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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO  
SUBSCRIPTION OF SHARES OF HENNABUN**

The Board is pleased to announce that on 4 August 2011 (after the trading hours of the Stock Exchange), the Subscriber, an indirect wholly-owned subsidiary of the Company, and Hennabun entered into the Agreement pursuant to which Hennabun agreed to issue and allot and the Subscriber agreed to subscribe for the Subscription Shares at the Subscription Price of HK\$90,000,000.

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Subscription exceed 5% but none of them exceeds 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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**THE AGREEMENT**

Date: 4 August 2011 (after trading hours)

**Parties**

- (1) Issuer: Hennabun, a company incorporated in the British Virgin Islands
- (2) Subscriber: Superb Global Investments Limited, an indirect wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Hennabun and its ultimate beneficial owners are third parties independent of the Company and its connected persons as defined under the Listing Rules.

### **Assets to be acquired**

Immediately after Completion, Hennabun will issue and allot the Subscription Shares to the Subscriber, representing approximately 4.03% of the existing issued share capital of Hennabun, or approximately 3.88% of the enlarged issued share capital of Hennabun immediately after the Completion, and Hennabun will become an investment of the Company.

### **Consideration and Payment**

The consideration for the Subscription Shares was HK\$90,000,000, which was paid by the Subscriber to Hennabun upon the execution of the Agreement.

The consideration for the Subscription Shares was determined after arm's length negotiations with Hennabun with reference to (i) the unaudited net assets value per share of Hennabun as at 31 March 2011 of HK\$6.76; (ii) the historical performance and future prospects of Hennabun; and (iii) Hennabun being a private company, the liquidity of its shares may not be as high as other listed securities.

The consideration for the Subscription Shares was funded by the internal resources of the Group.

### **Conditions precedent**

Completion is conditional on the fulfilment of the following conditions:

- (i) all requirements are satisfied by the Company to approve the Agreement and the transactions contemplated thereunder in accordance with the Listing Rules (if necessary);
- (ii) the Subscriber having completed a due diligence review on Hennabun and its business and having notified Hennabun that the aforementioned due diligence review results are satisfactory; and
- (iii) all requisite consents, license and approvals from any relevant government authorities, regulatory bodies or other relevant third parties in Hong Kong or elsewhere which are required or appropriate for the Subscription and the issue of Subscription Shares thereunder having been obtained (including but not limited to the approval of the Securities and Futures Commission under Part V of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) for any change in "substantial shareholder" of the relevant member(s) of Hennabun Group, if required.

If the above conditions are not satisfied on or before 30 September 2011 or such later date as agreed by the Subscriber and Hennabun in writing, then the Agreement will terminate on termination of the Agreement, Hennabun shall return forthwith to the Subscriber the amount of HK\$90,000,000 or any such amount of the Subscription Price for the Subscription Shares

so paid by the Subscriber under the Agreement without interest thereon and where upon no party thereto shall have any claim against the other, except in respect of any antecedent breach of the terms thereof.

## **Completion**

Completion shall take place on the first Business Day immediately after the date on which all of above conditions have been satisfied or waived (as applicable) by the Subscriber (or such other date and time as the parties thereto may agree in writing).

## **INFORMATION ON HENNABUN**

Hennabun is an investment holding company incorporated in the British Virgin Islands with limited liability. Hennabun and its subsidiaries are principally engaged in security brokerage, commodity trading, money lending, margin financing and corporate finance advisory as well as proprietary trading and direct investment.

As at the date of this announcement, the two largest shareholders of Hennabun held approximately 48.27% and 30.30% of the issued share capital of Hennabun, respectively. The largest shareholder is a private company whereas the second largest shareholder is a listed company. None of the other shareholders of the Hennabun have more than 30% equity interests in Hennabun. Upon completion of the Subscription, Hennabun will be owned as to approximately 3.88% by the Company.

According to the unaudited management accounts of Hennabun Group for the period from 1 January 2010 to 31 March 2011, Hennabun Group has unaudited consolidated net assets value of approximately HK\$2,516 million as at 31 March 2011. Further financial information of the Hennabun Group is set out as below:

	<b>For the year ended 31 December 2009</b> <i>(HK\$ million)</i> <i>(audited)</i>	<b>For period from 1 January 2010 to 31 March 2011</b> <i>(HK\$ million)</i> <i>(unaudited)</i>
Turnover	134	258
Profit (Loss) before taxation	(59.2)	195
Profit (Loss) after taxation	(59.2)	195

## **REASONS AND BENEFITS OF THE SUBSCRIPTION**

The Directors believe that the Subscription will enable the Company to hold a strategic investment into the market of the securities and investment business and to seek out investment opportunities through Hennabun's business and operation, which the Directors believe will benefit the Group in the longer term.

The Subscription Price of HK\$6.00 each incorporates an approximately 11.24% discount to the unaudited consolidated net assets per Hennabun Share of approximately HK\$6.76 as at 31 March 2011.

The Directors consider that the terms of the Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **GENERAL INFORMATION**

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

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Subscription exceed 5% but none of them exceeds 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Agreement”	the subscription agreement dated 4 August 2011 entered into between Hennabun as issuer and the Subscriber as subscriber in respect of the Subscription
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday) on which banks are open for business in Hong Kong
“Company”	China Yunnan Tin Minerals Group Company Limited (中國雲錫礦業集團有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the director(s) of the Company, including the independent non-executive Directors
“Group”	the Company and its subsidiaries
“Hennabun”	Hennabun Capital Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Hennabun Group”	Hennabun and its subsidiaries
“Hennabun Share(s)”	ordinary share(s) of US\$0.10 each in the share capital of Hennabun

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Shareholder(s)”	holders of the existing shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Superb Global Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Subscription”	the subscription of the Subscription Shares pursuant to the terms and conditions of the Agreement
“Subscription Price”	HK\$6.00 per Subscription Share
“Subscription Shares”	15,000,000 Hennabun Shares and “Subscription Share” means any of them
“US\$”	US dollars, the lawful currency of the United States of America
“%”	per cent

By Order of the Board  
**China Yunnan Tin Minerals Group Company Limited**  
**Zhang Guoqing**  
*Chairman*

Hong Kong, 4 August 2011

*As at the date of this announcement, the Board of Directors of the Company 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.*