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CVM Minerals Limited

南亞礦業有限公司

(incorporated in Hong Kong with limited liability)

Stock Code: 705

ANNOUNCEMENT
PARTIAL COMPLETION OF PLACING OF THE CONVERTIBLE BONDS
AND
ADDITIONAL INFORMATION ON CASH SETTLEMENT OPTION

The Board is pleased to announce that completion of the placing of the First Tranche Convertible Bonds in an aggregate principal amount of HK\$51,000,000 took place on 9 September 2010.

Reference is made to the announcements of CVM Minerals Limited (the “Company”) dated 20 August 2010 (the “First Announcement”) and 27 August 2010 (the “Second Announcement”) in relation to the placing of the convertible bonds. Unless otherwise stated herein, words and expressions defined in the First Announcement and Second Announcement shall have the same meanings when used in this announcement.

PARTIAL COMPLETION OF THE PLACING

The Board is pleased to announce that the conditions precedent in relation to the issue of the First Tranche Convertible Bonds (as defined below) have been fulfilled, in particular:

- (i) a supplemental agreement was entered into between the Company and the Vendors of Winner Top on 25 August 2010 to amend the Sale and Purchase Agreement to the effect that completion of the Acquisition shall be subject to the passing by the Shareholders in an extraordinary general meeting of a resolution to approve, inter alia, the issue of the Consideration Shares in accordance with the Listing Rules; and
- (ii) on 6 September 2010, the Listing Committee of the Stock Exchange has, upon application by the Company, granted, on a conditional basis, the listing of and

permission to deal in the Conversion Shares which may fall to be issued on exercise of the conversion rights attaching to the Convertible Bonds in an aggregate sum of HK\$51,000,000 (the “First Tranche Convertible Bonds”) at the initial conversion price of HK\$0.27 per Share (subject to adjustments).

As the conditions precedent in relation to the issue of the First Tranche Convertible Bonds have been fulfilled, the Board is pleased to announce that completion of the placing of the First Tranche Convertible Bonds in the aggregate principal amount of HK\$51,000,000 took place on 9 September 2010. To the best knowledge, information and belief of the Directors, the Placees of the First Tranche Convertible Bonds and their ultimate beneficial owners are Independent Third Parties.

EFFECT ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company as at the date of this announcement and the effect on the shareholding structure of the Company upon the above-mentioned partial completion of the Placing are set out as below:-

	Existing shareholding as at the date of this announcement		Assuming allotment and issue of 188,888,888 Shares upon conversion of the First Tranche Convertible Bonds at the initial conversion price of HK\$0.27 per Share	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Ho Wah Genting Berhad (Note)	744,150,000	34.39	744,150,000	31.63
Perbadanan Kemajuan Negeri Perak	135,300,000	6.25	135,300,000	5.75
Placees of the First Tranche Convertible Bonds	—	—	188,888,888	8.03
Other public Shareholders	<u>1,284,550,000</u>	<u>59.36</u>	<u>1,284,550,000</u>	<u>54.59</u>
Total	<u>2,164,000,000</u>	<u>100.00%</u>	<u>2,352,888,888</u>	<u>100.00%</u>

Note: Ho Wah Genting Berhad is a public limited company incorporated under Malaysian law in Malaysia and listed on the Main Market of Bursa Malaysia.

So far as the Directors are aware, there is no change in substantial shareholders of the Company as a result of the completion of the placing of the First Tranche Convertible Bonds.

The Company will make further announcement(s) as and when completion of the placing of the next tranche of the Convertible Bonds has taken place.

ADDITIONAL INFORMATION ON CASH SETTLEMENT OPTION

As disclosed in page 3 of the Second Announcement, the Cash Settlement Option is an option of the Company to pay to the relevant Bondholders an amount of cash in HK\$ equal to the Cash Settlement Amount in order to satisfy the conversion right of the Bondholder in respect of the relevant Convertible Bond.

The Directors would like to clarify that the Cash Settlement Amount as referred thereto is the amount in cash in HK\$ equal to the product of (i) the number of Conversion Shares otherwise deliverable upon exercise of the conversion right in respect of the Convertible Bonds to which the Company has elected the Cash Settlement Option and (ii) the Conversion Price.

By Order of the Board
CVM Minerals Limited
Goh Sin Huat
Executive Chairman

Hong Kong, 9 September 2010

As at the date of this announcement, our executive directors of the Company are Mr. Goh Sin Huat, Mr. Chong Wee Chong, Mr. Lim Ooi Hong and Mr. Leung Wai Kwan and our independent non-executive directors of the Company are Ms. Wong Choi Kay, Mr. Chong Lee Chang and Mr. Lam Cheung Shu.