



CHINA YUNNAN TIN MINERALS GROUP COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 263)



2013 INTERIM REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Zhang Guoqing (*Chairman*)

Chen Shuda

Ng Shin Kwan, Christine

Lee Jalen

Chan Ah Fei

Lee Yuk Fat

Independent Non-executive Directors

Wong Yun Kuen

Wong Shun Loy

Hu Chao

AUDIT COMMITTEE

Wong Shun Loy (*Chairman*)

Wong Yun Kuen

Hu Chao

NOMINATION COMMITTEE

Wong Yun Kuen (*Chairman*)

Wong Shun Loy

Hu Chao

Ng Shin Kwan, Christine

REMUNERATION COMMITTEE

Hu Chao (*Chairman*)

Wong Yun Kuen

Wong Shun Loy

COMPANY SECRETARY

Leung Ka Wai

TRADING OF SHARES

The Stock Exchange of Hong Kong Limited
(Stock code: 263)

REGISTERED OFFICE

Units 2502–5, 25th Floor

Harbour Centre

25 Harbour Road

Wanchai

Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

Bank of Communications Co., Ltd., Hong Kong Branch

Standard Chartered Bank (Hong Kong) Limited

The Hongkong and Shanghai Banking

Corporation Limited

Hang Seng Bank Limited

Agricultural Bank of China Limited, Yangshan Branch

PRINCIPAL LEGAL ADVISERS

Reed Smith Richards Butler

P.C. Woo & Co.

Tsang, Chan & Wong

AUDITORS

Pan-China (H.K.) CPA Limited

Certified Public Accountants

SHARE REGISTRARS AND TRANSFER OFFICE

Tricor Secretaries Limited

26/F., Tesbury Centre

28 Queen's Road East

Wanchai

Hong Kong

WEBSITE

www.cytmg.com

MANAGEMENT DISCUSSION AND OUTLOOK

INTERIM RESULTS

The Group recorded a loss attributable to the Company's shareholders of approximately HK\$67,991,000 for the six months ended 30 June 2013 (2012: HK\$205,305,000) and loss per share was approximately 17.5 HK cents (2012: 55.1 HK cents). Despite the profits made by the Group's provision of finance segment and the gain resulting from the reverse of impairment on the mining right for the period under review, an overall loss for the Group was reported due mainly to the recognition of unrealised loss on investment of marketable securities from the Group's securities investment operation.

BUSINESS REVIEW

During the period under review, the Group's businesses included trading of goods, provision of finance, brokerage and securities investment as well as minerals operation. The turnover of the Group for the period was decreased by approximately 79% to approximately HK\$1,786,000 (2012: HK\$8,537,000) with gross profit dropped by approximately 76% to approximately HK\$1,548,000 (2012: HK\$6,448,000).

Trading operation

The Group's trading operation remained inactive and did not generate any turnover for the period under review (2012: Nil). Although the Group has been placing its focus in the development of its other businesses in the past period, yet it will continue to explore suitable business opportunities on trading in the future.

Finance operation

The interest income and operating profit generated by the financing operation were both decreased by approximately 93% and 96% to approximately HK\$329,000 (2012: HK\$4,978,000) and approximately HK\$168,000 (2012: HK\$4,738,000) respectively. Such decreases were primarily attributable to the lower average balance of loans advanced to customers compared to the same period of last year. It is the Group's policy to regularly review the composition of the loans portfolio and lending rates charged in order to maximise the return of this business 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, decreased by approximately 31% to approximately HK\$1,457,000 (2012: HK\$2,121,000) for the period under review. Such decrease was caused by decrease of commission income received through participation in fund raising activities of clients by the Group during the period under review.

Despite the profit in the securities brokerage division, this operation recorded an overall loss of approximately HK\$92,410,000 (2012: HK\$143,825,000) for the period under review mainly as a result of the recognition of a net loss on investment in securities amounting to approximately HK\$92,764,000 (2012: HK\$143,785,000). Such loss on investment in securities was attributable to the decline in the market price of listed securities held by the Group for investment purpose. As at 30 June 2013, the market value of the Group's listed securities portfolio amounted to approximately HK\$293,741,000 (at 31 December 2012: HK\$352,974,000).

MANAGEMENT DISCUSSION AND OUTLOOK

Minerals operation

Minerals operation is one of the principal activities of the Group. Our mixed metal mine (the "Mine") located at approximately 39 kilometers south-east of the Lian Nan County Town, which is also approximately 1.6 kilometer south-west of the Baidaitou Village Shanlian Township of Guangdong Province in the People's Republic of China (the "PRC") covering an area of approximately 0.4197 square kilometers. 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 of Land and Resources of Lian Nan Yao Autonomous County (連南瑤族自治縣國土資源局) ordering the suspension of all mining operations in the Lian Nan County until further notice (the "Order"). During the period, the minerals operation on the Mine was seriously obstructed due to the Order. The Group has been in contact with the relevant government authorities of the PRC (the "Authorities") pursuing when the Order will be uplifted so that the mining operations can be resumed. Pursuant to the discussions that were made by the representatives of the Group with the Authorities, it is expected that the Order will be uplifted in the near future, possibly within the next few months. But up to the date of this report, no concrete and clear indication has been provided by the Authorities as to when the Order will be uplifted. The Group will issue further announcement(s) on any significant development with respect to its mining operations as and when necessary.

In the first half of 2013, the southern part of China has been experiencing constant rainfalls. The rain-triggered floods and landslides have caused severe damages to the Mine. The road connecting the Mine to the highway and also part of the highway have also been severely damaged, transportation to the Mine has become inaccessible. Emergency work has been required to be conducted by the Group to clear the sand-filled Mine and to repair the basic structure and relevant facility of the Mine. Furthermore, urgent repair work has been required to be undertaken by the PRC government to reconstruct the collapsed roads and highway to enable the resumption of the accessibility to various place in the area. Due to the heavy rainfall in the recent months, such repair works have been further delay. On the assumption that there is no further delay in the repair works due to weather interruption, the Group expected that the road works connecting the Mine and the highway will be completed in the last quarter of 2013.

Due to the Order and the heavy rainstorms in the first half of 2013, the Group has no turnover generated from its minerals operation (2012: HK\$1,438,000) and recorded an operating profit of approximately HK\$69,693,000 (operating loss on 2012: HK\$61,202,000) during the period under review. The operating profit on the mining operations was mainly resulted from the reverse of impairment of HK\$73,000,000 on mining right as a result of the increase in market price of iron ore products.

MANAGEMENT DISCUSSION AND OUTLOOK

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

At 30 June 2013, the Group had current assets of approximately HK\$692,543,000 (at 31 December 2012: HK\$840,355,000) and liquid assets comprising bank balances and marketable Hong Kong listed securities totaling approximately HK\$323,528,000 (excluding bank balances held under segregated trust accounts) (at 31 December 2012: HK\$713,502,000), the significant decrease in the liquid assets was mainly due to the deposit payment made pursuant to the sale and purchase agreement on 8 February 2013 regarding the proposed acquisition of the Mega Marks Limited (the "Target Company" and together with its subsidiaries, the "Target Group"). The Group's current ratio, calculated on the basis of current assets of HK\$692,543,000 over current liabilities of approximately HK\$31,427,000, was at strong level of approximately 22.0 (at 31 December 2012: ratio of 11.4). As at 30 June 2013, the Group had no bank and other borrowings (at 31 December 2012: Nil) and no finance lease obligation (at 31 December 2012: Nil).

At the end of the review period, the equity attributable to the Company's shareholders amounting to approximately HK\$1,133,968,000 (at 31 December 2012: HK\$1,216,238,000), which is equivalent to a consolidated net asset value of about approximately HK\$2.91 per share of the Company (at 31 December 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, Renminbi, 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 Assets

At 30 June 2013, the Group has no fixed asset (at 31 December 2012: Nil) being pledged as security for the Group's finance lease obligation.

Capital Commitment

At 30 June 2013, the Group has capital commitments of HK\$3,800,000 in respect of the acquisition of property, plant and equipment (at 31 December 2012: HK\$4,800,000).

Contingent Liability

A subsidiary of the Company, which is principally engaged in securities brokerage business, may be subject to a maximum penalty of HK\$10,000,000 payable to the enforcement agency in relation to certain allegedly irregular transactions conducted by a former employee of the subsidiary. The matter is currently under investigation by the enforcement agency. As the ultimate outcome of the matter cannot be reasonably predicted, the maximum penalty of HK\$10,000,000 has been regarded as a contingent liability of the Group.

MANAGEMENT DISCUSSION AND OUTLOOK

MATERIAL ACQUISITIONS AND DISPOSALS

Reference is made to the announcements of the Company dated 14 February, 25 February and 26 June 2013. On 8 February 2013, the Group entered into a sale and purchase agreement in relation to the acquisition of Target Group which is mainly 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 the additional time is required to finalise the information to be included in the announcement in respect of the said acquisition, in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), trading in the shares of the Company will remain suspended until the publication of the announcement setting out the details of the acquisition.

EMPLOYEES AND REMUNERATION POLICY

At 30 June 2013, the Group had approximately 69 employees (at 30 June 2012: 74 employees) including executive directors. Total staff costs incurred during the period (including directors' remuneration) was approximately HK\$8,643,000, representing an increase of approximately 6% when compared to HK\$8,150,000 as recorded in the same period last year. The Group generally remunerates its employees with reference to their qualifications, experience and work performance as well as to market benchmarks. Benefits offered by the Group to its employees included discretionary bonus, mandatory provident fund scheme, share options, training subsidies as well as medical insurance.

BUSINESS PROSPECTS

Based on predictions of major economic researchers worldwide, the prospect of the global economic growth will remain uncertain and subdued in the coming year. Many downside risks which may affect the recovery progress of the global economy still exist. These risks include the possibility of a prolonged slowdown of economic growth in emerging markets (including the PRC), continued recession in the euro zone as a result of low demand and depressed confidence and lower than expected pace of recovery in the United States (the "U.S.") economy. Furthermore, the anticipated unwinding monetary policy stimulus in the U.S. may lead to a possible tightening of financial conditions and sustained capital flow reversals, hence resulting in an increase in financial market volatility and a hindrance to the economic growth of emerging markets substantially. While such market uncertainties are expected to persist in the short to medium term, the Group expects that the global economic activity will be able to slowly gain momentum in the later part of 2013 and 2014.

The minerals operation of the Mine was seriously obstructed during the review period due to the suspension of the mining operations by the government of Lian Nan Yao Autonomous County. Pursuant to the discussions that were made by the representatives of the Group with the Authorities, the Group is optimistic that the Order will be uplifted in the near future. In this regard, the Group will continue following up with the Authorities and make necessary preparation for the re-commencement of the mining operations in the near future. The Group is confident of the prospect of the resources and mining businesses in the long run.

On 8 February and 26 June 2013, the Group entered into a sale and purchase agreement and a supplemental agreement in relation to the acquisition of Target Group which is mainly engaged in the iron ore mining and ore processing operation in Xinjiang Uygur Autonomous Region, the PRC. The Board believes that this acquisition can provide a future growth opportunity for the Group. As the additional time is required to finalise the information to be included in the announcement, details of the transaction will be published as soon as practicable.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



PAN-CHINA (H.K.) CPA LIMITED Certified Public Accountants

天健(香港)會計師事務所有限公司

**TO THE BOARD OF DIRECTORS OF
CHINA YUNNAN TIN MINERALS GROUP COMPANY LIMITED**

(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 9 to 30, which comprises the condensed consolidated statement of financial position of China Yunnan Tin Minerals Group Company Limited (“the Company”) and its subsidiaries (collectively referred to as the “Group”) as at 30 June 2013 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors of the Company are responsible for the preparation and fair presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (“HKSRE 2410”) issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information does not present fairly, in all material respects, the financial position of the Group as at 30 June 2013, and of its financial performance and its cash flows for the six-month period then ended in accordance with HKAS 34.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

EMPHASIS OF MATTER

Without qualifying our conclusion above, we draw attention to Note 11 to the condensed consolidated financial statements of the Group for the six-month ended 30 June 2013 (the "2013 Interim Report"). As disclosed therein, the relevant infrastructure facilities of the Group's mine and the road connecting the mine to the highway were severely damaged by the rain-triggered floods and landslides during the six-month ended 30 June 2013. And 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 Interim 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 2013.

The mining right of the Group was valued at HK\$315,000,000 as at 30 June 2013, using discounted cash flow method based on the assumption that the Order will be uplifted before the end of 2013. Should there be any further delay in the uplift of the Order or in the completion of the repairing work of the mine, 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.

Pan-China (H.K.) CPA Limited

Certified Public Accountants

Hong Kong, 28 August 2013

Lee Ping Kai

Practising Certificate Number P02976

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2013

	Notes	Six months ended 30 June	
		2013	2012
		HK\$'000 (unaudited)	HK\$'000 (unaudited)
Turnover	3	1,786	8,537
Cost of sales		(238)	(2,089)
Gross profit		1,548	6,448
Net loss on financial assets at fair value through profit or loss	5	(92,764)	(143,785)
Gain on disposal of available-for-sale financial assets		3,555	–
Impairment loss on mining right	11	–	(57,000)
Reversal of impairment loss on mining right	11	73,000	–
Gain on disposal of subsidiaries and a jointly controlled entity		–	17,531
Other income	5	1,925	2,121
Administrative expenses		(36,444)	(34,253)
Finance costs		(105)	(102)
Share of profit of a jointly controlled entity		–	2,134
Loss before taxation		(49,285)	(206,906)
Income tax expenses	4	(18,706)	–
Loss for the period	5	(67,991)	(206,906)
Attributable to:			
Owners of the Company		(67,991)	(205,305)
Non-controlling interests		–	(1,601)
		(67,991)	(206,906)
Loss per share	7		
– Basic and diluted (HK cents per share)		(17.5)	(55.1)

The accompanying notes form an integral part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the period	(67,991)	(206,906)
Other comprehensive expenses		
Exchange differences arising on translation of overseas operations	3,742	(661)
Reclassification adjustment for disposal of subsidiaries and a jointly controlled entity	–	(12,107)
Fair value change in available-for-sale financial assets	(18,021)	(15,910)
Other comprehensive expenses for the period (net of tax)	(14,279)	(28,678)
Total comprehensive expenses for the period	(82,270)	(235,584)
Attributable to:		
Owners of the Company	(82,270)	(233,983)
Non-controlling interests	–	(1,601)
	(82,270)	(235,584)

The accompanying notes form an integral part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

		As at 30 June 2013 HK\$'000 (unaudited)	As at 31 December 2012 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	8	9,007	10,796
Available-for-sale financial assets	9	228,774	258,380
Other assets	10	2,205	2,205
Trading right		–	–
Mining right	11	315,000	242,000
		554,986	513,381
Current assets			
Inventories		908	893
Trade and other receivables	12	56,647	64,431
Deposit paid	13	300,000	–
Financial assets at fair value through profit or loss	14	293,741	352,974
Tax recoverable		217	312
Bank balances held under segregated trust accounts	15	11,243	61,217
Bank balances and cash		29,787	360,528
		692,543	840,355
Current liabilities			
Trade and other payables	16	23,167	65,580
Tax payable		260	34
Provision	17	8,000	8,000
		31,427	73,614
Net current assets		661,116	766,741
Total assets less current liabilities		1,216,102	1,280,122

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 30 June 2013

	Notes	As at 30 June 2013 HK\$'000 (unaudited)	As at 31 December 2012 HK\$'000 (audited)
Non-current liabilities			
Deferred tax liabilities		78,750	60,500
Net assets		1,137,352	1,219,622
Capital and reserves			
Share capital	18	3,894	3,894
Reserves		1,130,074	1,212,344
Equity attributable to owners of the Company		1,133,968	1,216,238
Non-controlling interests		3,384	3,384
Total equity		1,137,352	1,219,622

The accompanying notes form an integral part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013

	Equity attributable to owners of the Company								
	Share capital	Share premium	Translation reserve	Available-for-sale financial assets reserve	Share option reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
At 1 January 2013	3,894	2,265,780	(4,550)	(30,400)	52,865	(1,071,351)	1,216,238	3,384	1,219,622
Loss for the period	-	-	-	-	-	(67,991)	(67,991)	-	(67,991)
Exchange differences arising on translation of overseas operations	-	-	3,742	-	-	-	3,742	-	3,742
Fair value change in available-for-sale financial assets	-	-	-	(18,021)	-	-	(18,021)	-	(18,021)
Total comprehensive expenses for the period	-	-	3,742	(18,021)	-	(67,991)	(82,270)	-	(82,270)
At 30 June 2013	3,894	2,265,780	(808)	(48,421)	52,865	(1,139,342)	1,133,968	3,384	1,137,352
At 1 January 2012	324,521	1,922,626	6,724	(17,078)	53,017	(825,203)	1,464,607	-	1,464,607
Loss for the period	-	-	-	-	-	(205,305)	(205,305)	(1,601)	(206,906)
Reclassification adjustment for disposal of subsidiaries and a jointly controlled entity	-	-	(12,107)	-	-	-	(12,107)	-	(12,107)
Exchange differences arising on translation of overseas operations	-	-	(661)	-	-	-	(661)	-	(661)
Fair value change in available-for-sale financial assets	-	-	-	(15,910)	-	-	(15,910)	-	(15,910)
Total comprehensive expenses for the period	-	-	(12,768)	(15,910)	-	(205,305)	(233,983)	(1,601)	(235,584)
Share consolidation and capital reduction	(321,276)	321,276	-	-	-	-	-	-	-
Lapse of share options	-	-	-	-	(152)	152	-	-	-
Issue of shares pursuant to placement of shares	649	23,040	-	-	-	-	23,689	-	23,689
Share issue expenses on placement of shares	-	(1,162)	-	-	-	-	(1,162)	-	(1,162)
Non-controlling interest arising from deemed disposal of a subsidiary	-	-	-	-	-	-	-	4,990	4,990
	(320,627)	343,154	-	-	(152)	152	22,527	4,990	27,517
At 30 June 2012	3,894	2,265,780	(6,044)	(32,988)	52,865	(1,030,356)	1,253,151	3,389	1,256,540

The accompanying notes form an integral part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2013

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash used in operating activities	(36,102)	(38,962)
Net cash (used in)/generated from investing activities		
Refund of earnest money	–	190,000
Deposit paid	(300,000)	–
Proceeds from disposal of subsidiaries and a jointly controlled entity	–	70,000
Proceeds from disposal of available-for-sale investments	5,115	–
Acquisition of property, plant and equipment	(8)	(641)
Proceeds from share capital contributed by non-controlling interest of a subsidiary	–	4,990
Interest income	4	5
	(294,889)	264,354
Net cash generated from financing activities		
Proceeds from issue of shares, net of share issue expenses paid	–	22,526
	–	22,526
Net (decrease)/increase in cash and cash equivalents	(330,991)	247,918
Effect of foreign exchange rate changes	250	(126)
Cash and cash equivalents brought forward	360,528	87,254
Cash and cash equivalents carried forward, represented by bank balances and cash	29,787	335,046

The accompanying notes form an integral part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2013

1. Basis of preparation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. Significant accounting policies

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the annual report of China Yunnan Tin Minerals Group Company Limited (the “Company”) for the year ended 31 December 2012.

In the current interim period, the Company and its subsidiaries (collectively referred to as the “Group”) have applied, for the first time, the following new or revised standard, amendment and interpretations (“new HKFRSs”) issued by the HKICPA, which are effective for the Group’s accounting periods beginning on 1 January 2013:

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

The Group has not applied the new or revised HKFRSs that have been issued but are not yet effective for the accounting period of these financial statements. The Group has already commenced an assessment of the impact of these new or revised HKFRSs but is not yet in a position to state whether these new or revised HKFRSs would have a significant impact on its results of operation and financial position.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2013

3. Turnover and segment information

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 Turnover and Results

Six months ended 30 June 2013

	Trading of goods HK\$'000 (unaudited)	Provision of finance HK\$'000 (unaudited)	Brokerage and securities investment HK\$'000 (unaudited)	Exploitation and sales of minerals HK\$'000 (unaudited)	Elimination HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
TURNOVER						
External sales	-	329	1,457	-	-	1,786
Inter-segment sales*	-	-	15	-	(15)	-
Total	-	329	1,472	-	(15)	1,786
RESULTS						
Segment results	-	168	(92,410)	69,693	-	(22,549)
Unallocated corporate income						3,555
Unallocated corporate expenses						(30,186)
Finance costs						(105)
Loss before taxation						(49,285)
Income tax expense						(18,706)
Loss for the period						(67,991)

Reverse of impairment of HK\$73,000,000 on mining right was included in the segment results of the exploitation and sales of minerals segment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2013

3. Turnover and segment information *(Continued)*

Six months ended 30 June 2012

	Trading of goods HK\$'000 (unaudited)	Provision of finance HK\$'000 (unaudited)	Brokerage and securities investment HK\$'000 (unaudited)	Exploitation and sales of minerals HK\$'000 (unaudited)	Elimination HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
TURNOVER						
External sales	–	4,978	2,121	1,438	–	8,537
Inter-segment sales*	–	–	52	–	(52)	–
Total	–	4,978	2,173	1,438	(52)	8,537
RESULTS						
Segment results	(32)	4,738	(143,825)	(61,202)	–	(200,321)
Unallocated corporate income						17,728
Unallocated corporate expenses						(26,345)
Finance costs						(102)
Share of profit of a jointly controlled entity						2,134
Loss before taxation						(206,906)
Income tax expense						–
Loss for the period						(206,906)

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2013

4. Income tax expenses

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax		
Hong Kong Profits Tax – underprovision in prior year	451	–
PRC Enterprise Income Tax – underprovision in prior year	5	–
	456	–
Deferred tax		
Current period	18,250	–
Total tax expenses for the period	18,706	–

Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profits for both periods.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2013

5. Loss for the period

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging:		
Staff costs including directors' remuneration	8,425	7,968
Retirement benefits schemes contributions	218	182
Total staff costs	8,643	8,150
Amortisation of mining right	–	–
Depreciation of property, plant and equipment	1,944	2,412
Foreign exchange loss, net	5	3
Cost of inventories recognised as expenses	–	1,688

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2013

5. Loss for the period *(Continued)*

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
and after crediting:		
Other income		
Interest income on:		
Bank deposits	4	5
Other loan and receivables	1,728	1,264
Total interest income	1,732	1,269
Sundry income	193	852
	1,925	2,121
Net loss on financial assets at fair value through profit or loss:		
Net realised loss on financial assets at fair value through profit or loss	(2,881)	(18,963)
Unrealised loss on financial assets at fair value through profit or loss	(89,883)	(124,822)
	(92,764)	(143,785)

6. Dividends

No dividends were declared during the period (six months ended 30 June 2012: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2013

7. Loss per share

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

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss		
Loss attributable to owners of the Company	(67,991)	(205,305)

	Six months ended 30 June	
	2013	2012
	'000	'000
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of shares for the purposes of basic loss per share	389,421	372,661

Basic and diluted loss per share for the six months ended 30 June 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 periods and is therefore considered as anti-dilutive.

8. Movements in property, plant and equipment

During the period, the Group incurred costs for office equipment of HK\$8,000 and leasehold improvement of HK\$85,000 (six months ended 30 June 2012: costs for furniture and fixtures of HK\$80,000 and motor vehicle of HK\$561,000).

As at 30 June 2013, the Group has no property, plant and equipment (as at 31 December 2012: Nil) which was held under a finance lease.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2013

9. Available-for-sale financial assets

Available-for-sale financial assets represent the Group's investment 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 of which its 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. 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 30 June 2013.

On initial and subsequent recognition, the investments in unlisted securities were measured at fair value and no fair value change (six months ended 30 June 2012: Nil) was recognised in other comprehensive income for the six months ended 30 June 2013. The fair value of the equity interest in HEC as at 30 June 2013 has been arrived at with reference to HEC's unaudited financial statements for the first quarter of 2013.

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 reorganization 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 directors of the Company have reviewed the recoverable amount of the available-for-sale financial assets as at 30 June 2013 and considered no further impairment loss should be made.

10. Other assets

Other assets are statutory deposits paid to the Stock Exchange and Securities and Futures Commission in relation to the Group's licensed activities in the Hong Kong securities market.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2013

11. Mining right

The mining right as at 30 June 2013 represents the mining right licence of the mine situated at the Guangdong Province, the PRC (the "Mine"). The mining right licence was expired on 18 May 2013 and is undergoing the renewal process. The Group has obtained the legal opinion from PRC lawyers that, a) there is no material legal claims or proceedings which may have an influence on the renewal of mining rights licence; and b) in accordance with the relevant PRC laws and regulations, there is no foreseeable legal obstacle for the Group to obtain the renewal of the mining right licence. The Group expected the renewed mining right licence will be obtained in October 2013.

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, along with other mining operators in the vicinity, has been checking with the relevant government authorities of the PRC (the "Authorities") as to when the Order will be uplifted. Pursuant to the discussions that were made by the representatives of the Group with the Authorities, it is expected that the Order will be uplifted in the near future, possibly within the next few months. But up to the date of this report, no concrete and clear indication has been provided by the Authorities as to when the Order will be uplifted. In this regard, the Group will continue following up with the PRC Authorities and make necessary preparation for the commencement of the mining operation in the near future.

Throughout the first half of 2013, the southern part of China has been experiencing constant rainfalls. The rain-triggered floods and landslides have caused severe damages to the relevant infrastructure facilities of the Mine and also to the road connecting the Mine to the highway. Details are set out in the announcement of the Company dated 9 July 2013.

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. For the six months ended 30 June 2013, no amortisation was provided by the Group in relation to the mining right (six months ended 30 June 2012: Nil).

The fair value of the mining right licence at 30 June 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 assumption that the Group can 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 in the first half of 2013, there was an increase in the value of the Mine as at 30 June 2013, which resulted in a reverse of impairment on mining right of approximately HK\$73,000,000 for the six months ended 30 June 2013 (impairment loss for six months ended 30 June 2012: HK\$57,000,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2013

12. Trade and other receivables

	As at 30 June 2013 HK\$'000 (unaudited)	As at 31 December 2012 HK\$'000 (audited)
Trade receivables	40,460	42,468
Less: Impairment loss recognised	(1,490)	(1,490)
	38,970	40,978
Other receivables and prepayments	18,033	23,809
Less: Impairment loss recognised, in respect of other receivables	(356)	(356)
	17,677	23,453
	56,647	64,431

Details of trade receivables are as follows:

	As at 30 June 2013 HK\$'000 (unaudited)	As at 31 December 2012 HK\$'000 (audited)
Trade receivables arising from securities brokerage business:		
Margin account clients	33,922	37,125
Cash account clients	5,747	4,411
Others	297	297
	39,966	41,833
Trade receivables arising from mining business	494	635
	40,460	42,468

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2013

12. Trade and other receivables *(Continued)*

The settlement term of trade receivables arising from securities brokerage business is two days after the trade date while trade receivables arising from the mining business of the Group were all due within 60 days.

An aging analysis of the trade receivables at the end of the reporting periods are as follows:

	As at 30 June 2013 HK\$'000 (unaudited)	As at 31 December 2012 HK\$'000 (audited)
0 to 60 days	7,099	1,565
61 to 90 days	691	1,479
Over 90 days	32,670	39,424
	40,460	42,468

13. Deposit paid

During the six months ended 30 June 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"). A deposit 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 and 26 June 2013.

14. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss at the end of the reporting period represent equity securities listed on the Stock Exchange.

15. Bank balances held under segregated trust accounts

As a subsidiary of the Company is principally engaged in the business of securities brokerage, it receives and holds money deposits from clients and other institutions in the course of the conduct of the regulated activities. These clients' monies are maintained in one or more segregated trust bank accounts. The Group has recognised the corresponding account payables to respective clients and other institutions. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2013

16. Trade and other payables

	As at 30 June 2013 HK\$'000 (unaudited)	As at 31 December 2012 HK\$'000 (audited)
Trade payables	13,223	61,914
Other payables and accruals	9,944	3,666
	23,167	65,580

Details of trade payables are as follows:

	As at 30 June 2013 HK\$'000 (unaudited)	As at 31 December 2012 HK\$'000 (audited)
Trade payables arising from securities brokerage business:		
Cash account clients	4,427	5,032
Clearing house	28	3,430
Margin account clients	8,361	53,043
	12,816	61,505
Trade payables arising from mining business	407	409
	13,223	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.

As at 30 June 2013, trade payables arising from the mining business of the Group were all due within 60 days.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2013

16. Trade and other payables *(Continued)*

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

	As at 30 June 2013 HK\$'000 (unaudited)	As at 31 December 2012 HK\$'000 (audited)
0 to 60 days	7,736	57,868
61 to 90 days	28	64
Over 90 days	5,459	3,982
	13,223	61,914

17. Provision

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 settled in March 2012 by 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 was received up to the end of the reporting period. As the investigation of the matter by the enforcement agency is in progress, the directors cannot reasonably predict the outcome of the matter, the possible maximum penalty of HK\$10,000,000 is therefore regarded as a contingent liability of the Group as at 30 June 2013 and 31 December 2012.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2013

18. Share capital

	Number of shares '000	Amount HK\$'000 (unaudited)
Authorised:		
At 1 January 2013 and 30 June 2013, ordinary shares of HK\$0.01 each	45,000,000	450,000
Issued and fully paid:		
At 1 January 2013 and 30 June 2013, ordinary shares of HK\$0.01 each	389,421	3,894

19. Capital commitments

The Group had capital commitments as follows:

	As at 30 June 2013 HK\$'000 (unaudited)	As at 31 December 2012 HK\$'000 (audited)
Commitments for the acquisition of property, plant and equipment	3,800	4,800

20. Contingent liabilities

Save as disclosed in note 17, the Group and the Company had no material contingent liability as at 30 June 2013 and 31 December 2012.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2013

21. Fair value hierarchy

An analysis of the Group's financial assets and financial liabilities stated at fair value, based on the degree to which their fair values are observable and grouped into Levels 1 to 3:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical financial instruments

Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data

Level 3: fair values measured using valuation techniques in which any significant input is not based on observable market data

The following table presents the Group's financial instruments that are measured at fair value at the end of the reporting period by level of the fair value measurement hierarchy:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Financial assets			
As at 30 June 2013			
Available-for-sale financial assets	13,774	–	215,000
Financial assets at fair value through profit or loss			
– Held for trading investments	293,741	–	–
Total	307,515	–	215,000
Financial assets			
As at 31 December 2012			
Available-for-sale financial assets	28,380	–	230,000
Financial assets at fair value through profit or loss			
– Held for trading investments	352,974	–	–
Total	381,354	–	230,000

There were no transfers between Level 1 and 2 during the six months ended 30 June 2013 and the year ended 31 December 2012.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2013

22. Material related party transactions

Save as disclosed elsewhere in the condensed consolidated interim financial statements, during the period, the Group had entered into transactions with related parties which, in the opinion of the directors, were carried out in the ordinary course of the Group's business as shown below:

Key management personnel remuneration

Remunerations for key management personnel, including amounts paid to the Company's directors are as follows:

	Six months ended 30 June	
	2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Short-term employee benefits	1,848	1,744
Retirement benefits schemes contributions	15	6
	1,863	1,750

23. Events after the end of the reporting period

There was no other significant event took place subsequent to the end of the reporting period.

OTHER INFORMATION

INTERIM DIVIDEND

The Company had no distributable reserve as at 30 June 2013. The Board has resolved not to declare an interim dividend for the six months ended 30 June 2013 (2012: Nil).

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2013, the interests of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Name of director	Capacity	Number of shares	Number of underlying shares	Total interests	Approximate percentage of the issued share capital of the Company
Chen Shuda	Interest held by controlled corporation	825,880 (note 1)	–	848,960	0.22%
	Beneficial owner	23,080	–		
Ng Shin Kwan, Christine	Beneficial owner	–	211,455 (note 2)	211,455	0.05%
Wong Yun Kuen	Beneficial owner	9,000	655 (note 3)	9,655	0.00%

Notes:

1. These shares were beneficially owned by Super Union Group Limited. Super Union Group Limited was wholly-owned by Mr. Chen Shuda. Accordingly, Mr. Chen Shuda was deemed to be interested in 825,880 shares under the SFO.
2. This represents the interest of Ms. Ng Shin Kwan, Christine in 211,455 underlying shares issuable under the share options granted by the Company to her on 3 December 2007 under the Share Option Scheme. The consideration paid by Ms. Ng Shin Kwan, Christine on acceptance of the share options granted was HK\$1.00. The exercise price is HK\$96.80 per share and the exercisable period is between 3 December 2007 and 2 December 2017.
3. This represents the interest of Dr. Wong Yun Kuen in 655 underlying shares issuable under the share options granted by the Company to him on 3 December 2007 under the Share Option Scheme. The consideration paid by Dr. Wong Yun Kuen on acceptance of the share options granted was HK\$1.00. The exercise price is HK\$96.80 per share and the exercisable period is between 3 December 2007 and 2 December 2017.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

Save as disclosed above, as at 30 June 2013, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

The existing share option scheme was approved and adopted by the shareholders of the Company at the extraordinary general meeting held on 8 November 2006 ("Share Option Scheme"). The primary purpose of the Share Option Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. Further details of the Share Option Scheme are as disclosed in the Company's 2012 Annual Report.

Movement of share options under the Share Option Scheme during the six months ended 30 June 2013 was as follows:

Name or category of participant	Date of grant	Exercisable period	Exercise price per share HK\$	Number of share options		
				At 1 January 2013	Lapsed during the period	Outstanding at 30 June 2013
Directors						
Ng Shin Kwan, Christine	3.12.2007	3.12.2007 – 2.12.2017	96.8	211,455	–	211,455
Wong Yun Kuen	3.12.2007	3.12.2007 – 2.12.2017	96.8	655	–	655
Subtotal:				212,110	–	212,110
Employees other than directors in aggregate						
	3.12.2007	3.12.2007 – 2.12.2017	96.8	136,178	–	136,178
Subtotal:				136,178	–	136,178
Other participants in aggregate						
	3.12.2007	3.12.2007 – 2.12.2017	96.8	982,020	–	982,020
Subtotal:				982,020	–	982,020
Total:				1,330,308	–	1,330,308

OTHER INFORMATION *(Continued)*

SHARE OPTION SCHEME *(Continued)*

Notes:

- a. There was no vesting period for the share options granted by the Company.
- b. No share options were granted and exercised during the six months ended 30 June 2013.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" and "Share Option Scheme" above, at no time during the six months ended 30 June 2013 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate, and none of the directors or their spouse or children under the age of eighteen, had any rights to subscribe for the securities of the Company, or had exercised any such rights during the period.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2013, the register of interest kept by the Company under section 336 of the SFO showed that the following shareholders had notified the Company of their relevant interests in the issued share capital of the Company:

Name of shareholder	Capacity	Number of shares	Total interests	Approximate percentage of the issued share capital of the Company
HEC Capital Limited	Interest held by controlled corporation	32,931,883	32,931,883	8.46%

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the shares and underlying shares of the Company as at 30 June 2013 as required pursuant to section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the six months ended 30 June 2013.

REVIEW OF INTERIM REPORT

The Company's unaudited interim financial report for the six months ended 30 June 2013 have been reviewed by the Audit Committee and external auditors of the Company.

OTHER INFORMATION *(Continued)*

CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2013, the Company has complied with the code provisions of the Corporation Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 of the Listing Rules, 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.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by directors. All directors have confirmed, following specific enquiry by the Company, that they have fully complied with the required standard set out in the Model Code throughout the six months ended 30 June 2013.

By Order of the Board

China Yunnan Tin Minerals Group Company Limited

Zhang Guoqing

Chairman

Hong Kong, 28 August 2013