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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 TRANSACTIONS
IN RELATION TO
PROPOSED DISPOSAL OF 8.77% EQUITY INTEREST IN
FREEMAN SECURITIES LIMITED**

THE SALE AND PURCHASE AGREEMENT

The Board announces that on 21 March 2013, after trading hours, the Vendor entered into the Sale and Purchase Agreement with Freeman and the Purchaser, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase approximately 8.77% of the issued share capital of the Target Company at the consideration of HK\$16,140,000. Such consideration will be satisfied by (i) the Issue and (ii) cash payment of HK\$5,115,000 on the Completion Date. The Company will cease to have any interest in the Target Company immediately after completion of the Disposal.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal and the Issue exceed 5% but are less than 25%, the Disposal and the Issue constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to the notification and announcement requirements set out in Rule 14.34 of the Listing Rules.

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THE SALE AND PURCHASE AGREEMENT

Date

21 March 2013 (after trading hours)

Parties

Vendor: Global Wealthy International Limited, a wholly-owned subsidiary of the Company

Freeman: Freeman Financial Corporation Limited (Stock Code: 279), a company incorporated in the Cayman Islands and the shares of which are listed on the main board of the Stock Exchange

Purchaser: Dynastic Union Limited, a wholly-owned subsidiary of Freeman

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners (including Freeman) are Independent Third Parties.

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase approximately 8.77% of the issued share capital of the Target Company. The Company will cease to have any interest in the Target Company immediately after completion of the Disposal. Further information of the Target Company is set out under the section headed "Information on the Target Company" in this announcement.

Consideration and Payment

Total consideration of the Disposal, being HK\$16,140,000, was determined after arm's length negotiation between the Purchaser and the Vendor with reference to, amongst others, the unaudited net asset value of the Target Company as at 31 December 2012.

The aforesaid consideration shall be satisfied by:

- (i) a sum of HK\$5,115,000 in cash by the Purchaser to the Vendor on the Completion Date; and

- (ii) issue and allotment of the Freeman Shares to the Vendor or a nominee of the Vendor on the Completion Date. The issue price of the Freeman Shares is HK\$0.105 per share.

Pursuant to the Sale and Purchase Agreement, Freeman has agreed to issue and allot to the Vendor or its nominee, the Freeman Shares as part of the consideration of the Disposal. The Freeman Shares represents approximately 14.28% of the entire issued share capital of Freeman as at the date of this announcement, or approximately 12.49% of the enlarged issued share capital of Freeman as a result of the Issue.

The issue price of Freeman Shares of HK\$0.105 represents:

- (i) a discount of approximately 1.87% to the closing price of HK\$0.107 per share of Freeman as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement; and
- (ii) a discount of approximately 2.78% to the average closing price of approximately HK\$0.108 per share of Freeman for the five consecutive trading days as quoted on the Stock Exchange immediately prior to the date of the Sale and Purchase Agreement.

Upon completion of the Issue, the Vendor or its nominee will become a substantial shareholder (as defined under the Listing Rules) of Freeman.

The Freeman Shares will rank *pari passu* in all respects with the shares of Freeman in issue upon completion of the Issue. The Freeman Shares are not subject to any lock-up or disposal restrictions.

Conditions Precedent

The Disposal is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Freeman Shares; and
- (ii) if applicable, the obtaining of all consents from regulatory authorities or third parties which are necessary in connection with the execution and performance of the Sale and Purchase Agreement and any of the transaction contemplated hereunder.

If the conditions mentioned above have not been fulfilled on or before the last day of two calendar months from the date of the Sale and Purchase Agreement (or such other date as the Purchaser and the Vendor may agree), the Sale and Purchase Agreement shall cease and determine and neither party of the Sale and Purchase Agreement shall have any obligations and liabilities towards each other save for any prior breaches of the Sale and Purchase Agreement.

Completion of the Disposal

Completion of the Disposal shall take place on the Completion Date.

INFORMATION ON THE GROUP

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

INFORMATION ON FREEMAN

Freeman is principally engaged in the financial services sector, including the provision of securities brokerage services, the provision of insurance brokerage and financial planning services, trading of securities, provision of finance, as well as investment holding.

The unaudited net asset value of Freeman was approximately HK\$2,142,918,000 as at 30 September 2012. The audited consolidated net loss from the continuing operations (before and after taxation and extraordinary items) of Freeman for the two financial years ended 31 March 2012 and 31 March 2011 are set out below:

	Financial Year ended	
	31 March	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Net loss before taxation and extraordinary items	(662,335)	(173,777)
Net loss after taxation and extraordinary items	(662,057)	(174,936)

INFORMATION ON THE TARGET COMPANY

The Target Company is incorporated in Hong Kong and licensed to carry out business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance. As at the date of this announcement, the total issued share capital of the Target Company is HK\$171 million divided by 171,000,000 shares with par value of HK\$1.00 each.

As at the date of this announcement, approximately 91.23% interest of the Target Company is owned by the Purchaser and the remaining of approximately 8.77% interest is owned by the Vendor. The Target Company shall become a wholly-owned subsidiary of the Purchaser upon completion of the Disposal.

The unaudited net asset value of the Target Company was approximately HK\$184 million as at 31 December 2012. The unaudited consolidated net profits (before and after taxation and extraordinary items) of the Target Company for the two financial years ended 31 December 2012 and 31 December 2011 are set out below:

	Financial Year ended	
	31 December	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net profit before taxation and extraordinary items	10,361	8,927
Net profit after taxation and extraordinary items	10,361	8,230

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors had taken into account the following factors prior to entering into the Sale and Purchase Agreement: (i) the Disposal would allow the Company to be more focused on the principal lines of businesses that it operates; (ii) the total consideration of the Disposal was determined with reference to the pro rata net asset value of the Target Company as at 31 December 2012; (iii) the issue price of the Freeman Shares represents a discount to the prevailing share price of Freeman; (iv) the net asset value per share of Freeman was approximately HK\$2.91 as at 30 September 2012; and (v) the Group's initial investment cost of the 8.77% interest in the Target Company was HK\$15 million.

The Company expects an unaudited gain of HK\$1.14 million from the Disposal which is calculated with reference to (i) the total consideration of the Disposal and (ii) the carrying value of the approximately 8.77% shareholding interest in the Target Company of HK\$15 million as at 31 December 2012. The actual gain as a result of the Disposal to be recorded by the Group is subject to final audit to be performed by the Company's auditors. The net proceeds from the Disposal (HK\$5,115,000 in cash) are expected to be applied for general working capital of the Group.

The terms of the Sale and Purchase Agreement were determined after arm's length negotiations and based on normal commercial terms. The Directors consider that the terms and conditions of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal and the Issue exceed 5% but are less than 25%, the Disposal and the Issue constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to the notification and announcement requirements set out in Rule 14.34 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the following meanings in this announcement:

“Board”	the board of Directors
“business day”	a day (other than Saturday) on which the banks in Hong Kong are open for business
“Company”	China Yunnan Tin Minerals Group Company Limited (Stock Code: 263), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Completion Date”	not later than the third business day following the satisfaction of the conditions precedent to the Disposal or such other date as the Purchaser and the Vendor may agree
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of 15,000,000 shares of the Target Company, representing approximately 8.77% of the issued share capital of the Target Company pursuant to the terms and conditions of the Sale and Purchase Agreement
“Freeman”	Freeman Financial Corporation Limited (Stock Code: 279), a company incorporated in the Cayman Islands and the shares of which are listed on the main board of the Stock Exchange
“Freeman Shares”	105,000,000 new shares of Freeman with par value of HK\$0.05 each to be issued and allotted to the Vendor or its nominee at the issue price of HK\$0.105 per share under a general mandate granted to the directors of Freeman on 31 August 2012 as part of the consideration of the Disposal
“Group”	the Company and its subsidiaries
“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
“Independent Third Party (Parties)”	third party (parties) independent of and not connected with the Company or any of its connected persons
“Issue”	the issue and allotment of Freeman Shares to the Vendor or its nominee as part of the consideration of the Disposal

“Listing Rules”	the Rules Governing the Listing of Securities on the main board of the Stock Exchange
“Purchaser”	Dynastic Union Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Freeman
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between the Vendor, Freeman and the Purchaser on 21 March 2013 in respect of the Disposal
“Share(s)”	ordinary shares with par value of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary (subsidiaries)”	has the meaning ascribed thereto under the Listing Rules
“Target Company”	Freeman Securities Limited, a company incorporated in Hong Kong and licensed to carry out business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance
“Vendor”	Global Wealthy International Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 21 March 2013

As at the date of this announcement, the Board 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 Dr. Wong Yun Kuen, Mr. Wong Shun Loy and Mr. Hu Chao.