CHINA YUNNAN TIN MINERALS GROUP COMPANY LIMITED
中國雲錫礦業集團有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 263)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

FINAL RESULTS

The Board of Directors (the "Board") of China Yunnan Tin Minerals Group Company Limited (the "Company") announces the audited consolidated results for the Company and its subsidiaries (the "Group") for the year ended 31 December 2013 together with comparative figures for the year ended 31 December 2012 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2013

	Notes	2013 HK$'000	2012 HK$'000
Turnover	4	**4,400**	13,500
Cost of sales		**(1,484)**	(2,755)
Gross profit		**2,916**	10,745
Net gain/(loss) on financial assets at fair value through profit or loss	7	**49,412**	(94,654)
Impairment loss reversed/(recognised) in respect of mining right	9	**17,000**	(174,019)
Impairment loss on goodwill	11	**–**	(38,679)
Impairment loss on property, plant and equipment		**–**	(931)
Gain on disposal of subsidiaries and a joint venture		**–**	17,531
Gain on disposal of available-for-sale financial assets	8	**3,555**	–
Other income	7	**5,099**	5,375
Administrative expenses		**(72,343)**	(69,284)
Finance costs		**(1,115)**	(124)
Share of profit of a joint venture		**–**	2,134

	Notes	**2013**	2012
		HK$'000	*HK$'000*
Profit/(loss) before taxation		**4,524**	(341,906)
Income tax (expense)/credit	*6*	**(4,706)**	94,000
Loss for the year	*7*	**(182)**	(247,906)
Attributable to:			
Owners of the Company		**(178)**	(246,300)
Non-controlling interests		**(4)**	(1,606)
		(182)	(247,906)

	Notes	**2013**	2012
Loss per share			
– Basic and diluted (HK cents per share)	*10*	**(0.05)**	(64.63)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Notes	2013 HK$'000	2012 HK$'000
Loss for the year	7	**(182)**	(247,906)
Other comprehensive income/(expenses)			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of overseas operations		**6,676**	833
Reclassification adjustment for disposal of subsidiaries and a joint venture		**–**	(12,107)
Fair value change in available-for-sale financial assets		**(5,043)**	(13,322)
Other comprehensive income/(expenses) for the year (net of tax)		**1,633**	(24,596)
Total comprehensive income/(expenses) for the year		**1,451**	(272,502)
Attributable to:			
Owners of the Company		**1,455**	(270,896)
Non-controlling interests		**(4)**	(1,606)
		1,451	(272,502)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	Notes	**2013** *HK$'000*	2012 *HK$'000*
Non-current assets			
Property, plant and equipment		**20,228**	10,796
Interest in a joint venture		**–**	–
Available-for-sale financial assets	*8*	**234,333**	258,380
Other assets		**2,205**	2,205
Trading right		**–**	–
Mining right	*9*	**259,000**	242,000
Goodwill	*11*	**–**	–
		515,766	513,381
Current assets			
Inventories		**948**	893
Trade and other receivables	*12*	**64,000**	64,431
Earnest money	*13*	**300,000**	–
Financial assets at fair value through profit or loss		**405,370**	352,974
Tax recoverable		**219**	312
Bank balances held under segregated trust accounts		**44,477**	61,217
Bank balances and cash		**51,498**	360,528
		866,512	840,355
Current liabilities			
Trade and other payables	*14*	**88,195**	65,580
Tax payable		**260**	34
Provision	*15*	**8,000**	8,000
		96,455	73,614
Net current assets		**770,057**	766,741
Total assets less current liabilities		**1,285,823**	1,280,122
Non-current liabilities			
Deferred tax liabilities		**64,750**	60,500
Net assets		**1,221,073**	1,219,622
Capital and reserves			
Share capital		**3,894**	3,894
Reserves		**1,213,799**	1,212,344
Equity attributable to owners of the Company		**1,217,693**	1,216,238
Non-controlling interests		**3,380**	3,384
Total equity		**1,221,073**	1,219,622

Notes:

1. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations (the "new and revised HKFRSs") issued by the HKICPA:

HKFRS 1 (Amendments)	Government Loans
HKFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 19 (Revised)	Employee Benefits
HKAS 27 (Revised)	Separate Financial Statements
HKAS 28 (Revised)	Investments in Associates and Joint Ventures
HK (IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine
HKFRSs (Amendment)	Annual Improvements 2009–2011 Cycle

The impact of the application of these standards is set out below.

HKFRS 10 Consolidated Financial Statements

HKFRS 10 replaces the requirements of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK(SIC) Int-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. Some guidance included in HKFRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group.

The directors of the Company made an assessment as at the date of initial application of HKFRS 10 (i.e. 1 January 2013) as to whether or not the Group has control over its subsidiaries in accordance with the new definition of control and the related guidance set out in HKFRS 10. The directors concluded that it has had control over its subsidiaries since the acquisition in prior periods.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements 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 from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the HKFRS 13 in comparative information provided for periods before the initial application of the HKFRS 13. In accordance with these transitional provisions, 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. As a result of the requirements of HKFRS 13, the Group's policies for measuring fair value have been amended.

HKAS 1 (Amendments) Presentation of Items of Other Comprehensive Income

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

The adoption of other new and revised HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods.

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[2]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[2]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[1]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets[1]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC)-Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.
2 Effective for annual periods beginning on or after 1 January 2015.

HKFRS 9 "Financial Instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2015, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be subsequently measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at fair value at the end of subsequent reporting periods. The application of HKFRS 9 might affect the classification and measurement of financial assets.

The directors of the Company is in the process of making an assessment of the potential impacts of these new and revised HKFRSs and they so far concluded that the application of these new and revised HKFRSs will have no material impact on consolidated financial statements.

3. BASIS OF PREPARATION

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

4. TURNOVER

An analysis of the Group's turnover for the year is as follows:

	2013	2012
	HK$'000	*HK$'000*
Sales of goods	**–**	1,888
Interest income from provision of finance	**329**	8,214
Commission and brokerage income	**4,071**	3,398
	4,400	13,500

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into four operating divisions — trading of goods, provision of finance, brokerage and securities investment and exploitation and sales of minerals. These divisions are the basis on which the Group reports its primary segment information.

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results and assets and liabilities attributable to each reportable segment on the following basis:

Segment turnover represents revenue generated from external customers.

Segment results represent the profit earned or loss incurred by each segment without allocation of corporate income and expenses, central administration costs, directors' salaries, finance costs, share of profit of a joint venture and income tax credit or expense.

Segment assets include all tangible and intangible assets and current assets other than interest in a joint venture and available-for-sale investments.

Segment liabilities include all trade and other payables other than current and deferred tax liabilities.

Segment Turnover and Results
For the year ended 31 December 2013

	Trading of goods *HK$'000*	Provision of finance *HK$'000*	Brokerage and securities investment *HK$'000*	Exploitation and sales of minerals *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
TURNOVER						
External sales	–	329	4,071	–	–	4,400
Inter-segment sales*	–	–	32	–	(32)	–
	–	329	4,103	–	(32)	4,400
RESULTS						
Segment results	–	(717)	51,225	9,399	–	59,907
Unallocated corporate income						3,649
Unallocated corporate expenses						(57,917)
Finance costs						(1,115)
Loss before taxation						4,524
Income tax expenses						(4,706)
Loss for the year						(182)

* *Inter-segment sales were charged at cost plus margin basis as agreed between both parties.*

Segment Assets and Liabilities
As at 31 December 2013

	Trading of goods *HK$'000*	Provision of finance *HK$'000*	Brokerage and securities investment *HK$'000*	Exploitation and sales of minerals *HK$'000*	Total *HK$'000*
ASSETS					
Segment assets	–	14	531,299	269,907	801,220
Available-for-sale financial assets					234,333
Unallocated corporate assets					346,725
Consolidated total assets					1,382,278
LIABILITIES					
Segment liabilities	–	30	91,998	1,294	93,322
Unallocated corporate liabilities					67,883
Consolidated total liabilities					161,205

Other Information
For the year ended 31 December 2013

	Trading of goods *HK$'000*	Provision of finance *HK$'000*	Brokerage and securities investment *HK$'000*	Exploitation and sales of minerals *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Capital additions	–	–	4	89	12,837	12,930
Depreciation of property, plant and equipment	–	–	399	864	2,340	3,603
Net gain on financial assets at fair value through profit or loss	–	–	(49,412)	–	–	(49,412)
Gain on disposal of property, plant and equipment	–	–	(80)	–	–	(80)
Reversal of impairment loss on mining right	–	–	–	(17,000)	–	(17,000)

Segment Turnover and Results
For the year ended 31 December 2012

	Trading of goods *HK$'000*	Provision of finance *HK$'000*	Brokerage and securities investment *HK$'000*	Exploitation and sales of minerals *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
TURNOVER						
External sales	–	8,214	3,398	1,888	–	13,500
Inter-segment sales*	–	–	52	–	(52)	–
	–	8,214	3,450	1,888	(52)	13,500
RESULTS						
Segment results	(33)	7,336	(94,822)	(222,562)	–	(310,081)
Unallocated corporate income						18,927
Unallocated corporate expenses						(52,762)
Finance costs						(124)
Share of profit of a joint venture						2,134
Loss before taxation						(341,906)
Income tax credit						94,000
Loss for the year						(247,906)

* *Inter-segment sales were charged at cost plus margin basis as agreed between both parties.*

Segment Assets and Liabilities
As at 31 December 2012

	Trading of goods *HK$'000*	Provision of finance *HK$'000*	Brokerage and securities investment *HK$'000*	Exploitation and sales of minerals *HK$'000*	Total *HK$'000*
ASSETS					
Segment assets	–	88,596	474,864	253,915	817,375
Available-for-sale financial assets					258,380
Unallocated corporate assets					277,981
Consolidated total assets					1,353,736
LIABILITIES					
Segment liabilities	–	92	69,965	584	70,641
Unallocated corporate liabilities					63,473
Consolidated total liabilities					134,114

Other Information
For the year ended 31 December 2012

	Trading of goods *HK$'000*	Provision of finance *HK$'000*	Brokerage and securities investment *HK$'000*	Exploitation and sales of minerals *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Capital additions	–	–	97	1,487	3,292	4,876
Depreciation of property, plant and equipment	–	–	463	1,174	3,217	4,854
Net loss on financial assets at fair value through profit or loss	–	–	94,654	–	–	94,654
Gain on disposal of property, plant and equipment	–	–	–	–	(709)	(709)
Impairment loss on mining right	–	–	–	174,019	–	174,019
Impairment loss on goodwill	–	–	–	38,679	–	38,679
Impairment loss on property, plant and equipment	–	–	–	931	–	931

Geographical segments

The Group's four operating divisions operate in two principal geographical areas — the PRC (excluding Hong Kong) and Hong Kong. The following table provides an analysis of the Group's turnover by geographical markets, irrespective of the origin of the goods:

Turnover from external customers

	2013 *HK$'000*	2012 *HK$'000*
PRC	**–**	1,888
Hong Kong	**4,400**	11,612
	4,400	13,500

The following is an analysis of the carrying amount of segment assets and capital additions, analysed by the geographical area in which the assets are located:

Carrying amount of segment assets

	2013 *HK$'000*	2012 *HK$'000*
PRC	**269,907**	253,915
Hong Kong	**531,313**	563,460
	801,220	817,375

Capital additions

	2013	2012
	HK$'000	*HK$'000*
PRC	**89**	1,487
Hong Kong	**12,841**	3,389
	12,930	4,876

Information about major customers

The following is an analysis of revenue from customers contributing over 10% of total sales of the Group for the current and prior year:

	2013	2012
	HK$'000	*HK$'000*
Customer A	**N/A**	3,932
Customer B	**N/A**	2,803
Customer C	**N/A**	1,888
Customer D	**N/A**	1,479
Customer E	**831**	N/A

The revenue from Customer A, B and D were attributable to the provision of finance segment while revenue derived from Customer C was attributable to the exploitation and sales of minerals segment. The corresponding revenue from these customers for the year ended 31 December 2013 did not contribute over 10% of the total revenue of the Group.

The revenue from Customer E was attributable to the brokerage and securities investment segment and the corresponding revenue for the year ended 31 December 2012 did not contribute over 10% of the total revenue of the Group.

6. INCOME TAX EXPENSE/(CREDIT)

Income tax expense/(credit) comprises:

	2013	2012
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**450**	–
PRC Enterprise Income Tax	**6**	5
	456	5
Deferred Tax	**4,250**	(94,005)
	4,706	(94,000)

Hong Kong Profits Tax for the year ended 31 December 2013 was calculated at 16.5% (2012: 16.5%) of the estimated assessable profits for the year.

For the Group's subsidiaries established in the PRC, PRC Enterprise Income Tax is calculated at the rate of 25% (2012: 25%).

7. LOSS FOR THE YEAR

	2013 *HK$'000*	2012 *HK$'000*
Loss for the year has been arrived at after charging:		
Staff costs including directors' remuneration	**18,079**	15,922
Retirement benefits schemes contributions	**437**	330
Total staff costs	**18,516**	16,252
Auditors' remuneration		
Audit services	**1,200**	1,100
Non-audit services	**453**	300
Cost of inventories recognised as an expense	**–**	2,148
Depreciation of property, plant and equipment	**3,603**	4,854
Operating lease rentals in respect of land and buildings	**8,849**	10,280
and after crediting:		
Other income		
Interest income on:		
Bank deposits	**9**	8
Other loan and receivables	**3,223**	3,013
Total interest income	**3,232**	3,021
Gain on disposal of property, plant and equipment	**80**	709
Foreign exchange gain, net	**22**	7
Sundry income	**1,765**	1,638
	5,099	5,375

	2013 *HK$'000*	2012 *HK$'000*
Other income analysed by category of asset is as follows:		
Loans and receivables (including bank deposits)	**3,232**	3,021
Non-financial assets	**1,867**	2,354
	5,099	5,375
Net loss on financial assets at fair value through profit or loss:		
Proceeds on sales of investment	**63,974**	245,747
Less: cost of sales	**(77,298)**	(255,717)
Net realised loss on financial assets at fair value through profit or loss	**(13,324)**	(9,970)
Unrealised gain/(loss) on financial assets at fair value through profit or loss	**62,736**	(84,684)
Net gain/(loss) on financial assets at fair value through profit or loss	**49,412**	(94,654)

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	THE GROUP	
	2013	2012
	HK$'000	*HK$'000*
Equity securities:		
— listed securities	**19,333**	28,380
— unlisted securities	**215,000**	230,000
	234,333	258,380

Available-for-sale financial assets represent the Group's investments in listed and unlisted securities. The listed securities of the Group at the end of the reporting period represent the Group's listed investment in YTC Resources Limited ("YTC") of which shares are listed on the Australian Securities Exchange. They are measured at fair value based on the quoted market bid prices available on the relevant stock exchange.

The unlisted securities of the Group at the end of the reporting period represent the Group's investment in unlisted equity securities issued by a private entity namely HEC Capital Limited ("HEC"), which is held for an identified long term strategic purpose.

On 16 April 2012, the Group was informed by Cordoba Homes Limited ("Cordoba"), a company which the Group was interested in 215,000,000 shares (representing about 5.65% of the total issued share capital of Cordoba then), that Cordoba was to undergo a capital reorganisation ("Reorganisation") whereby Cordoba was to consolidate its shares on a 10 for 1 basis and a holding company, HEC, would be formed for the purpose of holding a 100% interest in Cordoba. Upon the Reorganisation, the percentage of shareholding interest held by the Group in HEC, which holds 100% of Cordoba, remained to be the same as before.

On 17 April 2012, the Group was informed by Hennabun Capital Group Limited ("Hennabun"), a company which the Group was interested in 15,000,000 shares (representing about 3.13% of the total issued share capital of Hennabun then), that Hennabun was to undergo a reorganisation exercise to streamline its group structure (the "Restructuring"). HEC, through Cordoba, held approximately 48% of Hennabun, prior to the Restructuring. Pursuant to the Restructuring, Hennabun was to allot and issue 249,154,460 new shares to Allied Well Development Limited, a wholly-owned subsidiary of HEC, in exchange for 249,154,460 new shares of HEC. All shareholders of Hennabun, other than HEC or its subsidiaries, would have their shares in Hennabun cancelled and received in turn the equivalent number of shares in HEC. Upon the Restructuring, HEC would hold 100% of the entire issued share capital of Hennabun. Since HEC and Hennabun shares were roughly in value, the interests of the Hennabun shareholders were not altered or adversely affected as a result of the Restructuring.

As a result of the Reorganisation and Restructuring, the Group is now interested in 36,500,000 shares in HEC (representing about 4.09% of the total issued share capital of HEC) as at 31 December 2013 and has ceased to have any direct shareholding in Cordoba and Hennabun respectively.

On 21 March 2013, a wholly-owned subsidiary of the Company as vendor entered into a sale and purchase agreement with Freeman Financial Corporation Limited ("Freeman Financial", a company listed on the main board of Stock Exchange (stock code: 279)) and Dynastic Union Limited (the "Purchaser"), pursuant to which the vendor has conditionally agreed to dispose approximately 8.77% of the issued share capital of Freeman Securities Limited to Purchaser at a consideration of HK$16,140,000. Such consideration was satisfied by (i) cash payment of HK$5,115,000 and (ii) issue and allotment of 105,000,000 new shares (before the capital reorganisation of Freeman Financial with effect from 30 May 2013) of Freeman Financial with par value of HK$0.05 each at the issue price of HK$0.105 per share to the vendor. The transaction is completed on 28 March 2013. Details of the transaction are set out in the announcement of the Company dated 21 March 2013. Upon the completion of the disposal, there was a gain on disposal of Freeman Securities Limited of approximately HK$3,555,000.

The fair value of the equity interest in HEC at 31 December 2012 has been arrived with reference to HEC's audited financial statements for the nine-month period ended 31 December 2012. In the absence of adequate information, the directors of the Company consider that the fair value of the equity interest of HEC as at 31 December 2013 cannot be measured reliably because the range of reasonable fair value estimates is so significant and the probabilities of the various estimates cannot be reasonably assessed. As a result, it is measured at cost less impairment at the end of the reporting period. As the carrying amount of the equity interest in HEC as at 31 December 2012 was equivalent to its cost, no retrospective prior year adjustment is necessary to reflect such change in accounting policy.

As a result of the impairment assessment, the directors of the Company consider that no objective evidence of impairment was identified at 31 December 2013, and no impairment was recognised for the year ended 31 December 2013 accordingly.

9. MINING RIGHT

	THE GROUP	
	2013	2012
	HK$'000	*HK$'000*
COST		
At beginning and at end of the year	**630,000**	630,000
AMORTISATION AND IMPAIRMENT		
At beginning of the year	**388,000**	213,981
Impairment loss (reversed)/recognised for the year	**(17,000)**	174,019
At end of the year	**371,000**	388,000
CARRYING VALUES		
At end of the year	**259,000**	242,000

The mining right as at 31 December 2013 represents the mining right licence of a magnetite iron ore mine situated at the Guangdong Province, the PRC, expiring on 24 December 2015.

On 31 October 2011, there was a serious geological disaster caused by the Lian Nan County Damaishan Mine (連南縣大麥山礦業場). On 16 February 2012, the Department of Land and Resources of Lian Nan Yao Autonomous County (連南瑤族自治縣國土資源局) issued a notice announcing that a complete review of all mining operations was to be conducted by the relevant departments of the said county and ordering the suspension of all mining operations in the Lian Nan County until further notice and/or approval (the "Order"). The Group has been continuing to pursue the uplift of the Order with the relevant governmental authorities of the PRC (the "Authorities"), but up to the date of this announcement, there is still no concrete and clear indication given by the Authorities as to when the Order will be uplifted.

Amortisation for mining right with finite useful lives is provided using the unit of production method based on the actual production volume over the estimated total proved and probable reserves of the ores mine.

The fair value of the mining right licence at 31 December 2013 has been arrived at on the basis of a valuation carried out by BMI Appraisals Limited, an independent qualified professional valuer and under the assumptions that the Order will be uplifted by end of 2015 and the Group could renew the mining right licence indefinitely till all proven reserves have been mined. In the view of the increase in the market price of iron ore products at 31 December 2013, there was an increase in the value of the Mine as at 31 December 2013, which resulted in the reversal of impairment loss on mining right of approximately HK$17,000,000 for the year ended 31 December 2013 (2012: impairment loss of HK$174,019,000).

The movement in impairment loss on mining right is set out as follows:

	2013	2012
	HK$'000	*HK$'000*
Balance at beginning of the year	**376,019**	202,000
Impairment loss (reversed)/recognised for the year	**(17,000)**	174,019
Balance at end of the year	**359,019**	376,019

10. LOSS PER SHARE

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

	2013	2012
	HK$'000	*HK$'000*
Loss for the year		
Loss attributable to owners of the Company	**(178)**	(246,300)

	2013	2012
	'000	*'000*
Number of shares		
Weighted average number of shares for the purpose of basic loss per share	**389,421**	381,087

The effects of the share consolidation on 18 January 2012, have been included in the calculation of the weighted average number of ordinary shares for the purpose of basic loss per share for the year ended 31 December 2012.

Basic and diluted loss per share for the year ended 31 December 2013 and 2012 have been presented as equal because the exercise prices of the Company's share options were higher than the average market price for the year and is therefore considered as anti-dilutive.

11. GOODWILL

	THE GROUP	
	2013	2012
	HK$'000	*HK$'000*
At beginning of the year	**–**	38,679
Less: Impairment loss recognised	**–**	(38,679)
At end of the year	**–**	–

Goodwill, which arose on the acquisition of Union Bless Limited and its subsidiaries, represents the excess of the cost of the business combination over the Group's interest in the net fair value of their identifiable assets and liabilities as of the date of the acquisition.

As the fair value of goodwill has been fully impaired during the year ended 31 December 2012, no impairment was recognised in the consolidated statement of profit or loss for the year ended 31 December 2013 (2012: HK$38,679,000).

Impairment testing of goodwill for the year ended 31 December 2012

Goodwill arising on the above acquisition was recognised in the consolidated statement of financial position as an asset, initially measured at cost and subsequently assessed for impairment testing.

The recoverable amount of the cash-generating unit has been determined based on a value-in-use calculation, using cash flow projections based on financial budgets covering a period of 10.5 years to reflect the Group's business strategy. The discount rate applied to the cash flow projections is 18.35%. Cash flows beyond the period of 10.5 years are extrapolated using a growth rate of 2%.

The followings are the key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins — The basis used to determine the budgeted gross margins is based on a feasibility study prepared by an independent technical advisor in February 2012.

Discount rate — The discount rate used is before tax and reflects specific risks relating to the relevant unit.

The movement in impairment loss on goodwill is set out as follows:

	2013	2012
	HK$'000	*HK$'000*
Balance at beginning of the year	128,679	90,000
Impairment loss recognised during the year	–	38,679
Balance at end of the year	128,679	128,679

12. TRADE AND OTHER RECEIVABLES

	THE GROUP	
	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**28,302**	42,468
Less: Impairment loss recognised	**(1,490)**	(1,490)
	26,812	40,978
Other receivables and prepayments	**37,544**	23,809
Less: Impairment loss recognised, in respect of other receivables	**(356)**	(356)
	37,188	23,453
Trade and other receivables	**64,000**	64,431

	THE GROUP	
	2013	2012
	HK$'000	*HK$'000*
Trade receivables arising from securities brokerage business:		
Margin account clients	**23,218**	37,125
Cash account clients	**4,530**	4,411
Others	**297**	297
	28,045	41,833
Trade receivables arising from mining business:	**257**	635
	28,302	42,468

For trade receivables arising from securities brokerage business, the settlement term is two days after the trade date. Interests are charged on overdue cash account clients and margin account clients at Hong Kong prime rate plus 7% (2012: prime rate plus 7%) per annum and at prime rate plus 4% (2012: prime rate plus 4%) per annum, respectively.

For trade receivables arising from the mining business, the Group normally allows a credit period of 60 days.

An aging analysis of the trade receivables, net of impairment loss, at the end of the reporting periods are as follows:

	2013	2012
	HK$'000	*HK$'000*
0 to 60 days	**10,535**	1,565
61 to 90 days	**4,676**	1,479
Over 90 days	**13,091**	39,424
	28,302	42,468

13. EARNEST MONEY

During the year ended 31 December 2013, the Group entered into a sale and purchase agreement in relation to the proposed acquisition of a group of companies which is principally engaged in, among others, iron mining business in the PRC (the "Proposed Acquisition"). Earnest money of HK$300,000,000 was paid by the Group to the vendor in relation to the Proposed Acquisition, and it is subject to full refund without interest upon the termination of the Proposed Acquisition.

Details of the transactions are set out in the Company's announcements dated 14 February 2013, 25 February 2013, 26 June 2013, 6 December 2013, 12 December 2013 and 28 February 2014.

14. TRADE AND OTHER PAYABLES

	THE GROUP	
	2013	2012
	HK$'000	*HK$'000*
Trade payables	**76,745**	61,914
Other payables and accruals	**4,405**	3,666
Securities accounts	**7,045**	–
Trade and other payables	**88,195**	65,580

Details of trade payables are as follows:

	2013	2012
	HK$'000	*HK$'000*
Trade payables arising from securities brokerage business:		
Cash account clients	**8,653**	5,032
Clearing house	**–**	3,430
Margin account clients	**67,623**	53,043
	76,276	61,505
Trade payables arising from mining business:	**469**	409
	76,745	61,914

An aging analysis of the trade payables at the end of the reporting period are as follows:

	2013	2012
	HK$'000	*HK$'000*
0 to 60 days	**69,603**	57,868
61 to 90 days	**553**	64
over 90 days	**6,589**	3,982
	76,745	61,914

The settlement term of trade payables arising from securities brokerage business is two days after the trade date while for amounts due to margin account clients are repayable on demand.

Included in trade payables arising from securities brokerage business of approximately HK$44,477,000 (2012: HK$61,217,000) was payable to clients and other institutions in respect of the trust bank balances received and held for clients and other institutions in the course of the conduct of the regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed. The deposits placed carry variable commercial interest rates.

15. PROVISION

The Group

During the year ended 31 December 2008, a subsidiary of the Company principally engaged in securities brokerage business might be found liable to certain third parties for certain irregular transactions allegedly conducted by its former employee involving an aggregate amount of approximately HK$9,250,000. The matters had been first reported to the relevant enforcement agencies by such subsidiary in March 2009 and the former employee was convicted by the High Court of Hong Kong in 2009.

During the year ended 31 December 2011, a writ of summons from the Intermediate Court of Jiangsu Province, the PRC, was issued by an individual against the subsidiary, claiming for RMB1,103,000 (equivalent to HK$1,359,000) plus interest. The claim was fully settled in March 2012 by a payment of RMB600,000 (equivalent to HK$730,000) and deducted from the provision, of which HK$1,250,000 was provided for this individual during the year ended 31 December 2008. The remaining provision in respect of this individual amounting to HK$520,000 was written off as sundry income for the year ended 31 December 2012.

Based on a preliminary legal advice, such subsidiary may also be subject to a maximum penalty of HK$10,000,000 to the enforcement agency for the allegedly irregular transactions conducted by the former employee. No penalty against the subsidiary has been received up to the end of the reporting period. As the investigation of the matters by the enforcement agency is in progress, the directors cannot reasonably predict the outcome of the matters, the possible maximum penalty of HK$10,000,000 is therefore regarded as a contingent liability of the Group as at 31 December 2012 and 2013.

AN EXTRACT OF INDEPENDENT AUDITORS' REPORT

The Company's auditors have modified their report on the Group's consolidated financial statements for the year ended 31 December 2013, and extract of which is as follows:

"OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to Note 19[#] to the consolidated financial statements of the Group for the year ended 31 December 2013 (the "2013 Annual Report"). As disclosed therein, the mining operation of the Group as well as all mining operations in the Lian Nan County were suspended by the relevant authorities of the PRC Government (the "Order") since early 2012 until further notice. Up to the reporting date of the 2013 Annual Report, there is still no announcement as to when the Order will be uplifted. Based on the information available to the Group, the Group expects that the Order will be uplifted in the near future and in any event, no later than the end of 2015.

The mining right of the Group was valued at HK$259,000,000 as at 31 December 2013, using discounted cash flow method based on the assumption that the Order will be uplifted before the end of 2015. Should there be any further delay in the uplift of the Order, the value of the mining right of the Group may possibly be affected and further provision on impairment loss of the mining right may therefore be necessary."

[#] Being Note 9 in this final results announcement.

FINAL DIVIDEND

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

BUSINESS REVIEW

During the year under review, the turnover of the Group was down by approximately 67% to approximately HK$4,400,000 (2012: HK$13,500,000) and the gross profit was decreased by approximately 73% to approximately HK$2,916,000 (2012: HK$10,745,000). Such a significant decrease in turnover was mainly attributable to decreased activity in the finance operation and the suspension of the mining activities on the mixed metal mine (the "Mine") by the Department of Land and Resources of Lian Nan Yao Autonomous County (連南瑤族自治縣國土資源局) (the "Department") which seriously hindered the commercial production of the Mine.

For the year ended 31 December 2013, the Group recorded a loss attributable to equity holders of the Company of approximately HK$178,000 (2012: HK$246,300,000), representing an decrease of approximately 99.93% when compared to last year. Such an improvement was mainly due to the recognition a gain on financial assets at fair value through profit or loss of approximately HK$49,412,000 (2012: loss on financial assets at fair value through profit or loss of HK$94,654,000) and reversal of impairment on mining right of approximately HK$17,000,000 (2012: impairment loss on mining right of HK$174,019,000).

OPERATIONS REVIEW

Minerals Operation

Minerals operation is one of the principle activities of the Group. Our Mine, located approximately 39 kilometers south-east of the Lian Nan County Town and approximately 1.6 kilometers south-west of the Baidaitou Village Shanlian Township of Guangdong Province in the PRC, covers an area of approximately 0.4197 km^2. Based on a geological study prepared by 湖南省地質礦產勘查開發局四零八隊 (literally translated as the Hunan Province Geological Mineral Exploration in Development Bureau Team No. 408) as stated in the technical report, the estimated iron resources within the Mine is approximately 1,627,400 tons with an average grade of around 44.71% to 61.86%. Also, there are small amount of copper, lead and tin resources.

On 16 February 2012, a notice issued by the Department ordering the suspension of all mining operations in the Lian Nan County until further notice (the "Order"). During the year, the minerals operation on the Mine was seriously obstructed due to the Order. The Group has been continuing to pursue the uplift of the Order with the relevant governmental authorities of the PRC (the "Authorities"), but up to the date of this announcement, there is still no concrete and clear indication given by the Authorities as to when the Order will be uplifted.

The poor weather condition in 2013 also had adverse impacts on the minerals operation. The southern part of China has been experiencing constant rainfalls throughout the year. Then it was subject to attack by two extraordinary strong typhoons in August and September 2013, which brought heavy rainfalls and triggered floods and landslides. Although the PRC Government as well as the Group have started repair work for the highway and the roads leading to the Mine respectively, yet in view of the severe damages to the highway and the roads, further repair work is still required to be done to enable full accessibility of the area surrounding and leading up to the Mine, by cars, trucks and other transportations.

The Group will issue further announcement(s) on any significant development with respect to its mining operations as and when necessary.

Due to the heavy rainstorms during the year and suspension of all mining operations on the Mine by the Order, the Group has no turnover generated from its minerals operation (2012: HK$1,888,000) and recorded an operating profit of approximately HK$9,399,000 (2012: operating loss of HK$222,562,000) during the year. The operating profit on the mining operations was mainly resulted from the reversal of impairment loss of approximately HK$17,000,000 on the mining right (2012: impairment loss on mining right of HK$174,019,000).

Trading Operation

During the year under review, the trading operation was inactive and therefore no turnover was generated (2012: Nil).

Finance Operation

The interest income and operating loss generated by the financing operation were approximately HK$329,000 (2012: HK$8,214,000) and approximately HK$717,000 (2012: operating profit on HK$7,336,000) respectively. Such decreases were primarily attributable to the lower average balance of loans advanced to customers as compared to last year. It is the Group's policy to adopt a prudent approach and regularly review the composition of the loans portfolio and lending rates charged in order to maximise the return and minimise the risks of the Financial Operation.

Brokerage and Securities Investment Operation

The turnover of the brokerage and securities investment operation, being mainly the brokerage and commission income of the Group's securities brokerage division, increased by approximately 20% to approximately HK$4,071,000 (2012: HK$3,398,000). Such an increase was primarily attributable to the higher transaction volume of the securities brokerage activities. The overall performance of the operation recorded a profit of approximately HK$51,225,000 (2012: operation loss of HK$94,822,000). The profit incurred for the operation was primarily attributable to the unrealised gain on investment in securities which amounted to approximately HK$62,736,000 (2012: unrealised loss of HK$84,684,000), resulted mainly from the increase in the market prices of listed securities held by the Group for investment purpose. As at 31 December 2013, the market value of the Group's listed securities portfolio was approximately HK$405,370,000 (2012: HK$352,974,000).

PROSPECTS

In the first quarter of 2014, some new downside risks, which may affect the recovery progress of the overall global economy, have emerged. In western countries, the Ukraine crisis raises tension between the west and Russia, US and European Union have threatened to impose sanctions against Russia which may affect tens of billions of dollars in trade and investment between these massive economies. In the PRC, the fluctuation of the Renminbi (the "RMB") exchange rate in these few months will also increase the money market volatility, which may constitute an adverse impact on the PRC economy. Coupled with the Kunming railway station attack which might suggest the possibility of a terrorism scheme against the PRC, the Group is of the view that there are many uncertainties and unclear directions with respect to the outlook of the 2014 global economy.

For the industry prospects, the Group expects that the price of the iron ore product will have a moderate decline in 2014 mainly due to the following reasons: (1) over-expansion of the iron and steel industry in the past few years; (2) decrease in prosperity of the property market and infrastructure investments in certain second and third tiers cities of the PRC; (3) the change in the RMB appreciation expectation; and (4) the PRC policy to battle against industrial pollution which might pose adverse impacts on the steel industry. However, the Group expects the above will only create a short-term impact on the iron and steel industry. Overall, the Group remains relatively optimistic on the long-term prospect of the industry.

For the mining activities of the Mine, the Group will continue to follow up with the PRC Authorities and make necessary preparation for the recommencement of the mining operation in the near future. The Group anticipates that as soon as the Order is uplifted, the production of the Mine will resume.

It is the Group's strategy to continue identifying suitable mineral projects that may have a good profit and/or development potential for investment with the objectives of enhancing the Group's business operations and, more importantly, maximising the long term return for shareholders of the Company. On 8 February 2013 and 26 June 2013, the Group entered into an acquisition agreement and a supplemental agreement in relation to the acquisition of Mega Marks Limited (the "Target Company" and together with its subsidiaries, the "Target Group"). The Target Group is principally engaged in the iron ore mining and ore processing operation in Xinjiang Uygur Autonomous Region, the PRC. The Board believes that the acquisition represents a valuable investment opportunity for the Group, having considered the amount of proved and probable reserves as well as indicated resources at the target mines and the future growth opportunity of the target mines to generate revenue and cash flow to the Group. Details of the transaction are set out in the announcements of the Company dated 14 February, 25 February, 26 June, 6 December, 12 December 2013 and 28 February 2014.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

At 31 December 2013, the Group had current assets of approximately HK$866,512,000 (2012: HK$840,355,000) and liquid assets comprising bank balances and marketable Hong Kong listed securities totaling approximately HK$456,868,000 (excluding pledged bank balances held under segregated trust accounts) (2012: HK$713,502,000). The significant decrease in the liquid assets was mainly due to the payment of earnest money made pursuant to the acquisition agreement entered into by the Group on 8 February 2013 regarding the proposed acquisition of the Target Company. The Group's current ratio, calculated on the basis of current assets of approximately HK$866,512,000 (2012: HK$840,355,000) over current liabilities of approximately HK$96,455,000 (2012: HK$73,614,000) was at strong level of approximately 8.98 (2012: 11.42). The Group had no bank and other borrowings (2012: Nil) and no finance lease obligation (2012: Nil) at the end of the reporting period.

At the end of the reporting period, the equity attributable to Company's equity owners amounting to approximately HK$1,217,693,000 (2012: HK$1,216,238,000), representing an increase of approximately 0.12% compared to 2012, which was equivalent to a consolidated net asset value of about approximately HK$3.14 per share of the Company (2012: HK$3.13 per share).

Foreign Currency Management

The monetary assets and liabilities and business transactions of the Group are mainly carried and conducted in Hong Kong dollars, RMB, US dollars and Australian dollars. The Group maintains a prudent strategy in its foreign currency risk management, to a large extent, foreign exchange risks are minimised via balancing the foreign currency monetary assets versus the corresponding currency liabilities, and foreign currency revenues versus the corresponding currency expenditures. In light of the above, it is considered that the Group's exposure to foreign exchange risks is not significant and no hedging measure has been undertaken by the Group.

Pledge of Asset

At 31 December 2013, the Group has no fixed assets (2012: Nil) pledged as security for any credit facilities granted to the Group.

Capital Commitment

The Group has no capital commitments as at 31 December 2013 (2012: HK$4,800,000).

Contingent Liability

A subsidiary of the Company principally engaged in securities brokerage business may be subject to a maximum penalty of HK$10,000,000 to the enforcement agency in relation to certain allegedly irregular transactions conducted by a former employee of the subsidiary. The matters are currently under investigation by the enforcement agency. As the ultimate outcome of the matter cannot be reasonably predicted, it is reasonable for the Group to assume that the contingent liability of this case will be the maximum penalty of HK$10,000,000.

MATERIAL ACQUISITION AND DISPOSAL

Reference is made to the announcements of the Company dated 14 February, 25 February, 26 June, 6 December, 12 December 2013 and 28 February 2014. On 8 February 2013, the Group entered into a sale and purchase agreement in relation to the acquisition of Target Group at an aggregate consideration of HK$1,200,000,000 (subject to adjustment). Terms used hereinafter are defined in the above announcements.

The Consideration will be satisfied as to HK$690,000,000 in cash, as to HK$210,000,000 by the allotment and issue of the Consideration Shares and as to HK$300,000,000 by the issue of the Convertible Bonds. The Target Group is principally engaged in the iron ore mining and ore processing operation in Xinjiang Uygur Autonomous Region, the PRC. On 26 June 2013, the Group and the vendor executed a supplemental agreement and agreed to amend certain terms of the sale and purchase agreement, principally relating to (1) the adjustment mechanisms of Consideration as set out in the sale and purchase agreement and (2) inclusion of condition precedents(s) that cannot be waived by the parties. As additional time is required to prepare and finalise the information to be included in the circular in respect of the said acquisition, the circular will be despatched to the Shareholders on or before 31 May 2014.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

The following is the significant event which has taken place subsequent to the end of the reporting period:

On 21 January 2014, the Company entered into a placing agreement (the "Placing Agreement") with Freeman Securities Limited (the "Placing Agent"), pursuant to which the Placing Agent has conditionally agreed to procure subscribers to subscribe for the convertible notes in the aggregate principal amount of up to HK$400 million. On 25 March 2014, the Company and the Placing Agent mutually agreed to terminate the Placing Agreement by entering into a termination agreement. Details of the transaction are set out in the announcements of the Company dated 21 January 2014 and 25 March 2014.

CORPORATE GOVERNANCE

During the year, the Company has complied with the code provisions of Corporate Governance Code ("CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except for the first part of code provision E.1.2 of the CG Code, the chairman of the Board, Dr. Zhang Guoqing, did not attend the annual general meeting held on 27 June 2013 (the "Meeting") as he had another business engagement. The executive director of the Company, who took the chair of the Meeting, and other members of the Board together with the chairmen of the Audit, Nomination and Remuneration Committees and all other members of each of the Audit, Nomination and Remuneration Committees attended the Meeting. The Company considers that the members of the Board and the Audit, Nomination and Remuneration Committees who attended the Meeting were already of sufficient calibre and number for answering questions at the Meeting.

AUDIT COMMITTEE

The audited financial statements of the Company for the year ended 31 December 2013 had been reviewed by the Audit Committee of the Company before they were duly approved by the Board of Directors under the recommendation of the Audit Committee.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The final results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and on the website of the Company (www.cytmg.com). The annual report of the Company for the year ended 31 December 2013 will be despatched to shareholders of the Company and will be published on the same websites in due course.

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

Hong Kong, 27 March 2014

As at the date of this announcement, the Board of Directors of the Company comprises six Executive Directors, namely Dr. Zhang Guoqing (Chairman), Ms. Ng Shin Kwan, Christine, Mr. Lee Jalen, Mr. Chan Ah Fei, Mr. Lee Yuk Fat and Mr. Liang Shan and three Independent Non-executive Directors, namely Dr. Wong Yun Kuen, Mr. Wong Shun Loy and Mr. Hu Chao.