

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2013

The board of directors (the “Board”) of China Mining Resources Group Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively known as the “Group”) for the year ended 31 December 2013:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2013

	<i>Notes</i>	2013 HK\$'000	2012 HK\$'000
Revenue	5	186,585	221,646
Cost of sales		(135,948)	(126,623)
Gross profit		50,637	95,023
Other income	7	12,081	12,658
Other gains and losses	8	12,712	32,017
Selling and distribution expenses		(58,346)	(57,121)
Administrative expenses		(89,733)	(85,771)
Finance costs		(27,404)	(23,206)
Impairment loss recognised in respect of goodwill		(88,295)	—
Impairment loss recognised in respect of short-term loan and loan interest receivables		(15,357)	—
Impairment loss recognised in respect of available-for-sale investments		(24,998)	(57,913)
Impairment loss recognised in respect of inventories		(1,318)	(13,018)
Impairment loss recognised in respect of property, plant and equipment		(61,184)	(16,832)
Impairment loss recognised in respect of other intangible assets		(59,860)	(7,874)
Loss before tax		(351,065)	(122,037)
Income tax credit	9	6,165	1,804
Loss for the year	10	(344,900)	(120,233)

* *For identification purpose only*

	<i>Notes</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Other comprehensive income (expense)			
Items that will not be reclassified to profit or loss:			
Actuarial gain (loss) on defined benefit pension plans		5,039	(4,109)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statement of foreign operations		7,130	12,925
Fair value gain (loss) on available-for-sale investments		<u>1,530</u>	<u>(39,819)</u>
		<u>8,660</u>	<u>(26,894)</u>
Other comprehensive income (expense) for the year, net of income tax		<u>13,699</u>	<u>(31,003)</u>
Total comprehensive expense for the year		<u>(331,201)</u>	<u>(151,236)</u>
Loss for the year attributable to:			
Owners of the Company		(311,048)	(110,858)
Non-controlling interests		<u>(33,852)</u>	<u>(9,375)</u>
Loss for the year		<u>(344,900)</u>	<u>(120,233)</u>
Total comprehensive expense attributable to:			
Owners of the Company		(299,967)	(143,892)
Non-controlling interests		<u>(31,234)</u>	<u>(7,344)</u>
		<u>(331,201)</u>	<u>(151,236)</u>
Loss per share	<i>11</i>		
Basic (HK cents)		<u>(3.40) cents</u>	<u>(1.21) cents</u>
Diluted (HK cents)		<u>(3.40) cents</u>	<u>(1.21) cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

		2013	2012
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		93,623	119,237
Prepaid lease payments — non-current portion		31,174	31,104
Exploration and evaluation assets		—	—
Goodwill		—	88,295
Other intangible assets		100,226	154,017
Biological assets		10,219	8,043
Available-for-sale investments		69,819	128,149
Other non-current financial assets		7,610	—
		<u>312,671</u>	<u>528,845</u>
Current assets			
Inventories		174,514	172,731
Trade and other receivables	<i>12</i>	135,311	160,757
Prepaid lease payments		549	532
Short-term loan and loan interest receivables		—	17,084
Bank balances and cash		118,555	117,073
		<u>428,929</u>	<u>468,177</u>
Current liabilities			
Trade and other payables	<i>13</i>	271,787	281,887
Tax liabilities		56,943	59,543
Bank borrowings		107,806	67,496
Other borrowings		2,357	1,754
Provisions		11,630	5,924
		<u>450,523</u>	<u>416,604</u>
Net current (liabilities) assets		<u>(21,594)</u>	<u>51,573</u>
Total assets less current liabilities		<u>291,077</u>	<u>580,418</u>

	<i>Notes</i>	2013 HK\$'000	2012 HK\$'000
Non-current liabilities			
Deferred income		107,487	61,533
Other borrowings — non-current portion		4,353	4,738
Provisions — non-current portion		76,031	73,746
Deferred tax liabilities		—	6,156
Other long-term payables	<i>13</i>	42,061	53,912
Non-redeemable convertible preference shares		53,125	52,702
		<u>283,057</u>	<u>252,787</u>
Net Assets		<u>8,020</u>	<u>327,631</u>
Capital and reserves			
Share capital		913,878	913,878
Share premium and reserves		<u>(1,062,762)</u>	<u>(774,165)</u>
Equity attributable to owners of the Company		(148,884)	139,713
Non-controlling interests		<u>156,904</u>	<u>187,918</u>
Total Equity		<u>8,020</u>	<u>327,631</u>

Notes:

1. GENERAL

China Mining Resources Group Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” of the annual report.

The functional currency of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) is Renminbi (“RMB”). The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) for the convenience of the investors as its shares are listed on the Stock Exchange.

The principal activities of the Group are mining, processing and sales of molybdenum, sales of tea products and online video broadcasting.

2. BASIS OF PREPARATION

The Group had incurred loss of approximately HK\$344,900,000 for the year ended 31 December 2013 and net current liabilities of approximately HK\$21,594,000 as at 31 December 2013. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, these consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the Group’s ability to generate sufficient working capital and the Group could obtain loan financing from financial institution and seek prospective investors, at a level sufficient to finance the working capital requirements of the Group. The directors of the Company (the “Directors”) are therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group’s assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

In preparing the consolidated financial statements, the management has given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a net loss of HK\$344,900,000 during the financial year ended 31 December 2013 and, as of that date, the Group’s current liabilities exceed its current assets by HK\$21,594,000.

In order to improve the Group’s financial position, to provide liquidity and cash flows and to sustain the Group as a going concern, the management has taken and/or will take the following measures:

- (a) The management has taken various cost control measures to tighten the costs of operations and reduce various general and administrative expenses;
- (b) The Group has been implementing various sales and marketing strategies to reduce the losses of the Group;
- (c) As explained in Note 14, in January 2014, the Group obtained new bank loans of RMB20,000,000 by Wuyi Star Tea Industrial Co., Ltd.; and

- (d) As explained in Note 14, on 27 March 2014, one of the substantial shareholders of the Company (the “Substantial Shareholder”), who beneficially own 1,633,334,286 ordinary issued shares of the Company, representing 17.87% of the total issued ordinary share capital of the Company (the “Shares”) on 27 March 2014, entered into the deed of undertaking (the “Deed of Undertaking”) and agreed to 1) to provide financial support to the Company until the Company has sufficient funds to meet its operations and to pay financial obligations as they fall due for the period from 27 March 2014 to 31 March 2015; 2) to use the Shares and/or converting the Shares to procure loan facilities which will make available to the Company in meeting the Company’s operation requirements; and 3) not to pledge and/or dispose of the Shares to any other parties other than the purpose as stated in item 2 above for the period from 27 March 2014 to 31 March 2015.

The Directors are of the opinion that, taking into account the above (c) to (d) measures, the Group will have sufficient working capital to finance its operations and to pay financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) AND HONG KONG ACCOUNTING STANDARDS (“HKASs”)

Application of new and revised HKFRSs and HKASs

The Group has applied the following new and revised HKFRSs and HKASs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle
Amendments to HKFRS7	Disclosures — Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK(IFRIC*) — Int 20	Stripping Costs in the Production Phase of a Surface Mine

* *IFRIC represents the International Financial Reporting Interpretations Committee*

Except as described below, the application of the new and revised HKFRSs and HKASs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

New and revised HKFRSs adopted by and relevant to the Group

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 Consolidated Financial Statements, HKFRS 11 Joint Arrangements, HKFRS 12 Disclosure of Interests in Other Entities, HKAS 27 (as revised in 2011) Separate Financial Statements and HKAS 28 (as revised in 2011) Investments in Associates and Joint Ventures, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impacts of the application of these standards that are relevant to the Company are as follows:

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and SIC-12 Consolidation — Special Purpose Entities. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee; and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The directors of the Company (the “Directors”) made an assessment as at the date of initial application of HKFRS 10 as to whether or not the Group has control over the investees in accordance with the new definition of control and the related guidance set out in HKFRS 10, and concluded that the application of HKFRS 10 does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*. Upon the adoption of the amendments to HKAS 1, the Group’s “statement of comprehensive income” is renamed as the “statement of profit or loss and other comprehensive income”. 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. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income to 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 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. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply 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, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of 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.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs and HKASs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle ²
HKFRS 9	Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ³
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities ¹
HKFRS 14	Regulatory Deferral Accounts ⁴
Amendments to HKAS 19	Defined Benefits Plans: Employee Contributions ²
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ¹
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-financial Assets ¹
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting ¹
HK(IFRIC) — Int 21	Leases ¹

- ¹ Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.
- ² Effective for annual periods beginning on or after 1 July 2014, except as disclosed below. Early application is permitted.
- ³ Available for application – the mandatory effective will be determined when the outstanding phases of HKFRS 9 are finalised.
- ⁴ Effective for annual periods beginning on or after 1 January 2016 with earlier application permitted.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

5. REVENUE

Revenue represents turnover arising on sale of tea products, molybdenum and service income of online video business for the year. An analysis of the Group's revenue for the year is as follows:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Sales of tea products	140,421	170,870
Sales of molybdenum	46,163	50,761
Online video business ("iTV")	1	15
	<u>186,585</u>	<u>221,646</u>

6. SEGMENT INFORMATION

Information reported to the Company's chief executive officer, being the chief operating decision maker ("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
iTV	—	online video broadcasting

Segment revenue and results

The following is an analysis of the Group's revenue and results from operations by reportable and operating segments.

For the year ended 31 December 2013

	Tea products <i>HK\$'000</i>	Molybdenum <i>HK\$'000</i>	iTV <i>HK\$'000</i>	Total <i>HK\$'000</i>
REVENUE				
Segment revenue — external sales	<u>140,421</u>	<u>46,163</u>	<u>1</u>	<u>186,585</u>
RESULT				
Segment loss	<u>(187,891)</u>	<u>(66,891)</u>	<u>(18,731)</u>	<u>(273,513)</u>
Unallocated income				
— Interest income				1,629
— Gain on disposal of property, plant and equipment				<u>12,172</u>
Total unallocated income				<u>13,801</u>
Unallocated expenses				
— Central administrative expenses				(57,682)
— Net foreign exchange loss				(6,267)
Finance costs				<u>(27,404)</u>
Total unallocated expenses				<u>(91,353)</u>
Loss before tax				<u><u>(351,065)</u></u>

For the year ended 31 December 2012

	Tea products <i>HK\$'000</i>	Molybdenum <i>HK\$'000</i> <i>(Note below)</i>	iTV <i>HK\$'000</i>	Total <i>HK\$'000</i>
REVENUE				
Segment revenue — external sales	<u>170,870</u>	<u>50,761</u>	<u>15</u>	<u>221,646</u>
RESULT				
Segment (loss) profit	<u>(13,733)</u>	<u>6,362</u>	<u>(13,836)</u>	<u>(21,207)</u>
Unallocated income				
— Interest income				1,953
— Others				<u>1,806</u>
Total unallocated income				<u>3,759</u>
Unallocated expenses				
— Central administrative expenses				(75,972)
— Loss on disposal of property, plant and equipment				(5,411)
Finance costs				<u>(23,206)</u>
Total unallocated expenses				<u>(104,589)</u>
Loss before tax				<u><u>(122,037)</u></u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss) profit represent the result from each segment without allocation of central administration expenses, including impairment loss recognised in respect of available-for-sale investments, directors' salaries, other income (mainly includes interest income on bank deposits), (loss) gain on disposal of property, plant and equipment and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Note: In determining the segment result of Molybdenum for the year ended 31 December 2012, a "Gain on change of estimation on land reclamation and cavity refill cost" of approximately HK\$41,121,000 has been included in the segment analysis.

Segment assets and liabilities

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

At 31 December 2013

	Tea products	Molybdenum	iTV	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
ASSETS AND LIABILITIES				
Segment assets	<u>266,941</u>	<u>339,139</u>	<u>3,933</u>	<u>610,013</u>
Unallocated assets				
— Available-for-sale investments				69,819
— Certain bank balances and cash				47,704
— Others				<u>14,064</u>
Total unallocated assets				<u>131,587</u>
Total assets				<u><u>741,600</u></u>
Segment liabilities	<u>139,287</u>	<u>535,755</u>	<u>421</u>	<u>675,463</u>
Unallocated liabilities				
— Certain other payables				3,074
— Certain tax liabilities				1,918
— Non-redeemable convertible preference shares				<u>53,125</u>
Total unallocated liabilities				<u>58,117</u>
Total liabilities				<u><u>733,580</u></u>

At 31 December 2012

	Tea products <i>HK\$ '000</i>	Molybdenum <i>HK\$ '000</i>	iTV <i>HK\$ '000</i>	Total <i>HK\$ '000</i>
ASSETS AND LIABILITIES				
Segment assets	<u>450,216</u>	<u>318,130</u>	<u>25,055</u>	<u>793,401</u>
Unallocated assets				
— Available-for-sale investments				128,149
— Certain bank balances and cash				60,292
— Others				<u>15,180</u>
Total unallocated assets				<u>203,621</u>
Total assets				<u><u>997,022</u></u>
Segment liabilities	<u>141,518</u>	<u>458,350</u>	<u>3,344</u>	<u>603,212</u>
Unallocated liabilities				
— Certain other payables				11,559
— Certain tax liabilities				1,918
— Non-redeemable convertible preference shares				<u>52,702</u>
Total unallocated liabilities				<u>66,179</u>
Total liabilities				<u><u>669,391</u></u>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than available-for-sale investments, certain bank balances and cash and other assets that are not attributable to segments; and
- all liabilities are allocated to operating segments other than certain other payables, certain tax liabilities, and non-redeemable convertible preference shares.

Other segment information

For the year ended 31 December 2013

	Tea products <i>HK\$'000</i>	Molybdenum <i>HK\$'000</i>	iTV <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to non-current assets excluding financial instruments	19,375	27,522	19	46,916	88	47,004
Depreciation and amortisation	6,164	11,117	412	17,693	528	18,221
Impairment loss recognised in respect of trade and other receivables	5,410	156	500	6,066	—	6,066
Reversal of impairment loss recognised in respect of trade and other receivables	(1,373)	—	—	(1,373)	—	(1,373)
Impairment loss recognised in respect of property, plant and equipment	60,658	—	526	61,184	—	61,184
Gain on disposal of property, plant and equipment	—	—	—	—	(12,172)	(12,172)
Impairment loss recognised in respect of available-for-sale investments	—	—	—	—	24,998	24,998
Impairment loss recognised in short-term loan and loan interest receivables	—	—	15,357	15,357	—	15,357
Fair value gains on available-for-sale investments	—	—	—	—	(1,530)	(1,530)
Waiver of other payables	—	—	(3,150)	(3,150)	—	(3,150)
Impairment loss recognised in respect of goodwill	88,295	—	—	88,295	—	88,295
Impairment loss recognised in respect of other intangible assets	27,777	32,083	—	59,860	—	59,860
Impairment loss recognised in respect of inventories	1,318	—	—	1,318	—	1,318

For the year ended 31 December 2012

	Tea products <i>HK\$'000</i>	Molybdenum <i>HK\$'000</i>	iTV <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to non-current assets excluding financial instruments	27,525	15,561	1,648	44,734	47	44,781
Depreciation and amortisation	6,741	10,905	745	18,391	690	19,081
Impairment loss recognised in respect of trade and other receivables	4,340	656	1,601	6,597	—	6,597
Reversal of impairment loss recognised in respect of trade and other receivables	(5,671)	(196)	—	(5,867)	—	(5,867)
Impairment loss recognised in respect of other intangible assets	—	—	7,874	7,874	—	7,874
Impairment loss recognised in respect of inventories	515	12,503	—	13,018	—	13,018
Impairment loss recognised in respect of property, plant and equipment	16,832	—	—	16,832	—	16,832
Written-off of inventories	5,337	—	—	5,337	—	5,337
Loss on disposal of property, plant and equipment	—	—	—	—	5,411	5,411
Impairment loss recognised in respect of available-for-sale investments	—	—	—	—	57,913	57,913
Fair value loss on available-for-sale investments	—	—	—	—	39,819	39,819
Impairment loss recognised in respect of inventories	—	—	—	—	—	—

Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets is immaterial.

Geographical information

The Group's operations are mainly located in the PRC (country of domicile), Hong Kong and Europe.

Information about the Group's revenue from external customers is presented based on the geographical location of customers. Information about the Group's non-current assets (excluding financial instruments) is presented based on the geographical location of the assets.

For the year ended 31 December 2013

	The PRC <i>HK\$'000</i>	Hong Kong <i>HK\$'000</i>	Europe <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	166,204	—	20,329	52	186,585
Non-current assets excluding financial instruments	<u>231,571</u>	<u>11,281</u>	<u>—</u>	<u>—</u>	<u>242,852</u>

For the year ended 31 December 2012

	The PRC <i>HK\$'000</i>	Hong Kong <i>HK\$'000</i>	Europe <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	210,787	1,422	9,393	44	221,646
Non-current assets excluding financial instruments	<u>388,137</u>	<u>12,559</u>	<u>—</u>	<u>—</u>	<u>400,696</u>

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Customer A ¹	59,642	43,250
Customer B ²	N/A ³	25,370
Customer C ²	<u>18,666</u>	<u>N/A³</u>

¹ Revenue from tea products

² Revenue from molybdenum products

³ The corresponding revenue did not contributed over 10% of the total sales of the Group

7. OTHER INCOME

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Interest income on bank deposits	1,629	1,953
Interest income from short-term loan	—	811
Interest income from advanced to suppliers (<i>Note 12</i>)	5,583	3,193
Government grants (<i>Note</i>)	4,607	5,264
Rental income	102	—
Others	160	1,437
	<u>12,081</u>	<u>12,658</u>

Note: In 2013, the Group received grants of approximately HK\$2,685,000 (2012: HK\$4,569,000) from the local government. There are no unfulfilled conditions and other contingencies attaching to such government grants and thus, the amounts are recognised as other income upon receipt.

8. OTHER GAINS AND LOSSES

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Waiver of other payables	3,150	—
Reversal of tax recoverable previously written-off	1,268	—
Gain on changes of estimation on land reclamation and cavity refill cost	—	41,121
Net foreign exchange (loss) gain	(6,267)	370
Gain (loss) on disposal of property, plant and equipment	12,172	(5,411)
Gain (loss) from changes in fair value less costs-to-sell for biological assets	2,389	(4,063)
	<u>12,712</u>	<u>32,017</u>

9. INCOME TAX CREDIT

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Current tax:		
Hong Kong	—	—
PRC Enterprise Income Tax	—	—
	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>
Deferred tax:		
Current year	<u>(6,165)</u>	<u>(1,804)</u>
Income tax credit	<u>(6,165)</u>	<u>(1,804)</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

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 1 January 2008 onwards.

10. LOSS FOR THE YEAR

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Loss for the year has been arrived at after charging (crediting):		
Directors’ and chief executives’ remuneration	10,278	9,547
Other staff’s salaries, bonus and allowances	31,982	35,168
Other staff’s contribution to retirement benefits schemes	1,379	1,088
Share-based payments expenses — directors	9,251	—
Share-based payments expenses — employees	1,099	—
	<u>53,989</u>	<u>45,803</u>
Total staff costs		
Impairment loss recognised in respect of trade and other receivables	6,066	6,597
Reversal of impairment losses recognised in respect of trade and other receivables	(1,373)	(5,867)
Amortisation of other intangible assets	1,377	2,854
Amortisation of prepaid lease payment	1,017	1,848
Auditors’ remuneration		
— Audit service	1,430	1,430
— Non-audit service	520	550
Costs of inventories recognised as an expense	125,819	126,623
Written-off of inventories	—	5,337
Depreciation of property, plant and equipment	15,827	14,379
Share-based payment expense — consultant	1,240	—
	<u>1,240</u>	<u>—</u>

11. LOSS PER SHARE

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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company for the purposes of basic loss per share	(311,048)	(110,858)
Effect of dilutive potential ordinary shares:		
Interest on non-redeemable convertible preference shares (<i>Note</i>)	<u>—</u>	<u>—</u>
Loss for the purposes of diluted loss per share	<u>(311,048)</u>	<u>(110,858)</u>
	Number of shares	
	2013 '000	2012 '000
Weighted average number of ordinary shares for the purposes of basic loss per share	9,138,782	9,138,782
Effect of dilutive potential ordinary shares:		
Non-redeemable convertible preference shares (<i>Note</i>)	<u>—</u>	<u>—</u>
Weighted average number of ordinary shares for the purposes of diluted loss per share	<u>9,138,782</u>	<u>9,138,782</u>

The denominators used are the same as those detailed above for basic and diluted loss per share.

Note: The computation of diluted loss per share for the year ended 31 December 2013 and 31 December 2012 do 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.

12. TRADE AND OTHER RECEIVABLES

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Trade receivables (<i>Note (a)</i>)	49,888	84,195
Less: Allowances	<u>(13,851)</u>	<u>(9,906)</u>
	<u>36,037</u>	<u>74,289</u>
Other receivables (<i>Note (b)</i>)	78,114	70,087
Less: Allowances	<u>(60,271)</u>	<u>(57,212)</u>
	<u>17,843</u>	<u>12,875</u>
Bill receivables	13,887	—
Deposits and prepayments	12,206	2,734
Advanced to suppliers (<i>Note (c)</i>)	<u>59,143</u>	<u>70,859</u>
	<u>85,236</u>	<u>73,593</u>
Total trade and other receivables	<u><u>139,116</u></u>	<u><u>160,757</u></u>
	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Analysed for reporting purposes as:		
Current assets	135,311	160,757
Non-current assets included in other non-current financial assets (<i>Note (b)</i>)	<u>3,805</u>	<u>—</u>
	<u><u>139,116</u></u>	<u><u>160,757</u></u>

Notes:

(a) Trade receivables

The Group normally allows credit period of 90 days to its trade customers. The aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date which approximated the respective dates on which revenue was recognised at the end of the reporting period is as follows:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
0 — 30 days	3,621	13,110
31 — 60 days	2,289	2,044
61 — 90 days	1,417	458
Over 90 days	28,710	58,677
	36,037	74,289

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and credit quality attributed to customers are reviewed once a year. At 31 December 2013, approximately 15% (2012: 19%) of the trade receivables that are neither past due nor impaired.

Trade receivables which are past due based on the invoice date but not impaired:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
31 — 90 days	—	—
Over 90 days	28,710	58,213
	28,710	58,213

Included in the Group's trade receivables balance at 31 December 2013 are debtor with aggregate carrying amount of approximately HK\$28,710,000 (2012: HK\$58,213,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered to be recoverable. The Group does not hold any collateral over these balances. The average age of trade receivables is 154 days (2012: 150 days).

At 31 December 2013, included in the Group's trade receivables past due but not impaired is receivable from one of the major customers of mining, processing and sales of molybdenum segment with approximately HK\$23,636,000 (2012: HK\$54,852,000). This customer was a stated owned enterprise located in the PRC and has long-term business relationship with the Group. The Group allows credit period of 30 days to this customer. In view of the past repayment records and the high credit rating of this customer, even though the repayment time was exceed the credit period and the balance was unsecured, the Directors are in the opinion that there has not been any significant change in the credit quality of this customer and further, this customer did not have any bad debt history. Accordingly, the Directors are satisfied and no impairment loss for this customer was required to be recognised. During the year ended 31 December 2013, the Group received amounting to approximately HK\$31,216,000 from this major customer by way of direct bank payment of approximately HK\$15,998,000 and bill receivables of approximately HK\$15,218,000, in which HK\$1,332,000 was settled before year end and HK\$6,088,000 was settled up to the date of this announcement.

Movement in the allowance for doubtful debts for trade receivables:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
At beginning of the year	9,906	6,646
Exchange adjustments	381	36
Reversal of impairment loss	(1,373)	(1,116)
Impairment losses recognised	4,937	4,340
	<hr/>	<hr/>
At end of the year	13,851	9,906
	<hr/> <hr/>	<hr/> <hr/>

Movement in the allowance for doubtful debts for other receivables:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
At beginning of the year	57,212	59,381
Exchange adjustments	1,930	325
Reversal of impairment loss	—	(4,751)
Impairment losses recognised	1,129	2,257
	<hr/>	<hr/>
At end of the year	60,271	57,212
	<hr/> <hr/>	<hr/> <hr/>

Included in the Group's allowance for doubtful debts are individually impaired trade receivables and other receivables with an aggregate balances of approximately HK\$13,851,000 (2012: HK\$9,906,000) and HK\$60,271,000 (2012: HK\$57,212,000) respectively in which the Directors consider that the Group is unlikely to recover these debts as they are long outstanding for more than one year. The Group does not hold any collateral over these balances.

(b) Other receivables

Included in the Group's other receivables, an amount of approximately HK\$7,610,000 (equivalent to RMB6,000,000) represented the proceeds from the disposal of certain plant and equipment of the Group during the year ended 31 December 2013. Pursuant to the asset disposal agreement, an amount of approximately HK\$3,805,000 will be settled in September 2014 and the remaining of approximately HK\$3,805,000 will be settled in September 2015. Accordingly, an amount of HK\$3,805,000 was reclassified as other non-current financial assets in the consolidated statement of financial position at 31 December 2013.

(c) Advanced to suppliers

The amount represented advance payments to several suppliers for sourcing of goods from them. Out of which, amounting to approximately HK\$50,732,000 (2012: approximately HK\$49,088,000) represented the sourcing of teas from several suppliers which the goods will be delivered during the year ending 31 December 2014. Prior to the delivery of teas to the Group, these suppliers will pay an interest of the rate of 11.152% (2012: 11.152%) on the outstanding balances to the Group. During the year ended 31 December 2013, interest income from these suppliers of approximately HK\$5,583,000 (equivalent to RMB4,402,000) (2012: HK\$3,193,000 (equivalent to RMB2,602,000)) were received by the Company and the amount was recognised as other income in the consolidated statement of profit or loss and other comprehensive income (Note 7).

13. TRADE AND OTHER PAYABLES

	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables (<i>Note (a)</i>)	15,151	16,166
Mining right payables (<i>Note (b)</i>)	118,186	114,356
Other payables and accruals	180,511	205,277
	<u>313,848</u>	<u>335,799</u>
Analysed for reporting purpose as:		
— Current liabilities	271,787	281,887
— Non-current liabilities (classified “other long-term payables”)	42,061	53,912
	<u>313,848</u>	<u>335,799</u>

Notes:

(a) Trade payables

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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
0 — 90 days	6,473	10,560
91 — 180 days	4,169	1,983
181 — 365 days	660	98
Over 1 year	3,849	3,525
	15,151	16,166

The average credit period on purchases of goods is 90 days (2012: 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timetable.

(b) Mining right payables

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Analysed for reporting purpose as:		
— Current liabilities	76,125	60,444
— Non-current liabilities (classified “other long-term payables”)	42,061	53,912
	118,186	114,356

14. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the following events took place:

- (a) The Group obtained new bank loans of RMB20,000,000 in January 2014 by Wuyi Star Tea Industrial Co., Ltd.;
- (b) Pursuant to the Deed of Undertaking dated 27 March 2014 from the Substantial Shareholder, the Substantial Shareholder agreed 1) to provide financial support to the Company until the Company has sufficient funds to meet its operations and to pay financial obligations as they fall due for the period from 27 March 2014 to 31 March 2015; 2) to use the Shares and/or converting the Shares to procure loan facilities which will make available to the Company in meeting the Company’s operation requirements; and 3) not to pledge and/or dispose of the Shares to any other parties other than the purpose as stated in item 2 above for the period from 27 March 2014 to 31 March 2015.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

The auditor expresses an unqualified opinion in the independent auditor's report, but wishes to draw attention to the readers of the consolidated financial statements by adding an paragraph as follows:

“EMPHASIS OF MATTERS

Without qualifying our opinion, we draw attention to Note 2 to the consolidated financial statements which indicates that as at 31 December 2013, the Group incurred a net loss of approximately HK\$344,900,000 during the financial year ended 31 December 2013 and, as of that date, the Group's current liabilities exceed its current assets by HK\$21,594,000. The Group's ability to continue as a going concern is highly dependent on the ongoing availability of finance to the Group, including from the substantial shareholder of the Company. If the finance is not available or sufficient, the Group would be unable to meet its obligations as and when they fall due. This condition along with other matters set forth in Note 2 to the consolidated financial statements indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.”

FINAL DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 December 2013 (2012: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 28 May 2014 to Friday, 30 May 2014, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting of the Company, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong no later than 4:00 p.m. on Tuesday, 27 May 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the financial year ended 31 December 2013, the Group recorded a revenue of HK\$186,585,000 (2012: HK\$221,646,000) and gross profit of HK\$50,637,000 (2012: HK\$95,023,000) from continuing operations, representing a decrease of 16% and 47% respectively as compared with last year. The decrease in revenue was mainly due to the significant decrease of revenue generated from King Gold Investment Limited (“King Gold”) and its subsidiaries (together with King Gold, “King Gold Group”) and a moderate decrease of revenue generated from Harbin Songjiang Copper (Group) Company Limited (“Harbin Songjiang”) and its subsidiaries (together with Harbin Songjiang, “Harbin Songjiang Group”).

The Group’s loss attributable to owners of the Company amounted to HK\$311,047,000 (2012: HK\$110,858,000). In particular, the significant increase in loss was mainly attributable to the impairment losses of HK\$88,295,000 on goodwill, impairment loss of HK\$27,777,000 on brand name (HK\$22,222,000 attributable to equity owners), impairment losses of HK\$61,184,000 on property, plant and equipment (HK\$48,894,000 attributable to equity owners), impairment losses of HK\$32,083,000 on mining rights (HK\$24,088,000 attributable to equity owners), impairment losses of HK\$24,998,000 on available-for-sale investments (HK\$24,998,000 attributable to equity owners) impairment losses of HK\$15,357,000 a short-term loan and loan interest and receivables (HK\$10,750,000 attributable to equity owners).

The staff costs of HK\$10,350,000 (2012: HK\$Nil) arising from granting of share options to directors, employees and consulting firm of the Group was recognised as expenses during the year.

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 sale of molybdenum. Harbin Songjiang Group contributed HK\$46,163,000 (2012: HK\$50,761,000) and HK\$66,891,000 (2012: profit of HK\$6,362,000) to the Group’s revenue and loss respectively for the year ended 31 December 2013. Revenue in respect of the mining business for the year ended 31 December 2013 has decreased by 9% to HK\$46,163,000 in the year 2013 from HK\$50,761,000 in the year 2012. The decrease was mainly attributable to the decrease in selling price of ferro molybdenum in the year 2013. The average selling price of ferro molybdenum fell to around HK\$121,484 per tonne during the year ended 31 December 2013 (2012: HK\$131,847 per tonne). The cost of sales of Harbin Songjiang Group increased from HK\$40,445,000 in 2012 to HK\$56,359,000 in the year 2013. The average gross loss margin was 22% in the year 2013 (2012: gross profit of 20%). The significant deterioration of the gross profit margin was mainly due to the higher unit production cost of molybdenum which caused by the significant increase in labour cost and others production cost in Mainland China and the decrease in the selling prices of molybdenum during the year.

In view of the continuing decrease in the market price and the increase in production cost of ferro molybdenum-related products in Mainland China, the directors of the Company considered that the mining right of molybdenum mine should be further impaired in year 2013. A valuation was performed by an independent valuer to assess the impairment by a cash flow projection basis. Accordingly, an impairment loss of approximately HK\$32,083,000 (2012: HK\$Nil) was recognized in the consolidated statement of comprehensive income during the year 2013.

King Gold Group

King Gold Group is principally engaged in cultivation, research, production and sale of Chinese tea products, and its products 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\$140,421,000 (2012: HK\$170,870,000) and HK\$187,891,000 (2012: HK\$13,733,000) to the Group’s revenue and loss for the year ended 31 December 2013 respectively. For the financial year ended 31 December 2013, King Gold Group generated a revenue of HK\$140,421,000 (2012: HK\$170,870,000). This represented a decrease of 18% in revenue when compared with last year. Decrease in revenue was mainly attributable to the effects of slowdown of the economic development in the PRC and various austerity measures implemented by the PRC government which had affected the general spending sentiment and confidence of customer market in the PRC. The cost of sales of King Gold Group decreased from HK\$86,177,000 in the year 2012 to HK\$79,589,000 in the year 2013. The decrease in sale of high profit margin superior product, and the increase in competition in the tea product market, coupled with rising labour costs and raw material costs (raw material being the tea leaves), led to a further shrinking profit margin in our tea business. The average gross profit margin was 43%, representing a decrease of 7% as compared with an average gross profit margin of 50% last year.

Goodwill and brand name are allocated to the Group’s tea business cash-generating unit and they are arising from the acquisition of King Gold Group in 2009. In view of the deterioration of the Group’s tea business in year 2013 caused by the aforementioned slowdown of the economic development in the PRC and various austerity measures implemented by the PRC government which had affected the general spending sentiment and confidence of customer market in the PRC, the directors of the Company determine that there is impairment indication of the goodwill and brand name and the related property, plant and equipment of the tea business of King Gold Group as at the year ended 31 December 2013. A valuation was performed by an independent valuer to assess the impairment by a cash flow projection basis. Accordingly, impairment losses in respect of the goodwill and brand name and property, plant and equipment of HK\$88,295,000 (2012: HK\$Nil) and HK\$27,777,000 (2012: HK\$Nil) and HK\$60,658,000 (2012: HK\$Nil) respectively, were recognised in the consolidated statement of comprehensive income during the year 2013.

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 providing online video service which involves an online video platform that offers various contents and delivers various value-added services to the customers of telecommunication operators in the PRC. For the financial year ended 31 December 2012, iTV business started generating revenue. The iTV business is still in the stage of developing client networks. Year Joy and its subsidiaries (“Year Joy Group”) contributed HK\$1,000 (2012: HK\$15,000) and HK\$18,731,000 (2012: HK\$13,836,000) to the Group’s revenue and loss for the year ended 31 December 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 year ended 31 December 2013. The investment portfolio of the Group, including available-for-sale investments, recorded a depreciation during the year ended 31 December 2013. The net decrease in fair value of the investment portfolio during the year was HK\$58,330,000 (2012: HK\$97,732,000).

Liquidity, Financial Resources and Capital Structure

As at 31 December 2013, the Group had total assets and net assets amounted to HK\$741,600,000 (2012: HK\$997,022,000) and HK\$8,020,000 (2012: HK\$327,631,000), respectively. The current ratio was 0.95, as compared to 1.12 as of last year end.

As at 31 December 2013, the Group had bank balances and cash, of HK\$118,555,000 (2012: HK\$117,073,000), and most of which were denominated in Renminbi and Hong Kong dollars.

At the end of the reporting period, the Group had: (i) bank borrowings of HK\$107,806,000 (2012: HK\$67,496,000) which were denominated 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\$6,710,000 (2012: HK\$6,492,000), which were denominated in Renminbi, of which HK\$1,268,000 was interest free and HK\$5,442,000 was interest-bearing at 2.55% per annum. The gearing ratio, as a ratio of total borrowings to shareholders’ fund was negative of 76.9% due to the Company’s negative equity position, (2012: positive of 53.0%).

As at 31 December 2013, the Group has pledged a building and a prepaid lease payment with carrying values of approximately HK\$18,470,000 (2012: HK\$18,639,000) and HK\$19,938,000 (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 minimise the foreign currency risk, the Group aims to utilise the fund for transactions that are denominated in the same currency.

Share Capital

As at 31 December 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.

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

There were no material acquisitions or disposals of subsidiaries and associated companies during the year ended 31 December 2013.

Contingent Liabilities

As at 31 December 2013, the Group had no contingent liability (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.

Employees and Remuneration Policies

As at 31 December 2013, the Group had approximately 12 and 803 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\$53,989,000 for the year ended 31 December 2013 (2012: HK\$45,803,000). There was a share-based payment of HK\$10,350,000 arising from grant of share options for the year ended 31 December 2013 (2012: HK\$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 international and domestic molybdenum market has no significant improvement in the operation in year 2013 as the market price of the molybdenum products continued to hover at a low level and the risks and pressure remained in this industry. Despite the challenging business conditions of molybdenum industry, the Group has maintained a stable business performance of ferro molybdenum during the year thereby positioning itself to grasp the opportunities that will come with the recovery of the market.

Due to the slowdown of economic development in the PRC and the various austerity measures implemented by the PRC government, there is a decline of operating result of the tea business in 2013. However, the management of the Group still put great efforts to increase market promotion and distribution network so that to expand the customer base and promote the "Wuyi star" and "Wuyi" brands in the PRC market. During year 2013, the Group has continued to maintain a stable pace in new store expansion and prudently selected the location of new stores to ensure their quality. The future operating environment of tea industry in the PRC in 2014 is still expected to face significant challenge and uncertainties. Looking forward, the Group will continue to strengthen the existing tea products under "Wuyi star" and "Wuyi" brands, develop and launch new and exclusive tea products, focus on the promotion and expansion of the existing distribution networks in terms of number of stores and coverage, and explore new sales platforms and channels to broaden its customer base.

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.

Looking ahead, we will continue to adhere to our established business strategy of strengthening the internal management process, closely monitoring the cost structure, improving capital utilization, optimizing the resource allocation and product mix, so that to enhance the Group's operational efficiency. 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.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its securities during the year ended 31 December 2013. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE LISTING RULES

For the year ended 31 December 2013, the Company has applied the principles 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 (the "Listing Rules") (the "Code") and complied with all the applicable code provisions of the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the year ended 31 December 2013, and they all confirmed that they had fully complied with the required standards set out in the Model Code.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Company comprises Mr. Chong Cha Hwa, Mr. Chu Kang Nam and Mr. Ngai Sai Chuen, all of them are independent non-executive directors. The consolidated financial results of the Group for the year ended 31 December 2013 have been reviewed by the audit committee of the Company.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Company (www.chinamingresources.com) and the designated website of the Stock Exchange (www.hkexnews.hk).

The 2013 annual report of the Company will be dispatched to the shareholders of the Company and available on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my appreciation to the continuous support of our shareholders and hard work and dedication of all our staff over the past year.

By Order of the Board
China Mining Resources Group Limited
Wang Hui
Executive Director

Hong Kong, 28 March 2014

As at the date hereof, the board of directors of the Company comprises Mr. Wang Hui and Mr. Fang Yi Quan as executive directors and Mr. Chong Cha Hwa, Mr. Chu Kang Nam and Mr. Ngai Sai Chuen as independent non-executive directors.