

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



CHINA YUNNAN TIN MINERALS GROUP COMPANY LIMITED

中國雲錫礦業集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 263)

**PLACING OF EXISTING SHARES AND
SUBSCRIPTION OF NEW SHARES
CONNECTED TRANSACTION
AND
RESUMPTION OF TRADING**

Placing Agent

CHEONG LEE SECURITIES LIMITED

On 19th May, 2009, the Vendor entered into (i) the Placing Agreement with the Placing Agent and the Company; and (ii) the Subscription Agreement with the Company. Pursuant to the Placing Agreement, the Placing Agent has agreed to place, on a best effort basis, to not less than six independent Places for up to 600,000,000 existing Shares at a price of HK\$0.27 per Placing Share, for and on behalf of the Vendor. Pursuant to the Subscription Agreement, the Vendor has conditionally agreed to subscribe for such number of new Shares as is equal to the number of Placing Shares successfully placed by the Placing Agent at a price of HK\$0.27 per Subscription Share.

The Placing is unconditional, but the completion of Subscription is subject to (i) the completion of the Placing; and (ii) the Listing Division of the Stock Exchange granting or agreeing to grant the listing of and permission to deal in the Subscription Shares. If such conditions are not fulfilled, the Subscription will not proceed.

The maximum number of 600,000,000 Placing Shares represents approximately 18.99% of the entire issued share capital of the Company of 3,160,082,800 Shares as at the date of this announcement and approximately 15.96% of the Company's entire issued share capital as enlarged by the Subscription. The net proceeds from the Subscription of approximately HK\$157.8 million (assuming the Placing Shares are fully placed and after all relevant expenses) will be used for general working capital.

The ultimate beneficial owner of the Placing Agent is an associate of a former director of the Company within the preceding 12 months, and is therefore a connected person of the Company within the meaning of Rule 14A.11 of the Listing Rules. The Placing therefore is a connected transaction for the Company under Chapter 14A of the Listing Rules. As the relevant percentages under Rule 14.07 of the Listing Rules is less than 2.5%, the Placing is subject only to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

At the request of the Company, trading of the Shares have been suspended on the Stock Exchange from 2:30 p.m. on 19th May, 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares with effect from 9:30 a.m. on 21st May, 2009.

THE PLACING AGREEMENT

- Date: 19th May, 2009
- Vendor: Oriental Genesis Limited, which is indirectly wholly-owned by Mr. Suen Cho Hung, Paul, an executive director and the Chairman of the Company. The Vendor is beneficially interested in 600,000,000 Shares, representing approximately 18.99% of the entire issued share capital of the Company as at the date of this announcement.
- Placing Agent: Cheong Lee Securities Limited. The ultimate beneficial owner of the Placing Agent, Ms. Au Suet Ming Clarea, is an associate of Mr. Lee Yuk Lun, a former director of the Company within the preceding 12 months, and is therefore a connected person of the Company.
- Placees: The Placing Shares will be placed to not less than six Placees (who will be independent individual, corporate and/or institutional investors) and their ultimate beneficial owners will be Independent Third Parties. It is expected that no Placee will become a substantial Shareholder (as such term is defined in the Listing Rules) immediately following completion of the Placing and the Subscription.
- Number of Placing Shares: Up to 600,000,000 existing Shares, to be placed by the Placing Agent on a best effort basis, on behalf of the Vendor. Assuming the Placing Shares are fully placed, the Placing Shares represents approximately 18.99% of the entire issued share capital of the Company of 3,160,082,800 Shares as at the date of this announcement and approximately 15.96% of the Company's entire issued share capital as enlarged by the Subscription.

Placing Price: HK\$0.27 per Placing Share. The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to, among other things, the recent trading price of the Shares on the Stock Exchange. The Placing Price represents:

- (a) a discount of approximately 6.90% to the closing price of HK\$0.290 per Share as quoted on the Stock Exchange on the full trading day of the Shares immediately before 19th May, 2009, being the date of the Placing Agreement;
- (b) a discount of approximately 4.93% to the average closing price of approximately HK\$0.284 per Share as quoted on the Stock Exchange for the last 5 full trading days of the Shares immediately before 19th May, 2009, being the date of the Placing Agreement; and
- (c) a premium of approximately 5.06% to the average closing price of approximately HK\$0.257 per Share as quoted on the Stock Exchange for the last 10 full trading days of the Shares immediately before 19th May, 2009, being the date of the Placing Agreement.

Placing Commission: The Placing Agent will receive a placing commission of 2% on the gross proceeds of the Placing. Assuming that the Placing Shares are fully placed, the Placing Agent will receive a placing commission of HK\$3,240,000.

Completion of the Placing: The Placing is unconditional and completion of the Placing is expected to take place on or before 2nd June, 2009 (or such other time or date as the Vendor and the Placing Agent may agree in writing).

THE SUBSCRIPTION AGREEMENT:

Date:	19th May, 2009
Subscriber:	The Vendor
Number of Subscription Shares:	The Company will issue such number of new Shares to the Vendor as is equal to the number of Placing Shares successfully placed by the Placing Agent pursuant to the Placing. Assuming the Placing Shares are fully placed, the Company will issue 600,000,000 Subscription Shares to the Vendor, representing approximately 18.99% of the entire issued share capital of the Company of 3,160,082,800 Shares as at the date of this announcement and approximately 15.96% of the Company's entire issued share capital as enlarged by the Subscription. The nominal value of the Subscription Shares is HK\$60,000,000.
Subscription Price:	HK\$0.27 per Subscription Share. Subject to the Subscription being completed, the Company will bear the costs and expenses in connection with the Placing and the net proceeds from the Subscription is estimated to be approximately HK\$157.8 million (assuming the Placing Shares are fully placed). As a result, the net price per Subscription Share will be approximately HK\$0.263.
General Mandate:	The Subscription Shares will be issued pursuant to the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the Company's annual general meeting held on 30th June, 2008 for up to 682,016,560 Shares. As at the date of this announcement, no Share has been issued pursuant to the general mandate.
Ranking of Subscription Shares:	The Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of issue and allotment of the Subscription Shares.

Conditions to the Subscription: The Subscription is conditional upon the following conditions:

- (a) the listing of and permission to deal in all the Subscription Shares being granted by the Listing Division of the Stock Exchange; and
- (b) completion of the Placing having occurred pursuant to the terms of the Placing Agreement.

Application will be made to the Stock Exchange to grant approval for the listing of and permission to deal in the Subscription Shares.

Completion of the Subscription:

Subject to the satisfaction of all the conditions set out above, the Subscription is expected to be completed within fourteen days from the date of the Subscription Agreement, i.e. 2nd June, 2009 or such later time and/or such other date as the Vendor and the Company may agree in writing. If the Subscription is to be completed after 2nd June, 2009, it will constitute a connected transaction under the Listing Rules and require compliance with all the relevant requirements under Chapter 14A of the Listing Rules, including but not limited to the issue of a separate announcement and approval of the independent Shareholders.

EFFECT OF THE PLACING AND THE SUBSCRIPTION ON SHAREHOLDINGS

The shareholdings in the Company immediately before the completion of the Placing, immediately after completion of the Placing but before completion of the Subscription, and immediately after completion of both Placing and the Subscription are and will be as follows:

Shareholders	Immediately before Placing and Subscription		Immediately after Placing but before Subscription		Immediately after Placing and Subscription	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Suen Cho Hung, Paul (<i>note 1</i>)	749,063,096	23.70	149,063,096	4.71	749,063,096	19.92
Chen Shuda (<i>note 2</i>)	301,440,000	9.54	301,440,000	9.54	301,440,000	8.02
雲南錫業集團(控股)有限 責任公司 (literally translated as Yunnan Tin Group (Holding) Co Limited) (<i>note 3</i>)	200,000,000	6.33	200,000,000	6.33	200,000,000	5.32
Public Shareholders	1,909,579,704	60.43	1,909,579,704	60.43	1,909,579,704	50.78
Places	0	0.00	600,000,000	18.99	600,000,000	15.96
Total	<u>3,160,082,800</u>	<u>100.00</u>	<u>3,160,082,800</u>	<u>100.00</u>	<u>3,760,082,800</u>	<u>100.00</u>

Notes:

1. Mr. Suen Cho Hung, Paul (“Mr. Suen”) is deemed to be interested in 749,063,096 Shares of which 5,800,000 Shares are being held by him personally, 600,000,000 Shares and 143,263,096 Shares are being held through the Vendor and Top Media Resources Limited respectively, both of which are indirectly wholly owned by Mr. Suen.
2. Mr. Chen Shuda (“Mr. Chen”) is deemed to be interested in 301,440,000 Shares of which 31,608,000 Shares are being held by him personally and 269,832,000 Shares are being held through Super Union Group Limited which is wholly owned by Mr. Chen.
3. These Shares are beneficially owned by Wise Peace Limited (“Wise Peace”) as to 110,944,444 Shares and Yunnan Tin Australia Investment Holding Company Pty Ltd (“YTA”) as to 89,055,556 Shares. Wise Peace is wholly-owned by YTA and YTA is in turn wholly-owned by Yunnan Tin Group (Holding) Co Limited. Accordingly, Yunnan Tin Group (Holding) Co Limited is deemed to be interested in 200,000,000 Shares under the Securities and Futures Ordinance.

REASONS FOR AND BENEFITS OF THE PLACING AND SUBSCRIPTION AND USE OF THE PROCEEDS

The Group is principally engaged in the business of iron ore trading, provision of finance, brokerage and securities investment and exploitation and sales of minerals.

In view of the current market conditions, the Directors consider that the Placing and the Subscription represent a good opportunity to broaden the shareholders base and capital base of the Company and to raise capital for the Company for its future business developments.

The Directors (including the independent non-executive directors) consider the terms of the Placing Agreement and the Subscription Agreement are on normal commercial terms and in the ordinary and usual course of business of the Company and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company will bear all costs and expenses of approximately HK\$4.2 million in connection with the Placing and the Subscription. The net proceeds of approximately HK\$157.8 million from the Subscription will be used for general working capital.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Group has not conducted any fund raising activities within 12 months immediately before the date of this announcement.

CONNECTED TRANSACTION

The Placing Agent is a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out type 1 (dealing in securities) regulated activity. The ultimate beneficial owner of the Placing Agent, Ms. Au Suet Ming Clarea, is an associate of Mr. Lee Yuk Lun, a former director of the Company within the preceding 12 months, and is therefore a connected person of the Company within the meaning of Rule 14A.11 of the Listing Rules. The Placing therefore is a connected transaction for the Company under Chapter 14A of the Listing Rules.

The Placing Agent will receive a placing commission of 2% on the gross proceeds of the Placing, which was determined after arm's length negotiation between the parties with regard to the prevailing market practice. Assuming that the Placing Shares are fully placed, the Placing Agent will receive a placing commission of HK\$3,240,000 in cash to be deducted from the placing proceeds. As the relevant percentages under Rule 14.07 of the Listing Rules is less than 2.5%, the Placing is subject only to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading of the Shares have been suspended on the Stock Exchange from 2:30 p.m. on 19th May, 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares with effect from 9:30 a.m. on 21st May, 2009.

DEFINITIONS:

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	board of Directors
“Company”	China Yunnan Tin Minerals Group Company Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an independent third party, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, who is not connected with the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee”	any individual, institutional or other professional investor procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares by the Vendor, through the Placing Agent, pursuant to the Placing Agreement
“Placing Agent”	Cheong Lee Securities Limited
“Placing Agreement”	The placing agreement entered into between the Vendor, the Placing Agent and the Company dated 19th May, 2009 in relation to the Placing
“Placing Price”	HK\$0.27 per Placing Share
“Placing Shares”	a maximum of 600,000,000 Shares beneficially owned by the Vendor and to be placed pursuant to the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Subscription Shares by the Vendor pursuant to the Subscription Agreement
“Subscription Agreement”	The conditional subscription agreement entered into between the Company and the Vendor dated 19th May, 2009 in relation to the Subscription

“Subscription Price”	HK\$0.27 per Subscription Share
“Subscription Shares”	Shares to be subscribed by the Vendor pursuant to the Subscription Agreement
“Vendor”	Oriental Genesis Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
China Yunnan Tin Minerals Group Company Limited
Ng Shin Kwan, Christine
Executive Director

Hong Kong, 20th May, 2009

As at the date of this announcement, the Board of Directors of the Company comprises six Executive Directors, namely Mr. Suen Cho Hung, Paul (Chairman), Mr. Sue Ka Lok (Chief Executive Officer), Mr. Gao Wenxiang, Mr. Chen Shuda, Ms. Ng Shin Kwan, Christine and Mr. Cao Jian An and three Independent Non-executive Directors, namely Mr. Sun Ka Ziang, Henry, Mr. Kwok Ming Fai and Dr. Wong Yun Kuen.