

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**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.

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

---



**CONTINUING CONNECTED TRANSACTION:  
PURCHASE OF NATURAL URANIUM CONTRACT**

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



---

A letter from the Board is set out on pages 4 to 10 of this circular and a letter from the Independent Board Committee is set out on page 11 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 12 to 22 of this circular.

A notice convening the EGM to be held at Boardroom 8, Lower Lobby, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong at 10:30 a.m. on 16 October 2014 is set out on pages 29 to 30 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](http://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 and transfer office, 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

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	4
<b>Letter from the Independent Board Committee</b> .....	11
<b>Letter from the Independent Financial Adviser</b> .....	12
<b>Appendix – General Information</b> .....	23
<b>Notice of EGM</b> .....	29

---

## DEFINITIONS

---

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

“Acquisition”	the proposed acquisition of entire registered capital of Beijing Sino-Kazakh by the Group from CGNPC-URC as announced in the announcement of the Company dated 16 May 2014
“Announcement”	the announcement of the Company dated 4 September 2014 in relation to the Purchase Contract
“Annual Cap Amount”	the maximum aggregate annual transaction amount for the transactions contemplated under the Purchase Contract for the year ending 31 December 2014
“associates”	has the meaning ascribed to this term under the Listing Rules
“Beijing Sino-Kazakh”	Beijing Sino-Kazakh Uranium Resources Investment Company Limited* (北京中哈鈾資源投資有限公司), a limited liability company incorporated in the PRC
“Board”	the board of Directors
“CGNPC”	中國廣核集團有限公司 China General Nuclear Power Holding 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 controlling shareholder 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 中國鈾業發展有限公司*, the Controlling Shareholder of the Company, holding approximately 50.11% equity interest in the Company as at the Latest Practicable Date
“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

---

## DEFINITIONS

---

“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened for the Independent Shareholders to approve the Purchase Contract and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors to advise the Independent Shareholders on the Purchase Contract
“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 Purchase Contract
“Independent Shareholders”	Shareholders other than China Uranium Development and its associates
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Company and any of its connected persons (as defined in the Listing Rules)
“KAP”	National Atomic Company Kazatomprom, a joint-stock company established according to the laws of the Republic of Kazakhstan
“Latest Practicable Date”	25 September 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

---

## DEFINITIONS

---

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Natural Uranium”	uranium ore concentrates in the form of U <sub>3</sub> O <sub>8</sub> with isotopic assay as it occurs in nature and has not been altered
“PRC”	the People’s Republic of China
“Purchase Contract”	the Purchase Contract to be entered into between the Company and Semizbay-U in relation to the purchase of Natural Uranium by the Group from Semizbay-U after the obtaining Independent Shareholders’ approval at the EGM
“Semizbay-U”	Semizbay-U Limited Liability Partnership, a limited liability partnership established with legal entity status according to the laws of the Republic of Kazakhstan, the partnership interest of which was owned as to 49% by Beijing Sino-Kazakh and 51% by KAP (directly and indirectly)
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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. Yin Engang  
Mr. Huang Jianming

*Independent non-executive Directors:*

Mr. Lee Kwok Tung Louis  
Mr. Qiu Xianhong  
Mr. Gao Pei Ji

*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

29 September 2014

*To the Shareholders*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTION: PURCHASE OF NATURAL URANIUM CONTRACT**

#### **INTRODUCTION**

Reference is made to the Announcement of the Company dated 4 September 2014 in relation to, among others, the proposed entering into of the Purchase Contract between the Company and Semizbay-U for purchase of Natural Uranium by the Group from Semizbay-U after obtaining the necessary Independent Shareholders' approval at the EGM.

As Semizbay-U is owned as to 49% by Beijing Sino-Kazakh, which is in turn 100% owned by CGNPC-URC, the controlling shareholder indirectly holding approximately 50.11% equity interests in the Company as at the Latest Practicable Date, the entering into of the Purchase Contract and the transactions contemplated thereunder 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

---

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 terms of the Purchase Contract and the transactions contemplated thereunder. 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 Purchase Contract and the transactions contemplated thereunder; (ii) to set out the opinion of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Purchase Contract and the transactions contemplated thereunder; (iii) to set out the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Purchase Contract and the transactions contemplated thereunder; and (iv) to give the Shareholders notice of the EGM.

The principal terms of the Purchase Contract are set out below.

### THE PURCHASE CONTRACT

**Date:**

Within seven (7) working days after obtaining Independent Shareholders' approval at the EGM

**Parties:**

- (a) The Company as purchaser
- (b) Semizbay-U as seller

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 and the ultimate controlling shareholder of the Company. CGNPC is a state-owned nuclear power producer.

Semizbay-U is a limited liability partnership established with legal entity status according to the laws of the Republic of Kazakhstan, the partnership interest of which was owned as to 49% by Beijing Sino-Kazakh and 51% by KAP (directly and indirectly). As at the date of the Announcement and as at the Latest Practicable Date, Semizbay-U holds the exclusive right to extract the underground resources of two uranium mines owned and operated by Semizbay-U in the Republic of Kazakhstan. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for its interests in Semizbay-U, KAP and its ultimate beneficial owner(s) are Independent Third Parties.

---

## LETTER FROM THE BOARD

---

As at the Latest Practicable Date, Beijing Sino-Kazakh is wholly owned by CGNPC-URC and as Semizbay-U will be classified as an associate of Beijing Sino-Kazakh, Semizbay-U will be regarded as a connected person of the Company as defined under the Listing Rules. On 16 May 2014, the Company has entered into a conditional share purchase agreement with CGNPC-URC in relation to the acquisition of the entire registered capital of Beijing Sino-Kazakh. Please refer to the announcements dated 16 May 2014 and 23 July 2014 and the circular of the Company dated 30 June 2014 for further details of the proposed Acquisition. As at the Latest Practicable Date, the Acquisition of the entire registered capital of Beijing Sino-Kazakh has not been completed yet.

It is contemplated that the Acquisition will be completed on or before 31 December 2014. After completion of the Acquisition, CGNPC-URC will cease to hold interests in Beijing Sino-Kazakh and Semizbay-U will cease to be a connected person of the Company and the transactions contemplated under the Purchase Contract will cease to be a continuing connected transaction on the part of the Company.

### **Subject Matter**

Pursuant to the Purchase Contract, the Group will agree to purchase and Semizbay-U will agree to sell 588 ( $\pm 1\%$ ) tons Natural Uranium during the term of the Purchase Contract subject to the order(s) placed and to be placed by the Group.

### **Term of the Purchase Contract**

The Purchase Contract shall have a term commencing from the effective date of the Purchase Contract to 31 December 2014 (both dates inclusive).

### **Prices of Natural Uranium and Principal Payment terms**

The price of Natural Uranium shall be determined after arm's length negotiations on normal commercial terms with reference to the arithmetic average prices of the spot price indicator published by TradeTech (<http://www.uranium.info/>) and Ux Consulting Company LLC (<http://www.uxc.com>). To the best of the Company's knowledge, TradeTech was established in 1968 and is the first consulting institution publishing uranium price and reference is often made to the price published by TradeTech for uranium trading in the market. Ux Consulting Company was established in 1994 and both TradeTech and Ux Consulting Company are widely recognized in the international market for price quotation of Natural Uranium. Whilst other nuclear companies have also established their uranium pricing system, such uranium pricing basically is determined with reference to the pricing indices quoted on TradeTech and Ux Consulting Company.

95% of the purchase price payable by the Group for the Natural Uranium shall be settled within 30 calendar days from the date of delivery or such later date as may be agreed between the Group and Semizbay-U at the time of placing order(s) in accordance with the provisional invoices. The difference between 95% of the purchase price and the final price shall be settled by the Group within 30 calendar days from the date of receiving results on the weighting, sampling and analysis.

Under the Purchase Contract, the Natural Uranium shall meet the quality criteria specified therein and the Natural Uranium quality should meet the ASTM C967-12 Standard. ASTM C967-12 Standard is the standard adopted in the industry for Natural Uranium.



---

## LETTER FROM THE BOARD

---

All Natural Uranium concentrates to be delivered under the Purchase Contract will be weighed, sampled, assayed and analyzed in accordance with the technical procedures provided therein to ensure compliance with the ASTM C967-12 Standard. Furthermore, the purchase price will follow the average prices quoted on TradeTech and Ux Consulting Company. All these factors demonstrate that the transactions will be conducted on normal commercial terms or on terms not less favourable than terms available to independent third parties.

### **Conditions precedent**

The entering into of the Purchase Contract shall be subject to fulfillment of the following conditions:

- (1) all necessary consents and approvals on the part of the Company in relation to the Purchase Contract 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 Purchase Contract and the transactions contemplated thereunder; and
- (2) all necessary consents, approvals and authorisation regarding the Purchase Contract and the transactions contemplated thereunder having been obtained.

In the event that the above conditions cannot be fulfilled on or before 31 December 2014 (or such other date as the parties to the Purchase Contract may agree), the Company will not enter into of the Purchase Contract.

### **Proposed Annual Cap Amount**

The following table sets out the proposed Annual Cap Amount in respect of the purchase of Natural Uranium contemplated under the Purchase Contract for the year ending 31 December 2014:

#### **For the year ending 31 December 2014**

US\$65,000,000

The proposed Annual Cap Amount is determined by taking into account of various factors including (i) the expected demand of Natural Uranium of the Group and its end customers, and (ii) historical prices and possible price fluctuations in Natural Uranium.

The total Natural Uranium supplied from independent suppliers to the Group for the year ended 31 December 2013 was approximately 644 tons and the amount was approximately US\$77 million. The total Natural Uranium supplied from independent suppliers to the Group for the first eight months of 2014 was approximately 361 tons and the amount was approximately US\$54.5 million.

The Directors are of the view that in the absence of unforeseeable circumstances, the future Natural Uranium Price will remain stable subject to normal market fluctuations.

---

## LETTER FROM THE BOARD

---

### REASONS FOR THE ENTERING INTO OF THE PURCHASE CONTRACT

The Group's original principal business used to be selling, distributing and manufacturing of pharmaceutical and food products and property investment. The Group has repositioned itself as a platform for uranium resources investment and trading since 2011.

The Group commenced the natural uranium trading business in 2011 and the Company has re-positioned itself as a uranium resources investment and trading platform with Natural Uranium trading to become one of the key focuses, which in turn diversifies the business model of the Company.

In 2013, the Natural Uranium trading business continues to bring significant source of revenue to the Group. For the year ended 31 December 2013, the natural uranium trading segment recorded turnover of approximately HK\$743 million, which represents approximately 93% of total Company's turnover, with segmental profit of approximately HK\$137 million during the period.

The entering into of the Purchase Contract will allow the Group to secure stable supply of Natural Uranium, which will in turn enhance the Group's strategic position as a platform for uranium resources investment and trading. Moreover, the entering into of the Purchase Contract can be regarded as a further step of the development of cooperation relationship between the Group and Semizbay-U.

The terms and conditions of the Purchase Contract are determined after arm's length negotiations between the parties thereto. Further, the Purchase Contract is on terms no less favourable than terms available to independent third parties. Having taken into account of the pricing terms of Natural Uranium under the Purchase Contract and the historical Natural Uranium trading transactions of the Group as mentioned above, the Directors are of the view that the terms and conditions of the Purchase Contract are fair and reasonable and on normal commercial terms and the Purchase Contract and the transactions contemplated thereunder (including the proposed Annual Cap Amount) 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 8, Lower Lobby, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 16 October 2014 at 10:30 a.m. is set out on pages 29 to 30 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 and transfer office, 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 Semizbay-U is a connected person of the Company as at the Latest Practicable Date, the entering into of the Purchase Contract and the transactions contemplated thereunder will 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 Purchase Contract and the transactions contemplated thereunder are subject to the announcement, reporting and Independent Shareholders' approval requirements under the Listing Rules. Upon completion of the Acquisition, as Beijing Sino-Kazakh will become a wholly owned subsidiary of the Group, Semizbay-U will cease to be a connected person of the Company.

CGNPC, CGNPC-URC and China Uranium Development and their respective associates shall abstain from voting regarding the relevant resolution(s) approving the Purchase Contract and the transactions contemplated thereunder at the EGM.

Mr. Yu Zhiping, Mr. Zhou Zhenxing, Mr. Chen Qiming and Mr. Yin Engang have abstained from voting at the Board meeting approving the Purchase Contract due to the potential conflict of interests as a result of their holding of positions as directors in CGNPC-URC. Mr. He Zuyuan has also abstained from voting at the Board meeting approving the Purchase Contract due to the potential conflict of interests as a result of being a director of Semizbay-U. Other than the above, none of the other Directors has a material interest in the purchase of Natural Uranium as contemplated under the Purchase Contract nor has any of them abstained from voting in respect of the relevant board resolution.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders regarding the Purchase Contract and the transactions contemplated thereunder. Goldin Financial has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the fairness and reasonableness of the Purchase Contract and the transactions contemplated thereunder.

### RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 11 of this circular which contains its recommendation to the Independent Shareholders on transactions under the Purchase Contract. Your attention is also drawn to the letter of advice from Goldin Financial as set out on pages 12 to 22 of this circular which contains, amongst other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the Purchase Contract and the transactions contemplated thereunder. Based on the advice from the Independent Financial Adviser and the Independent Board Committee, the Board is of the view that the Purchase Contract and the transactions contemplated thereunder 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 Purchase Contract at the EGM.

---

**LETTER FROM THE BOARD**

---

**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**  
**Zhou Zhenxing**  
*Chairman*



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

29 September 2014

*To the Independent Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTION:  
PURCHASE OF NATURAL URANIUM CONTRACT**

We refer to the circular of the Company to the Shareholders dated 29 September 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 unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Purchase Contract and the transactions contemplated thereunder 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 12 to 22 of the Circular and the letter from the Board as set out on pages 4 to 10 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 Purchase Contract and the transactions contemplated thereunder are on normal commercial terms in the ordinary course of business of the Group 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 Purchase Contract and the transactions contemplated thereunder.

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

**Mr. Lee Kwok Tung Louis**

**Mr. Qiu Xianhong**

**Mr. Gao Pei Ji**

*Independent Non-executive Directors*

\* For identification purpose only

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*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 Purchase Contract, which has been prepared for the purpose of inclusion in this circular.*



**Goldin Financial Limited**

23/F

Two International Finance Centre

8 Finance Street

Central

Hong Kong

29 September 2014

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

Dear Sirs,

### **CONTINUING CONNECTED TRANSACTION PURCHASE OF NATURAL URANIUM CONTRACT**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Purchase Contract, details of which are contained in the letter from the board (the “Letter from the Board”) of the circular of the Company dated 29 September 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 4 September 2014 (after trading hours), the Company announced that the Company as purchaser and Semizbay-U as seller will enter into the Purchase Contract for purchase of Natural Uranium by the Group from Semizbay-U within seven working days after obtaining Independent Shareholders’ approval at the EGM.

As Semizbay-U is owned as to 49% by Beijing Sino-Kazakh, which is in turn 100% owned by CGNPC-URC, the controlling shareholder indirectly holding approximately 50.11% equity interests in the Company as at the Latest Practicable Date, the entering into of the Purchase Contract and the transactions contemplated thereunder 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 Purchase Contract and the transactions contemplated thereunder are subject to the announcement, reporting and Independent Shareholders’ approval requirements under the Listing Rules. Upon completion of the Acquisition, as Beijing Sino-Kazakh will become a wholly owned subsidiary of the Group, Semizbay-U will cease to be a connected person of the Company.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee consisting of Mr. Lee Kwok Tung Louis, Mr. Qiu Xianhong and Mr. Gao Pei Ji, being the three independent non-executive Directors, has been established to advise the Independent Shareholders in connection with the Purchase Contract.

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 Purchase Contract and to make a recommendation as to, among others, whether the Purchase Contract 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.

### BASIS OF OUR ADVICE

In formulating our opinion and recommendations, we have reviewed, inter alia, the Announcement, the Purchase Contract, the annual report of the Company for the year ended 31 December 2013 (the “Annual Report 2013”) and the interim report of the Company for the six months ended 30 June 2014 (the “Interim Report 2014”). 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 Purchase Contract, 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 Purchase Contract 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, Semizbay-U, CGNPC, CGNPC-URC, China Uranium Development 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 Purchase Contract and the transactions contemplated thereunder. 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.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Purchase Contract, 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 Purchase Contract to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors and reasons:

#### 1. Background to and reasons for entering into the Purchase Contract

The Group's original principal business used to be selling, distributing and manufacturing of pharmaceutical and food products and property investment. The Group has repositioned itself as a platform for uranium resources investment and trading since 2011. The Group commenced the natural uranium trading business in 2011 and the Company has re-positioned itself as a uranium resources investment and trading platform with natural uranium trading to become one of the key focuses, which in turn diversifies the business model of the Company.

According to the Annual Report 2013, the trading of natural uranium has continued to be the major source of revenue of the Group. For the year ended 31 December 2013, the natural uranium trading segment recorded turnover of approximately HK\$743 million, which represents approximately 93% of total Company's turnover, with segmental profit of approximately HK\$137 million during the period, the performance of which is relatively more encouraging as compared to other principal businesses of the Group. As stated in the Annual Report 2013, the Group will continue to develop the scale of natural uranium trading business and proactively seek investment opportunities in uranium resources, accelerating the momentum for the Group's revenue.

On 16 May 2014, the Company has entered into a conditional share purchase agreement with CGNPC-URC in relation to the acquisition of the entire registered capital of Beijing Sino-Kazakh, which directly held a 49% partnership interest in Semizbay-U, an upstream uranium mining entity. Please refer to the announcements dated 16 May 2014 and 23 July 2014 and the circular of the Company dated 30 June 2014 for further details of the proposed Acquisition. As at the Latest Practicable Date, the Acquisition of the entire registered capital of Beijing Sino-Kazakh has not been completed yet and Semizbay-U will be regarded as a connected person of the Company as defined under the Listing Rules. As advised by the Company, the Acquisition is expected to be completed on or before 31 December 2014. After completion of the Acquisition, CGNPC-URC will cease to hold interests in Beijing Sino-Kazakh and Semizbay-U will cease to be a connected person of the Company and the transactions contemplated under the Purchase Contract will cease to be a continuing connected transaction on the part of the Company.



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Upon completion of the Acquisition, the Company will be entitled to acquire the 49% of Semizbay-U's total annual uranium production which accounts for approximately 90% of the total purchase volume of uranium of the Group in the year 2013. The right to purchase such quantity from Semizbay-U will provide the Group with a stable supply of uranium products for the Group's uranium trading business. It is the intention of the Group to integrate its uranium trading business with upstream mining operations to maximise value and secure a stable supply of uranium through the Acquisition. For the purpose of governing the continuing connected transactions in relation to the purchase of Natural Uranium from Semizbay-U by the Group, the Purchase Contract was therefore proposed to be entered into between the Company and Semizbay-U.

Having considered the above, we are of the view that the entering into of the Purchase Contract is in the ordinary and usual course of business of the Group.

Moreover, the entering into of the Purchase Contract can be regarded as a further step of the development of cooperation relationship between the Group and Semizbay-U. As the owner of the 49% partnership interest in Semizbay-U upon completion of the Acquisition, the Group would be able to enjoy the benefit of the increase in the revenue and profit of Semizbay-U through profit sharing.

Having taken into account that (i) natural uranium trading is the principal business of the Group; (ii) the Purchase Contract is proposed to be entered into in the ordinary and usual course of business of the Group; (iii) upon completion of the Acquisition, the Group would be able to enjoy the benefit of the increase in the revenue and profit of Semizbay-U through profit sharing, we are of the view that the entering into of the Purchase Contract is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

### **2. Principal terms of the Purchase Contract**

Pursuant to the Purchase Contract, the Group will agree to purchase and Semizbay-U will agree to sell 588 ( $\pm 1\%$ ) tons Natural Uranium during the term of the Purchase Contract subject to the order(s) placed and to be placed by the Group and the quality of Natural Uranium should meet the ASTM C967-12 Standard, which is the standard adopted in the industry for Natural Uranium.

The principal terms of the Purchase Contract have been summarised in the Letter from the Board.

#### ***Pricing term***

The price of Natural Uranium shall be determined after arm's length negotiations on a normal commercial term with reference to the arithmetic average prices of the spot price indicator published by Ux Consulting Company LLC ("UxC") and TradeTech.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

We have reviewed the background of UxC and TradeTech and noted that both UxC and TradeTech are one of those nuclear industry's leading consulting companies which has been supporting the nuclear industry for more than 15 and 40 years respectively through offering a wide range of marketing and consulting services and publications. UxC also prepares special reports on key topics of interest as well as provides data services, such as nuclear fuel price indicator reporting, including support for the New York Mercantile Exchange uranium future contract. Upon enquiry with the Directors, using prices published by UxC and TradeTech to determine prices of Natural Uranium are market practices commonly used by companies sourcing for Natural Uranium and the pricing mechanism for Natural Uranium under the Purchase Contract conforms to market practices. Having considered the industry experience of, and recognition of the services provided by UxC and TradeTech, together with the representation made by the Directors that using prices published by UxC and TradeTech to determine prices of Natural Uranium are market practices commonly used by companies sourcing for Natural Uranium, we concur with the Directors that the adoption of either of UxC and TradeTech, both being international industry recognized references for market pricing, should reflect the then market price of Natural Uranium and are of the view that the pricing term for Natural Uranium under the Purchase Contract is on normal commercial terms and conforms to market practices.

We are advised by the management of the Group that the Group has also sourced Natural Uranium from other independent suppliers and have been provided the terms of these purchases for comparison. In assessing the terms under the Purchase Contract, we have reviewed three sets of these purchases, which represented all sets of purchase contracts entered into by the Company with other independent third parties and noted that the pricing term would be either with reference to the average long-term price or the average spot price as published by UxC and TradeTech. As the pricing term under the Purchase Contract is with reference to the average spot price as published by UxC and TradeTech, we have selected two of those purchases ("Sample Purchases") which used the same pricing term to the Purchase Contract and the similar payment term as discussed below with the same quality which meets the ASTM C967-12 Standard for the purpose of our assessment. Despite the quantity of each of the Sample Purchases was approximately 58 tonnes and 38 tonnes, we were given to understand that no contract with volume that is comparable to the Purchase Contract has been entered into between the Group and other independent third parties for the purchase of Natural Uranium. Nevertheless, given the similar pricing and payment terms and the same quality requirement of Natural Uranium, we assumed that the purchase under the Purchase Contract is comparable to those of the Sample Purchases in our assessment. Despite the uranium price has been on a decreasing trend since 2011, considering that the delivery of Natural Uranium under the Sample Purchases were carried out within one year preceding the date of the Purchase Contract which we consider to be under recent market conditions, we are of the view that the Sample Purchases could serve as references for comparison.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

We noted from the Purchase Contract that the price of Natural Uranium is set at a discount of 2% to the average uranium month-end spot prices as published by TradeTech and UxC in the second month prior to the delivery month, and we consider such discount to the average international uranium spot price index is more favourable to the Company as compared to the pricing term of the Sample Purchases where no discount to such average spot price is offered by the independent third parties. Upon enquiry with the management of the Company, we were given to understand that on 29 March 2013, CGNPC-URC and KAP entered into an agreement (“Off-take Agreement”) that CGNPC-URC shall be entitled to acquire 49% of Semizbay-U’s total annual uranium production at the price equivalent to a discount of 2% over the average uranium spot prices of UxC and TradeTech as of the end of the second month preceding the month of the relevant uranium product title transfer and on 16 May 2014, CGNPC-URC undertook to the Company that it will irrevocable and exclusively designate the Group to purchase such quantity from Semizbay-U at the agreed pricing term.

In respect of the reference used in the pricing term for the purchase of Natural Uranium, we further understood that the uranium spot price would be generally used for delivery timeframe of not more than three months with a fixed quantity of more than 100,000 pounds while uranium long-term price would be used for delivery timeframe of more than 24 months with 10% flexibility to the original ordered quantity, according to the website of UxC ([www.uxc.com](http://www.uxc.com)). We have also compared the average month-end spot price and long-term price as published by UxC and TradeTech and noted that the spot price ranged from US\$28.23 to US\$36.08 while long-term price ranged from US\$44.00 to US\$50.50 per pound during the 12-month period prior to the date of the Purchase Contract and the average of the month-end spot price during such 12-month period of approximately US\$32.65 per pound represented a discount of approximately 31.15% to the average of the month-end long-term price of approximately US\$47.42 per pound. Having considered that either pricing term with reference to the average spot price or long-term would be used between the Company and the independent third parties in the purchase of Natural Uranium; and (ii) the pricing term using the average spot price as published by UxC and TradeTech would be a more appropriate reference for the transaction under the Purchase Contract than using the average long-term price given the delivery of Natural Uranium would take place by 31 December 2014 and the nominal quantity of Natural Uranium to be delivered under the Purchase Contract is fixed at 588 tons (equivalent to approximately 1.53 million pounds) ( $\pm 1\%$ ), we are of the view that the pricing term using the average spot price conforms to market practices and we are of the view that the pricing term is fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole. The Directors will ensure that the price of Natural Uranium offered by Semizbay-U to the Group shall not be higher than the aforesaid average spot price of the market references.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### *Payment term*

95% of the purchase price payable by the Group for the Natural Uranium shall be settled within 30 calendar days after completion of delivery or such later date as may be agreed between the Group and Semizbay-U at the time of placing order(s) in accordance with the provisional invoices. The difference between 95% of the purchase price and the final price shall be settled by the Group within 30 calendar days from the date of receiving results on the weighting, sampling and analysis, the terms of which are materially the same to the payment terms under the Sample Purchases. Having considered the above and that it is an industry practice of offering a 30 calendar-day credit period to the purchaser upon delivery in trading of Natural Uranium for inspecting, testing and weighing Natural Uranium and that the Company also has a 30 calendar-day credit period when it sells Natural Uranium as a supplier to other customers, we are of the view that the payment term of 30 calendar-day credit period offered to the Company is no less favourable than those available from independent third parties.

In addition, pursuant to Chapter 14A of the Listing Rules, (i) the independent non-executive Directors will review the transactions under the Purchase Contract at the end of its term to confirm, among other things, the transaction terms are on normal commercial terms; and (ii) the auditors will report on the transactions under the Purchase Contract at the end of its term. We are further advised by the management of the Group that the independent non-executive Directors will during the term of the Purchase Contract (i) review the at least three relevant comparable purchases or quotations with its independent third parties and at least three relevant comparable purchases or quotations as obtained from Semizbay-U with its purchasers who are independent third parties; and (ii) assess whether the terms of the transactions under the Purchase Contract are no less favourable than those with independent third parties to perform their aforementioned annual review. Under the Purchase Contract, the Natural Uranium to be delivered thereunder shall meet the specification specified therein, i.e. the ASTM C967-12 Standard and all Natural Uranium concentrates to be delivered thereunder are weighed, sampled, assayed and analyzed in accordance with the technical procedures provided therein. Furthermore, the purchase price will follow the average spot price as published by UxC and TradeTech. In view of (i) the assessment of terms under the Purchase Contract against with an adequate number of comparable purchases with independent third parties by the independent non-executive Directors; (ii) the quality requirement of meeting the industry standard for Natural Uranium; and (iii) all Natural Uranium will be weighed, sampled, assayed and analyzed by the Group before delivery, we consider that the abovementioned internal control procedures are sufficient to ensure the transactions will be conducted on normal commercial terms or on terms not less favourable than terms available to independent parties.

Having considered that (i) the terms and conditions of the Purchase Contract were determined after arm's length negotiations between the parties thereto; (ii) the pricing term for Natural Uranium under the Purchase Contract is normal commercial term, which is based on industry recognized references for market pricing and should reflect the

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

market price of Natural Uranium and conforms to market practices; (iii) the price of Natural Uranium is set at a discount of 2% to the average uranium spot prices as published by TradeTech and UxC, which the setting of a discount to the average international uranium spot price index is more favourable to the Company than those offered by independent third parties; and (iv) with the adequate internal control measures of the Group, the terms of the transactions under the Purchase Contract shall be no less favourable than those with independent third parties, we are of the view that the terms of the Purchase Contract 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.

### 3. Annual Cap Amount

The following table sets out the proposed Annual Cap Amount in respect of the purchase of Natural Uranium contemplated under the Purchase Contract for the year ending 31 December 2014:

**For the year ending 31 December 2014**

US\$65,000,000 (equivalent to approximately HK\$507,000,000)

In assessing the fairness and reasonableness of the Annual Cap Amount, we have discussed with the management of the Company regarding the basis of determining the Annual Cap Amount and understood that in determining the Annual Cap Amount, the Company has taken into account (i) the expected demand of Natural Uranium of the Group and its end customers; and (ii) historical prices and possible price fluctuations in Natural Uranium. We have also performed researches on the nuclear industry in respect of its future prospects and the trend of the price and demand of Natural Uranium and the analysis on the latest uranium trading business development of the Group, which we consider to be the important variables and parameters in deriving the Annual Cap Amounts.

As noted from 核安全與放射性污染防治“十二五”規劃及2020年遠景目標 (the Twelfth Five-Year Plan for Nuclear Safety and Radioactive Pollution Prevention and Vision for 2020) approved by the PRC State Council in October 2012, following the nuclear crisis in Japan in March 2011, the PRC government intends to increase the national nuclear safety standards in the coming three years and the investments in relation to such nuclear safety projects is estimated to be RMB79.8 billion. As further addressed in 核電中長期發展計劃 (the Medium and Long Term Development Plan of Nuclear Electricity) issued by 國家發展和改革委員會 (National Development and Reform Commission) for the period from 2005 to 2020, the PRC government plans to grow its nuclear electricity industry by implementing different policies and plans including but not limited to the offer of taxation and investment incentives for attracting private business investment and the setting-up of state-owned nuclear research centers for enhancing the corporate nuclear technology in the PRC. In view of the projection on the nuclear electricity production of the PRC with a year-on-year growth of approximately 29.9%

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

from 2010 to 2015 according to the Twelfth Five-Year Plan released by the National People's Congress of the PRC and the abovementioned governmental policies towards the nuclear industry, which would help boosting the growth of nuclear electricity, it is anticipated that the nuclear power industry in the PRC, in which the end customers of the Group are engaged, would be expanding in the future, leading to the potential growth in the demand of Natural Uranium of the Group to cater for its customers' needs.

On 15 October 2013, a framework agreement was entered into between the Company and CGNPC-URC, pursuant to which CGNPC-URC has agreed to purchase Natural Uranium from the Company on behalf of its end users for a term of three years. CGNPC-URC is the sole natural uranium supplier of CGNPC and CGNPC-URC shall exclusively source from the Group the entire amount of Natural Uranium demanded by its certain end users during the term. Given (i) the large-scale operation of the CGNPC Group in the PRC which has three operating nuclear stations and five nuclear stations under construction for the production of nuclear energy in the PRC; (ii) CGNPC-URC is the sole natural uranium supplier of CGNPC, which acts as the only trading arm of nuclear fuels and natural uranium of the CGNPC Group; (iii) the proposed annual cap for the year ended 31 December 2014 in respect of the sale of natural uranium by the Group to CGNPC-URC which was approved by the then independent Shareholders amounted to HK\$3,463.2 million, which is significantly higher than the Annual Cap Amount; and (iv) the Annual Cap Amount is determined with reference to, among others the maximum quantity of 588 ( $\pm 1\%$ ) tons that the Company could purchase from Semizbay-U as designated by CGNPC-URC according to the Off-take Agreement, we are of the view that the setting of the Annual Cap Amount would help to cater the demand of Natural Uranium from CGNPC-URC under the aforesaid framework agreement.

On the other hand, the price of Natural Uranium has been declining in recent years. Based on the industry prices calculated based on the average month-end prices published by UxC and TradeTech, despite the rapid increase in uranium price from approximately US\$40.75 per pound in May 2010 to approximately US\$72.63 per pound in January 2011, the uranium price dropped significantly following such surge and was on a decreasing trend in general, which is mainly attributable to the drop in demand of uranium due to the nuclear incident in Fukushima happened in March 2011 leading to the shutdown of Japanese reactors and concern over nuclear energy that resulted in temporary slowdown in nuclear power projects worldwide and the uranium price recorded the 5-year lowest of US\$28.23 per pound in June 2014. The latest weekly uranium price recorded by UxC as at 22 September 2014 was US\$36.50 per pound while that recorded by TradeTech as at 12 September 2014 was US\$33.00 per pound, which increased slightly as compared to that recorded in June 2014. As such, we concur with the Directors' view that the price of natural uranium may fluctuate given the historical trend as demonstrated above. According to the uranium price forecast from five banks compiled by Bloomberg ([www.bloomberg.com](http://www.bloomberg.com)), including Bank of America Merrill Lynch and Toronto-Dominion Bank, price of Natural Uranium may average US\$48.3 in the fourth quarter of 2014. Taking into account that (i) the estimated uranium price used in deriving the Annual Cap Amount is lower than the aforesaid average uranium price forecast in the fourth quarter

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

of 2014 being the period where the delivery of Natural Uranium under the Purchase Contract is expected to take place; and (ii) the possible fluctuation in the historical price of Natural Uranium, we concur with the Directors' view that in the absence of unforeseeable circumstances, the future price of Natural Uranium will remain stable subject to normal market fluctuations and are of the view that the Annual Cap Amount taken into such estimation is fair and reasonable.

While the Group recorded a decrease in turnover for the year ended 31 December 2013 as compared to the previous year which was primarily attributable to the decrease in the income generated from the natural uranium trading business, it is noted that the revenue from the same business segment for the six months ended 30 June 2014 increased to approximately HK\$371.4 million by approximately 25.98% as compared with the corresponding period. As mentioned in the Interim Report 2014, it has been the Group's intention to expand its natural uranium trading, with a view to becoming one of the major suppliers of natural uranium in the world. We also noted that the total Natural Uranium purchased by the Group for the year ended 31 December 2013 was approximately 644 tons and the amount was approximately US\$77 million, and for the first eight months of 2014 was approximately 361 tons and the amount was approximately US\$54.5 million. Based on the actual purchased quantity of approximately 361 tons and the quantity to be purchased under the Purchase Contract of approximately 588 tons, it is estimated that the aggregated quantity of Natural Uranium to be purchased by the Group for the year ending 31 December 2014 would amount to a maximum of approximately 949 tons, which represented 1.47 times as compared to that of the previous year and in our view is justifiable given the optimistic future prospect of nuclear electricity and the rising demand of Natural Uranium of the Group's customers as analysed above. Having considered (i) the projection on the nuclear electricity production by the PRC government which represents a year-on-year growth of approximately 29.9% in the PRC and implementation of positive policies and plans towards the nuclear industry, as well as the anticipated rise in demand of Natural Uranium of the Group to cater for its needs of its customers including but not limited to CGNPC-URC; (ii) the historical price trend and the possible price fluctuations of Natural Uranium; and (iii) the growth in the sales of the Group from its uranium trading business and its continuous effort on the development of its natural uranium operation and the exploration to broaden the revenue base as evidenced by the income growth in the natural uranium trading business for the six months ended 30 June 2014, we are of the view that the Annual Cap Amount are fair and reasonable so far as the Independent Shareholders are concerned.

However, Shareholders should note that as the Annual Cap Amount 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 2014, they do not represent forecasts of revenue to be generated from the operations 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 Cap Amount.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### 4. Annual review of the transactions

The Annual Cap Amount 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 transaction is conducted in accordance with their terms and that the Annual Cap Amount 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 Purchase Contract 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 Purchase Contract and the proposed Annual Cap Amount 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 Purchase Contract.

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***

<b>Name of Director</b>	<b>Capacity</b>	<b>Number of Shares held</b>	<b>Approximate percentage of the total issued share capital of the Company</b>
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 2013, 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;
- (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; and
- (iv) save as disclosed below, no other Directors are directors or employees of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provision of Division 2 and 3 of Part XV of the SFO:

<b>Name of Directors</b>	<b>Company</b>	<b>Titles</b>
Yu Zhiping	CGNPC-URC	President and Director
He Zuyuan	CGNPC-URC	Vice President
Zhou Zhenxing	CGNPC-URC	Chairman
Chen Qiming	CGNPC-URC	Director
	CGNPC	General Manager of Capital Operation Department
	Silver Grant International Industries Limited	Non-executive director
Yin Engang	CGNPC-URC	Director
	CGNPC	General Manager of Financial Department
Huang Jianming	Perfect Develop Holding Inc.	Director

*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 Holding Inc.	Beneficial owner	463,476,940 (L)	13.91%
		225,000,000 (S) (Note 1)	6.75%
China Uranium Development	Beneficial owner	4,503,695,652 (L)	135.14%
		550,354,609 (S) (Notes 4 & 5)	16.51%
CGNPC-URC	Interest in a controlled corporation	4,503,695,652 (L)	135.14%
		550,354,609 (S) (Notes 2 & 4)	16.51%
CGNPC	Interest in a controlled corporation	4,503,695,652 (L)	135.14%
		550,354,609 (S) (Notes 3 & 4)	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. Please refer to the announcement of the Company dated 18 February 2014 for further details of the Supplemental Deed.
- CGNPC-URC holds 100% of the issued share capital of China Uranium Development. Therefore, it is deemed to be interested in 4,503,695,652 Shares by virtue of its shareholding of China Uranium Development.

3. CGNPC (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.
4. 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\$600.00 million 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 remaining 225,000,000 Shares held under the Share Charge as stated in Note 1 above.
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 exercises 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

Save as previously disclosed, 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 2013, 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 any member of the Group 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, none of the members of the Group 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 have given opinions or advices in this circular:

<b>Name</b>	<b>Qualification</b>
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, the expert 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, the expert 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 2013, the date of 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 they respectively appear.

## 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 head office and principal place of business of the 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, which 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 Ms. Zheng Xiaowei and Ms. Lai Siu Kuen.
- (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 2013, the date to which the latest published audited financial statements of the Group were made up.

**10. 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 the date of the EGM and will also be available for inspection at the EGM:

- (a) the Purchase Contract to be entered into between the Company and Semizbay-U;
- (b) the memorandum and articles of association of the Company;
- (c) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 11 of this circular;
- (d) 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 pages 12 to 22 of this circular;
- (e) the written consent referred to in the section headed “Expert and Consent” in this Appendix;
- (f) this circular; and
- (g) the annual reports of Group for the financial years ended 31 December 2011, 2012 and 2013 respectively.

---

## NOTICE OF EGM

---



**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting (the “EGM”) of CGN Mining Company Limited (the “Company”) will be held at Boardroom 8, Lower Lobby, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong at 10:30 a.m. on 16 October 2014 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 purchase agreement (the “**Purchase Contract**”) to be entered into within seven working days after passing this resolution between the Company and Semizbay-U Limited Liability Partnership (“**Semizbay-U**”) in relation to, among others, the purchase of natural uranium by the Group from Semizbay-U (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 (including but not limited to the Purchase Contract) which they consider necessary, desirable or expedient for the implementation of and giving effect to the Purchase Contract and the transactions contemplated thereunder, including the proposed annual cap amount under the Purchase Contract; 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 Purchase Contract and the transactions contemplated thereunder as he/they may in his/their absolute discretion consider necessary, desirable or expedient to give effect to the Purchase Contract 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**  
**Zhou Zhenxing**  
*Chairman*

Hong Kong, 29 September 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 authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised 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 Hong Kong branch share registrar and transfer office, 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.