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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 2015

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 2015, together with the restated comparative figures for the previous financial year ended 31 December 2014, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015

	Notes	2015 HK\$'000	2014 HK\$'000 (Restated)
Continuing operations			
Revenue	4	703,422	1,151,707
Cost of sales		<u>(420,579)</u>	<u>(975,750)</u>
Gross profit		282,843	175,957
Other operating income	4	17,416	24,866
Administrative expenses		(31,390)	(33,804)
Changes in fair value of investment properties		1,044	164
Share of results of a joint venture		5,360	(54,134)
Finance costs	6	<u>(21,990)</u>	<u>(28,802)</u>
Profit before taxation		253,283	84,247
Income tax expense	7	<u>(49,920)</u>	<u>(22,462)</u>
Profit for the year from continuing operations	9	203,363	61,785
Discontinued operation			
Profit (loss) for the year from discontinued operation	8	<u>94,640</u>	<u>(103,660)</u>
Profit (loss) for the year		<u><u>298,003</u></u>	<u><u>(41,875)</u></u>

	<i>Notes</i>	2015 HK\$'000	2014 HK\$'000 (Restated)
Profit (loss) for the year attributable to owners of the Company:			
– from continuing operations		203,363	61,785
– from discontinued operation		94,618	(103,491)
		<u>297,981</u>	<u>(41,706)</u>
Profit (loss) for the year attributable to non-controlling interests:			
– from continuing operations		–	–
– from discontinued operation		22	(169)
		<u>22</u>	<u>(169)</u>
		<u>298,003</u>	<u>(41,875)</u>
Earnings (loss) per share	<i>11</i>		
From continuing and discontinued operations			
Basic		<u>HK7.36 cents</u>	<u>HK(1.25) cents</u>
Diluted		<u>HK5.39 cents</u>	<u>N/A</u>
From continuing operations			
Basic		<u>HK5.02 cents</u>	<u>HK1.85 cents</u>
Diluted		<u>HK3.79 cents</u>	<u>HK1.52 cents</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the year ended 31 December 2015

	2015 HK\$'000	2014 HK\$'000 (Restated)
Profit (loss) for the year	<u>298,003</u>	<u>(41,875)</u>
Other comprehensive expenses:		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences on translation of financial statements of subsidiaries	(5,412)	(1,162)
Exchange differences on translation of financial statements of a joint venture	(100,139)	(50,843)
Reclassification adjustment for the cumulative exchange difference included in profit or loss upon disposal of subsidiaries	<u>(81,270)</u>	<u>–</u>
Other comprehensive expense for the year	<u>(186,821)</u>	<u>(52,005)</u>
Total comprehensive income (expense) for the year	<u>111,182</u>	<u>(93,880)</u>
Total comprehensive income (expense) for the year attributable to:		
Owners of the Company	111,149	(93,723)
Non-controlling interests	<u>33</u>	<u>(157)</u>
	<u>111,182</u>	<u>(93,880)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Notes	31 December 2015 HK\$'000	31 December 2014 HK\$'000 (Restated)	1 January 2014 HK\$'000 (Restated)
Non-current assets				
Intangible assets		–	149	212
Property, plant and equipment		20,339	41,967	45,582
Investment properties		28,778	117,637	121,135
Prepaid lease payments on land use rights		–	18,860	19,265
Interest in a joint venture		138,272	233,051	338,028
Goodwill		–	–	–
		<u>187,389</u>	<u>411,664</u>	<u>524,222</u>
Current assets				
Inventories		–	32,536	21,590
Loan receivable from a shareholder		–	–	248,082
Amount due from an intermediate holding company		10,074	7,606	3,816
Trade and other receivables	12	185,721	227,282	213,523
Prepaid lease payments on land use rights		–	407	409
Amounts due from fellow subsidiaries		476,588	1,331,196	33,401
Bank balances and cash		285,528	233,655	1,038,416
		<u>957,911</u>	<u>1,832,682</u>	<u>1,559,237</u>
Total assets		<u>1,145,300</u>	<u>2,244,346</u>	<u>2,083,459</u>
Current liabilities				
Trade and other payables	13	46,453	242,730	35,038
Amount due to an intermediate holding company		11,772	4,997	538
Amount due to a joint venture		3,293	11,856	–
Amounts due to fellow subsidiaries		2,891	2,821	–
Convertible bonds		289,933	–	–
Value added tax payable		–	–	289
Income tax payable		20,449	12,575	7,582
		<u>374,791</u>	<u>274,979</u>	<u>43,447</u>
Net current assets		<u>583,120</u>	<u>1,557,703</u>	<u>1,515,790</u>
Total assets less current liabilities		<u><u>770,509</u></u>	<u><u>1,969,367</u></u>	<u><u>2,040,012</u></u>

	31 December 2015 HK\$'000	31 December 2014 HK\$'000 (Restated)	1 January 2014 HK\$'000 (Restated)
Capital and reserves			
Share capital	46,369	33,326	33,326
Reserves	713,281	1,364,510	1,458,233
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Equity attributable to owners of the Company	759,650	1,397,836	1,491,559
Non-controlling interests	–	1,641	1,798
	<hr/>	<hr/>	<hr/>
Total equity	759,650	1,399,477	1,493,357
	<hr/>	<hr/>	<hr/>
Non-current liabilities			
Convertible bonds	–	549,507	520,705
Deferred tax liabilities	10,859	20,383	25,950
	<hr/>	<hr/>	<hr/>
	10,859	569,890	546,655
	<hr/>	<hr/>	<hr/>
	770,509	1,969,367	2,040,012
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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 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”) 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 Group discontinued its operations in selling, distributing and manufacturing of pharmaceutical and food products during the year ended 31 December 2015 following the completion of the disposal of Yugofoil Holdings Limited and its subsidiaries (collectively referred to as “Yugofoil Group”) on 25 March 2015.

The functional currency of the Company is the 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 Hong Kong dollars (“HK\$”).

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

Except as described below, the accounting policies and methods of computation used in the consolidated financial statements for the year ended 31 December 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2014.

Changes in the Group’s ownership interests in existing subsidiaries

Changes in the Group’s ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted (please describe how the adjustment to non-controlling interests is determined) and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Hong Kong Accounting Standard (“HKAS”) 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the end of the previous reporting period or when they first came under common control, whichever is shorter.

Investments in a joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, if the joint venture uses accounting policies that differ from those of the Group for like transactions and events in similar circumstances, appropriate adjustments have been made to conform the joint venture's accounting policies to those of the Group. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

If a joint venture uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to make the joint venture's accounting policies conform to those of the Group when the joint venture's financial statements are used by the Group in applying the equity method.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

After application of the equity method, including recognising the joint venture's losses (if any), the Group determines whether it is necessary to recognise any additional impairment loss with respect to its investment in the joint venture. Goodwill that forms part of the carrying amount of an investment in a joint venture is not separately recognised. The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing

its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment in the joint venture. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

When the investment ceases to be a joint venture upon the Group losing significant influence over the joint control over the joint venture, the Group discontinues to apply equity method and any retained interest is measured at fair value at that date which is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. Any difference between the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss. Any amount previously recognised in other comprehensive income in relation to that investment is reclassified to profit or loss or retained earnings on the same basis as it would have been required if the investee had directly disposed of the related assets or liabilities.

When an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When the Group's ownership interest in a joint venture is reduced, but the Group continues to apply the equity method, the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest is reclassified to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Gains and losses resulting from transactions between the Group and its joint venture are recognised in consolidated financial statements only to the extent of unrelated investors' interests in the joint venture. The Group's share in the joint venture's gains or losses resulting from these transactions is eliminated.

Application of amendments to HKFRSs

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions

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 the 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 the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties that are measured at fair values. 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. Revenues recognised during the year from continuing operations are as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
Revenue		
Sales of goods	700,391	1,147,920
Gross rental income (<i>note a</i>)	3,031	3,787
	<u>703,422</u>	<u>1,151,707</u>
Other operating income		
Bank interest income	549	3,574
Loan interest income from a shareholder (wholly repayable within five years)	–	3,560
Loan interest income from fellow subsidiaries (wholly repayable within five years)	6,319	16,772
Interest income from overdue trade receivable from an intermediate holding company	3,514	580
Trade deposit interest income from a joint venture	3,326	–
Net exchange gain	–	376
Tax on disposal of subsidiaries reimbursed by the acquirer of Yugofoil Group	3,706	–
Others	2	4
	<u>17,416</u>	<u>24,866</u>
Total revenues	<u>720,838</u>	<u>1,176,573</u>

Note:

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
Gross rental income	3,031	3,787
Less: Outgoings (included in cost of sales)	(170)	(216)
Net rental income	<u>2,861</u>	<u>3,571</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.

Pharmaceutical and food segment (the “Disposed Business”) was discontinued in the current year. Accordingly, the Group’s reportable and operating segments from continuing operations are as follows:

- a) property investment segment engages in leasing and selling of office premises;
- b) natural uranium trading segment engages in trading of natural uranium; and
- c) other investments segment engages in investment in a joint venture.

No operating segments have been aggregated to form the above reportable segments.

Segment revenues and results

The following is an analysis of the Group’s revenue and results by reportable and operating segments:

Continuing operations

For the year ended 31 December 2015

	Property investment <i>HK\$’000</i>	Other investments <i>HK\$’000</i>	Natural uranium trading <i>HK\$’000</i>	Total <i>HK\$’000</i>
Turnover	3,031	–	700,391	703,422
Segment (loss) profit	(2,536)	5,360	269,218	272,042
Other income and gains				17,416
Central administration costs				(14,185)
Finance costs				(21,990)
Profit before taxation from continuing operations				253,283

For the year ended 31 December 2014

	Property investment <i>HK\$'000</i> (Restated)	Other investments <i>HK\$'000</i> (Restated)	Natural uranium trading <i>HK\$'000</i> (Restated)	Total <i>HK\$'000</i> (Restated)
Turnover	3,787	–	1,147,920	1,151,707
Segment profit (loss)	2,283	(54,134)	172,382	120,531
Other income and gains				24,866
Central administration costs				(32,348)
Finance costs				(28,802)
Profit before taxation from continuing operations				<u>84,247</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, directors' salaries, 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:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
Segment assets		
Pharmaceutical and food	–	110,755
Property investment	55,980	129,808
Other investments	138,272	233,051
Natural uranium trading	125,800	198,277
	<u>320,052</u>	671,891
Unallocated corporate assets	825,248	1,572,455
Total assets	<u><u>1,145,300</u></u>	<u><u>2,244,346</u></u>

Segment liabilities

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
Pharmaceutical and food	–	98,201
Property investment	4,850	2,694
Other investments	–	–
Natural uranium trading	46,564	146,532
	<hr/>	<hr/>
	51,414	247,427
Unallocated corporate liabilities	334,236	597,442
	<hr/>	<hr/>
Total liabilities	385,650	844,869
	<hr/> <hr/>	<hr/> <hr/>

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 and other assets for corporate use including certain property, plant and equipment and other receivables.
- all liabilities are allocated to operating segments other than convertible bonds, income tax payable, deferred tax liabilities, certain other payables, amount due to an intermediate holding company and amounts due to fellow subsidiaries.

Other segment information

Continuing operations

2015

	Property investment <i>HK\$'000</i>	Other investments <i>HK\$'000</i>	Natural uranium trading <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:					
Addition to property, plant and equipment	111	–	–	624	735
Transfer from investment properties	17,963	–	–	–	17,963
Depreciation and amortisation	526	–	–	996	1,522
Changes in fair value of investment properties	(1,044)	–	–	–	(1,044)
Net loss on disposal of property, plant and equipment	–	–	–	81	81
Operating lease rental on land and buildings	–	–	–	3,290	3,290
Share of results of a joint venture	–	(5,360)	–	–	(5,360)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Amounts regularly provided to the Chief Executive Officer but not included in the measure of segment profit or loss or segment assets:

Interest expense	–	–	–	21,990	21,990
Income tax expense	–	–	–	49,920	49,920
Bank interest income	–	–	–	(549)	(549)
Loan interest income from fellow subsidiaries	–	–	–	(6,319)	(6,319)
Interest income from overdue trade receivable from an intermediate holding company	–	–	(3,514)	–	(3,514)
Trade deposits interest income from a joint venture	–	–	(3,326)	–	(3,326)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

2014

	Property investment <i>HK\$'000</i> (Restated)	Other investments <i>HK\$'000</i> (Restated)	Natural uranium trading <i>HK\$'000</i> (Restated)	Unallocated <i>HK\$'000</i> (Restated)	Total <i>HK\$'000</i> (Restated)
Amounts included in the measure of segment profit or loss or segment assets:					
Addition to property, plant and equipment	296	–	–	2,821	3,117
Depreciation and amortisation	21	–	–	383	404
Changes in fair value of investment properties	(164)	–	–	–	(164)
Share of results of a joint venture	–	54,135	–	–	54,135
Operating lease rental on land and buildings	–	–	366	4,977	5,343

**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	–	–	–	22,462	22,462
Bank interest income	–	–	–	(3,574)	(3,574)
Loan interest income from a shareholder	–	–	–	(3,560)	(3,560)
Loan interest income from fellow subsidiaries	–	–	–	(16,772)	(16,772)
Interest income from overdue trade receivable from an intermediate holding company	–	–	(580)	–	(580)

Geographical information

Continuing operations

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

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	
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
HK	–	–	3,211	3,664
PRC	703,422	1,151,707	45,906	174,949
Kazakhstan	–	–	138,272	233,051
	<u>703,422</u>	<u>1,151,707</u>	<u>187,389</u>	<u>411,664</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:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Customer A ¹	297	1,147,920
Customer B ¹	<u>700,094</u>	<u>–</u>

¹ Revenue from natural uranium trading segment

6. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest expenses on imputed interest charged on convertible bonds	<u>21,990</u>	<u>28,802</u>

7. INCOME TAX EXPENSE

Continuing operations

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
Hong Kong Profits Tax		
– current year	44,259	28,206
– overprovision in prior years	(376)	(6)
PRC Enterprise Income Tax on disposal of subsidiaries		
– current year	3,706	–
UK Corporate Income Tax		
– current year	<u>478</u>	<u>–</u>
	48,067	28,200
Deferred tax	<u>1,853</u>	<u>(5,738)</u>
	<u>49,920</u>	<u>22,462</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 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 the United Kingdom (“UK”) is subject to Corporation Tax Act of UK and the tax rate of the UK subsidiary is 20% for the year ended 31 December 2015.

Pursuant to the tax law of the Kazakhstan, withholding income tax is levied on 10% of profit before distributed to overseas investors. The above Kazakhstan Income Tax is withheld by the joint venture when 49% of total dividends were distributed to the Company by the joint venture.

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

8. DISCONTINUED OPERATION

On 25 March 2015, the Group entered into a sale and purchase agreement to dispose of its 100% equity interest in Yugofoil Group, which carried out all of the Group’s pharmaceutical and food products operation, to an independent third party for a total consideration of HK\$101,250,000. The disposal was completed on the same day, on which date control of Yugofoil Group passed to the acquirer.

Following the completion of the disposal of Yugofoil Group, the Group discontinued its operation in the Disposed Business. The profit (loss) for the year from the Disposed Business was set out below. The comparative figures in the consolidated statement of profit or loss have been restated to re-present the pharmaceutical and food products operation as a discontinued operation:

	2015 <i>HK\$’000</i>	2014 <i>HK\$’000</i> (Restated)
Loss of the Disposed Business for the year	(4,400)	(103,660)
Gain on disposal of the Disposed Business	99,040	–
	94,640	(103,660)

The results of the Disposed Business for the year ended 31 December 2015 and 2014 were as follows:

	2015 <i>HK\$’000</i>	2014 <i>HK\$’000</i> (Restated)
Revenue	35,221	95,625
Cost of sales	(29,071)	(72,011)
Gross profit	6,150	23,614
Other operating income	60	366
Selling and distribution expenses	(3,362)	(18,999)
Administrative expenses	(7,020)	(103,974)
Impairment loss recognised in respect of property, plant and equipment	–	(1,521)
Changes in fair value of investment properties	(309)	(3,232)
Loss before taxation	(4,481)	(103,746)
Income tax credit	81	86
Loss of the Disposed Business for the year	(4,400)	(103,660)

Income tax expense (credit) from the Disposed Business included the following:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
Deferred tax	(81)	(86)

During the year ended 31 December 2015, the Company disposed of its entire interests in Yugofoil Group and the 10% on the gain on disposal of subsidiaries in the PRC is subjected to the PRC Enterprise Income Tax.

Loss for the year from the Disposed Business included the following:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
Amortisation of intangible assets	15	62
Amortisation of prepaid lease payments on land use rights	102	407
Cost of inventories recognised as an expense	28,756	67,086
Depreciation of property, plant and equipment	1,694	4,203
Reversal of impairment loss recognised in respect of other receivables (included in other operating income)	–	(221)
Loss on disposal of property, plant and equipment	–	886
Operating lease rental on land and buildings	110	566
Staff costs	5,232	88,606
Write-off of inventories (included in cost of sales)	–	3,507
Research and development costs	7	944
Bank interest income	(16)	(105)
Rental income from investment properties	1,986	7,534
Net exchange loss	136	9

Net cash outflows on the Disposed Business are as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
Operating activities	(1,327)	(9,097)
Investing activities	(110)	(254)
	(1,437)	(9,351)

9. PROFIT FOR THE YEAR

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
Continuing operations		
Profit for the year has been arrived at after charging:		
Auditors' remuneration	1,250	1,336
Cost of inventories recognised as an expense and included in cost of sales	420,409	975,534
Depreciation of property, plant and equipment	1,522	404
Operating lease rental on land and buildings	3,290	5,343
Staff costs (including directors' emoluments)	9,444	6,198
Share of income tax expense of a joint venture	7,896	3,151
Net exchange loss	703	–
Net loss on disposal of property, plant and equipment	81	–

10. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2015 (2014: nil), nor has any dividend been proposed since the end of the reporting period.

11. EARNINGS (LOSS) PER SHARE

From continuing and discontinued operations

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
Earnings (loss)		
Earnings (loss) for the year attributable to the owners of the Company for the purpose of basic earnings (loss) per share	297,981	(41,706)
Effect of dilutive potential ordinary shares:		
Interest on convertible bonds	<u>21,990</u>	<u>N/A</u>
Earnings (loss) for the year attributable to the owners of the Company for the purpose of diluted earnings (loss) per share	<u>319,971</u>	<u>N/A</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	4,047,298,131	3,332,586,993
Effect of dilutive potential ordinary shares:		
Convertible bonds	<u>1,893,984,514</u>	<u>N/A</u>
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	<u>5,941,282,645</u>	<u>N/A</u>

For the year ended 31 December 2014, 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 a decrease in loss per share.

From continuing operations

The calculation of basic and diluted earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
Earnings		
Earnings for the year attributable to the owners of the Company for the purpose of basic and diluted earnings per share	297,981	(41,706)
Less: (earnings) loss for the year from discontinued operation	<u>(94,618)</u>	<u>103,491</u>
Earnings for the purpose of basic loss per share for the year attributable to the owners of the Company	203,363	61,785
Effect of dilutive potential ordinary shares:		
Interest on convertible bonds	<u>21,990</u>	<u>28,802</u>
Earnings for the purpose of diluted loss per share for the year attributable to the owners of the Company	<u><u>225,353</u></u>	<u><u>90,587</u></u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,047,298,131	3,332,586,993
Effect of dilutive potential ordinary shares:		
Convertible bonds	<u>1,893,984,514</u>	<u>2,608,695,652</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u><u>5,941,282,645</u></u>	<u><u>5,941,282,645</u></u>

From discontinued operation

Basic earnings per share for the discontinued operation for the year ended 31 December 2015 is earnings HK2.34 cents per share (2014: loss HK3.10 cents per share) and diluted earnings per share for the discontinued operation is HK1.59 cents per share (2014: N/A), based on the profit for the year from discontinued operation of HK\$94,618,000 (2014: loss of HK\$103,491,000) and the denominators detailed above for both basic and diluted earnings per share.

12. TRADE AND OTHER RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
Trade and bills receivables (<i>note a</i>)	125,800	218,054
Less: impairment loss recognised in respect of trade receivables (<i>note b</i>)	—	(4,330)
	<u>125,800</u>	<u>213,724</u>
Prepayments, deposits and other receivables	59,921	13,558
	<u>185,721</u>	<u>227,282</u>

The Group did not hold any collateral over these balances.

Notes:

- (a) At 31 December 2015, included in trade and bills receivables is amount of approximately HK\$125,800,000 (2014: nil) due from immediate holding company, China Uranium Development, and nil (2014: HK\$194,335,000) due from an intermediate holding company of the Company, CGNPC-URC, the sole shareholder of China Uranium Development respectively.
- (b) The movements in impairment loss of trade receivables were as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
At 1 January	4,330	4,344
Exchange realignment	(18)	(14)
Eliminated on disposals of subsidiaries	(4,312)	—
	<u>—</u>	<u>4,330</u>

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 (2015: nil) which were due to long outstanding.

At 31 December 2014, the Group normally grants to its trade customers credit periods for pharmaceutical and food segment ranging from 90 days to 180 days. The pharmaceutical and food segment was discontinued upon disposal of Yugofoil Group set out in note 8.

At 31 December 2015 and 2014, the Group normally grants to its trade customer credit periods for natural uranium 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.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within 30 days	125,800	180,448
31-60 days	–	28,255
61-90 days	–	2,755
Over 90 days	–	2,266
	<u>125,800</u>	<u>213,724</u>

As at 31 December 2014, included in the Group's trade receivables balance, carrying amount of approximately HK\$23,007,000 (2015: nil) which was past due as at the end of the reporting period for which the Group has not provided for impairment loss. The Group did not hold any collateral over this balance. The ageing of the balance is 31 to 180 days at the end of the reporting period.

13. TRADE AND OTHER PAYABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
Trade and bills payables	42,637	159,768
Accrued expenses and other payables	3,816	82,962
	<u>46,453</u>	<u>242,730</u>

At 31 December 2015, included in trade and bills payables is amount of approximately HK\$42,637,000 (2014: HK\$126,940,000) due to a joint venture of the Company, Semizbay-U Limited Liability Partnership.

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within 30 days	42,637	145,282
31-60 days	–	2,724
61-90 days	–	347
Over 90 days	–	11,415
	<u>42,637</u>	<u>159,768</u>

The average credit period on purchases of goods was 30 days (2014: 30 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 PERFORMANCE AND ANALYSIS

The Group principally engage in natural uranium trading and other investment. At present, the Group owns the entire equity interest in Beijing Sino-Kazakh Uranium Resources Investment Company Limited (“Beijing Sino-Kazakh Uranium”) which in turn holds 49% equity interest in Semzibay-U Limited Liability Partnership (“Semizbay-U”) and owns 49% of the sales rights of the off-take quantity of mineral products. Also, in order to expand the layout of high-grade uranium ore region in Canada so as to increase the control of the resources, the Company started the acquisition of 19.99% equity interest in Fission Uranium Corp. (“Fission”) in Canada in 2015.

Analysis of Business Environment

In 2015, global economy was volatile and the prices of commodities decreased to new lows in recent years. International natural uranium price has been decreased since the second half of 2007, and maintained at about USD40 per pound in recent years, the supply of uranium resources is sufficient in the world. The natural uranium price remained low during 2015. By following the operational strategy decided at the beginning of 2015, namely to strengthen the management foundation, grasp opportunity to expand business, be well-prepared for every chance and stabilize operation. The Company achieved the expected goal setting for the year.

OPERATION PERFORMANCE AND ANALYSIS

Capital Operation

Completing the disposal of pharmaceutical, food and main part of real estate businesses

In March 2015, the Company disposed Yugofoil Group and discontinued the businesses of pharmaceutical, food and main part of real estate. The businesses were disposed to an independent third party, and brought a one-off gain to the Company.

Completing the acquisition of 100% equity interest in Beijing Sino-Kazakh Uranium

In April 2015, the Company completed the acquisition of 100% equity interest in Beijing Sino-Kazakh Uranium and in turn holding 49% equity interest in Semzibay-U and owned 49% of the sales rights of the off-take quantity of mineral products. Semzibay-U owns and operates two quality and low-cost uranium mines: Irkol Mine and Semizbay Mine. As the overseas uranium resources development platform of CGNPC, the Company successfully completed the core assets construction, and the principal operation successfully transformed to uranium resources development and trading of natural uranium. Along with the injection of high-quality assets, operation results of the Company improved significantly, and profitability greatly enhanced.

Deepen the cooperation with partners of Kazakh parties

In 2015, the Company, CGNPC, CGNPC-URC, National Atomic Company Kazatomprom (“Kazatomprom”) and Ulba Metallurgical Plant signed the “Commercial Term Agreement in relation to the design and establishment of fuel component production factory in Kazakhstan and the joint development of Kazakh uranium”, which showed the cooperation intention of the Company and partners of Kazakh parties. Among which, Kazatomprom is the controlling shareholder which holds 51% equity interest in Semzibay-U.

Kazakhstan is the region where the Company has been paying attention to its low-cost qualified large insitu leaching uranium mine which give significant production cost advantages. Promoting and implementing the cooperation with Kazakh parties will be the focus during 2016-2020 (“Thirteen-Five Period”).

Acquisition of 19.99% equity interest in Fission in Canada

In order to expand the layout of high grade and quality uranium resources in the world and the scale of control of the uranium resources, and based on the analysis of the current international natural uranium industry and the judgment to the natural uranium market, the Company formally entered into the acquisition of 19.99% equity interest in Fission in Canada in 2015. Patterson Lake South project of Fission is the world third largest high quality uranium deposit and the world’s largest undeveloped uranium deposit.

In December 2015, the Company and Fission signed the “Investment Letter of Intent” in respect of subscription of 19.99% equity interest in Fission. Pursuant to the “Investment Letter of Intent”, CGN Mining shall subscribe for 96,736,540 common shares of Fission, at a price of Canadian dollars (“CDN\$”) 0.85 per share (the “Subscription”). Through the Subscription, CGN Mining becomes the single largest shareholder of Fission, and can purchase from Fission the sale rights of 20%-35% of annual production at a discount.

After the completion of the Subscription, the Company, as a strategic investor and the largest shareholder of Fission, will share the profits arising from its development in the future, and achieved a stable product supply channel. In the future, the Company will continue to put its focus on the Canada uranium resources, to select projects with investment value, to further optimize the resource combination of the Company.

Continuing operations

Natural Uranium Trading Business

In 2015, most of the natural uranium products sold by the Company were sourced from self-owned mines of Semizbay-U, the natural uranium trading amount achieved HK\$700 million, representing a decrease of 38.99% as compared to 2014 (2014: HK\$1,148 million). For the year ended 31 December 2015, gross profit from natural uranium trading was approximately HK\$280 million, representing an increase of approximately 62.79% as compared to the gross profit of HK\$172 million for the year ended 31 December 2014. The decrease in revenue from natural uranium trading and the increase in gross profit was mainly due to the Company suspended the less profitable trading business in 2015 and executing the selling rights of self-own mine products which have cost advantage.

Other major investment

Other than the abovementioned transactions, the Company had no other major investment during the period under review.

Discontinued Operations

Pharmaceutical and Food Business

In 2015, the Group exited the pharmaceutical and food business by disposal of Yugofoil Group, which was reclassified as discontinued operation. For the year ended 31 December 2015, the turnover of the pharmaceutical and food business amounted to HK\$33.2 million, representing a decrease of approximately 62.31% as compared with the sales of approximately HK\$88.1 million in the corresponding period in 2014.

Property Investment Business

Through the disposal of Yugofoil Group, the leased investment property business of two of its subsidiaries, namely Sichuan Hengtai Pharmaceutical Company Limited and Chengdu Vital Properties Limited, was also reclassified as discontinued operations. During the period under review, signing the leased investment property business brought HK\$2.0 million rental income to the Company. After completing the disposal of the business of Yugofoil Group, the property located in Beijing owned by Beijing Sino-Kazakh will be the only investment property held by the Group. It brought HK\$3.03 million (2014: 3.79 million) rental income to the Group in 2015.

BUSINESS PROSPECTS

In the coming five years, the PRC will start to implement the thirteen-five plan of national economy (“Thirteen-Five Plan”). Nuclear power as the main force of clean energy and important part of “going global” strategy of the PRC plays an important role in the plan.

The Company will follow the nuclear development of the Thirteen-Five Plan of the PRC and work out the Company’s own operational management strategy and developing path of the Thirteen-Five Period, use the national nuclear energy development guidance as guideline, not only rely on large number of users of CGNPC and its subsidiaries (collectively the “CGN Group”) in natural uranium but also actively explore new markets out of CGN Group.

The Company thinks that the development of nuclear power generation, as the clean energy, will be stable in the coming five years. However, the over-supply in the natural uranium market will be continued as the impact of post-Fukushima era has not been completely eliminated, and the natural uranium price remains low continuously is a big probability event. The Company will bravely face challenges and try to grasp opportunities by acquiring and selecting potential low-cost uranium mine over the world in a good timing during the low market price period of the natural uranium. The Company aims to maintain the balance of the control volume and supply of natural uranium through realizing coordinated development of uranium mine at difference stages during exploration, construction and production. The Company clearly recognized that no matter at present or in the future the one who owns low cost mine will get the largest benefit in the natural uranium industry. Therefore, the Company will carry on its international exploration strategy and layout with emphasis on investment opportunities of instu leaching uranium project in Kazakhstan and uranium mine from Canadian rich uranium area, and try to grasp the opportunities before the natural uranium price go upward.

In the future, the Company will also continue to adhere to the current strategic objectives, select opportunities to acquire high quality uranium mine under the indirect controlling shareholder CGNPC-URC and consolidate the uranium resources of CGN Group, hoping to achieve greater efficiency on capital operation. In addition, the Company will, as appropriate, consider the introduction of some strategic investors to improve shareholder structure and strengthen capital strength at the right time. Furthermore, the Company fully aware that good corporate governance is very essential under increasingly fierce market competition. The Company will continue to improve risk management and internal control system, enhance management level, intensify human resources training, deepen exploration of business mode, establish medium-long-term incentive framework and be well prepared to deal with challenges we face during the development. Meanwhile, the Company will ensure sound and smooth communication channels with investors and show a brand new image to investors and the market with a more transparent and professional way.

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

	2015	2014 (Restated)
Profitability indicators		
Gross profit margin (%) ¹	40.21	15.28
EDITDA (million HK\$) ²	373.25	14.47
EBITDA/TURNOVER (%) ³	53.06	1.26
Net profit margin(%) ⁴	42.36	(3.64)
Operation ability indicators		
Trade receivables cycle – average ⁵ (Days)	106	69
Inventory cycle – average(Not including goods in transit) ⁶ (Days)	14	10
Investment return indicators		
Return on equity (%) ⁷	27.60	(2.89)
Profit (loss) attributable to owners of the Company to turnover ratio ⁸	42.36	(3.62)
Return on assets (%) ⁹	17.58	(1.94)
Repayment ability indicators		
Liability component of the convertible bonds (million HK\$)	289.93	549.51
Bank deposits and cash (million HK\$)	285.53	233.65
Net tangible assets (million HK\$) ¹⁰	759.65	1,399.33
Gearing ratio (%) ¹¹	50.77	60.37
Interest coverage ¹²	16.82	0.33

1. Difference between turnover and sale cost divided by turnover multiplied by 100.
2. The sum of profit before tax, financial expenses and depreciation of property, plant and equipment.
3. The sum of profit before tax, financial expenses and depreciation of property, plant and equipment divided by turnover multiplied by 100%.
4. Profit divided by turnover multiplied by 100%.
5. Average receivables (i.e arithmetic mean at the end of reporting period) divided by average daily sales (turnover divided by 360 days).
6. Average amount of inventory (i.e arithmetic mean at the end of reporting period) multiplied by 360 divided by sale cost.
7. Profit attributable to owners of the company divided by total average equity (i.e arithmetic mean at the end of reporting period) multiplied by 100%.
8. Profit attributable to owners of the Company divided by the turnover multiplied by 100%.
9. Profit divided by total average assets (i.e arithmetic mean at the end of reporting period) multiplied by 100%.
10. Net value of shareholders' equity interest less intangible assets.
11. Total debt divided by total equity multiplied by 100%.
12. Profit before interest and taxes divided by interest expense.

Financial results

In 2015, the Group realized revenue of HK\$703 million on continuing businesses, representing a decrease of HK\$448 million or 38.92% compared to the revenue of HK\$1,152 million in 2014; the Group realized profit of HK\$298 million, representing an increase of HK\$340 million compared to the loss of HK\$42 million in 2014. Profit attributable to owners of the Company was HK\$298 million representing an increase of HK\$340 million compared with the loss of HK\$42 million attributable to owners of the Company of 2014.

TURNOVER

	For the year ended 31 December		Amount of change	Percentage change
	2015	2014	Increase/ (Decrease)	Increase/ (Decrease)
	HK\$'000	HK\$'000 (Restated)	HK\$'000	%
Sales of natural uranium	700,391	1,147,920	(447,529)	(38.99)
Property Rental	3,031	3,787	(756)	(19.96)
Total income	703,422	1,151,707	(448,285)	(38.92)

The revenue of 2015 of the Group decreased by 38.92% to HK\$703 million as compared to the revenue of HK\$1,152 million of 2014. It was mainly because the Group has paused the trading of natural uranium with low gross profit.

Cost of sales

	For the year ended 31 December		Movements	Percentage change
	2015	2014	Increase/ (Decrease)	Increase/ (Decrease)
	HK\$'000	HK\$'000 (Restated)	HK\$'000	%
Natural uranium purchase	420,409	975,534	(555,125)	(56.90)
Property rental	170	216	(46)	(21.30)
Total cost of sales	420,579	975,750	(555,171)	(56.90)

The cost of sales of the Group dropped by 56.90% from HK\$976 million in 2014 to HK\$421 million in 2015. It was mainly because the Group has paused the trading at natural uranium with low gross profit.

One-off Gain on Disposal of Subsidiaries

On 25 March 2015, the Group disposed of the entire equity of Yugofoil Group to an independent third party. The gain on the disposal of the subsidiaries was approximately HK\$99.0 million.

Share of Results of Joint Ventures

Our joint ventures mainly include Semizbay-U, and our share of results of joint ventures increased from loss of HK\$54.13 million in 2014 to profit of HK\$5.36 million in 2015, primarily because Semizbay-U turned its loss into profit in 2015.

Finance Costs

Our finance cost decreased 24.14% from HK\$29 million in 2014 to HK\$22 million in 2015. The main reason is 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 on 15 June 2015. The portion of convertible bonds of which the conversion rights are being exercised represents 50% of the convertible bonds with a principal amount of HK\$600,000,000.

Annual Profit

Our annual profit increased from loss of HK\$42 million in 2014 to HK\$298 million in 2015. It was mainly come from the increase on trading profits and the one-off gain from the disposal of subsidiaries.

Financial Position

As at 31 December 2015, the Group's total assets amounted to HK\$1,145 million, representing a decrease of HK\$1,099 million or 49% from HK\$2,244 million as at 31 December 2014. The Group's total liabilities amounted to HK\$386 million, representing a decrease of HK\$459 million or 54% from HK\$845 million as at 31 December 2014. The Group's total equity amounted to HK\$760 million, representing a decrease of HK\$639 million or 46% from HK\$1,399 million as at 31 December 2014, among which equity attributable to owners of the Company accounted for HK\$760 million, representing a decrease of HK\$638 million or 46% from HK\$1,398 million as at 31 December 2014.

Net Current Asset (Liabilities)

As at 31 December 2015, the Group's net current assets was HK\$583 million. As at 31 December 2014, the Group's net current assets was HK\$1,558 million. The change was primarily due to the settlement of consideration of USD133 million by the Company to CGNPC-URC for acquiring 100% entity interest of Beijing Sino-Kazakh Uranium during the period under review.

Current Assets

	As at 31 December		Movements	Percentage change
	2015	2014	Increase/ (Decrease)	Increase/ (Decrease)
	HK\$'000	HK\$'000 (Restated)	HK\$'000	%
Inventories	–	32,536	(32,536)	(100.00)
Amount due from an intermediate holding company	10,074	7,606	2,468	32.45
Trade and other receivables	185,721	227,282	(41,561)	(18.29)
Prepaid lease payments on land use rights	–	407	(407)	(100.00)
Amount due from fellow subsidiaries	476,588	1,331,196	(854,608)	(64.20)
Bank balances and cash	285,528	233,655	51,873	22.20
Total current assets	957,911	1,832,682	(874,771)	(47.73)

As at 31 December 2015, the current assets of the Group were HK\$958 million, representing a decrease of HK\$875 million or 47.73% from HK\$1,833 million as at 31 December 2014, primarily due to the settlement of consideration for acquiring 100% equity interests in Beijing Sino-Kazakh in the amount of US\$133 million paid by the Company to CGNPC-URC during the period.

As at 31 December 2015, the aggregate amount of bank balances, and cash was approximately HK\$285.53 million (31 December 2014: HK\$233.66 million), among which approximately 1% (31 December 2014: 5%) is calculated in HKD, approximately 6% (31 December 2014: 92%) is calculated in USD, approximately 81% (31 December 2014: Nil) is calculated in CDN\$ and approximately 12% (31 December 2014: 3%) is calculated in RMB.

As at 31 December 2015, the Group did not have any bank deposits and cash pledged to any bank (31 December 2014: nil).

Current Liabilities

	As at 31 December		Movements	Percentage change
	2015	2014	Increase/ (Decrease)	Increase/ (Decrease)
	HK\$'000	HK\$'000 (Restated)	HK\$'000	%
Trade and other payables	46,453	242,730	(196,277)	(80.86)
Amount due to an intermediate holding company	11,772	4,997	6,775	135.58
Amount due to a joint venture	3,293	11,856	(8,563)	(72.23)
Amount due to a fellow subsidiary	2,891	2,821	70	2.48
Convertible bonds	289,933	–	289,933	N/A
Income tax payable	20,449	12,575	7,874	62.62
Total current liabilities	374,791	274,979	99,812	36.30

As at 31 December 2015, the current liabilities of the Group were HK\$375 million, representing an increase of HK\$100 million or 36.3% from HK\$275 million as at 31 December 2014, primarily due to the convertible bond would be matured on 18 August 2016 and classified as current liabilities for the year, but the disposal at Yugofoil Group has partially offset the effect from that.

As at 31 December 2015, the Group had no bank borrowing (31 December 2014: Nil). However, on 18 December 2015, the Group entered into a facility letter with CGNPC Huasheng Investment Limited (“CGNPC Huasheng”) (as lender), pursuant to which the Company can borrow from CGNPC Huasheng for short-term capital within the limit of total borrowing from time to time within the 3 years of first withdrawal.

Non-current Assets

	As at 31 December		Movements	Percentage change
	2015	2014	Increase/ (Decrease)	Increase/ (Decrease)
	HK\$'000	HK\$'000 (Restated)	HK\$'000	%
Intangible assets	–	149	(149)	(100.00)
Property, plant and equipment	20,339	41,967	(21,628)	(51.54)
Investment property	28,778	117,637	(88,859)	(75.54)
Prepaid lease payments on land use rights	–	18,860	(18,860)	(100.00)
Interest in a joint venture	138,272	233,051	(94,779)	(40.67)
Total non-current assets	187,389	411,664	(224,275)	(54.48)

As at 31 December 2015, the non-current assets of the Group were HK\$187 million, representing a decrease of HK\$224 million or 54.48% from HK\$412 million as at 31 December 2014. It was mainly because the Group has completed the disposal of Yugofoil Group and the sharp depreciation for the Tenge against US dollar which caused the deduction of equity interest on Semizbay-U Holding by Beijing-Sino Kazakh Uranium during the period.

Non-current liabilities

	As at 31 December		Movements	Percentage change
	2015	2014	Increase/ (Decrease)	Increase/ (Decrease)
	HK\$'000	HK\$'000 (Restated)	HK\$'000	%
Convertible bonds	–	549,507	(549,507)	(100.00)
Deferred tax liabilities	10,859	20,383	(9,524)	(46.73)
Total non-current liabilities	10,859	569,890	(559,031)	(98.09)

As at 31 December 2015, the non-current liabilities of the Group were HK\$11 million, representing a decrease of HK\$559 million or 98.09% from HK\$570 million as at 31 December 2014, primarily due to the exercise of 50% conversion rights of convertible bonds by China Uranium in 2015, the remaining balance of convertible bond has been classified as current liabilities for the year.

As at 31 December 2015, the liability component of the convertible bonds was approximately HK\$290 million (31 December 2014: HK\$550 million).

Total Equity

As at 31 December 2015, total equity of the Group amounted to HK\$760 million, representing a decrease of HK\$639 million or 46% from HK\$1,399 million as at 31 December 2014, mainly attributable to (i) the consideration of acquiring 100% equity interests in Beijing Sino-Kazakh in the amount of US\$133 million, which is higher than the net asset of Beijing Sino-Kazakh, diluted the reserve in equity under the standard of merger accounting under common control; (ii) China Uranium exercised 50% of the conversion rights attached to convertible bonds in 2015. The Company allotted and issued 1,304,347,826 conversion shares to China Uranium. The Group's capital structure remained relatively stable during the year as the gearing ratio (total borrowings/equity attributable to owners of the Company, net of intangible assets and goodwill) was 51% (2014: 60%).

MAJOR TRANSACTIONS AND CONNECTED TRANSACTIONS

Major transaction of acquisition of 100% equity interest in Beijing Sino-Kazakh Uranium

On 16 May 2014, a share purchase agreement was 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\$1,030.90 million). The transaction was completed on 15 April 2015. Since then, Semizbay-U shall not be the connected person of the Company, the natural uranium trading with Semizbay-U will no longer constitute connected transaction.

Acquisition of 19.99% equity interest in Fission in Canada

On 21 December 2015, the Company entered into a letter of intent in respect of the acquisition of 19.99% equity interest in Fission in Canada. Pursuant to the share subscription agreement in the letter of intent, CGN Mining shall subscribe for 96,736,540 common shares of Fission, plus an additional number of common shares at a price of CDN\$0.85 per share, for a total consideration which is equal to the product of CDN\$0.85 multiplied by the number of the equity. Pursuant to Rule 14.06(3) of the Listing Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the transaction constitutes a major transaction of the Company.

OTHER IMPORTANT MATTERS

Disposal of the entire equity interest in Yugofoil Group

On 25 March 2015, the Company entered into a sale and purchase Agreement with Bright Future Pharmaceutical Holdings Limited (“Bright Future”), the Company shall sell the entire equity interest in Yugofoil Group to Bright Future, for a total consideration of HK\$101,250,000. Since then, the Company completed its business transformation, and focus on the investment and trading of natural uranium resources business.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions set out in the Corporate Governance Code and Corporate Governance Report (“Corporate Governance Code”) as stated in Appendix 14 of the Listing Rules for the year ended 31 December 2015, 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.

Besides Mr. Yu Zhiping, an Executive Director and Chief Executive Officer, Mr. Gao Pei Ji and Mr. Lee Kwok Tung Louis, both are Independent Non-executive Directors, other Directors did not attend the annual general meeting held on 22 May 2015 (“2015 AGM”) due to business engagement.

Moreover, according to 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, Chairman of the Board and Chairman of Nomination Committee, cannot attend the 2015 AGM due to business engagement. The 2015 AGM was chaired by Mr. Yu Zhiping who also answered shareholders' questions of the Company's shareholders.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 2015.

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

For the year ended 31 December 2015, 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 maintained a sufficient public float throughout the year ended 31 December 2015.

DIVIDEND

Since the Group intends to retain sufficient capital for the business expansion, the Board would not recommend the payment of final dividend for the year ended 31 December 2015 (2014 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 2015.

The annual results of the Group for the year ended 31 December 2015 have been reviewed by the Audit Committee.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held on Thursday, 19 May 2016 (the “AGM”). 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 Tuesday, 17 May 2016 to Thursday, 19 May 2016, 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 its new address at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong (to be effective on 5 April 2016) for registration no later than 4:30 p.m. on Monday, 16 May 2016.

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 2015 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 on or before the latest practicable date.

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

Hong Kong, 30 March 2016

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. Xing Jianhua, three non-executive directors: Mr. Zhou Zhenxing (chairman), Mr. Chen Qiming and Mr. Yin Engang and three independent non-executive directors: Mr. Gao Pei Ji, Mr. Qiu Xianhong and Mr. Lee Kowk Tung Louis.

* *For identification purposes only*