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中廣核礦業有限公司*
CGN Mining Company Limited

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

**ANNOUNCEMENT
DISCLOSEABLE TRANSACTION:
DISPOSAL OF THE ENTIRE INTEREST IN YUGOFOIL HOLDINGS LIMITED**

SP AGREEMENT

After trading hours on 25 March 2015, (a) the Company as the vendor and Bright Future as the Purchaser entered into the SP Agreement, pursuant to which (i) the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire, the entire issued share capital of the Target Company; and (ii) the Company has agreed to assign and the Purchaser has agreed to accept the assignment of the interests in the Sale Loan at an aggregate cash consideration of HK\$101,250,000. (b) To secure the payment obligation of the Purchaser under the SP Agreement, the Guarantor entered into the Deed of Guarantee in favour of the Company.

As at the date of the SP Agreement, the Target Company was wholly-owned by the Company.

Immediately after Completion, the Target Company will cease to be a subsidiary of the Company and the Company will cease to have any interest in the Target Company Group.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios as defined under the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

SP AGREEMENT

The Board announces that, after trading hours on 25 March 2015, the Company as the vendor and Bright Future as the Purchaser entered into the SP Agreement, pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire, the entire issued share capital of the Target Company and the Company has agreed to assign and the Purchaser has agreed to accept

the assignment the interests in the Sale Loan to the Purchaser, at an aggregate cash consideration of HK\$101,250,000.

Major terms of the SP Agreement are set out below.

Date:

25 March 2015

Parties:

Vendor : The Company

Purchaser : Bright Future, a company incorporated in the BVI with limited liability

To secure the payment of Consideration by the Purchaser, the Guarantor entered into the Deed of Guarantee in favour of the Company on the payment obligation by the Purchaser under the SP Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchaser, the Guarantor and its ultimate beneficial owners is an Independent Third Party.

Assets to be disposed of:

- (1) the Sale Shares, representing the Company's entire holding in the Target Company and also the 100% of the issued share capital of the Target Company; and
- (2) the interests in the Sale Loan, being the entire sum owing by the Target Company to the Company as at the date of the SP Agreement.

Consideration:

The Consideration payable by the Purchaser to the Company for the sale and purchase of the Sale Shares and the interests in the Sale Loan is HK\$101,250,000, of which:

- (a) the consideration of the Sale Shares is HK\$61,250,000; and
- (b) the consideration of the interests in the Sale Loan is HK\$40,000,000.

The Consideration is to be paid by the Purchaser to the Company in the following manner:

- (a) as to HK\$41,250,000 to the Company, within three business days after the signing of the SP Agreement;
- (b) as to HK\$25,000,000 to the Company within 6 months after the Completion Date; and
- (c) as to HK\$35,000,000 to the Company within 12 months after the Completion Date.

The Consideration was determined after arm's length negotiations between the Company and the Purchaser by taking into account the net assets value of the Target Company Group pursuant to the valuation report issued by Avista Group, an independent property valuer, dated 3 November 2014. According to the valuation report, the net asset value of the Target Company Group as of 30 September 2014 was approximately HK\$60,977,000.

Completion

Completion will take place on the Completion Date.

It is expected that the Company will record gain of HK\$10,086,000, as a result of the Disposal which represents the difference between the consideration to be received by the Company from the Disposal after the estimated expenses to be incurred for the Disposal and the aggregate amount of net assets and the face value of the interests in the Sale Loan. The actual gain or loss in connection with the Disposal will be assessed after Completion and is subject to audit.

It is expected that the Company will receive a net proceeds of approximately HK\$100,237,000 from the Disposal. The Company intends to use the proceeds from the Disposal as general working capital of the Group.

Immediately after Completion, the Target Company will cease to be a subsidiary of the Company and the Company will cease to have any interest in the Target Company Group.

INFORMATION OF THE TARGET COMPANY GROUP

The Target Company is a company incorporated under the laws of the British Virgin Islands with limited liability. The Company holds the entire interest of the Target Company Group which are principally engaged in the pharmaceutical and property investment business.

The audited total assets value and the net assets value of the Target Company Group as at 31 December 2013 are approximately HK\$198,896,000 and approximately HK\$154,748,000, respectively. The audited financial information of the Target Company Group for the two years ended 31 December 2012 and 2013 and the unaudited financial information of the Target Company Group for the six months ended 30 June 2014 are as follows:

| | Year ended 31 December 2012 (audited) <i>HK\$'000</i> | Year ended 31 December 2013 (audited) <i>HK\$'000</i> | For the sixth month ended 30 June 2014 (unaudited) <i>HK\$'000</i> |
|--------------------------|--|--|---|
| Revenue | 64,794 | 53,286 | 38,485 |
| Net loss before taxation | (70,905) | (70,575) | (21,238) |
| Net loss after taxation | (91,381) | (67,102) | (21,238) |

The Target Company has been accounted as a subsidiary of the Company. Upon Completion, the Company will cease to have any interest in the Target Company Group.

INFORMATION OF THE GROUP

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.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in the British Virgin Islands, and is an investment holding company.

INFORMATION OF THE GUARANTOR

The Guarantor is a company incorporated in Hong Kong, and primarily engages in production and sales of medicine products.

REASONS FOR AND BENEFITS OF THE DISPOSAL

To enhance the Company's ability to focus on the investment and trading of natural uranium resources.

The Directors (including the independent non-executive Directors) believe that the terms of the SP Agreement and the Deed of Guarantee are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios as defined under the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

| | |
|-----------------------------------|---|
| “Board” | the board of Directors of the Company |
| “Bright Future” or “Purchaser” | Bright Future Pharmaceutical Holdings Limited, a company incorporated in the British Virgin Islands with limited liability |
| “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 and the vendor of the SP Agreement |
| “Completion” | completion of the Disposal |
| “Completion Date” | on or before 15 April 2015 |
| “Consideration” | the sum of HK\$101,250,000, being the aggregate consideration for the sale and purchase of the Sale Shares and the interests in the Sale Loan |
| “Deed of Guarantee” | the deed of guarantee dated 25 March 2015 entered into by the Guarantor in favour of the Company on the payment obligation of the Purchaser under the SP Agreement |
| “Directors” | directors of the Company |
| “Disposal” | the disposal of the Sale Shares and interests in the Sale Loan under the SP Agreement |
| “Guarantor” | Bright Future Pharmaceutical Laboratories Limited (澳美製藥廠有限公司), a company incorporated in Hong Kong with limited liability, which, pursuant to the Deed of Guarantee, agrees to provide guarantee in favor of the Company for the Purchaser’s duly performance of its payment obligation of the Consideration under the SP Agreement |
| “Group” | the Company and its subsidiaries |

| | |
|---------------------------|--|
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Independent Third Party” | any person or company 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 the Company and its connected persons (as defined in the Listing Rules) |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China |
| “Sale Loan” | the sum of debt owing to the Company by the Target Company as at the signing of the SP Agreement with an amount of HK\$40,000,000 |
| “Sale Shares” | 50,000 issued shares of US\$1.00 each, representing the entire issued share capital of the Target Company |
| “Shareholders” | shareholder(s) of the Company |
| “SP Agreement” | the sale and purchase agreement dated 25 March 2015 entered into between the Company and the Purchaser in relation to the Disposal |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | Yugofoil Holdings Limited, a company incorporated in the British Virgin Islands with limited liability |
| “Target Company Group” | Target Company and its subsidiaries |
| “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, 25 March 2015

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. Yin Engang and Mr. Huang Jianming, and three independent non-executive Directors: Mr. Lee Kwok Tung Louis, Mr. Qiu Xianhong and Mr. Gao Pei Ji.

* For identification purpose only