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中广核矿业有限公司\*  
CGN Mining Company Limited

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

**(Stock Code: 01164)**

## **FURTHER INFORMATION ON THE CONTINUING CONNECTED TRANSACTION IN RELATION TO TENANCY AGREEMENT**

Reference is made to the announcement of the Company dated 9 May 2019 (the “**Announcement**”) in relation to the Tenancy Agreement which constitutes a continuing connected transaction of the Company. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board would like to provide further information to its shareholders and potential investors on the Tenancy Agreement.

### **RENT PAYMENT AND PROPOSED ANNUAL CAP**

As disclosed in the Announcement, the rent payable by CGNPC-URC to Beijing Sino-Kazakh for the entire tenancy term is RMB9,000,000 (tax inclusive). Pursuant to the term of the Tenancy Agreement, the annual rent is RMB3,000,000 (tax inclusive) and shall be settled by CGNPC-URC through bank transfer in the amount of RMB1,500,000 twice a year on or before 30 May and 30 October, respectively, during the term of the Tenancy Agreement. The rent received under the Tenancy Agreement will be used as the general working capital of the Group.

The proposed annual cap of RMB3,000,000 for the transaction under the Tenancy Agreement was determined based on the aforementioned annual rent which in turn was determined with reference to, among other things, (i) the current market rentals and management fees payable for similar properties; and (ii) the demand and supply of similar properties on the market.

### **REASONS FOR AND BENEFITS OF ENTERING INTO OF THE TENANCY AGREEMENT**

Prior to the commencement of the term of the Tenancy Agreement, half of the Premises was rented out, the term of which ended prior to the commencement of the term of the Tenancy Agreement, and the other half of the Premises was vacant.

The Board considers that entering into the Tenancy Agreement allows the Company to better utilise its properties and provides a stable cash flow to the Group during the term of the Tenancy Agreement. In addition, by leasing the Premises to CGNPC-URC, the Group may save the agency fees required in procuring a third party tenant and the administrative costs in evaluating the suitability of potential tenants.

## **INTERESTS OF DIRECTORS AND ABSTAIN FROM VOTING**

As each of Mr. Yu Zhiping, Mr. An Junjing, Mr. Chen Deshao and Mr. Yin Xiong is a director or holds a managerial position in CGNPC-URC, each of Mr. Yu Zhiping, Mr. An Junjing, Mr. Chen Deshao and Mr. Yin Xiong is considered to have a material interest in the Tenancy Agreement and has abstained from voting on the relevant board resolutions approving the Tenancy Agreement.

Save as Mr. Yu Zhiping, Mr. An Junjing, Mr. Chen Deshao and Mr. Yin Xiong, none of the Directors have a material interest in the Tenancy Agreement.

By order of the Board  
**CGN Mining Company Limited**  
**An Junjing**  
*Chief Executive Officer*

Hong Kong, 24 May 2019

*As at the date of this announcement, the Board comprises two executive Directors: Mr. An Junjing (chief executive officer) and Mr. Chen Deshao; three non-executive Directors: Mr. Yu Zhiping (chairman), Mr. Sun Xu and Mr. Yin Xiong; and three independent non-executive Directors: Mr. Qiu Xianhong, Mr. Gao Pei Ji and Mr. Lee Kwok Tung Louis.*

\* *For identification purpose only*