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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)**

## TOP-UP PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES

**Placing Agent**

**Cheong Lee Securities Limited**

**TOP-UP PLACING AND TOP-UP SUBSCRIPTION**

On 14 October 2010, the Subscriber entered into the Top-up Placing and Subscription Agreement with the Placing Agent and the Company. Pursuant to the Top-up Placing and Subscription Agreement, the Subscriber agreed to place, through the Placing Agent, an aggregate of 100,000,000 existing Shares, on a fully underwritten basis, to not less than six Placees who and whose ultimate beneficial owners are to be third parties independent of the Company and not connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules) and shall be independent of, and not acting in concert with, the Subscriber and its concert parties, at a price of HK$0.172 per Top-up Placing Share. Pursuant to the Top-up Placing and Subscription Agreement, the Subscriber conditionally agreed to subscribe for an aggregate of 100,000,000 Top-up Subscription Shares at a price of HK$0.172 per Top-up Subscription Share.

The Top-up Placing Price (or the Top-up Subscription Price) of HK$0.172 represents a discount of approximately 17.47% to the benchmarked closing price of HK$0.2084 per Share, which is the higher of (i) the closing price of HK$0.204 as quoted on the Stock Exchange on the date of the Top-up Placing and Subscription Agreement; and (ii) the average closing price of HK$0.2084 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Top-up Placing and Subscription Agreement; and a discount of approximately 26.62% to the average closing price per Share of HK$0.2344 as quoted on the Stock Exchange for the last ten consecutive trading days prior to the date of the Top-up Placing and Subscription Agreement.

* *For identification purpose only*

The number of 100,000,000 Top-up Placing Shares (or the number of 100,000,000 Top-up Subscription Shares) represent (i) approximately 5.81% of the existing issued share capital of the Company of 1,720,413,060 Shares as at the date of this announcement; and (ii) approximately 5.49% of the issued share capital of the Company of 1,820,413,060 Shares as enlarged by the Top-up Subscription, assuming no further new Shares will be issued or repurchased before the completion of the Top-up Subscription.

The Top-up Subscription is conditional upon (i) the Listing Committee granting the listing of, and permission to deal in, the Top-up Subscription Shares and (ii) completion of the Top-up Placing.

The maximum gross proceeds from the Top-up Subscription will be approximately HK$17.2 million. The maximum net proceeds of approximately HK$16 million from the Top-up Subscription are intended to be used as the general working capital of the Group, repayment of liabilities as well as for future business development.

**THE TOP-UP PLACING AND SUBSCRIPTION AGREEMENT**

**Date**

14 October 2010 (after trading hours)

**Parties involved**

The Subscriber, the Company and the Placing Agent

**THE TOP-UP PLACING**

**Parties involved**

The Subscriber and the Placing Agent

**The Subscriber**

The Subscriber is a substantial Shareholder (as defined in the Listing Rules) of the Company currently holding 255,070,000 Shares, representing approximately 14.83% of the existing issued share capital of the Company. It is wholly and beneficially owned by Mr. Choi Sungmin, a business consultant of Grandvest International Limited, a wholly owned subsidiary of the Company.

**Placing Agent**

The Placing Agent and its ultimate beneficial owners are third party independent of the Company and not connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules). The Placing Agent and its ultimate beneficial owners are independent of, and not acting in concert with, the Subscriber and its concert parties. The Placing Agent will receive a placing commission of 4.50% on the gross proceeds of the actual number of Top-up Placing Shares being placed, which was arrived at after arm's length negotiations between the Company and the Placing Agent.

**Placees**

The Placing Agent agreed to place the Top-up Placing Shares, on a fully underwritten basis, to not less than six Placees who and whose ultimate beneficial owners are to be third parties independent of the Company and not connected persons (as defined in the Listing Rules) of the Company and its connected persons, (as defined in the Listing Rules) and shall be independent of, and not acting in concert with, the Subscriber and its concert parties. No individual Placee will become a substantial Shareholder (as defined under the Listing Rules) immediately after the Top-up Placing.

**Top-up Placing Price**

The Top-up Placing Price (or the Top-up Subscription Price) of HK$0.172 represents a discount of approximately 17.47% to the benchmarked closing price of HK$0.2084 per Share, which is the higher of (i) the closing price of HK$0.204 as quoted on the Stock Exchange on the date of the Top-up Placing and Subscription Agreement; and (ii) the average closing price of HK$0.2084 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Top-up Placing and Subscription Agreement; and a discount of approximately 26.62% to the average closing price per Share of HK$0.2344 as quoted on the Stock Exchange for the last ten consecutive trading days prior to the date of the Top-up Placing and Subscription Agreement.

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

**Number of the Top-up Placing Shares**

The number of 100,000,000 Top-up Placing Shares (or the number of 100,000,000 Top-up Subscription Shares) represent (i) approximately 5.81% of the existing issued share capital of the Company of 1,720,413,060 Shares as at the date of this announcement; and (ii) approximately 5.49% of the issued share capital of the Company of 1,820,413,060 Shares as enlarged by the Top-up Subscription, assuming no further new Shares will be issued or repurchased before the completion of the Top-up Subscription.

**Ranking of Top-up Placing Shares**

The Top-up Placing Shares rank pari passu among themselves and with Shares in issue as at the date of this announcement.

**Conditions of the Top-up Placing**

The Top-up Placing is unconditional.

**Completion**

The Top-up Placing is expected to be completed on 19 October 2010, or such other date as the Subscriber and the Placing Agent shall agree.

**THE TOP-UP SUBSCRIPTION**

**Parties involved**

The Company and the Subscriber

**The Top-up Subscription Price**

The Top-up Subscription Price is HK$0.172 per Top-up Subscription Share. The Top-up Subscription Price is the same as the Top-up Placing Price and was determined after arm's length negotiation between the Company and the Subscriber with reference to the Top-up Placing Price of the Top-up Placing Shares.

**Number of Top-up Subscription Shares**

The number of Top-up Subscription Shares is equivalent to the number of Top-up Placing Shares, being a maximum number of 100,000,000 new Shares.

**Ranking of Top-up Subscription Shares**

The Top-up Subscription Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue at the time of issue and allotment of the Top-up Subscription Shares.

**The Top-up Subscription Shares**

The Top-Up Subscription Shares are to be issued under the General Mandate. As such, the issue of the Top-Up Subscription Shares is not subject to further approval of the Shareholders. Pursuant to the General Mandate, the total number of new Shares that the Company is authorised to allot and issue are 283,332,612 Shares. Pursuant to a top-up placing and subscription agreement dated 4 October 2010, 60,000,000 Shares was allotted and issued by the Company under the General Mandate on 11 October 2010. Further, pursuant to a top-up placing and subscription agreement dated 9 October 2010, 120,000,000 Shares will be allotted and issued by the Company under the General Mandate. Thereafter the number of Shares that can be issued under the remaining balance of the General Mandate will be 103,332,612 Shares.

The Company will make an application to the Stock Exchange for the listing of, and permission to deal in, the Top-Up Subscription Shares in due course.

**Conditions of the Top-up Subscription**

The Top-up Subscription is conditional upon:

(i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-up Subscription Shares; and

(ii) completion of the Top-up Placing.

**Completion**

Under Rule 14A.31(3)(d) of the Listing Rules, the Top-up Subscription must be completed within 14 days after the date of the Top-up Placing and Subscription Agreement, that is, on or before 28 October 2010.

In the event that the conditions to the Top-up Placing and Subscription Agreement are not fulfilled by 28 October 2010, or such later date as may be agreed between the Company and the Subscriber in writing, the obligations of the Company and the Subscriber in relation to the Top-up Subscription shall terminate and neither of the parties shall have any claim against the other for costs, damages, compensation or otherwise in respect of the Top-up Subscription.

## REASON FOR THE TOP-UP PLACING AND USE OF PROCEEDS

The Directors have considered various ways of raising funds and of the opinion that the Top-up Placing and the Top-up Subscription provide an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors consider the Top-up Placing and Subscription Agreement is in the interest of the Company and the Shareholders as a whole.

The maximum gross proceeds from the Top-up Subscription will be approximately HK$17.2 million. The maximum net proceeds of approximately HK$16 million from the Top-up Subscription are intended to be used as the general working capital of the Group, repayment of liabilities as well as for future business development. The net proceeds raised per Share upon completion of the Top-up Subscription will be approximately HK$0.16 per Top-up Subscription Share.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

| Date of announcement | Event | Net proceeds | Intended use of proceeds as stated in the announcement | Actual use of proceeds/Remarks |
|---|---|---|---|---|
| 1 February 2010 | Placing of 2,000,000,000 new Shares | Approximately HK$56 million | General working capital | All proceeds had been used for repayment of non-current liabilities and general corporate expenses |
| 22 April 2010 | Placing of 224,000,000 new Shares | Expected to be approximately HK$78 million | Repayment of liabilities, development of coal mine and general working capital | The placing was finally terminated |
| 4 October 2010 | Placing of 60,000,000 new Shares | Approximately HK$13.5 million | General working capital, repayment of liabilities and future business development | All proceeds will be used as intended |
| 9 October 2010 | Placing of 120,000,000 new Shares | Approximately HK$22.3 million | General working capital, repayment of liabilities and future business development | The top-up subscription has not completed yet and the net proceeds of the top-up subscription has not been received by the Company as at the date of this announcement |

Save as disclosed above, the Company has not conducted any fund raising exercise during the past twelve months immediately preceding the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE

The table below sets out the changes to the shareholding structure of the Company as a result of the completion of the Top-up Placing and the Top-up Subscription, assuming no other Shares are issued or repurchased between the date of this announcement and the completion of the Top-up Placing and the Top-up Subscription:

| **Name of shareholder** | **Shareholding as at the date of this announcement** | | **Shareholding immediately after the completion of the Top-up Placing** | | **Shareholding immediately after the completion of the Top-up Subscription** | |
|---|---|---|---|---|---|---|
| | *Number of Shares* | *% of shareholding (approximate)* | *Number of Shares* | *% of shareholding (approximate)* | *Number of Shares* | *% of shareholding (approximate)* |
| Subscriber *(Note 2)* | 255,070,000 | 14.83% | 155,070,000 | 9.02% | 255,070,000 | 14.01% |
| Goldwyn Management Limited *(Note 3)* | 28,000,000 | 1.63% | 28,000,000 | 1.63% | 28,000,000 | 1.54% |
| DTV China Holdings Limited *(Note 4)* | 16,000,000 | 0.93% | 16,000,000 | 0.93% | 16,000,000 | 0.88% |
| Co An | 110,690,000 | 6.43% | 110,690,000 | 6.43% | 110,690,000 | 6.08% |
| Placees | 0 | 0.00% | 100,000,000 | 5.81% | 100,000,000 | 5.49% |
| Other public shareholders | 1,310,653,060 | 76.18% | 1,310,653,060 | 76.18% | 1,310,653,060 | 72.00% |
| **Total** | **1,720,413,060** | **100%** | **1,720,413,060** | **100%** | **1,820,413,060** | **100%** |

*Notes:*

(1) Pursuant to a top-up placing and subscription agreement dated 9 October 2010 and subject to the fulfillment of certain conditions, the Company has agreed to issue and allot and the Subscriber has agreed to subscribe for 120,000,000 new Shares. Such transaction has not been included in the above table. Further details of the transaction can be referred to the announcement of the Company dated 9 October 2010.

(2) The Subscriber is wholly and beneficially owned by Mr. Choi Sungmin, a business consultant of Grandvest International Limited, a wholly owned subsidiary of the Company.

(3) Goldwyn Management Limited is wholly and beneficially owned by Mr. Lim Ho Sok, an executive director and chairman of the Company.

(4) DTV China Holdings Limited is wholly and beneficially owned by Mr. Li Yi Nan, a director of a non-wholly owned subsidiary of the Company, DTVChina, Inc.

## GENERAL

The Company is an investment holding company. The Group is principally engaged in (i) coal mining in Russia; (ii) digital television broadcasting industry including provision of equipments and software of cable video-on-demand system, information broadcasting system, embedded television systems and value added services and (iii) vertical farming in Mainland China.

Further announcement will be made by the Company upon completion of the Top-up Placing and Subscription Agreement.

**Terms and definitions**

| | |
|---|---|
| "AGM" | the annual general meeting of the Company held on 5 August 2010 |
| "Board" | the board of Directors |
| "Company" | Siberian Mining Group Company Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange |
| "Director(s)" | director(s) of the board of the Company |
| "General Mandate" | the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM |
| "Group" | the Company and its subsidiaries |
| "Hong Kong" | Hong Kong Special Administrative Region of the People's Republic of China |
| "Listing Committee" | the listing committee of the board of directors of the Stock Exchange |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "Placee(s)" | any professional, institutional or other investors procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent's obligations under Top-up Pacing and Subscription Agreement |
| "Placing Agent" | Cheong Lee Securities Ltd, a corporation licensed to carry on business in 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) |
| "Shareholder(s)" | the holder(s) of the Share(s) |
| "Share(s)" | the ordinary share(s) in the share capital of the Company |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Subscriber" | Cordia Global Limited, a company incorporated in the British Virgin Islands and a substantial shareholder (as defined in the Listing Rules) of the Company |
| "Top-up Placing" | the placing of 100,000,000 existing Shares pursuant to the terms of the Top-up Placing and Subscription Agreement |
| "Top-up Placing and Subscription Agreement" | the agreement dated 14 October 2010 entered into between the Subscriber, the Company and the Placing Agent in relation to the Top-up Placing and the Top-up Subscription |
| "Top-up Placing Price" | HK$0.172 per Top-up Placing Share |

| | |
|---|---|
| "Top-up Placing Share(s)" | a total of 100,000,000 existing Shares, beneficially owned by the Subscriber and to be placed pursuant to the Top-up Placing and Subscription Agreement |
| "Top-up Subscription" | the subscription of 100,000,000 new Shares by the Subscriber pursuant to the terms of the Top-up Placing and Subscription Agreement |
| "Top-up Subscription Price" | HK$0.172 per Top-up Subscription Share |
| "Top-up Subscription Share(s)" | a total of 100,000,000 new Shares to be subscribed for by the Subscriber pursuant to the Top-up Placing and Subscription Agreement |
| "HK$" | Hong Kong dollar(s), the lawful currency of Hong Kong |
| "%" | per cent. |

By Order of the Board
**Siberian Mining Group Company Limited**
**Lim Ho Sok**
*Chairman*

Hong Kong, 14 October 2010

*As at the date of this announcement, the Board comprises Mr. Lim Ho Sok and Mr. Shin Min Chul as executive Directors and Mr. Liew Swee Yean, Mr. Tam Tak Wah and Mr. Young Yue Wing Alvin as independent non-executive Directors.*

*The Directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*