



(Stock Code: 340)

**ANNOUNCES INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015**

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**CONTINUE TO EXPLORE POSSIBLE INVESTMENT OPPORTUNITIES IN ORDER TO  
GENERATE THE BEST RETURN TO OUR SHAREHOLDERS**

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| <u>Financial Highlights</u>                        | For the Six Months Ended 30 June 2015 |                    |            |
|--|---------------------------------------|--------------------|------------|
|  | (HK\$'000)                            |                    |            |
|  | 2015                                  | 2014<br>(Restated) | Change (%) |
| <b>CONTINUING OPERATION</b>                        |                                       |                    |            |
| <b>Turnover</b>                                    | 60,839                                | 55,773             | 9%         |
| <b>Gross Profit</b>                                | 25,996                                | 26,477             | -2%        |
| <b>Gross Profit Margin</b>                         | 43%                                   | 47%                | -4%        |
| <b>Net (loss) profit</b>                           |                                       |                    |            |
| - from continuing operation                        | (24,997)                              | (18,809)           |            |
| - from discontinued operations                     | <u>(180)</u>                          | <u>40</u>          |            |
|  | <u>(25,177)</u>                       | <u>(18,769)</u>    |            |
| <b>Loss per share</b>                              |                                       |                    |            |
| <b>From continuing and discontinued operations</b> |                                       |                    |            |
| <b>Basic</b>                                       | (0.22) cents                          | (0.21) cents       |            |
| <b>Diluted</b>                                     | (0.22) cents                          | (0.21) cents       |            |

(Hong Kong, 26 August, 2015) – **China Mining Resources Group Limited** (“China Mining” or the “Group”) (Stock Code: 340) today announced its interim results for the six months ended 30 June 2015 (the “Period”).

During the period, the Group recorded a consolidated revenue of HK\$60,839,000 (six months ended 30 June 2014: HK\$55,773,000) and gross profit of HK\$25,996,000 (six months ended 30 June 2014: HK\$26,477,000) from continuing operation, representing an increase of 9% and a decrease of 2% respectively as compared with the corresponding period in 2014. The increase in revenue in the first half of 2015 was mainly attributable to a moderate increase of revenue generated from King Gold Investments Limited (“King Gold”) and its subsidiaries (together with King Gold, “King Gold Group”).

During the period, the Group's unaudited loss attributable to owners of the Company amounted to HK\$25,177,000 (six months ended 30 June 2014: HK\$18,769,000).

## **REVIEW OF OPERATIONS**

### ***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\$60,839,000 (six months ended 30 June 2014: HK\$55,773,000) and HK\$5,396,000 (six months ended 30 June 2014: HK\$2,372,000) to the Group's revenue and loss respectively for the six months ended 30 June 2015. This represented an increase of HK\$5,066,000 or 9% in revenue when compared with the revenue of HK\$55,773,000 generated in the corresponding period in 2014. Increase in revenue was mainly attributable to the strategy of production and selling of suitable tea products according to the consumers' preference and market demand which in turn stabilize the revenue, despite of the overall economics slowdown in the PRC during the first half of 2015. The cost of sales of King Gold Group increased from HK\$29,296,000 for the six months ended 30 June 2014 to HK\$34,843,000 for the six months ended 30 June 2015. The average gross profit margin for the current period was 43%, representing a slightly decrease of 4% as compared with 47% of average gross profit margin in the corresponding period in 2014.

### ***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 2015. The investment portfolio of the Group, including available-for-sale investments, recorded a depreciation during the first half of 2015. The net decrease in fair value of the investment portfolio during the six months ended 30 June 2015 was HK\$6,665,000 (six months ended 30 June 2014: net increase of HK\$1,752,000).

## **PROSPECTS**

Despite the global economics and that in Mainland China continued facing uncertainties in the first half of year 2015, our tea business still recorded a moderate increase in revenue. The management of the Group has actively adopted a series of market promotion to expand the customer base, explore additional distribution channels for its products and promote the “Wuyi star” and “Wuyi” brands in the PRC market.

Looking ahead, the future operating environment of tea industry in the PRC is expected to face significant challenge and uncertainties. For the second half of year 2015, the Group would further put great effort in optimize its distribution channel for its tea products; optimize the network of self-owned tea stores and franchised tea stores in order to increase the tea market share and penetrate into potential tea markets; develop and launch new and exclusive tea products to meet the constantly changing consumers' preferences and broaden the customer base; and at the same time ensure stability and growth of the tea business.

Since the disposal of the Group's interest in molybdenum mining business in end of year 2014, the Group has been actively exploring possible new investment projects to maximize the value of the shares of its shareholders. As disclosed in the announcement of the Company dated 27 April 2015 and 11 August 2015, a wholly-owned subsidiary of the Company has entered into an agreement dated 23 April 2015 and a supplemental agreement dated 11 August 2015 with certain vendors and guarantors, to acquire an effective 90% interest in 潼關縣祥順礦業發展有限公司 (Tongguan Xiang Shun Mining Development Company Limited) ("Xiang Shun Mining"). Xiang Shun Mining is principally engaged in the exploration, mining, processing and sale of gold and related products. The directors of the Company consider that the acquisition represents a strategic opportunity to expand its business to the gold mining industry in the PRC to broaden the Group's income base and diversify its investments.

Looking ahead, we would continue to explore possible investment opportunities in order to generate the best return to our shareholders.

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**About China Mining Resources Group Limited (Stock Code: 340)**

China Mining is principally engaged in the business of sales of tea products. The Group's core-holding is 80% equity interest in King Gold Group, which is principally engaged in cultivation, research, production, and sale of Chinese tea products.

***Released by China Mining Resources Group Limited***