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SIBERIAN MINING GROUP COMPANY LIMITED

西伯利亞礦業集團有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1142)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

THE PLACING

On 30 September 2016 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place and the Placing Agent has conditionally agreed to procure subscriptions for an aggregate of up to 102,689,500 Placing Shares on a best effort basis to not less than six Placees who and whose ultimate beneficial owners will be third parties independent of, and not connected with, the Company, any Director(s), chief executive(s) or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates.

The maximum number of 102,689,500 Placing Shares under the Placing represents approximately 20.0% of the existing issued share capital of the Company of 513,447,763 Shares as at the date of this announcement and approximately 16.7% of the then issued share capital of 616,137,263 Shares as enlarged by the Placing. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$20,537,900.

The Placing Price of HK\$0.269 per Placing Share represents a discount of approximately 19.7% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.335 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of approximately HK\$0.306 per Share for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

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

** For identification purpose only*

Assuming that the maximum number of 102,689,500 Placing Shares is placed to the Placees in full, the maximum gross proceeds from the Placing will be approximately HK\$27.6 million. The maximum net proceeds from the Placing will amount to approximately HK\$26.0 million. The Company intends to use the net proceeds from the Placing for repayment of loans and general working capital of the Group. The maximum net price raised per Share upon completion of the Placing will be approximately HK\$0.253 per Placing Share. The Placing Shares will be issued under the General Mandate and therefore the Placing is not subject to any Shareholders' approval.

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

THE PLACING AGREEMENT

Date

30 September 2016 (after trading hours)

Issuer

The Company

Placing Agent

Brilliant Norton Securities Company Limited

The Placing Agent has conditionally agreed to procure subscriptions for a maximum of 102,689,500 Placing Shares on a best effort basis and will receive a placing commission of 4.0% of the aggregate Placing Price of the Placing Shares placed. Having considered the Placing Price and the terms of the Placing, the Directors are of the view that the placing commission of 4.0% is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Placees

The Placing Agent will place the Placing Shares to not less than six Placees who and whose ultimate beneficial owners are not connected persons of the Company and are third parties independent of, and not connected with, the Company, any Director(s), chief executive(s) or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates.

Number of Placing Shares

The maximum number of 102,689,500 Placing Shares under the Placing represents approximately 20.0% of the existing issued share capital of the Company of 513,447,763 Shares as at the date of this announcement and approximately 16.7% of the then issued share capital of 616,137,263 Shares as enlarged by the Placing. The aggregate nominal value of the maximum number of the Placing Shares under the Placing will be HK\$20,537,900.

Ranking of Placing Shares

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

Placing Price

The Placing Price of HK\$0.269 per Placing Share represents a discount of approximately 19.7% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.335 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of approximately HK\$0.306 per Share for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing Agreement are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 4 September 2015 subject to the limit of up to 20% of the aggregate nominal value of the share capital of the Company. Under the General Mandate, the Company is authorised to issue up to 102,689,552 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate. The Placing Shares will be issued under the General Mandate and therefore the Placing is not subject to any Shareholders' approval.

Application for listing of Placing Shares

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Conditions of the Placing Agreement

Completion of the Placing under the Placing Agreement is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange; and
- (ii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms thereof, including provisions regarding force majeure events.

The Company shall use its best endeavours to procure the fulfilment of the above conditions and in the event the above conditions are not fulfilled or waived by the parties to the Placing Agreement on or before 21 October 2016 (or such later date as may be agreed between the Placing Agent and the Company), all rights, obligations and liabilities of the parties hereunder in relation to the Placing shall cease and determine and neither of the parties shall have any claim against the other for any costs and losses in respect of the Placing save for any antecedent breach.

Termination of the Placing

Notwithstanding anything contained in the Placing Agreement, the Placing Agent shall be entitled by notice in writing to the Company, at any time prior to 10:00 a.m. on the Completion Date, to terminate the Placing Agreement if:

- (a) any of the undertakings, warranties or representations of the Company contained in the Placing Agreement becomes untrue or incorrect in any material respect or misleading; or
- (b) if in the reasonable opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) applicable to the Company which in the reasonable opinion of the Placing Agent shall materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (ii) any change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the reasonable opinion of the Placing Agent shall materially and adversely affect the business or the financial or trading position or prospects of the Group; or
 - (iii) there is any material adverse change in the business or in the financial or trading position of the Group as a whole; or
 - (iv) any suspension in the trading of the Shares on the Stock Exchange for more than seven consecutive trading days other than in relation to the Placing hereunder; or

- (v) 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 or its present or prospective shareholders in their capacity as such; or
- (c) any change in market conditions (including without limitation suspension or material restriction of trading in securities) occurs which in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable to proceed with the Placing.

Completion of the Placing

Completion shall take place by no later than 4:00 p.m. (Hong Kong time) on the second Business Day after fulfillment or waiver of the conditions set out in the Placing Agreement (or such later date as the Company and the Placing Agent may agree in writing).

REASONS FOR THE PLACING AND USE OF PROCEEDS

The principal activity of the Company is investment holding. The Group is principally engaged in the businesses of coal mining, mineral resources and commodities trading.

As disclosed in the annual results announcement of the Company for the year ended 31 March 2016 dated 23 September 2016, the management will endeavour to further enhance the Group's financial strengths so as to tackle the net current liabilities of the Group as at 31 March 2016. The Directors consider that the Placing represents a good opportunity to raise additional capital and improve the liquidity and financial position of the Group as well as to broaden the shareholder base and capital base of the Company. The Directors consider that the Placing is in the interest of the Company and the Shareholders as a whole.

Assuming that the maximum number of 102,689,500 Placing Shares is placed to the Placees in full, the maximum gross proceeds from the Placing will be approximately HK\$27.6 million and the maximum net proceeds from the Placing is estimated to be approximately HK\$26.0 million. On such basis, the net price to the Company of each Placing Share is estimated to be approximately HK\$0.253. The Company intends to use the net proceeds from the Placing for repayment of loans and general working capital of the Group.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming there is no change in the shareholding structure of the Company from the date of this announcement to the Completion Date other than the issue of the Placing Shares) is set out as below (for illustrative purpose only):

Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>
Cordia Global Limited (<i>Note</i>)	5,005,000	0.97	5,005,000	0.81
Public Shareholders				
Placees	—	—	102,689,500	16.67
Other public Shareholders	508,442,763	99.03	508,442,763	82.52
Subtotal	508,442,763	99.03	611,132,263	99.19
Total	<u>513,447,763</u>	<u>100.00</u>	<u>616,137,263</u>	<u>100.00</u>

Note: Cordia Global Limited holds 10% of the issued share capital of Langfeld Enterprises Limited, an indirect non-wholly owned subsidiary of the Company and therefore, Cordia Global Limited is a core connected person of the Company under the Listing Rules.

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

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than public holiday, a Saturday or Sunday and any day on which a tropical cyclone warning no.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which banks in Hong Kong are generally open for business

“Company”	Siberian Mining Group Company Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Placing
“Completion Date”	the second Business Day after fulfillment or waiver of the conditions or such later date as the Company and the Placing Agent may agree in writing
“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 of the Company held on 4 September 2015 to allot and issue up to 102,689,552 new Shares
“Group”	the Company and its subsidiaries, from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, institutional and professional investors procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of the Placing Shares by or on behalf of the Placing Agent to independent investors at the Placing Price pursuant to the Placing Agreement

“Placing Agent”	Brilliant Norton Securities Company Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), acting as the placing agent of the Placing Shares under the Placing Agreement
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 30 September 2016 in respect of the Placing
“Placing Price”	HK\$0.269 per Placing Share
“Placing Share(s)”	new Share(s) up to a maximum of 102,689,500 Shares to be placed subject to the terms and conditions set out in the Placing Agreement
“Share(s)”	ordinary share(s) of par value of HK\$0.20 each of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Siberian Mining Group Company Limited
Hong Sang Joon
Chairman

Hong Kong, 30 September 2016

As at the date of this announcement, the Board consists of Mr. Hong Sang Joon and Mr. Su Run Fa as executive directors, and Mr. Jo Sang Hee, Mr. Kwok Kim Hung Eddie and Mr. Lai Han Zhen as independent non-executive directors.

This announcement will remain on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the Company’s website at <http://siberian.todayir.com>.