joint venture	收取一間合營企業的股息收入		7,086	-
Management fee paid to CGNPC-URC	付給中廣核鈾業發展管理費	(iii)	5,838	5,467
Interest income from Huasheng	收取華盛的利息收入	(iv)	16,578	4,177
Rental income from CGNPC-URC	收取中廣核鈾業發展之租金收入	(v)	2,070	2,193
Business and administration service fee paid to CGN Global Uranium Limited ("CGN Global")	向CGN Global Uranium Limited ("CGN Global") 支付的業務及行政服務費	(vi)	107	124
Administrative service fee paid to General Uranium UK Ltd ("General Uranium")	向General Uranium UK Ltd ("General Uranium") 支付的行政服務費用	(vii)	307	254
Interest income from CGN Finance	收取中廣核財務利息收入	(viii)	154	96
Trade deposit interest income from Semizbay-U	收取謝公司貿易預付款利息收入	(ii)	-	161
Penalty for delay of settlement of trade payable	延遲結算應付賬款之罰款	(ii)	-	301

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32. RELATED PARTY TRANSACTIONS

(a) (Continued)

			2017	2016
		Notes	2017年	2016年
		附註	HK\$'000	HK\$'000
			千港元	千港元
Management fee received from CGNPC-URC	收取中廣核鈾業發展之管理費	(ix)	2,993	2,504
Information system services fee paid to CGN Power Company Limited ("CGN Power")	向中國廣核電力股份有限公司(「中廣核電力」)支付的資訊系統服務費用	(x)	436	-
Accounting services fee paid to CGN Power	向中國廣核電力支付財務服務費用	(x)	776	-
Administrative service fee paid to CGNPC-URC	向中廣核鈾業發展支付行政服務費用	(xi)	562	-

Notes:

(i) On 15 October 2013, the Group entered into a framework agreement with CGNPC-URC for the sales of natural uranium resources for the year ended 31 December 2017 at prevailing market rates. Interests at LIBOR plus 2% per annum on overdue amounts for the overdue period will be charged to CGNPC-URC.

On 1 July 2016, the Group entered into a sale agreement with China Uranium Development for the sales of natural uranium resources for the year 2016.

On 6 December 2016, the Group entered into a framework agreement with CGNPC-URC for the sales of natural uranium resources for the years ended 31 December 2017 to 2019 at prevailing market rates. Details are set out in the announcement of the Company dated 8 December 2016.

On 1 March 2017, the Group entered into a sale agreement with China Uranium Development for the sales of natural uranium resources for the year 2017 to 2019.

附註：

(i) 於2013年10月15日，本集團與中廣核鈾業發展就於截至2017年12月31日止年度按現行市價出售天然鈾資源而訂立框架協議。逾期款項將於逾期期間按LIBOR加2%年息向中廣核鈾業發展收取利息。

於2016年7月1日，本集團與中國鈾業發展就2016年年度銷售天然鈾訂立銷售協議。

於2016年12月9日，本集團與中廣核鈾業發展就截至2017年至2019年12月31日止年間按現行市價出售天然鈾資源而訂立框架協議。詳情載於本公司日期為2016年12月8日的公告。

於2017年3月1日，本集團與中國鈾業發展就2017年至2019年銷售天然鈾資源訂立銷售協議。

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32. RELATED PARTY TRANSACTIONS

(Continued)

(a) (Continued)

Notes: (Continued)

- (ii) On 18 May 2016, the Group entered into a purchase agreement with Semizbay-U for the purchases of natural uranium resources for the year 2016 with other taxes in relation thereon borne by the Group. The Group is required to pay trade deposit to Semizbay-U before delivery under the agreement with an interest rate of 4% per annum.

On 21 February 2017, the Group entered into a purchase agreement with Semizbay-U for the purchases of natural uranium resources for the year 2017 with other taxes in relation thereon borne by the Group.
- (iii) The Group entered into a service agreement with CGNPC-URC for the management services provided by CGNPC-URC.
- (iv) The Group entered into a framework agreement with Huasheng to deposit amounts with Huasheng and generate interests from such deposits.
- (v) The Group entered into a rental agreement with CGNPC-URC to lease out the investment properties to generate rental income.
- (vi) During the years ended 31 December 2017 and 2016, CGN Global provided the business and administration services to the Group and charged for services fee.
- (vii) During the year ended 31 December 2017 and 2016, General Uranium shared the finance staff with the Group and charged for services fee.
- (viii) During the years ended 31 December 2017 and 2016, the Group placed the deposits in CGN Finance to generate interest income with reference to the prevailing market interest rate.
- (ix) The Group entered into a management agreement with CGNPC-URC to provide the management services to CGNPC-URC for three years starting from 1 January 2016 to generate management fee income.
- (x) During the year ended 31 December 2017, CGN Power, a fellow subsidiary of the Group provided the information system and accounting services to the Group charged for the services fee.
- (xi) During the year ended 31 December 2017, the Group entered into an agreement with CGN-URC that shared the finance staff with the Group and charged for services fee.

32. 關聯人士交易 (續)

(a) (續)

附註：(續)

- (ii) 於2016年5月18日，本集團與謝公司就於2016年購買天然鈾訂立購買協議，其他有關稅項由本集團承擔。根據協議，本集團須向謝公司支付貿易按金，年利率為4%。

於2017年2月21日，本集團與謝公司就自2017年採購天然鈾資源而訂立購買協議，其他有關稅項由本集團承擔。
- (iii) 本集團與中廣核鈾業發展就中廣核鈾業發展應提供的管理服務訂立服務協議。
- (iv) 本集團與華盛就於華盛存款以產生利息而訂立框架協定。
- (v) 本集團與中廣核鈾業發展就租出投資物業訂立租賃協議，以產生租金收入。
- (vi) 於截至2017年及2016年12月31日止年度，CGN Global提供的業務及行政服務予本集團及收取服務費。
- (vii) 於截至2017年及2016年12月31日止年度，General Uranium與本集團共用財務僱員及收取服務費。
- (viii) 於截至2017年及2016年12月31日止年度，本集團就於中廣核財務存入金額，以產生利息收入（經參考當前市場利率）。
- (ix) 本集團就2016年1月1日起開始的三年向中廣核鈾業發展提供管理服務與其訂立管理協議，以產生管理費收入。
- (x) 於2017年12月31日止年度期間，一間同系附屬公司—中國廣核電力向本集團提供資訊系統及會計服務，並收取服務費用。
- (xi) 於截至2017年12月31日止年度，本集團與中廣核鈾業發展就提供與集團共享財務人員訂立協議及收取服務費。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

32. RELATED PARTY TRANSACTIONS

(Continued)

(a) (Continued)

Notes: (Continued)

All transactions were conducted with terms mutually agreed with the counter parties.

Details of connected transactions of the Company are disclosed in the "Directors' Report" section to the annual report.

(b) The Company entered into a facility letter with Husheng (as lender), pursuant to which the Company can borrow four Huasheng for short-term capital within of total borrowing amounting to USD300,000,000 from time to time within 3 years from the first withdrawal.

(c) Compensation of key management personnel

The remuneration of directors of the Company during the years ended 31 December 2017 and 2016 is as follows:

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Short-term benefits	短期福利	2,737	2,674
Post-employment benefits	離職後福利	-	-
		2,737	2,674

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

32. 關聯人士交易 (續)

(a) (續)

附註：(續)

所有交易乃根據與交易方所簽訂協議訂約。

本公司關連交易詳情於年報「董事會報告」中披露。

(b) 本公司與華盛(作為貸款人)訂立貸款協定，據此，本公司自首次提款日起的三年內，在總借款額300,000,000美元內，可不時向華盛借入資金用於短期資金週轉。

(c) 主要管理人員之補償

於截至2017年及2016年12月31日止年度本公司董事之酬金如下：

本公司董事及主要行政人員之酬金由薪酬委員會經考慮個別人士之表現及市場趨勢釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

33. COMMITMENTS

The Group as lessor

Property rental income earned during the year was HK\$2,070,000 (2016: HK\$2,193,000). The Group's properties held for rental purposes. The remaining properties are expected to generate rental yields on approximately 7% (2016: 6%) on an ongoing basis.

As at 31 December 2017, the Group did not have future minimum lease receivable (2016: Nil).

The Group as lessee

The Group leased certain of its offices and staff quarters under operating lease arrangements. Leases for properties were negotiated for a term ranging from one to three years and rentals were fixed throughout the rental period.

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

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	1,492	1,519
In the second to fifth year inclusive	於第二年至第五年(包括首尾兩年)	3,191	605
		4,683	2,124

33. 承擔

本集團作為出租人

年內賺取之物業租金收入約為2,070,000港元(2016年: 2,193,000港元)。本集團之物業持作租賃用途。餘下之物業預期持續產生約7%(2016年: 6%)的租金收益。

於2017年12月31日, 本集團概無未來最低租應收賬款(2016年: 無)。

本集團作為承租人

本集團根據經營租賃安排租用若干辦公室及員工宿舍。租用物業之議定租賃年期介乎一年至三年, 而租金在租賃期間固定不變。

於報告期間結算日, 本集團根據不可撤銷經營租賃承擔於下列時限到期之未來最低租賃付款:

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 34. 本公司財務狀況表

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		千港元	千港元
		NOTES	
		附註	
Non-current assets	非流動資產		
Plant and equipment	廠房及設備	1,237	2,178
Investments in subsidiaries	附屬公司投資	1,032,119	1,032,119
Investment in an associate	一間聯營企業投資	453,924	453,924
		1,487,280	1,488,221
Current assets	流動資產		
Trade and other receivables	應收賬款及其他應收款項	128,675	8,731
Amount due from a fellow subsidiary	應收同系附屬公司款項 (b)	-	1,072,565
Income tax recoverable	可收回所得稅款	4,280	-
Bank balances and cash	銀行結存及現金	972,611	2,313
		1,105,566	1,083,609
Current liabilities	流動負債		
Trade and other payables	應付賬款及其他應付款項	90,735	7,939
Amounts due to subsidiaries	應付附屬公司款項 (a)	991	841
Amount due to a fellow subsidiary	應付一間同系附屬公司款項 (b)	806	-
Amount due to an intermediate holding company	應付一間中間控股公司款項 (a)	5,838	5,455
Income tax payable	應付所得稅	3,560	25,940
		101,930	40,175
Net current assets	流動資產淨值	1,003,636	1,043,434
Total assets less current liabilities	資產總值減流動負債	2,490,916	2,531,655
Capital and reserves	股本及儲備		
Share capital	股本	66,007	66,007
Reserves	儲備 (c)	2,424,756	2,465,495
Total equity	權益總額	2,490,763	2,531,502
Non-current liability	非流動負債		
Deferred tax liabilities	遞延稅項負債	153	153
		2,490,916	2,531,655

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes:

- (a) Amounts due to subsidiaries and an intermediate holding company are unsecured, non-interest bearing and repayable on demand.
- (b) The amount represents amount due from Huasheng and amount due to CGN Power and details are set out in note 23.
- (c) Movements in the reserves during the years are as follows:

34. 本公司財務狀況表(續)

附註：

- (a) 應付附屬公司及一間中間控股公司款項為無抵押、免息及須應要求償還。
- (b) 應收華盛款項及應付中國廣核電力款項的金額，詳情載於附註23。
- (c) 年內儲備變動如下：

		Equity					Total
		Share premium	Share options reserve	component of convertible bonds	Other reserve	Retained earnings	
		股份溢價 HK\$'000 千港元	購股權儲備 HK\$'000 千港元	可換股債券 權益部分 HK\$'000 千港元	其他儲備 HK\$'000 千港元	保留盈利 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2016	於2016年1月1日	1,048,905	154	69,414	7	409,285	1,527,765
Conversion of convertible bonds	兌換可換股債券	351,904	-	(69,414)	-	-	282,490
Issue of new shares, net of transaction cost	發行新股份(扣除交易成本)	333,335	-	-	-	-	333,335
Profit for the year	本年度溢利	-	-	-	-	321,905	321,905
At 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	1,734,144	154	-	7	731,190	2,465,495
Profit for the year	本年度溢利	-	-	-	-	91,275	91,275
Dividend recognised as distribution (note 13)	確認為分派之股息(附註13)	-	-	-	-	(132,014)	(132,014)
At 31 December 2017	於2017年12月31日	1,734,144	154	-	7	690,451	2,424,756

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

35. LIST OF SUBSIDIARIES

Details of the subsidiaries held by the Company as at 31 December 2017 and 2016 are as follows:

35. 附屬公司列表

本公司於2017年及2016年12月31日持有之附屬公司詳情如下：

Name of subsidiary	Class of shares held	Place of incorporation/ establishment 註冊/ 成立之地點	Place of operations 業務地點	Particulars of issued share capital/paid up registered capital 已發行股本/ 繳足註冊股本詳情	Attributable equity interest of the Group 本集團應佔權益		Principal activities 主營業務
附屬公司名稱	持有股份類別	成立之地點	業務地點	繳足註冊股本詳情	2017年	2016年	主營業務
Direct subsidiaries: 直接附屬公司：							
Ever Jump Limited*	Ordinary shares 普通股	BVI 英屬處女群島	Hong Kong 香港	1 ordinary share of US\$1 each 1股普通股每股面值1美元	-	100%	Inactive 暫無業務
Beijing Sino-Kazakh# 北京中哈鈾#	Contributed Capital 繳入資本	PRC 中國	PRC 中國	RMB823,770,000 人民幣823,770,000元	100%	100%	Investment project 投資項目
CGNM UK Ltd.	Ordinary shares 普通股	United Kingdom 英國	United Kingdom 英國	100,000 ordinary shares of GB 1 each 100,000股普通股 每股面值1英鎊	100%	100%	Trading of natural uranium 天然鈾貿易

* Deregistered on 23 October 2017

* 於2017年10月23日撤銷註冊

Wholly-owned foreign enterprise

外商獨資企業

None of the subsidiaries had any debt securities outstanding as at the end of the reporting period or at any time during the reporting period.

概無附屬公司於本報告期間結束時或於本報告期內任何時間有任何未償還的債務證券。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

36. ACQUISITION OF AN ASSOCIATE

Pursuant to the Subscription Agreement, Fission agree to issue and the Company agree to subscribe for 96,736,540 common shares at a price of CAD0.85 per common share at a consideration of approximately CAD82,226,000 (equivalent to approximately HK\$453,924,000) ("Consideration"). The transaction was completed on 27 January 2016. Following the completion of the acquisition, the Company held approximately 19.99% of the equity interest in Fission. Fission is accounted for as an associate of the Company which exercises significant influence in Fission after the acquisition.

Details of the transaction are set out in the Company's announcement dated 21 December 2015, 11 January 2016, 14 January 2016 and 27 January 2016 and the Company's circular dated 7 March 2016.

According to the Subscription Agreement, the Consideration was satisfied by:

- (a) Release the deposit of CAD3,000,000 (equivalent to approximately HK\$16,561,000) paid during the year ended 31 December 2015 to the Company's legal counsel pursuant to an escrow agreement made between the Company, Fission and the Company's legal counsel dated 31 December 2015 as a part of the Consideration.
- (b) The remaining part of the Consideration should be paid upon the date of completion of acquisition.

36. 收購一間聯營企業

根據認購協議，Fission同意發行及本公司同意以每股0.85加元認購96,736,540股普通股，代價約為82,226,000加元（相當於約453,924,000港元）（「代價」）。交易於2016年1月27日完成。緊隨收購完成，本公司持有Fission約19.99%股權。Fission被列為本公司的聯營企業，而本公司在收購後於Fission具有重大影響力。

有關交易詳情載於本公司日期為2015年12月21日、2016年1月11日、2016年1月14日及2016年1月27日的公告，及本公司日期為2016年3月7日的通函。

根據認購協議，代價將根據以下方式償付：

- (a) 解除於截至2015年12月31日止年度向本公司法律顧問根據代管協議（本公司、Fission與本公司法律顧問於2015年12月31日訂立）支付的3,000,000加元（相當於約16,561,000港元）按金，作為部分代價。
- (b) 餘下代價應於收購完成日支付。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 截至2017年12月31日止年度

36. ACQUISITION OF AN ASSOCIATE (Continued)

The deposit amounting of approximately HK\$16,561,000 was paid during the year ended 31 December 2015 and the remaining part of the Consideration of approximately HK\$437,363,000 was paid during the year ended 31 December 2016.

An excess of the Company's share of the net fair value of Fission's identifiable assets and liabilities of approximately CAD129,621,000 (equivalent to approximately HK\$715,563,000) over the consideration of approximately HK\$453,924,000 of approximately HK\$261,639,000 was recognised in profit or loss and included in share of results of an associate. The fair value of identifiable assets and liabilities of Fission at acquisition date were assessed by HF, an independent qualified professional valuer not connected with the Group. In the opinion of the directors of the Company, the bargain purchase was because the market value of shares of Fission was far lower than the fair values of net identifiable assets and liabilities of Fission on the date of acquisition. This bargain purchase on acquisition was included in share of result of an associate during the year.

Acquisition-related costs amounting to approximately HK\$4,444,000 were been recognised as administrative expenses in the year ended 31 December 2016.

36. 收購一間聯營企業(續)

約16,561,000港元的按金已於截至2015年12月31日止年度支付，而代價餘下部分約437,363,000港元已於截至2016年12月31日期間支付。

本公司應佔Fission可識別資產及負債之公允淨值約129,621,000加元(相當於約715,563,000港元)較約453,924,000港元的代價超出約261,639,000港元，超出部分已於損益表內確認並列入應佔聯營企業業績中。Fission於收購日的可識別資產及負債的公允值乃來自與本集團無關連之獨立合資格專業估值師匯福。本公司董事認為收購議價的原因是Fission股票市值遠低於收購當日Fission可識別的淨資產及負債的公允值。此收購議價包括於期內的應佔聯營企業業績內。

為數約4,444,000港元的收購相關成本已分別於截至2016年12月31日止年度確認為行政開支。

Particulars of Major Properties as at 31 December 2017 於2017年12月31日之主要物業詳情

PROPERTIES HELD FOR INVESTMENT

持作投資之物業

Location	位置	Type of properties 物業種類	Lease term 租賃期限
Rooms 2906-2910 & 2912, 29/F, Shi Ao International Centre, No. 101 Shaoyaoju Beili, Chaoyang District, Beijing, PRC	中國北京市 朝陽區 芍藥居北里101號 世奧國際中心 29樓2906-2910及2912室	Office Premises 辦公室	Medium-term lease 中期租賃

Definitions 釋義

In this annual report (excluding the “Independent Auditor’s Report to the shareholders of the Company”), unless the context otherwise requires, the following expressions shall have the following meanings:

於本年度報告內(不包括「致本公司股東的獨立核數師報告」)，除文義另有所指外，以下詞匯應具有如下含義：

“2017 AGM” 「2017年股東週年大會」	指	the annual general meeting of the Company held on 9 June 2017. 本公司於2017年6月9日召開的股東週年大會。
“associate(s)” 「聯繫人」	指	has the meaning ascribed to it under the Listing Rules. 具有上市規則所賦予之含義。
“Articles of Association” 「章程細則」	指	the articles of association of the Company. 本公司組織章程細則。
“Beijing Sino-Kazakh” 「北京中哈鈾」	指	Beijing Sino-Kazakh Uranium Resources Investment Company Limited*, a limited liability company incorporated in the PRC, a wholly owned subsidiary of the Company. 北京中哈鈾資源投資有限公司，於中國成立的有限責任公司，為本公司全資附屬公司。
“Board” 「董事會」	指	the board of Directors of the Company. 本公司董事會。
“CAD” 「加元」	指	Canadian dollars, the lawful currency of Canada. 加拿大元，加拿大之法定貨幣。
“Cameco” 「Cameco」	指	Cameco Inc., one of the largest producers of natural uranium of the world. Cameco Inc.，世界上最大的天然鈾生產商之一。
“CGN” or “CGNPC” 「中廣核」或「中廣核集團公司」	指	China General Nuclear Power Corporation, a company incorporated in PRC with limited liability and the sole shareholder at CGNPC-URC. 中國廣核集團有限公司，於中國成立之有限責任公司，為中廣核鈾業發展之唯一股東。
“CGN Financial” 「中廣核財務」	指	CGN Finance Co., Ltd.* (中廣核財務有限責任公司), a company incorporated in PRC with limited liability and a subsidiary of CGN. 中廣核財務有限責任公司，於中國成立之有限責任公司，中廣核附屬公司。
“CGN Group” 「中廣核集團」	指	CGNPC and its subsidiaries. 中廣核集團公司及其附屬公司。
“CGN Mining”, “Company” or “We” 「中廣核礦業」、 「公司」或 「本公司」、 「我們」	指	CGN Mining Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange. 中廣核礦業有限公司*，於開曼群島註冊成立之有限責任公司，其股份於聯交所主板上市。

Definitions 釋義

<p>“CGNPC Huasheng” 「中廣核華盛」</p>	<p>指</p>	<p>CGNPC Huasheng Investment Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of CGNPC. 中廣核華盛投資有限公司，於香港註冊成立之公司，為中廣核集團公司之全資附屬公司。</p>
<p>“CGNPC-URC” 「中廣核鈾業發展」</p>	<p>指</p>	<p>CGNPC Uranium Development Company Limited*, a company established in the PRC with limited liability and the sole shareholder of the China Uranium Development. 中廣核鈾業發展有限公司，於中國成立之有限責任公司，為中國鈾業發展之唯一股東。</p>
<p>“China Uranium Development” 「中國鈾業發展」</p>	<p>指</p>	<p>China Uranium Development Company Limited, the controlling shareholder of the Company. 中國鈾業發展有限公司*，本公司之控股股東。</p>
<p>“connected person” 「關連人士」</p>	<p>指</p>	<p>has the meaning ascribed to it under the Listing Rules. 具有上市規則所賦予之含義。</p>
<p>“controlling shareholder” 「控股股東」</p>	<p>指</p>	<p>has the meaning ascribed to it under the Listing Rules. 具有上市規則賦予之含義。</p>
<p>“Corporate Governance Code” 「企業管治守則」</p>	<p>指</p>	<p>Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Listing Rules. 上市規則附錄十四所列的企業管治守則及企業管治報告。</p>
<p>“Director(s)” 「董事」</p>	<p>指</p>	<p>the director(s) of the Company. 本公司董事。</p>
<p>“Domestic Financial Service Framework Agreement” 「《境內金融服務框架協議》」</p>	<p>指</p>	<p>the framework agreement dated 5 September 2017 and entered into between the Company and CGN Financial in relation to the provision of certain financial service by CGN Financial to the Company in the PRC. 本公司與中廣核財務訂立之日為2017年9月5日之框架協議，內容有關中廣核財務向本公司於中國境內提供若干財務服務。</p>
<p>“ED(s)” 「執行董事」</p>	<p>指</p>	<p>executive Director(s) of the Company. 本公司執行董事。</p>
<p>“Fission” 「Fission 公司」</p>	<p>指</p>	<p>Fission Uranium Corp., a Canadian-based resource company of which ordinary shares are listed on the Toronto Stock Exchange under the symbol “FCU”, the OTCQX market place in the U.S under the symbol “FCUUF” and on the Frankfurt Stock Exchange under the symbol “2FU”. Fission is an associate of the Company. Fission Uranium Corp.，一家以加拿大為基地之資源公司，其中普通股以代號「FCU」於多倫多交易所、以代號「FCUUF」於美國OTCQX交易市場及以代號「2FU」於法蘭克福證券交易所上市。Fission公司為本公司聯營企業。</p>
<p>“Group” 「本集團」</p>	<p>指</p>	<p>the Company and its subsidiary. 本公司及其附屬公司。</p>

Definitions 釋義

<p>“Hainan Mining” 「海南礦業」</p>	<p>指</p>	<p>Hainan Mining Co., Ltd*, which is listed on the Shanghai Stock Exchange, stock code: 601969. 海南礦業股份有限公司，於上海證券交易所上市，股份代號：601969。</p>
<p>“HK\$” or “HKD” 「港元」</p>	<p>指</p>	<p>Hong Kong dollars, the lawful currency of Hong Kong. 香港之法定貨幣。</p>
<p>“Hong Kong” 「香港」</p>	<p>指</p>	<p>the Hong Kong Special Administrative Region of the People’s Republic of China. 中華人民共和國香港特別行政區。</p>
<p>“HKFRSs” 「香港財務報告準則」</p>	<p>指</p>	<p>the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. 由香港會計師公會頒佈之香港財務報告準則。</p>
<p>“Hong Kong Xinmao” 「香港鑫茂」</p>	<p>指</p>	<p>Hong Kong Xinmao Investment Co., Limited, a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of Hainan Mining. 香港鑫茂投資有限公司，於香港註冊成立的有限公司，為海南礦業的全資附屬公司。</p>
<p>“INED(s)” 「獨立非執行董事」</p>	<p>指</p>	<p>independent non-executive Director(s) of the Company. 本公司獨立非執行董事。</p>
<p>“Irkol Mine” 「伊礦」</p>	<p>指</p>	<p>the Irkol mine located in the Kyzylorzhinsk area, 20 kilometres from the town of Chiili, Kazakhstan, which was owned and operated by Semizbay-U. 伊爾克利礦山，位於哈薩克斯坦Chiili鎮20千米處之Kyzylorzhinsk地區之Irkol礦山，由謝公司擁有及管理。</p>
<p>“Kazakhstan” 「哈薩克斯坦」</p>	<p>指</p>	<p>The Republic of Kazakhstan. 哈薩克斯坦共和國。</p>
<p>“Kazatomprom” 「哈原工」</p>	<p>指</p>	<p>National Atomic Company Kazatomprom, a joint stock company established according to the laws of Kazakhstan, which holds 51% equity interest of Semizbay-U. National Atomic Company Kazatomprom (哈薩克斯坦國家原子能公司*)，一家根據哈薩克斯坦法律成立的有限公司，持有謝公司51%權益。</p>
<p>“lb” 「lb」</p>	<p>指</p>	<p>per pound. 磅。</p>
<p>“Listing Rules” 「上市規則」</p>	<p>指</p>	<p>the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. 香港聯合證券交易所有限公司證券上市規則。</p>
<p>“Model Code” 「標準守則」</p>	<p>指</p>	<p>the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. 上市規則附錄十所載上市公司董事進行證券交易的標準守則。</p>

Definitions 釋義

<p>“New Financial Service Framework Agreement”</p> <p>「《新財務服務框架協議》」</p>	<p>指</p>	<p>the framework agreement dated 6 December 2016 and entered into between the Company and CGNPC Huasheng in relation to the provision of certain financial service by CGNPC Huasheng to the Company outside PRC.</p> <p>本公司與中廣核華盛訂立之日為2016年12月6日之框架協議，內容有關中廣核華盛向本公司於中國境外提供若干財務服務。</p>
<p>“New Natural Uranium Sales Framework Agreement”</p> <p>「《新天然鈾銷售框架協議》」</p>	<p>指</p>	<p>the framework agreement dated 6 December 2016 and entered into between the Company and CGNPC-URC in relation to the sale of natural uranium by the Group to CGNPC-URC and/or its subsidiaries.</p> <p>本公司與中廣核鈾業發展訂立之日期為2016年12月6日之框架協議，內容有關本集團向中廣核鈾業發展及／或其附屬公司銷售天然鈾。</p>
<p>“NED(s)”</p> <p>「非執行董事」</p>	<p>指</p>	<p>non-executive Director(s) of the Company.</p> <p>本公司非執行董事。</p>
<p>“Reporting Period”</p> <p>「報告期」</p>	<p>指</p>	<p>From 1 January 2017 to 31 December 2017.</p> <p>2017年1月1日至2017年12月31日。</p>
<p>“PLS Project”</p> <p>「PLS項目」</p>	<p>指</p>	<p>Patterson Lake South project, Fission’s primary and wholly-owned asset, which located in Saskatchewan, Canada, with an exploration area of approximately 31,039 hectares. PLS Project was still at an exploration stage and no products were produced.</p> <p>Patterson Lake South項目，為Fission公司之主要及全資擁有資產，位於加拿大薩斯喀徹溫省，探礦權面積約31,039公頃，PLS項目處於勘探階段，尚無產品產出。</p>
<p>“PRC”</p> <p>「中國」</p>	<p>指</p>	<p>The People’s Republic of China, which, for the purpose of this report, excludes Hong Kong, Macau and Taiwan.</p> <p>中華人民共和國，就本報告而言不包括香港、澳門及臺灣。</p>
<p>“RMB”</p> <p>「人民幣」</p>	<p>指</p>	<p>Renminbi, the lawful currency of the PRC.</p> <p>人民幣，中國之法定貨幣。</p>
<p>“Semizbay Mine”</p> <p>「謝礦」</p>	<p>指</p>	<p>the Semizbay mine located in the Valihanov District of Akmoltnsk Oblast, Kazakhstan which was owned and operated by Semizbay-U.</p> <p>謝米茲拜伊礦山，位於哈薩克斯坦Akmoltnsk Oblast之Valihanov區，由謝公司擁有及管理。</p>
<p>“Semizbay-U”</p> <p>「謝公司」</p>	<p>指</p>	<p>Semizbay-U Limited Liability Partnership, a limited liability partnership established in Kazakhstan, the Company owns its 49% equity interest and as a joint venture of the Company.</p> <p>謝米茲拜伊有限合夥企業，於哈薩克斯坦成立之有限責任合夥企業，為本公司合營企業，本公司擁有其49%權益。</p>
<p>“SFO”</p> <p>「證券及期貨條例」</p>	<p>指</p>	<p>the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).</p> <p>證券及期貨條例(香港法例第571章)。</p>

Definitions 釋義

“Share(s)” 「股份」	指	ordinary share(s) in the Company with a nominal value of HK\$0.01 each. 本公司每股面值0.01 港元之普通股。
“Shareholder(s)” 「股東」	指	holder(s) of the Share(s). 股份持有人。
“Stock Exchange” 「聯交所」	指	The Stock Exchange of Hong Kong Limited. 香港聯合交易所有限公司。
“subsidiary” 「附屬公司」	指	has the meaning ascribed to it under the Listing Rules. 具有上市規則所賦予之含義。
“Takeovers Code” 「收購守則」	指	The Code on Takeovers and Mergers and Share Buy-Backs approved by the Securities and Futures Commission as amended from time to time. 證券及期貨事務監察委員會核准之公司收購、合併及股份回購守則（經不時修訂）。
“UK” 「英國」	指	the United Kingdom of Great Britain and Northern Ireland. 大不列顛及北愛爾蘭聯合王國。
“UMP” 「UMP」	指	Ulba Metallurgical Plant, a joint stock company established according to the laws of Kazakhstan, and a subsidiary of Kazatomprom. Ulba Metallurgical Plant (烏裏賓冶金廠*)，一家根據哈薩克斯坦法律成立的股份公司，為哈原工的附屬公司。
“USD” 「美元」	指	United States dollars, the lawful currency of the United States of America. 美元，美利堅合眾國之法定貨幣。

