



SE Overseas
HD Hopu Investment Buys 15% of Australia's Paladin **Energy**
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Hopu Investment Management Co. Ltd (厚樸投資管理有限公司), a private **equity** group based in **China**, has agreed to buy a 15% **stake** in the Australian **uranium** miner Paladin **Energy**.

Hopu Clean **Energy** will subscribe to 144.9 **million** new shares issued by the **company** at A\$0.42 apiece, a 11% premium to Paladin's last closing price, for a total consideration of A\$61 **million**.

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The Foreign Investment Review Board has approved the deal, allowing Hopu to take up to 19.99% in the **uranium** miner.

Paladin is also raising US\$144 **million** in a rights issue. The combined raising plus **Chinese** investment funds will be used to pay down Paladin's convertible **bonds**.

John Borshoff, Paladin's CEO, says Hopu's investment increases Paladin's funding options. "HOPU's investment demonstrates its confidence in the **uranium** industry and its understanding of Paladin's unique positioning in the **uranium** sector," he says.

Borshoff says the **uranium** market is clearly recovering from its post Fukushima malaise. He says Paladin is well situated to benefit from any upturn. The **uranium** spot price has recovered from a low of US\$28 per pound to a recent high of US\$44 per pound.

Paladin believes **uranium** is set for a long period of price strength with **China** confirming its strong commitment to its reactor fleet over the next 30 years. Paladin has been in a trading halt but the shares last traded at US\$0.38.

Hopu was set up in 2007 by FANG Fenglei (方風雷) and Richard Ong (王忠信), now of RRJ Management, and they raised a debut fund of US\$2.5 **billion**. The **firm** made a string of high-profile investments but disbanded in late 2010 amid reports that the two principals could not get along. Fang is now raising US\$2 **billion** for a second fund, which announced a first close of US\$1.1 **billion** earlier this year. Hopu is described as having strong relationships with sovereign wealth funds and institutional investors in Asia Pacific, the Americas, Europe and the Middle East. It is also said to have considerable state-owned enterprise backing in **China**.

Hopu's Recent Overseas Deals 1. In May this year, Hopu teamed up with Baikal **Mining** (BMC) of Russia to jointly develop the Udokan (烏多坎) project, the largest deposit of **copper** in Russia and among the largest in the world. The agreement allows Hopu to acquire a minority share in the project by the end of 2014. 2. Hopu acquired a minority position in an agribusiness joint venture being set up by COFCO Corporation and Noble Group. 3. Hopu participated in a consortium that pumped US\$2.5 **billion** into Global Logistic Properties (GLP), a Singapore-listed warehouse operator with interests in **China**, Japan and Brazil.

CO hopuim : Hopu Investment Management Co Ltd | palrs : Paladin Energy Limited

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