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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 NEW SHARES UNDER GENERAL MANDATE

Placing Agent

CHUNG NAM SECURITIES LIMITED

PLACING OF 64,900,000 NEW SHARES UNDER GENERAL MANDATE

The Board announced that on 8 February 2012, after trading hours, the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place a total of 64,900,000 new Shares on a fully underwritten basis, to not less than six Placées, at a price of HK\$0.365 per Placing Share.

The 64,900,000 Placing Shares under the Placing represents approximately 20.00% of the existing issued share capital of the Company of 324,521,327 Shares as at the date of this announcement and approximately 16.67% of the then issued share capital of 389,421,327 Shares as enlarged by the Placing.

The Placing Price of HK\$0.365 per Placing Share represents (i) a discount of approximately 18.89% to the closing price of the Shares of HK\$0.45 quoted on the Stock Exchange on 8 February 2012, being the date of the Placing Agreement and (ii) a discount of approximately 10.76% to the average closing price of the Shares of HK\$0.409 quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 8 February 2012.

The gross proceeds from the Placing will be approximately HK\$23.69 million and the net proceeds from the Placing will be approximately HK\$22.52 million which will be used as general working capital of the Group.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING

The Board announced that on 8 February 2012, after trading hours, the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place 64,900,000 new Shares on a fully underwritten basis, to not less than six Placees, at a price of HK\$0.365 per Placing Share.

THE PLACING AGREEMENT

Date:

8 February 2012

Issuer:

The Company

Placing Agent and Placees:

Chung Nam Securities Limited being the Placing Agent, is a wholly-owned subsidiary of Hennabun Capital Group Limited. The Company is interested in approximately 5.84% of the issued share capital in Hennabun Capital Group Limited. Save as disclosed, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

The Placees, being independent individual, corporation and/or institutional investors, who and whose ultimate beneficial owners will be third parties independent of and not connected with the Company and its connected persons.

The Placing is on a fully underwritten basis. The Placing Shares will be placed to not less than six Placees. It is expected that none of the Placees will become substantial Shareholder immediately after the Placing.

Number of Placing Shares:

The 64,900,000 Placing Shares under the Placing represents approximately 20.00% of the existing issued share capital of the Company of 324,521,327 Shares as at the date of this announcement and approximately 16.67% of the then issued share capital of 389,421,327 Shares as enlarged by the Placing.

Ranking of Placing Shares:

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price:

The Placing Price of HK\$0.365 per Placing Share represents (i) a discount of approximately 18.89% to the closing price of the Shares of HK\$0.45 quoted on the Stock Exchange on 8 February 2012, being the date of the Placing Agreement; and (ii) a discount of approximately 10.76% to the average closing price of the Shares of HK\$0.409 quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 8 February 2012.

The net placing price for the Placing is approximately HK\$0.347 per Share.

The Placing Price was negotiated on arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing Price is fair and reasonable based on current market conditions and is in the interests of the Company and the Shareholders as a whole.

Placing commission payable to the Placing Agent:

The Placing Agent will receive a placing commission calculated as 3% of the amount equal to the Placing Price multiplied by the number of the Placing Shares.

Conditions of the Placing Agreement:

Completion is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares.

The Company and the Placing Agent shall use their respective best endeavours to procure the fulfilment of the conditions and in particular, shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may reasonably be required by each other and/or the Stock Exchange and/or the SFC in connection with the fulfilment of the conditions.

If the conditions are not fulfilled on or prior to 30 March 2012 (or such later date as the Company and the Placing Agent shall agree in writing), the Placing Agreement and all the obligations thereunder will cease and terminate and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

Termination and force majeure events

The Placing Agreement may be terminated by the Placing Agent if at any time prior to 10:00 a.m. on the date of completion for the Placing Agreement, in the absolute opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (i) any material breach of any of the representations and warranties under the Placing Agreement; or
- (ii) any of the following events:
 - (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (d) a change or development involving a prospective change in taxation in Hong Kong or the People's Republic of China or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
 - (e) any change or deterioration in the conditions of local, national or international securities markets occurs.

General Mandate:

The Placing Shares will be issued under the General Mandate.

Up to the date of this announcement, no new Shares have been issued under the General Mandate.

Completion:

Completion of the Placing shall take place on the second Business Day upon the fulfillment of the conditions of the Placing (or such other time or date as the Company and the Placing Agent shall agree in writing).

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the trading of iron ore, provision of finance, brokerage and securities investment, and exploitation and sales of minerals. The gross proceeds from the Placing will be HK\$23.69 million and the net proceeds from the Placing (after deducting the placing commission for the Placing and other expenses) of approximately HK\$22.52 million will be used as general working capital of the Group.

The Directors have considered different types of fund raising arrangement such as rights issue and open offer and the Directors consider that the Placing is the most efficient way in terms of cost and time involved for the Company. In the meantime, the Company can take this opportunity to broaden the capital base and shareholders base of the Company. Accordingly, the Board considers that the terms of the Placing is fair reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
30 May 2011	Placing of 1,081,737,759 new shares on a best effort basis, at a price of HK\$0.062 per placing share	Approximately HK\$65.14 million	For the general working capital of the Group	Approximately HK\$23.82 million was used as intended for the general working capital of the Group and the remaining balance has been maintained at bank

SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing are set out as below, for illustration purposes:

	As at the date of this announcement		Upon completion of the Placing	
	No. of Shares	Approximately %	No. of Shares	Approximately %
Substantial Shareholders				
Suen Cho Hung, Paul and his associates	27,000,000	8.32	27,000,000	6.93
Directors				
Chen Shuda (<i>Note 1</i>)	848,960	0.26	848,960	0.22
Sun Ka Ziang, Henry (<i>Note 2</i>)	1,000	0.00	1,000	0.00
Wong Yun Kuen (<i>Note 2</i>)	9,000	0.00	9,000	0.00
Public Shareholders				
Placeses	—	—	64,900,000	16.67
Other public Shareholders	<u>296,662,367</u>	<u>91.42</u>	<u>296,662,367</u>	<u>76.18</u>
Total	<u>324,521,327</u>	<u>100.00</u>	<u>389,421,327</u>	<u>100.00</u>

Notes:

1. Mr. Chen Shuda is the executive Director.
2. Mr. Sun Ka Ziang, Henry and Dr. Wong Yun Kuen are the independent non-executive Directors.

DEFINITIONS

In this announcement, the following terms shall have the meanings set opposite them unless the context otherwise requires:

“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“Capital Reorganisation”	share consolidation of every 20 issued and unissued then shares into 1 Share and capital reduction of the Company’s share capital by cancelling the issued and paid-up capital to the extent of HK\$0.99 on each of the Shares in issue, details as disclosed in the Company’s announcement and circular dated 18 November 2011 and 5 December 2011 respectively

“Company”	China Yunnan Tin Minerals Group Company Limited (Stock Code: 263), a company incorporated in Hong Kong with limited liability and the shares of which are listed on main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting to allot and issue and deal with 20% of the then issued share capital of the Company as at the date of the annual general meeting, representing 64,904,265 Shares after adjusted for the effect of the Capital Reorganisation
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any individual, corporation and/or institutional investors procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of 64,900,000 new Shares on a fully underwritten basis by the Placing Agent at the Placing Price pursuant to the Placing Agreement
“Placing Agent”	Chung Nam Securities Limited, a licensed corporation within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement entered into between the Placing Agent and the Company dated 8 February 2012 in respect of the Placing
“Placing Price”	HK\$0.365 per Share
“Placing Share(s)”	64,900,000 new Shares to be placed under the Placing
“SFC”	Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company

“Stock Exchange” The Stock Exchange of Hong Kong 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, 8 February 2012

As at the date of this announcement, the Board comprises six Executive Directors, namely Dr. Zhang Guoqing (Chairman), Mr. Chen Shuda, Ms. Ng Shin Kwan, Christine, Mr. Lee Jalen, Mr. Chan Ah Fei and Mr. Lee Yuk Fat and three Independent Non-executive Directors, namely Mr. Sun Ka Ziang Henry, Mr. Kwok Ming Fai and Dr. Wong Yun Kuen.