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 2013

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 2013, together with the comparative figures for the previous financial year ended 31 December 2012, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2013

	Notes	**2013** *HK$'000*	2012 *HK$'000*
Turnover	*4*	**796,594**	1,232,287
Cost of sales		**(643,582)**	(1,031,057)
Gross profit		**153,012**	201,230
Other operating income	*4*	**20,730**	54,255
Gain on disposal of subsidiaries	*14*	**6**	–
Selling and distribution expenses		**(9,569)**	(34,526)
Administrative expenses		**(90,271)**	(130,369)
Impairment loss recognised in respect of property, plant and equipment		**(942)**	–
Changes in fair value of investment properties		**(12,646)**	5,853
Finance costs	*6*	**(27,292)**	(25,930)
Profit before taxation		**33,028**	70,513
Income tax expense	*7*	**(16,978)**	(51,866)
Profit for the year	*8*	**16,050**	18,647
Profit (loss) for the year attributable to:			
Owners of the Company		**16,365**	18,660
Non-controlling interests		**(315)**	(13)
		16,050	18,647
Earnings per share			
Basic	*10*	**HK$0.49 cents**	HK0.56 cents
Diluted	*10*	**HK$0.49 cents**	HK0.56 cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	2013	2012
	HK$'000	*HK$'000*
Profit for the year	**16,050**	18,647
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translating foreign operations		
Gain arising during the year	**5,239**	1,773
Other comprehensive income for the year	**5,239**	1,773
Total comprehensive income for the year	**21,289**	20,420
Total comprehensive income (expense) for the year attributable to:		
Owners of the Company	**21,505**	20,429
Non-controlling interests	**(216)**	(9)
	21,289	20,420

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	Notes	2013 HK$'000	2012 HK$'000
Non-current assets			
Intangible assets		**212**	266
Property, plant and equipment		**45,578**	49,878
Investment properties		**73,312**	83,530
Prepaid lease payments on land use rights		**19,265**	19,751
Goodwill		**–**	–
		138,367	153,425
Current assets			
Inventories		**21,590**	11,548
Loan receivable from a shareholder	*11*	**248,082**	775,174
Trade and other receivables	*12*	**213,456**	266,611
Prepaid lease payments on land use rights		**409**	397
Bank balances and cash			
– pledged		**–**	644
– unpledged		**1,030,491**	604,671
		1,514,028	1,659,045
Total assets		**1,652,395**	1,812,470
Current liabilities			
Trade and other payables	*13*	**34,586**	220,066
Value added tax payable		**289**	943
Income tax payable		**7,582**	27,190
		42,457	248,199
Net current assets		**1,471,571**	1,410,846
Total assets less current liabilities		**1,609,938**	1,564,271
Capital and reserves			
Share capital		**33,326**	33,326
Reserves		**1,043,452**	1,021,947
Equity attributable to owners of the Company		**1,076,778**	1,055,273
Non-controlling interests		**1,798**	2,014
Total equity		**1,078,576**	1,057,287
Non-current liabilities			
Convertible bonds		**520,705**	493,413
Deferred tax liabilities		**10,657**	13,571
		531,362	506,984
		1,609,938	1,564,271

NOTES

1. GENERAL

The Company was incorporated in the 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**") (formerly known as 中國廣東核電集團有限公司 (China Guangdong Nuclear Power Holding Corporation, Ltd.)). 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 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$**") while the functional currency of the Company is United States dollars ("**USD**"). As the Company is listed in Hong Kong, the directors of the Company consider that it is appropriate to present the consolidated financial statements in HK$.

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 HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle issued in 2012
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (revised 2011)	Employee Benefits
HKAS 27 (revised 2011)	Separate Financial Statements
HKAS 28 (revised 2011)	Investments in Associates and Joint Ventures
HK(IFRIC*) – INT 20	Stripping Costs in the Production Phase of a Surface Mine

* IFRIC represents the International Financial Reporting Interpretations Committee.

Except as described below, 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.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income" and an "income statement" is renamed as a "statement of profit or loss". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Amendments to HKFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKFRS 7 for the first time in the current year. The amendments to HKFRS 7 require entities to disclose information about recognised financial instruments that are set off in accordance with HKAS 32 Financial Instruments: Presentation and recognised financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The amendments to HKFRS 7 have been applied retrospectively. As the Group does not have any offsetting arrangements or any master netting agreements in place, the application of the amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated financial statements.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (revised 2011) and HKAS 28 (revised 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (revised 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

HKFRS 10 Consolidated Financial Statements

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK (SIC)-Int 12 Consolidation – Special Purpose Entities. HKFRS 10 changes the definition of control such that an investor controls an investee if and only if it has (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. As a result of the initial application of HKFRS 10, the directors of the Company made an assessment whether the Group has control over its investees at the date of initial application and concluded that the application of HKFRS 10 does not result in any change in control conclusions.

HKFRS 12 Disclosure of Interests in Other Entities

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements for both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions within the scope of HKFRS 2 Share-based Payment, leasing transactions within the scope of HKAS 17 Leases and measurements that have some similarities to fair value but are not fair value.

HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

HKFRS 13 has been applied prospectively as of the beginning of the annual period and resulted in additional disclosure. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the 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	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans – Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) – Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.
2 Effective for annual periods beginning on or after 1 July 2014.
3 HKFRS 9, as amended in December 2013, amended the mandatory effective date of HKFRS 9. The mandatory effective date is not specified in HKFRS 9 but will be determined when the outstanding phases are finalised. However, application of HKFRS 9 is permitted.
4 Effective for annual periods beginning on or after 1 January 2016.

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

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

Key requirements of HKFRS 9 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. 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.

- 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.

The effective date of HKFRS 9 is not yet determined. However, earlier application is permitted.

The directors of the Company anticipate that the adoption of HKFRS 9 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, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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.

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

The amendments to HKFRS 10 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.

The amendments to HKFRS 10, HKFRS 12 and HKAS 27 are effective for annual periods beginning on or after 1 January 2014 with early application permitted. The directors of the Company anticipate that the application of the amendments will have no effect on the Group as the Company is not an investment entity.

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 states 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 amendments to HKAS 19 are effective for annual periods beginning on or after 1 July 2014 with early application permitted.

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

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

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 to HKAS 32 are effective for annual periods beginning on or after 1 January 2014 with early application permitted and require retrospective application.

The directors of the Company anticipate that the application of the amendments to HKAS 32 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

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

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 to HKAS 36 are effective for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided HKFRS 13 is also applied, and require retrospectively application.

The directors of the Company anticipate that the application of the amendments to HKAS 36 may result in additional disclosures being made with regard to the impairment assessment on non-financial assets.

HK(IFRIC) – Int 21 Levies

HK(IFRIC) – Int 21 provides guidance on when to recognise a liability for a levy imposed by a government for levies that are accounted for in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets and levies where the timing and amount is certain. Under HK(IFRIC) – Int 21, a liability is recognised for a levy when the activity that triggers payment as identified by the relevant legislation occurs. HK(IFRIC) – Int 21 excludes income tax within the scope of HKAS 12 Income Taxes, fines and other penalties.

HK(IFRIC) – Int 2 is effective for annual periods beginning on or after 1 January 2014 with earlier application permitted and require retrospectively application.

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. TURNOVER AND OTHER OPERATING INCOME

Turnover 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:

	2013	2012
	HK$'000	*HK$'000*
Turnover		
Sales of goods	**789,014**	1,225,329
Gross rental income (note a)	**7,580**	6,958
	796,594	1,232,287
Other operating income		
Bank interest income	**12,671**	24,594
Loan interest income from a shareholder	**7,854**	5,479
Interest income from overdue trade receivable	**158**	–
Net exchange gain	**–**	174
Net gain on disposal of property, plant and equipment	**–**	19,289
Recovery of indemnified taxation (note b)	**–**	2,960
Others	**47**	1,759
	20,730	54,255
Total revenues	**817,324**	1,286,542

Notes:

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

	2013	2012
	HK$'000	*HK$'000*
Gross rental income	**7,580**	6,958
Less: Outgoings (included in cost of sales)	**(1,354)**	(1,220)
Net rental income	**6,226**	5,738

(b) For the year ended 31 December 2012, tax liabilities incurred before 2002 were recovered from the then controlling shareholders of the Company pursuant to the deed of indemnity dated 30 January 2002.

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. No operating segments identified by the chief operating decision maker have been aggregated in arriving at 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 2013

	Pharmaceutical and food	**Property investment**	**Natural uranium trading**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'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**

For the year ended 31 December 2012

	Pharmaceutical and food *HK$'000*	Property investment *HK$'000*	Natural uranium trading *HK$'000*	Total *HK$'000*
Turnover	57,836	6,958	1,167,493	1,232,287
Segment (loss) profit	(82,153)	9,111	153,411	80,369
Other income and gains				52,496
Central administration costs				(36,422)
Finance costs				(25,930)
Profit before taxation				70,513

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 and finance costs. This is the measure reported to the Chief Executive Officer for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

Segment assets

	2013 ***HK$'000***	2012 *HK$'000*
Pharmaceutical and food	**91,972**	93,078
Property investment	**77,354**	87,833
Natural uranium trading	**199,276**	240,596
	368,602	421,507
Unallocated corporate assets	**1,283,793**	1,390,963
Total assets	**1,652,395**	1,812,470

Segment liabilities

	2013 ***HK$'000***	2012 *HK$'000*
Pharmaceutical and food	**20,810**	17,652
Property investment	**1,121**	1,216
Natural uranium trading	**12,559**	198,969
	34,490	217,837
Unallocated corporate liabilities	**539,329**	537,346
Total liabilities	**573,819**	755,183

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, 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 income tax payable, deferred tax liabilities, convertible bonds and certain other payables.

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)

2012

	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	2,796	27	241	1,479	4,543
Depreciation and amortisation	6,328	250	12	207	6,797
Changes in fair value of investment properties	–	(5,853)	–	–	(5,853)
Net gain on disposal of property, plant and equipment	(18)	–	–	(19,271)	(19,289)
Write-down of inventories	3,494	–	–	–	3,494
Reversal of write-down of inventories	(1,154)	–	–	–	(1,154)
Research and development costs	1,211	–	–	–	1,211
Operating lease rental on land and buildings	681	–	522	3,693	4,896
Amounts regularly provided to the Chief Executive Officer but not included in the measure of segment profit or loss or segment assets:					
Interest expense	–	–	–	25,930	25,930
Income tax expense	–	–	–	51,866	51,866
Bank interest income	–	–	–	(24,594)	(24,594)
Loan interest income from a shareholder	–	–	–	(5,479)	(5,479)
Recovery of indemnified taxation	–	–	–	(2,960)	(2,960)

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	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
HK	**743,308**	1,167,493	**1,713**	2,172
PRC	**53,286**	64,794	**136,654**	151,253
	796,594	1,232,287	**138,367**	153,425

Information about major customers

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

	2013	2012
	HK$'000	*HK$'000*
Customer A[1]	**743,308**	1,167,493

[1] Revenue from natural uranium trading segment

6. FINANCE COSTS

	2013	2012
	HK$'000	*HK$'000*
Interest expenses on:		
– imputed interest charged on convertible bonds	**27,292**	25,930

7. INCOME TAX EXPENSE

	2013	2012
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– current year	**20,282**	22,572
– (over) underprovision in prior years	**(168)**	26,357
PRC Enterprise Income Tax		
– current year	**22**	185
– underprovision in prior year	**–**	878
	20,136	49,992
Deferred tax	**(3,158)**	1,874
	16,978	51,866

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

In prior years, Hong Kong Profits Tax amounting to approximately HK$34,041,000 of a subsidiary of the Company in respect of the years of assessment 2000/01 to 2005/06 were under inquiries by the Hong Kong Inland Revenue Department (the "**IRD**"). The Group lodged objections against the assessments and the IRD had held over the payment of the profits tax and the total amount of approximately HK$15,791,000 tax reserve certificates were purchased and recorded as income tax recoverable in the statement of financial position.

In the second half year of 2012, the Group reached a settlement agreement with the IRD on the amounts of Hong Kong Profits Tax relating to the years of assessment 2000/01 to 2011/12 for a total sum of approximately HK$26,357,000 together with interest and penalty of approximately HK$6,376,000. The tax liability of approximately HK$26,357,000 and interest and penalty of approximately HK$6,376,000 were recognised as income tax expense and administrative expense for the year ended 31 December 2012, respectively. Pursuant to the deed of indemnity dated 30 January 2002, sum incurred before 2002 of approximately HK$2,960,000 was indemnified and settled by the then controlling shareholders. The remaining amounts borne by the Group in total of approximately HK$29,773,000 was settled by tax reserve certificates in sum of approximately HK$15,791,000 and cash of approximately HK$13,982,000 during the year ended 31 December 2012.

Besides, in the year ended 31 December 2012 and prior years, the Hong Kong Profits Tax amounting to approximately HK$26,849,000 of another subsidiary of the Company in respect of the years of assessment 2002/03 to 2005/06 were under inquiries by the IRD. The Group lodged an objection against the assessments and the IRD had held over the payment of the profits tax and the total amount of approximately HK$300,000 tax reserve certificate was purchased and recorded as income tax recoverable in the statement of financial position. During the year ended 31 December 2012, the tax reserve certificate was refunded as the IRD agreed that the income derived by this subsidiary was non-Hong Kong sourced.

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 the current and previous years.

The subsidiary operating in Macau is exempted from the income tax in Macau for the current and previous years.

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 the current and previous 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:

	2013 ***HK$'000***	2012 *HK$'000*
Profit before taxation	**33,028**	70,513
Tax calculated at rates applicable to profits in the respective tax jurisdiction concerned	**3,242**	11,005
Effect of tax exemption granted to a Macau subsidiary	**76**	546
Tax effect of income not taxable for tax purpose	**(2,109)**	(7,683)
Tax effect of expenses not deductible for tax purpose	**12,734**	14,298
Tax effect of tax losses and deductible temporary difference not recognised	**3,203**	6,465
(Over) under-provision in prior years	**(168)**	27,235
Income tax expense for the year	**16,978**	51,866

8. PROFIT FOR THE YEAR

	2013	2012
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging (crediting):		
Amortisation of intangible assets	**61**	60
Amortisation of prepaid lease payments on land use rights	**402**	397
Auditors' remuneration	**1,124**	1,421
Cost of inventories recognised as an expense and included in cost of sales		
Carrying amount of inventories sold	**639,014**	1,027,497
Write-down of inventories	**3,214**	3,494
Reversal of write-down of inventories	**–**	(1,154)
	642,228	1,029,837
Depreciation of property, plant and equipment	**4,855**	6,340
Operating lease rental on land and buildings	**7,458**	4,896
Research and development costs	**330**	1,211
Staff costs (including directors' emoluments)	**51,574**	51,606
Net exchange loss (gain)	**151**	(174)
Net loss (gain) on disposal of property, plant and equipment	**193**	(19,289)

9. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2013, nor has any dividend been proposed since the end of the reporting period (2012: nil).

10. EARNINGS PER SHARE

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

	2013	2012
	HK$'000	*HK$'000*
Profit		
Profit for the year attributable to the owners of the Company for the purposes of basic and diluted earnings per share	**16,365**	18,660
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**3,332,586,993**	3,332,586,993
Effect of dilutive potential ordinary shares in respect of share options	**–**	37,842
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**3,332,586,993**	3,332,624,835

For the year ended 31 December 2013 and 2012, the computation of diluted earnings per share does not assume conversion of convertible bonds as their exercise would result in an increase in earnings per share.

11. LOAN RECEIVABLE FROM A SHAREHOLDER

	2013	2012
	HK$'000	*HK$'000*
Loan to China Uranium Development	**248,082**	775,174

The Group advanced the revolving loans to China Uranium Development in the sum of USD32,000,000 as at 31 December 2013 (2012: USD100,000,000). The loans were unsecured, carried interest at one month London Interbank Offered Rate ("LIBOR") plus 6% per annum (2012: one month LIBOR plus 6% per annum) and repayable within 90 days (2012: 45 days) after the advancement. On 26 February 2014, the loan was fully settled.

12. TRADE AND OTHER RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
Trade and bills receivables (note a)	**207,575**	255,303
Less: impairment loss recognised in respect of trade receivables (note b)	**(4,344)**	(4,212)
	203,231	251,091
Prepayments, deposits and other receivables (note c)	**10,225**	15,520
	213,456	266,611

The Group did not hold any collateral over these balances.

Notes:

(a) At 31 December 2013, included in trade and bills receivables is amount of approximately HK$195,769,000 (2012: HK$239,746,000) 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:

	2013	2012
	HK$'000	*HK$'000*
At 1 January	**4,212**	4,165
Exchange realignment	**132**	47
At 31 December	**4,344**	4,212

At 31 December 2013, included in the impairment loss of trade receivables are individually impaired trade receivables with an aggregate balance of approximately HK$4,344,000 (2012: HK$4,212,000) which were due to long outstanding.

(c) At 31 December 2013, included in prepayments, deposits and other receivables are interest receivable of approximately HK$169,000 (2012: HK$5,479,000) due from a shareholder, China Uranium Development, in relation to the revolving loan of USD32,000,000 (2012: USD100,000,000).

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 88 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.

	2013	2012
	HK$'000	*HK$'000*
Within 30 days	**29,793**	246,427
31-60 days	**171,344**	3,291
61-90 days	**1,373**	1,373
Over 90 days	**721**	–
	203,231	251,091

Included in the Group's trade receivables balance, carrying amount of approximately HK$169,067,000 (2012: nil) 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 60 days (2012: nil) at the end of the reporting period. On 18 February 2014, the amount was fully settled.

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**	
	2013	2012	**2013**	2012
Trade and other receivables	**–**	460	**490**	70

13. TRADE AND OTHER PAYABLES

	2013	2012
	HK$'000	*HK$'000*
Trade and bills payables	**13,825**	199,068
Accrued expenses and other payables	**20,761**	20,998
	34,586	220,066

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

	2013	2012
	HK$'000	*HK$'000*
Within 30 days	**13,552**	198,704
31-60 days	**31**	46
61-90 days	**2**	13
Over 90 days	**240**	305
	13,825	199,068

The average credit period on purchases of goods was 30 days (2012: 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:	USD'000		RMB'000	
	2013	2012	**2013**	2012
Trade and other payables	**715**	–	**1,230**	1,000

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. ("**Sino Lion**"), Beshabar (Macao Commercial Offshore) Limited ("**Beshabar (MCO)**") and Beshabar Trading Limited ("**Beshabar Trading**").

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$7,580,000 (2012: HK$6,958,000). The investment properties were expected to generate rental yields of 10.34% (2012: 8.33%) 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:

	2013	2012
	HK$'000	*HK$'000*
Within one year	**5,751**	6,287
In the second to fifth year inclusive	**3,656**	5,581
	9,407	11,868

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:

	2013	2012
	HK$'000	*HK$'000*
Land and buildings		
Within one year	**5,820**	6,707
In the second to fifth year inclusive	**2,365**	7,218
	8,185	13,925

16. PLEDGE OF ASSETS

As at 31 December 2012, certain assets of the Group were pledged to secure banking facilities granted to the Group as follows (2013: nil):

	2013	2012
	HK$'000	*HK$'000*
Bank balances and cash	**–**	644

17. EVENTS AFTER THE REPORTING PERIOD

Provision of intra-group financial services

On 22 January 2014, the Company and CGNPC Huasheng Investment Limited ("**Huasheng**"), a company incorporated in Hong Kong and a wholly-owned subsidiary of CGNPC, the ultimate controller indirectly holding approximately 50.11% of equity interests in the Company, entered into a conditional framework agreement (the "**Financial Services Framework Agreement**") for provision of intra-group financial services. Subject to the fulfillment of conditions precedent, the Financial Services Framework Agreement shall have a term of three years commencing from 1 January 2014 to 31 December 2016. Pursuant to the Financial Services Framework Agreement, the Group may from time to time deposit sums with Huasheng with interest income in return. The terms and conditions of such deposits shall be negotiated at arm's length basis.

The entering into of the Financial Services Framework Agreement and the transactions contemplated thereunder constitute a continuing connected transaction under Chapter 14A and a major transaction under Chapter 14 on the part of the Company as specified in the Rules Governing the Listing of Securities on the Stock Exchange.

Details are set out in the announcement of the Company dated 22 January 2014.

Up to the date of this announcement, the conditions precedent in relation to the Financial Services Framework Agreement have not been completely fulfilled.

Supplemental deed to a subscription agreement

On 18 March 2011, the Company has entered into a subscription agreement with different parties pursuant to which the Company has agreed to allot and issue and China Uranium Development agreed to subscribe the Company's shares. The share subscription was completed on 18 August 2011 and China Uranium Development has become immediate holding company of the Company.

On 1 April 2011, Perfect Develop Holding Inc. ("**Perfect Develop Holding**") charged 450,000,000 shares in favour of China Uranium Development for fulfilling certain conditions under the subscription agreement.

On 18 February 2014, the parties to the subscription agreement entered into a supplemental deed to vary certain terms of the subscription agreement, including mainly the following:

a) Definition of "Reimbursement Period" and "Settlement Date" as defined in the Company's circular dated 23 May 2011 is amended.

b) Charges on 225,000,000 shares owned by Perfect Develop Holding will be released and Perfect Develop Holding will not sell those shares before 31 December 2014.

c) The obligations of parties pursuant to the supplemental deed is conditional upon the Company entering into a HK$40 million loan agreement with Yugofoil Holdings Limited on the same date of the supplemental deed.

Details are set out in the Company's announcements dated 31 March 2011, 11 April 2011, 18 August 2011, 19 August 2011 and 18 February 2014 and the Company's circular dated 23 May 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the year 2013, the consolidated turnover of the Group decreased by approximately 35% year-on-year from approximately HK$1,232 million to approximately HK$797 million as compared to the previous year.

The decrease in the turnover of the Company for the year 2013 as compared with the previous year was primarily attributable to the decrease in income generated from the natural uranium trading business which recorded approximately HK$743 million (2012: HK$1,167 million). As a result, the Group has recorded a decrease in profits as compared to the year 2012.

As a whole, the profit attributable to owners of the Company amounted to approximately HK$16 million (2012: HK$19 million). Basic earnings per share was HK$0.49 cents (2012: HK$0.56 cents). The Group's financial position remained strong during the year, with approximately HK$1,030 million (2012: HK$605 million) of bank balance and cash as at 31 December 2013. Gearing ratio (total borrowings/equity attributable to owners of the Company, net of intangible assets and goodwill) as at 31 December 2013 was 48% (2012: 47%).

TRADING OF NATURAL URANIUM

Over the year, the directors of the Company have been exploring suitable business opportunities to broaden the revenue base and to diversify the business scope of the Company.

The Group has commenced the trading of natural uranium in 2011. Uranium has the largest atomic number of natural element. In the crust, uranium exists in uranium minerals, isomorphic form and absorbed state. Uranium is chemically active, so no pure uranium exists in nature. In general, uranium ore is mined and then uranium is extracted from the ore to form uranium-rich intermediate products, often referred to as uranium concentrates, which is further purified into uranium oxides. The international market usually uses triuraniumoctaoxide (U_3O_8) as the standard product in the trading of natural uranium.

The Group has recorded HK$743 million turnover in trading of natural uranium during the reporting period, a decrease of approximately 36% as compared with the turnover of approximately HK$1,167 million last year.

PHARMACEUTICAL AND FOOD INDUSTRY

Product Sales

During the year, the Group's turnover from sales of pharmaceutical and food product amounted to approximately HK$46 million, a decrease of approximately 21% as compared with the sales of approximately HK$58 million last year.

Madaus products

Regarding the trading of overseas agency products of Madaus GmbH, Germany which include, inter alia, Legalon (Silymarin) and Uralyt-U (Potassium Sodium Hydrogen Citrate Granules) in the year 2013, the Group was selling the remaining stock of Madaus products and has recorded turnover of approximately HK$17,000, a decrease of approximately 100% as compared with the sales of approximately HK$10 million last year. After these Madaus products had all been sold out, the Group ceased to sell Madaus products.

"Taurolite®", a prescription medication capable of dissolving the cholesterol stones formed in the gallbladder and bile-duct

"Taurolite®" Tauroursodeoxycholic acid capsule cures and prevents liver diseases such as cholelithiasis and chronic bile stasis. In the case of cholesterol stone smaller than 2cm, sufferers may simply dissolve it by taking the medication without having to undergo surgical operation. "Taurolite®" has been launched into the market during the second half of the year 2009. Turnover for the year 2013 was approximately HK$31 million, representing a growth of approximately 54% as compared with the turnover of approximately HK$20 million last year.

The Production Base in Wuhan, Hubei Province, the PRC

During the year 2013, our major production included a drug "Glimepiride orally disintegrating tablets" – medication for diabetes, "Vital Fast" – a slow release flu medication and "Opin" – a gynaecology biological drug.

Sichuan Hengtai Pharmaceutical Company Limited

Sichuan Hengtai Pharmaceutical Company Limited is the major sales arm of the Group. During the year 2013, major sales products included, inter alia, "Taurolite®".

PROPERTY INVESTMENT

Leased investment property

Property investment segment includes leased properties situated in Sichuan, the PRC. During the year 2013, the property investment business contributed approximately HK$7.6 million (2012: HK$7.0 million) rental income to the Group. The increase was mainly due to the improvement of occupancy rate and rental level.

BUSINESS PROSPECTS

The Board is of the view that the markets of food, pharmaceuticals and properties of the PRC will be consolidated in the foreseeable future given the existing pressure in the operating environment. The Group will strengthen risk management and scale down the existing pharmaceutical and food business. At the same time, the Group will continue to develop the scale of natural uranium trading and proactively identify uranium resource investment opportunities to preserve the sustainable growth and long-term value of the shareholders.

FINANCIAL REVIEW

Capital structure

As at 31 December 2013, the Company had in issue 3,332,586,993 ordinary shares (31 December 2012: 3,332,586,993 ordinary shares). During the year 2013, the Company had not issued any new shares (2012: nil). The market capitalisation of the Company as at 31 December 2013 was approximately HK$2,066 million (31 December 2012: HK$2,866 million).

Liquidity and financial resources

As at 31 December 2013, the Group did not have any outstanding bank borrowing (31 December 2012: nil). Bank balances and cash amounted to approximately HK$1,030 million (31 December 2012: HK$605 million), with no pledged bank deposits (31 December 2012: HK$1 million). The increase in bank balances and cash was mainly due to the decrease in advance of a revolving loan to a shareholder during the year.

As at 31 December 2013, the Group has not obtained banking facilities from any banks (31 December 2012: nil). The average cost of financing was around 5% (2012: 5%) per annum in 2013. The Group has maintained sufficient financial resources for business operation purpose. The Group has no seasonality of borrowing requirement.

The Group adopts conservative funding and treasury policies and objectives. During the year ended 31 December 2013, the Group financed its operations mainly by internally generated resources.

As at 31 December 2013, in relation to cash and bank balances amounting to approximately HK$1,030 million (31 December 2012: HK$605 million), approximately 60% (2012: 15%) of which was denominated in USD, approximately 38% (2012: 80%) of which was denominated in HK$ and approximately 2% (2012: 5%) of which was denominated in Renminbi ("**RMB**").

Exposure to foreign exchange risk and currency policy

The sales of the Group were mainly denominated in USD and RMB (2012: USD and RMB). Purchases were mainly denominated in USD and RMB (2012: USD and RMB). Operating expenditures including administrative expenses and selling and distribution expenses, were primarily denominated in HK$ and RMB.

In 2013, 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 2013, the Group had no material contingent liabilities (2012: nil).

Key financial figures and ratios

Statement of profit or loss items:

Gross profit margin: During the reporting period, the Group has strategically scaled down its pharmaceutical and food business. The turnover from natural uranium trading business has decreased by approximately 36%. Nevertheless, the average gross profit margin for the year 2013 increased to approximately 19% when compared to approximately 16% for the corresponding period in 2012, due to the increase in gross profit margin of the natural uranium business.

Other operating income: The other operating income for the year 2013 was approximately HK$21 million, which had been decreased by approximately HK$34 million as compared to the year 2012. It was mainly attributable to the decrease in bank interest income and gain on disposal of a property during the year.

Selling and distribution expenses: The Group identified high selling and distribution expenses as business risk and aimed to tighten the outflow. The ratio of selling and distribution expenses to turnover significantly decreased from 3% for the year 2012 to 1% for the year 2013.

Administrative expenses: The Group focused on tightening its budgetary control to cut down administrative costs, as a result the administrative expenses decreased from approximately HK$130 million in 2012 to HK$90 million in 2013.

Finance costs: The finance costs for the year 2013 mainly arose from the convertible bond issued and allotted in the second half of year 2011.

	Year 2013	Year 2012
Statement of profit or loss items:		
Turnover (HK$' million)	**797**	1,232
Gross profit margin	**19%**	16%
Selling and distribution expenses (HK$' million)	**10**	35
Gross profit margin after deducting selling and distribution expenses	**18%**	14%
Profit attributable to owners of the Company/Turnover	**2%**	2%
Earning before interest, tax, depreciation and amortisation ("EBITDA") (HK$' million)	**66**	103
EBITDA/Turnover	**8%**	8%

Statement of financial position items:

Gearing ratio: The gearing ratio as at 31 December 2013 (total borrowings/equity attributable to owners of the Company, net of intangible assets and goodwill) was 48%, as compared to the gearing ratio of 47% as at 31 December 2012.

As the turnover of the Group decreased by approximately 35% year-on-year and the average trade receivables increased in the year 2013, the average trade receivable turnover days increased from approximately 45 days to 104 days. The Group does not generally hold any inventory for the natural uranium trading business, but the cost of sale decreased by approximately 38% year-on-year while the Group hold more inventories from the pharmaceutical and food business as at end of year 2013, the inventory turnover days increased from approximately 5 days to 9 days.

	As at 31 December 2013 HK$' million	As at 31 December 2012 HK$' million
Statement of financial position items:		
Liability component of convertible bonds	**521**	493
Bank balances and cash	**1,030**	605
Net tangible assets	**1,078**	1,055
Gearing ratio	**48%**	47%
Average trade receivable turnover days	**104 days**	45 days
Average inventory turnover days (excluding goods in transit)	**9 days**	5 days

As at 31 December 2013, the Group did not have (2012: HK$1 million) bank balances and cash that were pledged as collateral to a bank. For the year 2013, return on equity was on average 2% (2012: 2%).

EMPLOYEE INFORMATION

As at 31 December 2013, the Group had 179 employees. 130 of these employees were located in China and 49 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 and comparable to market rate. The Group encourages employees to participate in external training programs to develop themselves on a continuous development basis, so as to improve staff performance to meet future challenges and gain a competitive edge. Total staff costs for the year 2013 amounted to approximately HK$52 million (2012: HK$52 million).

MAJOR AND CONTINUING CONNECTED TRANSACTION

Revolving loan facility agreement entered into between China Uranium Development and the Company (the "Facility Agreement")

On 15 October 2013, the Company as lender and China Uranium Development as borrower, entered into the Facility Agreement, pursuant to which the Company provides a revolving loan facility of an amount not exceeding US$150 million (approximately HK$1,170 million) (the "**Revolving Loan**") to China Uranium Development for a term commencing from 9 December 2013, the date on which the Facility Agreement became effective and ending on 15 November 2014.

The Company has the right at any time to terminate the Revolving Loan under the Facility Agreement by serving not less than 30 business days' notice in writing to China Uranium Development. When the Revolving Loan is terminated, all outstanding principal and interest accrued shall become immediately payable. Pursuant to the Facility Agreement, the maximum aggregate transaction amount shall not exceed US$150 million (approximately HK$1,170 million) (the "**Cap Amount**"). Details of the Facility Agreement have been disclosed in the Company's circular dated 19 November 2013.

Since China Uranium Development owns approximately 50.11% equity interests in the Company and is a controlling shareholder of the Company at the time of entering into the Facility Agreement, China Uranium Development is therefore a connected person of the Company under the Listing Rules. The transaction contemplated under the Facility Agreement constitutes a continuing connected transaction for the Company under the Rules governing the Listing of Securities in the Stock Exchange (the "**Listing Rules**"). As certain applicable percentage ratios stipulated under Listing Rule 14.07 regarding the Revolving Loan is greater than 25% but less than 75%, the entering into the Facility Agreement and the transactions contemplated also constitutes a major transaction under Chapter 14 of the Listing Rules.

Pursuant to the ordinary resolutions passed by the independent shareholders of the Company (being the shareholders of the Company other than China Uranium Development and its associates) at the extraordinary general meeting held on 9 December 2013, the entering into of the Facility Agreement, the Cap Amount and the provision of the Revolving Loan were approved by the independent shareholders of the Company.

At the material time, Mr. He Zuyuan, an executive Director and chief executive officer of the Company and Ms. Jin Yunfei, a non-executive Director who resigned from the Board on 5 December 2013, had abstained from voting on the Facility Agreement at the Board meeting as they are also the directors of China Uranium Development and are regarded as not independent to make any recommendation to the Board.

Mr. Ling Bing, Mr. Qiu Xianhong and Mr. Huang Jinsong, the independent non-executive directors of the Company have reviewed and confirmed that the above major and continuing connected transaction was entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms; (c) fair and reasonable; and in the interests of the Company and the independent shareholders of the Company as a whole.

CONTINUING CONNECTED TRANSACTION

Framework agreement entered into between CGNPC Uranium Resources Co., Ltd. ("CGNPC-URC") and the Company (the "Framework Agreement")

On 15 October 2013, the Company and CGNPC-URC entered into the Framework Agreement in relation to the sale of Natural Uranium (as defined in the Framework Agreement) by the Group to CGNPC-URC from 9 December 2013 to 31 December 2016. Pursuant to the Framework Agreement, the Group has agreed to sell and CGNPC-URC has agreed to purchase and purchase on behalf of certain End Users (as defined in the Framework Agreement) certain amount of Natural Uranium during the Effective Period.

CGNPC-URC is the sole shareholder of China Uranium Development, a controlling shareholder of the Company, which holds approximately 50.11% equity interest in the Company. CGNPC-URC is therefore a connected person of the Company under the Listing Rules and the transaction contemplated under the Framework Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios on an annual basis is more than 5% and the annual consideration is more than HK$10,000,000, the Sale of Natural Uranium is subject to the reporting, announcement, independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to the Framework Agreement, the transaction value cannot exceed the following Annual Cap Amounts ("**Annual Cap Amounts**") in respect of the Continuing Connected Transaction for each of the three years ending on 31 December 2016.

For the year ending on 31 December 2014	**For the year ending on 31 December 2015**	**For the year ending on 31 December 2016**
HK$3,463,200,000	HK$3,463,200,000	HK$3,463,200,000

Details of the Framework Agreement have been disclosed in the Company's circular dated 19 November 2013.

Pursuant to the ordinary resolutions passed by the independent shareholders of the Company at the extraordinary general meeting held on 9 December 2013, the entering into of the Framework Agreement, the proposed Annual Cap Amounts and the transactions contemplated thereunder were approved by the independent shareholders of the Company.

Mr. Ling Bing, Mr. Qiu Xianhong and Mr. Huang Jinsong, the independent non-executive directors of the Company have reviewed and confirmed that the above continuing connected transaction was entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms; (c) fair and reasonable; and in the interests of the Company and the independent shareholders of the Company as a whole.

SUBSEQUENT EVENTS

Framework agreement entered into between the Company and CGNPC Huasheng Investment Limited ("Huasheng") for the provision of intra-group financial services (the "Financial Services Framework Agreement")

On 22 January 2014, the Company and Huasheng entered into a conditional Financial Services Framework Agreement for the provision of intra-group financial services.

Subject to the fulfillment of the conditions precedent, the Financial Services Framework Agreement shall have a term of three financial years commencing from 1 January 2014 and ending on 31 December 2016.

Pursuant to the Financial Services Framework Agreement, the Group may from time to time deposit sums with Huasheng. The terms and conditions of such deposits shall be subject to arm's length negotiations between the Group and Huasheng. Huasheng shall pay interest on such deposits. The interest payable by Huasheng to the Group shall be calculated with reference to the deposits interest rate as announced by other independent commercial banks in Hong Kong (such as The Hongkong and Shanghai Banking Corporation Limited or Bank of China (Hong Kong) Limited) from time to time but at any time such interest rate shall be (i) equal to or higher than the relevant interest rate offered by Huasheng to other subsidiaries of the China General Nuclear Power Corporation ("**CGNPC**") (other than members of the Group) in similar arrangement; and (ii) equal to or higher than the deposits interest rate as announced by other independent commercial banks in Hong Kong (such as The Hongkong and Shanghai Banking Corporation Limited or Bank of China (Hong Kong) Limited) from time to time in similar arrangement. The payment terms of the interest shall be determined between the Group and Huasheng upon making deposits.

The estimated annual caps (the "**Annual Caps**") for the maximum outstanding balance for the deposits placed by the Group with Huasheng for the three financial years ending on 31 December 2016 are set out below:

For the year ending on 31 December 2014	For the year ending on 31 December 2015	For the year ending on 31 December 2016
US$178 million	US$178 million	US$178 million

As Huasheng is a wholly-owned subsidiary of CGNPC, the ultimate controller indirectly holding approximately 50.11% equity interests in the Company, the entering into of the Financial Services Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps) constitute a continuing connected transaction on the part of the Company and are subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As the relevant percentage ratios exceed 25% but are below 75%, the entering into of the Financial Services Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps) shall also constitute a major transaction under Chapter 14 of the Listing Rules and will be subject to announcement and independent shareholders' approval at the extraordinary general meeting.

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, capitalised 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.

Reasons for entering into the Supplemental Deed

1. As stated in the circular dated 23 May 2011, the Subscriber would like to develop the Company into a uranium resources investment and trading platform, including through the acquisition of assets. It also states that the competition in the pharmaceutical industry faced by the Company is keen, which affects the financial performance of the Company. In the foreseeable future, consolidation is expected to take place in the markets of food, pharmaceuticals and properties in China with substantial pressure existing in the operating environments. It is the original intention of the Subscriber that when such new business venture(s) and investments become reasonably self-sustainable, the Subscriber will re-consider its business options, including whether to dispose all of the existing business and assets. At the latest practicable date, no such investment opportunity has been identified and/or become materialised. The Subscriber is of the view that the current business model is not reasonably self-sustainable and disposal of all the remaining old business and assets is not a good option.

2. The Founders and the Controlling Shareholder agreed to enter into the Supplemental Deed and provide, inter alia, the partial lock up as a show of confidence and support to the Company. The Supplemental Deed can continue to provide assurance to financial condition of the Company and its financial viability, inter alia, the Subsidiaries Value during the extended period, and to reflect the continuing participation and commitment of the Controlling Shareholder as a shareholder of the Company.

3. The Board is of the view that the Supplemental Deed would be in the best interests of the Company and the shareholders as a whole.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report as stated in Appendix 14 of the Listing Rules for the year ended 31 December 2013, except for the deviation from the code provision disclosed below.

Code provision A.6.7: This Code Provision requires, inter alia, independent non-executive directors and other non-executive directors to attend general meetings and develop a balanced understanding of the views of shareholders.

Mr. Yu Zhiping (formerly a non-executive director, who has been re-designated from a non-executive director to an executive director on 5 December 2013), Mr. Wei Qiyan (who resigned as a non-executive director on 5 December 2013), Ms. Jin Yun Fei (who resigned as a non-executive director on 5 December 2013) and Mr. Huang Jianming, a non-executive director, and Mr. Ling Bing, an independent non-executive director, were unable to attend the annual general meeting of the Company held on 16 May 2013 (the "**2013 AGM**") due to other business engagement.

Code provision E.1.2: This Code Provision requires 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. Yu Zhiping, formerly the chairman of the Board and the chairman of the Nomination Committee (who was re-designated as the chief executive officer and as executive director on 5 December 2013) did not attend the 2013 AGM due to other business engagements. Mr. Yu Zhiping has appointed Mr. He Zuyuan, formerly the chief executive officer and a member of the Nomination Committee, to attend the 2013 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**") contained in Appendix 10 of the Listing Rules as the principle standards of securities transactions by the directors of the Company.

All directors have confirmed upon specific enquiries that, they have complied with the required standard set out in the Model Code regarding directors' securities transactions throughout the year ended 31 December 2013.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares for the year ended 31 December 2013.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2013.

DIVIDEND

Since the Group intends to retain sufficient capital for the business expansion, accordingly, the Board do not recommend the payment of the final dividend for the year 2013 (2012 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 2013.

The annual results of the Group for the year ended 31 December 2013 have been reviewed by the Audit Committee.

ANNUAL GENERAL MEETING

The 2014 annual general meeting (the "**2014 AGM**") of the Company will be held on Friday, 23 May, 2014 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, 21 May 2014 to Friday, 23 May 2014, 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 2014 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 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 20 May 2014.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Company's website (http://www.irasia.com/announce.htm.) and the Stock Exchange's website (www.hkexnews.hk). The 2013 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, 5 March 2014

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. Xing Jianhua and Mr. Huang Jianming and three independent non-executive directors: Mr. Ling Bing, Mr. Qiu Xianhong and Mr. Huang Jinsong.

* *For identification purposes only*