

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中广核礦業有限公司*
CGN Mining Company Limited

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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

The Board announces the audited consolidated results of the Group for the year ended 31 December 2018, together with the comparative figures for the previous financial year ended 31 December 2017, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Notes	2018 HK\$'000	2017 HK\$'000
Revenue	4	362,031	372,790
Cost of sales		<u>(298,278)</u>	<u>(253,774)</u>
Gross profit		63,753	119,016
Other operating income	4	29,098	19,753
Administrative expenses		(39,665)	(34,366)
Changes in fair value of investment properties		390	358
Share of results of a joint venture		51,943	(20,558)
Share of results of an associate		<u>12,715</u>	<u>(16,457)</u>
Profit before taxation		118,234	67,746
Income tax expenses	6	<u>(16,826)</u>	<u>(15,668)</u>
Profit for the year attributable to owners of the Company	7	<u><u>101,408</u></u>	<u><u>52,078</u></u>
Earnings per share			
– Basic	9	<u><u>HK1.54 cents</u></u>	<u><u>HK0.79 cents</u></u>
– Diluted		<u><u>HK1.54 cents</u></u>	<u><u>HK0.79 cents</u></u>

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

For the year ended 31 December 2018

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Profit for the year	<u>101,408</u>	<u>52,078</u>
Other comprehensive (expenses) income:		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences on translation of financial statements of subsidiaries	(2,637)	5,332
Exchange differences on translation of financial statements of a joint venture	(22,517)	2,457
Exchange differences on translation of financial statements of an associate	<u>(41,854)</u>	<u>42,843</u>
Other comprehensive (expenses) income for the year	<u>(67,008)</u>	<u>50,632</u>
Total comprehensive income for the year	<u><u>34,400</u></u>	<u><u>102,710</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

		31 December 2018	31 December 2017
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		14,319	16,529
Investment properties		30,359	31,427
Interest in a joint venture		190,706	161,280
Interest in an associate		521,538	550,202
		<u>756,922</u>	<u>759,438</u>
Current assets			
Trade and other receivables	10	19,708	128,900
Amount due from an intermediate holding company		5,375	1,546
Bank balances and cash	11	1,071,159	1,017,111
Income tax recoverable		8,728	4,280
		<u>1,104,970</u>	<u>1,151,837</u>
Total assets		<u>1,861,892</u>	<u>1,911,275</u>
Current liabilities			
Trade and other payables	12	13,778	90,152
Amount due to an intermediate holding company		6,132	6,490
Amount due to a joint venture		5,513	5,513
Amounts due to fellow subsidiaries		1,668	1,212
Income tax payable		4,246	4,047
		<u>31,337</u>	<u>107,414</u>
Net current assets		<u>1,073,633</u>	<u>1,044,423</u>
Total assets less current liabilities		<u>1,830,555</u>	<u>1,803,861</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*As at 31 December 2018*

	31 December 2018 <i>HK\$'000</i>	31 December 2017 <i>HK\$'000</i>
Capital and reserves		
Share capital	66,007	66,007
Reserves	1,746,422	1,724,748
	<hr/>	<hr/>
Total equity	1,812,429	1,790,755
	<hr/>	<hr/>
Non-current liability		
Deferred tax liabilities	18,126	13,106
	<hr/>	<hr/>
	1,830,555	1,803,861
	<hr/> <hr/>	<hr/> <hr/>

NOTES

1. GENERAL

The Company was incorporated in Cayman Islands as an exempted company with limited liability. The shares of the Company are listed on the Stock Exchange. Its parent is China Uranium Development, a company incorporated in Hong Kong and a wholly-owned subsidiary of CGNPC-URC, which is in turn a subsidiary of CGNPC. CGNPC is the ultimate parent of the Company. Both CGNPC-URC and CGNPC were state-owned enterprises established in the PRC.

The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business in Hong Kong is at Suites 1903, 19/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The principal activities of the Group are property investment, trading of natural uranium and other investments.

The functional currency of the Company is USD. As the Company is listed in Hong Kong, the Directors consider that it is appropriate to present the consolidated financial statements in HK\$.

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation used in the consolidated financial statements for the year ended 31 December 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017.

Application of new and amendments to HKFRSs

In the Reporting Period, the Group has applied the following new and amendments to HKFRSs, which include amendments to HKFRSs and HKASs and HK(IFRIC)-Int, issued by the HKICPA.

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and related Amendments
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration

The application of the new and amendments to HKFRSs in the current year has 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 Listing Rules and 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 rental income (net of direct outgoings: nil) during the year. Revenue recognised during the year are as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Revenue		
Sales of goods	359,916	370,720
Rental income (net of direct outgoings: nil)	<u>2,115</u>	<u>2,070</u>
	<u>362,031</u>	<u>372,790</u>

The revenue from sales of goods for the year ended 31 December 2017 were recognised under HKAS 18.

The revenue from sales of goods for the year ended 31 December 2018 were derived from customers in the PRC and recognised at a point in time and under HKFRS 15.

Other operating income

Bank interest income	1	1
Interest income from fellow subsidiaries	25,830	16,732
Management fee income	2,846	2,993
Others	<u>421</u>	<u>27</u>
	<u>29,098</u>	<u>19,753</u>

5. SEGMENT INFORMATION

Information reported to the chief executive officer, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Operating segments identified by the chief operating decision maker are the same as the reportable segments of the Group.

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

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

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

Segment revenue and results

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

For the year ended 31 December 2018

	Property investment <i>HK\$'000</i>	Other investments <i>HK\$'000</i>	Natural uranium trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>2,115</u>	<u>–</u>	<u>359,916</u>	<u>362,031</u>
Segment (loss) profit	<u>(4,001)</u>	<u>64,658</u>	<u>51,788</u>	<u>112,445</u>
Other income and gains				29,098
Central administration costs				<u>(23,309)</u>
Profit before taxation				<u><u>118,234</u></u>

For the year ended 31 December 2017

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

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3 to the consolidated financial statements. Segment (loss) profit represents the (loss from) profit earned by each segment without allocation of other income and gains and central administration 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

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Property investment	49,425	48,265
Other investments	712,244	711,482
Natural uranium trading	9,186	119,856
	<u>770,855</u>	<u>879,603</u>
Unallocated corporate assets	1,091,037	1,031,672
Total assets	<u><u>1,861,892</u></u>	<u><u>1,911,275</u></u>

Segment liabilities

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Property investment	1,698	1,371
Other investments	–	–
Natural uranium trading	13,922	93,266
	<u>15,620</u>	<u>94,637</u>
Unallocated corporate liabilities	33,843	25,883
Total liabilities	<u><u>49,463</u></u>	<u><u>120,520</u></u>

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

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

Other segment information

2018

	Property investment HK\$'000	Other investments HK\$'000	Natural uranium trading HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:					
Depreciation	929	–	–	659	1,588
Changes in fair value of investment properties	(390)	–	–	–	(390)
Share of results of a joint venture	–	(51,943)	–	–	(51,943)
Share of results of an associate (<i>Note</i>)	–	(12,715)	–	–	(12,715)

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

Income tax expenses	–	–	–	16,826	16,826
Bank interest income	–	–	–	(1)	(1)
Interest income from fellow subsidiaries	–	–	–	(25,830)	(25,830)
Management fee income	–	–	–	(2,846)	(2,846)

2017

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

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

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

Note: A reversal of an impairment loss of approximately HK\$19,021,000 (2017: impairment loss of approximately HK\$7,005,000) is included in the share of results of an associate.

Geographical information

The Group's operations are located in Hong Kong, mainland China, Kazakhstan, Canada and the UK.

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	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Hong Kong	–	–	627	1,237
Mainland China	362,031	372,790	44,051	46,719
Kazakhstan	–	–	190,706	161,280
Canada	–	–	521,538	550,202
UK	–	–	–	–
	<u>362,031</u>	<u>372,790</u>	<u>756,922</u>	<u>759,438</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:

	2018 HK\$'000	2017 HK\$'000
Customer A ¹	<u>359,916</u>	<u>370,384</u>

¹ Revenue from natural uranium trading segment

6. INCOME TAX EXPENSES

	2018 HK\$'000	2017 HK\$'000
Hong Kong Profits Tax		
– current year	9,416	18,929
– over provision in prior years	<u>(55)</u>	<u>(746)</u>
	<u>9,361</u>	<u>18,183</u>
UK Corporation Tax		
– current year	<u>1,652</u>	<u>724</u>
Deferred tax	<u>11,013</u>	<u>18,907</u>
	<u>5,813</u>	<u>(3,239)</u>
	<u>16,826</u>	<u>15,668</u>

On 21 March 2018, the Hong Kong Legislative Council passed the Bill which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For the year ended 31 December 2018, the profits of all Group entities in Hong Kong are not selected by management for the two-tiered profits tax rates regime and continued to be taxed at the flat rate of 16.5%. For the year ended 31 December 2017, Hong Kong Profits Tax was calculated at a flat rate of 16.5% of the estimated assessable profits.

Under the EIT Law and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for the current year and the previous year.

The PRC subsidiary is in loss-making position for the current year and the previous year and accordingly did not have any provision for PRC Enterprise Income Tax for both years.

The subsidiary operating in the UK is subject to Corporation Tax Act of UK and the tax rate of the UK subsidiary is 19% for the year ended 31 December 2018 (2017: 20%).

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

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

7. PROFIT FOR THE YEAR

	2018	2017
	HK\$'000	HK\$'000

Profit for the year has been arrived at after charging (crediting):

Auditors' remuneration	1,370	1,330
Cost of inventories recognised as an expense and included in cost of sales	298,278	253,774
Depreciation of property, plant and equipment	1,588	1,849
Operating lease rental on land and buildings	1,966	1,856
Staff costs (including directors' emoluments)	15,814	14,661
Share of income tax expense (credit) of a joint venture	8,311	(3,787)
Net exchange loss	18	524
	<u> </u>	<u> </u>

8. DIVIDENDS

During the Reporting Period, a final dividend of HK0.2 cents per Share in respect of the year ended 31 December 2017 has been declared and fully paid.

Subsequent to the end of the Reporting Period, a final dividend of HK0.5 cents (2017: HK0.2 cents) per Share in respect of the year ended 31 December 2018 has been proposed by the Board and is subject to approval by the Shareholders in the forthcoming AGM.

9. EARNINGS PER SHARE

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

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Earnings		
Earnings for the year attributable to the owners of the Company for the purpose of basic earnings per share	<u>101,408</u>	<u>52,078</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>6,600,682,645</u>	<u>6,600,682,645</u>

The diluted earnings per Share is equal to the basic earnings per Share as there were no dilutive potential ordinary shares during the years ended 31 December 2018 and 2017.

10. TRADE AND OTHER RECEIVABLES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade receivables (<i>Note (a)</i>)	9,186	119,856
Prepayments, deposits and other receivables (<i>Note (b)</i>)	<u>10,522</u>	<u>9,044</u>
	<u>19,708</u>	<u>128,900</u>

The Group did not hold any collateral over these balances. At 31 December 2018 and 2017, there was no loss allowance provided.

Notes:

- (a) Trade receivables represents amount due from the immediate holding company, China Uranium Development.
- (b) Included in prepayments, deposits and other receivables, approximately HK\$5,842,000 (2017: HK\$4,179,000) and HK\$24,000 (2017: HK\$30,000) are interest receivables due from CGNPC Huasheng and CGN Finance, respectively, fellow subsidiaries of the Company.

The Group normally grants to its trade customer credit periods for natural uranium segment ranging from 28 days to 120 days after delivery dates. No trade receivables are past due as at the end of Reporting Period (2017: Nil).

The following is an ageing analysis of the trade receivables presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting periods.

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Within 30 days	–	109,514
31 to 60 days	9,186	3,367
61 to 120 days	<u>–</u>	<u>6,975</u>
	<u>9,186</u>	<u>119,856</u>

11. BANK BALANCES AND CASH

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Bank deposits:		
Cash at bank and on hand	<u>1,071,159</u>	<u>1,017,111</u>
Analyse of bank balances and cash at the end of the year:		
Cash at bank and on hand (<i>Note (a)</i>)	14,767	16,593
Cash placed at CGNPC Huasheng and CGN Finance (<i>Note (b)</i>)	<u>1,056,392</u>	<u>1,000,518</u>
	<u>1,071,159</u>	<u>1,017,111</u>

Notes:

- (a) Cash at bank carries interest at prevailing market rates for both years.
- (b) The balance is unsecured, interest bearing at ranging from 0.82% to 3.66% (2017: 0.10% to 2.42%) per annum and recoverable on demand. Under the New Financial Service Framework Agreement and the Domestic Financial Service Framework Agreement, the Directors consider that these deposits made to CGNPC Huasheng and CGN Finance are qualified as cash as the Group can withdraw the deposits without giving any notice and without suffering any penalty.

12. TRADE AND OTHER PAYABLES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade payables (<i>Note</i>)	8,306	87,676
Accrued expenses and other payables	<u>5,472</u>	<u>2,476</u>
	<u>13,778</u>	<u>90,152</u>

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

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

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Within 30 days	–	80,826
31 to 60 days	8,306	2,635
61 to 120 days	<u>–</u>	<u>4,215</u>
	<u>8,306</u>	<u>87,676</u>

The average credit period on purchases of goods was ranging from 28 days to 120 days after delivery date. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

13. EVENT AFTER THE REPORTING PERIOD

On 16 November 2018, the Company has entered into a sale and purchase agreement with China Uranium Development to acquire the entire equity interest in CGN Global at a consideration of USD8,553,800 (approximately HK\$66,335,000). The transaction was completed on 17 January 2019. Upon completion, CGN Global became a wholly-owned subsidiary of the Company and its financial results will be combined to the Group under merger accounting. Details of which are set out in the Company's circular dated 28 December 2018 and announcement dated 17 January 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in investment and trading of natural uranium resources. As at 31 December 2018, the Group held 49% equity interest and 49% off-take rights of products in Semizbay-U, as well as 19.90% equity interest, 20% off-take rights and additional 15% optional off-take rights of its future natural uranium products in Fission.

In 2018, the Company realised revenue of HK\$362 million, and HK\$101 million in profit attributable to owners of the Company.

Analysis of Business Environment

The nuclear power market and its industrial development

In 2018, the overall slowdown trend in the development of the international nuclear power continued. According to a report released by the World Nuclear Association (WNA) in 2017, the global installed capacity of nuclear power (mid case) is expected to reach 445GWe by 2030, with an annual growth rate of 1.6%, which is 0.8% lower than the expected annual growth rate in the 2015 report. However, the development of nuclear power in Japan and China shows obvious signs of recovery under the current environment.

The Japanese government issued the “Energy Basic Plan” in 2018, which expects the national nuclear power generation will account for 20-22% of the total power generation by 2030, meaning 30 reactors will be required to resume commercial power generation in full capacity given only 9 reactors resumed commercial operation as at 31 December 2018. In China, the third-generation nuclear reactors with AP1000 and EPR technology have successfully connected to the grid.

Natural uranium market and its industrial development

In 2018, the supply still exceeded demand in the international natural uranium market and the trade focused on stock clearing. However, due to the announcement of the indefinite suspension of the McArthur River uranium mine of Cameco and the initial public offering (IPO) of Kazatomprom, together with the production reduction plans announced by the three major international producers, namely Cameco, Kazatomprom and Orano, the market sentiment has gradually become bullish. In addition, the purchase of Cameco and investment companies, such as Yellow Cake Plc and Tribeca Investment Partners Pty. Ltd, etc. prompted the natural uranium spot price to start rising, and the trading volume in the spot market increased significantly.

During the year, the monthly price of natural uranium in the international spot market fell slightly from USD22.00/lb in the beginning of the year to USD21.00/lb in April. Since then, as the purchase volume increased, the spot price climbed and reached the highest point of USD29.1/lb in November, and it finally ended with a price of USD28.50/lb in 2018. The monthly average price in the spot market was USD24.63/lb, representing a year-on-year increase of 13.9%. The monthly average price in the long-term market is USD30.83/lb, which is basically the same as 2017*.

* The natural uranium price data in the paragraph are derived from the UxC. In 2018, the supply and demand of long-term market of natural uranium remained stable, and the rising momentum of spot price was not transmitted to the long-term market, therefore the long-term price was basically the same as in 2017.

BUSINESS PERFORMANCE AND ANALYSIS

Uranium under production-Production of Semizbay-U

Due to the production reduction policy of Kazatomprom, the production volume of the Semizbay Mine and Irkol Mine reduced in 2018, with a total annual production of 960 tons of uranium, of which Semizbay Mine and Irkol Mine produced 400 and 560 tons respectively, both have fully fulfilled production plans for 2018. After negotiations, the Company's off-take of natural uranium from Semizbay-U remained at 588 tons.

As at 31 December 2018, the uranium reserves and resources of Semizbay-U are as follows:

		Semizbay Mine	Irkol Mine
*Reserves	Average Grade	0.055%	0.0422%
	Tons of Uranium	10,950	16,347
Measured + Indicated Resources	Average Grade	0.055%	0.0422%
	Tons of Uranium	10,950	16,347

* *Note:* Kazatomprom was listed in London on 16 November 2018 and published resources and reserve data of uranium projects under JORC standards. In order to maintain data consistency, the Company will shift from using Kazakh Classification System standards to JORC standard, in reporting the resources and reserve data of these two mines from this announcement onwards. The JORC standard is a reporting specification of Australia on exploration results, mineral resources and ore reserves, jointly developed by the Australia Institute of Mining and Metallurgy and the Australia Geosciences and Minerals Council.

Uranium pending for development – exploration by Fission

Fission owns 100% of equity interest of the PLS Project. The PLS Project is located in the south west margin of Saskatchewan's Athabasca Basin, Canada, the world-renowned source of high-grade uranium ore, with a mineralized area of 600 meters, which is the longest continuous area with high-grade uranium ore in the basin. Currently, the main ore body already identified in the PLS Project is the 3R Uranium Deposit. During the Reporting Period, Fission steadily promoted the preliminary feasibility study of 3R Uranium Deposit and achieved the following results: (i) converted all of inferred resources in high-grade section of R780E area to the indicated category; (ii) expanded the scale of the uranium ore body in R1515W section and identified the uranium mine zone with good continuity; and (iii) initiated the preparation of the preliminary feasibility study report of 3R Uranium Deposit.

As at 31 December 2018, resources of PLS Project under Fission were as follows:

		PLS Projects
Indicated Resources	Average Grade	1.54%
	Tons of Uranium	33,757
Inferred Resources	Average Grade	1.53%
	Tons of Uranium	20,329

Note: Resources are prepared according to the NI43-101 standard. NI43-101 standard is a national instrument for mining project report within Canada, which is formulated by the Standing Committee on Reserve Definitions of Canada. The above figures are derived from the public information of Fission.

Natural uranium trading business

During the Reporting Period, the natural uranium products sold by the Group were sourced from self-owned mines of Semizbay-U, and realized trading revenue of HK\$360 million, representing a 3% decrease compared to 2017 (2017: HK\$371 million). Pursuant to the New Natural Uranium Sales Framework Agreement, the natural uranium transactions between the Company and CGNPC-URC Group were conducted under a pricing mechanism that includes a floor price and a ceiling price with reference to the long-term price index of natural uranium published by a third-party index agency. The spot price of natural uranium rose during the Reporting Period, but the long-term price generally remained stable even with a slight decline. As such, despite a similar sales volume in 2017, the Group recorded a decrease in the amount of sales. In addition, since the natural uranium products supplied by the Group could not fully cater to the demand of CGN, all the natural uranium products were sold to CGNPC-URC Group during the Reporting Period. Based on the long-term and stable cooperation between the parties, the Company maintained good relationships with its controlling shareholders.

Developing new projects

Acquisition of CGN Global

In order to broaden the international marketing of natural uranium products, improve the profit structure and lower the proportion of connected transactions, the Company and China Uranium Development entered into a sales and purchases agreement in relation to the acquisition of 100% equity interest of CGN Global during the Reporting Period. The completion of such transaction took place on 17 January 2019.

CGN Global is a leading uranium trading entity in the industry, whose main business is the sale and purchase of natural uranium in the international market. It is also engaged in the sale and distribution of natural uranium products produced by Swakop.

During the Reporting Period, CGN Global entered into trading contracts with its main customers including European and American nuclear plants owners, international nuclear fuel manufacturers and trading entities with a total trading volume of 5,385 tons of uranium (purchases and sales included), of which 2,298 tons of uranium were delivered throughout the year.

Steady implementation of the New Kazakhstan Uranium Project

During the Reporting Period, the Company actively advanced the New Kazakhstan Uranium Project, the subject of the acquisition is no more than 49% equity interest in Altarec. Altarec has two in-situ leachable uranium mines with high competitive advantages in cost, namely the Central Mynkuduk Mine and the Zhalpak Mine. Both mines are located in the Tutkestan state, a southern region of Kazakhstan and adjoins to the Irkol Mine of Semizbay-U.

The Central Mynkuduk Mine is in operation, with a designed production capacity of 2,000 tons of uranium per year. Subject to the production reduction policy of its controlling shareholder, Kazatomprom, the production volume of the Central Mynkuduk Mine was around 1,600 tons of uranium in 2018. According to the cost report of global uranium mines in operation published by UxC in 2017, the production cost of Central Mynkuduk Mine is US\$17.33/lb, which ranked in the top one third of world's uranium mines with the lowest production cost and is expected to operate until 2032. The Zhalpak Mine is still in the test mining phase, with a designed production capacity of 500 tons of uranium per year. The production volume of 2018 was approximately 110 tons of uranium.

During the Reporting Period, the Company organized a technical team to conduct an on-site inspection in the Target Deposits, the key technical data obtained shows that the target mines are in good operating condition.

Potential risks during operation and risk management

Risks of international natural uranium trade

Taking into account of the uncertainty of the price trend of natural uranium and the complexity of international trade, there are certain risks in the international natural uranium trade. For example, breach of contracts, bankruptcy of suppliers, force majeure events, receivables or prepayments that are not recoverable or misjudgements in investments may cause the Company to suffer loss.

In order to reduce such risks, the Company will improve its risk management on trading by monitoring the qualification and business capacity of the counterparties, adopting protective provisions in the contract, requiring parties with poor credit to provide guarantee or prepayments and implementing risk-based contingency plans on one hand; and trying to improve the ability to predict price of natural uranium, capturing opportunities with low procurement price, and ensuring that each natural uranium trade is strictly implemented in accordance with established authorization and completed approval processes on the other hand.

Capital guarantee risk

Considering it is hard for the current capital to meet the needs of the Company in terms of its medium to long-term acquisition and in line with the business plan of 2019 and the short to medium term strategic plan, the Company will make relevant capital and financing plans based on a fair assessment on the economic efficiency and feasibility of potential projects, and finance at an appropriate timing. In addition, the Company will take reasonable measures to improve the utilisation efficiency of capital by reducing various expenses.

BUSINESS PROSPECTS

Business Environment Outlook

Forecast of the nuclear power market

As an important source of low-carbon power generation, nuclear power plays a key role in global decarbonization. For major nuclear power countries in the world, China's increasing emphasis on nuclear power development is widely recognized. Japan's demand for energy is expected to accelerate the recovery of nuclear power. Meanwhile, the progress of nuclear reduction and denuclearization in important nuclear power countries such as France and South Korea are no longer radical, but tend to be stable and rational. Emerging countries such as India, Saudi Arabia and Poland have adopted a more positive attitude towards nuclear power development. Despite the uneven development of the international nuclear power, it is undeniable that while nuclear power meets the global energy demand, its important position as a low-carbon base energy is irreplaceable. It is believed that the development of nuclear power and nuclear fuel industries will remain stable in the future.

Forecast of the natural uranium market

Combining analyses and forecasts of various major international institutions, the Company forecasts that the oversupply of natural uranium market will remain unchanged for years to come. Due to factors such as the significant production reduction by major natural uranium producers, the market entry of investment companies and the conclusion of a new batch of long-term sales and purchase contracts for natural uranium, the imbalance between supply and demand in the market will be improved in the next few years. The market pressure will gradually ease as the inventories are digested, and the natural uranium price will continue to rise steadily. However, due to a large idle capacity, the increase is expected to be suppressed.

Business Development Outlook

Strengthening stock asset management

The Company will continue to participate in the operation management of Semizbay-U in 2019 to ensure the completion of its annual production, cost control objectives and delivery of its committed off-take by the latter. Meanwhile, the Company will strengthen control on the expenses of Semizbay-U by participating in board meetings and decisions, to ensure that the annual expenditure budget is not exceeded. In addition, the Company will push Semizbay-U to devote more efforts in improving its resource reserves in 2019, thus to promote its sustainable development.

For Fission, the Company will participate in its decision-making and daily management through the board of directors and the assigned financial manager. We will mainly focus on and encourage Fission to formulate clear medium and long-term development plans for the PLS Project, based on which the Company will make its strategic decisions in relation to Fission in the future. At the same time, the Company will support Fission in promoting the feasibility study of the 3R Uranium Deposit, combining the market situation of natural uranium and the results of its related pre-feasibility study report.

Expanding trade business

Leveraging on its own capital advantages, the Company will actively expand its international trade business, vigorously support CGN Global to explore the market outside CGNPC, and ensure that the trade volume and sales profit will be gradually improving under the circumstances that risks are controllable.

Promoting the acquisition of new projects

In order to complete the New Uranium Mine Project earlier, the Company will initiate the formal negotiation in 2019, and discuss with Kazatomprom the feasible plans and arrangements for accelerating the progress.

In the meantime, the Company will continue to systematically screen global high-quality uranium projects, track key potential projects and select the best for acquisitions in good time to gradually realize the goal of asset expansion. Furthermore, the Company will remain concerned with investment opportunities in related industries such as uranium associated mines and natural uranium processing, and treat them as potential opportunities.

Enhancing maintenance of the investor relationship

In 2019, the Company will continue to optimize information disclosure by continuously improving the quality of voluntary information, strengthening interaction with investors and analysts through various channels. In addition, the Company will continuously strengthen investor relations management by further improving the investor relations team and enhancing the capacities of team members.

Strengthening internal control and risk management

In 2019, the Company will continue to carry out a series of internal control and risk management work including comprehensive risk management, internal audit and internal control assessment. In addition, the Company plans to evaluate its risk management system by introducing external professional strength to further improve and enhance the level of risk management.

FINANCIAL PERFORMANCE AND ANALYSIS

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

OVERVIEW OF FINANCIAL RESULTS AND POSITION

Major Financial Indicators

	2018	2017
Profitability indicators		
Gross profit margin (%) ¹	17.61	31.93
EBITDA (HK\$ million) ²	119.82	69.60
EBITDA/Revenue (%) ³	33.10	18.67
Net profit margin(%) ⁴	28.01	13.97
Operation ability indicators		
Trade receivables cycle – average (Days) ⁵	64.16	60.16
Investment return indicators		
Return on equity (%) ⁶	5.63	2.89
Profit attributable to owners of the Company to revenue ratio ⁷	28.01	13.97
Return on assets (%) ⁸	5.38	2.74
Repayment ability indicators		
Bank balances and cash (HK\$ million)	1,071.16	1,017.11
Net tangible assets (HK\$ million) ⁹	1,812.43	1,790.76
Gearing ratio (%) ¹⁰	2.73	6.73

1. Difference between revenue and cost of sales divided by revenue multiplied by 100%.
2. The sum of profit before tax, finance costs, depreciation of property, plant and equipment.
3. The sum of profit before tax, finance costs, depreciation of property, plant and equipment, divided by revenue multiplied by 100%.
4. Net profit for the year divided by revenue multiplied by 100%.
5. Average trade receivables (i.e the arithmetic average of the beginning and the end of the Reporting Period) divided by average daily sales (revenue divided by 360 days).
6. Profit attributable to owners of the Company divided by total average equity (i.e the arithmetic average of the beginning and the end of the Reporting Period) multiplied by 100%.
7. Profit attributable to owners of the Company divided by the revenue multiplied by 100%.
8. Net profit for the year divided by total average assets (i.e the arithmetic average of the beginning and the end of the Reporting Period) multiplied by 100%.
9. Interests of the Shareholders less intangible assets, net.
10. Total debt divided by total equity multiplied by 100%.

Financial results

As at 31 December 2018, the Group realized revenue of HK\$362 million, representing a decrease of 3% as compared to 2017. The profit and profit attributable to owners of the Company of 2018 were HK\$101 million, representing an increase of 95% as compared to 2017.

Revenue

	For the year ended 31 December		Movements	Percentage change
	2018	2017	Increase/ (Decrease)	Increase/ (Decrease)
	HK\$'000	HK\$'000	HK\$'000	%
Natural uranium trading	359,916	370,720	(10,804)	(3)
Property investment	2,115	2,070	45	2
Total income	362,031	372,790	(10,759)	(3)

The revenue of the Group was HK\$362 million, representing a decrease of 3% as compared to that of HK\$373 million in 2017. It was mainly due to the slight decrease in the long-term price of international natural uranium as compared to 2017.

Cost of sales

	For the year ended 31 December		Movements	Percentage Change
	2018	2017	Increase/ (Decrease)	Increase/ (Decrease)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	%
Natural uranium trading	298,278	253,774	44,504	18
Property investment	–	–	–	–
Total cost of sales	298,278	253,774	44,504	18

The cost of sales of the Group was HK\$298 million, representing an increase of 18% as compared to that of HK\$254 million in 2017. It was mainly due to the increase in the spot price of international natural uranium as compared to 2017.

Gross profit and gross profit margin of natural uranium trading

Influenced by the slight decline in the sales price and the increase in purchase price, the Group recorded a gross profit of natural uranium trading of HK\$62 million, representing a decrease of 47% as compared to that of HK\$117 million in 2017, and the gross profit margin decreased from 32% in 2017 to 17% in 2018.

Other operating income

The other operating income of the Group was HK\$29 million, representing a 47% increase as compared to that of HK\$20 million in 2017, mainly due to the increase of interest rate of deposit during the Reporting Period as compared to the corresponding period in 2017, causing a significant increase in interest income.

Administrative expenses

Administrative expenses of the Group were HK\$40 million, representing an increase of 15% as compared to that of HK\$34 million in 2017, mainly due to the agency fees incurred for the acquisition during the Reporting Period.

Share of results of a joint venture

The joint venture of the Company is Semizbay-U. The share of results of a joint venture was HK\$52 million, recorded a substantial increase as compared to the loss of HK\$21 million in 2017, mainly due to the increase of selling price of natural uranium, resulting in a substantial increase in its profits.

Share of results of an associate

The associate of the Company is Fission. The share of results of an associate was HK\$13 million, which includes share of loss for the Reporting Period of HK\$6 million and the reversal of long-term investment impairment of HK\$19 million, representing a significant increase as compared to the loss of HK\$16 million in 2017.

During the Reporting Period, part of the share options granted by Fission to its directors and employees were exercised and 363,604 ordinary shares were issued, as a result, the equity interests in Fission held by the Company decreased to 19.90% (31 December 2017: 19.92%).

Income tax expenses

Income tax expense of the Group was HK\$17 million, representing an increase of 7% as compared to that of HK\$16 million in 2017, mainly due to the increase of provision of income tax in relation to the substantial increase in share of result of a joint venture during the Reporting Period.

Profit for the year

The profit of the Group in 2018 was HK\$101 million, representing an increase of 95% as compared to that of HK\$52 million in 2017, mainly due to a substantial increase in share of results of the joint venture as compared to 2017.

ASSETS CONDITION AND ANALYSIS

Total assets

As at 31 December 2018, the Group's total assets amounted to HK\$1,862 million, representing an decrease of 3% as compared to 2017, mainly due to the decrease of trade receivables.

Total liabilities

As at 31 December 2018, the Group's total liabilities amounted to HK\$49 million, representing a decrease of 59% as compared to 2017, mainly due to the decrease of trade payables.

Net current assets

As at 31 December 2018, the Group's net current assets was HK\$1,074 million, representing an increase of 3% as compared to 2017, mainly due to the significant decrease of current liabilities during the Reporting Period.

Current assets

	As at 31 December		Movements	Percentage change
	2018	2017	Increase/ (Decrease)	Increase/ (Decrease)
	HK\$'000	HK\$'000	HK\$'000	%
Trade and other receivables	19,708	128,900	(109,192)	(85)
Amount due from an intermediate holding company	5,375	1,546	3,829	248
Bank balances and cash	1,071,159	1,017,111	54,048	5
Income tax recoverable	8,728	4,280	4,448	104
Total current assets	1,104,970	1,151,837	(46,867)	(4)

As at 31 December 2018, the Group's current assets was HK\$1,105 million, representing a decrease of 4% as compared to 2017, which was mainly due to the receipt of all the down payment of natural uranium sales during the Reporting Period, resulting in the significant decrease in the trade and other receivables as compared to 2017.

As at 31 December 2018, the aggregate amount of bank balances and cash of the Group was approximately HK\$1,071 million, representing an increase of HK\$54 million year-on-year, among which approximately 24% (31 December 2017: 30%) was denominated in HK\$, approximately 75% (31 December 2017: 68%) was denominated in USD, and approximately 1% (31 December 2017: 2%) was denominated in RMB. As at 31 December 2018, the Group did not have any bank deposits and cash pledged to any banks (31 December 2017: Nil).

As at 31 December 2018, the proportion of current assets of the Group over total assets was 59% (31 December 2017: 60%), and the proportion of bank balances and cash over total assets was 58% (31 December 2017: 53%).

Non-current assets

	As at 31 December		Movements	Percentage change
	2018	2017	Increase/ (Decrease)	Increase/ (Decrease)
	HK\$'000	HK\$'000	HK\$'000	%
Property, plant and equipment	14,319	16,529	(2,210)	(13)
Investment properties	30,359	31,427	(1,068)	(3)
Interest in a joint venture	190,706	161,280	29,426	18
Interest in an associate	521,538	550,202	(28,664)	(5)
Total non-current assets	756,922	759,438	(2,516)	(0.3)

As at 31 December 2018, the non-current assets of the Group were HK\$757 million, representing a decrease of 0.3% as compared to 2017.

Current liabilities

	As at 31 December		Movements	Percentage change
	2018	2017	Increase /	Increase/
	HK\$'000	HK\$'000	(Decrease)	(Decrease)
			HK\$'000	%
Trade and other payables	13,778	90,152	(76,374)	(85)
Amount due to an intermediate holding company	6,132	6,490	(358)	(6)
Amount due to a joint venture	5,513	5,513	–	–
Amounts due to fellow subsidiaries	1,668	1,212	456	38
Income tax payable	4,246	4,047	199	5
Total current liabilities	31,337	107,414	(76,077)	(71)

As at 31 December 2018, the Group's current liabilities were HK\$31 million, representing a decrease of 71% as compared to 2017, mainly due to the payment of all the down payment for natural uranium purchases during the Reporting Period, resulting in the significant decrease in the trade and other payables as compared to 2017.

As at 31 December 2018, the Group had no bank borrowings (31 December 2017: Nil). Pursuant to the loan agreement entered into between the Company and CGNPC Huasheng on 18 December 2015, the Company can borrow from CGNPC Huasheng for short-term capital within the limit of total borrowing from time to time within 3 years of first withdrawal.

Non-current liability

	As at 31 December		Movements	Percentage change
	2018	2017	Increase/	Increase/
	HK\$'000	HK\$'000	(Decrease)	(Decrease)
			HK\$'000	%
Deferred tax liability	18,126	13,106	5,020	38
Total non-current liability	18,126	13,106	5,020	38

As at 31 December 2018, the non-current liabilities of the Group were HK\$18 million, representing an increase of 38% as compared to 2017, primarily due to the increase of provision of income tax in relation to the substantial increase in share of result of a joint venture during the Reporting Period.

Total equity

	As at 31 December		Movements	Percentage change
	2018	2017	Increase/ (Decrease)	Increase/ (Decrease)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	%
Share capital	66,007	66,007	–	–
Reserves	1,746,422	1,724,748	21,674	1
Total equity	1,812,429	1,790,755	21,674	1

As at 31 December 2018, total equity of the Group amounted to HK\$1,812 million, representing an increase of 1% as compared to 2017, mainly due to the increase of profit during the Reporting Period.

The Group's gearing ratio (total borrowings/equity attributable to owners of the Company) was 3% (2017: 7%).

Assets and investments

During the Reporting Period, the Company entered into a sale and purchase agreement with China Uranium Development for the acquisition of 100% equity interest in CGN Global, which was completed on 17 January 2019.

Other than the abovementioned transaction, the Group did not have any other significant equity investment, major acquisition or disposal.

Investment orientation

According to business positioning and development strategy of the Group, the main investment direction of the Group is to acquire overseas uranium resource projects with competitiveness and low cost. The Group will carry out relevant investment activities as and when appropriate to strengthen the assets of the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

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

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

Except Mr. Yu Zhiping, Mr. An Junjing, Mr. Qiu Xianhong, Mr. Gao Pei Ji, and Mr. Lee Kwok Tung Louis, other Directors were unable to attend annual general meeting held on 8 June 2018 due to other business engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

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

None of the Company or its subsidiaries redeemed any of its Shares during the Reporting Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Shares during the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

As of the date of this announcement, and based on the information that is publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's issued shares are held by public shareholders as required under the Listing Rules.

DIVIDEND

The Board recommended a payment of final cash dividend of HK0.5 cents per Share for the year ended 31 December 2018 to Shareholders as of the record date for payment of dividend. The ratio of final dividend distribution for the year is based on the various factors such as business performance of the Company in 2018, provided that it shall not be lower than 20% of the distributable net profit of the continuous business for such year. Upon Shareholders' approval at the forthcoming AGM, the proposed final dividend will be paid on or before Wednesday, 31 July 2019 to Shareholders whose names appeared on the register of members of the Company on Wednesday, 26 June 2019.

AUDIT COMMITTEE

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 2018.

The annual results of the Group for the year ended 31 December 2018 have been reviewed by the Audit Committee.

ANNUAL GENERAL MEETING

The forthcoming AGM will be held on Friday, 14 June 2019. The notice of AGM will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 11 June 2019 to Friday, 14 June 2019, both days inclusive, during which period the registration of transfer of Shares will be suspended. In order to be eligible to attend and vote at the AGM of the Company, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Monday, 10 June 2019.

The record date for qualifying to receive the proposed final dividend is Wednesday, 26 June 2019. In order to determine the right of Shareholders entitled to receive the proposed final dividend, which is subject to the approval by Shareholders in the forthcoming AGM, the register of members of the Company will be closed from Friday, 21 June 2019 to Wednesday, 26 June 2019, both days inclusive, during which period the registration of transfer of Shares will be suspended. All transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Thursday, 20 June 2018.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Company's website (www.cgnmc.com) and the Stock Exchange's website (www.hkex.com.hk). The 2018 annual report containing all information required by the Listing Rules will be dispatched to the Shareholders and will be available on the websites of the Company and the Stock Exchange as soon as practicable.

DEFINITION

“Audit Committee”	the audit committee of the Company.
“AGM”	the annual general meeting of the Company to be held on 14 June 2019.
“Altarec”	Altarec Inc (奧爾塔雷克公司).
“Bill”	the Inland Revenue (Amendment) (No. 7) Bill 2017.
“Board”	the board of Directors of the Company.
“Cameco”	Cameco Inc., one of the biggest natural uranium producer in the world.
“CGN” or “CGNPC”	China General Nuclear Power Corporation* (中國廣核集團有限公司), a company incorporated in PRC with limited liability and the sole shareholder at CGNPC-URC.
“CGN Finance”	CGN Finance Co., Ltd* (中廣核財務有限責任公司), a Company incorporated in PRC with limited liability and a subsidiary of CGN.
“CGN Global”	CGN Global Uranium Ltd (中廣核國際鈾產品銷售有限公司*), a company incorporated and registered in English and Wales with limited liability.
“CGN Group”	CGNPC and its subsidiaries.
“CGN Mining” or “Company”	CGN Mining Company Limited (中廣核礦業有限公司*), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange.
“CGNPC Huasheng”	CGNPC Huasheng Investment Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of CGNPC.
“CGNPC-URC”	CGNPC Uranium Development Company Limited* (中廣核鈾業發展有限公司), a company established in the PRC with limited liability and the sole shareholder of the China Uranium Development.
“CGNPC-URC Group”	CGNPC and its subsidiaries, except for the Group members.
“China Uranium Development”	China Uranium Development Company Limited (中國鈾業發展有限公司), the controlling shareholder of the Company.
“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules.

“Corporate Governance Code”	Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Listing Rules.
“Director(s)”	the director(s) of the Company.
“Domestic Financial Service Framework Agreement”	the framework agreement dated 5 September 2017 and entered between the Company and CGN Finance in relation to the provision of certain financial services by CGN Finance to the Company in the PRC.
“EIT Law”	the Law of the PRC on Enterprise Income Tax.
“Fission”	Fission Uranium Corp., a Canadian-based resource company of which ordinary shares are listed on the Toronto Stock Exchange under the symbol “FCU”, the OTCQX market place in the U.S under the symbol “FCUUF” and on the Frankfurt Stock Exchange under the symbol “2FU”. Fission is an associate of the Company.
“Group”	the Company and its subsidiaries.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China.
“HKASs”	the Hong Kong Accounting Standards issued by HKICPA.
“HKFRSs”	the Hong Kong Financial Reporting Standards issued by HKICPA.
“HKICPA”	the Hong Kong Institute of Certified Public Accountants.
“HK(IFRIC)-Int”	the Hong Kong (IFRIC) Interpretations.
“Irkol Mine”	the Irkol mine located in the Kyzylorzhinsk area, 20 kilometres from the town of Chiili, Kazakhstan with limited liability, which was owned and operated by Semizbay-U.
“Kazakhstan”	the Republic of Kazakhstan.
“Kazatomprom”	National Atomic Company Kazatomprom (哈薩克斯坦國家原子能公司*), a joint stock company established according to the laws of Kazakhstan with limited liability, which holds 51% equity interest of Semizbay-U.
“lb”	pound.

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange.
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules.
“New Financial Service Framework Agreement”	the framework agreement dated 6 December 2016 and entered into between the Company and CGNPC Huasheng in relation to the provision of certain financial services by CGNPC Huasheng to the Company outside of the PRC.
“New Kazakhstan Uranium Project”	the acquisition of the new Kazakhstan uranium mines.
“New Natural Uranium Sales Framework Agreement”	the framework agreement dated 6 December 2016 and entered into between the Company and CGNPC-URC in relation to the sale of natural uranium by the Group to CGNPC-URC Group.
“Reporting Period”	From 1 January 2018 to 31 December 2018.
“PLS Project”	Patterson Lake South project, Fission’s primary and wholly-owned asset, which is located in Saskatchewan, Canada, with an exploration area of approximately 31,039 hectares. PLS Project was still at an exploration stage and no products were produced.
“PRC”	the People’s Republic of China.
“RMB”	Renminbi, the lawful currency of the PRC.
“Semizbay Mine”	the Semizbay mine located in the Valihanov District of Akmoltnsk Oblast, Kazakhstan, which is owned and operated by Semizbay-U.
“Semizbay-U”	Semizbay-U Limited Liability Partnership, a limited liability partnership established in Kazakhstan, the Company owns its 49% equity interest and as a joint venture of the Company.
“Share(s)”	ordinary share(s) in the Company with a nominal value of HK\$0.01 each.
“Shareholder(s)”	holder(s) of the Share(s).
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“subsidiary(s)”	has the meaning ascribed to it under the Listing Rules.

“Swakop”	Swakop Uranium (PTY) Ltd., a company incorporated in Namibia.
“Target Deposits”	Central Mynkuduk Mine and Zhalpak Mine
“UK”	United Kingdom of Great Britain and Northern Ireland.
“USD”	United States dollars, the lawful currency of the United States of America.
“UxC”	The Ux Consulting Company, LLC is one of the nuclear industry’s leading consulting companies.
“3R Uranium Deposit”	Triple R uranium deposit.

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

Hong Kong, 26 March 2019

As at the date of this announcement, the Board comprises two executive Directors: Mr. An Junjing (chief executive officer) and Mr. Chen Deshao; three non-executive Directors: Mr. Yu Zhiping (chairman), Mr. Sun Xu and Mr. Yin Xiong; and three independent non-executive Directors: Mr. Qiu Xianhong, Mr. Gao Pei Ji and Mr. Lee Kowk Tung Louis.

* *For identification purposes only*