中廣核礦業有限公司*
CGN Mining Company Limited

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

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

The board of directors (the "**Board**") of CGN Mining Company Limited ("**CGN Mining**" or the "**Company**") announces the audited consolidated results of CGN Mining and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2014, together with the comparative figures for the previous financial year ended 31 December 2013, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2014

	Notes	**2014** **HK$'000**	2013 *HK$'000*
Revenue	*4*	**1,243,545**	796,594
Cost of sales		**(1,047,545)**	(643,582)
Gross profit		**196,000**	153,012
Other operating income	*4*	**24,644**	20,730
Gain on disposal of subsidiaries	*14*	**–**	6
Selling and distribution expenses		**(18,999)**	(9,569)
Administrative expenses		**(136,325)**	(90,271)
Impairment loss recognised in respect of property, plant and equipment		**(1,521)**	(942)
Changes in fair value of investment properties		**(3,232)**	(12,646)
Finance costs	*6*	**(28,802)**	(27,292)
Profit before taxation		**31,765**	33,028
Income tax expense	*7*	**(28,114)**	(16,978)
Profit for the year	*8*	**3,651**	16,050
Profit for the year attributable to:			
Owners of the Company		**3,820**	16,365
Non-controlling interests		**(169)**	(315)
		3,651	16,050
Earnings per share			
Basic	*10*	**HK0.11 cents**	HK0.49 cents
Diluted	*10*	**HK0.11 cents**	HK0.49 cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014	2013
	HK$'000	*HK$'000*
Profit for the year	**3,651**	16,050
Other comprehensive (expense) income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translating foreign operations		
(Loss) gain arising during the year	**(943)**	5,239
Other comprehensive (expense) income for the year	**(943)**	5,239
Total comprehensive income for the year	**2,708**	21,289
Total comprehensive income for the year attributable to:		
Owners of the Company	**2,865**	21,505
Non-controlling interests	**(157)**	(216)
	2,708	21,289

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Intangible assets		**149**	212
Property, plant and equipment		**41,688**	45,578
Investment properties		**69,809**	73,312
Prepaid lease payments on land use rights		**18,860**	19,265
Goodwill		**–**	–
		130,506	138,367
Current assets			
Inventories		**32,536**	21,590
Loan receivable from a shareholder	*11*	**–**	248,082
Trade and other receivables	*12*	**226,786**	213,456
Prepaid lease payments on land use rights		**407**	409
Amount due from a fellow subsidiary		**1,299,336**	–
Bank balances and cash		**225,626**	1,030,491
		1,784,691	1,514,028
Total assets		**1,915,197**	1,652,395
Current liabilities			
Trade and other payables	*13*	**242,447**	34,586
Amount due to a fellow subsidiary		**2,821**	–
Amount due to an intermediate holding company		**3,803**	–
Amount due to a related company		**11,856**	–
Value added tax payable		**–**	289
Income tax payable		**12,575**	7,582
		273,502	42,457
Net current assets		**1,511,189**	1,471,571
Total assets less current liabilities		**1,641,695**	1,609,938

	2014	2013
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**33,326**	33,326
Reserves	**1,046,317**	1,043,452
Equity attributable to owners of the Company	**1,079,643**	1,076,778
Non-controlling interests	**1,641**	1,798
Total equity	**1,081,284**	1,078,576
Non-current liabilities		
Convertible bonds	**549,507**	520,705
Deferred tax liabilities	**10,904**	10,657
	560,411	531,362
	1,641,695	1,609,938

NOTES

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 People's Republic of China (the "PRC").

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 6706-6707, 67/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are selling, distributing and manufacturing of pharmaceutical and food products, property investment and trading of natural uranium.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"). Other than those subsidiaries established in the PRC and Hong Kong whose functional currency is Renminbi ("RMB") and HK$ respectively, the functional currency of the Company is United States dollars ("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 HK$.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
Hong Kong (International Financial Reporting Interpretation Committee) ("HK(IFRIC)") – Int 21	Levies

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The Group has applied amendments to HKFRS 10, HKFRS 12 and HKAS 27 *Investment Entities* for the first time in the current year. The amendments to HKFRS 10 define an investment entity and introduce an exception to consolidating subsidiaries for an investment entity, except where the subsidiaries provide services that relate to the investment entity's investment activities. Under the amendments to HKFRS 10, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss.

To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;

- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments to HKFRS 12 and HKAS 27 have been made to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity, the directors of the Company consider that the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied amendments to HKAS 32 *Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments have been applied retrospectively. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied amendments to HKAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* for the first time in the current year. The amendments to HKAS 36 require disclosures on additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. If the recoverable amount is fair value less costs of disposal, an entity shall disclose the level of the fair value hierarchy within which the fair value measurement of the asset or cash generating unit is categorised in its entirety. The Group is required to make additional disclosures for Level 2 and Level 3 of the fair value hierarchy:

- a description of the valuation techniques used to measure the fair value less costs of disposals. If there is any change in valuation techniques, the fact and the reason should also be disclosed;

- each key assumption on which management has based its determination of fair value less costs of disposal;

- the discount rates used in the current and previous measurement if fair value less costs of disposal is measured using a present value technique.

The amendments have been applied retrospectively. The directors of the Company consider that the application of the amendments to HKAS 36 has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The Group has applied amendments to HKAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* for the first time in the current year. The amendments to HKAS 39 introduce an exception to the requirements for the discontinuation of hedge accounting in HKAS 39 if specific conditions are met. The amendments to HKAS 39 state that the novation of a hedging instrument is not be considered an expiration or termination if the novation (a) is required by laws or regulations; (b) results in a central counterparty or an entity acting in a similar capacity becoming the new counterparty to each of the parties to the novated derivative and (c) does not result in changes to the terms of the original over-the-counter derivatives other than the changes directly attributable to the novation. For all other novations outside the scope of the exemption, an entity should assess if they meet the derecognition criteria and the conditions for continuation of hedge accounting.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

HK(IFRIC) – Int 21 Levies

The Group has applied HK(IFRIC) – Int 21 Levies for the first time in the current year. HK(IFRIC) – Int 21 addresses the issue as to when to recognise a liability to pay a levy imposed by government. The interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

HK(IFRIC) – Int 21 has been applied retrospectively. The application of this interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

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.

New and revised HKFRSs issued but not yet effective

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

HKFRS 9 (2014)	Financial Instruments[4]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[2]
Amendments to HKAS 1	Disclosure Initiative[2]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[2]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[2]

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[2]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[2]

[1] Effective for annual periods beginning on or after 1 July 2014.
[2] Effective for annual periods beginning on or after 1 January 2016.
[3] Effective for annual periods beginning on or after 1 January 2017.
[4] Effective for annual periods beginning on or after 1 January 2018.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include 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.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* 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 accounting 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, 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.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 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.

- HKFRS 9 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 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.

The directors of the Company anticipate that the adoption of HKFRS 9 (2014) in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities.

Regarding the Group's financial assets, the directors of the Company consider that it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 14 Regulatory Deferral Accounts

HKFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities. The standard is applicable only to first-time adopters of HKFRSs who recognised regulatory deferral account balances under their previous generally accepted accounting principles (the "GAAP"). HKFRS 14 permits eligible first-time adopters of HKFRSs to continue their previous GAAP rate-regulated accounting policies, with limited changes, and requires separate presentation of regulatory deferral account balances in the statement of financial position and statement of profit or loss and other comprehensive income. Disclosures are also required to identify the nature of, and risks associated with, the form of rate regulation that has given rise to the recognition of regulatory deferral account balances.

HKFRS 14 is effective for an entity's first annual HKFRS financial statements for annual periods beginning on or after 1 January 2016, with earlier application permitted.

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:

Step 1 identify the contract with the customer;
Step 2 identify the performance obligations in the contract;
Step 3 determine the transaction price;
Step 4 allocate the transaction price to the performance obligations; and
Step 5 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 HK(IFRIC) – Int 13 Customer Loyalty Programmes, HK(IFRIC) – Int 15 Agreements for the Construction of Real Estate, HK(IFRIC) – Int 18 Transfers of Assets from Customers, and HK(SIC) – Int 31 Revenue – Barter Transactions Involving Advertising Services when it becomes effective.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2017 with early application permitted. The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Annual Improvements to HKFRSs 2010-2012 Cycle

The Annual Improvements to HKFRSs 2010-2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2010-2012 Cycle will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011-2013 Cycle

The Annual Improvements to HKFRSs 2011-2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and
(b) the transaction meets the definition of a business combination under HKFRS 3.

The directors do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2011-2013 Cycle will have a material effect on the Group's consolidated financial statements.

Annual Improvement to HKFRSs 2012 – 2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below. The amendments to HKFRS 5 clarify that changing from one of the disposal methods (i.e. disposal through sale or disposal through distribution to owners) to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in HKFRS 5. Besides, the amendments also clarify that changing the disposal method does not change the date of classification.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The amendments to HKAS 19 clarify that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

HKAS 34 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendments to HKAS 34 clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The directors do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2012-2014 Cycle will have a material effect on the Group's consolidated financial statements.

Amendments to HKAS 19 Defined Benefit Plans – Employee Contributions

The amendments to HKAS 19 simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. Specifically, contributions that are linked to services are attributed to periods of services as a negative benefit. The amendments to HKAS 19 specifies that such negative benefit are attributed in the same way as the gross benefit, i.e. attribute to periods of services under the plan's contribution formula or on a straight-line basis.

Besides, the amendments also state that if the contributions are independent of the number of years of employee service, such contributions may be recognised as a reduction of the service cost as they fall due.

The directors of the Company anticipate that the application of the amendments to HKAS 19 will have no material impact on the Group.

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of revenue-based depreciation methods for property, plant and equipment under HKAS 16. The amendments to HKAS 38 introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be rebutted only in the following limited circumstances:

i) when the intangible asset is expressed as a measure of revenue; or
ii) when a high correlation between revenue and the consumption of the economic benefits of the intangible assets could be demonstrated.

As the Group use straight-line method for depreciation of property, plant and equipment, the directors of the Company do not anticipate that the application of the amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 41 Agriculture: Bearer Plants

The amendments to HKAS 16 and HKAS 41 define bearer plants. Biological assets that meet the definition of bearer plants are no longer accounted for under HKAS 41, but under HKAS 16 instead. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41.

As the Group does not have any biological assets, the directors of the Company do not anticipate that the application of the amendments to HKAS 16 and HKAS 41 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 27 Equity Method in Separate Financial Statements

The amendments to HKAS 27 allow an entity to apply the equity method to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. As a result of the amendments, the entity can choose to account for these investments either:

i) at cost;
ii) in accordance with HKFRS 9 (or HKAS 39); or
iii) using the equity method as described in HKAS 28.

As the Company does not have any investment in associates or joint ventures, the directors of the Company do not anticipate that the application of the amendments to HKAS 27 will have a material impact on the Company's financial statements.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments provide guidance on addressing the acknowledged inconsistency between the requirements in HKFRS 10 and those in HKAS 28, in dealing with the sale or contribution of assets between an investor and its joint venture and associate. An investing entity is required to recognise the gain or loss arising from selling or contributing assets that constitutes or contains a business to a joint venture or associate in full. An investing entity is required to recognise the gain or loss arising from selling or contributing assets that does not constitute or contain a business to a joint venture or associate only to the extent of the unrelated investors' interests in that joint venture or associate.

As the Company does not have any investment in joint operations, the directors of the Company do not anticipate that the application of the amendments to HKFRS 10 and HKAS 28 will have a material impact on the Company's financial statements.

Amendments to HKFRS 11 Accounting for Acquisition of Interests in Joint Operations

The amendments provide new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business as defined in HKFRS 3 *Business Combination*. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

As the Company does not have any investment in joint operations, the directors of the Company do not anticipate that the application of the amendments to HKFRS 11 will have a material impact on the Company's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 Investment Entities: Applying the Consolidation Exception

The amendments clarify the requirements when accounting for investment entities as well as provide relief in particular circumstances, which will reduce the costs of applying the Standards. Specifically, a parent entity that is a subsidiary of an investment entity is exempted from preparing consolidated financial statements. A parent entity which is also a subsidiary of an investment entity and hold interests in associates and joint ventures is exempted from applying equity method if it meets all the conditions stated in paragraph 4(a) of HKFRS 10.

Besides, the amendments clarify if an investment entity has a subsidiary that is not itself an investment entity and whose main purpose and activities are providing investment-related services that relate to the investment entity's investment activities to the entity or other parties, it should consolidate that subsidiary. If the subsidiary that provides the investment-related services or activities is itself an investment entity, the investment entity parent should measure that subsidiary at fair value through profit or loss. If an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when apply the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

Furthermore, if a parent that is an investment entity and has measured all of its subsidiaries at fair value through profit or loss, that investment entity should present the disclosures relating to investment entities required by HKFRS 12 in its financial statements. If an investment entity has consolidated its subsidiary in which the subsidiary itself is not an investment entity and whose main purpose and activities are providing services that relate to the investment activities of its investment entity parent, the disclosure requirements in HKFRS 12 apply to financial statements in which the investment entity consolidates that subsidiary.

As the Company does not have any investments in investment entities, the directors of the Company do not anticipate that the application of the amendments to HKFRS 10, HKFRS 12 and HKAS 28 will have a material impact on the Company's financial statements.

Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and
ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The directors of the Company anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on the disclosures made in the Group's consolidated financial statements.

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

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 the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in section 76 to 87 of Schedule 11 to that Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties that are measured at fair values, as explained in the accounting policies set out below. 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 pharmaceutical and food products and natural uranium, net of returns, discounts allowed and sales related taxes, and gross rental income during the year. Revenues recognised during the year are as follows:

	2014	2013
	HK$'000	*HK$'000*
Revenue		
Sales of goods	**1,236,011**	789,014
Gross rental income *(note a)*	**7,534**	7,580
	1,243,545	796,594
Other operating income		
Bank interest income	**3,679**	12,671
Loan interest income from a shareholder (wholly repayable within five years)	**3,560**	7,854
Loan interest income from a fellow subsidiary (wholly repayable within five years)	**16,186**	–
Interest income from overdue trade receivable from an intermediate holding company	**580**	158
Net exchange gain	**376**	–
Reversal of impairment loss previously recognised on other receivables	**221**	–
Others	**42**	47
	24,644	20,730
Total revenues	**1,268,189**	817,324

Note:

(a) An analysis of the Group's net rental income is as follows:

	2014	2013
	HK$'000	*HK$'000*
Gross rental income	**7,534**	7,580
Less: Outgoings (included in cost of sales)	**(1,418)**	(1,354)
Net rental income	**6,116**	6,226

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.

Specifically, the Group's reportable and operating segments are as follows:

a) pharmaceutical and food segment engages in the selling, distributing and manufacturing of pharmaceutical and food products;

b) property investment segment engages in leasing, developing and selling of office premises and residential properties; and

c) natural uranium trading segment engages in trading of natural uranium resources.

Segment revenues 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 2014

	Pharmaceutical and food *HK$'000*	**Property investment** *HK$'000*	**Natural uranium trading** *HK$'000*	**Total** *HK$'000*
Turnover	**88,091**	**7,534**	**1,147,920**	**1,243,545**
Segment (loss) profit	**(101,990)**	**(1,721)**	**171,981**	**68,270**
Other income and gains				**24,644**
Central administration costs				**(32,347)**
Finance costs				**(28,802)**
Profit before taxation				**31,765**

For the year ended 31 December 2013

	Pharmaceutical and food *HK$'000*	Property investment *HK$'000*	Natural uranium trading *HK$'000*	Total *HK$'000*
Turnover	45,706	7,580	743,308	796,594
Segment (loss) profit	(58,262)	(10,390)	136,767	68,115
Other income and gains				20,730
Gain on disposal of subsidiaries				6
Central administration costs				(28,531)
Finance costs				(27,292)
Profit before taxation				33,028

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of central administration costs, directors' salaries, other income and gains, finance costs and gain on disposal of subsidiaries. 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

	2014	2013
	HK$'000	*HK$'000*
Pharmaceutical and food	**110,755**	91,972
Property investment	**73,599**	77,354
Natural uranium trading	**198,277**	199,276
	382,631	368,602
Unallocated corporate assets	**1,532,566**	1,283,793
Total assets	**1,915,197**	1,652,395

Segment liabilities

	2014	2013
	HK$'000	*HK$'000*
Pharmaceutical and food	**102,858**	20,810
Property investment	**1,217**	1,121
Natural uranium trading	**146,532**	12,559
	250,607	34,490
Unallocated corporate liabilities	**583,306**	539,329
Total liabilities	**833,913**	573,819

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than loan receivable from a shareholder, amount due from a fellow subsidiary, bank balances and cash and other assets for corporate use including property, plant and equipment and other receivables.

- all liabilities are allocated to operating segments other than amount due to an intermediate holding company, amount due to a fellow subsidiary, income tax payable, deferred tax liabilities, convertible bonds and certain other payables.

Other segment information

2014

	Pharmaceutical and food *HK$'000*	Property investment *HK$'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	**974**	**–**	**–**	**2,821**	**3,795**
Depreciation and amortisation	**4,342**	**283**	**–**	**430**	**5,055**
Changes in fair value of investment properties	**–**	**3,232**	**–**	**–**	**3,232**
Net loss on disposal of property, plant and equipment	**886**	**–**	**–**	**–**	**886**
Impairment of property, plant and equipment	**1,521**	**–**	**–**	**–**	**1,521**
Write-down of inventories	**3,507**	**–**	**–**	**–**	**3,507**
Research and development costs	**944**	**–**	**–**	**–**	**944**
Operating lease rental on land and buildings	**566**	**–**	**366**	**4,977**	**5,909**
Amounts regularly provided to the Chief Executive Officer but not included in the measure of segment profit or loss or segment assets:					
Interest expense	**–**	**–**	**–**	**28,802**	**28,802**
Income tax expense	**–**	**–**	**28,114**	**–**	**28,114**
Bank interest income	**–**	**–**	**–**	**(3,679)**	**(3,679)**
Reversal of impairment loss previously recognised on other receivables	**–**	**–**	**–**	**(221)**	**(221)**
Loan interest income from a shareholder	**–**	**–**	**–**	**(3,560)**	**(3,560)**
Interest income from a fellow subsidiary	**–**	**–**	**–**	**(16,186)**	**(16,186)**
Interest income from overdue trade receivable from an intermediate holding company	**–**	**–**	**(580)**	**–**	**(580)**

Other segment information

2013

	Pharmaceutical and food *HK$'000*	Property investment *HK$'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	652	–	–	175	827
Depreciation and amortisation	4,592	281	15	430	5,318
Changes in fair value of investment properties	–	12,646	–	–	12,646
Net loss on disposal of property, plant and equipment	185	–	–	8	193
Impairment of property, plant and equipment	942	–	–	–	942
Write-down of inventories	3,214	–	–	–	3,214
Research and development costs	330	–	–	–	330
Operating lease rental on land and buildings	959	–	533	5,966	7,458
Amounts regularly provided to the Chief Executive Officer but not included in the measure of segment profit or loss or segment assets:					
Interest expense	–	–	–	27,292	27,292
Income tax expense	–	–	16,978	–	16,978
Bank interest income	–	–	–	(12,671)	(12,671)
Loan interest income from a shareholder	–	–	–	(7,854)	(7,854)

Geographical information

The Group's operations are located in Hong Kong ("HK") and the PRC.

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	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
HK	**–**	–	**3,664**	1,713
PRC	**1,243,545**	796,594	**126,842**	136,654
	1,243,545	796,594	**130,506**	138,367

Information about major customers

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

	2014	2013
	HK$'000	*HK$'000*
Customer A[1]	**1,147,920**	743,308

[1] Revenue from natural uranium trading segment

6. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Interest expenses on imputed interest charged on convertible bonds	**28,802**	27,292

7. INCOME TAX EXPENSE

	2014	2013
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– current year	**28,206**	20,282
– overprovision in prior years	**(6)**	(168)
PRC Enterprise Income Tax		
– current year	**–**	22
	28,200	20,136
Deferred tax	**(86)**	(3,158)
	28,114	16,978

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 subsidiaries is 25% for both years.

Certain PRC subsidiaries were either in loss-making position for the current and the previous years or had sufficient tax losses brought forward from previous years to offset the estimated assessable income for the year and accordingly did not have any provision for PRC Enterprise Income Tax for both years.

The subsidiary operating in Macau was exempted from the income tax in Macau for the prior year.

Pursuant to the laws and regulations of the Cayman Islands and British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI for both years.

The income tax expense for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss as follows:

	2014	2013
	HK$'000	*HK$'000*
Profit before taxation	**31,765**	33,028
Tax calculated at rates applicable to profits in the respective tax jurisdiction concerned	**3,684**	3,242
Effect of tax exemption granted to a Macau subsidiary	**–**	76
Tax effect of income not taxable for tax purpose	**(590)**	(2,109)
Tax effect of expenses not deductible for tax purpose	**21,269**	12,734
Tax effect of tax losses and deductible temporary difference not recognised	**3,757**	3,203
Overprovision in prior years	**(6)**	(168)
Income tax expense for the year	**28,114**	16,978

8. PROFIT FOR THE YEAR

	2014	2013
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Amortisation of intangible assets	**62**	61
Amortisation of prepaid lease payments on land use rights	**407**	402
Auditors' remuneration	**1,336**	1,124
Cost of inventories recognised as an expense and included in cost of sales		
– Carrying amount of inventories sold	**1,042,620**	639,014
– Write-down of inventories	**3,507**	3,214
	1,046,127	642,228
Depreciation of property, plant and equipment	**4,586**	4,855
Operating lease rental on land and buildings	**5,909**	7,458
Research and development costs	**944**	330
Staff costs (including directors' emoluments)	**94,070**	51,574
Net exchange loss	**–**	151
Net loss on disposal of property, plant and equipment	**886**	193

9. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2014, nor has any dividend been proposed since the end of the reporting period (2013: nil).

10. EARNINGS PER SHARE

The calculation of the basic earnings per share for the year ended 31 December 2014 is based on the profit attributable to the owners of the Company of approxmately HK$3,820,000 (2013: HK$16,365,000) and the weighted average of 3,332,586,993 ordinary shares (2013: 3,332,586,993) in issue during the year.

The computation of diluted earnings per share does not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in an increase in earnings per share.

11. LOAN RECEIVABLE FROM A SHAREHOLDER

	2014	2013
	HK$'000	*HK$'000*
Loan to China Uranium Development	–	248,082

The Group advanced the revolving loans to China Uranium Development in the sum of USD32,000,000 as at 31 December 2013. The loans were unsecured, carried interest at one month London Interbank Offered Rate ("LIBOR") plus 6% per annum at 6.2% per annum (2013: one month LIBOR plus 6% per annum ranging from 6.2% to 6.3% per annum) and repayable within 90 days after the advancement. On 26 February 2014, the loan was fully settled.

12. TRADE AND OTHER RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade and bills receivables *(note a)*	**218,054**	207,575
Less: impairment loss recognised in respect of trade receivables *(note b)*	**(4,330)**	(4,344)
	213,724	203,231
Prepayments, deposits and other receivables *(note c)*	**13,062**	10,225
	226,786	213,456

The Group did not hold any collateral over these balances.

Notes:

(a) At 31 December 2014, included in trade and bills receivables is amount of approximately HK$194,335,000 (2013: HK$195,769,000) due from an intermediate holding company, CGNPC-URC, the sole shareholder of China Uranium Development.

(b) The movements in impairment loss of trade receivables were as follows:

	2014	2013
	HK$'000	*HK$'000*
At 1 January	**4,344**	4,212
Exchange realignment	**(14)**	132
At 31 December	**4,330**	4,344

At 31 December 2014, included in the impairment loss of trade receivables are individually impaired trade receivables with an aggregate balance of approximately HK$4,330,000 (2013: HK$4,344,000) which were due to long outstanding.

(c) At 31 December 2014, included in prepayments, deposits and other receivables are interest receivable of approximately HK$1,452,000 (2013: nil) due from CGNPC Huasheng Investment Limited ("Huasheng"), a fellow subsidiary of the Company, in relation to advances deposited in Huasheng for obtaining financial services.

At 31 December 2013, included in prepayments, deposits and other receivables are interest receivable of approximately HK$169,000 (2014: nil) due from China Uranium Development in relation to the revolving loan of USD32,000,000 (2014: nil) (note 11).

The Group's credit period for pharmaceutical and food segment ranged from 90 days to 180 days while credit period for natural uranium trading segment ranging from 25 days to 30 days after delivery dates.

The following is an aged analysis of the trade and bills receivables net of impairment loss recognised on trade and bills receivables presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

	2014	2013
	HK$'000	*HK$'000*
Within 30 days	**180,448**	29,793
31-60 days	**28,255**	171,344
61-90 days	**2,755**	1,373
Over 90 days	**2,266**	721
	213,724	203,231

Included in the Group's trade receivables balance, carrying amount of approximately HK$23,007,000 (2013: HK$169,067,000) which is past due as at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over this balance. The ageing of the balance is 31 to 180 days (2013: 31 to 60 days) at the end of the reporting period.

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:	**USD'000**		**RMB'000**	
	2014	2013	**2014**	2013
Trade and other receivables	**–**	–	**280**	490

13. TRADE AND OTHER PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Trade and bills payables	**159,768**	13,825
Accrued expenses and other payables	**82,679**	20,761
	242,447	34,586

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

	2014	2013
	HK$'000	*HK$'000*
Within 30 days	**145,282**	13,552
31-60 days	**2,724**	31
61-90 days	**347**	2
Over 90 days	**11,415**	240
	159,768	13,825

The average credit period on purchases of goods was 30 days (2013: 30 days). 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:

Presented in:	**HKD'000**		**USD'000**		**RMB'000**	
	2014	2013	**2014**	2013	**2014**	2013
Trade and other payables	**1,870**	764	**–**	715	**2,641**	1,230

14. DISPOSAL OF SUBSIDIARIES

On 21 June 2013, the Group entered into a sale agreement to dispose of its 100% equity interest in a total of three inactive subsidiaries, to an independent third party for a total consideration of HK$70,000. Those disposed subsidiaries included Sino Lion Capital Inc., Beshabar (Macao Commercial Offshore) Limited and Beshabar Trading Limited.

The aggregate net assets of those disposed subsidiaries at the date of disposal were as follows:

	HK$'000
Bank balances and cash	723
Other receivables	18
Other payables	(677)
Net assets disposed of	64
Gain on disposal of subsidiaries	6
Total cash consideration	70
Net cash outflow arising on disposal	
Cash consideration received	70
Bank balances and cash disposed of	(723)
	(653)

The subsidiaries disposed of had no significant impact on the results and cash flows of the Group for the year ended 31 December 2013.

15. COMMITMENTS

Commitments under operating leases

The Group as lessor

Property rental income earned during the year was approximately HK$7,534,000 (2013: HK$7,580,000). The investment properties were expected to generate rental yields of 10.79% (2013: 10.34%) on an ongoing basis. All properties held have committed tenants for the next one to five years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2014	2013
	HK$'000	*HK$'000*
Within one year	**4,951**	5,751
In the second to fifth year inclusive	**1,339**	3,656
	6,290	9,407

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:

	2014	2013
	HK$'000	*HK$'000*
Land and buildings		
Within one year	**3,363**	5,820
In the second to fifth year inclusive	**709**	2,365
	4,072	8,185

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

2014 was a significant year for the Group that it adjusted the investment portfolio and conducted business transformation. In order to become a resource development and energy services company with a focused business with clear development direction, and assets with high sustainability, the Group acquired 100% equity interests in Beijing Sino-Kazakh Uranium Resources Investment Company Limited ("**Beijing Sino-Kazakh Uranium**"); and will seek appropriate opportunity to exit from the pharmaceutical and food business, so as to sustain the stable operations of the pharmaceutical and food business, also to conduct internal staff and business restructuring and strive for negotiation between the Group and the potential transferees.

Natural Uranium Business

Before the Group takes physical possession of the uranium mineral assets, the natural uranium business remained as the Group's major business and the main source of the Group's revenue for the year. The Group has recorded a turnover of HK$1,148 million in trading of natural uranium during the reporting period, an increase of 54% as compared with the turnover of approximately HK$743 million last year; the realized gross profit of natural uranium business was approximately HK$172 million, an increase of 26% as compared with the gross profit of approximately HK$137 million in 2013.

Pharmaceutical and food business

Although the Group plans to seek appropriate opportunity to exit from the pharmaceutical and food business, it can still sustain the stable operations of its existing pharmaceutical and food business. During the reporting period, the Group recorded HK$88 million turnover in its pharmaceutical and food business, an increase of 91% as compared with the turnover of approximately HK$46 million in 2013; the gross profit of pharmaceutical and food business was HK$17.50 million, an increase of 91% as compared with the gross profit of approximately HK$9.17 million in 2013.

In the year 2014, the Group ceased to sell products of Madaus GmbH Germany and continued to sell "Taurolite", "Duowei" and "Opin"; and the Group will continue to hold the production base in Wuhan, Hubei Province, the PRC, Sichuan Hengtai Pharmaceutical Company Limited and part of the properties.

Acquisition of the uranium mining project

After preliminary work and negotiations, the Group announced its proposal to acquire the entire equity interests of Beijing Sino-Kazakh Uranium on 16 May 2014, and its proposal was approved at the extraordinary general meeting on 23 July 2014. Beijing Sino-Kazakh Uranium is interested in 49% equity interests of Semizbay-U Limited Liability Partnership ("**Semizbay-U**") and owned 49% of the sales rights of the off-take quantity of mineral products which are operated by the two subsidiaries of Semzibay-U. Due to the underestimation of the complexity of the government approval procedures, the Group was not able to complete the acquisition of Beijing Sino-Kazakh Uranium in 2014. The Group will continue to work towards the completion of the project in 2015.

Consolidated Results

During the reporting period, the consolidated turnover of the Group was HK$1,244 million, an increase of 56% as compared with the turnover of approximately HK$797 million in 2013; the consolidated gross profit was HK$196 million, an increase of 28% as compared with the gross profit of approximately HK$153 million in 2013; the gross profit margin was 16%, a decrease of 3 percentage points as compared with the gross profit margin of approximately 19% in 2013.

As the Group was not able to complete the acquisition of Beijing Sino-Kazakh Uranium as scheduled, and paid a large amount of staff remuneration cost due to the plan of divesting from pharmaceutical and food businesses for business restructuring, therefore the Group was not able to achieve the expected profit target, and the significant increase in administrative costs resulted in a significant decline in the Group's profits. The profit attributable to owners of the Company amounted to approximately HK$4 million (2013: HK$16 million). Basic earnings per share were HK$0.11 cents (2013: HK$0.49 cents).

BUSINESS PROSPECTS

In the year 2015, the overall analysis and assessment made by the Company towards the operational environment and the industry trend is that: the nuclear power will restart steadily and the international natural uranium market is under recovery from its low point. Though there are fluctuations in the macroeconomic environment, the overall environment remains optimistic. Accordingly, the Company decided to consolidate the foundation of operations and seize the opportunities of business expansion in its business plan of 2015. In 2015, the Company will focus on the follownig: completing the acquisition of Beijing Sino-Kazakh Uranium, exiting from the pharmaceutical and food businesses completely; accomplishing the goal of business restructuring of turning the Company into an enterprise focusing on the development and the operation of uranium resources; preparing for the asset management and the implementation of product off-take for Semizbay-U after the completion of the acquisition of the shareholdings of Beijing Sino-Kazakh Uranium; stabilizing the foundation of business operation; seizing the opportunity of low price level of uranium and sluggish price of bulk metal commodities; searching for new acquisition target of resources project so as to expand room for development of the business of the Company; and meanwhile, strengthening the risk management and enhance governance so as to sustain steady and healthy development of the Company.

FINANCIAL REVIEW

Capital structure

The Company's capital structure remained strong during the year as the gearing ratio (total borrowings/ equity attributable to owners of the Company, net of intangible assets and goodwill) was 51% (2013: 48%). As at 31 December 2014, the Company had in issue 3,332,586,993 ordinary shares (31 December 2013: 3,332,586,993 ordinary shares). During the year 2014, the Company had not issued any new share (2013: nil). All long-term debt is convertible bond.

Liquidity and financial resources

As at 31 December 2014, the aggregate amount of bank balances, cash and deposit in Huasheng was approximately HK$1,525 million (2013: HK$1,030 million). As at 31 December 2014, the Group did not have any outstanding bank borrowing (31 December 2013: nil), with no pledged bank deposits (31 December 2013: nil).

As at 31 December 2014, the average cost of financing was around 5% (2013: 5%) per annum in 2014. The Group has maintained sufficient financial resources for daily operation, if there are appropriate merger and acquisition opportunities, additional financing may be funded for financing part of the merger and acquisitions.

Exposure to foreign exchange risk and currency policy

The sales and purchases of the Group were mainly denominated in USD and RMB (2013: USD and RMB).

In 2014, the Group did not enter into any forward contracts, interest or currency swaps or other financial derivatives for hedging purpose. During the year, the Group did not experience any material difficulty or negative effect on its operations or liquidity as a result of fluctuations on currency exchange rates.

Contingent liabilities

As at 31 December 2014, the Group had no material contingent liabilities (2013: nil).

Key financial figures and ratios

Income statement items:

	Year 2014	Year 2013
Income statement items:		
Turnover (HK$' million)	**1,244**	797
Gross profit margin	**16%**	19%
Selling and distribution expenses (HK$' million)	**19**	10
Gross profit margin after deducting selling and distribution expenses	**14%**	18%
Profit attributable to owners of the Company/Turnover	**0.3%**	2%
Earnings before interest, tax, depreciation and amortisation ("EBITDA") (HK$' million)	**65**	66
EBITDA/Turnover	**5%**	8%

Statement of financial position items:

	As at 31 December 2014 HK$' million	As at 31 December 2013 HK$' million
Statement of financial position items:		
Liability component of convertible bonds	**550**	521
Bank balances and cash	**226**	1,030
Net tangible assets	**1,081**	1,078
Gearing ratio	**51%**	48%
Average trade receivable turnover days	**62 days**	104 days
Average inventory turnover days (excluding goods in transit)	**9 days**	9 days

EMPLOYEE INFORMATION

As at 31 December 2014, the Group had 151 employees. 139 of these employees were located in China and 12 in Hong Kong.

The policies of remuneration, bonus, share option scheme and training for the Group's employee are commensurate with the performance of the employees to participate in external training progress to develop themselves on a continuous development basis, so as to improve staff performance to meet future challenges and gain a competitive edge.

MAJOR TRANSACTIONS AND CONNECTED TRANSACTIONS

Reference is made to the Company's announcement dated 16 May 2014 in relation to the acquisition of Beijing Sino-Kazakh Uranium. Capitalized terms used in this section shall have meanings given to them in the said announcement. On 16 May 2014, the Board approved the share purchase agreement entered into between the Company (as purchaser) and CGNPC-URC (as seller), pursuant to which CGNPC-URC conditionally agreed to sell and the Company conditionally agreed to purchase the Equity (representing the entire registered capital of Beijing Sino-Kazakh Uranium) at the purchase price of US$133 million (equivalent to approximately HK$1,030.75 million).

As at the date of the announcement, Beijing Sino-Kazakh Uranium held a 49% partnership interest in Semizbay-U. Through its indirect interest in Semizbay-U, CGNPC-URC was entitled to acquire the Off-take Quantity, being 49% of Semizbay-U's total annual uranium production pursuant to the Off-take Agreement. CGNPC-URC undertook to irrevocably and exclusively designate the Group, from the Completion Date, to purchase the Off-take Quantity from Semizbay-U for the entire term of the Off-take Agreement. Upon Completion, the Company would, through Beijing Sino-Kazakh, hold a 49% partnership interest in Semizbay-U. Beijing Sino-Kazakh Uranium will become a wholly-owned subsidiary of the Company. Semizbay-U would not become a subsidiary of the Company and accordingly its financial statements would not be consolidated into those of the Group.

As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the acquisition exceeded 25% but was less than 100%, the acquisition constitutes a major transaction of the Company pursuant to Rule 14.06(3) of the Listing Rules. In addition, China Uranium Development, a subsidiary of CGNPC-URC, is the controlling shareholder of the Company. As such, CGNPC-URC is a connected person of the Company by virtue of Rule 14A.11(4). The acquisition also constituted a connected transaction of the Company and was subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules

OTHER IMPORTANT MATTERS

Supplemental Deed to Subscription Agreement

Reference is made to the announcement dated 18 February 2014 in relation to the Supplemental Deed to Subscription Agreement. The parties to the Subscription Agreement have on 18 February 2014 entered into the Supplemental Deed to vary certain terms of the Subscription Agreement. Unless otherwise defined, capitalized words used in this section shall have the same meaning as defined in the circular dated 23 May 2011 and the announcement dated 18 February 2014 published by the Company.

As disclosed in the circular dated 23 May 2011, on 1 April 2011, the controlling shareholder charged 450,000,000 shares in favor of the subscriber ("**Charged Shares**") pursuant to the terms of the Share Charge to guarantee the obligations of the controlling shareholder under the Subscription Agreement, including but not limited to the obligations of the controlling shareholder to pay the First Reimbursement Amount to the Second Reimbursement Amount, and any amounts due under the Indemnity or losses suffered as a result of any breach of warranties. The Share Charge would be released on the later of the date of expiry of the Reimbursement Period or the date on which the controlling shareholder has discharged all its obligations to pay the Second Reimbursement Amount.

By discussion, the parties to the Subscription Agreement had on 18 February 2014 entered into a supplemental deed ("**Supplemental Deed**") to vary certain terms of the Subscription Agreement including without limitation, the following terms: (a) the definition of "Reimbursement Period" in the Subscription Agreement was amended to mean "from the Closing Date to (i) 31 December 2014; or (ii) the date on which the Company no longer holds legal or beneficial interest in the subsidiaries, whichever is earlier, or any other date to be agreed amongst the parties"; (b) the definition of "Settlement Date" in the Subscription Agreement was amended to mean "(i) the expire of the Reimbursement Period: or (ii) the date the controlling shareholder fully satisfies its payment obligations pursuant to clauses 7.2.2 and 7.2.3 of the Subscription Agreement (if relevant) (whichever is earlier)"; (c) 225,000,000 Charged Shares (the "**Released Charged Shares**") would be released and in consideration, the controlling shareholder and the Company will fulfill all their respective obligations and responsibilities pursuant to the Subscription Agreement; (d) the remaining 225,000,000 Charged Shares would continue to be charged to guarantee that the founders, the controlling shareholders and the Company would fulfill their respective obligations and responsibilities pursuant to the Subscription Agreement.

EVENTS AFTER THE REPORTING PERIOD

1. Entering into the second supplemental deed to subscription agreement

Reference is made to the announcement dated 19 March 2015 in relation to, among other things, (i) the Share Subscription; and (ii) the CB Subscription. Capitalized terms used in this section shall have the meanings given to them in the said announcement.

Upon the approval by the Board on 19 March 2015, the parties agreed to further extend the New Reimbursement Period by entering into a second supplemental deed ("**Second Supplemental Deed**") to the Subscription Agreement dated 19 March 2015. Pursuant to the Second Supplemental Deed, the definition of Reimbursement Date has been amended to "from the Closing Date to (i) the end of 14 calendar months from the date on which the Company ceases to hold any legal or beneficial interests in any Subsidiaries; or (ii) the date on which the Company ceases to hold any legal or beneficial interests in any Subsidiaries, and the liabilities the Company has or may have in respect of declaration and/or payment of Tax in any Relevant Jurisdictions in relation to the disposal of all or part of the interests in any Subsidiaries have been fully discharged or performed, and all the tax payable by the Company (in particular the liabilities of declaration and payment of tax the Company may have in respect of the performance and completion of any disposal transactions (if any) relating to all or any interests in the Subsidiaries and the tax to be decided (including but not limited to that in accordance with the Notice of the State Administration of Taxation in relation to Strengthening the Management of Enterprise Income Tax for Equity Transfer of Non-resident Enterprises (Guo Shui Han [2009] No.698) and the announcement in relation to Certain Issues concerning Enterprise Income Tax Income Tax for Indirect Transfer of Assets by Non-resident Enterprises (State Administration of Taxation announcement 2015 No.7)) has been fully paid or waived, whichever is later, or any other date to be agreed by the parties".

2. Disposal of all the equity interests in Yugofoil Holdings Limited

Reference is made to the announcement dated 25 March 2015. Capitalized terms used in this section shall have the meanings given to them in the said announcement. On 25 March 2015, the Company as the vendor and Bright Future as the Purchaser entered into the SP Agreement, pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the entire issued share capital of the Target Company. The Company has agreed to assign and the purchaser has agreed to accept the assignment of the interests in the Sale Loan to the Purchaser, at an aggregate cash consideration of HK$101,250,000.

To secure the payment of the Consideration by the Purchaser, the Guarantor entered into a deed of guarantee in favour of the Company on the payment obligation by the Purchaser under the SP Agreement.

Assets to be disposed of:

(1) the Sale Shares, representing the Company's entire holding in the Target Company held by the Company, and also the 100% of the issued share capital of the target company; and

(2) the interests in the Sale Loan, being the entire sum owing by the target company to the Company as at the date of SP Agreement.

It is expected that the Company will receive a net proceed of approximately HK$100,237,000 from the Disposal. The Company intends to use the proceeds from the Disposal as general working capital of the Group.

Immediately after the completion, the Target Company will cease to be a subsidiary of the Company, and the Company will no longer hold interest of the Target Company Group.

3. Major transactions and connected transactions in relation to the acquisition of Beijing Sino-Kazakh Uranium

Reference is made to 29 December 2014 regarding the delay in completion of the major transaction and connected transaction in relation to the acquisition of the entire equity of Beijing Sino-Kazakh Uranium. Capitalized terms used in this section shall have the same meaning as defined in the circular dated 30 June 2014 and the announcement dated 16 May 2014 published by the Company.

As additional time is required for the Company's fulfillment of the conditions precedent (the "**CPs**") under the Share Purchase Agreement, the Company and CGNPC-URC have agreed to postpone the Long Stop Date to 31 March 2015 according to the Share Purchase Agreement.

As at the date of this announcement, a few CPs still have not been satisfied. Considering the fulfillment of certain CPs involving approvals of government departments with comparatively strict procedures, if all CPs still cannot be obtained on 31 March 2015, the Company would publish a further delay announcement to extend the Long Stop Date to ensure a smooth accomplish of all CPs.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions ("Code Provisions") set out in the Corporate Governance Code and Corporate Governance Report as stated in Appendix 14 of the Listing Rules during the period from 1 January 2014 to 31 December 2014, except for the deviation from the code provision disclosed below.

Code provision A.6.7: This Code provision stipulates, inter alia, 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.

Code provision E.1.2: The Chairman of the Board should attend the annual general meeting. He should also invite the Chairmen of the Audit, Remuneration, Nomination and any other Committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting.

Mr. Zhou Zhenxing, the Chairman of the Board and the Nomination Committee, Mr. Yu Zhiping, the Executive Director and member of the Nomination Committee and Mr. Qiu Xianhong, an independent non-executive Director and the Chairman of the Audit Committee, were unable to attend the annual general meeting of the Company held on 23 May 2014 (the "**2014 AGM**") due to other business engagement.

Mr. He Zuyuan, Executive Director and Executive Vice President, was responsible for chairing the AGM and answer questions raised by shareholders.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the principle standards of securities transactions for the directors of the Company.

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 regarding Directors' securities transactions throughout the year ended 31 December 2014.

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

None of the Company and 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 2014.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2014.

DIVIDEND

Since the Group intends to retain sufficient capital for the business expansion, the Board would not recommend the payment of the final dividend for the year 2014 (2013 final dividend: nil).

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") 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 2014.

The annual results of the Group for the year ended 31 December 2014 have been reviewed by the Audit Committee.

ANNUAL GENERAL MEETING

The 2015 annual general meeting (the "**2015 AGM**") of the Company will be held on Friday, 22 May 2015 at 10:30 a.m. and the notice of annual general meeting 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 Wednesday, 20 May 2015 to Friday, 22 May 2015, 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 2015 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 A 18th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 19 May 2015.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Company's website (http://www.irasia.comlistco/hk/cgnmining/index.htm) and the Stock Exchange's website (www.hkex.com.hk). The 2014 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 in due course.

By Order of the Board
CGN Mining Company Limited
Zhou Zhenxing
Chairman

Hong Kong, 27 March 2015

As at the date of this announcement, the board of directors of the Company comprises two executive directors: Mr. Yu Zhiping (chief executive officer) and Mr. He Zuyuan, four non-executive directors: Mr. Zhou Zhenxing (chairman), Mr. Chen Qiming, Mr. Yin Engang and Mr. Huang Jianming and three independent non-executive directors: Mr. Gao Pei Ji, Mr. Qiu Xianhong and Mr. Lee Kowk Tung Louis.

* *For identification purposes only*