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If you have sold or transferred all your shares in **CGN Mining Company Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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**MAJOR AND CONTINUING CONNECTED TRANSACTION:
FRAMEWORK AGREEMENT REGARDING
INTRA GROUP FINANCIAL SERVICES**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



A letter from the Board is set out on pages 4 to 11 of this circular and a letter from the Independent Board Committee is set out on page 12 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 13 to 25 of this circular.

A notice convening the EGM to be held at Boardroom 3-4, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 21 March 2014 (Friday) at 10:30 a.m. is set out on pages 33 to 34 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong branch share registrar, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

* *For identification purpose only*

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	the announcement of the Company dated 22 January 2014 in relation to the Framework Agreement
“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“CGNPC”	中國廣核集團有限公司 China General Nuclear Power Corporation* (formerly known as 中國廣東核電集團有限公司 China Guangdong Nuclear Power Holding Corporation, Ltd.*), the sole shareholder of CGNPC-URC and the ultimate controller of the Company
“CGNPC Group”	CGNPC and its subsidiaries
“CGNPC-URC”	中廣核鈾業發展有限公司 CGNPC Uranium Resources Co. Ltd.*, a company established in the PRC with limited liability and the sole shareholder of China Uranium Development
“China Uranium Development”	China Uranium Development Company Limited, the Controlling Shareholder of the Company, holding approximately 50.11% equity interest in the Company as at the date of the Announcement
“Company”	CGN Mining Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange
“Controlling Shareholder”	has the meaning ascribed to this term under the Listing Rules
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Directors”	directors of the Company

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be held and convened for the Independent Shareholders to approve the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps)
“Framework Agreement”	the conditional framework agreement dated 22 January 2014 and entered into between the Company and Huasheng in relation to the provision of certain intra-group financial services by Huasheng to the Group
“Group” or “CGN Mining Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huasheng”	CGNPC Huasheng Investment Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of CGNPC
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors to advise the Independent Shareholders on the Framework Agreement and the transaction contemplated thereunder (including the intra-group financial services and the Annual Caps)
“Independent Financial Adviser” or “Goldin Financial”	Goldin Financial Limited, a licensed corporation to carry out type 6 (advising on corporate finance) under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Framework Agreement and the transaction contemplated thereunder (including the intra-group financial services and the Annual Caps)
“Independent Shareholders”	Shareholders other than China Uranium Development and its associates
“Latest Practicable Date”	24 February 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiaries”	has the meaning ascribed to the term under the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

* *for identification purpose only*

LETTER FROM THE BOARD



中廣核礦業有限公司*

CGN Mining Company Limited

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

Executive Directors:

Mr. Yu Zhiping (*Chief Executive Officer*)
Mr. He Zuyuan

Non-executive Directors:

Mr. Zhou Zhenxing (*Chairman*)
Mr. Chen Qiming
Mr. Xing Jianhua
Mr. Huang Jianming

Independent Non-executive Directors:

Mr. Ling Bing
Mr. Qiu Xianhong
Mr. Huang Jinsong

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong*

Suites 6706-6707, 67/F.
Central Plaza, 18 Harbour Road
Wanchai, Hong Kong

28 February 2014

To the Shareholders

Dear Sir or Madam,

**MAJOR AND CONTINUING CONNECTED TRANSACTION:
FRAMEWORK AGREEMENT REGARDING
INTRA GROUP FINANCIAL SERVICES**

INTRODUCTION

Reference is made to the Announcement of the Company dated 22 January 2014 in relation to, among others, the entering into of the Framework Agreement between the Company and Huasheng for provision of intra-group financial services.

As Huasheng is a wholly-owned subsidiary of CGNPC, the ultimate controller indirectly holding approximately 50.11% equity interests in the Company as at the date of the Announcement, the entering into of the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps) constitute a continuing connected transaction on the part of the Company and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

* For identification purpose only

LETTER FROM THE BOARD

As the relevant percentage ratios exceed 25% but below 75%, the entering into of the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps) shall also constitute a major transaction under Chapter 14 of the Listing Rules and will be subject to announcement and Independent Shareholders' approval at the EGM.

The Independent Board Committee comprising all the Independent non-executive Directors has been formed to advise the Independent Shareholders in relation to the voting on the proposed resolutions(s) approving the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps). Goldin Financial has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The purpose of this circular is (i) to provide the Shareholders with details of the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps); (ii) to set out the opinion of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps); (iii) to set out the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps); and (iv) to give the Shareholders notice of the EGM.

THE FRAMEWORK AGREEMENT

Date

22 January 2014 (after trading hours)

Parties

The Company and Huasheng

The Company is owned as to approximately 50.11% by China Uranium Development. CGNPC-URC is the sole shareholder of China Uranium Development and CGNPC in turn is the sole shareholder of CGNPC-URC. CGNPC is a state-owned nuclear power producer.

Huasheng is a company incorporated in Hong Kong with limited liability. Huasheng is a wholly-owned subsidiary of CGNPC and is a connected person of the Company as defined under Chapter 14A of the Listing Rules. Huasheng is a licensed money lender under the Money Lender Ordinance in Hong Kong and the principal activities of Huasheng include providing settlement and similar services and taking deposits from members of the CGNPC Group and providing intra-group loan transactions among members of the CGNPC Group. All customers of Huasheng are members of the CGNPC Group.

LETTER FROM THE BOARD

Term of the Framework Agreement

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

To the best of the Directors' knowledge, information and belief, there is no transaction having carried out under the Framework Agreement from 1 January 2014 to the Latest Practicable Date which would trigger any obligation under Chapter 14 and/or 14A of the Listing Rules.

Intra-group Financial Services

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

The Group itself will first identify and specify the specific terms and conditions of such deposits, including the nature of deposits (fixed or current or any other type), designated currency, period of maturity and other principal terms and conditions with regarding to the needs of the Group itself. The Group will then obtain quotes from the relevant banks (the principal bankers of the Group including The Hongkong and Shanghai Banking Corporation Limited, Bank of China (Hong Kong) Limited and Industrial and Commercial Bank of China (Asia) Limited) regarding the interest rate and payment terms on deposits before the placing of any deposits by the Group to Huasheng. Under the terms of the Framework Agreement, Huasheng is under obligation to offer equivalent or better terms in comparison with those terms offered by those relevant banks to the Group. The Group shall not be obliged to place any deposits with Huasheng under the terms of the Framework Agreement. As such, the Directors consider that the terms and conditions of the deposits will be on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The maturity date will be determined by the Group itself but in any event will not exceed the term of the Framework Agreement. The interest payment terms by Huasheng will be the same as the general banking practices adopted by the relevant banks from time to time.

LETTER FROM THE BOARD

Mr. Chen Qiming and Mr. Xing Jianhua will not involve in the determination of the terms and conditions of such deposits by the Group to Huasheng and the quotes with the relevant banks due to their potential conflict of interests as a result of their positions in financial or capital department of the CGNPC.

Huasheng shall provide monthly statements to the Group regarding the deposits and any interest accrued thereon to the Group. The Company shall also be entitled to request Huasheng to provide its financial and other relevant information from time to time.

Pursuant to the Framework Agreement, Huasheng may subject to compliance with the relevant laws and regulations offer settlement and similar services to the Group and the Group will pay settlement and similar charges as announced by other independent commercial banks in Hong Kong (such as The Hongkong and Shanghai Banking Corporation Limited or Bank of China (Hong Kong) Limited) from time to time. Such settlement and similar services fees shall be (i) equal to or lower than the settlement and similar services fees charged by Huasheng to other members of the CGNPC Group (other than members of the Group) in similar settlement services arrangements; and (ii) equal to or lower than the settlement and similar services fees as announced by other independent commercial banks in Hong Kong (such as The Hongkong and Shanghai Banking Corporation Limited or Bank of China (Hong Kong) Limited) from time to time for settlement and similar services provided by Huasheng.

The Directors expect that the aggregate fees and charges payable by the Group to Huasheng for such settlement and similar services will be immaterial and will not on an annual basis exceed the de minimis threshold under Chapter 14A of the Listing Rules. The Company will comply with the relevant requirements of the Listing Rules if the de minimis threshold would be exceeded.

Pursuant to the Framework Agreement, Huasheng may grant loans and facilities to the Group subject to further arms' length negotiations between Huasheng and the Group. Such loans and facilities shall be for the benefit of the Group on normal commercial terms (or better to the Group) and no security over the assets of the Group will be granted in respect of such loans and facilities.

The Framework Agreement is on a non-exclusive basis. The entering into of the Framework Agreement shall not restrict the Group from using the services provided by other independent commercial banks and financial institutions and shall not restrict Huasheng from providing services to other CGNPC Group members.

LETTER FROM THE BOARD

Proposed Annual Caps

The estimated annual caps (the “Annual Caps”) for the maximum outstanding balance for the deposits placed by the CGN Mining Group with Huasheng (including any outstanding interest accrued thereon) from time to time for the three financial years ending 31 December 2014, 2015 and 2016 are set out below:

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

The Annual Caps are determined with reference to, among others, (i) the Group’s cashflow movements and level of deposits with other banks in Hong Kong, (ii) the cash balance of the Group; and (iii) the requirements to settle sums among members of the CGNPC Group and/or any other third parties.

Conditions precedent

The Framework Agreement shall be subject to the following conditions:

- (1) all necessary consents and approvals on the part of the Company in relation to the Framework Agreement and the transactions contemplated thereunder having been obtained, including the passing of necessary resolution(s) by the Independent Shareholders at the EGM to approve the Framework Agreement and the transactions contemplated thereunder;
- (2) all necessary consents and approvals on the part of Huasheng having been obtained; and
- (3) all necessary consents, approvals and authorization regarding the Framework Agreement and the transactions contemplated thereunder having been obtained.

In the event that the above conditions cannot be fulfilled on or before 31 March 2014 (or such other date as the parties to the Framework Agreement may agree), the Framework Agreement shall be ceased and terminated.

As at the Latest Practicable Date, save for the Independent Shareholders’ approval to be obtained at the EGM, the Company has obtained all necessary consents and approvals regarding the Framework Agreement. To the best of the Directors’ knowledge and information, all other conditions have been fulfilled as at the Latest Practicable Date.

Termination

Notwithstanding any provisions contained in the Framework Agreement, each of the Company and Huasheng is entitled to terminate the Framework Agreement at any time during the term of the Framework Agreement by giving at least one month written notice to the other party.

LETTER FROM THE BOARD

In the event of termination of the Framework Agreement, Huasheng shall return all the deposits (no matter whether due or not) together with interest accrued thereon to the Group.

Huasheng shall be required to return all the deposits to the Group immediate upon termination of the Framework Agreement and the interest accrued thereon will be calculated up to the date of such termination.

REASONS FOR THE ENTERING INTO OF THE FRAMEWORK AGREEMENT

The Group is principally engaged in selling, distributing and manufacturing of pharmaceutical and food products, property investment and trading of natural uranium.

Huasheng is a company incorporated in Hong Kong with limited liabilities and is a wholly-owned subsidiary of CGNPC. The purpose of setting up Huasheng is to provide loan, financial accommodation and deposits and settlement services to the CGNPC Group.

As previously disclosed in the circular of the Company dated 19 November 2013, the Group has other continuing connected transactions with other CGNPC Group members and there will be needs for the Group to settle sums amongst members of the CGNPC Group. As Huasheng would at the same time provide similar intra-group financial services to other CGNPC Group members, it will provide a more expedite and efficient way for the Group to settle the balances (if any) between the Group and other CGNPC Group members through Huasheng instead of through other financial institutions.

In light of that (i) the interest rates on loans and deposits to be offered by Huasheng to the Group will be equal to or no less favourable than those offered by commercial banks in Hong Kong; (ii) the settlement and similar services offered by Huasheng to the Group will facilitate more efficient settlement for intra-group transactions and reduces transaction costs and expenses, thereby further enhances the quality and efficiency of capital utilisation; and (iii) it provides diversified financial services for the Group and allows the Group to have additional flexibilities, the Directors are of the view that the terms and conditions of the Framework Agreement are fair and reasonable and on normal commercial terms and the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps) are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

EGM

The notice convening the EGM to be held at Boardroom 3-4, Mezzaine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 21 March 2014 (Friday) at 10:30 a.m. is set out on pages 33 to 34 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong share registrar, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or the adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned thereof should you so wish.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As Huasheng is a connected person of the Company, the entering into of the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps) constitute a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules. As the relevant percentage ratios on an annual basis are more than 5%, the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps) are subject to the announcement, reporting and Independent Shareholders' approval requirements under the Listing Rules.

As the relevant percentage ratios exceed 25% but below 75%, the entering into of the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps) shall also constitute a major transaction under Chapter 14 of the Listing Rules and will be subject to announcement and Independent Shareholders' approval at the EGM.

As Huasheng is not a banking company as defined under the Listing Rules, the place of deposits by the Group to Huasheng under the Framework Agreement will be deemed as financial assistance as defined under the Listing Rules and the deposits (including the Annual Caps) to be placed by the Group to Huasheng will be regarded as a non-exempted major and continuing connected transaction under Chapter 14 and Chapter 14A of the Listing Rules and will be subject to announcement, reporting and Independent Shareholders' approval requirements under the Listing Rules.

Since the fees and charges regarding the settlement and similar services to be paid by the Group to Huasheng on an annual basis are expected to be less than the de minimis threshold and the terms are on normal or better commercial terms, such transactions will be regarded as a de minimis continuing connected transaction and will be exempt from announcement, reporting and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the loans and facilities to be granted by Huasheng to the Group will be for the benefit of the Group on normal commercial terms (or better to the Group) and no security over the assets of the Group will be granted in respect of such loans and facilities, such loans and facilities will be exempt from announcement, reporting and Independent Shareholders' approval requirements in accordance with Rule 14A.65(4) of the Listing Rules.

An EGM will be convened and held for the Independent Shareholders to approve the Framework Agreement and the transactions contemplated thereunder. CGNPC, CGNPC-URC and China Uranium Development and their respective associates shall abstain from voting regarding the relevant resolution(s) approving the Framework Agreement and the transactions contemplated thereunder at the EGM. As at the Latest Practicable Date, CGNPC, CGNPC-URC and China Uranium Development control or are entitled to control over 1,670,000,000 shares, representing approximately 50.11% of the issued share capital of the Company.

LETTER FROM THE BOARD

Mr. Chen Qiming and Mr. Xing Jianhua have abstained from voting at the board meeting approving the Framework Agreement due to the potential conflict of interests as a result of their positions in financial or capital department of the CGNPC.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 12 of this circular which contains its recommendation to the Independent Shareholders on transactions under the Framework Agreement (including the intra-group financial services and the Annual Caps). Your attention is also drawn to the letter of advice from Goldin Financial as set out on pages 13 to 25 of this circular which contains, amongst other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps). Based on the advice from the Independent Financial Adviser and the Independent Board Committee, the Board is of the view that the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps) are in the interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of the relevant resolution(s) approving the Framework Agreement (including the intra-group financial services and the Annual Caps) at the EGM.

FURTHER INFORMATION

Your attention is drawn to the information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
CGN Mining Company Limited
Mr. Zhou Zhenxing
Chairman



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

28 February 2014

To the Independent Shareholders

Dear Sir or Madam

**MAJOR AND CONTINUING CONNECTED TRANSACTION:
FRAMEWORK AGREEMENT REGARDING
INTRA GROUP FINANCIAL SERVICES**

We refer to the circular of the Company to the Shareholders dated 28 February 2014 (the “**Circular**”), in which this letter forms part. Unless the context requires otherwise, capitalized terms used in this letter will have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps) are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole.

We wish to draw your attention to the letter of advice from Goldin Financial as the Independent Financial Adviser as set out on pages 13 to 25 of the Circular and the letter from the Board as set out on pages 4 to 11 of the Circular.

Having considered, among other things, the factors and reasons considered by, and the opinion of the Independent Financial Adviser as stated in its letter of advice, we consider that the terms of the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps).

Yours faithfully,
For and on behalf of the
Independent Board Committee
CGN Mining Company Limited

Mr. Ling Bing

Mr. Qiu Xianhong
Independent Non-executive Directors

Mr. Huang Jinsong

* For identification purpose only

LETTER FROM GOLDIN FINANCIAL

The following is the full text of the letter from Goldin Financial setting out the advice to the Independent Board Committee and the Independent Shareholders in respect of the Framework Agreement, which has been prepared for the purpose of inclusion in this circular.



高銀融資有限公司
GOLDIN FINANCIAL LIMITED

Goldin Financial Limited

23/F

Two International Finance Centre

8 Finance Street

Central

Hong Kong

28 February 2014

*To the Independent Board Committee and
the Independent Shareholders of
CGN Mining Company Limited*

Dear Sirs,

MAJOR AND CONTINUING CONNECTED TRANSACTION FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Framework Agreement, details of which are contained in the announcement of the Company dated 22 January 2014 (the “Announcement”) and in the letter from the board (the “Letter from the Board”) of the circular of the Company dated 28 February 2014 (the “Circular”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 22 January 2014 (after trading hours), the Company and Huasheng entered into the conditional Framework Agreement for provision of intra-group financial services. Pursuant to the Framework Agreement, the Group may from time to time at its discretion deposit sums with Huasheng. Huasheng may subject to compliance with the relevant laws and regulations, offer settlement and similar services to the Group. Huasheng may grant loans and facilities to the Group subject to further arms’ length negotiations between Huasheng and the Group. Such loans and facilities shall be for the benefit of the Group on normal commercial terms (or better to the Group) and no security over the assets of the Group will be granted in respect of such loans and facilities.

LETTER FROM GOLDIN FINANCIAL

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

The provision of loan and facility services by Huasheng to the Group under the Framework Agreement constitutes financial assistance by a connected person for the benefit of the Group, which is exempt from the reporting, annual review, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.65(4) of the Listing Rules since these transactions are on normal commercial terms (similar or even more favorable to the Company) and no security over the assets of the Group is granted in respect of such transactions.

The Directors expect that the aggregate fees and charges payable by the Group to Huasheng for such settlement and similar services will be immaterial and will not on an annual basis exceed the de minimis threshold under Chapter 14A of the Listing Rules. The Company will comply with the relevant requirements of the Listing Rules if the de minimis threshold would be exceeded.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee consisting of Mr. Ling Bing, Mr. Qiu Xianhong and Mr. Huang Jinsong, being the three independent non-executive Directors, has been established to advise the Independent Shareholders in connection with the Framework Agreement and the Annual Caps.

We, Goldin Financial Limited, have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Framework Agreement and to make a recommendation as to, among others, whether the entering into of the Framework Agreement is fair and reasonable so far as the Independent Shareholders are concerned and as to voting in respect of the relevant resolutions at the EGM. Our appointment has been approved by the Independent Board Committee.

LETTER FROM GOLDIN FINANCIAL

BASIS OF OUR ADVICE

In formulating our opinion and recommendations, we have reviewed, inter alia, the Announcement and the Framework Agreement, the annual report of the Company for the year ended 31 December 2012 (the “Annual Report 2012”) and the interim report of the Company for the six months ended 30 June 2013 (the “Interim Report 2013”). We have also reviewed certain information provided by the management of the Company relating to the operations, financial condition and prospects of the Group. We have also (i) considered such other information, analyses and market data which we deemed relevant; and (ii) conducted verbal discussions with the management of the Company regarding the Framework Agreement, the businesses and future outlook of the Group. We have assumed that such information and statements, and any representation made to us, are true, accurate and complete in all material respects as of the date hereof and we have relied upon them in formulating our opinion.

All Directors collectively and individually accept full responsibility for the purpose of giving information with regard to the Company in the Circular and, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We consider that we have been provided with, and we have reviewed, all currently available information and documents which are available under present circumstances to enable us to reach an informed view regarding the Framework Agreement to justify reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis of our opinion. We have no reasons to suspect that any material information has been withheld by the Directors or management of the Company, or is misleading, untrue or inaccurate. We have not, however, for the purpose of this exercise, conducted any independent detailed investigation or audit into the business or affairs or future prospects of the Group, CGNPC, CGNPC-URC or their respective subsidiaries or associated companies, nor have we considered the taxation implication on the Group or the Shareholders as a result of the entering into of the Framework Agreement. Our opinion is necessarily based on financial, economic, market and other conditions in effect, and the information made available to us, at the Latest Practicable Date.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Framework Agreement, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In giving our recommendation on the Framework Agreement to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors and reasons:

1. Information of Huasheng

(a) Business scope and shareholding structure of Huasheng

Huasheng is a company incorporated in Hong Kong with limited liability. Huasheng is a licensed money lender under the Money Lender Ordinance in Hong Kong. Huasheng is a wholly owned subsidiary of CGNPC and is a connected person of the Company as defined under Chapter 14A of the Listing Rules and the principal activities of Huasheng include providing settlement and similar services and taking deposits from members of the CGNPC Group and providing intra-group loan transactions among members of the CGNPC Group. All customers of Huasheng are members of the CGNPC Group.

CGNPC, being the sole shareholder of CGNPC-URC and the ultimate controller of the Company, is a large scale clean energy corporation and is a state-owned enterprise. Based on our understanding, CGNPC, being one of the two major nuclear power companies in the PRC, was established in September 1994 with a registered capital of RMB10.2 billion. CGNPC Group is engaged in nuclear energy production, nuclear energy-related technology development and the construction of plants and development of technology relating to renewable energy such as wind energy, solar energy and hydro-electric power. As at the Latest Practicable Date, the CGNPC Group has three operating nuclear stations and five nuclear stations under construction for the production of nuclear energy in the PRC. The CGNPC Group also has seven national nuclear energy research and development centers for technology advancement and operation management.

(b) Credit risk of Huasheng

Regarding the possible credit risks under the Framework Agreement, we have attempted to obtain the credit rating of Huasheng. However, such credit rating is not publicly available as Huasheng is a private company. Alternatively, we have reviewed the unaudited consolidated statement of financial position as at 30 June 2013 according to the management accounts of Huasheng as provided by the Company in order to assess the financial strength of Huasheng. As at 30 June 2013, the cash and bank balances and net assets of Huasheng were approximately RMB892.54 million and approximately RMB61.64 million respectively. We also noted that Huasheng was established in 2010 and has been providing financial services such as deposits, settlement services and money lending within the members of the CGNPC Group in Hong Kong excluding the Company.

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While following the approval of Huasheng as a licensed money lender in November 2013, under the Money Lender Ordinance, Huasheng is permitted to provide money lending services to third parties other than members of the CGNPC Group, Huasheng has no plan to extend its money lending activities to third parties other than members of the CGNPC as at the Latest Practicable Date and Huasheng will continue to provide financial services such as deposits, settlement services and money lending within the members of the CGNPC Group including the Company. Given the background of Huasheng, being the subsidiary of CGNPC as a state-owned nuclear power producer with a registered capital of RMB10.2 billion, and after making enquiry by the Directors that Huasheng does not have any previous record of material default of payment to other financial institutions and any creditors other than financial institutions, we consider that the default risk of Huasheng would be low. As Huasheng will only provide financial services similar to those under the Framework Agreement to members of the CGNPC Group, Huasheng is hence exposed to a lower level of potential risk than the entities soliciting external clients. In addition, on 8 January 2014, CGNPC has executed a letter of support valid until 31 December 2016, pursuant to which CGNPC will use its best endeavours to procure and support Huasheng to maintain adequate financial condition from time to time for the performance of its obligations under the Framework Agreement. Moreover, on 31 October 2013, CGNPC has executed a letter of guarantee valid until 31 October 2016 pursuant to which CGNPC agreed to provide a guarantee to Bank of China Limited for the loan facilities of RMB500 million granted to Huasheng, which, together with the aforesaid letter of support, in our view indicates lower risk exposure of the Group for depositing in Huasheng. Having considered (i) the provision of financial services by Huasheng limited only to members of the CGNPC Group; (ii) the clean record of Huasheng in meeting its payment obligation; (iii) the letter of support executed by CGNPC; and (iv) the letter of guarantee executed by CGNPC in respect of the loan facilities of RMB500 million granted to Huasheng, we are of the view that the credit risk and default risk under the Framework Agreement are acceptable.

(c) Risk management function and internal control environment of Huasheng

The provision of the financial services by Huasheng to the Group pursuant to the Framework Agreement will take place in Hong Kong. Huasheng as a licensed money lender, while not regulated by the Hong Kong Monetary Authority, is regulated under the Money Lender Ordinance, the enforcement of which is undertaken by the Commissioner of Police, pursuant to which the Commission of Police may in writing require Huasheng, as the applicant for the licence, to produce for inspection such books, records or documents or to furnish such information relating to the application or any business carried on or intended to be carried on by it as the Commissioner of Police may specify and the same shall be applied for the renewal of licence for every 12 months. While we noted that the scope of regulations and requirements under the Money Lender Ordinance, in particular the financial requirement and the risk management of a licensed money lender, is not as strict as

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those regulated under the Banking Ordinance by the Hong Kong Monetary Authority which is applied to the authorised financial institutions, upon our enquiry with the management of the Company, we were given to understand that the daily operations of Huasheng are carried out, managed and supervised in the PRC by 中廣核財務有限公司 (CGNPC Finance Company Limited*, “PRC Finance Company”), a fellow subsidiary of Huasheng. The PRC Finance Company, which is established in the PRC in 1997, is a non-banking financial institution authorized and regulated by the People’s Bank of China and the China Banking Regulatory Commission (“CBRC”) and provides financial services in compliance with the rules and other operational requirements of these regulatory authorities to other members of the CGNPC Group. We have reviewed the operation manual of Huasheng and noted that given the similar nature of the businesses operating by Huasheng and the PRC Finance Company, Huasheng has established a range of corporate governance and internal control measures in accordance with those currently adopted by the PRC Finance Company including but not limited to the assessment procedures, operating flow and approval requirements in order to manage its risk profile including its business and financial risk, which shall be up to the standard with the relevant laws and regulations promulgated by CBRC. Indeed, we were given to understand that the PRC Finance Company necessitates the full observance of the rules and regulations as set out by the CBRC over its various operation from time to time, including the management of Huasheng, to avoid any non-compliance with the relevant regulations, a policy adopted by CGNPC for the members of the CGNPC Group to maintain the high standard of risk management and internal control. Furthermore, Huasheng shall issue an annual report to the Company, which will be reviewed by the management of the Company and the independent non-executive Directors, with respect to the due observance by Huasheng in its business operation of the relevant rules and regulations complied by the PRC Finance Company, including but not limited to the implementation of assessment procedures, operating flow and approval requirements. This measure in our view could serve as a mean to monitor as to whether the corporate governance and internal control measures as established by Huasheng are up to the standard with the relevant laws and regulations complied by the PRC Finance Company.

Under such measures, we consider that the corporate governance and internal control measures as established by Huasheng are up to the standard with the relevant laws and regulations.

Taking into account the above factors, we concur with the Directors’ view that Huasheng is eligible to provide the deposit services to the Group and we are not aware of any matter that would cause us to question the internal control environment or the financial condition of Huasheng.

2. Reasons for the entering into of the Framework Agreement

According to the Interim Report 2013, the bank balances and cash of the Group as at 30 June 2013 amounted to approximately HK\$827.00 million. Furthermore, as noted from the Interim Report 2013, the Company has advanced the revolving loan to China Uranium Development under the previous revolving loan facility agreement in the amount of HK\$535.22 million as at 30 June 2013. Assuming that there will be no further change in bank balances and cash and upon the full settlement of the aforesaid revolving loan, the Group will have a total bank balances and cash of approximately HK\$1,362.22 million. As advised by the Directors, it is intended that such cash resources will be used for financing any future business opportunities or investment of the Group. However, as at the Latest Practicable Date, the Company had not identified any suitable investment targets or business opportunities to pursue for the abundant cash on hand. Despite the renewal of the revolving loan facility agreement in relation to the provision of the revolving loan facility of an amount not exceeding US\$150 million (equivalent to approximately HK\$1,170 million) by the Company which was approved by the then independent Shareholders on 9 December 2013, such revolving loan facility will be drawdown upon the borrower's request only. Through the deposit services under the Framework Agreement, the Company could therefore fully utilise any remaining surplus cash when part or none of the revolving loan facility is drawdown and maximise the return on investment thereof.

The Directors are of the view that Huasheng, together with the PRC Finance Company which is responsible for the daily operation of Huasheng, are both subsidiaries of CGNPC being the ultimate controlling shareholder of the Company, and therefore have a thorough understanding on the operations and development of the Group. As an intra-group service provider, the Directors consider that Huasheng and the PRC Finance Company generally have better understanding of the Group's operation and financial needs and the Group is expected to benefit from more efficient communications and/or customised service provided by Huasheng than the commercial banks in Hong Kong, which allows the Group to earn return on funds and retain sufficient working capital flexibility. According to “中央企業境外國有資產監督管理暫行辦法” (Interim Measures for the Supervision and Administration of Overseas State-owned Assets of Centrally Administered Stated-owned Enterprises*), stated-owned enterprises shall establish centralised management and allocation of offshore funds and shall review and supervise the centralised account of offshore funds regularly. Huasheng therefore, as an intra-group service provider, serves as the centralised hub for the offshore funds owned by the members of the CGNPC Group in Hong Kong, including the Company through the entering into of the Framework Agreement.

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Pursuant to the Framework Agreement, the services provided by Huasheng will be on a non-exclusive basis and the Company is not obliged to engage Huasheng for any particular services. Considering that the Group has its sole discretion to use the financial services provided by other independent commercial banks and financial institutions when the relevant terms are more favourable than those offered by Huasheng, we are of the view that the entering into of the Framework Agreement provides the Group an alternative choice of financial services in order to pick the service provider offering the most favourable terms to the Company, which is in the interests of the Company and the Shareholders as a whole.

Having taken into account, in particular, (i) the abundance of cash held by the Group; (ii) Huasheng is a registered money lender wholly-owned by CGNPC, which is a state-owned enterprise with strong asset base and thus providing confidence regarding the creditworthiness of Huasheng; (iii) the corporate relationship between Huasheng and the Group enhances the efficiency of the transactions, thus providing additional flexibilities to the Group; (iv) the compliance with the relevant measures for state-owned enterprise that is applicable to CGNPC pursuant to which Huasheng serves as the centralised hub for the offshore funds owned by the members of the CGNPC Group in Hong Kong; and (v) the terms of the Framework Agreement are fair and reasonable as discussed below, we concur with the view of the Directors that the entering into of the Framework Agreement is in the ordinary and usual course of business of the Company and is in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Framework Agreement

Pursuant to the Framework Agreement, the Group may from time to time utilise a range of financial services provided by Huasheng, including depositing sums with Huasheng. The terms and conditions of such deposits shall be subject to arm's length negotiations between the Group and Huasheng. Huasheng shall pay interest on such deposits. The interest payable by Huasheng to the Group shall be calculated with referencing to the deposits interest rate as announced by other independent commercial banks in Hong Kong (such as The Hongkong and Shanghai Banking Corporation Limited ("HSBC") or Bank of China (Hong Kong) Limited ("BOC")) from time to time but at any time such relevant interest rate shall be (i) equal to or higher than the deposits interest rate offered by Huasheng to other members of the CGNPC Group (other than members of the Group) in similar arrangement; and (ii) equal to or higher than the interest rate as announced by other independent commercial banks in Hong Kong (such as HSBC or BOC) from time to time in similar arrangement.

The payment terms of the interest shall be determined between the Group and Huasheng upon making deposits. The Group itself will first identify and specify the specific terms and conditions of such deposits, including the nature of deposits (fixed or current or any other type), designated currency (mainly US\$ or HK\$), period of maturity and other principal terms and conditions with regarding to the needs of the Group itself. The Group will then obtain quotes from the relevant banks (the principal bankers of the

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Group including HSBC, BOC and Industrial and Commercial Bank of China (Asia) Limited) (“ICBC”) regarding the interest rate and payment terms on deposits before the placing of any deposits by the Group to Huasheng. The maturity date will be determined by the Group itself but in any event will not exceed the term of the Framework Agreement. The interest payment terms by Huasheng will be the same as the general banking practices adopted by the relevant banks from time to time.

Notwithstanding any provisions contained in the Framework Agreement, each of the Company and Huasheng is entitled to terminate the Framework Agreement at any time during the term of the Framework Agreement by giving at least one month written notice to the other party. In the event of termination of the Framework Agreement, Huasheng shall return all the deposits (no matter whether due or not) together with interest accrued thereon to the Group. Upon termination of the Framework Agreement, Huasheng shall be required to return immediately all the deposits to the Group and the interest accrued thereon will be calculated up to the date of such termination.

It should be noted that the deposits as placed in Huasheng are not subject to the same level of protection as to those placed in other commercial banks in Hong Kong, including the Deposit Protection Scheme which protects deposits up to HK\$500,000 per depositor. Notwithstanding the above, having considered that (i) the acceptable credit risk and default risk under the Framework Agreement taking into account the limited recipients of Huasheng’s financial services, clean record of meeting payment obligation, the letter of support in place executed by CGNPC as well as the letter of guarantee executed by CGNPC in respect of the loan facilities of RMB500 million granted to Huasheng; (ii) Huasheng, as a licensed money lender, is regulated under the Money Lender Ordinance and, as a fellow subsidiary of the PRC Finance Company authorized and regulated by CBRC, is required by the PRC Finance Company to establish a range of corporate governance and internal control measures up to the standard with the relevant laws and regulations promulgated by CBRC so as to avoid any non-compliance by the PRC Finance Company, and Huasheng shall issue an annual report to the Company, which will be reviewed by the management of the Company and the independent non-executive Directors, with respect to the due observance by Huasheng in its business operation to ensure the corporate governance and internal control measures as established by Huasheng are up to the standard; (iii) the terms and conditions of the Framework Agreement were determined after arm’s length negotiations between the parties thereto; and (iv) the principal terms of the Framework Agreement, in particular, the interest rate, the payment terms and the maturity date in respect of the deposit services offered by Huasheng shall be no less favourable to the Company than that available from the independent commercial banks in Hong Kong, we are of the view that the terms of the Framework Agreement are normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

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4. Annual caps

The table below sets out respectively the Annual Caps for the maximum outstanding balance for the deposits placed by the CGN Mining Group with Huasheng for the three years ending 31 December 2016:

	Annual Caps		
	for the year ending 31 December		
	2014	2015	2016
	<i>(US\$ million)</i>	<i>(US\$ million)</i>	<i>(US\$ million)</i>
Maximum deposit amount	178.0	178.0	178.0

In assessing the fairness and reasonableness of the Annual Caps, we have discussed with the management of the Company regarding the basis of determining the Annual Caps and understood that in determining the Annual Caps, the Company has taken into account (i) the amount of the Group's existing idle cash; and (ii) the expected growth of the Group's natural uranium trading business.

Firstly, as demonstrated in the paragraphs under the section headed "Reasons for entering into of the Framework Agreement" above, the total bank balances and cash of the Group is estimated to be approximately HK\$1,362.22 million, based on the bank balances and cash of the Group as at 30 June 2013 of approximately HK\$827.00 million and assuming full settlement of the revolving loan of approximately HK\$535.22 million, which is approximate to the Annual Caps of US\$178.00 million (equivalent to approximately HK\$1,388.40 million). As advised by the management of the Company, the bank balances and cash may fluctuate significantly from time to time as a result of receipts of sales proceeds from the Group's natural uranium trading business, payment of purchase of natural uranium to suppliers and the drawdown or repayment of the revolving loan facility provided by the Company to the borrower pursuant to the revolving loan facility agreement.

Moreover, it is expected that the Group's natural uranium trading business will be growing in the coming years, leading to a potential increase in the cash flow and cash level of the Group and therefore the demand of the deposit services of the Group. In assessing the growth of the Group's natural uranium trading business, we have performed researches on the nuclear industry in respect of its future prospects.

According to the Twelfth Five-Year Plan released by the National People's Congress of the PRC in March 2011, the PRC government has been aiming to accelerate the development and production of nuclear electricity as well as strengthening the safety measures in respect of the nuclear electricity industry. It was estimated that the production of nuclear electricity of the PRC would reach 40 gigawatts in 2015, representing a year-on-year growth of approximately 29.9% as compared to approximately 10.8 gigawatts in 2010. In addition, the PRC government aims to increase

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reliance on non-fossil fuel resources to 11.4% of total energy consumption and reduce carbon dioxide emissions per unit of GDP by 17% from 2010-2015, implying a greater demand for alternative energy sources such as nuclear power. It is expected that the demand in the PRC for natural uranium, being the raw materials of generating the nuclear electricity, will rise steadily. In conjunction with the entering into of the framework agreement in relation to the sale of natural uranium by the Group to CGNPC-URC dated 15 October 2013 between the Company and CGNPC-URC, being the sole natural uranium supplier for the CGNPC Group owning three operating nuclear stations and five nuclear stations under construction for the production of nuclear energy in the PRC, which would enable the Group to secure a stable stream of income through the sales of natural uranium to CGNPC-URC, it is expected that the sales proceeds from the natural uranium trading business of the Group would increase and the demand of the deposit services would be intensified accordingly.

Taking into account that (i) the abundance of cash held by the Group, based on the bank balances and cash of the Group as at 30 June 2013 of approximately HK\$827.00 million and assuming full settlement of the revolving loan of approximately HK\$535.22 million totaling an amount of approximately HK\$1,362.22 million; (ii) the expected growth of the Group's natural uranium trading business leading to a potential increase in the cash flow and cash level of the Group and therefore the demand of the deposit services of the Group; and (iii) the anticipated increase of interest income to be received based on the Annual Caps, we consider the Annual Caps and the basis of such Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned.

However, Shareholders should note that as the Annual Caps are determined based on various factors relating to future events and assumptions which may or may not remain valid for the entire period up to 31 December 2016, they do not represent forecasts of cash balance of the Group. Consequently, we express no opinion as to how closely the actual amounts to be received by the Group will correspond with the Annual Caps.

5. Internal control procedures and corporate governance measures of the Group on the utilization of deposit services

In order to protect the interests of the Shareholders, the Group will adopt the following internal control procedures and corporate governance measures in relation to its utilization of the deposit services:

- (i) Before the Company or any of its subsidiary entering into any deposit services with Huasheng, the Group will obtain at least two quotes from the independent financial institutions for similar deposit services of the same duration. Such quotes, together with the offer from Huasheng will be reviewed by the chief financial officer of the Company who shall seek approval from the chief executive officer of the Company as to accept the offer from Huasheng. We are given to understand that such independent financial institutions to be quoted shall be recognised and leading licensed banks in Hong Kong namely HSBC,

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BOC and ICBC, which are all current principal bankers of the Group, and at least two of such institutions will be quoted which shall normally be BOC and ICBC offering higher interest rates than HSBC based on the past experience of the Group and in our view the quotes could represent the prevailing deposit interest rate offered in the market;

- (ii) Huasheng will deliver a monthly report on the status of the Group's deposits with Huasheng to the Company;
- (iii) Huasheng will deliver its monthly financial statements and annual audited financial statement to the Company;
- (iv) The Company will report to the independent non-executive Directors every six months on the deposit services agreement(s) entered into with Huasheng together with information on the comparable quotes obtained from the independent commercial banks;
- (v) The Company will obtain the balance status (including the interest receivables) with Huacheng on daily basis and confirm the daily balance will not exceed the Annual Caps;
- (vi) The auditors of the Company will also review the transactions with Huasheng to ascertain the fairness and reasonableness. Relevant disclosures will be announced in the Company's interim/annual financial statement to enhance the transparency; and
- (vii) Huasheng will issue an annual report to the Company, which will be reviewed by the management of the Company and the independent non-executive Directors, with respect to the due observance by Huasheng in its business operation of the relevant rules and regulations complied by the PRC Finance Company, including but not limited to the implementation of assessment procedures, operating flow and approval requirements which could serve as a mean to monitor as to whether the corporate governance and internal control measures as established by Huasheng are up to the standard with the relevant laws and regulations complied by the PRC Finance Company.

In view of the above, we concur with the Directors' view that such internal control procedures and corporate governance measures in relation to its utilization of the deposit service are appropriate and sufficient to give assurance to the Shareholders that the deposit services will be carried out properly under the Group's optimal control.

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6. Annual review of the transactions

The Annual Caps will be subject to the annual review by the independent non-executive Directors, details of which must be included in the Company's subsequent published annual report and accounts. In addition, pursuant to the Listing Rules, the auditors of the Company must provide a letter to the Board confirming, among others, that the continuing connected transactions are conducted in accordance with their terms and that the Annual Caps not being exceeded. Moreover, pursuant to the Listing Rules, the Company shall publish an announcement if it knows or has reason to believe that the independent non-executive Directors and/or its auditors will not be able to confirm the terms of such transactions or the relevant annual cap not being exceeded. We are of the view that there are appropriate measures in place to govern the conduct of the continuing connected transactions under the Framework Agreement and safeguard the interests of the Independent Shareholders.

RECOMMENDATIONS

Taking into consideration of the above mentioned principal factors and reasons, we consider that the terms of the Framework Agreement and the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the resolutions to be proposed at the EGM to approve the Framework Agreement.

Yours faithfully,
For and on behalf of
Goldin Financial Limited
Billy Tang
Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executives of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO); or (ii) were required to be entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules were as follows:

Long positions in shares and underlying shares

(i) interests in the shares

Name of Director	Capacity	Number of shares held	Approximate percentage of the total issued share capital of the Company
Mr. Huang Jianming	Beneficial owner	8,500,000 (L)	0.26%

As at the Latest Practicable Date, none of the Directors or chief executives of the Company or their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

(ii) other interests

As at the Latest Practicable Date,

- (i) none of the Directors had any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2012, the date to which the latest published audited financial statement of the Group was made up;
- (ii) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group taken as a whole; and
- (iii) none of the Directors and their respective associates had any interest in a business which competes or may compete with the business of the Group or had any other conflict of interest with the Company.

Note:

1. The letter "L" denotes the person's/entity's long position in the shares.

(b) Substantial Shareholders' and other Shareholders' interests

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Directors or chief executive of the Company, no other person has an interest or short position in the shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10 per cent (10%) or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group:

Long positions in shares

Name of Shareholder	Nature of interests	Number of shares	Approximate percentage of the total issued share capital of the Company
Perfect Develop	Beneficial	522,526,940 (L)	15.68%
Holding Inc.	owner	450,000,000 (S)	13.50%
		<i>(Note 1)</i>	

Name of Shareholder	Nature of interests	Number of shares	Approximate percentage of the total issued share capital of the Company
China Uranium Development Company Limited	Beneficial owner	4,728,695,652 (L) 550,354,609 (S) (Notes 3 & 5)	141.89% 16.51%
CGNPC Uranium Resources Co. Ltd.	Interest in a controlled corporation	4,728,695,652 (L) 550,354,609 (S) (Notes 2 & 3)	141.89% 16.51%
China General Nuclear Power Corporation	Interest in a controlled corporation	4,728,695,652 (L) 550,354,609 (S) (Note 4)	141.89% 16.51%
Silver Grant International Industries Limited	Beneficial owner	550,354,609 (L) (Note 5)	16.51%

Notes:

- The issued share capital of Perfect Develop Holding Inc. is beneficially owned as to 58.28% by Mr. Tao Lung, 30.67% by Mr. Huang Jianming and 11.05% by Mr. Liu James Jin. Mr. Tao Lung and Mr. Liu James Jin are founders of the Group and former executive Directors of the Company. Mr. Huang Jianming is a founder of the Group and is currently a non-executive Director of the Company. Pursuant to a share charge dated 1 April 2011 (the “**Share Charge**”), Perfect Develop Holding Inc. charged 450,000,000 shares (“**Charged Shares**”) in favour of China Uranium Development. Subsequently, pursuant to a supplemental deed dated 18 February 2014 (“**Supplemental Deed**”), 225,000,000 Charged Shares will be released and subject to a lock up which will expire on 31 December 2014. The remaining 225,000,000 Charged Shares will continue to be charged in favour of China Uranium Development until 31 December 2014. The register of members of the Company will be updated as soon as practicable. Please refer to the announcement of the Company dated 18 February 2014 for further details of the Supplemental Deed.
- CGNPC Uranium Resources Co. Ltd. holds 100% of the issued share capital of China Uranium Development. Therefore, it is deemed to be interested in 4,728,695,652 shares by virtue of its shareholding of China Uranium Development.
- The long position represents (i) the 1,670,000,000 shares held by China Uranium Development; (ii) the interests in the 2,608,695,652 shares to be allotted and issued upon the full exercise of the conversion rights attached to the convertible bonds in the principal amount of HK\$600,000,000 at an initial conversion price of HK\$0.23 issued by the Company on 18 August 2011 (the “**Convertible Bonds**”) and (iii) the interest in the 450,000,000 shares held under the Share Charge as stated in Note 1 above.
- China General Nuclear Power Corporation (formerly known as China Guangdong Nuclear Power Holding Corporation, Ltd.) holds 100% of the equity interests of CGNPC-URC. Therefore, it is deemed to be interested in the interest held by CGNPC-URC.

5. China Uranium Development and Silver Grant International Industries Limited (“**Silver Grant**”) entered into a subscription agreement dated 23 March 2012 (the “**Subscription Agreement**”). Upon completion of the Subscription Agreement on 1 June 2012, China Uranium Development had issued and Silver Grant had subscribed for an exchangeable bond in the principal amount of HK\$776,000,000 (the “**Exchangeable Bond**”), pursuant to which Silver Grant can exercise the exchange right (the “**Exchange Right**”) at the exchange price of HK\$1.41 (subject to adjustment) to request China Uranium Development to transfer to it the shares of the Company held by China Uranium Development. Assuming that Silver Grant fully exercise the Exchange Right, China Uranium Development will transfer an aggregate of 550,354,609 shares (representing approximately 16.51% of the then existing share capital of the Company) to Silver Grant.
6. The letter “L” denotes the person’s/entity’s long position in the shares.

The letter “S” denotes the person’s/entity’s short position in the shares.

3. DIRECTORS’ INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2012, being the date to which the latest published audited accounts of the Group were made up.

4. DIRECTORS’ INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates had an interest in a business which operates in or may operate in significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any service contracts with the Company or any of its subsidiaries which does not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

6. LITIGATIONS

So far as the Directors are aware, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

7. EXPERT AND CONSENT

The following sets out the qualifications of the expert who has given opinions or advices in this circular:

Name	Qualification
Goldin Financial Limited	A licensed corporation under the SFO to carry out type 6 (advising on corporate finance) regulated activity

As at the Latest Practicable Date, all the expert(s) above did not have any shareholding directly or indirectly in any member of Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, all the expert(s) above did not have any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2012, the date to which the latest published audited consolidated financial statements of the Group were made up.

The expert above has given and has not withdrawn its written consent to the issue of this circular with inclusion of its letter and references to its name in the form and context in which it appears.

8. GENERAL

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business and head office of Company in Hong Kong is at Suites 6706-6707, 67/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.
- (b) The Hong Kong branch share registrar and transfer office of the Company is Union Registrars Limited, whose office is at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.
- (c) The joint secretaries of the Company are Mr. Kong Chun Hin, Jason and Ms. Lai Siu Kuen respectively. Mr. Kong received his bachelor's degree in law from the University of Hong Kong and is a qualified solicitor in Hong Kong. He is an associate member of both the Institute of Chartered Secretaries and Administrators in the United Kingdom and the Hong Kong Institute of Chartered Secretaries. Prior to joining the Company, he was a legal counsel of two various companies listed on the New York Stock Exchange and the Hong Kong Stock Exchange respectively, responsible for corporate, commercial and securities matters. Ms. Lai is a manager of KCS Hong Kong Limited. Ms. Lai has over 15 years' experience in the company secretarial field. She is a fellow member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom.

- (d) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

9. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2012, the date to which the latest published audited financial statements of the Group were made up.

10. WORKING CAPITAL

The Directors are of the opinion that, taking into account the business prospects, the internal resources of the Group and the available funds in relation to intra-group financial services under the Framework Agreement, the Group has sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this circular.

11. FINANCIAL AND TRADING PROSPECTS

The Group has repositioned itself as a platform for uranium resources investment and trading after the successful completion of China Uranium Development's share subscription and CB subscription on 18 August 2011.

The Board is of the view that, in the foreseeable future, consolidation will be seen in the markets of food, pharmaceuticals and properties of the PRC, with substantial pressure existing in the operating environment. The Group will strengthen risk management and scale down the existing pharmaceutical and food business. On the other hand, the Group will expand the scale of trading of natural uranium and proactively identify uranium resource investment opportunities.

12. THREE-YEAR FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 December 2012, 2011 and 2010 are disclosed in the annual reports of the Company for the years ended 31 December 2012, 2011 and 2010 respectively, which are published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.irasia.com/listco/hk/cgnmining/index.htm).

13. STATEMENT OF INDEBTEDNESS

At the close of business on the Latest Practicable Date, the Group had unsecured zero coupon convertible bonds in principal amount of HK\$600,000,000 due on 17 August 2016 with an initial conversion price of HK\$0.23 per convertible share. As at the Latest Practicable Date, all the banking facilities of the Group has been lapsed. No bank balances or cash is pledged as collateral.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have any loan capital issued and outstanding, or authorised or otherwise created but unissued, any term loans (secured, unsecured, guaranteed or not), bank overdrafts, loans or other similar indebtedness, liabilities under acceptance or acceptable credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities at the close of business on the Latest Practicable Date.

Foreign currency amounts have been translated into Hong Kong dollars at the approximate exchange rates prevailing at the close of business on the Latest Practicable Date.

14. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are or may be material to the operations of the Group:

- (a) the revolving loan facility agreement dated 15 October 2013 entered into between the Company as lender and China Uranium Development as borrower in connection with the provision of the revolving loan facilities of an amount not exceeding US\$150,000,000;
- (b) the framework agreement dated 15 October 2013 entered into between the Company and CGNPC-URC in relation to the sale of natural uranium by the Group to CGNPC-URC; and
- (c) the Framework Agreement.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Suites 6706-6707, 67/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong during normal business hours from the date of this circular up to and including EGM date and will also be available for inspection at the EGM:

- (a) the Framework Agreement and the material contracts of the Company set out in the section headed “Material Contracts” in this appendix;
- (b) the annual reports of the Company for the financial years ended 31 December 2010, 2011 and 2012 respectively;
- (c) the memorandum and articles of association of the Company;
- (d) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 12 of this circular;
- (e) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on page 13 to 25 of this circular;
- (f) the written consent referred to in the section headed “Expert and Consent” in this Appendix; and
- (g) this circular.

NOTICE OF EGM



中廣核礦業有限公司*

CGN Mining Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1164)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of CGN Mining Company Limited (the “**Company**”) will be held at Boardroom 3-4, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 21 March 2014 (Friday) at 10:30 a.m. for the following purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company

ORDINARY RESOLUTION

“THAT

- (a) the conditional framework agreement dated 22 January 2014 (the “**Framework Agreement**”) entered into between the Company and CGNPC Huasheng Investment Limited (“**Huasheng**”) in relation to, among others, the provision of intra-group financial services (a copy of which is marked “A” and produced to the EGM and signed by the chairman of the EGM for identification purpose) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved and the directors of the Company (the “**Directors**”) be and are hereby authorised to do all such acts and things and execute all such documents which they consider necessary, desirable or expedient for the implementation of and giving effect to the Framework Agreement and the transactions contemplated thereunder, including the intra-group financial services and the proposed annual cap amounts; and
- (b) any Director be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements (whether under common seal or not) and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in the Framework Agreement and the transactions contemplated thereunder as he/they may in his/their absolute discretion consider necessary, desirable or expedient to give effect to the Framework Agreement and the implementation of all transactions contemplated thereunder and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interest of the Company and its shareholders as a whole.”

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

Hong Kong, 28 February 2014

* For identification purpose only

NOTICE OF EGM

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer, attorney or other person authorized to sign the same.
3. Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed must be deposited at the Company's share registrars, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting.
5. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should you so wish, and in such an event, the form of proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.