

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



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 31ST DECEMBER, 2009**

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 31st December, 2009 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December, 2009

	<i>Notes</i>	2009 HK\$'000	2008 HK\$'000
Turnover	4	67,988	665,901
Cost of sales		<u>(23,235)</u>	<u>(609,554)</u>
Gross profit		44,753	56,347
Net loss on financial assets at fair value through profit or loss	7	(78,656)	(10,351)
Other income		9,893	14,194
Administrative expenses		(57,940)	(56,156)
Finance costs		(222)	(4,091)
Share of profit of a jointly controlled entity		<u>11,781</u>	<u>12,799</u>
(Loss)/profit before taxation		(70,391)	12,742
Income tax credit/(expense)	6	<u>214</u>	<u>(304)</u>
(Loss)/profit for the year	7	<u>(70,177)</u>	<u>12,438</u>

	<i>Notes</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Attributable to:			
Owners of the Company		(70,177)	12,915
Non-controlling interests		<u> –</u>	<u> (477)</u>
		<u> (70,177)</u>	<u> 12,438</u>
(Loss)/earnings per share	8		
– Basic and diluted (HK cent(s) per share)		<u> (1.79)</u>	<u> 0.39</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December, 2009

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
(Loss)/profit for the year	<u>(70,177)</u>	<u>12,438</u>
Other comprehensive income/(expenses)		
Exchange differences arising on translation of overseas operations	1,452	(11,595)
Share of translation reserve of a jointly controlled entity	71	2,031
Fair value change in available-for-sale financial assets	<u>2,735</u>	<u>(33,367)</u>
Other comprehensive income/(expenses) for the year (net of tax)	<u>4,258</u>	<u>(42,931)</u>
Total comprehensive expenses for the year	<u>(65,919)</u>	<u>(30,493)</u>
Total comprehensive expenses attributable to:		
Owners of the Company	(65,919)	(30,016)
Non-controlling interests	<u>-</u>	<u>(477)</u>
	<u>(65,919)</u>	<u>(30,493)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December, 2009

	<i>Notes</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		11,616	9,050
Interest in a jointly controlled entity		45,170	47,886
Available-for-sale financial assets		15,921	4,823
Other assets		2,230	2,230
Trading right		–	50
Mining right		628,254	–
Goodwill		128,679	–
		<u>831,870</u>	<u>64,039</u>
Current assets			
Inventories		603	–
Trade and other receivables	9	188,392	552,499
Bills receivable	9	365	27,593
Financial assets at fair value through profit or loss		199,359	51,571
Short-term loans receivable		138,445	360,524
Tax recoverable		1,946	–
Pledged bank deposit		–	19,500
Bank balances held under segregated trust accounts		20,999	2,659
Bank balances and cash		243,360	96,910
		<u>793,469</u>	<u>1,111,256</u>
Current liabilities			
Trade and other payables	10	24,475	9,690
Bills payable	10	347	27,144
Tax payable		62	4,508
Finance lease obligation – due within one year		575	575
Provision	11	9,250	9,250
		<u>34,709</u>	<u>51,167</u>
Net current assets		<u>758,760</u>	<u>1,060,089</u>
Total assets less current liabilities		<u>1,590,630</u>	<u>1,124,128</u>
Non-current liabilities			
Deferred tax liabilities		157,064	–
Finance lease obligation – due after one year		383	1,006
		<u>157,447</u>	<u>1,006</u>
Net assets		<u>1,433,183</u>	<u>1,123,122</u>
Capital and reserves			
Share capital		500,965	316,008
Reserves		932,218	807,114
Total equity		<u>1,433,183</u>	<u>1,123,122</u>

Notes:

1. BASIS OF PREPARATION

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 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.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1st July, 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 to HKAS 39
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendments)	Vesting Conditions and Cancellations
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 18	Transfers of Assets from Customers

The adoption of these new and revised HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods except for the impact as described below.

HKFRS 8 “Operating Segments”

HKFRS 8 is a disclosure standard that has resulted in a redesignation of the Group’s reportable segments (note 5), but has had no impact on the reported results or financial position of the Group.

HKAS 1 (Revised) “Presentation of Financial Statements”

HKAS 1 (Revised) has introduced a number of terminology changes (including revised titles for the financial statements) and has resulted in a number of changes in presentation and disclosure. However, HKAS 1 (Revised) has had no impact on the reported results or financial position of the Group.

HKFRS 7 (Amendments) “Improving Disclosures about Financial Instruments”

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurement in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk.

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

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKAS 24 (Revised)	Related Party Disclosures ⁵
HKAS 27 (Revised)	Consolidation and Separate Financial Statements ¹
HKAS 32 (Amendments)	Classification of Rights Issues ⁴
HKAS 39 (Amendments)	Eligible Hedged Items ¹
HKFRS 1 (Amendments)	Additional Exemptions for First-time Adoption ³
HKFRS 1 (Amendments)	Limited Exemptions from Comparative HKFRS 7 Disclosures for First-time Adopters ⁶
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions ³
HKFRS 3 (Revised)	Business Combinations ¹
HKFRS 9	Financial Instruments ⁷
HK(IFRIC) – Int 14 (Amendments)	Prepayments of Minimum Funding Requirement ⁵
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity ⁶

^{1.} *Effective for annual periods beginning on or after 1st July, 2009.*

^{2.} *Amendments that are effective for annual periods beginning on or after 1st July, 2009 or 1st January, 2010, as appropriate.*

^{3.} *Effective for annual periods beginning on or after 1st January, 2010.*

^{4.} *Effective for annual periods beginning on or after 1st February, 2010.*

^{5.} *Effective for annual periods beginning on or after 1st January, 2011.*

^{6.} *Effective for annual periods beginning on or after 1st July, 2010.*

^{7.} *Effective for annual periods beginning on or after 1st January, 2013.*

The application of HKFRS 3 (Revised) may affect the Group’s accounting for business combination for which the acquisition date is on or after 1st January, 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

HKFRS 9 “Financial Instruments” introduces new requirements for the classification and measurement of financial assets and will be effective from 1st January, 2013, 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 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. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of financial assets.

The directors of the Company anticipate that the application of the other new or revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

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

4. TURNOVER

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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Sales of goods	20,638	618,585
Interest income from provision of finance	34,334	41,604
Commission and brokerage income	13,016	5,712
	67,988	665,901

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 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 jointly controlled entity and income tax credit or expense.

Segment assets include all tangible and intangible assets and current assets.

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

Segment Turnover and Results
For the year ended 31st December, 2009

	Trading of goods	Provision of finance	Brokerage and securities investment	and sales of minerals	Elimination	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
TURNOVER						
External sales	18,261	34,334	13,016	2,377	–	67,988
Inter-segment sales*	–	–	1,037	–	(1,037)	–
	<u>18,261</u>	<u>34,334</u>	<u>14,053</u>	<u>2,377</u>	<u>(1,037)</u>	<u>67,988</u>
RESULTS						
Segment results	208	34,206	(71,821)	(2,174)	–	(39,581)
Unallocated corporate income						1,007
Unallocated corporate expenses						(43,376)
Finance costs						(222)
Share of profit of a jointly controlled entity						<u>11,781</u>
Loss before taxation						(70,391)
Income tax credit						<u>214</u>
Loss for the year						<u>(70,177)</u>

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

Segment Turnover and Results
 For the year ended 31st December, 2008

	Trading of goods	Provision of finance	Brokerage and securities investment	Exploitation and sales of minerals	Elimination	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
TURNOVER						
External sales	618,585	41,604	5,712	–	–	665,901
Inter-segment sales*	–	–	1,405	–	(1,405)	–
	<u>618,585</u>	<u>41,604</u>	<u>7,117</u>	<u>–</u>	<u>(1,405)</u>	<u>665,901</u>
RESULTS						
Segment results	9,778	47,761	(19,011)	(2,873)	–	35,655
Unallocated corporate income						2,250
Unallocated corporate expenses						(33,871)
Finance costs						(4,091)
Share of profit of a jointly controlled entity						<u>12,799</u>
Profit before taxation						12,742
Income tax expense						<u>(304)</u>
Profit for the year						<u><u>12,438</u></u>

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

Geographical segments

The Group's four operating divisions operate in two principal geographical areas – the People's Republic of China (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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
PRC	20,638	618,585
Hong Kong	47,350	47,316
	67,988	665,901

Information about major customers

The Group's customer base includes one customer (2008: three customers) with whom transactions have exceeded 10% of the Group's turnover. For the year ended 31st December, 2009, turnover from sales of iron ore to this customer amounted to approximately HK\$18,261,000. For the prior year, turnover from sales of iron ore to the three customers amounted to approximately HK\$488,182,000.

6. INCOME TAX CREDIT/(EXPENSE)

The tax (credit)/charge comprises:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current tax		
Hong Kong Profits Tax	207	304
PRC Enterprise Income Tax	15	–
	222	304
Deferred tax	(436)	–
	(214)	304

Hong Kong Profits Tax for the year ended 31st December, 2009 was calculated at 16.5% (2008: 16.5%) of the estimated assessable profit for the year.

For the Group's subsidiaries established in the PRC, PRC Enterprise Income Tax is calculated at the rate of 25% (2008: nil).

7. (LOSS)/PROFIT FOR THE YEAR

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
(Loss)/profit for the year has been arrived at after charging:		
Amortisation of:		
Trading right	50	100
Mining right	1,746	–
Depreciation of property, plant and equipment	4,753	3,880
Loss on disposal of property, plant and equipment	–	31
Provision	–	9,250
	<u> </u>	<u> </u>
and after crediting:		
Gain on disposal of property, plant and equipment	90	–
Interest income on:		
Bank deposits	56	1,772
Other loan and receivables	8,326	2,692
	<u> </u>	<u> </u>
Net loss on financial assets at fair value through profit or loss:		
Proceeds on sales of investment	171,138	305,843
Less: cost of sales	<u>(139,884)</u>	<u>(310,763)</u>
Net realised gain/(loss) on financial assets at fair value through profit or loss	31,254	(4,920)
Unrealised loss on financial assets at fair value through profit or loss	(110,007)	(5,529)
Dividend income	<u>97</u>	<u>98</u>
Net loss on financial assets at fair value through profit or loss	<u><u>(78,656)</u></u>	<u><u>(10,351)</u></u>

8. (LOSS)/EARNINGS PER SHARE

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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
(Loss)/earnings		
(Loss)/earnings attributable to owners of the Company	<u>(70,177)</u>	<u>12,915</u>
	2009 '000	2008 '000
Number of shares		
Weighted average number of shares for the purpose of basic (loss)/earnings per share	<u>3,922,963</u>	<u>3,293,353</u>

Basic and diluted loss per share for the year ended 31st December, 2009 have been presented as equal because conversion of convertible notes would decrease the loss per share and the exercise price of the Company's share options was higher than the average market price for the year and is therefore considered as anti-dilutive.

Basic and diluted earnings per share for the year ended 31st December, 2008 have been presented as equal because conversion of convertible notes would increase the earnings per share and the exercise price of the Company's share options was higher than the average market price for the prior year and is therefore considered as anti-dilutive.

9. TRADE AND OTHER RECEIVABLES/BILLS RECEIVABLE

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Trade receivables	10,934	21,015
Less: Impairment loss recognised	<u>(1,492)</u>	<u>(1,492)</u>
	<u>9,442</u>	<u>19,523</u>
Deposits, other receivables and prepayments (<i>note</i>)	179,306	533,332
Less: Impairment loss recognised, in respect of other receivables	<u>(356)</u>	<u>(356)</u>
	<u>178,950</u>	<u>532,976</u>
Trade and other receivables	188,392	552,499
Bills receivable	<u>365</u>	<u>27,593</u>
	<u>188,757</u>	<u>580,092</u>

Trade receivables represent receivables arising from securities dealing business and the settlement term of those trade receivables is two days after the trade date. Interests are charged on overdue cash account clients and margin account clients at prime rate plus 7% (2008: prime rate plus 7%) per annum and at prime rate plus 4% (2008: prime rate plus 4%) per annum, respectively. Trade receivables, net of impairment loss, at the end of the reporting periods arising from securities dealing business were all due within 60 days as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Margin account clients	8,523	19,426
Cash account clients	2,285	527
Clearing house	–	936
Others	126	126
	10,934	21,015

Movement of impairment losses recognised

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Balance at beginning of the year	1,848	1,750
Impairment losses recognised during the year	–	98
Balance at end of the year	1,848	1,848

Aging of the impaired trade and other receivables

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Over 90 days	1,848	1,848

The following is an aging analysis of bills receivable arising from trading business at the end of the reporting period:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
0 to 60 days	–	27,593
181 to 240 days	<u>365</u>	<u>–</u>
	<u>365</u>	<u>27,593</u>

The Group has provided fully for all receivables past due over one year based on historical experience that receivables that are past due beyond one year are generally not recoverable.

Note: During the year ended 31st December, 2007, the Group entered into a conditional sale and purchase agreement (the “Sale and Purchase Agreement”) with Oriental Pine Investments Limited (“Oriental Pine”) to acquire the entire interests in Jebson Investments Limited from Oriental Pine.

In December 2008, the Group instituted a legal action against Oriental Pine with the view that Oriental Pine had failed, among others, to perform certain terms and conditions of the Sale and Purchase Agreement and claiming, inter alia, an order for rescission of the Sale and Purchase Agreement (the “Rescission”) and return of the consideration paid by the Group to Oriental Pine (the “Consideration”).

On 24th December, 2008, the Court of First Instance in the High Court of the Hong Kong Special Administrative Region (the “Court”) made an order, by consent, inter alia, that the Sale and Purchase Agreement be rescinded and the Consideration of approximately HK\$323,422,000, together with interest at the rate of 3% per annum from 24th December, 2008 until payment of the respective sums, be returned to the Group with specific payment terms. As at 31st December, 2009, the total outstanding amount due from Oriental Pine related to the Rescission amounted to approximately HK\$110,257,000, which was included in other receivables of the Group. Such amount comprises the principal amount of HK\$103,422,000 and interest receivable arising from the principal amounts of HK\$6,835,000, which were due on 31st March, 2010.

On 24th March, 2010, the Group agreed to grant time extension (the “Time Extension”) to Oriental Pine, by consent, to settle the above said payments on or before 30th June, 2010 and an order, by consent, related to the Time Extension was made by the Court on 30th March, 2010.

10. TRADE AND OTHER PAYABLES/BILLS PAYABLES

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Trade payables	22,023	3,971
Other payables and accruals	<u>2,452</u>	<u>5,719</u>
Trade and other payables	24,475	9,690
Bills payable	<u>347</u>	<u>27,144</u>
	<u>24,822</u>	<u>36,834</u>

Details of trade payables are as follows:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables arising from securities dealing business:		
Cash account clients	18,669	3,181
Clearing house	382	24
Margin account clients	2,827	694
Others	119	72
	<u>21,997</u>	<u>3,971</u>
Trade payables arising from the mining business:	<u>26</u>	<u>–</u>
	<u>22,023</u>	<u>3,971</u>

The following is an aging analysis of bills payable arising from trading business at the end of the reporting period:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 60 days	–	27,144
181 to 240 days	347	–
	<u>347</u>	<u>27,144</u>

The settlement term of trade payables arising from securities dealing business is two days after the trade date while for amounts due to margin account clients are repayable on demand. Trade payables at the end of the reporting periods arising from the mining business of the Group were all due within 60 days.

Included in trade payables arising from securities dealing business of approximately HK\$20,999,000 (2008: HK\$2,659,000) 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.

11. PROVISION

During the year ended 31st December, 2008, a subsidiary of the Company principally engaged in securities brokerage 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. The former employee was convicted by the High Court of Hong Kong during the year and there was no claim received by the subsidiary during the year. Based on the information available to the directors, the full amount of the possible claims was provided as at 31st December, 2009 and 2008.

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 was received during the year. 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 31st December, 2009 and 2008.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31st December, 2009 (2008: nil).

BUSINESS REVIEW AND PROSPECTS

The Board announces that the Group recorded a loss attributable to the Company's owners of HK\$70,177,000 and the loss per share was 1.79 HK cents. When compared to the profitable results in 2008, the Group's performance has worsened in 2009 mainly as a result of the significant unrealised loss incurred for the Group's securities investment operation. Such loss was largely attributable to the decline in market prices for various investments in listed securities in the second half of 2009. Management of the Group believes that such decline in prices was substantially triggered by short term turbulences in the stock market. These securities investments were held by the Group for strategic investment purposes and the management is optimistic that their performance will improve in the medium to long term.

Despite the loss recorded for the securities investment operation, the other two major operations of the Group, namely the trading and financing operations, continued to contribute profitable results to the Group in 2009. In terms of the turnover of the Group, it dropped by 90% to HK\$67,988,000 (2008: HK\$665,901,000) as compared to 2008. This is primarily attributable to the significant drop in turnover from the trading operation by 97% to HK\$18,261,000 (2008: HK\$618,585,000) as a result of the decrease in demand of iron ore from our major customers following the outbreak of the global financial crisis in the last quarter of 2008. For similar reasons, the gross profit of the Group has also decreased by 21% to HK\$44,753,000 (2008: HK\$56,347,000) owing principally to the lower activities of the trading operation during the year. Turnover from the financing operation also dropped for the year, contributing HK\$34,334,000 (2008: HK\$41,604,000) to the Group's turnover in 2009. The Group's Shanghai-based jointly controlled department store continued to yield profitable results to the Group amounting to HK\$11,781,000 (2008: HK\$12,799,000), a slight year-on-year decrease of 8% due mainly to the slowdown of consumer spending in Shanghai.

During 2009, the Group managed to further develop its mineral-related business. In September 2009, the Group completed the acquisition of the entire interest in Union Bless Limited, which effectively owned 100% interest in the mining right of a mixed metals mine located in Guangdong Province, the PRC. The mixed metals mine mainly contains iron ore resources. Such acquisition is in line with the Group's expansion strategy to broaden its revenue stream through diversification into the mineral sector with promising prospects.

In 2009, the Company conducted several fund raising exercises through the placement of a total of 1,421 million new shares to investors to broaden the capital base of the Company and to provide extra financial flexibility for the Group's future business development. Total proceeds of approximately HK\$316 million were raised as a result of these fund raising exercises in 2009.

Looking forward, although there are signs of recovery in the global economy, the Group's management will continue to adopt a prudent approach in its business. It is also expected that the Group's newly acquired mineral business will further enhance the Group's revenue and contribute positively to the Group's performance in the coming years. Furthermore, in light of the existing strong capital structure and ample financial resources, management of the Group will continue to actively seek for attractive investment opportunities which will create substantial long-term value to shareholders of the Company.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 9, there was no any significant event took place subsequent to the end of the reporting period.

CORPORATE GOVERNANCE

During the year, the Company has applied the principles and complied with all code provisions set out in the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules.

AUDIT COMMITTEE

The audited financial statements of the Company for the year ended 31st December, 2009 had been reviewed by the Audit Committee of the Company before they were duly approved by the Board 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 31st December, 2009 will be despatched to shareholders of the Company and will be published on the same websites in due course.

By Order of the Board
Gao Wenxiang
Chairman

Hong Kong, 19th April, 2010

As at the date of this announcement, the Board comprises five Executive Directors, namely Dr. Gao Wenxiang (Chairman), Mr. Chen Shuda, Ms. Ng Shin Kwan, Christine, Mr. Cao Jian An and Mr. Lee Jalen and three Independent Non-executive Directors, namely Mr. Sun Ka Ziang, Henry, Mr. Kwok Ming Fai and Dr. Wong Yun Kuen.