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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1164)**

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

On 22 January 2014 (after trading hours), the Company and Huasheng entered into the conditional Framework Agreement 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 this 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.

A circular containing, among others, (1) a letter from the Board containing further details of the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps); (2) a letter from the Independent Board Committee setting out its recommendation in relation to the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps); (3) a letter from Goldin Financial setting out its advices to the Independent Board Committee and the Independent Shareholders; and (4) a notice of the EGM will be despatched to the Shareholders as soon as practicable within 15 business days of this announcement.

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## **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.

### **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.

### **Intra-group Financial Services**

Pursuant to the Framework Agreement, the 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.

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.

### **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 for the three financial years ending 31 December 2016 are set out below:

<b>For the year ending 31 December 2014</b>	<b>For the year ending 31 December 2015</b>	<b>For the year ending 31 December 2016</b>
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.

### **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.

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.

### **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.

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 (excluding the independent non-executive Directors whose view will be set out in the circular after taking into consideration of the advices of the Independent Financial Advisor) 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.

### **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.

An EGM will be convened and held for the Independent Shareholders to approve the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps). 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 (including the intra-group financial services and the Annual Caps) at the EGM.

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.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders regarding 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 as to the fairness and reasonableness of the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps).

A circular containing, among others, (1) a letter from the Board containing further details of the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps); (2) a letter from the Independent Board Committee setting out its recommendation in relation to the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps); (3) a letter from Goldin Financial setting out its advices to the Independent Board Committee and the Independent Shareholders; and (4) a notice of the EGM will be despatched to the Shareholders as soon as practicable within 15 business days of this announcement.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

<b>“associates”</b>	has the meaning ascribed to this term under the Listing Rules
<b>“Board”</b>	the board of Directors
<b>“CGNPC”</b>	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
<b>“CGNPC Group”</b>	CGNPC and its subsidiaries
<b>“CGNPC-URC”</b>	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
<b>“China Uranium Development”</b>	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 this announcement

<b>“Company”</b>	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
<b>“Controlling Shareholder”</b>	has the meaning ascribed to this term under the Listing Rules
<b>“connected person(s)”</b>	has the meaning ascribed to this term under the Listing Rules
<b>“Directors”</b>	directors of the Company
<b>“EGM”</b>	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)
<b>“Framework Agreement”</b>	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
<b>“Group” or “CGN Mining Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Huasheng”</b>	CGNPC Huasheng Investment Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of CGNPC
<b>“Independent Board Committee”</b>	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 transactions contemplated thereunder (including the intra-group financial services and the Annual Caps)
<b>“Independent Financial Adviser” or “Goldin Financial”</b>	Goldin Financial Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Framework Agreement and the transactions contemplated thereunder (including the intra-group financial services and the Annual Caps)
<b>“Independent Shareholders”</b>	Shareholders other than China Uranium Development and its associates
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange



“PRC”	the People’s Republic of China
“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 this term under the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 22 January 2014

*As at the date of this announcement, the board of Directors of the Company comprises two executive Directors: Mr. Yu Zhiping (chief executive officer) and Mr. He Zuyuan, four non-executive Directors: Mr. Zhou Zhenxing (chairman), Mr. Chen Qiming, Mr. Xing Jianhua and Mr. Huang Jianming, and three independent non-executive Directors: Mr. Ling Bing, Mr. Qiu Xianhong and Mr. Huang Jinsong.*

\* *for identification purpose only*