中國礦業資源集團有限公司*
China Mining Resources Group Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 00340)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

The board of directors (the "Board") of China Mining Resources Group Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2013, with the comparative figures in 2012, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2013

		Six months ended 30 June	
		2013	2012
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	3	**90,046**	79,878
Cost of sales		**(40,484)**	(40,550)
Gross profit		**49,562**	39,328
Other income		**4,562**	5,060
Other gains and losses		**(9,574)**	(3,014)
Selling and distribution expenses		**(20,234)**	(20,345)
Administrative expenses		**(31,770)**	(33,824)
Finance costs	4	**(11,394)**	(10,189)
Loss before tax		**(18,848)**	(22,984)
Income tax expenses	5	**(2,051)**	(1,398)
Loss for the period	6	**(20,899)**	(24,382)

* *For identification purpose only*

	Notes	Six months ended 30 June 2013 HK$'000 (Unaudited)	2012 HK$'000 (Unaudited)
Other comprehensive income (expense)			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**3,511**	12,458
Fair value gain (loss) on available-for-sale investments		**6,860**	(56,352)
Actuarial loss on defined benefit pension plans		**(896)**	(6,460)
Other comprehensive income (expense) for the period, net of income tax		**9,475**	(50,354)
Total comprehensive expense for the period		**(11,424)**	(74,736)
Loss for the period attributable to:			
Owners of the Company		**(19,094)**	(21,794)
Non-controlling interests		**(1,805)**	(2,588)
Loss for the period		**(20,899)**	(24,382)
Total comprehensive expense attributable to:			
Owners of the Company		**(10,264)**	(73,608)
Non-controlling interests		**(1,160)**	(1,128)
		(11,424)	(74,736)
Loss per share:	*8*		
Basic		**(0.21) cent**	(0.24) cent
Diluted		**(0.21) cent**	(0.24) cent

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013

	Notes	**30 June 2013 HK$'000 (Unaudited)**	31 December 2012 HK$'000 (Audited)
Non-current Assets			
Property, plant and equipment		**153,337**	119,237
Prepaid lease payments		**31,119**	31,104
Exploration and evaluation assets		**—**	—
Goodwill		**88,295**	88,295
Other intangible assets		**158,502**	154,017
Biological assets		**9,791**	8,043
Available-for-sale investments		**125,264**	128,149
Restricted deposit		**3,760**	—
		570,068	528,845
Current Assets			
Inventories		**157,054**	172,731
Trade and other receivables	*9*	**167,147**	160,757
Prepaid lease payments		**543**	532
Short-term loan and loan interest receivables		**15,786**	17,084
Bank balances and cash		**144,764**	117,073
		485,294	468,177
Current Liabilities			
Trade and other payables	*10*	**259,851**	281,887
Tax liabilities		**60,222**	59,543
Bank borrowings		**146,636**	67,496
Other borrowings		**1,791**	1,754
Provisions		**6,050**	5,924
		474,550	416,604
Net Current Assets		**10,744**	51,573
Total Assets less Current Liabilities		**580,812**	580,418

	30 June 2013	31 December 2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Non-current Liabilities		
Deferred income	**88,100**	61,533
Other borrowings	**4,839**	4,738
Provisions	**76,683**	73,746
Deferred tax liabilities	**5,759**	6,156
Other long-term payables	**36,106**	53,912
Non-redeemable convertible preference shares	**52,906**	52,702
	264,393	252,787
Net Assets	**316,419**	327,631
Capital and Reserves		
Share capital	**913,878**	913,878
Share premium and reserves	**(784,294)**	(774,165)
Equity attributable to owners of the Company	**129,584**	139,713
Non-controlling interests	**186,835**	187,918
Total Equity	**316,419**	327,631

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2013

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain assets and financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied, for the first time, the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Accounting Standards ("HKASs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle
HK(IFRIC*) — Int 20	Stripping Costs in the Production Phase of a Surface Mine

* *IFRIC represents the International Financial Reporting Interpretations Committee*

HKFRS 13 ***Fair Value Measurement***

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for "fair value" and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively.

Amendments to HKAS 1 ***Presentation of Items of Other Comprehensive Income***

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income" and an "income statement" is renamed as a "statement of profit or loss". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Amendments to HKAS ***34 Interim Financial Reporting***
(as part of the Annual Improvements to HKFRSs 2009-2011 Cycle)

The Group has applied the amendments to HKAS 34 *Interim Financial Reporting* as part of the Annual Improvements to HKFRSs 2009–2011 Cycle for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the interim financial statements only when the amounts are regularly provided to the chief operating decision maker ("CODM") and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

Except as described above, the application of the other new or revised HKFRSs and HKASs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

Information reported to the Group's chief executive officer, being the CODM, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided. This is also the basis upon which the Group is organised and specifically focuses on the Group's operating divisions. No operating segments identified by the CODM have been aggregated in arriving at the reporting segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

Tea products	—	production and sales of tea
Molybdenum	—	mining, processing and sales of molybdenum
Online video business ("iTV")	—	online video broadcasting

Segments revenue and results

The following is an analysis of the Group's revenue and results from operations by reportable and operating segment for the period under review:

Six months ended 30 June 2013

	Tea products *HK$'000* (Unaudited)	Molybdenum *HK$'000* (Unaudited)	iTV *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
REVENUE				
Segment revenue — external sales	66,534	23,511	1	90,046
RESULTS				
Segment profit (loss)	10,327	2,399	(1,645)	11,081
Unallocated corporate income				486
Unallocated corporate expenses				(19,021)
Finance costs				(11,394)
Loss before tax				(18,848)

Six months ended 30 June 2012

	Tea products *HK$'000* (Unaudited)	Molybdenum *HK$'000* (Unaudited)	iTV *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
REVENUE				
Segment revenue — external sales	62,968	16,910	—	79,878
RESULTS				
Segment profit (loss)	5,780	(4,443)	(2,391)	(1,054)
Unallocated corporate income				1,043
Unallocated corporate expenses				(12,784)
Finance costs				(10,189)
Loss before tax				(22,984)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	30 June 2013 ***HK$'000*** **(Unaudited)**	31 December 2012 *HK$'000* (Audited)
Segment assets		
Tea products	**487,797**	450,216
Molybdenum	**366,904**	318,130
iTV	**23,680**	25,055
Unallocated assets	**176,981**	203,621
Total segment assets	**1,055,362**	997,022
Segment liabilities		
Tea products	**172,655**	141,518
Molybdenum	**507,388**	458,350
iTV	**3,284**	3,344
Unallocated liabilities	**55,616**	66,179
Total segment liabilities	**738,943**	669,391

Other segment information

For the six months ended 30 June 2013

	Tea Products *HK$'000* (Unaudited)	Molybdenum *HK$'000* (Unaudited)	iTV *HK$'000* (Unaudited)	Sub-total *HK$'000* (Unaudited)	Unallocated *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to non-current assets excluding financial instruments	**10,976**	**19,661**	**—**	**30,637**	**15**	**30,652**
Depreciation of property, plant and equipment	**4,112**	**2,245**	**204**	**6,561**	**278**	**6,839**
Amortisation of prepaid lease payments	**607**	**71**	**—**	**678**	**—**	**678**
Amortisation of other intangible assets	**450**	**—**	**—**	**450**	**—**	**450**
(Gain) loss on disposal of property, plant and equipment	**(9)**	**211**	**(1)**	**201**	**—**	**201**
Reversal of impairment loss recognised in respected of trade and other receivables	**(1,866)**	**—**	**—**	**(1,866)**	**—**	**(1,866)**
Impairment loss recognised in respected of trade and other receivables	**1,097**	**—**	**—**	**1,097**	**—**	**1,097**

For the six months ended 30 June 2012

	Tea Products *HK$'000* (Unaudited)	Molybdenum *HK$'000* (Unaudited)	iTV *HK$'000* (Unaudited)	Sub-total *HK$'000* (Unaudited)	Unallocated *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to non-current assets excluding financial instruments	15,785	341	4,315	20,441	47	20,488
Depreciation of property, plant and equipment	2,339	4,942	210	7,491	355	7,846
Amortisation of prepaid lease payments	1,438	70	—	1,508	—	1,508
Amortisation of other intangible assets	419	1,265	295	1,979	—	1,979
(Gain) loss on disposal of property, plant and equipment	—	(264)	135	(129)	2	(127)
Reversal of impairment loss recognised in respected of trade and other receivables	(5,128)	(45)	—	(5,173)	—	(5,173)
Impairment loss recognised in respected of trade and other receivables	2,173	—	—	2,173	—	2,173

4. FINANCE COSTS

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Imputed interest expenses on long-term payables and provisions	**3,934**	3,997
Interest expenses on bank and other borrowings wholly repayable within five years	**3,291**	2,052
Effective interest expenses on non-redeemable convertible preference shares	**4,169**	4,140
	11,394	10,189

5. INCOME TAX EXPENSES

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax:		
PRC Enterprise Income Tax	**2,448**	2,642
Deferred tax:		
Current period	**(397)**	(1,244)
	2,051	1,398

No provision for Hong Kong Profits Tax has been provided for both periods as the Group had no assessable profit arising in Hong Kong.

Under the Law of the PRC on Enterprise Income Tax, (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 2008 onwards.

6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Directors' and chief executives' remuneration	**4,313**	4,206
Other staff's salaries, bonus and allowances	**9,559**	14,489
Other staff's contribution to retirement benefits schemes	**1,009**	720
Share-based payments expenses	**212**	—
Total staff costs	**15,093**	19,415
Auditor's remuneration		
— non-audit service	**520**	550
Amortisation of prepaid lease payments	**678**	1,508
Amortisation of other intangible assets	**450**	1,979
Costs of inventories recognised as an expense	**40,484**	40,550
Depreciation of property, plant and equipment	**6,839**	7,846
Government grants	**(603)**	(2,616)
Loss (gain) on disposal of property, plant and equipment and prepaid lease payments	**201**	(127)
Interest income	**(3,803)**	(1,974)
Reversal of impairment loss recognised in respect of trade and other receivables	**(1,866)**	(5,173)
Impairment loss recognised in respect of trade and other receivables	**1,097**	2,173
(Gain) loss on changes in fair value less costs to sell for biological assets	**(2,061)**	3,469

7. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the Company (the "Directors") have determined that no dividend will be paid in respect of the interim period (2012: Nil).

8. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company for the purposes of basic and diluted loss per share *(Note)*	**(19,094)**	(21,794)

	Six months ended 30 June	
	2013	2012
	'000	*'000*
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share *(Note)*	**9,138,782**	9,138,782

Note:

The computation of diluted loss per share for the six months ended 30 June 2013 and 2012 does not assume the conversion of the Company's outstanding share options and non-redeemable convertible preference shares since their exercise would result in a decrease in loss per share for both periods.

9. TRADE AND OTHER RECEIVABLES

	30 June 2013 *HK$'000* **(Unaudited)**	31 December 2012 *HK$'000* (Audited)
Trade receivables	**87,078**	84,195
Less: Allowance for doubtful debts	**(9,473)**	(9,906)
	77,605	74,289
Other receivables	**70,301**	70,087
Less: Allowance for doubtful debts	**(57,153)**	(57,212)
	13,148	12,875
Deposits and prepayments	**26,262**	24,505
Prepayment on inventories *(Note)*	**50,132**	49,088
Total trade and other receivables	**167,147**	160,757

Note: The prepayment on inventories carries interest at 11.152% (for the year ended 31 December 2012: 11.152%) per annum. The balances are unsecured and matured within one year. During the six months ended 30 June 2013, interest income from prepayment on inventories of approximately HK$462,000 (equivalents to RMB371,000) were received by Wuyi Star Tea Industrial Co., Ltd ("Wuyi Star") (for the six months ended 30 June 2012: approximately HK$455,000 (equivalents to RMB371,000)).

The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the delivery date, which approximated the revenue recognition date, at the end of the reporting period:

	30 June 2013 *HK$'000* **(Unaudited)**	31 December 2012 *HK$'000* (Audited)
0 — 30 days	**3,734**	13,110
31 — 60 days	**2,928**	2,044
61 — 90 days	**4,418**	458
Over 90 days	**66,525**	58,677
	77,605	74,289

10. TRADE AND OTHER PAYABLES

	30 June 2013 *HK$'000* **(Unaudited)**	31 December 2012 *HK$'000* (Audited)
Trade payables	**37,679**	16,166
Other payables and accruals	**222,172**	265,721
	259,851	281,887

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	30 June 2013 *HK$'000* **(Unaudited)**	31 December 2012 *HK$'000* (Audited)
0 — 90 days	**30,743**	10,560
91 — 180 days	**914**	1,983
181 — 365 days	**2,626**	98
Over 1 year	**3,396**	3,525
	37,679	16,166

EXTRACT OF INDEPENDENT AUDITOR'S REVIEW REPORT

The following is an extract of the independent Auditor's Report on Review of Condensed Consolidated Financial Statements of the Group for the six months ended 30 June 2013:

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Other Matter

Without qualifying our review conclusion, we draw attention to the fact that Dongbei Special Steel Group Company Limited ("Dongbei Steel") is the Group's major customer in Molybdenum segment. No sales transaction or settlement was occurred during the six months ended 30 June 2013 and its respective trade receivable is approximately HK$54,389,000 (equivalents to RMB43,396,000) or 70% of the total trade receivables at 30 June 2013. Hence, the Group is exposed to credit risk arising from concentration on Dongbei Steel.

MANAGEMENT DISCUSSION AND ANALYSIS

Results Review

For the six months ended 30 June 2013, China Mining Resources Group Limited (the "Company") together with its subsidiaries (the "Group") recorded a consolidated revenue of HK$90,046,000 (six months ended 30 June 2012: HK$79,878,000) and gross profit of HK$49,562,000 (six months ended 30 June 2012: HK$39,328,000), representing an increase of 13% and 26% respectively as compared with the corresponding period in 2012. The increase in revenue in the first half of 2013 was mainly attributable to the significant increase of revenue generated from Harbin Songjiang Copper (Group) Company Limited ("Harbin Songjiang") and its subsidiaries (together with Harbin Songjiang, "Harbin Songjiang Group") and an increase of revenue generated from King Gold Investments Limited ("King Gold") and its subsidiaries (together with King Gold, "King Gold Group").

The Group's unaudited loss attributable to owners of the Company amounted to HK$19,094,000 (six months ended 30 June 2012: HK$21,794,000).

The Group's loss before interest, taxes, depreciation and amortisation ("LBITDA") was HK$256,000 for the six months ended 30 June 2013 (six months ended 30 June 2012: HK$4,462,000).

Review of Operations

Harbin Songjiang Group

Harbin Songjiang is based in Harbin, Heilongjiang Province, the People's Republic of China (the "PRC") and specialises in the mining, processing and sales of molybdenum. Harbin Songjiang Group contributed HK$23,511,000 (six months ended 30 June 2012: HK$16,910,000) and HK$2,399,000 (six months ended 30 June 2012: loss of HK$4,443,000) to the Group's revenue and profit respectively for the six months ended 30 June 2013. Mining business revenue for the six months ended 30 June 2013 increased by 39% to HK$23,511,000 compared to corresponding period in the previous financial year. The increase was mainly attributable to the significant increase in sales volume of ferro molybdenum during the six months ended 30 June 2013. The sales volume of ferro molybdenum increased from 118 tonnes for the six months ended 30 June 2012 to 190 tonnes for the six months ended 30 June 2013. The average selling price of ferro molybdenum fell to around HK$123,750 per tonne during the six months ended 30 June 2013 (six months ended 30 June 2012: HK$143,000 per tonne). The cost of sales of Harbin Songjiang Group for the six months ended 30 June 2013 was HK$8,888,000 (six months ended 30 June 2012: HK$9,068,000) and the gross profit margin was 62% (six months ended 30 June 2012: 46%). The increase in gross profit margin was primarily attributable to the lower unit production cost of ferro molybdenum due to tightened cost control applied by the Group during the period.

King Gold Group

King Gold Group is principally engaged in cultivation, research, production and sale of Chinese tea products, and its products are selling under the brand names of "武夷" and "武夷星" which are well-recognised in the PRC as premium tea products and widely distributed throughout the country. King Gold Group contributed HK$66,534,000 (six months ended 30 June 2012: HK$62,968,000) and HK$10,327,000 (six months ended 30 June 2012: HK$5,780,000) to the Group's revenue and profit respectively for the six months ended 30 June 2013. For the six months ended 30 June 2013, King Gold Group generated revenue of HK$66,534,000. This represented an increase of HK$3,566,000 or 6% in revenue when compared with the revenue of HK$62,968,000 generated in the first half of 2012. The increase in revenue was mainly attributable to the expansion of the distribution network within the market in the PRC during the first half of 2013. The cost of sales of King Gold Group increased from HK$31,482,000 for the six months ended 30 June 2012 to HK$31,596,000 for the six months ended 30 June 2013. The average gross profit margin for the current period was 53%, representing an increase of 3% as compared with 50% in the first half of 2012.

Year Joy Group

Year Joy Investments Limited ("Year Joy") indirectly owns 100% of the economic benefit from the operation of the iTV business of China iTV Network Co., Ltd. ("China iTV"), a company established in the PRC on 7 September 1998 with limited liability, through an exclusive business operation agreement. China iTV is mainly engaged in online video service which involves an online video platform that offers various contents and deliver various value-added services to the customers of the telecommunication companies in the PRC. iTV business started generated revenue since second half of 2012. The iTV business is still in the stage of developing client network. Year Joy and its subsidiaries (together with Year Joy, “Year Joy Group”) contributed HK$1,000 (six months ended 30 June 2012: Nil) and HK$1,645,000 (six months ended 30 June 2012: HK$2,391,000) to the Group’s revenue and loss respectively for the six months ended 30 June 2013.

Investments in Canada listed mining companies and other securities

The Group invested in several Canada listed mining companies which were held for the purpose of long-term investments and capital gain and dividend income during the six months ended 30 June 2013. The investment portfolio of the Group, including available-for-sale investments, recorded appreciation during the first half of 2013. The net increase in fair value of the investment portfolio during the six months ended 30 June 2013 was HK$6,860,000 (six months ended 30 June 2012: the net decrease in fair value of HK$56,352,000) and was recorded in the change of investment revaluation reserve.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2013, the Group had total assets and net assets of HK$1,055,362,000 (31 December 2012: HK$997,022,000) and HK$316,419,000 (31 December 2012: HK$327,631,000), respectively. The current ratio was 1.02, as compared to 1.12 as of year ended 31 December 2012.

As at 30 June 2013, the Group had bank balances and cash, of HK$144,764,000 (31 December 2012: HK$117,073,000), of which most were denominated in Renminbi and Hong Kong dollar.

As at 30 June 2013 the Group had (i) bank borrowings of HK$146,636,000 (31 December 2012: HK$67,496,000) which were dominated in Renminbi and interest-bearing at floating rates with reference to the prevailing borrowing rate quoted by the People’s Bank of China and (ii) other loans of HK$6,630,000 (31 December 2012: HK$6,492,000), which were dominated in Renminbi, of which HK$1,253,000 was interest-free and HK$5,377,000 was interest-bearing at 2.55% per annum. The gearing ratio, as a ratio of total borrowings to shareholders’ fund was 118% (31 December 2012: 53%).

As at 30 June 2013, the Group has pledged a building and a prepaid lease payment with carrying values of approximately HK$30,542,000 (31 December 2012: HK$18,639,000) and HK$20,656,000 (31 December 2012: HK$19,711,000) respectively to secure general banking facilities grant to the Group.

FOREIGN EXCHANGE RISK MANAGEMENT

As part of the Group’s assets and liabilities are denominated in Hong Kong dollar and Canadian dollar, in order to minimize the foreign currency risk, the Group aims to utilise the fund for transactions that are denominated in the same currency.

SHARE CAPITAL

As at 30 June 2013, the Company had 9,138,782,211 ordinary shares and 3,776,190,000 non-redeemable convertible preference shares in issue with total shareholders' fund of the Group amounting to approximately HK$1,291,497,000.

CONTINGENT LIABILITIES

The Group has no material contingent liabilities as at 30 June 2013 (31 December 2012: Nil).

As disclosed in the announcement of the Company dated 8 November 2011, the Company has received a writ of summons issued by the High Court of Hong Kong Special Administrative Region on 8 November 2011 (the "Writ") pursuant to which Mr. Lin Min and Fujian Yuansheng Foods Industry Co. Ltd. ("Fujian Yuansheng") (named as the plaintiffs in the writ) alleged that, amongst other things, the Company and 27 other co-defendants and/or certain PRC government officials had acted in conspiracy in obtaining ownership and control of certain assets of the plaintiffs and they were claiming for, amongst other things, damages from all 28 defendants jointly and severally in the total amount of RMB1,589,000,000.

As announced by the Company on 8 November 2011 and 26 March 2010, the Company has not obtained any interests in Fujian Yuanshen and is seeking legal advice in response to the Writ, in the opinion of the directors, the possible of an outflow of resources embodying economic benefit is remote.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There were no material acquisitions or disposals of subsidiaries and associated companies during the six months ended 30 June 2013.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2013, the Group had approximately 12 and 888 employees in Hong Kong and Mainland China respectively.

The staff cost of the Group (including directors' remuneration in form of salary and other benefits, share-based payments, performance related incentive payments and retirement benefit contributions) was approximately HK$15,093,000 for the six months ended 30 June 2013 (six months ended 30 June 2012: HK$19,415,000). There was a share-based payment of HK$212,000 arising from granting of share options to the directors of the Company during the six months ended 30 June 2013 (six months ended 30 June 2012: Nil).

Directors' remuneration were fixed with reference to their duties and responsibilities with the Company as well as the Company's remuneration policy.

Employees of the Group are remunerated at a competitive level and are rewarded according to their performance. Our Group's remuneration packages include medical scheme, group insurance, mandatory provident fund for Hong Kong employees, social insurance packages for Mainland China employees, performance bonus and share option scheme.

According to the share option scheme adopted by the Company on 26 June 2002 and 25 May 2012, share options may be granted to directors, employees and other eligible participants of the Group to subscribe for shares in the Company in accordance with the terms and conditions stipulated therein.

PROSPECTS

The domestic and international ferro molybdenum markets in the first half of 2013 remained in the doldrums, and the price has not improved. Despite the challenging economic conditions, the Group has maintained a stable business performance of ferro molybdenum during the period thereby positioning itself to grasp the opportunities that will come with the recovery of the market.

The tea business continued to make a steady contribution throughout the first half of the year. The Group focused on distribution tea products under the well-established "Wuyi star" and "Wuyi" brands in the PRC market and it has increased the number of stores cities and regions by opening new stores, including self-operated stores and franchise stores, to maintain regional dominance. Looking ahead, the management of the Group remains cautiously optimistic with respect to the overall consumer market sentiment in China. In order to improve the profitability and market share, the Group will continue to provide high quality tea products, launch new and exclusive tea products, and expand the distribution network.

For the online video business, the Group will continue to focus on the cooperation with the major telecommunication operators in the PRC and develop more value-added services, including, but not limited to, online video service, mobile value-added service to the customers of telecommunication operators. The ultimate goal for the online video business is to have a long-term and stable cooperative relationship with the major telecommunications operators in the PRC and to continue to develop relevant internet and mobile value-added service applications to the end-users of the telecommunications operators.

The future economic outlook is positive both in Mainland China and the US, the two world's largest economics. With the implementation of quantitative easing measures in Europe and Japan, the management of the Group is confident that the global financial environment is improving. Look ahead, we will continue to adhere to our established business strategy of strengthening the internal management process, optimizing product mix, promoting efficient cost control and improving capital utilization, thereby further improving the Group's performance. We will strive to increase our competitiveness as well as gaining market share in all business segments so as to generate the best return to our shareholders.

CORPORATE GOVERNANCE

The Company is committed to comply with its established best practice in corporate governance and is acting in line with those practices as set out in the annual report of the Company for the financial year ended 31 December 2012. The Board believes that good corporate governance is crucial to enhance the performance of the Group and to safeguard the interests of the shareholders of the Company.

Compliance with The Corporate Governance Code of the Listing Rules

The Company has complied with all the applicable code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") during the six months ended 30 June 2013.

Compliance with The Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Upon specific enquiries, all directors of the Company ("Directors") confirmed they had complied with the required standard set out in the Model Code during the six months ended 30 June 2013.

Audit Committee

The Audit Committee comprises three independent non-executive Directors. They are responsible for ensuring the quality and integrity of internal control, conducting review of the Group's accounting principles and practices, risk management and the Group's interim and annual accounts.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its securities during the six months ended 30 June 2013. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the six months ended 30 June 2013.

AUDIT COMMITTEE

The Audit Committee and management have reviewed the accounting principles and policies adopted by the Group and the unaudited interim financial statements for the six months ended 30 June 2013.

INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2013.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published in the Company's website (www.chinaminingresources.com) and the designated website of the Stock Exchange (www.hkexnews.hk). The interim report will be available on the websites of the Company and the Stock Exchange in due course.

By Order of the Board
China Mining Resources Group Limited
Chen Shou Wu
Deputy Chairman & Chief Executive Officer

Hong Kong, 26 August 2013

As at the date of this announcement, the board of directors of the Company comprises Dr. You Xian Sheng, Mr. Chen Shou Wu, Mr. Wang Hui, Mr. Yeung Kwok Kuen and Mr. Fang Yi Quan as executive Directors, Mr. Chong Cha Hwa, Mr. Chu Kang Nam and Mr. Lin Xiang Min as independent non-executive Directors.