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中广核礦業有限公司*
CGN Mining Company Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1164)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

The Board of CGN Mining announces the audited consolidated results of the Group for the year ended 31 December 2017, together with the comparative figures for the previous financial year ended 31 December 2016, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Notes	2017 HK\$'000	2016 HK\$'000
Revenue	4	372,790	707,749
Cost of sales		<u>(253,774)</u>	<u>(284,244)</u>
Gross profit		119,016	423,505
Other operating income	4	19,753	7,269
Administrative expenses		(34,366)	(41,278)
Changes in fair value of investment properties		358	2,158
Share of results of a joint venture		(20,558)	44,575
Share of results of an associate		(16,457)	33,284
Finance costs	6	<u>—</u>	<u>(5,601)</u>
Profit before taxation		67,746	463,912
Income tax expenses	7	<u>(15,668)</u>	<u>(74,782)</u>
Profit for the year attributable to owners of the Company		<u>52,078</u>	<u>389,130</u>
Earnings per share			
– Basic	10	<u>HK0.79 cents</u>	<u>HK7.05 cents</u>
– Diluted		<u>HK0.79 cents</u>	<u>HK6.61 cents</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

For the year ended 31 December 2017

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Profit for the year	<u>52,078</u>	<u>389,130</u>
Other comprehensive income (expenses):		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences on translation of financial statements of subsidiaries	5,332	(4,412)
Exchange differences on translation of financial statements of a joint venture	2,457	3,620
Exchange differences on translation of financial statements of an associate	<u>42,843</u>	<u>29,459</u>
Other comprehensive income for the year	<u>50,632</u>	<u>28,667</u>
Total comprehensive income for the year	<u>102,710</u>	<u>417,797</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	<i>Notes</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		16,529	17,347
Investment properties		31,427	29,021
Interest in a joint venture		161,280	186,467
Interest in an associate		550,202	520,316
		<u>759,438</u>	<u>753,151</u>
Current assets			
Trade and other receivables	<i>11</i>	128,900	8,886
Amount due from an intermediate holding company		1,546	2,650
Amounts due from fellow subsidiaries		–	1,080,947
Bank balances and cash	<i>12</i>	1,017,111	40,915
Income tax recoverable		4,280	–
		<u>1,151,837</u>	<u>1,133,398</u>
Total assets		<u>1,911,275</u>	<u>1,886,549</u>
Current liabilities			
Trade and other payables	<i>13</i>	90,152	8,803
Amount due to an intermediate holding company		6,490	13,238
Amount due to a joint venture		5,513	5,813
Amounts due to fellow subsidiaries		1,212	378
Income tax payable		4,047	26,353
		<u>107,414</u>	<u>54,585</u>
Net current assets		<u>1,044,423</u>	<u>1,078,813</u>
Total assets less current liabilities		<u><u>1,803,861</u></u>	<u><u>1,831,964</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*As at 31 December 2017*

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Capital and reserves		
Share capital	66,007	66,007
Reserves	<u>1,724,748</u>	<u>1,750,552</u>
Total equity	<u>1,790,755</u>	<u>1,816,559</u>
Non-current liability		
Deferred tax liabilities	<u>13,106</u>	<u>15,405</u>
	<u>1,803,861</u>	<u>1,831,964</u>

NOTES

1. GENERAL

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. Its parent is China Uranium Development, a company incorporated in Hong Kong and a wholly-owned subsidiary of CGNPC-URC, which is in turn a subsidiary of 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 of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business in Hong Kong is at Suites 1903, 19/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The principal activities of 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 consider that it is appropriate to present the consolidated financial statements in HK\$.

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation used in the consolidated financial statements for the year ended 31 December 2017 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016.

Application of new and revised HKFRSs

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 those consolidated financial statements.

3. BASIS OF PREPARATION

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 Listing Rules 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. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

4. 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:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Revenue		
Sales of goods	370,720	705,556
Gross rental income	<u>2,070</u>	<u>2,193</u>
	<u>372,790</u>	<u>707,749</u>
Other operating income		
Bank interest income	1	46
Interest income from fellow subsidiaries	16,732	4,273
Interest income from overdue sale proceeds of disposal of subsidiaries	–	269
Trade deposit interest income from a joint venture	–	161
Management fee income	2,993	2,504
Others	<u>27</u>	<u>16</u>
	<u>19,753</u>	<u>7,269</u>

5. SEGMENT INFORMATION

Information reported to the chief executive officer, 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:

- a) property investment segment engages in leasing;
- b) natural uranium trading segment engages in trading of natural uranium; and
- c) 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

	Property investment <i>HK\$'000</i>	Other investments <i>HK\$'000</i>	Natural uranium trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>2,070</u>	<u>–</u>	<u>370,720</u>	<u>372,790</u>
Segment (loss) profit	<u>(3,116)</u>	<u>(37,015)</u>	<u>107,190</u>	<u>67,059</u>
Other income and gains				<u>19,753</u>
Central administration costs				<u>(19,066)</u>
Profit before taxation				<u><u>67,746</u></u>

For the year ended 31 December 2016

	Property investment <i>HK\$'000</i>	Other investments <i>HK\$'000</i>	Natural uranium trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>2,193</u>	<u>–</u>	<u>705,556</u>	<u>707,749</u>
Segment (loss) profit	<u>(65)</u>	<u>77,859</u>	<u>409,670</u>	<u>487,464</u>
Other income and gains				<u>7,269</u>
Central administration costs				<u>(25,220)</u>
Finance costs				<u>(5,601)</u>
Profit before taxation				<u><u>463,912</u></u>

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 2. 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 chief executive officer for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

Segment assets

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Property investment	48,265	46,839
Other investments	711,482	706,783
Natural uranium trading	<u>119,856</u>	<u>4,738</u>
	879,603	758,360
Unallocated corporate assets	<u>1,031,672</u>	<u>1,128,189</u>
Total assets	<u><u>1,911,275</u></u>	<u><u>1,886,549</u></u>

Segment liabilities

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Property investment	1,371	8,597
Other investments	–	–
Natural uranium trading	<u>93,266</u>	<u>6,999</u>
	94,637	15,596
Unallocated corporate liabilities	<u>25,883</u>	<u>54,394</u>
Total liabilities	<u><u>120,520</u></u>	<u><u>69,990</u></u>

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.
- 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

	Property investment HK\$'000	Other investments HK\$'000	Natural uranium trading HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:					
Depreciation and amortisation	909	–	–	940	1,849
Changes in fair value of investment properties	(358)	–	–	–	(358)
Share of results of a joint venture	–	20,558	–	–	20,558
Share of results of an associate (<i>Note</i>)	–	16,457	–	–	16,457

Amounts regularly provided to the chief executive officer but not included in the measure of segment profit or loss or segment assets:

Income tax expenses	–	–	–	15,668	15,668
Bank interest income	–	–	–	(1)	(1)
Interest income from fellow subsidiaries	–	–	–	(16,732)	(16,732)
Management fee income	–	–	–	(2,993)	(2,993)

2016

	Property investment HK\$'000	Other investments HK\$'000	Natural uranium trading HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:					
Addition to property, plant and equipment	5	–	–	–	5
Depreciation and amortisation	917	–	–	1,033	1,950
Changes in fair value of investment properties	(2,158)	–	–	–	(2,158)
Share of results of a joint venture	–	(44,575)	–	–	(44,575)
Share of results of an associate (<i>Note</i>)	–	(33,284)	–	–	(33,284)

Amounts regularly provided to the chief executive officer but not included in the measure of segment profit or loss or segment assets:

Interest expense	–	–	–	5,601	5,601
Income tax expenses	–	–	–	74,782	74,782
Bank interest income	–	–	–	(46)	(46)
Interest income from fellow subsidiaries	–	–	–	(4,273)	(4,273)
Interest income from overdue sale proceeds of disposal of subsidiaries	–	–	–	(269)	(269)
Management fee income	–	–	–	(2,504)	(2,504)
Trade deposits interest income from a joint venture	–	–	(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.

Geographical information

The Group's operations are located in Hong Kong, 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.

	Revenue from external customers		Non-current assets	
	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Hong Kong	–	–	1,237	2,178
PRC	372,790	707,749	46,719	44,190
Kazakhstan	–	–	161,280	186,467
Canada	–	–	550,202	520,316
	<u>372,790</u>	<u>707,749</u>	<u>759,438</u>	<u>753,151</u>

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Customer A ¹	<u>370,384</u>	<u>705,556</u>
¹ Revenue from natural uranium trading segment		

6. FINANCE COSTS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Interest expenses on imputed interest charged on convertible bonds	<u>–</u>	<u>5,601</u>

7. INCOME TAX EXPENSES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Hong Kong Profits Tax		
– current year	18,929	67,341
– (over) under provision in prior years	<u>(746)</u>	<u>682</u>
	<u>18,183</u>	<u>68,023</u>
UK Corporate Tax		
– current year	724	646
– under provision in prior years	<u>–</u>	<u>659</u>
	<u>724</u>	<u>1,305</u>
Deferred tax	18,907	69,328
	<u>(3,239)</u>	<u>5,454</u>
	<u>15,668</u>	<u>74,782</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

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.

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 the 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, the Group is not subject to any income tax in the Cayman Islands for both years.

8. PROFIT FOR THE YEAR

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Profit for the year has been arrived at after charging:		
Auditors' remuneration	1,330	1,270
Cost of inventories recognised as an expense and included in cost of sales	253,774	284,244
Depreciation of property, plant and equipment	1,849	1,950
Operating lease rental on land and buildings	1,856	1,846
Staff costs (including directors' emoluments)	14,661	14,746
Share of income tax (credit) expense of a joint venture	(3,787)	14,465
Share of income tax expense of an associate	–	3,110
Net exchange loss	524	2,748

9. 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 has 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 and is subject to approval by the shareholders in the forthcoming annual general meeting.

10. 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:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Earnings		
Earnings for the year attributable to the owners of the Company for the purpose of basic earnings per share	52,078	389,130
Effect of dilutive potential ordinary shares:		
Interest on convertible bonds	–	5,601
Earnings for the year attributable to the owners of the Company for the purpose of diluted earnings per share	52,078	394,731
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	6,600,682,645	5,515,784,641
Effect of dilutive potential ordinary shares:		
Convertible bonds	–	459,729,151
Weighted average number of ordinary shares for the purpose of diluted earnings per share	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.

11. TRADE AND OTHER RECEIVABLES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade receivables (<i>Note (a)</i>)	119,856	4,738
Prepayments, deposits and other receivables (<i>Note (b)</i>)	9,044	4,148
	<u>128,900</u>	<u>8,886</u>

The Group did not hold any collateral over these balances. As 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.
- (b) At 31 December 2017, included in prepayments, deposits and other receivables are nil (2016: HK\$88,000) 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 and CGN Financial, 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 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Within 30 days	109,514	4,738
31 to 60 days	3,367	–
61 to 120 days	6,975	–
	<u>119,856</u>	<u>4,738</u>

12. BANK BALANCES AND CASH

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Bank deposits:		
Cash at bank and on hand	<u>1,017,111</u>	<u>40,915</u>
Analyse of bank balances and cash at the end of the year:		
Cash at bank and on hand (<i>Note (a)</i>)	16,593	40,915
Cash placed at CGNPC Huasheng and CGN Financial (<i>Note (b)</i>)	1,000,518	–
	<u>1,017,111</u>	<u>40,915</u>

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 consider that the deposits made to CGNPC Huasheng and CGN Financial are qualified as cash.

13. TRADE AND OTHER PAYABLES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade payables (<i>Note</i>)	87,676	1,419
Accrued expenses and other payables	<u>2,476</u>	<u>7,384</u>
	<u>90,152</u>	<u>8,803</u>

Note: Trade payables represented amount due to a joint venture of the Company, Semizbay-U.

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Within 30 days	80,826	1,419
31 to 60 days	2,635	–
61 to 120 days	<u>4,215</u>	<u>–</u>
	<u>87,676</u>	<u>1,419</u>

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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, the World Nuclear Association (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 comprise 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.

Natural uranium market and its industry development

In 2017, the fundamental that global supply of natural uranium exceeded 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.

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, with their actual uranium production volume of 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.

Exploration by Fission

During the Reporting Period, the expenditures on exploration of the PLS Property amounted to approximately CAD15 million, which includes implementation of 72 drilling holes and completion of 3,480.4 metres of exploration. 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 recently discovered ore bodies on the PLS Property lie in an east-west direction with a length of approximately 3.17 km. From west to east, they comprise 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 PLS Property still has high exploration potential in the future.

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 natural uranium trading amount achieved HK\$371 million, representing a 47% decrease compared to 2016 (2016: HK\$706 million). Pursuant to the New Natural Uranium Sales Framework Agreement between the Company and CGNPC-URC signed on 6 December 2016, 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.

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.

High proportion of connected transaction

Due to the narrow applications of natural uranium, its buyers are limited to 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.

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. Meanwhile, 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.

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.

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.

OVERVIEW OF FINANCIAL RESULTS AND POSITION

Major Financial Indicators

	2017	2016
Profitability indicators		
Gross profit margin (%) ¹	31.93	59.84
EDITDA (HK\$' million) ²	69.60	471.46
EBITDA/Revenue (%) ³	18.67	66.61
Net profit margin (%) ⁴	13.97	54.98
Operation ability indicators		
Receivables cycle – average (Days) ⁵	67	50
Investment return indicators		
Return on equity (%) ⁶	2.89	30.21
Profit attributable to owners of the Company to revenue ratio ⁷	13.97	54.98
Return on assets (%) ⁸	2.74	25.67
Repayment ability indicators		
Bank balances and cash (HK\$' million)	1,017.11	40.92
Net tangible assets (HK\$' million) ⁹	1,790.76	1,816.56
Gearing ratio (%) ¹⁰	6.73	3.85
Interest coverage ¹¹	N/A	83.83

1. Difference between revenue and cost of sales divided by revenue multiplied by 100%.
2. The sum of profit before tax, finance costs, depreciation and amortisation, if any.
3. The sum of profit before tax, finance costs, depreciation and amortisation, if any, divided by revenue multiplied by 100%.
4. Profit for the year divided by revenue multiplied by 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).
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%.
7. Profit attributable to owners of the Company divided by the revenue multiplied by 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%.
9. Net assets less intangible assets, if any.
10. Total debt divided by total equity multiplied by 100%.
11. Profit before interest and taxes divided by finance costs.

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. Such pricing mechanism is closely tied to market fluctuations, together with a significant decrease in the selling price of natural uranium for the Reporting Period as compared with the corresponding period in 2016, resulting in a significant decrease in revenue and profit in 2017.

REVENUE

	For the year ended 31 December		Movements	Percentage change
	2017	2016	Increase/ (Decrease)	Increase/ (Decrease)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	%
Natural uranium trading	370,720	705,556	(334,836)	(47%)
Property investment	2,070	2,193	(123)	(6%)
Total revenue	372,790	707,749	(334,959)	(47%)

The revenue of 2017 of the Group decreased by 47% to HK\$373 million 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 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.

Cost of sales

	For the year ended 31 December		Movements	Percentage change
	2017	2016	Increase/ (Decrease)	Increase/ (Decrease)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	%
Natural uranium trading	253,774	284,244	(30,470)	(11%)
Property investment	–	–	–	–
Total cost of sales	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.

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

Our major joint venture is Semizbay-U. Our 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.

Share of results of an associate

The major associate of the Company is Fission. On 27 January 2016, the Company completed the acquisition of 19.99% equity interest in Fission. Our 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 share of loss for the Reporting Period of HK\$9 million and the provision of long-term investment impairment of HK\$7 million.

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 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.

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 fell within 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.

	As at 31 December		Movements	Percentage
	2017	2016	Increase/ (Decrease)	Increase/ (Decrease)
	HK\$'000	HK\$'000	HK\$'000	%
Trade and other receivables	128,900	8,886	120,014	1,351%
Amount due from an intermediate holding company	1,546	2,650	(1,104)	(42%)
Amount due from fellow subsidiaries	–	1,080,947	(1,080,947)	(100%)
Bank balances and cash	1,017,111	40,915	976,196	2,386%
Income tax recoverable	4,280	–	4,280	N/A
Total current assets	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 fell within the credit period.

The deposits of the Group in CGNPC Huasheng were reclassified from “Amounts due from fellow subsidiaries” to “Bank balances and cash”.

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, approximately 68% (31 December 2016: 19%) was denominated in USD, and approximately 2% (31 December 2016: 77%) was denominated in RMB.

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

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%).

Non-current Assets

	As at 31 December		Movements	Percentage change
	2017	2016	Increase/ (Decrease)	Increase/ (Decrease)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	%
Property, plant and equipment	16,529	17,347	(818)	(5%)
Investment properties	31,427	29,021	2,406	8%
Interest in a joint venture	161,280	186,467	(25,187)	(14%)
Interest in an associate	550,202	520,316	29,886	6%
Total non-current assets	759,438	753,151	6,287	1%

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.

Current Liabilities

	As at 31 December		Movements	Percentage change
	2017	2016	Increase/ (Decrease)	Increase/ (Decrease)
	HK\$'000	HK\$'000	HK\$'000	%
Trade and other payables	90,152	8,803	81,349	924%
Amount due to an intermediate holding company	6,490	13,238	(6,748)	(51%)
Amount due to a joint venture	5,513	5,813	(300)	(5%)
Amounts due to fellow subsidiaries	1,212	378	834	221%
Income tax payable	4,047	26,353	(22,306)	(85%)
Total current liabilities	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 Company to Semizbay-U for the delivery of natural uranium in December 2017 fell within the credit period.

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.

Non-current liabilities

	As at 31 December		Movements	Percentage change
	2017	2016	Increase/ (Decrease)	Increase/ (Decrease)
	HK\$'000	HK\$'000	HK\$'000	%
Deferred tax liabilities	13,106	15,405	(2,299)	(15%)
Total non-current liability	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.

Total equity

	As at 31 December		Movements	Percentage change
	2017	2016	Increase/ (Decrease)	Increase/ (Decrease)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	%
Share capital	66,007	66,007	0	0%
Reserves	1,724,748	1,750,552	(25,804)	(1%)
Total equity	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.

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

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, and the Company will carry out relevant investment activities as and when appropriate to lay a solid foundation for the further development of the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions set out in the Corporate Governance Code during the Reporting Period, except for the deviation from the code provision disclosed below.

Code provision A.6.7 stipulates that 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 of the Company.

Save for Mr. Zhou Zhenxing (resigned on 25 January 2018), the non-executive Director and chairman, Mr. Xing Jianhua (resigned on 25 January 2018), the executive Director, Mr. Qiu Xianhong, Mr. Gao Pei Ji and Mr. Lee Kwok Tung Louis, all being independent non-executive Directors, other Directors did not attend the annual general meeting held on 9 June 2017 due to other business engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the principle standards of securities transactions for the Directors. Following the specific enquiries made by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code during the Reporting Period.

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

During the Reporting Period, neither the Company nor its subsidiaries, redeemed any shares, or purchased or sold any shares of the Company.

SUFFICIENCY OF PUBLIC FLOAT

The Company has always maintained a sufficient public float during the Reporting Period.

DIVIDEND

The Board recommended a payment of final cash dividend of HK0.2 cents per share for the year ended 31 December 2017 to shareholders of the Company as of the record date for payment of dividend. The ratio of final dividend distribution for the year is based on the various factors such as business performance in 2017, provided that it shall not be lower than 20% of the distributable profit of the continuous business for such year. Upon shareholders' approval at the forthcoming annual general meeting, the proposed final dividend will be paid on or before Tuesday, 31 July 2018 to shareholders whose names appeared on the register of members of the Company on Wednesday, 20 June 2018.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited financial statements for the year ended 31 December 2017.

The annual results of the Group for the year ended 31 December 2017 have been reviewed by the audit committee of the Company.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting will be held on Friday, 8 June 2018. The notice of AGM will be published and despatched to the shareholders in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 5 June 2018 to Friday, 8 June 2018, both days inclusive, during which period the registration of transfer of shares will be suspended. In order to be eligible to attend and vote at the AGM of the Company, all transfer of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Monday, 4 June 2018.

The record date for qualifying to receive the proposed final dividend is Wednesday, 20 June 2018. In order to determine the right of shareholders entitled to receive the proposed final dividend, which is subject to the approval by shareholders in the forthcoming AGM, the register of members of the Company will also be closed from Friday, 15 June 2018 to Wednesday, 20 June 2018, both days inclusive, during which period the registration of transfer of shares will be suspended. All transfer of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Thursday, 14 June 2018.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Company's website (www.cgnmc.com) and the Stock Exchange's website (www.hkex.com.hk). The 2017 annual report containing all information required by the Listing Rules will be dispatched to the shareholders and will be available on the websites of the Company and the Stock Exchange as soon as practicable.

DEFINITION

“AGM”	the annual general meeting of the Company to be held on 8 June 2018.
“Board”	the board of Directors of the Company.
“CAD”	Canadian dollars, the lawful currency of Canada.
“CGN” or “CGNPC”	China General Nuclear Power Corporation (中國廣核集團有限公司), a company incorporated in PRC with limited liability and the sole shareholder at CGNPC-URC.
“CGN Financial”	CGN Finance Co., Ltd* (中廣核財務有限責任公司), a Company incorporated in PRC with Limited liability on a subsidiary of CGN
“CGN Group”	CGNPC and its subsidiaries.
“CGN Mining” or “Company”	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.
“CGNPC Huasheng”	CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of CGNPC.
“CGNPC-URC”	CGNPC Uranium Development Company Limited* (中廣核鈾業發展有限公司), a company established in the PRC with limited liability and the sole shareholder of the China Uranium Development.
“China Uranium Development”	China Uranium Development Company Limited (中國鈾業發展有限公司), the controlling shareholder of the Company.
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules.
“Corporate Governance Code”	Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Listing Rules.
“Director(s)”	the director(s) of the Company.
“Fission”	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.
“Group”	the Company and its subsidiaries.

“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China.
“HKFRSs”	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.
“Irkol Mine”	the Irkol mine located in the Kyzylorzhinsk area, 20 kilometres from the town of Chiili, Kazakhstan with limited liability, which was owned and operated by Semizbay-U.
“Kazakhstan”	The Republic of Kazakhstan.
“Kazatomprom”	National Atomic Company Kazatomprom, a joint stock company established according to the laws of Kazakhstan with limited liability, which holds 51% equity interest of Semizbay-U.
“lb”	pound.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules.
“New Natural Uranium Sales Framework Agreement”	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.
“Reporting Period”	From 1 January 2017 to 31 December 2017.
“PLS Property”	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 Property was still at an exploration stage and no products were produced.
“PRC”	The People’s Republic of China, which, for the purpose of this report, excludes Hong Kong, Macau and Taiwan.
“RMB”	Renminbi, the lawful currency of the PRC.
“Semizbay Mine”	the Semizbay mine located in the Valihanov District of Akmoltnsk Oblast, Kazakhstan which was owned and operated by Semizbay-U.

“Semizbay-U”	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.
“share(s)”	ordinary share(s) in the Company with a nominal value of HK\$0.01 each.
“shareholder(s)”	holder(s) of the share(s).
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“subsidiary(s)”	has the meaning ascribed to it under the Listing Rules.
“UK”	the United Kingdom of Great Britain and Northern Ireland.
“UMP”	Ulba Metallurgical Plant, a joint stock company established according to the laws of Kazakhstan, and a subsidiary of Kazatomprom.
“USD”	United States dollars, the lawful currency of the United States of America.
“UxC”	The Ux Consulting Company, LLC is one of the nuclear industry’s leading consulting companies.

By Order of the Board
CGN Mining Company Limited
Yu Zhiping
Chairman

Hong Kong, 27 March 2018

As at the date of this announcement, the Board comprises two executive directors: Mr. An Jinjing (chief executive officer) and Mr. Chen Deshao; three non-executive directors: Mr. Yu Zhiping (chairman), Mr. Fang Chunfa and Mr. Zhang Chengbai; and three independent non-executive directors: Mr. Qiu Xianhong, Mr. Gao Pei Ji and Mr. Lee Kowk Tung Louis.

* *For identification purposes only*