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(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1164)

ANNOUNCEMENT

SUPPLEMENTAL DEED TO SUBSCRIPTION AGREEMENT

This announcement is made by CGN Mining Company Limited (the “**Company**”) pursuant to Rule 13.09(2) of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Reference is made to the announcements published by the Company dated 31 March 2011, 11 April 2011, 18 August 2011 and 19 August 2011 and the circular issued by the Company dated 23 May 2011 (the “**Circular**”) in relation to, among other things, (i) the Share Subscription; and (ii) the CB Subscription.

The Company would like to provide updated information in relation to the Subscription Agreement.

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Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Circular.

As disclosed in the Circular, on 1 April 2011, the Controlling Shareholder charged 450,000,000 Shares in favour of the Subscriber (“**Charged Shares**”) pursuant to the terms of the Share Charge to guarantee the obligations of the Controlling Shareholder under the Subscription Agreement, including but not limited to the obligations of the Controlling Shareholder to pay the First Reimbursement Amount and the Second Reimbursement Amount, and any amounts due under the Indemnity or losses suffered as a result of any breach of warranties. The Share Charge will be released on the later of the date of expiry of the Reimbursement Period or the date on which the Controlling Shareholder has discharged all its obligations to pay the Second Reimbursement Amount.

The Board is pleased to announce that the parties to the Subscription Agreement has on 18 February 2014 entered into a supplemental deed (“**Supplemental Deed**”) to vary certain terms of the Subscription Agreement including without limitation, the following terms:

- (a) the definition of “Reimbursement Period” in the Subscription Agreement is amended to mean “from the Closing Date to (i) 31 December 2014; or (ii) the date on which the Company no longer holds legal or beneficial interest in the subsidiaries, whichever is earlier, or any other date to be agreed amongst the parties”;
- (b) the definition of “Settlement Date” in the Subscription Agreement is amended to mean “(i) the expiry of the Reimbursement Period; or (ii) the date the Controlling Shareholder fully satisfies its payment obligations pursuant to clauses 7.2.2 and 7.2.3 of the Subscription Agreement (if relevant) (whichever is earlier)”;
- (c) 225,000,000 Charged Shares (the “**Released Charged Shares**”) will be released and in consideration, the Controlling Shareholder has agreed not to sell the Released Charged Shares before 31 December 2014; and
- (d) the remaining 225,000,000 Charged Shares will continue to be charged to guarantee that the Founders, the Controlling Shareholder and the Company will fulfill all their respective obligations and responsibilities pursuant to the Subscription Agreement.

To give effect to the Released Charged Shares, it is expected that the Subscriber will execute a deed of partial release in favour of the Controlling Shareholder.

The obligations of parties pursuant to the Supplemental Deed is conditional upon the Company entering into a HK\$40 million loan agreement with Yugofoil Holdings Limited, a wholly owned subsidiary of the Company, on the same date as the Supplemental Deed.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the securities of the Company.

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

Hong Kong, 18 February 2014

As at the date of this announcement, our executive Directors are Mr. Yu Zhiping (chief executive officer) and Mr. He Zuyuan, our non-executive Directors are Mr. Zhou Zhenxing (chairman), Mr. Chen Qiming, Mr. Xing Jianhua and Mr. Huang Jianming, and our independent non-executive Directors are Mr. Ling Bing, Mr. Qiu Xianhong and Mr. Huang Jinsong.

* *For identification purpose only*