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**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 2015**

The board of directors (the “Board”) of China Mining Resources Group Limited (the “Company”) hereby announces the consolidated results of the Company and its subsidiaries (collectively known as the “Group”) for the year ended 31 December 2015:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the Year Ended 31 December 2015*

	<i>Notes</i>	<b>2015</b> <b>HK\$'000</b>	2014 HK\$'000
<b>Continuing operation</b>			
Revenue	3	<b>114,404</b>	133,007
Cost of sales		<b>(73,115)</b>	<u>(72,535)</u>
Gross profit		<b>41,289</b>	60,472
Other income	5	<b>8,996</b>	8,362
Other gains and losses	6	<b>(7,532)</b>	(8,429)
Selling and distribution expenses		<b>(37,866)</b>	(44,023)
Administrative expenses		<b>(41,155)</b>	(41,883)
Finance costs	7	<b>(7,805)</b>	(14,526)
Impairment loss recognised in respect of available-for-sale investments		<b>(8,130)</b>	(17,378)
Impairment loss recognised in respect of property, plant and equipment		<b>(21,006)</b>	—
Impairment loss recognised in respect of prepaid lease payments		<b>(8,333)</b>	—
Impairment loss recognised in respect of other intangible assets		<b>(5,008)</b>	(5,602)
(Loss) gain on disposal of property, plant and equipment		<b>(25)</b>	<u>12,582</u>

\* *For identification purpose only*

	<i>Notes</i>	<b>2015</b> <b>HK\$'000</b>	2014 HK\$'000
Loss before tax		<b>(86,575)</b>	(50,425)
Income tax expense	8	<u>—</u>	<u>(2,944)</u>
Loss for the year from continuing operation	10	<u><b>(86,575)</b></u>	<u>(53,369)</u>
<b>Discontinued operations</b>			
Profit for the year from discontinued operations	9	<u>—</u>	<u>673,144</u>
(Loss) profit for the year		<u><b>(86,575)</b></u>	<u>619,775</u>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Actuarial loss on defined benefit pension plans		<u>—</u>	<u>(6,681)</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		<b>(6,052)</b>	(36)
Fair value (loss) gain on available-for-sale investments		<b>(5,519)</b>	5,467
Release of investment revaluation reserve upon disposals of available-for-sale investments		—	(553)
Release of translation reserve upon disposals of subsidiaries		<u>—</u>	<u>(218,844)</u>
		<u><b>(11,571)</b></u>	<u>(213,966)</u>
Other comprehensive income for the year, net of income tax		<u><b>(11,571)</b></u>	<u>(220,647)</u>
<b>Total comprehensive income for the year</b>		<u><b>(98,146)</b></u>	<u>399,128</u>

	<i>Notes</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
(Loss) profit for the year attributable to:			
Owners of the Company			
— from continuing operation		<b>(76,490)</b>	(51,633)
— from discontinued operations		<u>—</u>	<u>682,045</u>
		<u><b>(76,490)</b></u>	<u>630,412</u>
Non-controlling interests			
— from continuing operation		<b>(10,085)</b>	(1,736)
— from discontinued operations		<u>—</u>	<u>(8,901)</u>
		<u><b>(10,085)</b></u>	<u>(10,637)</u>
(Loss) profit for the year		<u><b>(86,575)</b></u>	<u>619,775</u>
Total comprehensive income attributable to:			
Owners of the Company		<b>(86,809)</b>	411,317
Non-controlling interests		<u><b>(11,337)</b></u>	<u>(12,189)</u>
		<u><b>(98,146)</b></u>	<u>399,128</u>
(Loss) earnings per share	<i>12</i>		
From continuing and discontinued operations			
Basic and diluted (HK cents)		<u><b>(0.63) cents</b></u>	<u>6.90 cents</u>
From continuing operation			
Basic and diluted (HK cents)		<u><b>(0.63) cents</b></u>	<u>(0.56) cents</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	<i>Notes</i>	<b>2015</b> <b>HK\$'000</b>	2014 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		119	19,572
Prepaid lease payments — non-current portion		15,313	25,945
Goodwill		—	—
Other intangible assets		6,153	11,484
Biological assets		9,603	11,745
Available-for-sale investments		<u>143,951</u>	<u>20,537</u>
		<u>175,139</u>	<u>89,283</u>
<b>Current assets</b>			
Inventories		96,278	106,789
Trade and other receivables	<i>13</i>	79,012	87,527
Prepaid lease payments		450	348
Short-term loan and loan interest receivables		—	—
Bank balances and cash		<u>447,570</u>	<u>214,170</u>
		<u>623,310</u>	<u>408,834</u>
<b>Current liabilities</b>			
Trade and other payables	<i>14</i>	70,226	63,440
Tax liabilities		16,001	16,065
Bank borrowings		<u>51,150</u>	<u>90,770</u>
		<u>137,377</u>	<u>170,275</u>
<b>Net current assets</b>		<u>485,933</u>	<u>238,559</u>
<b>Total assets less current liabilities</b>		<u>661,072</u>	<u>327,842</u>

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Non-current liabilities</b>		
Bank borrowings	34,617	—
Deferred income	2,673	1,914
Deferred tax liabilities	—	—
Non-redeemable convertible preference shares	—	53,619
	<u>37,290</u>	<u>55,533</u>
<b>Net assets</b>	<b><u>623,782</u></b>	<b><u>272,309</u></b>
<b>Capital and reserves</b>		
Share capital	1,691,497	913,878
Share premium and reserves	<u>(1,066,422)</u>	<u>(651,613)</u>
Equity attributable to owners of the Company	625,075	262,265
Non-controlling interests	<u>(1,293)</u>	<u>10,044</u>
<b>Total equity</b>	<b><u>623,782</u></b>	<b><u>272,309</u></b>

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 Company is an investment holding company and the principal activities of its subsidiaries are production and sales of tea. The Company also has available-for-sale investments in an unlisted company which engaged in mining and processing of gold as well as in other listed mining companies. The Group was also engaged in mining, processing and sales of molybdenum and online video broadcasting which were discontinued during the year ended 31 December 2014 (Note 9).

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### Application of new and revised HKFRSs

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

Amendments to Hong Kong Accounting Standard (“HKAS”) 19 (2011)	Defined Benefits Plans: Employee Contributions
Annual Improvements Project	Annual Improvements to HKFRSs 2010-2012 Cycle
Annual Improvements Project	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the amendments to HKFRSs 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 these 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 that have been issued but are not yet effective:

HKFRS 9	Financial Instruments <sup>2</sup>
HKFRS 14	Regulatory Deferral Accounts <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>2</sup>
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations <sup>1</sup>
Amendments to HKAS 1	Disclosure Initiative <sup>1</sup>
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 10, HKFRS 12, and HKAS 28	Investment Entities — Applying the Consolidation Exception <sup>1</sup>
Amendments to HKAS 27	Equity Method in Separate Financial Statements <sup>1</sup>
Annual Improvements Project	Annual Improvements to HKFRSs 2012-2014 Cycle <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

### 3. REVENUE

Revenue represents turnover arising on sale of tea products from continuing operation for the year. An analysis of the Group's revenue for the year is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Sales of tea products	<u>114,404</u>	<u>133,007</u>

#### 4. SEGMENT INFORMATION

Information reported to the board of directors of the Company (the “Board”), being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the 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 Board have been aggregated in arriving at the reporting segments of the Group.

Specifically, the Group’s reportable and operating segment under HKFRS 8 is as follows:

Tea products — production and sales of tea

Two reportable segments (mining, processing and sales of molybdenum (the “Molybdenum”) and online video broadcasting (the “iTV”)) were discontinued during the year ended 31 December 2014. Therefore, the Group has only one reportable segment, represented the production and sales of tea, for the years ended 31 December 2015 and 2014. Since this is the only reportable and operating segment of the Group, no further analysis thereof is presented. All the revenue of the Group are generated from production and sales of tea for the years ended 31 December 2015 and 2014.

#### Geographical information

The Group’s operations are mainly located in the People’s Republic of China (“PRC”) (country of domicile) and Hong Kong.

Information about the Group’s revenue from continuing operation 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 2015*

	<b>The PRC</b> <i>HK\$’000</i>	<b>Hong Kong</b> <i>HK\$’000</i>	<b>Others</b> <i>HK\$’000</i>	<b>Total</b> <i>HK\$’000</i>
Revenue from external customers	114,233	—	171	114,404
Non-current assets excluding financial instruments	<u>31,069</u>	<u>119</u>	<u>—</u>	<u>31,188</u>

#### *For the year ended 31 December 2014*

	<b>The PRC</b> <i>HK\$’000</i>	<b>Hong Kong</b> <i>HK\$’000</i>	<b>Others</b> <i>HK\$’000</i>	<b>Total</b> <i>HK\$’000</i>
Revenue from external customers	132,879	—	128	133,007
Non-current assets excluding financial instruments	<u>68,426</u>	<u>320</u>	<u>—</u>	<u>68,746</u>



## Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group from continuing operation is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Customer A	<u>39,329</u>	<u>49,097</u>

## 5. OTHER INCOME

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Continuing operation</b>		
Interest on bank deposits	1,569	1,019
Interest from advanced to suppliers ( <i>Note 13(b)</i> )	5,336	5,626
Government grants ( <i>Note</i> )	1,957	1,552
Rental income	15	9
Others	<u>119</u>	<u>156</u>
	<u>8,996</u>	<u>8,362</u>

*Note:* During the year ended 31 December 2015, the Group recognised approximately HK\$1,957,000 (2014: HK\$1,552,000) of grants from the local government.

## 6. OTHER GAINS AND LOSSES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Continuing operation</b>		
Net foreign exchange losses	(6,460)	(10,691)
(Loss) gain on changes in fair value less costs-to-sell for biological assets	<u>(1,072)</u>	<u>2,262</u>
	<u>(7,532)</u>	<u>(8,429)</u>

## 7. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Continuing operation</b>		
Interest on bank borrowings	5,793	6,102
Interest on non-redeemable convertible preference shares	<u>2,012</u>	<u>8,424</u>
	<u><u>7,805</u></u>	<u><u>14,526</u></u>

## 8. INCOME TAX EXPENSE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Continuing operation</b>		
Current tax:		
Hong Kong	—	—
PRC Enterprise Income Tax	—	1,194
Under provision in prior year	—	1,025
Deferred tax		
Current year	<u>—</u>	<u>725</u>
	<u><u>—</u></u>	<u><u>2,944</u></u>

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profit for both years. No provision for taxation in Hong Kong has been made for the years ended 31 December 2015 and 2014 as the Group did not generate any assessable profits arising in Hong Kong 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.

## 9. DISCONTINUED OPERATIONS

### Disposal of molybdenum operation

Pursuant to the Company's circular dated 22 September 2014, the Company entered into a disposal agreement on 3 September 2014 with a purchaser (the "Purchaser"), an independent third party, in respect of the disposal of the 75.08% equity interests in 哈爾濱松江銅業(集團)有限公司 (Harbin Songjiang Copper (Group) Company Limited\*) and its subsidiaries (collectively referred to as the "Disposed Subsidiaries") at a consideration of approximately HK\$113,854,000 (equivalent to RMB90,096,000). The principal activities of the Disposed Subsidiaries are engaged in the mining, processing and sales of molybdenum, which represents the molybdenum segment of the Group. The disposal was effected in order to generate cash flows for the Group of which the Group intends to apply in future investment opportunities, including opportunities in the mining sector or other profitable investments opportunities, and the discontinuity of the molybdenum segment is consistent with the Group's long-term policy to focus its activities on the tea and other business which has a higher profit margin or better operating prospects. The disposal was completed on 31 October 2014, on which date the control of the molybdenum operations passed to the Purchaser.

### Cessation of the iTV business

On 27 November 2014, the Directors announced a plan to cease the Group's iTV business. The cessation of iTV business is consistent with the Group's long-term policy to redirect its resources to the tea and other businesses of the Group.

The combined results of the discontinued operations (i.e. Molybdenum and iTV business) included in the profit for the year ended 31 December 2014 are set out below.

	2014 HK\$'000
Loss on discontinued operations	(29,788)
Compensation for loss of office paid by the Company	(7,771)
Gain on disposal of subsidiaries	710,703
	<hr/>
Profit for the year from discontinued operations	673,144
	<hr/> <hr/>
	2014 HK\$'000
Attributable to:	
Owners of the Company	682,045
Non-controlling interests	(8,901)
	<hr/>
	673,144
	<hr/> <hr/>

\* For identification purpose only

The results of the discontinued operations (i.e. molybdenum and iTV business) included in the profit for the year ended 31 December 2014 are set out below:

*For the year ended 31 December 2014*

	Molybdenum HK\$ '000	iTV HK\$ '000	Total HK\$ '000
<i>Loss for the year from discontinued operations</i>			
Revenue	51,393	—	51,393
Cost of sales	(30,326)	—	(30,326)
Other income	645	44	689
Other gains and losses	1,413	—	1,413
Selling and distribution expenses	(371)	—	(371)
Administrative expenses	(35,573)	(3,133)	(38,706)
Gain on settlement of post-employment benefit	20,872	—	20,872
Loss on disposal of property, plant and equipment	(490)	—	(490)
Impairment loss recognised in respect of other intangible asset	(26,101)	—	(26,101)
Impairment loss recognised in respect of property, plant and equipment	(63)	—	(63)
Finance cost	(8,098)	—	(8,098)
	<hr/>	<hr/>	<hr/>
Loss before tax	(26,699)	(3,089)	(29,788)
Income tax expense	—	—	—
	<hr/>	<hr/>	<hr/>
Loss for the year from discontinued operations	<u>(26,699)</u>	<u>(3,089)</u>	<u>(29,788)</u>
Loss for the year from discontinued operations include the followings:			
Depreciation and amortisation	8,032	183	8,215
Auditor's remuneration	—	45	45
Impairment loss recognised in respect of trade and other receivables	7,566	—	7,566
Reversal of impairment loss recognised in respect of trade and other receivables	(758)	—	(758)
Cost of inventories recognised as an expense	30,326	—	30,326
Staff costs	34,417	1,288	35,705
Written-off of property, plant and equipment	156	—	156
Minimum lease payments under operating lease in respect of rented premises	—	740	740
<i>Loss for the year from discontinued operations</i>			
Cash flows from discontinued operations			
Net cash inflows (outflows) from operating activities	18,938	(3,076)	15,862
Net cash outflows from investing activities	(28,809)	—	(28,809)
Net cash (outflows) inflows from financing activities	(16,265)	110	(16,155)
	<hr/>	<hr/>	<hr/>
Net cash outflows	<u>(26,136)</u>	<u>(2,966)</u>	<u>(29,102)</u>

## 10. LOSS FOR THE YEAR FROM CONTINUING OPERATION

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Loss for the year from continuing operation has been arrived at after charging (crediting):		
Directors' and chief executives' remuneration	4,042	5,161
Other staff's salaries, bonus and allowances	16,228	17,808
Other staff's contribution to retirement benefits schemes	809	962
	<u>21,079</u>	<u>23,931</u>
Total staff costs		
Impairment loss recognised in respect of trade and other receivables	5,215	3,166
Reversal of impairment loss recognised in respect of trade and other receivables	(2,850)	(3,706)
Amortisation of other intangible assets	317	371
Amortisation of prepaid lease payments	970	881
Auditor's remuneration		
— Audit service	1,823	1,371
— Non-audit service	350	748
Costs of inventories recognised as an expense	72,083	70,374
Written-off of inventories	227	22
Written-off of property, plant and equipment	6	9
Depreciation of property, plant and equipment	4,562	5,560
Minimum leases payments under operating lease in respect of office premises and tea plantation	18,203	16,847

## 11. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2015, nor has any dividend been proposed since the end of the reporting period (2014: HK\$Nil).

## 12. (LOSS) EARNINGS PER SHARE

### From continuing and discontinued operations

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

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
(Loss) profit for the purpose of basic (loss) earnings per share (Loss) profit for the year attributable to owners of the Company)	<b>(76,490)</b>	630,412
Effect of dilutive potential ordinary shares:		
Interest on non-redeemable convertible preference shares ( <i>Note</i> )	<u>N/A</u>	<u>—</u>
(Loss) profit for the purpose of diluted (loss) earnings per share	<u><b>(76,490)</b></u>	<u>630,412</u>
	<b>Number of shares</b>	
	<b>2015</b>	2014
	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	<b>12,099,786</b>	9,138,782
Effect of dilutive potential ordinary shares:		
Non-redeemable convertible preference shares ( <i>Note</i> )	<u>N/A</u>	<u>—</u>
Share options issued by the Company ( <i>Note</i> )	<u>N/A</u>	<u>—</u>
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	<u><b>12,099,786</b></u>	<u>9,138,782</u>

*Note:* The computation of diluted earnings per share for the year ended 31 December 2014 do not assume the conversion of the Company's outstanding share options and non-redeemable convertible preference shares since the exercise prices of those share options and non-redeemable convertible preference shares were higher than the average market price of shares.

All share options had been cancelled during the year ended 31 December 2014 and all non-redeemable convertible preference shares have been converted into ordinary shares during the year ended 31 December 2015.

## From continuing operation

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Loss figures are calculated as follows:		
(Loss) profit for the year attributable to owners of the Company	(76,490)	630,412
<i>Less:</i> Profit for the year from discontinued operations	<u>—</u>	<u>(682,045)</u>
Loss for the purpose of basic loss per share from continuing operation	(76,490)	(51,633)
Effect of dilutive potential ordinary shares:		
Interest on non-redeemable convertible preference shares ( <i>Note</i> )	<u>N/A</u>	<u>—</u>
Loss for the purpose of diluted loss per share from continuing operation	<u>(76,490)</u>	<u>(51,633)</u>

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

*Note:* The computation of diluted loss per share for the year ended 31 December 2014 did 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.

All share options had been cancelled during the year ended 31 December 2014 and all non-redeemable convertible preference shares have been converted into ordinary shares during the year ended 31 December 2015.

## From discontinued operations

For the year ended 31 December 2014, basic and diluted earnings per share for the discontinued operations is HK7.46 cents per share, based on the profit for the year attributable to owners of the Company from the discontinued operations of approximately HK\$682,045,000 and the denominators detailed above for both basic and diluted earnings per share.

### 13. TRADE AND OTHER RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables ( <i>Note (a)</i> )	23,617	22,749
Less: Allowances	<u>(12,051)</u>	<u>(10,127)</u>
	<u>11,566</u>	<u>12,622</u>
Other receivables ( <i>Note (a)</i> )	10,305	10,801
Less: Allowances	<u>(3,280)</u>	<u>(3,666)</u>
	<u>7,025</u>	<u>7,135</u>
Deposits and prepayments	9,670	13,773
Advanced to suppliers ( <i>Note (b)</i> )	<u>50,751</u>	<u>53,997</u>
	<u>60,421</u>	<u>67,770</u>
Total trade and other receivables	<u><u>79,012</u></u>	<u><u>87,527</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 delivery date which approximated the respective dates on which revenue was recognised at the end of the reporting period is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0 — 30 days	6,518	2,885
31 — 60 days	899	2,491
61 — 90 days	1,178	812
Over 90 days	<u>2,971</u>	<u>6,434</u>
	<u><u>11,566</u></u>	<u><u>12,622</u></u>

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 2015, approximately 13% (2014: 28%) of the trade receivables are neither past due nor impaired.



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

	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
Over 90 days	<b>2,971</b>	6,434

Included in the Group's trade receivables balance at 31 December 2015 are debtors with aggregate carrying amount of approximately HK\$2,971,000 (2014: HK\$6,434,000) 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 77 days (2014: 116 days).

Movement in the allowance for doubtful debts for trade receivables:

	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
At beginning of the year	<b>10,127</b>	13,851
Exchange adjustments	<b>(640)</b>	(73)
Reversal of impairment loss	<b>(2,651)</b>	(944)
Amounts written-off during the year as uncollectible	—	(1,267)
Impairment loss recognised	<b>5,215</b>	3,166
Derecognised on disposal of subsidiaries	—	(4,606)
<b>At end of the year</b>	<b>12,051</b>	10,127

Movement in the allowance for doubtful debts for other receivables:

	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
At beginning of the year	<b>3,666</b>	60,271
Exchange adjustments	<b>(187)</b>	(74)
Reversal of impairment loss	<b>(199)</b>	(3,520)
Amounts written-off during the year as uncollectible	—	(1,135)
Impairment loss recognised	—	7,566
Derecognised on disposal of subsidiaries	—	(59,442)
<b>At end of the year</b>	<b>3,280</b>	3,666

Included in the Group's allowance for doubtful debts are individually impaired trade receivables and other receivables with an aggregate balances of approximately HK\$12,051,000 (2014: HK\$10,127,000) and HK\$3,280,000 (2014: HK\$3,666,000) respectively in which the Directors consider that the Group is unlikely to recover these debts as they are long outstanding for more than 180 days to one year. The Group does not hold any collateral over these balances.

Due to the disposal of the Disposed Subsidiaries, the relevant trade and other receivables had been derecognised during the year ended 31 December 2014.

**(b) Advanced to suppliers**

The amount represented advance payments to several suppliers for sourcing of goods from them. Out of which, amounting to approximately HK\$47,748,000 (equivalent to RMB40,000,000) (2014: approximately HK\$50,428,000 (equivalent to RMB40,000,000)) represented the sourcing of teas from several suppliers in which the goods shall be delivered during the year ending 31 December 2016 (2014: during the year ending 31 December 2015). Prior to the delivery of teas to the Group, these suppliers will pay an interest at the rate of 11.152% (2014: 11.152%) per annum on the outstanding balances to the Group. During the year ended 31 December 2015, interest income from these suppliers of approximately HK\$5,336,000 (equivalent to RMB4,294,000) (2014: HK\$5,626,000 (equivalent to RMB4,461,000)) was recognised as other income in the consolidated statement of profit or loss and other comprehensive income (Note 5).

**14. TRADE AND OTHER PAYABLES**

	<b>2015</b>	2014
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade payables	<b>17,945</b>	19,159
Other payables and accruals	<b>52,281</b>	44,281
	<b><u>70,226</u></b>	<u>63,440</u>

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

	<b>2015</b>	2014
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0 — 90 days	<b>6,475</b>	11,829
91 — 180 days	<b>8,203</b>	4,844
181 — 365 days	<b>1,037</b>	651
Over 1 year	<b>2,230</b>	1,835
	<b><u>17,945</u></b>	<u>19,159</u>

The average credit period on purchases of goods is 90 days (2014: 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timetable.

## 15. EVENTS AFTER THE REPORTING PERIOD

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

- (a) On 22 January 2016, the Company has entered into a loan agreement with One Champion International Limited (“One Champion”), pursuant to which, the Company, as lender, has agreed to grant to One Champion, as borrower, a secured loan in the amount of HK\$100,000,000 for a term of 24 months at an interest rate of 3% per annum (the “Loan”). The Loan is secured by 20% issued share capital of One Champion held by Forever Success. Details of the transaction has been disclosed in the Company’s announcement dated 22 January 2016.
- (b) Pursuant to a special resolution passed at the Company’s special general meeting held on 18 February 2016, (1) the entire amount standing to the credit of the share premium account of the Company will be cancelled and the credit arising from such cancellation will be transferred to the contributed surplus account, the amount standing to the credit of the contributed surplus account will be applied to set off the accumulated losses of the Company; and (2) the Company’s issued share capital was reduced by cancelling the paid-up capital to the extent of HK\$0.09 on each of the issued shares (the “Capital Reduction”), every authorised but unissued share (including those arising from the Capital Reduction) will be subdivided into 10 new shares with a par value of HK\$0.01 each and every authorised but unissued preference share will be subdivided into 10 new preference shares with a par value of HK\$0.01 each. Details of the capital reorganisation and accumulated losses offset had been disclosed in the Company’s announcements dated 8 January 2016 and 18 February 2016 and the Company’s circular dated 25 January 2016.

## 16. COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform to current year’s presentation.

### FINAL DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 December 2015 (2014: Nil).

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 25 May 2016 to Friday, 27 May 2016, 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 Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong no later than 4:00 p.m. on Tuesday, 24 May 2016.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Results

For the financial year ended 31 December 2015, the Group recorded a revenue of approximately HK\$114,404,000 (2014: HK\$133,007,000) and gross profit of HK\$41,289,000 (2014: HK\$60,472,000) from continuing operation, representing a decrease of 14% and 32% in revenue and gross profit respectively as compared with that of last year. The decrease in revenue was mainly due to the decrease in revenue contribution from King Gold Investments Limited (“King Gold”) and its subsidiaries (together with King Gold, “King Gold Group”).

The loss attributable to owners of the Company amounted to approximately HK\$76,490,000 (2014: profit of HK\$630,412,000). Such loss was mainly attributable to (i) the impairment losses on brand name amounted to approximately HK\$4,471,000, property, plant and equipment amounted to approximately HK\$21,006,000 and prepaid lease payments amounted to approximately HK\$8,333,000 recognised for the year 2015 after an impairment assessment on the tea business, of which in aggregate HK\$27,048,000 is attributable to the owners of the Company; and (ii) the effect of an one-off gain of approximately HK\$710,703,000 in respect to the disposal of molybdenum business in the year 2014.

### *Key Performance Indicators (Financial Ratio) (“KPI”)*

The management considers the following key performance indicators are relevant to the management of its business segments, through evaluating, controlling and setting strategies to improve performance:

		Year ended 31 December	
	Note	2015	2014
Continuing operation:			
Revenue (HK\$'000)		<b>114,404</b>	133,007
Gross profit margin (%)	(i)	<b>36%</b>	45%
Trade receivables turnover (days)	(ii)	<b>74</b>	61
Net asset value per share (HK cents)	(iii)	<b>3.7</b>	3.0

Note:

- (i) Gross profit margin is calculated as gross profit divided by revenue.
- (ii) The calculation of trade receivables turnover days is based on the average of the opening and closing balances of the trade receivables divided by revenue and multiplied by number of days in the relevant period.
- (iii) Using the number of issued ordinary shares of the Company as at the relevant financial year end date.

Turnover days of trade receivables remained within normal credit period granted to the customers. The Group's net asset value per share increased from HK3.0 cents in 2014 to HK3.7 cents in 2015 was mainly as a result of conversion of convertible preference shares and issue of new shares during the year. Detailed analysis of other KPI is set out in below section.

## **Review of Operations**

### ***Continuing operation***

#### ***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 approximately HK\$114,404,000 (2014: HK\$133,007,000) and approximately HK\$50,425,000 (2014: HK\$8,682,000) to the Group's revenue and loss for the year ended 31 December 2015 respectively. This represented a decrease of 14% in revenue when compared with last year. The cost of sales of King Gold Group slightly increased from approximately HK\$72,535,000 in 2014 to approximately HK\$73,115,000 in 2015. During 2015, in response to the continuous slowdown in economic growth in the PRC, and to stay competitive in the fierce market with a sluggish general spending sentiment, the Group had increased its marketing effort and competing for market share at varied price points. As a result, the decrease in sales of high-profit-margin superior products coupled with rising costs of sales had led to a further shrinking profit margin in our tea business. The average gross profit margin was 36%, representing a decrease of 9 percentage points as compared with an average gross profit margin of 45% last year.

Brand name is allocated to the Group's tea business cash-generating unit and was arisen from the acquisition of King Gold Group in 2009. In view of the deterioration of the Group's tea business in the current year as a result of the aforementioned reasons, the directors of the Company has determined that there would be an impairment indicator in the brand name and other assets of the tea business of King Gold Group as at the year ended 31 December 2015. 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 brand name of approximately HK\$4,471,000 (2014: HK\$4,172,000), property, plant and equipment of approximately HK\$21,006,000 (2014: HK\$Nil) and prepaid lease payments of approximately HK\$8,333,000 (2014: HK\$Nil) were recognised in the consolidated statement of profit or loss and other comprehensive income.

#### ***Investment in One Champion International Limited***

On 22 December 2015, the Group completed the acquisition of 27% equity interest in One Champion International Limited (“One Champion”) for a total consideration of HK\$140,400,000 and was fully settled by internal resources. One Champion and its subsidiaries (together with One Champion, “One Champion Group”) are principally engaged in the exploration, mining, processing, and sale of gold and related products.

The principal asset of One Champion is its indirect 90% equity interest in a PRC company and the PRC company holds (i) the mining licenses and the exploration license in respect of a gold mine located in Tongguan County, Shaanxi Province in the PRC (the “Gold Mine”) and (ii) owns and operates an ore-processing plant. Details of the acquisition of 27% equity interest in One Champion were disclosed in the announcement of the Company dated 7 December 2015.

As disclosed in the announcement of the Company dated 7 December 2015, as at 30 June 2015, the Gold Mine contains 622,400 tonnes of indicated mineral resources with 3,278 kilograms of gold (at an average grade of 5.3 grams/tonne), and 150,000 tonnes of inferred mineral resources with 1,050 kilograms of gold (at an average grade of 7.0 grams/tonne), there were no material changes for the indicated mineral resources and inferred mineral resources as disclosed above after 30 June 2015 and as at 31 December 2015.

#### *Investments in Canada listed mining companies and other securities*

The Group has invested in several Canada listed mining companies which were held for the purpose of long-term investments and capital gain and dividend income. The investment portfolio of the Group, including available-for-sale investments, recorded a depreciation during the year ended 31 December 2015. The net decrease in fair value of the investment portfolio during the year 2015 was approximately HK\$13,649,000 (2014: HK\$27,352,000).

#### **Liquidity, Financial Resources and Capital Structure**

As at 31 December 2015, the Group had total assets and net assets amounted to approximately HK\$798,449,000 (2014: HK\$498,117,000) and approximately HK\$623,782,000 (2014: HK\$272,309,000), respectively. The current ratio was 4.54, as compared to 2.40 as of last year end date.

As at 31 December 2015, the Group had bank balances and cash of approximately HK\$447,570,000 (2014: HK\$214,170,000), and most of which were denominated in Renminbi and Hong Kong dollars. The increase was mainly due to the net proceeds received from issue of new shares of HK\$396,000,000, net off with the cash consideration of HK\$140,400,000 paid for the acquisition of One Champion during the year.

At the end of the reporting period, the Group had bank borrowings of approximately HK\$85,767,000 (2014: HK\$90,770,000) which were denominated in Renminbi and interest-bearing at fixed rates with reference to the prevailing borrowing rate quoted by the People’s Bank of China. The gearing ratio, as a ratio of total borrowings to shareholders’ fund was 13.7% (2014: 34.6%).

As at 31 December 2015, the Group has pledged certain buildings, certain prepaid lease payments and a forest use right with carrying values of HK\$Nil (2014: approximately HK\$11,100,000), approximately HK\$15,763,000 (2014: HK\$17,124,000) and approximately HK\$6,153,000 (2014: HK\$7,384,000) respectively to secure general banking facilities grant to the Group.

## **Fund Raising Activity**

On 11 August 2015, the Company and a placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place, through the placing agent, on a best effort basis, up to 4,000,000,000 new ordinary shares of the Company, to not less than six placees who and whose ultimate beneficial owners are independent third parties at a price of HK\$0.10 per ordinary share which was equivalent to the par value of the ordinary share. The placing was completed on 31 December 2015 and the net proceeds were approximately HK\$396,000,000. The net proceeds from the placing are intended to be used as to (i) approximately HK\$346,000,000 for funding any future business development and/or potential investment opportunities; and (ii) approximately HK\$50,000,000 for general working capital of the Company. Details of the placing were disclosed in the circular of the Company dated 8 December 2015 and the announcement of the Company dated 31 December 2015.

## **Foreign Exchange Risk Management**

As part of the Group's assets and liabilities are denominated in Hong Kong dollars and Canadian dollars 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**

On 5 March 2015, the Company received a conversion notice from Ms Ho Ping Tanya ("Ms Ho") for converting 3,300,000,000 non-redeemable convertible preference shares of the Company held by Ms Ho into ordinary shares of HK\$0.10 each in the ordinary share capital of the Company, the ordinary shares were allotted and issued to Ms Ho on 10 March 2015.

On 5 June 2015, the Company received a conversion notice from Double Joy Enterprise Limited ("Double Joy") for converting 476,190,000 non-redeemable convertible preference shares of the Company held by Double Joy into ordinary shares of HK\$0.10 each in the ordinary share capital of the Company, the ordinary shares were allotted and issued to Double Joy on 12 June 2015.

On 31 December 2015, the Company completed the placing of 4,000,000,000 new ordinary shares of the Company at the placing price of HK\$0.10 per ordinary share.

As at 31 December 2015, the Company had 16,914,972,211 ordinary shares in issue with total shareholders' fund of the Group amounting to approximately HK\$1,691,497,000.

## **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 2015.



## **Contingent Liabilities**

As at 31 December 2015, the Group had no contingent liability (2014: 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 Yuansheng 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 2015, the Group had approximately 8 and 346 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\$21,079,000 for the year ended 31 December 2015 (2014: HK\$23,931,000). There was no share-based payment for the year ended 31 December 2015 (2014: 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 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**

### ***Tea business***

The pessimistic spending sentiment is still affecting the tea business market and the overall economy in the PRC. The economic outlook for 2016 will be ever more challenging, especially for premier brands with quality-driven products.

Notwithstanding the unfavourable market conditions that the tea business is now facing, the management of the Group has put great effort to overcome the difficulties, by adopting a series of marketing strategies to expand the customer base, to explore additional distribution channels for its products and to promote the “Wuyi star” and “Wuyi” brands primarily in the PRC market.

Looking ahead, the operating environment of tea industry in the PRC would remain tough and fill with uncertainties. Nevertheless the management of the Group also believes the fierce competition and the difficult environment would also eliminate sub-standard industry players and giving “Wuyi star” and “Wuyi” brands unique competitive edge to secure the success in long run.

We will continue to focus our resources to further strengthen the existing tea products under “Wuyi star” and “Wuyi” brands, to develop and launch new and exclusive tea products, Also, we will optimize our distribution network and coverage to ensure our products can easily be reached by the niche population that are looking for quality tea products. We will also explore new sales platforms and channels to broaden its customer base.

### ***Mining and other businesses***

The recent share placing that completed in December 2015 has provided the Group with ample resources to apply in future investment opportunities including opportunities in the mining industry as well as other opportunities with business potential and are in line with the Group’s long-term development strategy to diversify the Group’s business streams and thereby further expand the Group’s source of revenue and enhance the Group’s profitability, so as to enhance the long-term benefits of the Company and our shareholders as a whole.

## **PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S SHARES**

The Company has not redeemed any of its securities during the year ended 31 December 2015. 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 2015, 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 the associated Listing Rules. During the year ended 31 December 2015, the Company has complied with the code provisions of the Code (“Code Provision(s)”), except for certain deviations as specified and explained below with considered reasons for such deviations.

1. Under Code Provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same person.

Since the resignation of Dr. You Xian Sheng as the chairman and the executive director of the Company on 31 January 2014, the Company has not appointed a new chairman of the Board (the “Chairman”). Until the appointment of the new Chairman, the Board collectively focuses on the overall strategic planning and development of the Group and effective functioning of the Board.

Since the resignation of Mr. Chen Shou Wu as the chief executive officer of the Company (the “Chief Executive Officer”) and the executive director of the Company on 1 March 2014 and until the appointment of Mr. Wang Hui, the executive director of the Company, as the new Chief Executive Officer on 29 January 2015, the executive directors of the Company, possessing extensive relevant industry knowledge, collectively oversee the day-to-day management of the business and operations of the Group.

The Board believes that this arrangement still enables the Company to make and implement decisions promptly, and thus achieve the Company’s objectives efficiently and effectively in response to the changing environment.

The Board will review the current situation from time to time and shall make necessary arrangements when the Board considers appropriate.

2. Under Code Provision A.2.7 of the Code, the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present.

Since the resignation of Dr. You Xian Sheng as the chairman and the executive director of the Company on 31 January 2014, the Company has not appointed a new Chairman, no meeting was held between the Chairman and the non-executive directors (including independent non-executive directors) of the Company without the executive directors of the Company present during the year ended 31 December 2015.

- Under Code Provision E.1.2 of the Code, the Chairman should attend the annual general meeting. Since the new Chairman has not been appointed following the resignation of Dr. You Xian Sheng as the Chairman on 31 January 2014, Mr. Wang Hui, the executive director of the Company, has been elected by other directors of the Company present to act as the chairman of the annual general meeting of the Company held on 29 May 2015 in accordance with the By-laws of the Company.

## **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 2015, 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 2015 have been reviewed by the audit committee of the Company.

## **SCOPE OF WORK OF ZHONGLEI (HK) CPA COMPANY LIMITED**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in the preliminary announcement have been agreed by the Group’s auditors, ZHONGLEI (HK) CPA Company Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by ZHONGLEI (HK) CPA Company Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGLEI (HK) CPA Company Limited on the preliminary announcement.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the website of the Company ([www.chinaminingresources.com](http://www.chinaminingresources.com)) and the designated website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

The 2015 annual report of the Company will be dispatched to the shareholders of the Company and available on the above websites in due course.

The 2015 annual financial information set out above does not constitute the Group's statutory financial statements for the financial year ended 31 December 2015. Instead, it has been derived from the Group's audited consolidated financial statements for the financial year ended 31 December 2015, which will be included in the Company's 2015 annual report.

## **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 and Chief Executive Officer*

Hong Kong, 30 March 2016

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