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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)

SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE

THE SUBSCRIPTION

On 23 August 2011, after trading hours, the Company entered into a conditional Subscription Agreement with the Subscriber pursuant to which the Subscriber has agreed with the Company to subscribe for the Subscription Shares and the Company has conditionally agreed to allot and issue the Subscription Shares at a price of HK\$0.0400 per Subscription Share, subject to the terms and conditions contained therein.

Pursuant to the Subscription Agreement, subject to the terms and conditions contained therein, a total of 141,000,000 new Shares will be allotted and issued by the Company to the Subscriber upon Completion, representing approximately 4.96% of the existing issued share capital of the Company of 2,840,413,060 Shares as at the date of this Announcement, and approximately 4.73% of the total enlarged issued share capital of the Company immediately following Completion.

The Subscription Price of HK\$0.0400 per Subscription Share was negotiated and agreed at arm's length between the Company and the Subscriber with reference to the recent trading price of the Shares immediately prior to the date of the Subscription Agreement, representing: (i) a premium of approximately 33.33% to the closing price of HK\$0.0300 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of approximately 14.16% to the average closing price of HK\$0.0466 per Share for the five consecutive trading days immediately prior to the date of this Announcement; and (iii) a discount of approximately 27.67% to the average closing price of HK\$0.0553 per Share for the ten consecutive trading days immediately prior to the date of this Announcement.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber is an Independent Third Party as of the date of this Announcement and prior to Completion. Upon Completion, the Subscriber will not become a substantial shareholder and a connected person of the Company (both as defined under the Listing Rules).

Completion of the Subscription is conditional upon the conditions set out in the section headed "Conditions and Completion of the Subscription Agreement" of this Announcement.

* For identification purpose only

The gross and the net proceeds (net of any expenses to be borne by the Company) from the Subscription will be approximately HK\$5,640,000 and approximately HK\$5,600,000, respectively. The net proceeds will be used by the Company as general working capital of the Group and repayment of liabilities. The net Subscription Price will be approximately HK\$0.0397 per each Subscription Share.

Completion of the Subscription is subject to the satisfaction of the conditions precedent in the Subscription. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENT

On 23 August 2011, after trading hours, the Company entered into a conditional Subscription Agreement with the Subscriber pursuant to which the Subscriber has agreed with the Company to subscribe for the Subscription Shares and the Company has conditionally agreed to allot and issue the Subscription Shares at a price of HK\$0.0400 per Subscription Share, subject to the terms and conditions contained therein.

SUBSCRIPTION AGREEMENT

Date: 23 August 2011

Issuer: The Company

Subscriber: The Subscriber

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber is an Independent Third Party as of the date of this Announcement and prior to Completion. Upon Completion, the Subscriber will not become a substantial shareholder and a connected person of the Company (both as defined under the Listing Rules).

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber will hold the Subscription Shares for his own account and as a beneficial owner upon Completion.

The Subscription Agreement has not provided any terms entitling the Subscriber to nominate any person as Director.

Subscription Shares

Pursuant to the Subscription Agreement, subject to the terms and conditions contained therein, a total of 141,000,000 new Shares will be allotted and issued by the Company to the Subscriber upon Completion, representing approximately 4.96% of the existing issued share capital of the Company of 2,840,413,060 Shares as at the date of this Announcement, and approximately 4.73% of the total enlarged issued share capital of the Company immediately following Completion.

Each of the Subscription Shares will rank pari passu in all respects with the existing issued Shares on the date of allotment and issue of the Subscription Shares and will be free from any encumbrance.

The aggregate nominal value of the Subscription Shares is HK\$1,410,000.

Each of the Subscription Shares will be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 15 August 2011, of which the Directors are empowered to allot and issue up to 568,082,612 Shares, being 20% of the issued share capital of the Company as at the date of the said annual general meeting of the Company. Since the date the General Mandate was granted (i.e. 15 August 2011) and up to the date of this Announcement, no new Shares have been issued under the General Mandate. The Subscription Shares to be allotted and issued will utilize approximately 24.82% of the General Mandate. Since the Subscription Shares will be allotted and issued under the General Mandate, no Shareholders' approval is required.

Subscription Price

The Subscription Price of HK\$0.040 per Subscription Share was negotiated and agreed at arm's length between the Company and the Subscriber with reference to the recent trading price of the Shares immediately prior to the date of the Subscription Agreement, representing:

- (i) a premium of approximately 33.33% to the closing price of HK\$0.0300 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 14.16% to the average closing price of HK\$0.0466 per Share for the five consecutive trading days immediately prior to the date of this Announcement; and
- (iii) a discount of approximately 27.67% to the average closing price of HK\$0.0553 per Share for the ten consecutive trading days immediately prior to the date of this Announcement.

The Subscription Price of HK\$0.0400 for each of the Subscription Shares is required to be paid in cash by the Subscriber on or before the Remittance Date for the Subscription Shares as one of the conditions precedent to be fulfilled which are further described in the paragraph headed "Conditions and Completion of the Subscription Agreement" below.

The Board considers that the terms of the Subscription Agreement are fair and reasonable and the Subscription Agreement is in the interests of the Company and its Shareholders as a whole.

The Subscriber shall bear his costs and expenses in connection with the Subscription, and the Company will bear its legal and any other fees in the aggregate amount of approximately HK\$40,000. No fee shall be payable by the Company to the Subscriber upon Completion.

Conditions and Completion of the Subscription Agreement

Completion is conditional upon (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; (ii) if applicable, the Company having obtained all consents and approval from the relevant authorities in respect of the transactions contemplated under the Subscription Agreement; and (iii) the Subscriber having deposited the total Subscription Price for the Subscription Shares with the Company on or before the Remittance Date to the Company's designated account. In the event that the conditions are not fulfilled or waived (only in respect of the foregoing condition (iii) by the Company) by 6:00 p.m. (Hong Kong time) on 6 September 2011 (or such other time and/or date as may be agreed between the Company and the Subscriber), all rights, obligations and liabilities of the parties to the Subscription Agreement shall cease and terminate accordingly. In the event that the foregoing condition (iii) is fulfilled by the Subscriber but the Subscription Agreement shall cease and determine if the other conditions are not fulfilled, the Company shall refund the total Subscription Price (without interest) to the Subscriber within five (5) Business Days upon such termination.

The Subscriber undertakes to indemnify and keep indemnified the Company on a full indemnity basis, from and against all loss, costs (including reasonable legal costs and other professional fees), expenses, claims, damages and liabilities which the Company may reasonably incur or suffer as a result of any breach of any of the terms and conditions contained in the Agreement by the Subscriber.

Completion will take place on a date falling on the immediate next Business Day from the date on which all the conditions in respect of the Subscription under the Subscription Agreement are fulfilled or at such other date as may be agreed between the parties, at which the Subscriber will issue a written confirmation to the Company confirming that the total Subscription Price for the Subscription Shares deposited with the Company's account be applied for subscribing the Subscription Shares and the Company will issue and allot the Subscription Shares to the Subscriber, and the Subscriber will subscribe for his Subscription Shares.

Completion of the Subscription is subject to the satisfaction of the conditions precedent in the Subscription. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

APPLICATION FOR LISTING

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTION

The Group is principally engaged in the businesses of coal mining and coal trading, vertical farming and digital television technology services. The Directors consider that the Subscription will increase the capital base of the Group for the purpose of general working capital of the Group.

Having considered the above, the Board considers that the Subscription Agreement is in the interests of the Group and its Shareholders as a whole.

USE OF PROCEEDS AND FUND RAISING WITHIN THE PAST TWELVE MONTHS

The gross and the net proceeds (net of any expenses to be borne by the Company) from the Subscription will be approximately HK\$5,640,000 and approximately HK\$5,600,000, respectively. The net proceeds will be used by the Company as general working capital of the Group and repayment of liabilities. The net Subscription Price will be approximately HK\$0.0397 per 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
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 had been used as intended for repayment of liabilities of the Company
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	All proceeds had been used as intended for repayment of liabilities of the Company
14 October 2010	Placing of 100,000,000 new Shares	Approximately HK\$16 million	General working capital, repayment of liabilities and future business development	All proceeds had been used as intended as general working capital and for repayment of liabilities of the Company
27 October 2010	Placing of 200,000,000 new Shares	Approximately HK\$37.5 million	General working capital, repayment of liabilities and future business development	All proceeds had been used as intended as general working capital and for repayment of liabilities of the Company
16 February 2011	Placing of 260,000,000 new Shares	Approximately HK\$34.9 million	Future investment purpose, general working capital and repayment of liabilities	All proceeds had been used as intended as general working capital and for repayment of liabilities of the Company
11 May 2011	Placing of 128,000,000 new Shares	Approximately HK\$14.2 million	General working capital, repayment of liabilities and future investment purpose	All proceeds had been used as intended as general working capital and for repayment of liabilities of the Company
17 June 2011	Grant of the equity line of credit for up to subscription of 568,000,000 option shares	Approximately HK\$50 million	Reimbursing the costs and expenses incidental to the potential acquisition as referred to in the announcement of the Company dated 17 April 2011 should such potential acquisition proceed. If such potential acquisition does not proceed, the net proceeds will be applied for general working capital, repayment of liabilities or future investment purpose of the Group.	Not applicable, as no option shares have been allotted and issued up to the date of this Announcement

Save as disclosed above, the Company has not conducted any fund raising activity in the previous 12 months immediately preceding the date of this Announcement.

CHANGES IN SHAREHOLDING IN THE COMPANY

The shareholding structure of the Company immediately before and after Completion is as follows:

Name of Shareholder	Shareholding immediately before Completion <i>No. of Shares</i>	Shareholding immediately after Completion <i>No. of Shares</i>
Goldwyn Management Limited (<i>Note 1</i>) (<i>approx.</i>) %	228,000,000 8.03	228,000,000 7.65
Mr. Pang Ngoi Wah Edward (<i>Note 2</i>) (<i>approx.</i>) %	3,500,000 0.12	3,500,000 0.12
Cordia Global Limited (<i>Note 3</i>) (<i>approx.</i>) %	355,070,000 12.50	355,070,000 11.91
DTV China Holdings Limited (<i>Note 4</i>) (<i>approx.</i>) %	16,000,000 0.56	16,000,000 0.53
Co An (<i>approx.</i>) %	147,610,000 5.20	147,610,000 4.95
Sub-total: (<i>approx.</i>) %	750,180,000 26.41	750,180,000 25.16
Subscriber Kim Seon Yong (<i>approx.</i>) %	— 0.00	141,000,000 4.73
Public (<i>approx.</i>) %	2,090,233,060 73.59	2,090,233,060 70.11
Sub-total: (<i>approx.</i>) %	2,090,233,060 73.59	2,231,233,060 74.84
Total:	<u>2,840,413,060</u>	<u>2,981,413,060</u>

Notes:

1. Goldwyn Management Limited is wholly and beneficially owned by Mr. Lim Ho Sok, an executive Director and the Chairman of the Company.
2. Mr. Pang Ngoi Wah Edward is a non-executive Director.
3. Cordia Global Limited is wholly and beneficially owned by Mr. Choi Sungmin, a business consultant of Grandvest International Limited, a wholly owned subsidiary of the Company and a director of a non-wholly owned subsidiary of the Company, Sofoco Development Limited.
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.

DEFINITIONS

Unless the context otherwise requires, the terms used in this Announcement have the following meaning:

“Announcement”	this announcement of the Company in relation to the Subscription
“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 Stock Exchange
“Board”	board of Directors
“Business Day”	a day (other than a Saturday) on which banks in Hong Kong are generally open for business
“Completion”	Completion of the Subscription
“Directors”	directors of the Company
“General Mandate”	the general mandate to allot, issue and deal with the Shares granted to the Directors pursuant to the resolutions passed at the annual general meeting of the Company on 15 August 2011
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	third party or parties and their ultimate beneficial shareholder(s), which are independent of the Company and its connected persons (as defined in the Listing Rules)
“Last Trading Date”	23 August 2011, being the last trading day for the Shares prior to the issue of this Announcement
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Remittance Date”	on or before 26 August 2011 or such other date as the Company and the Subscriber may agree
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Kim Seon Yong, the subscriber of the Subscription Shares under the Subscription Agreement

“Subscription”	the issue and allotment of the Subscription Shares to the Subscriber by the Company and the subscription by the Subscriber for the Subscription Shares on the terms and subject to the conditions set out in the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between the Company and the Subscriber dated 23 August 2011 in relation to the Subscription
“Subscription Price”	the price of HK\$0.0400 for subscribing each Subscription Share
“Subscription Shares”	a total of 141,000,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the Subscription Agreement representing approximately 4.96% of the existing issued share capital of the Company of 2,840,413,060 Shares as at the date of this Announcement, and approximately 4.73% of the issued share capital of the Company as enlarged by the Subscription Shares issued upon Completion

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

Hong Kong, 23 August 2011

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