中广核 CGN 中广核礦業有限公司*
CGN Mining Company Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 01164)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

HIGHLIGHTS

	(Unaudited) Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Revenue	**55,310**	260,245
(Loss) profit attributable to the owners of the Company	**(4,166)**	262,193
(Loss) earnings per share		
– Basic	**HK(0.06) cents**	HK5.23 cents
– Diluted	**HK(0.06) cents**	HK4.51 cents
Interim dividend per share	**Nil**	Nil

- Revenue of the Group was approximately HK$55.3 million, representing a decrease of approximately 79% as compared with the corresponding period of 2016.
- Loss attributable to the owners of the Company was approximately HK$4.2 million as compared with profit of approximately HK$262.2 million in the corresponding period of 2016.
- Basic loss per share was approximately HK0.06 cents as compared with basic earnings per share of approximately HK5.23 cents for the corresponding period of 2016.
- The Directors do not recommend the payment of an interim dividend.

The Board announces the unaudited condensed consolidated results of the Group for the Period, together with the comparative figures for the corresponding period of 2016 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2017

		Six months ended 30 June	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**55,310**	260,245
Cost of sales		**(35,084)**	(111,531)
Gross profit		**20,226**	148,714
Other operating income		**13,195**	1,838
Administrative expenses		**(14,152)**	(22,443)
Changes in fair value of investment properties		**249**	1,782
Share of result of a joint venture		**9,390**	26,318
Share of result of an associate		**(29,289)**	138,755
Finance costs	*4*	**–**	(5,601)
(Loss) profit before taxation		**(381)**	289,363
Income tax expenses	*5*	**(3,785)**	(27,170)
(Loss) profit for the period attributable to the owners of the Company	*6*	**(4,166)**	262,193
(Loss) earnings per share	*8*		
–Basic		**HK(0.06) cents**	HK5.23 cents
–Diluted		**HK(0.06) cents**	HK4.51 cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2017

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(Loss) profit for the period	**(4,166)**	262,193
Other comprehensive income (expense):		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	**2,646**	(1,397)
Exchange differences on translation of financial statements of a joint venture	**7,824**	494
Exchange differences on translation of financial statements of an associate	**23,571**	61,246
Other comprehensive income for the period	**34,041**	60,343
Total comprehensive income for the period attributable to owners of the Company	**29,875**	322,536

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	**30 June 2017 HK$'000 (Unaudited)**	31 December 2016 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**17,080**	17,347
Investment properties		**30,164**	29,021
Interest in a joint venture		**196,502**	186,467
Interest in an associate		**517,101**	520,316
		760,847	753,151
Current assets			
Trade and other receivables	9	**14,034**	8,886
Amount due from an intermediate holding company		**2,534**	2,650
Amounts due from fellow subsidiaries		**–**	1,080,947
Bank balances and cash	10	**1,136,019**	40,915
		1,152,587	1,133,398
Total assets		**1,913,434**	1,886,549
Current liabilities			
Trade and other payables	11	**2,672**	8,803
Amount due to an intermediate holding company		**10,832**	13,238
Amount due to a joint venture		**5,851**	5,813
Amounts due to fellow subsidiaries		**152**	378
Income tax payable		**29,079**	26,353
Dividend payable		**132,014**	–
		180,600	54,585
Net current assets		**971,987**	1,078,813
Total assets less current liabilities		**1,732,834**	1,831,964

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Capital and reserves		
Share capital	**66,007**	66,007
Reserves	**1,650,916**	1,750,552
Total equity	**1,716,923**	1,816,559
Non-current liability		
Deferred tax liabilities	**15,911**	15,405
	1,732,834	1,831,964

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL AND BASIS OF PREPARATION

The Company is incorporated in the Cayman Islands as an exempted company with limited liabilities. The shares of the Company are listed on the Stock Exchange.

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

The condensed consolidated financial statements are presented in HK$ while 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 condensed consolidated financial statements in HK$.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as the applicable disclosure requirements of Appendix 16 to the Listing Rules.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016.

In the current interim period, the Group has applied, for the first time, the following amendments ("new and revised HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning 1 January 2017.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle: Amendments to HKFRS 12
Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

The application of the new and revised HKFRSs in the current interim period has no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents amount received and receivable from sales of natural uranium net of returns, discounts allowed and sales related taxes and gross rental income during the Period.

The Group's reportable and operating segments under HKFRS 8 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 investments in a joint venture and an associate.

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

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

Six months ended 30 June 2017

	Property investment *HK$'000* **(Unaudited)**	**Other investments** *HK$'000* **(Unaudited)**	**Natural uranium trading** *HK$'000* **(Unaudited)**	**Total** *HK$'000* **(Unaudited)**
Revenue	**1,015**	**–**	**54,295**	**55,310**
Segment (loss) profit	**(666)**	**(19,899)**	**14,763**	**(5,802)**
Other operating income				**13,195**
Central administrative costs				**(7,774)**
Finance costs				**–**
Loss before taxation				**(381)**

Six months ended 30 June 2016

	Property investment *HK$'000* (Unaudited)	Other investments *HK$'000* (Unaudited)	Natural uranium trading *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Revenue	1,006	–	259,239	260,245
Segment profit	273	165,073	141,236	306,582
Other operating income				1,838
Central administrative costs				(13,456)
Finance costs				(5,601)
Profit before taxation				289,363

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

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Segment assets		
Property investment	**48,106**	46,839
Other investments	**713,603**	706,783
Natural uranium trading	**2,720**	4,738
	764,429	758,360
Unallocated corporate assets	**1,149,005**	1,128,189
Total assets	**1,913,434**	1,886,549

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Segment liabilities		
Property investment	**8,332**	8,597
Other investments	**–**	–
Natural uranium trading	**7,676**	6,999
	16,008	15,596
Unallocated corporate liabilities	**180,503**	54,394
Total liabilities	**196,511**	69,990

4. FINANCE COSTS

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Imputed interest expense on convertible bonds	**–**	5,601

5. INCOME TAX EXPENSES

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong Profits Tax	**2,908**	23,861
Kazakhstan Withholding Tax	**735**	–
UK Corporation Tax	**80**	109
	3,723	23,970
Deferred tax	**62**	3,200
	3,785	27,170

During the six months ended 30 June 2017 and 2016, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

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 the current and previous periods.

The PRC subsidiary is in loss-making position and accordingly does not have any assessable income for the current and previous periods.

The subsidiary operating in the UK is subject to Corporation Tax Act of UK and the tax rate of the UK subsidiary is 20% for the current and previous periods.

Pursuant to the tax law of Kazakhstan, withholding tax is levied on 10% of profit before distributed to overseas investors. The above Kazakhstan withholding 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 "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI for the current and previous periods.

6. (LOSS) PROFIT FOR THE PERIOD

(Loss) profit for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of inventories recognised as an expense	**35,084**	111,531
Depreciation of property, plant and equipment	**728**	984
Interest income from fellow subsidiaries	**(8,321)**	(1,404)
Bank interest income	**(1)**	(4)
Trade deposit interest income from a joint venture	**–**	(161)
Rental income from an intermediate holding company	**(1,015)**	(1,006)

7. DIVIDEND

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Final dividend in respect of the financial year ended 31 December 2016, approved during the following interim period, of HK2 cents per share (year ended 31 December 2015: nil)	**132,014**	–

No dividends were paid during the interim period. The Directors do not recommend the payment of an interim dividend (six months ended 30 June 2016: nil).

8. (LOSS) EARNINGS PER SHARE

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

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(Loss) earnings		
(Loss) earnings for the purpose of basic (loss) earnings per share for the period attributable to the owners of the Company	**(4,166)**	262,193
Effect of dilutive potential ordinary shares: Interest on convertible bonds	**–**	5,601
(Loss) earnings for the purpose of diluted (loss) earnings per share for the period attributable to the owners of the Company	**(4,166)**	267,794
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**6,600,682,645**	5,016,772,373
Effect of dilutive potential ordinary shares: Convertible bonds	**N/A**	924,510,272
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	**6,600,682,645**	5,941,282,645

The diluted (loss) earnings per share is equal to the basic (loss) earnings per share as there were no dilutive potential ordinary shares during the Period.

9. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables of approximately HK$2,720,000 (31 December 2016: approximately HK$4,738,000) which is due from the immediate holding company, China Uranium Development.

Included in trade and other receivables are interest receivables of approximately HK$7,307,000 (31 December 2016: nil) which is due from the fellow subsidiary, CGNPC Huasheng.

The Group normally grants to its trade customer credit periods for natural uranium segment ranging from 28 days to 120 days after delivery dates.

The following is an ageing analysis of the trade receivables, based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates, and net of impairment loss recognised:

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**–**	4,738
31 to 60 days	**2,720**	–
	2,720	4,738

10. BANK BALANCES AND CASH

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Unpledged bank balances and cash at the end of the period/year:		
Cash at bank and on hand	**46,487**	40,915
Cash placed at CGNPC Huasheng (Note)	**1,089,532**	-
	1,136,019	40,915

Note: The balance is unsecured, interest-bearing ranging from 0.22% to 1.74% per annum and recoverable on demand. As the Group can withdraw the deposits without giving any notice and without suffering any penalty, the Directors consider that the deposits placed at CGNPC Huasheng is qualified as cash.

11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of approximately HK$1,760,000 (31 December 2016: approximately HK$1,419,000) which is due to a joint venture of the Group.

The ageing analysis of the Group's trade payables, presented based on invoice date, is as follows:

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**–**	1,419
31 to 60 days	**1,760**	–
	1,760	1,419

BUSINESS REVIEW AND ANALYSIS

Analysis of the Business Environment in the First Half of 2017

Macroeconomic Environment

The global economic recovery speeded up in the first half of 2017. Among which: the US economy generally remained stable. The Federal Reserve is going to enter into a new stage of "rate hike + balance sheet reduction"; in the Euro zone, the economic environment further improved with the European Central Bank beginning to consider retreating from the monetary easing policy; the UK political crisis has temporarily subsided and its economic recovery is gaining momentum; Japan's economy moderately recovered with higher inflation and its monetary easing policy remained unchanged. Emerging economies have been showing signs of recovery led by China and India.

In the first half of 2017, China recorded a growth rate of 6.9% in Gross Domestic Product (GDP), representing 0.2 percentage points higher than the same period of 2016. China is in a stable development stage under the new normal.

Nuclear Power Market and Industry Development

In the first half of 2017, development of the international nuclear power industry remained stable. In some countries, the government actively promoted the development of nuclear power, among which: the Japanese government speeded up the restarting process of reactors. Following the restart of Units No. 1 and No. 2 at the Sendai Nuclear Power Plant, Unit No. 3 at the Ikata Nuclear Power Plant and Units No. 3 and No. 4 at the Takahama Nuclear Power Plant, the Saga local court approved the restart proposal of Units No. 3 and No. 4 at the Genkai Nuclear Power Plant, which was expected to start after summer this year. There are 12 nuclear power units satisfying the new safety standards in Japan; the Indian government greatly supported the development of nuclear power by approving the construction of 10 reactors in one-off in May 2017; the President of South America expressed that he would continue to expand the development of nuclear power to ensure national energy safety and would not consider the recent ruling by the court that it is illegitimate to enter into bilateral nuclear cooperation agreement with other countries. On the other hand, certain countries temporarily suspended or restricted the development of nuclear power, among which: the US government's policy towards nuclear power is still uncertain and its budget for the nuclear power in the financial year of 2018 decreased by approximately 29%; the newly elected France President Macron stayed on the nuclear power development policy of his predecessor by supporting the reduction of the ratio of nuclear power from over 70% to approximately 50% by 2025; and the newly elected President of South Korea Moon Jae-in has announced not to construct new nuclear power plant and not to delay the deadline for shutting down the reactors.

In China, the general development of nuclear power stays on a good trend. After "Zero Approval" of new nuclear power plant in 2016, the working guidance of the National Energy Administration states that five new nuclear power units with installed capacity of 6.41 GWe will complete constructions and start operation in 2017; construction is planned to commence on eight nuclear power units with installed capacity of 9.86 GWe. Unit No. 4 at the Yangjiang Nuclear Power Plant of CGN Group started commercial operation on 15 March 2017. Following the UK Hinkley Point C nuclear power project, CGN Group is actively and further promoting "Hualong I" in the Middle and Eastern Europe, Africa, and Southeast Asia under the "One Belt One Road" policy.

Natural Uranium Market Conditions

Although the global economy is recovering and the development of nuclear power remains stable, the natural uranium market remained in an over-supplied condition due to the huge inventory of the natural uranium and no significant decrease in the mining production. In the first half of 2017, the monthly average price of natural uranium in the spot market reduced by 24.11% to USD22.29/lb as compared with the corresponding period of 2016. The spot price decreased by USD24.50/lb from the beginning of 2017 to USD20.15/lb as at 30 June 2017. After bottoming at USD19.60/lb in the second season at the end of May, the spot price has been fluctuating between USD19.60/lb to USD20.20/lb. The monthly average price of the long-term market in the first half of 2017 was USD32.83/lb, and bottomed at USD32.50/lb at the end of June, showing a lesser volatility as compared with the spot market. As the price of natural uranium remained at a low level, trading volume of natural uranium increased in the first half of 2017.

Summary of the Operation in the First Half of 2017

During the Period, the loss attributable to the owners of the Company amounted to HK$4.2 million, representing a significant decrease as compared with the profits of HK$262.2 million recorded in the corresponding period of 2016. During the Period, the revenue of the Group amounted to HK$55.3 million, representing a decrease of 79% as compared with HK$260.2 million recorded in the corresponding period of 2016. The decrease of the revenue of the Group during the Period as compared with the same period last year was caused by two factors: price and quantity. One was the impact from the adjustment of purchase and delivery plan resulting in a decrease of approximately two-thirds of the saleable natural uranium for the first half of 2017 as compared with the corresponding period of 2016; the other one was the implementation of the pricing mechanism of the New Natural Uranium Sales Framework Agreement by the Company this year, which is closely tied to market fluctuations, together with the impact of the continuously weak market price in the first half year of 2017, resulting in a significant decrease in the price of natural uranium as compared with the corresponding period of 2016. In addition to the abovementioned reasons for the decrease of trading profits, the loss during the Period as compared to the same period last year was mainly attributed to the long-term investment impairment provision of HK$24.03 million on the associated company, Fission, caused by the comparatively lower price of natural uranium on 30 June 2017.

Natural Uranium Trading

According to the 2017 natural uranium purchase plan agreed between the Company and Semizbay-U, the delivery of the purchase of the first batch of sale rights products has been completed during the Period, and the purchase of the remaining batches of products is in progress. In addition, the sales in the first half of 2017 have been completed as planned.

Production and Operation of Semizbay-U

During the Period, Semizbay-U's mining production of natural uranium was a total of 549.34 tons, representing a decrease of 6.49 tons as comparing with the corresponding period of 2016, of which the natural uranium produced from the Semizbay Mine and the Irkol Mine were 217.67 tons and 331.67 tons respectively, representing a half year production planned completion rate of 100.16% and 100.87% respectively. Semizbay-U did not carry out any exploration activity during the Period.

During the Period, Semizbay-U realized a net profit of USD2.69 million (Note: adopting the average exchange rate from January to June of 2017 for calculation, USD: KZT (Kazakhstani Tenge, the lawful currency of Kazakhstan) = 1:317) and paid its 2016 annual dividends of approximately USD0.87 million to the Company (deducting relevant withholding tax). During the Period, share of result of Semizbay-U amounted to HK$9.39 million, representing a decrease of 64% as compared with HK$26.32 million recorded in the corresponding period of 2016.

Under a weak market of natural uranium, Semizbay-U has showed a reliable performance by maintaining stable production and remaining in operating profits.

Uranium Resource Exploration of Fission

Since January 2017, Fission has started the winter exploration plan for its PLS Property. As at 30 June 2017, the winter exploration has finished with drilling of 57 wells and 17,601 meters' work. The exploration cost was expected to be approximately CAD9.6 million. Achievements in this exploration include: (a) a highgrade mining zone, R1515W, was newly identified, which is an ore body located at the most western part of PLS Property mineralization area. In one of the wells, PLS17-557, a mineralized layer over 8.5 meters with 3.12% U3O8 and a 27.5 meters mineralized layer with 1.24% U3O8 were found; (b) the boundary of R780E, an ore body, can be extended 60 meters towards east reducing the distance between the ore bodies, namely R780E and R1620E, to 210 meters; (c) different level of mineralization were found in the 16 wells drilled in the ore bodies, namely R840W and R1620E; (d) the ore body of the PLS Property has extended to 3.17 km, which is a new record for the longest metallogenic belt in the Athabasca Basin. The abovementioned achievements have not been turned into resources, and therefore have not been reflected in the asset valuation of Fission on 30 June 2017.

Development of New Businesses

As for uranium exploration during the Period, the Company actively captured investment and acquisition opportunities generated from the downturn in the industry and strengthened its capability of tracking and research of high-quality projects in Canada and Kazakhstan where low-cost uranium deposits are located, so as to grasp chances for obtaining quality uranium deposit projects at good prices and to lay a solid resource foundation for the expansion and enhancement of the Company in preparation for its next industry cycle.

As for natural uranium transactions, during the Period, the Company put great efforts in the development and negotiations of multiple capital channels and innovative trading models, so as to achieve the enlargement of the scale of natural uranium transactions and diversification of trading channels.

Optimization of Corporate Governance

Based on the industry features, the Company has always endeavored to attract more quality institutional investors or strategic investors, which would be beneficial to, on the one hand, the improvement of the Company's shareholders' structure and optimization of corporate governance, and on the other hand, enhancement of capabilities of risk management and business expansion. During the Period, with attaining synergic and win-win effects as its goals, the Company was in touch with a number of potential investors.

During the Period, in face of the large proportion of connected transactions arising from trading of natural uranium, the Company held a meeting featuring the optimization of its business structure and carried out research in respect of the feasibility of expansion of non-connected transactions at the present stage and in the coming three years and conducted detailed studies as well as determination of follow-up matters.

Other Substantial Investment and Sale of Properties

During the Period, the Group did not have substantial investment or sell any of its properties.

BUSINESS PROSPECTS

Looking forward to the whole year, as the natural uranium price is at the bottom level, it is expected in the industry that the future natural uranium price will unlikely to continue to fall.

As for the natural uranium transactions, relatively small amount of natural uranium delivered in the first half year will not affect the total volume of delivery throughout the year as the Company has established a stable system for sales of natural uranium with CGNPC-URC. It is expected that the Company will achieve stable sales volume in 2017.

As for the operation of Semizbay-U, the Company will closely monitor and ensure that Semizbay-U will achieve its annual production target and that it will strictly control the production and operation costs of Semizbay-U to protect the Company's investment interests. In addition, we will pay close attention to the summer exploration of Fission in 2017 so as to ensure effective use of the exploration fund and to further increase its resources and reflect its investment value.

As for the development of new businesses, the Company will procure the new Kazakhstan uranium deposit projects as scheduled, seize other acquisition opportunities of new uranium deposit projects and continue to strengthen its search for new trading business models, in order to strive for substantial actual progress as soon as practicable in its new businesses.

FINANCIAL REVIEW AND FINANCIAL CAPITAL

Financial Performance and Analysis

The Company's business performance is affected by investment and operating strategies, which as a result reflects in the figures of financial statements.

Major Financial Indicatiors

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Profitability indicators		
Gross profit margin[1]	**36.57%**	57.14%
EBITDA (HK$'million)[2]	**0.35**	295.95
EBITDA/Revenue[3]	**0.63%**	113.72%
Investment return indicators		
Return on equity attributable to the owners of the Company[4]	**(0.24%)**	24.51%
(Loss) profit attributable to the owners of the Company to revenue ratio[5]	**(7.53%)**	100.75%
Return on assets[6]	**(0.22%)**	19.35%

	30 June 2017	31 December 2016
	(Unaudited)	(Audited)
Repayment ability indicators		
Current ratio[7]	**638%**	2,076%
Debt to asset ratio[8]	**10.27%**	3.71%
Gearing ratio[9]	**11.45%**	3.85%

1. Difference between revenue and cost of sales divided by revenue multiplied by 100%.

2. The sum of (loss) profit before tax, finance costs and depreciation of property, plant and equipment.

3. The sum of (loss) profit before tax, finance costs and depreciation of property, plant and equipment, divided by revenue multiplied by 100%.

4. (Loss) profit attributable to the owners of the Company divided by total average equity (i.e. the arithmetic average of the beginning and the end of reporting period) multiplied by 100%.

5. (Loss) profit attributable to the owners of the Company divided by the revenue multiplied by 100%.

6. (Loss) profit attributable to the owners of the Company divided by total average asset (i.e. the arithmetic average of the beginning and the end of reporting period) multiplied by 100%.

7. Current assets divided by current liabilities multiplied by 100%.

8. Total debt divided by total assets multiplied by 100%.

9. Total debt divided by total equity multiplied by 100%.

FINANCIAL RESULTS ANALYSIS

Revenue

	Six months ended 30 June		Movements Increase/ (Decrease)	Percentage Change Increase/ (Decrease)
	2017	2016		
	HK$'000	*HK$'000*	*HK$'000*	*%*
	(Unaudited)	(Unaudited)		
Natural uranium trading	**54,295**	259,239	(204,944)	(79%)
Property investment	**1,015**	1,006	9	1%
Total revenue	**55,310**	260,245	(204,935)	(79%)

During the Period, the Group recorded a revenue of HK$55.31 million, representing a decrease of 79% as compared to the revenue of HK$260.25 million for the corresponding period of 2016. It was mainly due to the significant decrease in the selling price and sales volume of natural uranium of the Group for the Period as compared with the corresponding period of 2016.

Cost of sales

	Six months ended 30 June 2017 *HK$'000* (Unaudited)	2016 *HK$'000* (Unaudited)	Movements Increase/ (Decrease) *HK$'000*	Percentage Change Increase/ (Decrease) %
Natural uranium trading	**35,084**	111,531	(76,447)	(69%)
Total cost of sales	**35,084**	111,531	(76,447)	(69%)

The cost of sales of the Group decreased by 69% from HK$111.53 million for the corresponding period of 2016 to HK$35.08 million for the Period. It was mainly due to the significant decrease in purchasing volume of natural uranium for the Period as compared with the corresponding period of 2016.

Other Operating Income

During the Period, other operating income of the Company amounted to HK$13.20 million, representing an increase of 618% from HK$1.84 million as compared to the corresponding period of 2016, mainly due to the increase of deposits placed at CGNPC Huasheng, meanwhile, the interest rate of deposit during the Period increased as compared to the corresponding period of 2016, causing significant increase in interest income.

Administrative Expenses

During the Period, the Company's administrative expense amounted to HK$14.15 million, representing a decrease of 37% from HK$22.44 million as compared with the corresponding period of 2016, mainly due to no consultancy fee during the Period arising from the similar nature of the acquisition of equity interest in Fission as in the corresponding period of 2016.

Share of Result of a Joint Venture

The joint venture of the Company is Semizbay-U, and our share of result of the joint venture decreased from the profit of HK$26.32 million in the corresponding period of 2016 to the profit of HK$9.4 million during the Period.

Share of Result of an Associate

Fission is an associate of the Company, and our share of profit of the associate in the corresponding period of 2016 was HK$138.76 million, including gain on bargain purchase from the acquisition of equity interest in Fission of HK$261.64 million and the provision of long-term investment impairment of HK$118.22 million. During the Period, the share of loss was HK$29.29 million including the provision of long-term investment impairment of HK$24.03 million.

During the Period, part of the share options granted by Fission to its directors and employees were exercised and approximately 638,969 ordinary shares were issued, as a result, the equity interests in Fission held by the Company decreased to 19.95% (31 December 2016: 19.98%).

Finance Costs

The finance costs of the Company decreased from HK$5.60 million in the same period of 2016 to nil in the Period. The main reason is that China Uranium Development fully exercised the conversion rights attached to the convertible bonds on 9 May 2016 and the Company no longer has any issued convertible bonds with conversion rights not exercised.

Income Tax Expenses

During the Period, income tax expenses decreased by 86% from HK$27.17 million for the corresponding period of 2016 to HK$3.79 million, mainly due to the significant decrease in profit before taxation of the Company for the Period as compared with the corresponding period of 2016.

(Loss) Profit for the Period

During the Period, the Company's profit significantly decreased from HK$262.19 million for the corresponding period of 2016 to loss of HK$4.17 million. This was mainly due to the decrease in selling price and sales volume of natural uranium and no one-off gain on bargain purchase arising from the acquisition of equity interest in Fission, an associate of the Company, in the Period as compared to the corresponding period in 2016.

Financial Position

As at 30 June 2017, the Group's total assets amounted to HK$1,913 million, representing an increase of 1% from HK$1,887 million as at 31 December 2016; the Group's total liabilities amounted to HK$197 million, representing an increase of 181% from HK$70 million as at 31 December 2016; and the Group's total equity and the equity attributable to the owners of the Company amounted to HK$1,717 million, representing a decrease of 6% from HK$1,817 million as at 31 December 2016.

Net Current Assets

As at 30 June 2017, the Group's net current assets amounted to HK$972 million, representing a decrease of 10% from HK$1,079 million as at 31 December 2016, mainly due to the approval of the annual dividend plan for 2016 at the 2017 AGM, causing the provision of dividend payable and the increase of current liabilities.

Current assets

	As at 30 June 2017 *HK$'000* **(Unaudited)**	As at 31 December 2016 *HK$'000* (Audited)	Movements Increase/ (Decrease) *HK$'000*	Percentage Change Increase/ (Decrease) *%*
Trade and other receivables	**14,034**	8,886	5,148	58%
Amount due from an intermediate holding company	**2,534**	2,650	(116)	(4%)
Amounts due from fellow subsidiaries	**–**	1,080,947	(1,080,947)	(100%)
Bank balances and cash	**1,136,019**	40,915	1,095,104	2,677%
Total current assets	**1,152,587**	1,133,398	19,189	2%

As at 30 June 2017, the current assets of the Group were HK$1,153 million, representing an increase of 2% as compared to HK$1,133 million as at 31 December 2016. The deposits of the Group in CGNPC Huasheng were reclassified from "Amounts due from fellow subsidiaries" to "Bank balances and cash".

As at 30 June 2017, the aggregate amount of bank balances and cash of the Group was approximately HK$1,136 million (31 December 2016: HK$40.92 million), among which approximately 43% (31 December 2016: 4%) was denominated in HKD, approximately 55% (31 December 2016: 19% was denominated in USD, and approximately 2% (31 December 2016: 77%) was denominated in RMB. The Group did not have any bank deposits and cash pledged to any banks (31 December 2016: nil).

Current liabilities

	As at 30 June 2017 *HK$'000* **(Unaudited)**	As at 31 December 2016 *HK$'000* (Audited)	Movements Increase/ (Decrease) *HK$'000*	Percentage Change Increase/ (Decrease) *%*
Trade and other payables	**2,672**	8,803	(6,131)	(70%)
Amount due to an intermediate holding company	**10,832**	13,238	(2,406)	(18%)
Amount due to a joint venture	**5,851**	5,813	38	1%
Amounts due to fellow subsidiaries	**152**	378	(226)	(60%)
Income tax payable	**29,079**	26,353	2,726	10%
Dividend payable	**132,014**	–	132,014	N/A
Total current liabilities	**180,600**	54,585	126,015	231%

As at 30 June 2017, the current liabilities of the Group were HK$180.6 million, representing an increase of 231% from HK$54.6 million as at 31 December 2016, primarily due to the approval of the annual dividend plan for 2016 at the 2017 AGM, causing the provision of HK$132.01 million dividend payable.

As at 30 June 2017, the Group had no bank borrowings (31 December 2016: nil). However, pursuant to the loan agreement entered into the Company and CGNPC Huasheng on 18 December 2015, the Company may, from time to time within 3 years from the first withdrawal, borrow loans from CGNPC Huasheng for short-term capital within the total credit limit.

Non-current assets

	As at 30 June 2017 *HK$'000* **(Unaudited)**	As at 31 December 2016 *HK$'000* (Audited)	Movements Increase/ (Decrease) *HK$'000*	Percentage Change Increase/ (Decrease) *%*
Property, plant and equipment	**17,080**	17,347	(267)	(2%)
Investment property	**30,164**	29,021	1,143	4%
Interest in a joint venture	**196,502**	186,467	10,035	5%
Interest in an associate	**517,101**	520,316	(3,215)	(1%)
Total non-current assets	**760,847**	753,151	7,696	1%

As at 30 June 2017, the non-current assets of the Group were HK$761 million, representing an increase of 1% from HK$753 million as at 31 December 2016.

Non-current liability

	As at 30 June 2017 *HK$'000* **(Unaudited)**	As at 31 December 2016 *HK$'000* (Audited)	Movements Increase/ (Decrease) *HK$'000*	Percentage Change Increase/ (Decrease) *%*
Deferred tax liabilities	**15,911**	15,405	506	3%
Total non-current liability	**15,911**	15,405	506	3%

As at 30 June 2017, the non-current liabilities of the Group were HK$15.9 million, representing an increase of 3% from HK$15.4 million as at 31 December 2016.

Total Equity

As at 30 June 2017, total equity of the Group amounted to HK$1,717 million, representing a decrease of 5% from HK$1,817 million as at 31 December 2016, mainly due to the approval of the annual dividend plan for 2016 at the 2017 AGM, causing HK$132.01 million dividend payable.

During the Period, the Company's capital structure remained relatively stable and the gearing ratio as at 30 June 2017 was 11% (31 December 2016: 4%).

FINANCIAL CAPITAL

Capital Structure

As at 30 June 2017, the Company had 6,600,682,645 ordinary shares in issue in total (31 December 2016: 6,600,682,645 ordinary shares), the market value of the Company was approximately HK$4,158 million (31 December 2016: HK$3,894 million).

Liquidity and Financial Resources

As at 30 June 2017, the Group did not have any bank borrowing (31 December 2016: nil) and convertible bonds (31 December 2016: nil).

In order to manage liquidity risk, the Company monitors the cash and cash equivalents and the unutilized credit facility in real time. As at 30 June 2017, the Company has unutilised borrowing facility of USD300,000,000, which can be utilised to sufficient cash for the operation of the Company and lower the impact of cash flow volatility.

The Group has sufficient financial resources for daily operation and business and does not have seasonal borrowing demands. If any suitable acquisition opportunity arises in the future, the Group will utilise funds from diverse financing channels to meet project requirements.

Exposure to Foreign Exchange Risk and Currency Policy

During the Period, the Group's sale and purchase of products were mainly settled in USD and RMB (corresponding period of 2016: USD and RMB). Daily expenses of the Group were mainly denominated in HKD and RMB (corresponding period of 2016: HKD and RMB). The Group did not enter into any forward contracts, interest or currency swaps, or other financial derivatives for hedging purpose, nor did it experience any material difficulty or negative effect on its operations or liquidity as a result of fluctuations on currency exchange rates.

Contingent Liabilities

During the Period, the Group had no material contingent liabilities (31 December 2016: nil).

External Guarantee and Pledge of Assets

During the Period, the Group did not have external guarantee nor pledge any assets.

SHARE OPTION SCHEME

The Company has adopted a share option scheme at the annual general meeting of the Company held on 2 June 2010 (the "2010 Share Option Scheme"). Since the adoption of the 2010 Share Option Scheme, no share options have been granted.

PURCHASE, SALE OR REDEMPTION OF THE LISTING SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

SHARE CAPITAL

As at 30 June 2017, the total share capital of the Company was 6,600,682,645 shares.

APPOINTMENT OF DIRECTORS

On 23 March 2017, the Company convened a Broad meeting to consider the appointment of NED, at which Mr. Liu Mingdong was appointed as a NED of the Company.

EMPLOYEE INFORMATION

As at 30 June 2017, the Group had 22 employees (30 June 2016: 22 employees), of which 11 were located in the PRC, 7 were located in Hong Kong and 4 were located in Kazakhtan.

The Company's employee remunerations commensurate with performance and are comparable to the prevailing market rates. The Group treasures internal training of employees and also encourages staff to develop themselves on a continuous basis through external training programs, so as to improve their abilities to meet challenges and increase the market competitive edge of the Group. Total staff costs for the Period under Review amounted to approximately HK$7.2 million (30 June 2016: approximately HK$8.3 million).

DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2017 (the corresponding period of 2016: nil).

Final dividend in respect of the financial year ended 31 December 2016, which was approved during the following interim period was HK2 cents per share (the year ended 31 December 2015: nil)

REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2017 have been reviewed by the Company's audit committee and external auditors of the Company, SHINEWING (HK) CPA Limited.

AUDIT COMMITTEE

The Company has established the audit committee in compliance with the requirements of Rule 3.21 of the Listing Rules and the Corporate Governance Code with written terms of reference. The audit committee comprised two INEDs and one NED, which is an important link between the Board and the auditors. The main responsibility of the audit committee is to assist the Board by provision of independent opinions on the financial reporting procedures, internal control and risk management systems of the Group. During the Period, the audit committee has convened three meetings in total. (Note: in addition to the meeting which was held on the same day as the Board meeting to approve the annual results of 2016, the audit committee had also convened specific meetings to consider annual audit issues of 2016, at which the annual audit arrangement and progress were discussed.)

The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed the auditing, risk management, internal control and financial reporting matters with the management. Also, the Group's unaudited financial statements for the six months ended 30 June 2017 have been reviewed and adopted by the audit committee, which is of the opinion that such statements comply with the applicable accounting standards, and the Listing Rules and legal requirements, and that adequate disclosures have been made.

MODEL CODE

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the principle standards of securities transactions for Directors. All Directors have confirmed, upon specific enquiry by the Company that they have complied with the required standard set out in the Model Code during the Period.

CORPORATE GOVERNANCE

The Company's corporate governance policy has followed the guidelines of the Corporate Governance Code. In the opinion of the Board, the Company has complied with the code provisions set out in the Corporate Governance Code during the Period.

As at the date of this announcement, the Board comprises two EDs: Mr. Yu Zhiping (chief executive officer), Mr. Xing Jianhua; four NEDs: Mr. Zhou Zhenxing (chairman), Mr. Fang Chunfa, Mr. Wu Junfeng and Mr. Liu Mingdong; and three INEDs: Mr. Qiu Xianhong, Mr. Gao Pei Ji and Mr. Lee Kwok Tung Louis.

DEFINITIONS

"2017 AGM"	the annual general meeting of the Company held on 9 June 2017.
"associate(s)"	has the meaning ascribed to it under the Listing Rules.
"Board"	the board of Directors.
"CAD"	Canadian dollars, the lawful currency of Canada.
"CGN Group"	CGNPC and its subsidiaries.
"Company", "we" or "our"	CGN Mining Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange.
"CGNPC Huasheng"	CGNPC Huasheng Investment Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of CGNPC.
"CGNPC-URC"	CGNPC Uranium Resources Development Company Limited*, a company established in the PRC with limited liability and the sole shareholder of the China Uranium Development.
"China Uranium Development"	China Uranium Development Company Limited, the controlling shareholder of the Company.
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules.
"Corporate Governance Code"	Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Listing Rules.
"Director(s)"	the director(s) of the Company.
"ED(s)"	executive Director(s) of the Company.
"Fission"	Fission Uranium Corp., a Canadian-based resource company, the common shares of which are listed on the Toronto Stock Exchange under the symbol "FCU", on 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.
"GWe"	a unit of power, equal to 1,000,000 watts.

"Hainan Mining"	Hainan Mining Co., Ltd*, the share of which are listed on the Shanghai Stock Exchange, stock code: 601969.
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong.
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China.
"Hong Kong Xinmao"	Hong Kong Xinmao Investment Co., Limited, a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of Hainan Mining.
"INED(s)"	independent non-executive Director(s) of the Company.
"Irkol Mine"	the Irkol mine located in the Kyzylorzhinsk area, 20 kilometres from the town of Chiili, Kazakhstan, which was owned and operated by Semizbay-U.
"Kazakhstan"	the Republic of Kazakhstan.
"lb"	per pound.
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules.
"New Natural Uranium Sales Framework Agreement"	the framework agreement dated 6 December 2016 and entered into between the Company and CGNPC-URC in relation to the sale of natural uranium by the Group to CGNPC-URC and/or its subsidiaries.
"NED(s)"	non-executive Director(s) of the Company.
"Period under Review" or "Period"	the period from 1 January 2017 to 30 June 2017.
"PLS Property"	Patterson Lake South project, Fission's primary and wholly-owned asset.
"PRC"	The People's Republic of China, which, for the purpose of this report, excludes Hong Kong, Macau and Taiwan.

"RMB"	Renminbi, the lawful currency of the PRC.
"Semizbay Mine"	the Semizbay mine located in the Valihanov District of Akmoltnsk Oblast, Kazakhstanm which was owned and operated by Semizbay-U.
"Semizbay-U"	Semizbay-U Limited Liability Partnership, a limited liability partnership established in Kazakhstan, in which the Company has a 49% equity interest and is 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"	has the meaning ascribed to it under the Listing Rules.
"UK"	the United Kingdom of Great Britain and Northern Ireland.
"USD"	United States dollars, the lawful currency of the United States of America.

On behalf of the Board
CGN Mining Company Limited
Zhou Zhenxing
Chairman

Hong Kong, 31 August 2017

As at the date of this announcement, the Board comprises two executive Directors: Mr. Yu Zhiping (chief executive officer) and Mr. Xing Jianhua; four non-executive Directors: Mr. Zhou Zhenxing (chairman), Mr. Wu Junfeng, Mr. Fang Chunfa and Mr. Liu Mingdong; and three independent non-executive Directors: Mr. Qiu Xianhong, Mr. Gao Pei Ji and Mr. Lee Kwok Tung Louis.

* *For identification purpose only*