中國礦業資源集團有限公司*

China Mining Resources Group Limited

(Incorporated in Bermuda with limited liability)
Stock Code: 340

Annual Report 2014

* For identification purpose only

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Executive Directors:

Wang Hui *(Chief Executive Officer)*
Fang Yi Quan
Yeung Kwok Kuen *(Chief Financial Officer)*

Independent Non-executive Directors:

Chong Cha Hwa
Chu Kang Nam
Ngai Sai Chuen

COMPANY SECRETARY

Leung Lai Ming

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 1306, 13th Floor
Bank of America Tower
12 Harcourt Road
Admiralty
Hong Kong

AUDITORS

ZHONGLEI (HK) CPA Company Limited
Suites 313-316, 3/F Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR

Union Registrars Limited
A18/F Asia Orient Tower
Town Place
33 Lockhart Road
Wanchai
Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited
China Construction Bank (Asia) Corporation Limited
UBS AG
Agricultural Bank of China

STOCK CODE

00340

COMPANY WEBSITE

www.chinaminingresources.com

MANAGEMENT DISCUSSION AND ANALYSIS

I am pleased to present to our shareholders, the annual report of China Mining Resources Group Limited (the "Company") together with its subsidiaries (the "Group") for the year ended 31 December 2014.

RESULTS

For the financial year ended 31 December 2014, the Group recorded a revenue of HK$133,007,000 (2013: HK$140,421,000) and gross profit of HK$60,472,000 (2013: HK$60,832,000) from continuing operation, representing a decrease of 5% and 1% in revenue and gross profit respectively as compared with last year. The decrease in revenue was mainly due to the slight decrease of revenue generated from King Gold Investment Limited ("King Gold") and its subsidiaries (together with King Gold, "King Gold Group").

The Group's gain attributable to owners of the Company amounted to HK$630,412,000 (2013: loss of HK$311,048,000). In particular, the significant increase in gain was mainly attributable to the one-off gain of HK$710,703,000 arising from the disposal of Harbin Songjiang Copper (Group) Company Limited ("Harbin Songjiang") and its subsidiaries ("Harbin Songjiang Group"), and the significant decrease of impairment losses of HK$172,558,000 (HK$138,046,000 attributable to equity owners) on goodwill, brand name, property, plant and equipment of tea business provided during the year 2014.

REVIEW OF OPERATIONS

Continuing operation

King Gold Group

King Gold Group is principally engaged in cultivation, research, production and sale of Chinese tea products, and its products selling under the brand names of "武夷" and "武夷星" which are well-recognised in the PRC as premium tea products and widely distributed throughout the country. King Gold Group contributed HK$133,007,000 (2013: HK$140,421,000) and HK$8,682,000 (2013: HK$187,019,000) to the Group's revenue and loss for the year ended 31 December 2014 respectively. For the financial year ended 31 December 2014, King Gold Group generated revenue of HK$133,007,000 (2013: HK$140,421,000). This represented a decrease of 5% in revenue when compared with last year. Decrease in revenue was mainly attributable to the effects of slowdown of the economic development in the PRC and various austerity measures implemented by the PRC government which had affected the general spending sentiment and confidence of customer market in the PRC. The cost of sales of King Gold Group decreased from HK$79,589,000 in the year 2013 to HK$72,535,000 in the year 2014. The average gross profit margin was 45%, representing a slight increase of 2% as compared with an average gross profit margin of 43% last year.

Brand name are allocated to the Group's tea business cash-generating unit and arises from the acquisition of King Gold Group in 2009. In view of the deterioration of the Group's tea business in year 2014 as a result of the aforementioned reasons, the directors of the Company has determined that there would be an impairment indication in the brand name of the tea business of King Gold Group as at the year ended 31 December 2014. A valuation was performed by an independent valuer to assess the impairment by a cash flow projection basis. Accordingly, impairment losses in respect of the brand name of HK$4,172,000 (2013: HK$27,777,000) was recognised in the consolidated statement of profit or loss and other comprehensive income during the year 2014.

REVIEW OF OPERATIONS *(CONTINUED)*

Continuing operation *(CONTINUED)*

Investments in Canada listed mining companies and other securities

The Group has invested in several Canada listed mining companies which were held for the purpose of long-term investments and capital gain and dividend income. The Group has disposed the shares of a Canada listed company during the year ended 31 December 2014. The investment portfolio of the Group, including available-for-sale investments, recorded a depreciation during the year ended 31 December 2014. The net decrease in fair value of the investment portfolio during the year 2014 was HK$27,352,000 (2013: HK$58,330,000).

Discontinued operations

Disposal of Harbin Songjiang Group

On 31 October 2014, the Group has disposed of 75.08% equity interests of Harbin Songjiang (the "Disposal"), a group which is based in Harbin, Heilongjiang Province, the People's Republic of China (the "PRC") and specifies in the mining, processing and sales of molybdenum. Upon completion of the Disposal, Harbin Songjiang ceased to be a subsidiary of the Group. During the period from 1 January 2014 to 31 October 2014, Harbin Songjiang Group contributed HK$51,393,000 (2013: HK$46,163,000) and HK$676,233,000 (2013: Loss of HK$63,501,000) to the Group's revenue and profit. The significant increase of operating profit of Harbin Songjiang Group was mainly contributed by the one-off gain of approximately HK$710,703,000 arising from the Disposal. Such gain was derived from (i) the sales proceed of HK$113,854,000; and (ii) the net liabilities and others reserves of Harbin Songjiang Group of HK$596,849,000 upon the Disposal.

Cessation of online video broadcasting business ("iTV Business")

Year Joy Investments Limited ("Year Joy") indirectly owns 100% of the economic benefit from the operation of the iTV business of China iTV Network Co., Ltd. ("China iTV"), a company established in the PRC on 7 September 1998 with limited liability, through an exclusive business operation agreement. China iTV is mainly engaged in providing online video service which involves an online video platform that offers various contents and delivers various value-added services to the customers of telecommunication operators in the PRC. Year Joy and its subsidiaries ("Year Joy Group") contributed HK$nil (2013: HK$1,000) and HK$3,089,000 (2013: HK$18,708,000) to the Group's revenue and loss for the year ended 31 December 2014.

As disclosed in the announcement of the Company dated 27 November 2014, the Board has carefully assessed iTV Business operation and appraised the current market situation. The Board observed that the competition within the iTV business was fierce and it was difficult for the Group to develop client networks as a startup business and generate positive cashflow. The Board believed that substantial capital injection was required if the Company was to boost the client network of iTV Business. In light of the above, the Board was of the view that the iTV Business operation was not going to improve unless substantial capital was injected. The Group has ceased operating the iTV Business towards the end of 2014 so as to re-focus the business of the Group on the tea and other businesses sector.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2014, the Group had total assets and net assets amounted to HK$498,117,000 (2013: HK$741,600,000) and HK$272,309,000 (2013: HK$8,020,000), respectively. The current ratio was 2.40, as compared to 0.95 as of last year end.

As at 31 December 2014, the Group had bank balances and cash, of HK$214,170,000 (2013: HK$118,555,000), and most of which were denominated in Renminbi and Hong Kong dollars.

At the end of the reporting period, the Group had: (i) bank borrowings of HK$90,770,000 (2013: HK$107,806,000) which were denominated in Renminbi and interest-bearing at floating rates with reference to the prevailing borrowing rate quoted by the People's Bank of China and (ii) other loans of HK$nil (2013: HK$6,710,000). The gearing ratio, as a ratio of total borrowings to shareholders' fund was 34.6% (2013: negative of 76.9% due to the Company's negative equity position).

As at 31 December 2014, the Group has pledged certain buildings, certain prepaid lease payments and a forest use right with carrying values of approximately HK$11,100,000 (2013: HK$35,319,000), HK$17,124,000 (2013: HK$19,938,000) and HK$7,384,000 (2013: HK$9,240,000) respectively to secure general banking facilities grant to the Group.

FOREIGN EXCHANGE RISK MANAGEMENT

As part of the Group's assets and liabilities are denominated in Hong Kong Dollar and Canadian Dollar in order to minimise the foreign currency risk, the Group aims to utilise the fund for transactions that are denominated in the same currency.

SHARE CAPITAL

As at 31 December 2014, the Company had 9,138,782,211 ordinary shares and 3,776,190,000 non-redeemable convertible preference shares in issue with total shareholders' fund of the Group amounting to approximately HK$1,291,497,000.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 3 September 2014, the Company entered into a disposal agreement to disposal 75.08% equity interests in Harbin Songjiang, a subsidiary of the Company, to an independent third party for a cash consideration of RMB90,096,000 (equivalent to approximately HK$113,854,000) and the disposal was completed on 31 October 2014.

Saved as disclosed above, there were no other material acquisitions or disposals of subsidiaries and associated companies during the year ended 31 December 2014.

CONTINGENT LIABILITIES

As at 31 December 2014, the Group had no contingent liability (2013: Nil).

As disclosed in the announcement of the Company dated 8 November 2011, the Company has received a writ of summons issued by the High Court of Hong Kong Special Administrative Region on 8 November 2011 (the "Writ") pursuant to which Mr. Lin Min and Fujian Yuansheng Foods Industry Co. Ltd. ("Fujian Yuansheng") (named as the plaintiffs in the writ) alleged that, amongst other things, the Company and 27 other co-defendants and/or certain PRC government officials had acted in conspiracy in obtaining ownership and control of certain assets of the plaintiffs and they were claiming for, amongst other things, damages from all 28 defendants jointly and severally in the total amount of RMB1,589,000,000.

As announced by the Company on 8 November 2011 and 26 March 2010, the Company has not obtained any interests in Fujian Yuanshen and is seeking legal advice in response to the Writ, in the opinion of the directors, the possible of an outflow of resources embodying economic benefit is remote.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2014, the Group had approximately 10 and 337 employees in Hong Kong and Mainland China respectively.

The staff cost of the Group (including directors' remuneration in form of salary and other benefits, share-based payments, performance related incentive payments and retirement benefit contributions) was approximately HK$23,931,000 for the year ended 31 December 2014 (2013: HK$41,450,000). There was no share-based payment for the year ended 31 December 2014 (2013: HK$11,590,000).

Directors' remuneration were fixed with reference to their duties and responsibilities with the Company as well as the Company's remuneration policy.

Employees of the Group are remunerated at a competitive level and are rewarded according to their performance. Our Group's remuneration packages include medical scheme, group insurance, mandatory provident fund for Hong Kong employees, social insurance packages for Mainland China employees, performance bonus and share option scheme.

According to the share option scheme adopted by the Company on 25 May 2012, share options may be granted to directors, employees and other eligible participants of the Group to subscribe for shares in the Company in accordance with the terms and conditions stipulated therein.

PROSPECTS

The poor spending sentiment in the PRC was affecting the tea business market in year 2014. Notwithstanding adverse conditions of the tea business market, the management of the Group has put great effort to overcome the difficulties, and adopted a series of market promotion to expand the customer base, explore additional distribution channels for its products and promote the "Wuyi star" and "Wuyi" brands in the PRC market. Looking ahead, the future operating environment of tea industry in the PRC is expected to face significant challenge and uncertainties. We will focus our resources to further promote and strengthen the existing tea products under "Wuyi star" and "Wuyi" brands, develop and launch new and exclusive tea products, focus on the optimizing and adjusting our distribution resources in terms of number of stores and coverage, we will also explore new sales platforms and channels to broaden its customer base.

The disposal in 2014 has generated cash flow for the Group of which the Group intends to apply in future investment opportunities including opportunities in the mining sector or other profitable investment opportunities that are in line with the Group's development strategy to diversify the Group's business stream, steadily developing the Group's tea business, and thereby further expand the Group's source of revenue, enhance the Group's profitability, so as to enhance the long-term benefits of the Company and our shareholders as a whole.

APPRECIATION

On behalf of the board of directors of the Company (the "Board"), I would like to take this opportunity to express my appreciation to the continuous support of our shareholders and hard work and dedication of all our staff over the past year.

By Order of the Board
China Mining Resources Group Limited

Wang Hui
Executive Director and Chief Executive Officer

Hong Kong, 25 March 2015

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

WANG Hui

Mr. Wang Hui ("Mr. Wang"), aged 55, was appointed as an executive director of the Company on 5 July 2007 and was subsequently appointed as the chief executive officer of the Company on 29 January 2015. Mr. Wang is also a director of a subsidiary of the Company.

Mr. Wang graduated from Harbin Normal University in 1984 and is a senior economist. Mr. Wang has been the chief advisor of Harbin Songjiang Copper (Group) Company Limited ("Harbin Songjiang") since April 2002. Mr. Wang's main responsibilities include assisting Harbin Songjiang in assessing and procuring exploration and mining projects, evaluating scale of mining operations and improving corporate governance of the then state-owned enterprise. In November 2005, Mr. Wang extended his responsibilities in Harbin Songjiang to formulation and execution of Harbin Songjiang's overall business strategies and policies and spearheading the growth of Harbin Songjiang's business. Mr. Wang was a director of Harbin Songjiang for the period from June 2008 to October 2014. Harbin Songjiang was previously a subsidiary of the Company and was disposed of in October 2014.

Pursuant to a supplemental letter dated 30 May 2014, Mr. Wang would be entitled to an annual remuneration of HK$840,000 and RMB480,000 with effect from 1 June 2014. Pursuant to a supplemental letter dated 22 December 2014, Mr. Wang would be entitled to an annual remuneration of HK$840,000 with effect from 1 November 2014.

FANG Yi Quan

Mr. Fang Yi Quan ("Mr. Fang"), aged 65, was appointed as an executive director of the Company on 23 November 2011. Mr. Fang is also a director of several subsidiaries of the Company.

Mr. Fang was graduated from Fujian Medical University in September 1974 and is a senior economist. Mr. Fang joined the PRC Communist Party in 1970 and was promoted as a military officer（軍官）to the Communist Party in the same year. Mr. Fang participated in People's Liberation Army from February 1968 to October 1999 and was honoured with Second Class（二等功）and Third Class（三等功）awards by the government of People's Republic of China. Mr. Fang has over 30 years of experience in management and his management effort has been recognised by the Chinese government over the years. During his service with the People's Liberation Army, Mr. Fang worked in Fujian Mingqing Pharmaceutical Factory（福建閩清製藥廠）of the People's Liberation Army as factory director, Party Secretary（黨委書記）and legal representative（法人代表）. During his service, Fujian Mingqing Pharmaceutical Factory has received a number of awards from the People's Liberation Army General Logistic Department and Nanjun Military Region. From October 1999 to June 2011, Mr. Fang has been working for Fujian Jingxie Group Company（福建經協集團公司）as its group chairman, general manager and Party Secretary（黨委書記）. In 1996, Mr. Fang was awarded the rank of senior colonel by the Central Military Commission.

Pursuant to a supplemental letter dated 30 May 2014, Mr. Fang would be entitled to an annual remuneration of HK$720,000 with effect from 1 June 2014.

EXECUTIVE DIRECTORS *(CONTINUED)*

YEUNG Kwok Kuen

Mr. Yeung Kwok Kuen ("Mr. Yeung"), aged 41, was appointed as an executive director of the Company on 1 December 2014. Mr. Yeung is also the chief financial officer of the Company.

Mr. Yeung graduated from The Chinese University of Hong Kong with a bachelor degree in Professional Accountancy and obtained a master degree in Corporate Finance from The Hong Kong Polytechnic University. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. Mr. Yeung has over 19 years of experience in handling accounting and finance matters. Mr. Yeung, was previously an executive director of the Company for the period from 17 January 2007 to 28 February 2014, and also held the position as the qualified accountant and chief financial officer of the Company during that period. Mr. Yeung resigned as an executive director of the Company on 1 March 2014. From 2004 to 2006, Mr. Yeung was the chief financial officer of a trading and manufacturing group and prior to this, Mr. Yeung was the manager of an international accounting firm.

INDEPENDENT NON-EXECUTIVE DIRECTORS

CHONG Cha Hwa

Mr. Chong Cha Hwa ("Mr. Chong"), aged 48, was appointed as an independent non-executive director of the Company on 23 November 2011.

Mr. Chong is a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants. Mr. Chong has obtained a degree of bachelor of management with honours from the University of Science, Malaysia. Mr. Chong has gained more than 20 years of experience in the accounting and finance area servicing private and publicly listed companies in Hong Kong and the Southern Asia region. During the period from 2 January 2014 to 14 November 2014, Mr. Chong was an executive director of Sing Pao Media Enterprises Limited (Stock Code: 8010), a company listed on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and also held the position as the chairman and chief executive officer of Sing Pao Media Enterprises Limited during the period from 7 April 2014 to 28 October 2014. During the period from 26 February 2014 to 30 October 2014, Mr. Chong was an executive director of Ding He Mining Holdings Limited (Formerly known as CVM Minerals Limited) (Stock Code: 705), a company listed on the Main Board of the Stock Exchange. During the period from 10 May 2012 to 27 October 2014, Mr. Chong was an independent non-executive director of Boshiwa International Holding Limited (Stock Code: 1698), a company listed on the Main Board of the Stock Exchange. During the period from 3 December 2007 to 28 February 2013, Mr. Chong was an independent non-executive director of Rui Kang Pharmaceutical Group Investments Limited (Formerly Known as Longlife Group Holdings Limited) (Stock Code: 8037), a company listed on The Growth Enterprise Market of the Stock Exchange. During the period from 1 July 2012 to 13 November 2012, Mr. Chong was an executive director of RCG Holdings Limited (Stock Code: 802), a company listed on the Main Board of the Stock Exchange. During the period from 19 October 2006 to 18 August 2011, Mr. Chong was an independent non-executive director of CGN Mining Company Limited (Formerly known as Vital Group Holdings Limited) (Stock Code: 1164), a company listed on the Main Board of the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS *(CONTINUED)*

CHU Kang Nam

Mr. Chu Kang Nam ("Mr. Chu"), aged 58, was appointed as an independent non-executive director of the Company on 16 May 2007.

Mr. Chu graduated from Xiamen University with a Bachelor of Arts degree, and thereafter, has lectured at the Xiamen University. Mr. Chu has worked in government departments of the Fujian Province of the PRC for the period from June 1984 to November 1989, responsible for research and management positions in economics and foreign trade areas. Mr. Chu has also assumed senior management positions at various trading and retail companies since December 1989. In September 1995, he was employed as a research analyst at the Fujian Provincial Government Development Research Centre. Mr. Chu has over 20 years of management and operation experience in the areas of economics and trading. During the period from 1 August 2007 to 17 October 2012, Mr. Chu was an independent director of Gushan Environmental Energy Limited, a company whose shares were listed on the New York Stock Exchange and delisted since 17 October 2012.

NGAI Sai Chuen

Mr. Ngai Sai Chuen ("Mr. Ngai"), aged 64, was appointed as an independent non-executive director of the Company on 1 March 2014.

Mr. Ngai was awarded an associate degree by a college in the PRC in 1987. He worked for the railway system in Fuzhou for ten years from 1972. He then acted as a deputy section chief of Fujian People's Government General Office until 1989. From 1989 to 1994, he acted as the general manager of a subsidiary company of China Fujian Corp for International Techno-Economic Corporation. He then acted as the department manager of Fujian Economy Consultation Company until 2004. Currently, he is a director of Jadford International Limited and acts as consultant of Space (Fujian) Information Technology Development Limited. During the period from 1 February 2010 to 17 February 2014, Mr. Ngai was an independent non-executive director of GR Properties Limited (Formerly known as Buildmore International Limited) (Stock Code: 108), a company listed on the Main Board of the Stock Exchange.

SENIOR MANAGEMENT

LEUNG Lai Ming

Ms. Leung Lai Ming ("Ms. Leung"), aged 38, is the company secretary and the accounting manager of the Company. Ms. Leung graduated from The Hong Kong Polytechnic University with a bachelor degree in Accountancy. Ms. Leung is an associate member of the Hong Kong Institute of Certified Public Accountants, a fellow member of The Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Chartered Secretaries. Ms. Leung has 16 years of experience in handling accounting matters. Ms. Leung joined the Company in July 2007. Ms. Leung is also a director of several subsidiaries of the Company.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company has a policy of seeking to comply with the established best practice in corporate governance. The Board believes that good corporate governance is crucial to improve the efficiency and performance of the Group and to safeguard the interests of its shareholders. For the year ended 31 December 2014, the Company has applied the principles of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") (the "Code"), and the associated Listing Rules. During the year ended 31 December 2014, the Company has complied with the code provisions of the Code ("Code Provision(s)"), except for certain deviations as specified and explained below with considered reasons for such deviations.

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

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

   Since the resignation of Mr. Chen Shou Wu as the chief executive officer of the Company (the "Chief Executive Officer") and the executive director of the Company on 1 March 2014, the Company had not appointed a new Chief Executive Officer. Until the appointment of Mr. Wang Hui, the executive director of the Company, as the new Chief Executive Officer on 29 January 2015, the executive directors of the Company, possessing extensive relevant industry knowledge, collectively oversee the day-to-day management of the business and operations of the Group.

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

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

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

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

3. Under Code Provision A.6.7 of the Code, the independent non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders.

   Due to personal commitment, an independent non-executive director of the Company was unable to attend a special general meeting of the Company held on 9 October 2014.

4. Under Code Provision E.1.2 of the Code, the Chairman should attend the annual general meeting. Since the new Chairman has not been appointed following the resignation of Dr. You Xian Sheng as the Chairman on 31 January 2014, Mr. Wang Hui, the executive director of the Company, has been elected by other directors of the Company present to act as the chairman of the annual general meeting of the Company held on 30 May 2014 in accordance with the Bye-laws of the Company.

CORPORATE GOVERNANCE PRACTICES *(CONTINUED)*

5. Following the resignation of Mr. Lin Xiang Min as an independent non-executive director of the Company on 31 January 2014, the Company has not complied with the requirements of the Listing Rules as follows:

   a. Rule 3.10(1) of the Listing Rules (i.e. having at least three independent non-executive directors); and

   b. Rule 3.21 of the Listing Rules (i.e. the audit committee must comprise a minimum of three members).

   Subsequent to the appointment of Mr. Ngai Sai Chuen as an independent non-executive director of the Company on 1 March 2014, the above rules have been duly complied with.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code and its code of conduct regarding directors' securities transaction during the year ended 31 December 2014, and they all confirmed that they had fully complied with the required standards set out in the Model Code.

BOARD OF DIRECTORS

Composition

Directors of the Company during the year and up to the date of this report are as follows:

Executive Directors:

You Xian Sheng, *Chairman* (resigned on 31 January 2014)
Chen Shou Wu, *Deputy Chairman, Chief Executive Officer and Chief Investment Officer* (resigned on 1 March 2014)
Wang Hui, *Chief Executive Officer*
Fang Yi Quan
Yeung Kwok Kuen, *Chief Financial Officer* (resigned on 1 March 2014 and appointed on 1 December 2014)

Independent Non-executive Directors:

Chong Cha Hwa
Chu Kang Nam
Lin Xiang Min (resigned on 31 January 2014)
Ngai Sai Chuen (appointed on 1 March 2014)

The biographical details of the directors of the Company are set out under the section headed "Biographical Details of Directors and Senior Management" of this annual report.

The composition of the Board is well balanced with the directors having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group.

There is no relationship among the members of the Board.

BOARD OF DIRECTORS *(CONTINUED)*

Composition *(CONTINUED)*

During the year ended 31 December 2014, the Board had at all times at least three independent non-executive directors of the Company except for the period from 31 January 2014 to 28 February 2014 as explained above and at least one independent non-executive director of the Company who has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received from each of the independent non-executive directors of the Company an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive directors of the Company to be independent.

Board Responsibilities and Delegation

The principal roles of the Board are to oversee the strategic development, to determine the objectives, strategies and policies of the Group, to monitor and control the financial performance and to ensure effective internal controls and risk management. Implementation of strategies and day-to-day operations are delegated to the management. In order to better understand the respective accountabilities and contributions of the Board and management, the Company has adopted written terms of reference specifying a schedule of matters which should be reserved to the Board and which should be delegated to management.

Board Meetings and General Meetings

During the year, a total of sixteen Board meetings (including four regular meetings) were held and the attendance records are as follows:

Name of Directors	Number of Board Meetings Attended/Held
You Xian Sheng	1/1
Chen Shou Wu	3/3
Wang Hui	16/16
Yeung Kwok Kuen	*(Note)* 1/4
Fang Yi Quan	16/16
Chong Cha Hwa	16/16
Chu Kang Nam	16/16
Lin Xiang Min	1/1
Ngai Sai Chuen	13/13

Note: Duty as an executive director of the Company has been suspended since 2 January 2012 and up to 28 February 2014.

BOARD OF DIRECTORS *(CONTINUED)*

Board Meetings and General Meetings *(CONTINUED)*

During the year, a total of two general meetings of the Company were held and the attendance records are as follows:

Name of Directors	Number of General Meetings Attended/Held
You Xian Sheng	0/0
Chen Shou Wu	0/0
Wang Hui	2/2
Yeung Kwok Kuen	0/0
Fang Yi Quan	2/2
Chong Cha Hwa	1/2
Chu Kang Nam	2/2
Lin Xiang Min	0/0
Ngai Sai Chuen	2/2

Induction and Professional Development

Upon appointment to the Board, each director of the Company is provided with guideline and reference materials to enable them to be familiarised with the Group's business operations and Board's policies, as well as the general and specific duties of directors under general law (the common law and legislation) and the Listing Rules.

The directors of the Company have participated in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The continuous professional development programme comprised training seminars provided by professional bodies and reading regulatory updated materials. The costs for such trainings are borne by the Company.

During the year, all directors of the Company have participated in continuous professional development by attending seminars/reading regulatory updated materials and materials relevant to the Company's business, director's duties and responsibilities and provided a record of training they received to the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Dr. You Xian Sheng was appointed as the Chief Executive Officer on 31 January 2008, re-designated as the Chairman on 5 June 2009 and resigned on 31 January 2014. Mr. Chen Shou Wu was appointed as the Chief Executive Officer on 5 June 2009 and resigned on 1 March 2014.

The roles of Chairman and Chief Executive Officer are clearly defined by written terms of reference adopted by the Company in order to ensure a balance of power and authority, so that power is not concentrated in any one individual. The Chairman and the Chief Executive Officer are independent and not connected with each other except for being officers of the same company.

NON-EXECUTIVE DIRECTORS

All the independent non-executive directors of the Company were appointed for an initial term of one year. All directors of the Company appointed during the year are subject to re-election by shareholders of the Company at the next annual general meeting after their appointment and every director of the Company (including those appointed for a specific term) is subject to retirement by rotation at least once every three years in accordance with the Bye-laws of the Company.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee in 2005. The current members of the Remuneration Committee are:

Chong Cha Hwa, *Independent Non-executive Director, Chairman of the Remuneration Committee*
Chu Kang Nam, *Independent Non-executive Director*
Lin Xiang Min, *Independent Non-executive Director* (resigned on 31 January 2014)
Ngai Sai Chuen, *Independent Non-executive Director* (appointed on 1 March 2014)
Yeung Kwok Kuen, *Executive Director* (resigned on 1 March 2014)
Fang Yi Quan, *Executive Director* (appointed on 1 March 2014)

The Remuneration Committee has adopted terms of reference which are in line with the Code. A copy of the terms of reference is posted on the Company's website.

The Remuneration Committee is primarily responsible for the following duties:

1. to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing remuneration policy;

2. to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

3. to consult the chairman of the Board and/or the chief executive of the Company about their remuneration proposals for other executive directors of the Company;

4. to make recommendations to the Board on the remuneration packages of individual executive directors and senior management of the Company;

   This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

5. to make recommendations to the Board on the remuneration of non-executive directors of the Company;

6. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;

7. to review and approve the compensation payable to executive directors and senior management of the Company for any loss or termination of office or appointment to ensure that it is consistent with relevant contractual terms and is otherwise fair and not excessive;

8. to review and approve compensation arrangements relating to dismissal or removal of directors of the Company for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

9. to ensure that no director of the Company or any of his associates is involved in deciding his own remuneration; and

10. to deal with any other matters delegated by the Board.

REMUNERATION COMMITTEE *(CONTINUED)*

The Remuneration Committee met six times during the year to review the remuneration policies and remuneration packages of the directors and members of the senior management of the Company, approve discretionary bonus payment to the directors and members of the senior management of the Company and review the special discretionary payments to the independent non-executive directors and the management of the Group.

Individual attendance of each member of the Remuneration Committee during the year ended 31 December 2014 is set out below:

Name of Members	**Number of Remuneration Committee Meetings Attended/Held**
Chong Cha Hwa	6/6
Chu Kang Nam	6/6
Lin Xiang Min	0/0
Ngai Sai Chuen	4/4
Yeung Kwok Kuen	*(Note)* 0/2
Fang Yi Quan	3/4

Note: Duty as a member of the Remuneration Committee has been suspended since 2 January 2012 and up to 28 February 2014.

Details of the remuneration of the directors and chief executives of the Company for the year ended 31 December 2014 are set out in note 13 to the consolidated financial statements.

Senior Management Remuneration By Band

The emoluments of the members of the senior management of the Group for the year ended 31 December 2014 fell within the following bands:

Emoluments bands	**Number of individuals**
HK$0 — HK$1,000,000	8
HK$2,000,001 — HK$3,000,000	3
HK$3,000,001 — HK$4,000,000	2

NOMINATION COMMITTEE

The Company established the Nomination Committee in March 2012. The current members of the Nomination Committee are:

Chong Cha Hwa, *Independent Non-executive Director, Chairman of the Nomination Committee*
Chu Kang Nam, *Independent Non-executive Director*
Lin Xiang Min, *Independent Non-executive Director* (resigned on 31 January 2014)
Ngai Sai Chuen, *Independent Non-executive Director* (appointed on 1 March 2014)

NOMINATION COMMITTEE *(CONTINUED)*

The Nomination Committee has adopted terms of reference which are in line with the Code. A copy of the terms of reference is posted on the Company's website.

The Nomination Committee is primarily responsible for the following duties:

1. to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy;

2. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

3. to assess the independence of independent non-executive directors of the Company;

4. to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors in particular the chairman and the chief executive of the Company;

5. to make recommendations to the Board on the membership of Board committees e.g. audit committee and remuneration committee, in consultation with the chairman of the Board and the chairmen of such committees, as appropriate;

6. before recommending an appointment of the Board, to evaluate the existing balance of skills, knowledge and experience on the Board, and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment; and

7. to deal with any other matters delegated by the Board.

The Nomination Committee met four times during the year to review the size, composition and structure of the Board, assess the independence of the independent non-executive directors of the Company, recommend the nomination and appointment of members of the Board committees, review the suitability of the directors of the Company proposed for re-election at the annual general meeting and approve the nomination and appointment of directors and chief executive officer of the Company and recommend to the Board for approval.

Individual attendance of each member of the Nomination Committee during the year ended 31 December 2014 is set out below:

Name of Members	**Number of Nomination Committee Meetings Attended/Held**
Chong Cha Hwa	4/4
Chu Kang Nam	4/4
Lin Xiang Min	0/0
Ngai Sai Chuen	3/3

Each director of the Company appointed during the year is subject to re-election by shareholders of the Company at the next annual general meeting of the Company after his appointment and every director of the Company (including those appointed for a specific term) is subject to retirement by rotation at least once every three years in accordance with the Bye-laws of the Company.

No director of the Company is involved in fixing his own terms of appointment and nominations and no independent non-executive director of the Company is involved in assessing his own independence.

NOMINATION COMMITTEE *(CONTINUED)*

Summary of the Board Diversity Policy

The Company recognises and embraces the benefits of diversity in the members of the Board to enhance the quality of its performance and hence the purpose of the Board Diversity Policy aims to build and maintain a Board with a diversity of directors, in terms of skills, regional and industry experience, background, gender and other qualities of the members of the Board. These differences will be taken into account in determining the optimum composition of the Board. The Nomination Committee will discuss the measurable objectives for implementing diversity on the Board from time to time and recommend them to the Board for adoption.

The Nomination Committee will report annually on the composition of the Board under diversified perspectives and monitor the implementation of this policy to ensure the effectiveness of this policy.

CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions including, but not limited to, developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of directors, the Company's policies and practices in compliance with legal and regulatory requirements.

The Board has adopted terms of reference of the Board on corporate governance which in line with the Code in March 2012.

Summary of the terms of reference on corporate governance are as follows:

1. to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

2. to review and monitor the training and continuous professional development of directors and senior management of the Company;

3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and

5. to review the Company's compliance with the Code and disclosures in the corporate governance report of its annual reports.

During the year, the Board reviewed and discussed the corporate governance policy and practices of the Company and the Board discharged the abovesaid responsibilities or through delegation to the Audit Committee, Remuneration Committee and Nomination Committee during the year.

AUDIT COMMITTEE

The Company established the Audit Committee in 1998. The current members of the Audit Committee are:

Chong Cha Hwa, *Independent Non-executive Director, Chairman of the Audit Committee*
Chu Kang Nam, *Independent Non-executive Director*
Lin Xiang Min, *Independent Non-executive Director* (resigned on 31 January 2014)
Ngai Sai Chuen, *Independent Non-executive Director* (appointed on 1 March 2014)

The Audit Committee has adopted terms of reference which are in line with the Code. A copy of the terms of reference is posted on the Company's website.

The Audit Committee is primarily responsible for the following duties:

1. to be primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

2. to review and monitor the external auditor's independence and objectively and the effectiveness of the audit process in accordance with applicable standard, to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;

3. to develop and implement policy on the engagement of an external auditor to supply non-audit services, to report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

4. to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them;

5. regarding No. (4) above:

   i. to liaise with the Board and senior management of the Company and to meet, at least twice a year, with the Company's external auditors; and

   ii. to consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, to give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;

6. to review the Company's financial control, internal control and risk management systems;

7. to discuss the internal control system with management to ensure that management has performed its duty to have an effective internal control system including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

8. to consider major investigations findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

9. where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

10. to review the group's financial and accounting policies and practices;

AUDIT COMMITTEE *(CONTINUED)*

11. to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;

12. to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

13. to report to the Board on the matters set out in Appendix 14 of the Listing Rules "Corporate Governance Code and Corporate Governance Report";

14. to consider the major findings of internal investigations and management's response;

15. to consider other topics, as defined by the Board or handle the job assigned by the Board;

16. to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and

17. to act as the key representative body for overseeing the Company's relations with the external auditor.

The Audit Committee met seven times during the year to review the Group's annual and interim financial statements, review the external auditor's plan for the audit of the Group's accounts, review the internal control procedures and the financial reporting systems of the Group and make recommendations with respect to the appointment and reappointment of the auditors of the Company.

Individual attendance of each member of the Audit Committee during the year ended 31 December 2014 is set out below:

Name of Members	**Number of Audit Committee Meetings Attended/Held**
Chong Cha Hwa	7/7
Chu Kang Nam	7/7
Lin Xiang Min	1/1
Ngai Sai Chuen	6/6

The financial statements for the year ended 31 December 2014 have been reviewed by the Audit Committee.

AUDITORS' REMUNERATION

During the year ended 31 December 2014, the Group engaged ZHONGLEI (HK) CPA Company Limited, auditors of the Company, to perform audit services and non-audit services. The fees were as follows:

Nature of services	**Amount** *HK$'000*
Audit services in relation to annual results	1,250
Review of interim results	510
Services in relation to major transaction	200
Others	91
	2,051

COMPANY SECRETARY

Ms. Leung Lai Ming ("Ms. Leung") was appointed as the company secretary of the Company on 16 July 2007. The biographical detail of Ms. Leung is set out under the section headed "Biographical Details of Directors and Senior Management" of this annual report.

For purpose of the Rule 3.29 of the Listing Rules, Ms. Leung has taken no less than 15 hours of relevant professional training for the year ended 31 December 2014.

SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting

Pursuant to the Bye-laws of the Company, an extraordinary general meeting of the Company ("EGM") can be convened by a written requisition signed by the shareholder(s) of the Company holding not less than one-tenth of the paid-up share capital of the Company carrying the right of voting at general meetings of the Company, stating the objects of the meeting, and deposited at the head office and principal place of business of the Company in Hong Kong at Room 1306, 13/F., Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong for the attention of the Board or the company secretary of the Board. Such meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting should be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, but any meeting so convened shall not be held after the expiration of three months from the said date.

Putting forward proposals at shareholders' meetings

The procedures for shareholder(s) to put forward proposals at EGM include a written notice of those proposals being submitted by the shareholder(s) of the Company, addressed to the Board or the company secretary of the Board at the head office and principal place of business of the Company in Hong Kong at Room 1306, 13/F., Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong.

The procedures for shareholders of the Company to propose a person for election as a director of the Company are available on the Company's website.

SHAREHOLDERS' RIGHTS *(CONTINUED)*

Enquiries to the Board

Shareholders of the Company may at any time send their enquiries and concerns to the Board in writing to the head office and principal place of business of the Company in Hong Kong at Room 1306, 13/F., Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

Information of the Group is delivered to the shareholders of the Company through a number of channels, which include annual reports, interim reports, announcements and circulars at the Company's website. The latest information of the Group together with the published documents are also available on the Company's website.

The general meeting of the Company provides a forum for communication between the Board and the shareholders of the Company. The Board members or their delegates are available to answer questions at the general meeting.

There had been no change in the Company's constitutional documents during the year ended 31 December 2014.

Shareholders of the Company should direct their questions about their shareholdings to the Company's branch share registrar in Hong Kong, Union Registrars Limited, at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.

Shareholders of the Company can mail other enquiries or comments to the head office and principal place of business of the Company in Hong Kong at Room 1306, 13/F., Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong or sent through email to enquiry@chinaminingresources.com.

INTERNAL CONTROLS

It is the policy of the Company to maintain a sound and effective internal control system to safeguard the shareholders' investment and the Group's assets. The directors of the Company have reviewed the effectiveness of the internal control system of the Group for the year ended 31 December 2014, which covered financial, operational and compliance controls and risk management functions of the Group.

The Board have reviewed the effectiveness of the Group's material internal controls and is of the opinion that the resources for and qualifications of staff of the Company's accounting and financial reporting functions are adequate and sufficient.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES ON THE FINANCIAL STATEMENTS

The directors of the Company acknowledge that it is their responsibility to prepare the accounts for each financial period which give a true and fair view of the state of affairs of the Group and to present a balanced, clear and understandable assessment of the financial results and disclosures of the Group under the Listing Rules and any other rules and statutory requirements. The directors of the Company are responsible for ensuring that appropriate accounting policies are selected and applied consistently; judgments and estimates made are prudent and reasonable; and the accounts are prepared on a going concern basis.

The responsibility of the external auditor of the Company is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the shareholders of the Company. A statement by the external auditors of the Company about their reporting responsibility is set out under the section headed "Independent Auditor's Report" of this annual report.

On behalf of the Board
China Mining Resources Group Limited

Wang Hui
Executive Director and Chief Executive Officer

Hong Kong, 25 March 2015

The directors of the Company submit herewith their annual report together with the audited consolidated financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the subsidiaries are set out in note 47 to the consolidated financial statements.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries (the "Group") during the financial year are set out in note 6 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2014 and the Group's affairs as at that date are set out in the consolidated financial statements on pages 43 to 139.

The directors of the Company do not recommend the payment of a dividend in respect of the year ended 31 December 2014.

RESERVES

Movement in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 47 of this annual report.

DONATION

Donations made for charitable purposes by the Group during the year amounted to HK$5,052,000 (2013: HK$517,000).

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 37 to the consolidated financial statements.

CONVERTIBLE PREFERENCE SHARES

Details of the movements in convertible preference shares of the Company during the year are set out in note 36 to the consolidated financial statements.

CONTRIBUTED SURPLUS

The Group's contributed surplus represents the special reserve arising upon the reorganisation of the Group in March 1997.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is also available for distribution to shareholders. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than its liabilities.

Movement in the contributed surplus of the Group during the year is set out in the consolidated statement of changes in equity on page 47 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group for the year ended 31 December 2014 are set out in note 16 to the consolidated financial statements.

DIRECTORS

The directors of the Company who were in office during the financial year and up to the date of this report were:

Executive Directors

You Xian Sheng *(Chairman)* (resigned on 31 January 2014)
Chen Shou Wu *(Deputy Chairman, Chief Executive Officer and Chief Investment Officer)* (resigned on 1 March 2014)
Wang Hui *(Chief Executive Officer)*
Fang Yi Quan
Yeung Kwok Kuen *(Chief Financial Officer)* (resigned on 1 March 2014 and appointed on 1 December 2014)

Independent Non-executive Directors

Chong Cha Hwa
Chu Kang Nam
Lin Xiang Min (resigned on 31 January 2014)
Ngai Sai Chuen (appointed on 1 March 2014)

Pursuant to Bye-law 86(2) of the Bye-laws of the Company, any director of the Company appointed by the board either to fill casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting. Thus, Mr. Yeung Kwok Kuen who was appointed as director of the Company pursuant to Bye-law 86(2) of the Bye-laws of the Company shall retire at the forthcoming annual general meeting of the Company. Mr. Yeung Kwok Kuen, being eligible, has offered himself for re-election as director of the Company.

In addition, pursuant to Bye-law 87(1) of the Bye-laws of the Company, at each annual general meeting one-third of the directors of the Company for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. Pursuant to Bye-law 87(2) of the Bye-laws of the Company, any director of the Company appointed pursuant to Bye-law 86(2) of the Bye-laws of the Company shall not be taken into account in determining which particular directors of the Company or the number of the directors of the Company who are to retire by rotation. Accordingly, Mr. Chong Cha Hwa and Mr. Chu Kang Nam will retire by rotation at the forthcoming annual general meeting of the Company. Each of Mr. Chong Cha Hwa and Mr. Chu Kang Nam being eligible, have offered themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

None of the directors of the Company has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2014, none of the directors and chief executives of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong) (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 pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to any director or chief executive of the Company, as at 31 December 2014, persons (other than directors or chief executives of the Company as disclosed above) who had interests or short positions in the shares and underlying shares of equity derivatives of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long position in shares of the Company

Name of Shareholders	Capacity	Class of shares of the Company	Number of shares held	% of total issued share capital of the relevant class of shares *(Note 1)*
Wong Chiu Fung	Interest in controlled corporation	Ordinary	1,633,334,286 *(Note 2)*	17.87%
	Interest in controlled corporation	Preference	476,190,000 *(Note 2)*	12.61%
Ho Ping Tanya	Beneficial owner	Preference	3,300,000,000 *(Note 3)*	87.39%

Notes:

1. The percentages are calculated based on the total number of ordinary shares and non-redeemable convertible preference shares (as appropriate) of the Company in issue as at 31 December 2014, which were 9,138,782,211 and 3,776,190,000 respectively.

2. These ordinary and non-redeemable convertible preference shares are held by Double Joy Enterprise Limited which is 100% beneficially owned by Mr. Wong Chiu Fung. Both ordinary and non-redeemable convertible preference shares were alloted and issued to Double Joy Enterprise Limited on 14 December 2010 pursuant to a sale and purchase agreement dated 2 October 2010 entered into among Famous Class Limited, a wholly-owned subsidiary of the Company, Ms. Ho Ping Tanya, Double Joy Enterprise Limited, Skypro Holdings Limited and Mr. Wong Chiu Fung in relation to the acquisition of an aggregate of 70 shares of Year Joy Investments Limited, representing 70% of the total issued share capital of Year Joy Investments Limited, by Famous Class Limited (the "Agreement").

3. The non-redeemable convertible preference shares were alloted and issued to Ms. Ho Ping Tanya on 14 December 2010 pursuant to the Agreement.

SHARE OPTION SCHEMES

Pursuant to ordinary resolutions of the shareholders of the Company passed on 26 June 2002, the Company adopted a share option scheme (the "Old Share Option Scheme"). The Old Share Option Scheme was terminated on 25 May 2012 such that no further options shall be granted under the Old Share Option Scheme but the options granted shall continue to be valid and exercisable in accordance with their terms of issue and, in all other respects, its provisions shall remain in full force and effect. Pursuant to ordinary resolutions of the shareholders of the Company passed on 25 May 2012, the Company adopted a new share option scheme (the "New Share Option Scheme").

SHARE OPTION SCHEMES *(CONTINUED)*

Particulars of the New Share Option Scheme are set out in note 41 to the consolidated financial statements.

Summary of main terms of the New Share Option Scheme are as follows:

1. The purpose of the New Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contributions to the Group.

2. The participants of the New Share Option Scheme are: (i) any director (whether executive or non-executive or independent non-executive), employee (whether full time or part time), officer, consultant, customer, supplier, agent, partner or advisers of or contractor to the Group or an entity in which any member of the Group holds any interest from time to time ("Invested Entity"); (ii) any discretionary trust who discretionary objects include any director (whether executive or non-executive or independent non-executive), employee (whether full time or part time), officer, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or any Invested Entity; and (iii) the option may be granted to any corporation wholly-owned by any person mentioned in (i).

3. As at 25 March 2015, the total number of ordinary shares of HK$0.10 each in the capital of the Company ("Shares") available for issue under the New Share Option Scheme was 913,878,221 representing approximately 7% of the issued ordinary share capital of the Company.

4. Unless otherwise approved by shareholders of the Company in general meeting, the total number of Shares issued and which may fall to be issued upon exercise of the options granted under the New Share Option Scheme to each participant in any 12-month period must not exceed 1% (except for substantial shareholders, as defined in the Listing Rules, or independent non-executive director of the Company, or any of their respective associates, as defined in the Listing Rules, must not exceed 0.1%) of the issued ordinary share capital of the Company from time to time.

5. An option shall be exercised in whole or in part in accordance with the terms of the New Share Option Scheme at any time during a period to be notified by the Board to each grantee, provided that no option shall be exercisable later than 10 years after its date of grant.

6. An option shall be accepted by a participant together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof within 30 days from the date of the offer of grant of the option.

7. The subscription price for Shares under the New Share Option Scheme, subject to any adjustment stipulated therein, shall be a price determined by the Board, but shall be at least the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations on the date of grant which must be a business day, (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of grant and (iii) the nominal value of a Share.

8. The New Share Option Scheme shall be valid and effective for a period of 10 years commencing on 25 May 2012.

SHARE OPTION SCHEMES *(CONTINUED)*

Details of movements in the share options held by directors, chief executives, employees and other parties of the Company under the New Share Option Scheme for the year ended 31 December 2014 are as follows:

Name	Date granted	Period during which options are exercisable	No. of options outstanding at the beginning of the year	No. of options granted during the year	No. of options cancelled during the year	No. of shares acquired on exercise of options during the year	No. of options outstanding at the year end	Exercise price per share	* Market value per share at date of grant of options	* Market value per share on exercise of options
Share option granted in 2013										
Directors										
Fang Yi Quan	28 March 2013	*(Note 1)*	3,000,000	–	(3,000,000)	–	–	HK$0.1084	HK$0.1084	–
Chong Cha Hwa	28 March 2013	*(Note 1)*	3,000,000	–	(3,000,000)	–	–	HK$0.1084	HK$0.1084	–
			6,000,000	–	(6,000,000)	–	–			
Directors										
Wang Hui	11 November 2013	*(Note 2)*	35,000,000	–	(35,000,000)	–	–	HK$0.1000	HK$0.1000	–
Fang Yi Quan	11 November 2013	*(Note 2)*	10,000,000	–	(10,000,000)	–	–	HK$0.1000	HK$0.1000	–
Yeung Kwok Kuen	11 November 2013	*(Note 2)*	20,000,000	–	(20,000,000)	–	–	HK$0.1000	HK$0.1000	–
Chong Cha Hwa	11 November 2013	*(Note 2)*	3,000,000	–	(3,000,000)	–	–	HK$0.1000	HK$0.1000	–
Chu Kang Nam	11 November 2013	*(Note 2)*	3,000,000	–	(3,000,000)	–	–	HK$0.1000	HK$0.1000	–
			71,000,000				–			
Employee	11 November 2013	*(Note 2)*	26,600,000	–	(26,600,000)	–	–	HK$0.1000	HK$0.1000	–
Former directors *(Note 5)*	11 November 2013	*(Note 2)*	78,000,000	–	(78,000,000)	–	–	HK$0.1000	HK$0.1000	–
Former chief executives *(Note 6)*	11 November 2013	*(Note 2)*	55,000,000	–	(55,000,000)	–	–	HK$0.1000	HK$0.1000	–
Other *(Note 7)*	11 November 2013	*(Note 2)*	30,000,000	–	(30,000,000)	–	–	HK$0.1000	HK$0.1000	–
			260,600,000	–	(260,600,000)	–	–			
			266,600,000	–	(266,600,000)	–	–			

SHARE OPTION SCHEMES *(CONTINUED)*

Details of movements in the share options held by directors, chief executives, employees and other parties of the Company under the Old Share Option Scheme for the year ended 31 December 2014 are as follows:

Name	Date granted	Period during which options are exercisable	No. of options outstanding at the beginning of the year	No. of options granted during the year	No. of options cancelled during the year	No. of shares acquired on exercise of options during the year	No. of options outstanding at the year end	Exercise price per share	* Market value per share at date of grant of options	* Market value per share on exercise of options
Share option granted in 2010										
Directors										
Wang Hui	29 June 2010	*(Note 3)*	5,000,000	–	(5,000,000)	–	–	HK$0.208	HK$0.208	–
Yeung Kwok Kuen	29 June 2010	*(Note 3)*	25,000,000	–	(25,000,000)	–	–	HK$0.208	HK$0.208	–
Chu Kang Nam	29 June 2010	*(Note 3)*	2,000,000	–	(2,000,000)	–	–	HK$0.208	HK$0.208	–
			32,000,000				–			
Employee	29 June 2010	*(Note 3)*	33,400,000	–	(33,400,000)	–	–	HK$0.208	HK$0.208	–
Former directors *(Note 8)*	29 June 2010	*(Note 3)*	53,000,000	–	(53,000,000)	–	–	HK$0.208	HK$0.208	–
Former chief executives *(Note 9)*	29 June 2010	*(Note 3)*	9,000,000	–	(9,000,000)	–	–	HK$0.208	HK$0.208	–
			127,400,000	–	(127,400,000)	–	–			

Name	Date granted	Period during which options are exercisable	No. of options outstanding at the beginning of the year	No. of options granted during the year	No. of options cancelled during the year	No. of shares acquired on exercise of options during the year	No. of options outstanding at the year end	Exercise price per share	* Market value per share at date of grant of options	* Market value per share on exercise of options
Share option granted in 2011										
Directors										
Wang Hui	30 August 2011	*(Note 4)*	10,000,000	–	(10,000,000)	–	–	HK$0.161	HK$0.161	–
Yeung Kwok Kuen	30 August 2011	*(Note 4)*	30,000,000	–	(30,000,000)	–	–	HK$0.161	HK$0.161	–
Chu Kang Nam	30 August 2011	*(Note 4)*	1,000,000	–	(1,000,000)	–	–	HK$0.161	HK$0.161	–
			41,000,000				–			
Employee	30 August 2011	*(Note 4)*	44,300,000	–	(44,300,000)	–	–	HK$0.161	HK$0.161	–
Former directors *(Note 10)*	30 August 2011	*(Note 4)*	64,000,000	–	(64,000,000)	–	–	HK$0.161	HK$0.161	–
Former chief executive *(Note 11)*	30 August 2011	*(Note 4)*	10,000,000	–	(10,000,000)	–	–	HK$0.161	HK$0.161	–
Others *(Note 12)*	30 August 2011	*(Note 4)*	210,000,000	–	(210,000,000)	–	–	HK$0.161	HK$0.161	–
			369,300,000	–	(369,300,000)	–	–			

SHARE OPTION SCHEMES *(CONTINUED)*

The options granted to the directors and the chief executives of the Company are registered under the names of the directors and the chief executives of the Company who are also the beneficial owners.

* Being the weighted average closing price of the Company's ordinary shares immediately before the dates on which the options were granted or exercised, as applicable.

Notes:

1. Exercisable from 28 March 2013 to 27 March 2018.

2. Exercisable from 11 November 2013 to 10 November 2018.

3. Exercisable from 29 June 2010 to 28 June 2015.

4. Exercisable from 30 August 2011 to 29 August 2016.

5. (i) 40,000,000 share options was granted to Dr. You Xian Sheng on 11 November 2013 and Dr. You Xian Sheng was resigned as a director of the Company on 31 January 2014.

   (ii) 35,000,000 share options was granted to Mr. Chen Shou Wu on 11 November 2013 and Mr. Chen Shou Wu was resigned as a director of the Company on 1 March 2014.

   (iii) 3,000,000 share options was granted to Mr. Lin Xiang Min on 11 November 2013 and Mr. Lin Xiang Min was resigned as a director of the Company on 31 January 2014.

6. (i) 35,000,000 share options was granted to Mr. Yin Guangyuan on 11 November 2013 and Mr. Yin Guangyuan was ceased as a chief executive of the Company since 1 November 2014.

   (ii) 10,000,000 share options was granted to Mr. Qiao Hongbao on 11 November 2013 and Mr. Qiao Hongbao was ceased as a chief executive of the Company since 1 November 2014.

   (iii) 10,000,000 share options was granted to Mr. Qu Yanchun on 11 November 2013 and Mr. Qu Yanchun was ceased as a chief executive of the Company since 1 November 2014.

7. 30,000,000 share options were granted to a consulting company of the Group.

8. (i) 20,000,000 share options was granted to Dr. You Xian Sheng on 29 June 2010 and Dr. You Xian Sheng was resigned as a director of the Company on 31 January 2014.

   (ii) 25,000,000 share options was granted to Mr. Chen Shou Wu on 29 June 2010 and Mr. Chen Shou Wu was resigned as a director of the Company on 1 March 2014.

   (iii) 2,000,000 share options was granted to Mr. Lam Ming Yung on 29 June 2010 and Mr. Lam Ming Yung was resigned as a director of the Company on 29 December 2011.

   (iv) 2,000,000 share options was granted to Mr. Chan Sze Hon on 29 June 2010 and Mr. Chan Sze Hon was resigned as a director of the Company on 23 November 2011.

   (v) 2,000,000 share options was granted to Mr. Goh Choo Hwee on 29 June 2010 and Mr. Goh Choo Hwee was resigned as a director of the Company on 23 November 2011.

   (vi) 2,000,000 share options was granted to Mr. Lin Xiang Min on 29 June 2010 and Mr. Lin Xiang Min was resigned as a director of the Company on 31 January 2014.

9. (i) 5,000,000 share options was granted to Mr. Yin Guangyuan on 29 June 2010 and Mr. Yin Guangyuan was ceased as a chief executive of the Company since 1 November 2014.

   (ii) 2,000,000 share options was granted to Mr. Qiao Hongbao on 29 June 2010 and Mr. Qiao Hongbao was ceased as a chief executive of the Company since 1 November 2014.

   (iii) 2,000,000 share options was granted to Mr. Qu Yanchun on 29 June 2010 and Mr. Qu Yanchun was ceased as a chief executive of the Company since 1 November 2014.

SHARE OPTION SCHEMES *(CONTINUED)*

10. (i) 30,000,000 share options was granted to Dr. You Xian Sheng on 30 August 2011 and Dr. You Xian Sheng was resigned as a director of the Company on 31 January 2014.

    (ii) 30,000,000 share options was granted to Mr. Chen Shou Wu on 30 August 2011 and Mr. Chen Shou Wu was resigned as a director of the Company on 1 March 2014.

    (iii) 1,000,000 share options was granted to Mr. Lam Ming Yung on 30 August 2011 and Mr. Lam Ming Yung was resigned as a director of the Company on 29 December 2011.

    (iv) 1,000,000 share options was granted to Mr. Chan Sze Hon on 30 August 2011 and Mr. Chan Sze Hon was resigned as a director of the Company on 23 November 2011.

    (v) 1,000,000 share options was granted to Mr. Goh Choo Hwee on 30 August 2011 and Mr. Goh Choo Hwee was resigned as a director of the Company on 23 November 2011.

    (vi) 1,000,000 share options was granted to Mr. Lin Xiang Min on 30 August 2011 and Mr. Lin Xiang Min was resigned as a director of the Company on 31 January 2014.

11. 10,000,000 share options was granted to Mr. Yin Guangyuan on 30 August 2011 and Mr. Yin Guangyuan was ceased as a chief executive of the Company since 1 November 2014.

12. 210,000,000 share options were granted to the consultancy companies of the Group.

Information on the accounting policy for share options granted and the weighted average value per option is provided in notes 3 and 41 to the consolidated financial statements respectively.

Apart from the foregoing, at no time during the year was the Company, or any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company had a material interest directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and/or administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its securities during the year ended 31 December 2014. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the year.

CONNECTED TRANSACTION

None of the "Related party transactions" as disclosed in note 45 to the financial statements for the year ended 31 December 2014 constituted discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules.

To the extent of the above "Related party transactions" constituted connected transaction as defined in the Listing Rules, the Company had complied with the relevant requirements under Chapter 14A of the Listing Rules during the year.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

	Percentage of the Group's total	
	Sales	Purchases
The largest customer	37%	
Five largest customers in aggregate	45%	
The largest supplier		8%
Five largest suppliers in aggregate		20%

At no time during the year have the directors of the Company, their close associates or any shareholders of the Company (which to the knowledge of the directors of the Company owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

COMPETING INTEREST

None of the directors of the Company or their respective close associates had any interest in a business which competes with or may compete with the business of the Group.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws of the Company or the laws of Bermuda requiring the Company to offer new shares to the existing shareholders of the Company in proportion to their respective shareholdings in the Company if new shares of the Company are issued.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2014 are set out in notes 30 and 31 to the consolidated financial statements.

FIVE YEARS SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 140 of this annual report.

RETIREMENT SCHEMES

Details of the retirement benefit schemes operated by the Group are set out in note 40 to the consolidated financial statements.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive directors of the Company an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive directors of the Company to be independent.

CORPORATE GOVERNANCE

Information on the corporate governance practices adopted by the Company is set out under the section headed "Corporate Governance Report" of this annual report.

AUDITORS

The consolidated financial statements of the Company for the year ended 31 December 2014 have been audited by ZHONGLEI (HK) CPA Company Limited ("ZHONGLEI").

ZHONGLEI will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for the re-appointment of ZHONGLEI as auditors of the Company is to be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board
China Mining Resources Group Limited

Wang Hui
Executive Director and Chief Executive Officer

Hong Kong, 25 March 2015

This Environmental, Social and Governance Report focused on certain aspects of the head office of the Company and its subsidiaries (collectively, the "Group") in Hong Kong and tea business operation in PRC for the year ended 31 December 2014.

The Group is mainly engaged in investment holding and tea business. The Group was also engaged in mining, processing and sales of molybdenum, and online video broadcasting which were discontinued during the year ended 31 December 2014. The tea business is mainly operated by Wuyi Star Tea Industrial Co., Ltd.(武夷星茶業有限公司)("Wuyi Star"), a subsidiary in PRC. Wuyi Star is principally engaged in cultivation, research, production and sale of Chinese tea products, and its products are selling under the brand names of "武夷" and "武夷星" which are well-recognised in the PRC as premium tea products and widely distributed throughout the country.

Wuyi Star has been first awarded ISO 9001 (GB/T19001-2000) — Quality Management, ISO 14001 (GB/T24001-2004) — Environmental Management, OHSAS 18001 (GB/T28001-2011) — Occupational Health and Safety Management and GB/T 27341-2009 and GB14881-1994 — HACCP (Hazard Analysis and Critical Control Points) certifications since 2005, 2012, 2012 and 2005 respectively. In December 2012, Wuyi Star was awarded ISO 14001: 2004 certifications by the China Quality Certification Centre, which are valid for 3 years until December 2015. In December 2013, Wuyi Star was again awarded ISO 9001: 2008 and OHSAS 18001: 2007 certifications by the China Quality Certification Centre, which are valid for 3 years until December 2016. In December 2013, Wuyi Star was again awarded GB/T 27341-2009及GB14881-1994 — HACCP certifications by the China Quality Certification Centre, which are valid for 3 years until December 2016.

Wuyi Star has established a set of "Quality, Food Safety and Environmental Safety Comprehensive Management Handbook", "Quality, Food Safety and Environmental Safety Management Procedural Document" and "Quality, Food Safety and Environmental Safety HACCP Document", which cover many different aspects including but not limited to workplace quality, production of safety food, environmental protection, operating practices, occupational health and safety, etc.

WORKPLACE QUALITY

1. Working Conditions

The Group established and implemented their respective "*Staff handbook*" which contains the policies relating to human resources, covering areas such as compensation and dismissal, recruitment and promotion, working hours, rest periods, diversity and other benefits and welfare. Basically, the rules in the handbook is set in accordance with all relevant laws and regulations that applied in Hong Kong or in PRC. The Group strictly complied with the above said relevant standards, rules and regulations throughout the year ended 31 December 2014.

Employees of the Group are remunerated at a competitive level and are rewarded according to their performance. Our Group's remuneration packages include medical scheme, group insurance, mandatory provident fund for Hong Kong employees, social insurance packages for Mainland China employees, performance bonus and share option scheme.

As at 31 December 2014, the Group had a total of 10 and 337 employees in Hong Kong and Mainland China respectively. All of them are worked full-time on either a permanent or a fixed term basis.

WORKPLACE QUALITY *(CONTINUED)*

1. Working Conditions *(CONTINUED)*

As at 31 December 2014, total workforce in HK office and PRC subsidiary by age group are as below:

By Age Group	HK office	PRC subsidiary	Total
Aged below 31	0	176	176
Aged 31-50	6	124	130
Aged over 50	4	37	41
Total	10	337	347

During the year ended 31 December 2014, employee turnover rate in HK office and PRC subsidiary by age group are as below:

Number of employees resigned – By Age Group	HK office	PRC subsidiary	Total
Aged below 31	0	28	28
Aged 31-50	2	7	9
Aged over 50	0	0	0
Total	2	35	37
Turnover rate	18.2%	9.9%	10.1%

Note: Employee turnover rate = Number of employees resigned (net)/((Total headcount at the beginning of the year + Total headcount at the end of the year)/2)

WORKPLACE QUALITY *(CONTINUED)*

2. Health and Safety

It is the Group's policy to carry out production in accordance with the principle of "Safety First", and supervisors at each level in the Group must adhere to the principle of "Production Management Must Encompass Management of Safety", production must take into account the needs for safety, in order to achieve safe and scientific production.

Wuyi Star has established a series of policies according to the ISO 14000 and ISO 18000 for safe working environment and protecting employees from occupational hazards, which lists out a series of occupational health and safety measures that have to be adopted such as providing a safe working environment and protecting employees from occupational hazards by provision of staff trainings and proper operation of equipments, etc.

The Group implemented the above said relevant procedures, rules and regulations and no incident of serious work injury occurred throughout the year ended 31 December 2014.

The Group endeavors to provide pleasant and comfortable working environment for employees. During the year ended 31 December 2014, Wuyi Star has strengthen "Green" concept in production areas, building locker room in production workplace and also arranged physical examination for all first-line production employees, and no occupational disease was found. Employees in Hong Kong office are provided of physical examination under the Company's medical scheme.

3. Development and Training

The Group draws up training plans in accordance with the Group's training needs. Each department is responsible for determining its training needs for staff in its department and designing a unique training plan, which shall be submitted to the management for approval. The Group ensures that members of staff who are under the comprehensive management system can fulfill the relevant requirements in terms of education, training, technical and work experience.

Training activities provided to staff include:

— New employees orientation;

— Technical training for existing employees of different level or internally transferred employees;

— Technical and professional skill enhancement training; and

— Enrolment in externally organized classes in relation to legal and other professional knowledge, management knowledge and important position professional training.

WORKPLACE QUALITY *(CONTINUED)*

3. Development and Training *(CONTINUED)*

During the year ended 31 December 2014, the percentage of employees trained by employee category are as below:

Category	Number of employees attended training	Percentage of employees trained
Senior management	16	100%
Middle-level management	16	89%
General staff	310	99%
Total	342	99%

4. Labour Standards

Employment of staff by the Group must comply with the relevant labour rules and regulations that are applicable in Hong Kong, PRC or relevant national area. Preventing child or forced labour is one of these rules. The Group strictly complied with the above said principle, relevant rules and regulations throughout the year ended 31 December 2014.

The Group regularly reviews the overall employment practices to avoid child or forced labour and other potential irregularities. Staff is required to fill in a “Staff Information Sheet” upon joining the Group. Should the staff provide false identity or false personal particulars, the said staff would be considered to have committed serious breach of the Group’s rules and regulations, his/her employment would be terminated immediately.

ENVIRONMENTAL PROTECTION

As a part of its social responsibility, the Group is committed to environmental-friendly development through rational resource utilization and practices of environmental protection, seeking to contribute to the improvement of ecological environment and sustainable development.

1. Emission

Emissions from the tea products’ production process mainly include wastewater, gas, noise and solid waste.

In order to maintain a green production environment, it is the Group’s obligation to monitor the waste emissions and to appoint metrological accredited environmental assessment department to provide inspection on a regular basis.

During the year ended 31 December 2014, Wuyi Star engaged an independent accredited environmental assessment organization (third-party inspectors) to carry out a detection of wastewater, gas and noise, and all detections met the relevant standards and requirements. i.e. “Integrated Wastewater Discharge Standard” — GB8978-1996, “Integrated Emission Standard of Air Pollutants” — GB16297-1996, “Emission standard of air pollutants for coal--burning oil-burning gas-fired boilers” — GB13271-2001 and “Emission standard for industrial enterprises noise at boundary” — GB12348-2008.

ENVIRONMENTAL PROTECTION *(CONTINUED)*

1. Emission *(CONTINUED)*

There was no production of the following hazardous waste as reflected from the said inspection: NOX, SOX, carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. The Group strictly complied with the above said relevant standards, rules and regulations throughout the year ended 31 December 2014.

2. Use of Resources

"Quality, Food Safety and Environmental Safety Management Procedural Document" has been established by Wuyi Star to control the use of energy and resources in the production and business operation activities, and to improve the energy and resource utilization to achieve economic benefits, and to minimize pollution. This policy is applicable for the management on resources such as water, electricity and energy usage.

Major areas of control of energy and resources including:

1) Water Resources Control

   A. The Group educates the employee to save water and avoid wastage.

2) Electricity Control

   A. Lights and electronic appliances in living area or workplace must be turned off when not in use.

   B. Every member of staff and management must turn off the power for each department's computers, photocopy machines, printers and facsimile machines when they are off duty or on leave.

   C. To ensure no unnecessary use of resources at production lines.

3) Office Consumables Consumption Management

   A. Other than formal documents materials that require the use of papers, each department is advised to handle documents electronically. When the use of paper is required, each paper is recommended to be printed double-sided.

   B. No printing and photocopying of materials unrelated to work.

The major resources that used in productions, in storage, in buildings, electronic equipment, etc is electricity.

ENVIRONMENTAL PROTECTION *(CONTINUED)*

2. Use of Resources *(CONTINUED)*

The Group is also in light of the "Green" production concept, achieving the purpose of energy conservation, consumption reduction and pollution reduction. Wuyi Star seeks to improve production process and upgrade its technical expertise during the course of production and an array of measures, including progressively installing energy-saving LED lighting in part of the production area and started to use solar lightning in outdoor area during the year ended 31 December 2014. In addition, Wuyi Star used water-film dust removal device to reduce emissions during the year ended 31 December 2014.

3. The Environment and Natural Resources

Wuyi Star has established "Environmental Factors, Hazards Identified and Evaluation Procedures" of "Quality, Food Safety and Environmental Safety Management Procedural Document" that provide an effective way to identify, evaluate the scope and the methods that the company can control, and expect to exert environmental impacts and the hazard factors, and to determine, update major environmental factors and major risk factors in order to implement the necessary control measures. The relevant employees of each department identify environmental factors through methods such as site inspection, site observation, cross reference to law and regulations. Applicable area included the activities of tea research and development, processing and marketing services that have implication on the environment and occupational safety.

OPERATING PRACTICES

1. Supply Chain Management

The Group is mainly engaged in tea business and investment holding. The raw materials of the tea products, being tea leaves, mainly from the fresh tea leaves picking from the Group's owned tea plants and purchased the tea leaves from the suppliers located in Wuyishan according to the production plan.

Based on the nature of the businesses of the Group, the significant suppliers are the suppliers of the raw materials and the packaging materials of tea products. For the year ended 31 December 2014, the Group sourced its raw materials and packaging materials from more than 30 suppliers and mainly located in PRC.

Supply chain management is one of the key links in the Group's quality control system. With a focus on product quality risk management, the Company keeps a close eye on quality and safety crisis signals of its tea products. Attaching great importance to product compliance, the Group organizes self-inspections and rectifications in a timely manner to ensure product quality.

The Group's relationships with its suppliers are stable and the Group did not experience any major difficulty in obtaining adequate supplies of raw materials and packing materials to meet its production requirements in the past. Since the raw materials and packing materials sourced are common and can be easily purchased from the market, it is believed that even if any of the suppliers fail to meet the Group's demand, there are sufficient alternative suppliers to supply the principal raw materials and packing materials to allow the Group to find suitable substitutes if necessary.

According to the "Purchasing Control Procedures" of "Quality, Food Safety and Environmental Safety Management Procedural Document" established by Wuyi Star, suppliers are chosen based on the supplier's continuous ability to guarantee satisfactory product quantity and quality, reasonable price, timely delivery and good services. When selecting suppliers, the Group requires potential suppliers to provide relevant quality certifications, arrange for site visits, request for samples of materials to be supplied to ensure that the materials meet the required specifications.

OPERATING PRACTICES *(CONTINUED)*

2. Product responsibility

Product Safety/Quality assurance

The Group is committed to ensuring product safety.

Wuyi Star passed HACCP international food safety certification, GAP certification from the Ministry of Agriculture, strict compliance with ISO 9001 management practices, develop the product quality and safety and health management system which can be traced back, established the quality policy of “From tea plant to a cup of tea, full quality tracking, high standards strict management, everyone concerned quality” to ensure the stability of the product’s excellent quality and health safety.

Wuyi Star has formulated a complete set of quality inspection management standards covering raw materials, auxiliary ingredients, packaging materials and finished products, which detail the requirements on various objects, methods and coverage of tests.

For the year ended 31 December 2014, no product sold or shipped was subject to recall for safety and health reasons.

Consumer Services

Wuyi Star has established standard procedures and preventive measures which are strictly implemented for handling tea products’ enquires and complaints. Wuyi Star has established customer services hotline, on-line services and several branch offices within the PRC for handling the customers’ enquiries and complaints.

3. Anti-corruption

In the Group’s staff handbook, one of the most important rules that require all members of our staff to observe is that they must maintain honesty, refuse corruption, refuse to accept kickbacks, and they must not misappropriate the Group’s funds and properties, must not abuse power for own interests.

There was no any concluded legal cases regarding corrupt practices brought against the Group or its employees during the year ended 31 December 2014.

COMMUNITY INVOLVEMENT

The Group actively undertakes the responsibility for poverty relief and development of philanthropy to help disadvantaged groups in society. The Group made charity donation to several charity organizations for the year ended 31 December 2014. The Group also encourages employees to actively participate in volunteer activities and social services as advocated, aiming to promote the public welfare culture and spirit incorporating interaction, cares and understanding.

中磊（香港）會計師事務所有限公司
ZHONGLEI (HK) CPA Company Limited

TO THE SHAREHOLDERS OF
CHINA MINING RESOURCES GROUP LIMITED
中國礦業資源集團有限公司
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of China Mining Resources Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 43 to 139, which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2014, and of the Group's profit 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 disclosure requirements of the Hong Kong Companies Ordinance.

ZHONGLEI (HK) CPA Company Limited
Certified Public Accountants (Practising)

Chan Mei Mei
Practising Certificate Number: P05256
Suites 313-316, 3/F., Shui On Centre
6-8 Harbour Road
Wan Chai
Hong Kong

25 March 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 HK$'000	2013 HK$'000 (Restated)
Continuing operation			
Revenue	5	**133,007**	140,421
Cost of sales		**(72,535)**	(79,589)
Gross profit		**60,472**	60,832
Other income	7	**8,362**	9,670
Other gains and losses	8	**(8,429)**	(8,178)
Selling and distribution expenses		**(44,023)**	(56,588)
Administrative expenses		**(41,883)**	(58,926)
Finance costs	9	**(14,526)**	(13,834)
Impairment loss recognised in respect of goodwill	19	**—**	(88,295)
Impairment loss recognised in respect of available-for-sale investments	23	**(17,378)**	(24,998)
Impairment loss recognised in respect of property, plant and equipment		**—**	(60,658)
Impairment loss recognised in respect of other intangible assets	20	**(5,602)**	(27,777)
Gain (loss) on disposal of property, plant and equipment		**12,582**	(104)
Loss before tax		**(50,425)**	(268,856)
Income tax (expense) credit	10	**(2,944)**	6,165
Loss for the year from continuing operation	12	**(53,369)**	(262,691)
Discontinued operations			
Profit (loss) for the year from discontinued operations	11	**673,144**	(82,209)
Profit (loss) for the year		**619,775**	(344,900)
Other comprehensive (expense) income			
Items that will not be reclassified to profit or loss:			
Actuarial (loss) gain on defined benefit pension plans		**(6,681)**	5,039
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**(36)**	7,130
Fair value gain on available-for-sale investments	23	**5,467**	1,530
Release of investment revaluation reserve upon disposals of available-for-sale investments		**(553)**	—
Release of translation reserve upon disposals of subsidiaries		**(218,844)**	—
		(213,966)	8,660
Other comprehensive (expense) income for the year, net of income tax		**(220,647)**	13,699
Total comprehensive income (expense) for the year		**399,128**	(331,201)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 HK$'000	2013 HK$'000 (Restated)
Profit (loss) for the year attributable to:			
Owners of the Company			
— from continuing operation		**(51,633)**	(250,276)
— from discontinued operations		**682,045**	(60,772)
		630,412	(311,048)
Non-controlling interests			
— from continuing operation		**(1,736)**	(12,415)
— from discontinued operations		**(8,901)**	(21,437)
		(10,637)	(33,852)
Profit (loss) for the year		**619,775**	(344,900)
Total comprehensive income (expense) attributable to:			
Owners of the Company		**411,317**	(299,967)
Non-controlling interests		**(12,189)**	(31,234)
		399,128	(331,201)
Earnings (loss) per share	15		
From continuing and discontinued operations			
Basic (HK cents)		**6.90 cents**	(3.40) cents
Diluted (HK cents)		**6.90 cents**	(3.40) cents
From continuing operation			
Basic (HK cents)		**(0.56) cents**	(2.74) cents
Diluted (HK cents)		**(0.56) cents**	(2.74) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2014

	Notes	**2014** HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment	16	**19,572**	93,623
Prepaid lease payments — non-current portion	17	**25,945**	31,174
Exploration and evaluation assets	18	**—**	—
Goodwill	19	**—**	—
Other intangible assets	20	**11,484**	100,226
Biological assets	21	**11,745**	10,219
Available-for-sale investments	23	**20,537**	69,819
Other non-current financial assets	24	**—**	7,610
		89,283	312,671
Current assets			
Inventories	25	**106,789**	174,514
Trade and other receivables	26	**87,527**	135,311
Prepaid lease payments	17	**348**	549
Short-term loan and loan interest receivables	27	**—**	—
Bank balances and cash	28	**214,170**	118,555
		408,834	428,929
Current liabilities			
Trade and other payables	29	**63,440**	271,787
Tax liabilities		**16,065**	56,943
Bank borrowings	30	**90,770**	107,806
Other borrowings	31	**—**	2,357
Provisions	32	**—**	11,630
		170,275	450,523
Net current assets (liabilities)		**238,559**	(21,594)
Total assets less current liabilities		**327,842**	291,077

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current liabilities			
Deferred income	33	**1,914**	107,487
Other borrowings — non-current portion	31	**—**	4,353
Provisions — non-current portion	32	**—**	76,031
Deferred tax liabilities	34	**—**	—
Other long-term payables	35	**—**	42,061
Non-redeemable convertible preference shares	36	**53,619**	53,125
		55,533	283,057
Net assets		**272,309**	8,020
Capital and reserves			
Share capital	37	**913,878**	913,878
Share premium and reserves		**(651,613)**	(1,062,762)
Equity attributable to owners of the Company		**262,265**	(148,884)
Non-controlling interests		**10,044**	156,904
Total equity		**272,309**	8,020

The consolidated financial statements on pages 43 to 139 were approved and authorised for issue by the Board of Directors on 25 March 2015 and are signed on its behalf by:

Wang Hui
Director

Yeung Kwok Kuen
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	Attributable to owners of the Company												
	Share capital HK$'000 (Note 37)	Share premium HK$'000	Non-redeemable convertible preference shares HK$'000 (Note 36)	Statutory surplus reserve HK$'000 (Note a)	Capital and other reserves HK$'000 (Note b)	Share options reserve HK$'000 (Note 41)	Investment revaluation reserve HK$'000 (Note 23)	Translation reserve HK$'000	Actuarial reserve HK$'000 (Note 32)	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 January 2013	913,878	3,192,267	684,321	105,086	64,011	75,839	–	266,982	(10,266)	(5,152,405)	139,713	187,918	327,631
Loss for the year	–	–	–	–	–	–	–	–	–	(311,048)	(311,048)	(33,852)	(344,900)
Exchange differences arising on translation of financial statements of foreign operations	–	–	–	–	–	–	–	5,768	–	–	5,768	1,362	7,130
Fair value gain on available-for-sale investments	–	–	–	–	–	–	1,530	–	–	–	1,530	–	1,530
Actuarial gain on defined benefit pension plans	–	–	–	–	–	–	–	–	3,783	–	3,783	1,256	5,039
Other comprehensive income for the year	–	–	–	–	–	–	1,530	5,768	3,783	–	11,081	2,618	13,699
Total comprehensive income (expense) for the year	–	–	–	–	–	–	1,530	5,768	3,783	(311,048)	(299,967)	(31,234)	(331,201)
Grant of share options	–	–	–	–	–	11,590	–	–	–	–	11,590	–	11,590
Lapse of share options	–	–	–	–	–	(33,372)	–	–	–	33,372	–	–	–
Transfer	–	–	–	–	665	–	–	–	–	(885)	(220)	220	–
At 31 December 2013	913,878	3,192,267	684,321	105,086	64,676	54,057	1,530	272,750	(6,483)	(5,430,966)	(148,884)	156,904	8,020
Profit (loss) for the year	–	–	–	–	–	–	–	–	–	630,412	630,412	(10,637)	619,775
Exchange differences arising on translation of financial statements of foreign operations	–	–	–	–	–	–	–	(149)	–	–	(149)	113	(36)
Fair value gain on available-for-sale investments	–	–	–	–	–	–	5,467	–	–	–	5,467	–	5,467
Release of investment revaluation reserve upon disposals of available-for-sale investments	–	–	–	–	–	–	(553)	–	–	–	(553)	–	(553)
Release of translation reserve upon disposals of subsidiaries	–	–	–	–	–	–	–	(218,844)	–	–	(218,844)	–	(218,844)
Actuarial loss on defined benefit pension plans	–	–	–	–	–	–	–	–	(5,016)	–	(5,016)	(1,665)	(6,681)
Other comprehensive income (expense) for the year	–	–	–	–	–	–	4,914	(218,993)	(5,016)	–	(219,095)	(1,552)	(220,647)
Total comprehensive income (expense) for the year	–	–	–	–	–	–	4,914	(218,993)	(5,016)	630,412	411,317	(12,189)	399,128
Cancellation of share options	–	–	–	–	–	(54,057)	–	–	–	54,057	–	–	–
Release of actuarial reserve upon settlement on defined benefit pension plans	–	–	–	–	–	–	–	–	11,499	(11,499)	–	–	–
Release upon disposal of subsidiaries	–	–	–	(95,019)	(65,182)	–	–	–	–	160,201	–	(134,839)	(134,839)
Transfer	–	–	–	–	506	–	–	–	–	(674)	(168)	168	–
At 31 December 2014	**913,878**	**3,192,267**	**684,321**	**10,067**	**–**	**–**	**6,444**	**53,757**	**–**	**(4,598,469)**	**262,265**	**10,044**	**272,309**

Notes:

(a) Statutory surplus reserve

According to the relevant rules and regulations in the People's Republic of China ("PRC"), subsidiaries of China Mining Resources Group Limited (the "Company") (together with the subsidiaries collectively referred to as the "Group") established in the PRC are required to transfer 10% of their net profit, as determined in accordance with the PRC accounting standards and regulations, to the statutory surplus reserve until the balance of the reserve reaches 50% of their respective registered capital. The transfer to this reserve must be made before distribution of dividends to owners of these subsidiaries. Statutory surplus reserve can be used to set-off previous years' loss, if any, and may be converted into capital in proportion to existing equity owners' equity percentage, provided that the balance after such issuance is not less than 25% of their registered capital.

(b) Capital and other reserves

Pursuant to regulations <安全生產費用提取和使用管理辦法> issued on 14 February 2012 in the PRC relating to the mining industry, the Group is required to transfer an amount to the capital and other reserves. The amount is calculated based on the volume of ores excavated each year and at the applicable rate per tonne of ores ("Appropriation for Mining Company"). The utilisation of the amount in the capital and other reserves will be used on modification and maintenance of safety equipment in accordance with the rules in the PRC Company Law which is not available for distribution to shareholders.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 HK$'000	2013 HK$'000
OPERATING ACTIVITIES			
(Loss) profit before tax			
— from continuing operation		**(50,425)**	(268,856)
— from discontinued operations		**673,144**	(82,209)
Adjustments for:			
Interest income		**(6,802)**	(7,212)
Interest expenses		**22,624**	27,404
Depreciation of property, plant and equipment	*16*	**13,046**	15,827
Amortisation of prepaid lease payments		**1,001**	1,017
Amortisation of other intangible assets		**980**	1,377
Impairment loss recognised in respect of short-term loan and loan interest receivables		**—**	15,357
Waiver of other payables		**—**	(3,150)
Gain on changes in fair value less costs-to-sell for biological assets	*21*	**(2,262)**	(2,389)
Gain on disposal of property, plant and equipment		**(12,092)**	(12,172)
Gain on settlement of post-employment benefit		**(20,872)**	—
Impairment loss recognised in respect of available-for-sale investments		**17,378**	24,998
Equity-settled share-based payment expenses		**—**	11,590
Government grants		**(369)**	(4,607)
Impairment loss recognised in respect of goodwill		**—**	88,295
Impairment loss recognised in respect of trade and other receivables		**10,732**	6,066
Impairment loss recognised in respect of other intangible assets		**31,703**	59,860
Impairment loss recognised in respect of property, plant and equipment		**63**	61,184
Impairment loss recognised in respect of inventories		**—**	1,318
Written-off of inventories		**22**	—
Written-off of property, plant and equipment		**165**	—
Gain on disposal of subsidiaries		**(710,703)**	—
Reversal of impairment loss recognised in respect of trade and other receivables		**(4,464)**	(1,373)
Operating cash flows before movements in working capital		**(37,131)**	(67,675)
Decrease (increase) in inventories		**7,943**	(2,599)
Decrease in trade and other receivables		**5,110**	16,948
Increase (decrease) in trade and other payables		**1,089**	(18,937)
Increase in provisions		**3,016**	4,574
Cash used in operations		**(19,973)**	(67,689)
Income tax paid		**(1,911)**	(3,992)
NET CASH USED IN OPERATING ACTIVITIES		**(21,884)**	(71,681)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 HK$'000	2013 HK$'000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(29,948)**	(45,163)
Purchases of other intangible assets		**(106)**	(159)
Other long-term advance		**—**	(3,805)
Return on capital in respect of available-for-sale investments	23	**—**	22,248
Receipts regarding short-term loan and loan interest receivables		**—**	2,065
Proceeds from disposal of property, plant and equipment		**24,457**	5,227
Proceeds from disposal of subsidiaries	44	**79,298**	—
Proceeds from disposal of available-for-sale investments		**27,233**	—
Deposit refund		**3,805**	—
Interest received		**6,802**	6,399
Utilisation of provisions		**(8,550)**	(1,954)
Government grants received		**4,011**	42,108
NET CASH FROM INVESTING ACTIVITIES		**107,002**	26,966
FINANCING ACTIVITIES			
Repayment of bank borrowings		**(118,553)**	(125,562)
New bank borrowings raised		**139,995**	163,611
Interest paid		**(16,365)**	(14,600)
NET CASH FROM FINANCING ACTIVITIES		**5,077**	23,449
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**90,195**	(21,266)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**118,555**	117,073
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**5,420**	22,748
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash		**214,170**	118,555

1. GENERAL

China Mining Resources Group Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" of the annual report.

The functional currency of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") is Renminbi ("RMB"). The consolidated financial statements are presented in Hong Kong dollars ("HK$") for the convenience of the investors as its shares are listed on the Stock Exchange.

The Company is an investment holding company and the principal activities of its subsidiaries are set out in Note 47 to the consolidated financial statements. The Group was also engaged in mining, processing and sales of molybdenum and online video broadcasting which were discontinued during the year ended 31 December 2014 (Note 11).

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

Application of new and revised HKFRSs and HKASs

The Group has applied the following new and revised HKFRSs and HKASs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC*) — Interpretation 21	Levies

* *IFRIC represents the International Financial Reporting Interpretations Committee*

The application of the new and revised HKFRSs and HKASs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

In addition, the Hong Kong Companies Ordinance (Cap. 622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015. The Group is in the process of making an assessment of expected impact of these changes.

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

New and revised HKFRSs and HKASs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs and HKASs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 19 (2011)	Defined Benefits Plans: Employee Contributions[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Annual Improvements Project	Annual Improvements to HKFRSs 2010-2012 Cycle[6]
Annual Improvements Project	Annual Improvements to HKFRSs 2011-2013 Cycle[4]
Annual Improvements Project	Annual Improvements to HKFRSs 2012-2014 Cycle[5]
Amendments to HKFRS 10, HKFRS 12, and HKAS 28	Investment Entities — Applying the Consolidation Exception[5]
Amendments to HKAS 1	Disclosure Initiative[5]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
4 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
5 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain simple debts instruments.

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

New and revised HKFRSs in issue but not yet effective *(CONTINUED)*

HKFRS 9 Financial Instruments *(CONTINUED)*

Key requirements of HKFRS 9 are described as follows:

— All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that 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 accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

— With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of financial liability designated as fair value through profit or loss was presented in profit or loss.

— In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

— The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transaction eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company (the "Directors") anticipate that the application of HKFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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

New and revised HKFRSs in issue but not yet effective *(CONTINUED)*

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

(a) when the intangible asset is expressed as a measure of revenue; or

(b) when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets (other than brand name) respectively. The Directors believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the Directors do not anticipate that the application of these amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 41 Agriculture: Bearer Plants

The amendments to HKAS 16 and HKAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with HKAS 16, instead of HKAS 41. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41.

The Directors do not anticipate that the application of these amendments to HKAS 16 and HKAS 41 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 19 Defined Benefit Plans: Employee Contributions

The amendments to HKAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The Directors do not anticipate that the application of these amendments to HKAS 19 will have a significant impact on the Group's consolidated financial statements as the Group does not have any defined benefit plans after the disposal of subsidiaries as detailed in Note 32 to the consolidated financial statement.

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

New and revised HKFRSs in issue but not yet effective *(CONTINUED)*

Amendments to HKAS 27 Equity Method in Separate Financial Statements

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in the separate financial statements:

- At cost;
- In accordance with HKFRS 9 *Financial Instruments* (or HKAS 39 *Financial Instruments: Recognition and Measurement* for entities that have not yet adopted HKFRS 9); or
- Using the equity method as described in HKAS 28 *Investments in Associates and Joint Ventures*.

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 *Consolidated Financial Statements* and to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards*.

The Directors do not anticipate that the application of these amendments to HKAS 27 will have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to HKAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.
- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.
- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

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

New and revised HKFRSs in issue but not yet effective *(CONTINUED)*

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture *(CONTINUED)*

Amendments to HKFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.

- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The Directors do not anticipate that the application of these amendments to HKFRS 10 and HKAS 28 will have a material impact on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2010–2012 Cycle

The *Annual Improvements to HKFRSs 2010-2012 Cycle* include a number of amendments to various HKFRSs, which are summarised below:

The amendments to HKFRS 2 (i) change the definitions of "vesting condition" and "market condition"; and (ii) add definitions for "performance condition" and "service condition" which were previously included within the definition of "vesting condition". The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit or loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have "similar economic characteristics"; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segments assets are regularly provided to the chief operating decision-maker.

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

New and revised HKFRSs in issue but not yet effective *(CONTINUED)*

Annual Improvements to HKFRSs 2010–2012 Cycle *(CONTINUED)*

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The Directors do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011-2013 Cycle

The Annual Improvements to HKFRSs 2011-2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

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

New and revised HKFRSs in issue but not yet effective *(CONTINUED)*

Annual Improvements to HKFRSs 2011-2013 Cycle *(CONTINUED)*

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The Directors do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets; and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 *Disclosure – Offsetting Financial Assets and Financial Liabilities* issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim period. However, the disclosures may need to be included in condensed interim financial statement to comply with HKAS 34 *Interim Financial Reporting*.

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The Directors do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

Other than the above, the Directors do not anticipate that the application of the other new and amendment to HKFRSs will have any significant impact on the Group's financial results and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the applicable disclosure requirements of the Hong Kong Companies Ordinance (Cap 32).

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for biological assets and certain financial instruments, which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value-in-use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are catagorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirely, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liability of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a jointly venture.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see accounting policy below); and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Business combinations *(CONTINUED)*

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value, and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment loss, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and is reduced for estimated customer returns, rebated, other similar allowances and sales related taxes.

Revenue from sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

(a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
(b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
(c) the amount of revenue can be measured reliably;
(d) it is probable that the economic benefits associated with the transaction will flow to the Group; and
(e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service income is recognised when services are provided.

Dividend income from investments is recognised when the shareholders' rights to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Leasing

All leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributable to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposal (i.e. partial disposals of associates or jointly arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and re-translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Borrowing costs

All borrowings costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Retirement benefit costs and termination benefits

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gain and loss, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Retirement benefit costs and termination benefits *(CONTINUED)*

The Group presents the first two components of defined benefit costs in profit or loss in the line item "administrative expense". Curtailment gain and loss are accounted for as past service cost.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Share-based payment arrangements

Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 41 to the consolidated financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For the share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair values of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit or loss before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect included in the accounting for the business combination.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write-off the cost of items of assets (other than properties under construction) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and deprecation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Biological assets

Biological assets are plants managed by the Group which is involved in the agricultural activities of the transformation of biological assets for sale, into agricultural produce, or into additional biological assets. Biological assets are measured at fair value less costs-to-sell at initial recognition and at each reporting date. The fair value of biological assets is determined based on either the present value of expected net cash flows from the biological assets discounted at a current market-determined pre-tax rate or the market price with reference to the species, growing condition, costs incurred and expected yield of the crops.

The agricultural produce is initially measured at fair value less costs-to-sell at the time of harvest. The fair value of agricultural produce is measured at the market prices in the local market. The fair value less estimated point-of-sale costs at the time of harvest is deemed as the cost of agricultural produce for further processing.

The gain or loss arising on initial recognition of biological assets at fair value less estimated point-of-sale costs and from a change in fair value less estimated point-of-sale costs is recognised in profit or loss for the financial year in which it arises.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and accumulated impairment losses as follows:

(i) Mining rights

Mining rights are stated at cost less accumulated amortisation and accumulated impairment loss. The mining rights are amortised using the units of production method based on the proven and probable mineral reserves.

(ii) Exploration rights

Exploration rights are stated at cost less accumulated amortisation and accumulated impairment loss. The exploration rights are amortised on a straight-line basis over the respective periods of the rights. During the exploration and evaluation period, the amortisation charge is included as part of cost of exploration and evaluation assets.

Alternatively, intangible assets with indefinite useful lives, comprise of brand name, are carried at cost less any subsequent accumulated impairment loss (see accounting policy in respect of impairment loss on tangible and intangible assets below).

Derecognition of intangible assets

An intangible asset is derecognsied on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognsied.

Exploration and evaluation assets

Exploration and evaluation assets are recognised at cost on initial recognition. Subsequent to initial recognition, exploration and evaluation assets are stated at cost less any accumulated impairment loss. Exploration and evaluation assets include the amortisation of exploration rights and the expenditure incurred in the search for mineral resources as well as the determination of the technical feasibility and commercial viability of extracting those resources. When the technical feasibility and commercial viability of extracting mineral resources become demonstrable, previously recognised exploration and evaluation assets are reclassified as either intangible assets or property, plant and equipment. These assets are assessed for impairment before reclassification.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Exploration and evaluation assets *(CONTINUED)*

Impairment of exploration and evaluation assets

The carrying amount of the exploration and evaluation assets is reviewed annually and adjusted for impairment in accordance with HKAS 36 *Impairment of Assets* ("HKAS 36") whenever one of the following events or changes in circumstances indicate that the carrying amount may not be recoverable (the list is not exhaustive):

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; or
- Substantive expenditure incurred on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; or
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal and constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Provisions *(CONTINUED)*

Provisions for land reclamation and cavity refill costs are based on estimates of required expenditure on the mines in accordance with rules and regulations in the PRC. The Group estimates its liabilities for land reclamation and cavity refill based upon detailed calculations of the amount and timing of the future cash expenditure to perform the required work, escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. Provisions for land reclamation and cavity refill costs are recognised in profit or loss in the period in which the obligation is identified.

Provisions for cost of residence to employees and their families are based on estimates of required expenditures to maintain the basic utilities supply to residential areas of employees and their families. The Group estimates its liabilities based on future cash expenditure, escalated for inflation, then discounted at a discount rate that reflects current market assessment of the time value of money and the risks specific to the liabilities such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. Provisions for cost of residence to employees and their families are recognised in profit and loss in the period when the obligation is identified.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into three categories, including financial assets at FVTPL, loans and receivables and available-for-sales financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments *(CONTINUED)*

Financial assets *(CONTINUED)*

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 *Financial Instrument: Recognition and Measurement* permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial assets and is included in the "other gains or losses" line item. Fair value is determined in the manner described in Note 43(c) to the consolidated financial statements.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, other non-current financial assets, short-term loan and loan interest receivables and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments *(CONTINUED)*

Financial assets *(CONTINUED)*

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) financial assets at FVTPL; (b) loans and receivables; or (c) held-to-maturity investments.

Equity and debt securities held by the Group that are classified as available-for-sale financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

Dividends on available-for-sale equity investments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of available-for-sale monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost less any identified impairment losses at the end of each reporting period (see accounting policy in respect of impairment loss on financial assets below).

Impairment on financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments *(CONTINUED)*

Financial assets *(CONTINUED)*

Impairment of financial assets *(CONTINUED)*

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade and other receivables and loan and loan interest receivables, assets that are assessed for impairment on a collective basis, unless they were assessed to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods. (see the accounting policy below).

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables and loan and loan interest receivables, where the carrying amount is reduced through the use of an allowance account. When a trade and other receivables and loan and loan interest receivables is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to impairment loss is recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments *(CONTINUED)*

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issued costs.

Non-redeemable convertible preference shares contains liability and equity components

Non-redeemable convertible preference shares issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

Non-redeemable convertible preference shares are classified as a liability if interest payments are not discretionary. On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the non-redeemable convertible preference shares and the fair value assigned to the liability component, representing the conversion option for the holder to convert the shares into equity, is included in equity (non-redeemable convertible preference shares).

In subsequent periods, the liability component of the non-redeemable convertible preference shares are carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in equity until the conversion options are exercised and will be transferred to share capital and share premium of the Company.

Other financial liabilities

Other financial liabilities (including trade and other payables, bank borrowings, other borrowings and other long-term payables) are subsequently measured at amortised cost, using the effective interest method.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments *(CONTINUED)*

Financial liabilities and equity instruments *(CONTINUED)*

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Impairment of tangible and intangible assets (excluding exploration and evaluation assets) other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less cost of disposal and value-in-use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(CONTINUED)*

(a) Valuation on biological assets

The Group's management determines the fair values less costs-to-sell of biological assets on initial recognition and at the end of each reporting date with reference to the market-determined prices, cultivation area, species, growing conditions, costs incurred and expected yield of the tea tree and/or the professional valuation. The fair value measurement of the Group's biological assets utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy").

Level 1: Quoted prices in active markets for identical items (unadjusted);

Level 2: Observable direct or indirect inputs other than Level 1 inputs; and

Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The details of the valuation model of the biological assets are set out in Note 21 to the consolidated financial statements.

(b) Impairment of available-for-sale financial assets

For available-for-sale financial assets, a significant or prolonged decline in fair value below cost is considered to be objective evidence of impairment. Judgment is required when determining whether a decline in fair value has been significant and/or prolonged. In making this judgment, the historical data on market volatility as well as the price of the specific investment are taken into account. The Group also takes into account other factors, such as industry and sector performance and financial information regarding the issuer/investee.

Key sources of estimation uncertainty

Other than the provision for land reclamation and cavity refill costs as explained in Note 3, the following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(CONTINUED)*

(a) Estimated impairment of goodwill

In impairment testing, the Group determines the recoverable amount of the cash-generating units ("CGUs") to which goodwill has been allocated. Determining whether impairment needs to be provided requires an estimation of the value-in-use of the CGUs. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Details of the recoverable amount calculation for goodwill are disclosed in Note 22 to the consolidated financial statements.

(b) Impairment of other intangible assets and property, plant and equipment

The carrying amounts of other intangible assets and property, plant and equipment are reviewed annually and adjusted for impairment in accordance with HKAS 36 whenever certain events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group determines the recoverable amount of the assets based on the estimations of future expected cash flows from the usage of these assets and a suitable discount rate. Where the future cash flows are less than expected, a material impairment loss may arise. Details of the recoverable amount calculation for other intangible assets and property, plant and equipment are disclosed in Notes 22 and 16 to the consolidated financial statements respectively.

(c) Estimated impairment of trade and other receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit loss that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. The movement of allowance for doubtful debts for trade and other receivables during the year is set out in Note 26 to the consolidated financial statements.

(d) Provisions for post-employment benefits

The provisions for post-employment benefits have been determined using the Projected Unit Credit Method, with actuarial valuations being carried out at 31 December 2013 and the disposal date of disposed subsidiaries. Various actuarial assumptions are utilised in valuation including, without limitation, the selection of discount rate and employees' turnover rate. The discount rate is based on management's review of local high quality corporate bonds. The employees' turnover rate is based on historical trends of the Group. Where the actual rates are differing from assumed, a material difference on provision may arise. The movement of provision for post-employment benefits during the year is set out in Note 32 to the consolidated financial statements.

5. REVENUE

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

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Sales of tea products	**133,007**	140,421

6. SEGMENT INFORMATION

Information reported to the board of directors (the "Board"), being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered or services provided. This is also the basis upon which the Group is organised and specifically focuses on the Group's operating divisions. No operating segments identified by the Board have been aggregated in arriving at the reporting segments of the Group.

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

Tea products — production and sales of tea

Two reportable and operating segments (mining, processing and sales of molybdenum (the "Molybdenum"); and online video broadcasting (the "iTV")) were discontinued during the year ended 31 December 2014. Therefore, the Group has only one operating and reportable segment, represented the production and sales of tea, for the year ended 31 December 2014. Since this is the only operating and reportable segment of the Group, no further analysis of i) segment results for the years ended 31 December 2014 and 2013; and ii) segment assets and liabilities as at 31 December 2014 thereof is presented. All the revenue of the Group are generated from production and sales of tea for the year ended 31 December 2014.

6. SEGMENT INFORMATION *(CONTINUED)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment as at 31 December 2013:

	Continuing Operation	Discontinued Operations		
	Tea products HK$'000	Molybdenum HK$'000	iTV HK$'000	Total HK$'000
ASSETS AND LIABILITIES				
Segment assets	266,941	339,139	3,933	610,013
Unallocated assets				
— Available-for-sale investments				69,819
— Certain bank balances and cash				47,704
— Others				14,064
Total unallocated assets				131,587
Total assets				741,600
Segment liabilities	139,287	535,755	421	675,463
Unallocated liabilities				
— Certain other payables				3,074
— Certain tax liabilities				1,918
— Non-redeemable convertible preference shares				53,125
Total unallocated liabilities				58,117
Total liabilities				733,580

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than available-for-sale investments, certain bank balances and cash and other assets that are not attributable to segments; and
- all liabilities are allocated to operating segments other than certain other payables, certain tax liabilities and non-redeemable convertible preference shares.

6. SEGMENT INFORMATION *(CONTINUED)*

Geographical information

The Group's operations are mainly located in the PRC (country of domicile) and Hong Kong.

Information about the Group's revenue from continuing operation from external customers is presented based on the geographical location of customers. Information about the Group's non-current assets (excluding financial instruments) is presented based on the geographical location of the assets.

For the year ended 31 December 2014

	The PRC *HK$'000*	**Hong Kong** *HK$'000*	**Others** *HK$'000*	**Total** *HK$'000*
Revenue from external customers	**132,879**	**—**	**128**	**133,007**
Non-current assets excluding financial instruments	**68,426**	**320**	**—**	**68,746**

For the year ended 31 December 2013 (Restated)

	The PRC *HK$'000*	Hong Kong *HK$'000*	Others *HK$'000*	Total *HK$'000*
Revenue from external customers	140,369	—	52	140,421
Non-current assets excluding financial instruments	231,571	11,281	—	242,852

Information about major customers

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

	2014 *HK$'000*	2013 *HK$'000* (Restated)
Customer A[1]	**49,097**	59,642

[1] Revenue from tea products

7. OTHER INCOME

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Continuing operation		
Interest income on bank deposits	**1,019**	1,221
Interest income from advanced to suppliers *(Note 26(c))*	**5,626**	5,583
Government grants *(Note)*	**1,552**	2,685
Rental income	**9**	21
Others	**156**	160
	8,362	9,670

Note: During the year ended 31 December 2014, the Group received grants of approximately HK$1,552,000 (2013: HK$2,685,000) from the local government. There are no unfulfilled conditions and other contingencies attaching to such government grants and thus, the amounts are recognised as other income upon receipt.

8. OTHER GAINS AND LOSSES

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Continuing operation		
Net foreign exchange loss	**(10,691)**	(10,567)
Gain on changes in fair value less costs-to-sell for biological assets *(Note 21)*	**2,262**	2,389
	(8,429)	(8,178)

9. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Continuing operation		
Interest on bank borrowings wholly repayable within five years	**6,102**	5,481
Interest on non-redeemable convertible preference shares *(Note 36)*	**8,424**	8,353
	14,526	13,834

10. INCOME TAX EXPENSE (CREDIT)

	2014 HK$'000	2013 HK$'000
Current tax:		
Hong Kong	—	—
PRC Enterprise Income Tax	1,194	—
Under provision in prior year	1,025	—
Deferred tax *(Note 34)*:		
Current year	725	(6,165)
Income tax expense (credit)	2,944	(6,165)

Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) of the estimated assessable profit for both years. No Hong Kong profits tax have been provided for the years end 31 December 2014 and 2013 as the Group did not generate any assessable profits arising in Hong Kong for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

The income tax expense (credit) for the years can be reconciled to the loss before tax from continuing operation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2014 HK$'000	2013 HK$'000 (Restated)
Loss before tax (from continuing operation)	(50,425)	(268,856)
Tax at the domestic income tax rate of 25% (2013: 25%) *(Note)*	(12,606)	(67,214)
Tax effect of expenses not deductible for tax purpose	10,708	62,520
Tax effect of income not taxable for tax purpose	(4,379)	(3,337)
Under provision in prior year	1,025	—
Tax effect of tax losses not recognised	4,069	4,918
Tax effect of temporary differences not recognised	(10)	(59)
Effect of different tax rate of subsidiaries	4,137	(2,993)
Income tax expense (credit) for the year	2,944	(6,165)

Note: The domestic income tax rate represents the tax rate in the jurisdiction where the operation of the Group is substantially based.

11. DISCONTINUED OPERATIONS

Disposal of molybdenum operation

Pursuant to the Company's circular dated 22 September 2014, the Company entered into a disposal agreement on 3 September 2014 with a purchaser (the "Purchaser"), an independent third party, in respect of the disposal of the 75.08% equity interests in Harbin Songjiang Copper (Group) Company Limited* and its subsidiaries (collectively referred to as the "Disposed Subsidiaries") at a consideration of approximately HK$113,854,000 (equivalent to RMB90,096,000). The principal activities of the Disposed Subsidiaries are engaged in the mining, processing and sales of molybdenum, which represents the molybdenum segment of the Group. The disposal was effected in order to generate cash flows for the Group of which the Group intends to apply in future investment opportunities, including opportunities in the mining sector or other profitable investments opportunities, and the discontinuity of the molybdenum segment is consistent with the Group's long-term policy to focus its activities on the tea and other business which has a higher profit margin or better operating prospects. The disposal was completed on 31 October 2014, on which date the control of the molybdenum operations passed to the Purchaser. Details of the assets and liabilities disposed of, and the calculation of the profit on disposal, are disclosed in Note 44 to the consolidated financial statements.

* *For identification purpose only*

Cease of the iTV business

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

The combined results of the discontinued operations (i.e. Molybdenum and iTV business) included in the profit for the year are set out below. The comparative loss and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

	2014	2013
	HK$'000	*HK$'000*
Loss on discontinued operations	**(29,788)**	(82,209)
Compensation for loss of office paid by the Company	**(7,771)**	—
Gain on disposal of subsidiaries *(Note 44)*	**710,703**	—
Profit (loss) for the year from discontinued operations	**673,144**	(82,209)
Attributable to:		
Owners of the Company	**682,045**	(60,772)
Non-controlling interests	**(8,901)**	(21,437)
	673,144	(82,209)

11. DISCONTINUED OPERATIONS *(CONTINUED)*

The results of the discontinued operations (i.e. Molybdenum and iTV business) included in the profit (loss) for the year are set out below:

For the year ended 31 December 2014

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

11. DISCONTINUED OPERATIONS *(CONTINUED)*

For the year ended 31 December 2013

	Molybdenum *HK$'000*	iTV *HK$'000*	Total *HK$'000*
Loss for the year from discontinued operations			
Revenue	46,163	1	46,164
Cost of sale	(56,359)	—	(56,359)
Other income	2,388	23	2,411
Other gains and losses	5,568	3,150	8,718
Selling and distribution expenses	(1,758)	—	(1,758)
Administrative expenses	(24,808)	(5,999)	(30,807)
Impairment loss recognised in respect of property, plant and equipment	—	(526)	(526)
Impairment loss recognised in respect of short-term loan and loan interest receivables	—	(15,357)	(15,357)
Impairment loss recognised in respect of other intangible asset	(32,083)	—	(32,083)
Impairment loss recognised in respect of inventory	(1,318)	—	(1,318)
Gain on disposal of property, plant and equipment	12,276	—	12,276
Finance cost	(13,570)	—	(13,570)
Loss before tax	(63,501)	(18,708)	(82,209)
Income tax expense	—	—	—
Loss for the year from discontinued operations	(63,501)	(18,708)	(82,209)
Loss for the year from discontinued operations include the followings:			
Depreciation and amortisation	11,117	412	11,529
Waiver of other payable	—	(3,150)	(3,150)
Auditor's remuneration	—	50	50
Impairment loss recognised in respect of trade and other receivables	156	500	656
Cost of inventories recognised as an expense	47,990	—	47,990
Staff costs	11,292	1,247	12,539
Minimum lease payments under operating lease in respect of rented premises	120	400	520
Cash flows from discontinued operations			
Net cash used in operating activities	(4,343)	(5,263)	(9,606)
Net cash inflows from investing activities	16,056	2,046	18,102
Net cash inflows from financing activities	37,912	—	37,912
Net cash inflows (outflows)	49,625	(3,217)	46,408

12. LOSS FOR THE YEAR FROM CONTINUING OPERATION

	2014 HK$'000	2013 HK$'000 (Restated)
Loss for the year from continuing operation has been arrived at after charging (crediting):		
Directors' and chief executives' remuneration	**5,161**	8,095
Other staff's salaries, bonus and allowances	**17,808**	21,626
Other staff's contribution to retirement benefits schemes	**962**	1,379
Share-based payments expenses — directors *(Note 13)*	**—**	9,251
Share-based payments expenses — employees	**—**	1,099
Total staff costs	**23,931**	41,450
Impairment loss recognised in respect of trade and other receivables	**3,166**	5,410
Reversal of impairment loss recognised in respect of trade and other receivables	**(3,706)**	(1,373)
Amortisation of other intangible assets	**371**	368
Amortisation of prepaid lease payments	**881**	874
Auditors' remuneration		
— Audit service	**1,268**	1,380
— Non-audit service	**735**	520
Costs of inventories recognised as an expense	**70,374**	77,829
Written-off of inventories	**22**	—
Written-off of property, plant and equipment	**9**	—
Depreciation of property, plant and equipment	**5,560**	5,450
Share-based payment expense — consultant	**—**	1,240
Minimum leases payments under operating lease in respect of rented premises	**16,847**	13,207

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Directors' and chief executives' emoluments

	2014 HK$'000	2013 HK$'000
Fees	**584**	600
Other emoluments		
Salaries and other benefits	**4,564**	8,003
Performance related incentive payments *(Note c)*	**2,210**	1,279
Share-based payments *(Note 41)*	**—**	9,251
Compensation for loss of office *(Note e)*	**8,525**	—
Retirement benefits contributions	**281**	396
	16,164	19,529

The emoluments paid or payable to each of the twelve (2013: eleven) directors and, including chief executives of the Company were as follows:

Year ended 31 December 2014

	Fees HK$'000	Salaries and other benefits HK$'000	Compensation for loss of office HK$'000 (Note e)	Performance related incentive payments HK$'000 (Note c)	Retirement benefits contributions HK$'000	Total HK$'000
Executive directors						
You Xian Sheng *(Chairman) (Note a)*	—	121	—	—	6	127
Wang Hui	—	1,354	2,196	140	38	3,728
Yeung Kwok Kuen *(Note b)*	—	350	—	200	28	578
Chen Shou Wu *(Note b)*	—	250	—	1,750	100	2,100
Fang Yi Quan	—	620	—	120	37	777
Independent non-executive directors						
Chu Kang Nam	180	30	—	—	—	210
Lin Xiang Min *(Note a)*	14	—	—	—	—	14
Chong Cha Hwa	240	40	—	—	—	280
Ngai Sai Chuen *(Note d)*	150	30	—	—	—	180
***Chief executives** (Note f)*						
Yin Guang Yuan	—	778	2,762	—	24	3,564
Qiao Hong Bo	—	535	1,920	—	24	2,479
Qu Yan Chun	—	456	1,647	—	24	2,127
	584	4,564	8,525	2,210	281	16,164

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(CONTINUED)*

Year ended 31 December 2013

	Fees HK$'000	Salaries and other benefits HK$'000	Performance related incentive payments HK$'000 (Note c)	Share-based payments HK$'000	Retirement benefits contributions HK$'000	Total HK$'000
Executive directors						
You Xian Sheng *(Chairman) (Note a)*	—	1,500	250	1,772	88	3,610
Wang Hui	—	1,250	100	1,551	27	2,928
Yeung Kwok Kuen *(Note b)*	—	1,500	250	886	88	2,724
Chen Shou Wu *(Note b)*	—	1,500	250	1,551	88	3,389
Fang Yi Quan	—	400	80	549	24	1,053
Independent non-executive directors						
Chu Kang Nam	180	30	—	133	—	343
Lin Xiang Min *(Note a)*	180	30	—	133	—	343
Chong Cha Hwa	240	40	—	239	—	519
***Chief executives** (Note f)*						
Yin Guang Yuan	—	760	166	1,551	27	2,504
Qiao Hong Bo	—	534	101	443	27	1,105
Qu Yan Chun	—	459	82	443	27	1,011
	600	8,003	1,279	9,251	396	19,529

Notes:

(a) You Xian Sheng and Lin Xiang Min were resigned as Directors on 31 January 2014.

(b) Chen Shou Wu and Yeung Kwok Kuen were resigned as Director on 1 March 2014. Yeung Kwok Kuen was re-appointed as Director on 1 December 2014.

(c) The performance related incentive payments are determined by reference to the financial performance of certain subsidiaries of the Group and the market environment during the year.

(d) Ngai Sai Chuen was appointed as independent non-executive director on 1 March 2014.

(e) The compensation for loss of office are related to the compensation paid to the directors and chief executives of the Disposal Subsidiaries.

(f) Upon the completion of the disposal of the Disposal Subsidiaries, all of the chief executives have ceased to be the chief executives and senior management of the Group.

Chen Shou Wu was also the chief executive officer of the Company and his emoluments disclosed above include those for service rendered by him as the chief executive officer. Since the resignation of Chen Shou Wu as the chief executive officer and executive director on 1 March 2014, the Group has not appointed any new chief executive officer during the year ended 31 December 2014.

Neither the chief executives nor any of the Directors waived or agreed to waive any emoluments during the two years ended 31 December 2014 and 2013.

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(CONTINUED)*

Employees' emoluments

Of the five individuals with the highest emoluments in the Group, five (2013: five) were Directors and the chief executives of the Company whose emoluments are included in the disclosures above for both years.

During the two years ended 31 December 2014 and 31 December 2013, except for disclosed above, no emoluments were paid by the Group to the Directors or any of the chief executives or employees as an inducement to join, or upon joining the Group, or as compensation for loss of office.

14. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2014, nor has any dividend been proposed since the end of the reporting period (2013: HK$Nil).

15. EARNINGS (LOSS) PER SHARE

From continuing and discontinued operations

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

	2014	2013
	HK$'000	*HK$'000*
Profit (loss) for the year attributable to owners of the Company for the purpose of basic earnings (loss) per share	**630,412**	(311,048)
Effect of dilutive potential ordinary shares:		
Interest on non-redeemable convertible preference shares *(Note)*	**—**	—
Profit (loss) for the year attributable to the owners of the Company for the purpose of diluted earnings (loss) per share	**630,412**	(311,048)

	Number of shares	
	2014	2013
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	**9,138,782**	9,138,782
Effect of dilutive potential ordinary shares:		
Non-redeemable convertible preference shares *(Note)*	**—**	—
Share options issued by the Company *(Note)*	**—**	—
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	**9,138,782**	9,138,782

Note: The computation of diluted loss per share for the years ended 31 December 2013 do not assume the conversion of the Company's outstanding share options and non-redeemable convertible preference shares since their exercise would result in a decrease in loss per share.

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

15. EARNINGS (LOSS) PER SHARE *(CONTINUED)*

From continuing operation

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

	2014	2013
	HK$'000	*HK$'000*
Earnings (loss) figures are calculated as follows:		
Profit (loss) for the year attributable to owners of the Company	**630,412**	(311,048)
Less: (profit) loss for the year from discontinued operations	**(682,045)**	60,772
Loss for the purpose of basic loss per share from continuing operation	**(51,633)**	(250,276)
Effect of dilutive potential ordinary shares:		
Interest on non-redeemable convertible preference shares *(Note)*	**—**	—
Loss for the purpose of diluted loss per share from continuing operation	**(51,633)**	(250,276)

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

Note: The computation of diluted loss per share for the years ended 31 December 2014 and 2013 do not assume the conversion of the Company's outstanding share options and non-redeemable convertible preference shares since their exercise would result in a decrease in loss per share.

From discontinued operations

Basic and diluted earnings per share for the discontinued operations is HK7.46 cents per share (2013: loss of HK0.67 cents per share), based on the earnings for the year from the discontinued operations of approximately HK$682,045,000 (2013: loss for the year of HK$60,772,000) and the denominators detailed above for both basic and diluted earnings (loss) per share.

16. PROPERTY, PLANT AND EQUIPMENT

	Mining structures *HK$'000*	Buildings *HK$'000*	Plant and machinery *HK$'000*	Furniture, fixtures and equipment *HK$'000*	Motor vehicles *HK$'000*	Construction in progress *HK$'000*	Total *HK$'000*
COST							
At 1 January 2013	85,470	315,851	77,209	15,737	13,402	22,909	530,578
Exchange adjustments	2,548	10,333	2,445	341	516	638	16,821
Additions	—	15,009	3,523	1,424	1,674	25,215	46,845
Transfer	17,476	17,405	—	—	—	(34,881)	—
Written-off	—	—	—	(61)	—	—	(61)
Disposals	—	(191)	(10,082)	(441)	(1,943)	—	(12,657)
At 31 December 2013	105,494	358,407	73,095	17,000	13,649	13,881	581,526
Exchange adjustments	(307)	(1,370)	(289)	(2,311)	(84)	(44)	(4,405)
Additions	207	3,130	1,899	350	—	26,903	32,489
Transfer	6,733	568	—	—	—	(7,301)	—
Written-off	—	(545)	(288)	(309)	—	—	(1,142)
Derecognised on disposal of subsidiaries	(112,127)	(259,216)	(60,702)	(4,512)	(4,312)	(18,414)	(459,283)
Disposals	—	(14,946)	—	(18)	(2,169)	—	(17,133)
At 31 December 2014	**—**	**86,028**	**13,715**	**10,200**	**7,084**	**15,025**	**132,052**
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
At 1 January 2013	70,493	254,273	70,759	9,874	5,942	—	411,341
Exchange adjustments	367	9,375	1,142	303	278	139	11,604
Charge for the year	618	8,220	3,577	1,453	1,959	—	15,827
Written-off	—	—	—	(61)	—	—	(61)
Eliminated on disposals	—	(329)	(9,753)	(407)	(1,503)	—	(11,992)
Impairment loss recognised in profit or loss	—	40,466	5,519	2,257	2,771	10,171	61,184
At 31 December 2013	71,478	312,005	71,244	13,419	9,447	10,310	487,903
Exchange adjustments	(37)	(591)	(182)	(1,301)	(972)	(64)	(3,147)
Charge for the year	1,938	7,146	1,563	604	1,795	—	13,046
Written-off	—	(545)	(140)	(292)	—	—	(977)
Eliminated on disposals	—	(3,202)	—	(13)	(1,358)	—	(4,573)
Impairment loss recognised in profit or loss	—	—	—	—	63	—	63
Derecognised on disposal of subsidiaries	(73,379)	(241,238)	(60,702)	(2,417)	(2,099)	—	(379,835)
At 31 December 2014	**—**	**73,575**	**11,783**	**10,000**	**6,876**	**10,246**	**112,480**
CARRYING VALUES							
At 31 December 2014	**—**	**12,453**	**1,932**	**200**	**208**	**4,779**	**19,572**
At 31 December 2013	34,016	46,402	1,851	3,581	4,202	3,571	93,623

The Group had pledged certain buildings with carrying value of approximately HK$11,100,000 (2013: HK$35,319,000) to secure the general banking facilities granted to the Group as details disclosed in Note 30 to the consolidated financial statements.

16. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

The carrying values of buildings comprise:

	2014	2013
	HK$'000	*HK$'000*
Long-term lease in Hong Kong	**—**	11,980
Medium-term lease in the PRC	**12,453**	34,422
	12,453	46,402

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis as follows:

Mining structures	The units of production on the proven and probable mineral reserves
Buildings	Shorter of lease term of land or 8 — 40 years
Plant and machinery	12 — 14 years
Furniture, fixtures and equipment	5 — 10 years
Motor vehicles	5 — 10 years

Applications for property ownership certificates of certain buildings located in Harbin with aggregate carrying values of approximately HK$16,340,000 as of 31 December 2013 were still in progress and these property ownership certificates had not been issued to the Group by the relevant government authorities as at 31 December 2013. The Directors are of the opinion that the Group has acquired the beneficial title to those buildings located at Harbin at the end of the reporting period, and the property ownership certificates can be obtained in the near future. Due to the disposal of the Disposed Subsidiaries, the relevant property, plant and equipment have been derecognised during the year ended 31 December 2014.

As at 31 December 2014, the Directors conducted a review of the Group's property, plant and equipment which attributable to the tea business, having regard to the recurring loss of the relevant operation. These assets are used in the Group's reportable and operating segment of tea products. Accordingly, no impairment loss has been recognised in respect of certain property, plant and equipment of the Group to the extent that their recoverable amounts exceeded the carrying amounts based on the best estimate by the Directors.

As at 31 December 2013, the Directors conducted a review of the Group's property, plant and equipment which attributable to the tea business, having regard to the recurring loss of the relevant operation. These assets are used in the Group's reportable and operating segment of tea products. Accordingly, an impairment loss of approximately HK$60,658,000 has been recognised in respect of certain property, plant and equipment of the Group to the extent that the carrying amounts exceeded their recoverable amounts based on the best estimate by the Directors with reference to the valuation performed by an independent valuer, BMI Appraisals Limited. The impairment loss has been recognised and included in the consolidated statement of profit or loss and other comprehensive income for the year.

As at 31 December 2014, the Directors also conducted a review of the property, plant and equipment attributable to the iTV business and determined that no assets were impaired (2013: a number of assets were impaired), due to idleness or technical obsolescence. Accordingly, no impairment loss (2013: HK$526,000) has been recognised and included in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014.

17. PREPAID LEASE PAYMENTS

	2014	2013
	HK$'000	*HK$'000*
Analysed for reporting purposes as:		
— Current asset	**348**	549
— Non-current asset	**25,945**	31,174
	26,293	31,723

The prepaid lease payments are under medium-term leases and are situated in the PRC. The prepaid lease payments are amortised over their lease periods.

The Group has pledged certain prepaid lease payment with carrying values of approximately HK$17,124,000 (2013: HK$19,838,000) to secure general banking facilities granted to the Group as details disclosed in Note 30 to the consolidated financial statements.

18. EXPLORATION AND EVALUATION ASSETS

	HK$'000
COST	
At 1 January 2013	48,131
Exchange adjustments	1,978
At 31 December 2013	50,109
Exchange adjustments	(231)
Derecognised on disposal of subsidiaries	(49,878)
At 31 December 2014	**—**
ACCUMULATED IMPAIRMENT	
At 1 January 2013	48,131
Exchange adjustments	1,978
At 31 December 2013	50,109
Exchange adjustments	(231)
Derecognised on disposal of subsidiaries	(49,878)
At 31 December 2014	**—**
CARRYING VALUES	
At 31 December 2014	**—**
At 31 December 2013	—

18. EXPLORATION AND EVALUATION ASSETS *(CONTINUED)*

The amount represented exploration and evaluation assets in certain locations in Inner Mongolia and Heilongjiang province, the PRC, held by the Disposed Subsidiaries. The amount was fully impaired in the consolidated statement of profit or loss and other comprehensive income in prior years.

Due to the disposal of the Disposed Subsidiaries, the exploration and evaluation assets have been derecognised during the year ended 31 December 2014.

19. GOODWILL

	HK$'000
COST	
At 1 January 2013, 31 December 2013 and **31 December 2014**	511,381
ACCUMULATED IMPAIRMENT	
At 1 January 2013	423,086
Impairment loss recognised in respect of goodwill	88,295
At 31 December 2013 and **31 December 2014**	511,381
CARRYING VALUES	
At 31 December 2014	**—**
At 31 December 2013	—

For the purpose of impairment test, goodwill has been allocated to a cash-generating unit, production and sale of tea (i.e. the reporting and operating segment of tea products) and the details of the impairment testing on goodwill are set out in Note 22(a) to the consolidated financial statements.

20. OTHER INTANGIBLE ASSETS

	Mining rights HK$'000 (Note (b))	Exploration rights HK$'000 (Note (c))	Brand name HK$'000 (Note (d))	Network video platform HK$'000 (Note (e))	Forest use right HK$'000 (Note (f))	Total HK$'000
COST						
At 1 January 2013	3,467,614	16,094	79,872	8,430	9,692	3,581,702
Exchange adjustments	142,519	661	3	320	331	143,834
Additions	—	—	159	—	—	159
Written-off	—	—	—	(81)	—	(81)
At 31 December 2013	3,610,133	16,755	80,034	8,669	10,023	3,725,614
Exchange adjustments	(13,094)	(61)	—	(52)	(60)	(13,267)
Additions	—	—	106	—	—	106
Derecognised on disposal of subsidiaries	(3,597,039)	(16,694)	—	—	—	(3,613,733)
At 31 December 2014	**—**	**—**	**80,140**	**8,617**	**9,963**	**98,720**
ACCUMULATED AMORTISATION AND IMPAIRMENT						
At 1 January 2013	3,358,678	16,094	44,091	8,430	392	3,427,685
Exchange adjustments	135,543	661	—	320	23	136,547
Charge for the year	1,009	—	—	—	368	1,377
Impairment loss recognised in profit or loss	32,083	—	27,777	—	—	59,860
Written-off	—	—	—	(81)	—	(81)
At 31 December 2013	3,527,313	16,755	71,868	8,669	783	3,625,388
Exchange adjustments	(12,384)	(61)	—	(52)	(5)	(12,502)
Charge for the year	609	—	—	—	371	980
Impairment loss recognised in profit or loss	26,101	—	4,172	—	1,430	31,703
Derecognised on disposal of subsidiaries	(3,541,639)	(16,694)	—	—	—	(3,558,333)
At 31 December 2014	**—**	**—**	**76,040**	**8,617**	**2,579**	**87,236**
CARRYING VALUES						
At 31 December 2014	**—**	**—**	**4,100**	**—**	**7,384**	**11,484**
At 31 December 2013	82,820	—	8,166	—	9,240	100,226

20. OTHER INTANGIBLE ASSETS *(CONTINUED)*

Notes:

(a) The above intangible assets other than brand name have finite useful lives. Mining rights are amortised using the units of production method based on the proven and probable mineral reserves and the amortisation rate used in 2014 is 0.31% (2013: 0.51%). Exploration rights are amortised on a straight-line basis over the contractual rights of 2 years (2013: 2 years). Network video platform is amortised on a straight-line basis over its expected useful life of 10 years (2013: 10 years). Forest use right is amortised on a straight-line basis over its expected useful life of 25 years (2013: 25 years).

(b) Mining rights (included in the CGU of mining business of molybdenum)

At 31 December 2013, included in mining rights is an amount of approximately HK$82,820,000 representing the carrying amount of the mining rights in Harbin, held by the Disposed Subsidiaries, was acquired in 2007. Due to the disposal of the Disposed Subsidiaries, the mining rights have been derecognised during the year ended 31 December 2014.

Upon the disposal of the Disposed Subsidiaries, impairment loss of approximately HK$26,101,000 (2013: HK$32,083,000) has been recognised in respect of the mining rights to the extent that the carrying amount exceeded its recoverable amount. Particulars of the impairment testing are disclosed in Note 22(b) to the consolidated financial statements.

(c) Exploration right

At 31 December 2013, the exploration rights were fully amortised to the consolidated statement of profit or loss and other comprehensive income in prior years. Due to the disposal of the Disposed Subsidiaries, the exploration rights have been derecognised during the year ended 31 December 2014.

(d) Brand name (included in the CGU of tea business)

Various studies including product life cycle studies, market, competitive and environmental trends, and brand extension opportunities have been performed by the Directors, which supports that the brand name has no foreseeable limit to the period over which the products with the brand name are expected to generate net cash inflows for the Group.

As a result, the brand name is considered by the Directors as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The brand name will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually whenever there is an indication that it may be impaired. Particulars of the impairment testing are disclosed in Note 22(a) to the consolidated financial statements.

(e) Network video platform (included in the CGU of iTV business)

The network video platform represents the design and application of the network video platform for providing online video services. The network video platform has been fully impaired in prior years.

(f) Forest use right (included in the CGU of biological asset of tea plantation)

The forest use right relates to the favourable aspect of the right to use and operate the tea plantation land, which in substance is an operating right. The fair value on acquisition was determined based on a valuation report prepared by an independent professional valuer, Greater China Appraisal Limited, using discount cash flows method at the date of acquisition in 2011 and the estimated present value of payments due under the agreement entered into by Wuyi Star Tea Industrial Co., Ltd. It will be tested for impairment annually whenever there is an indication that it may be impaired. Particulars of the impairment testing are disclosed in Note 22(d) to the consolidated financial statements.

The Group has pledged the forest use right with carrying values of approximately HK$7,384,000 (2013: 9,240,000) to secure general banking facilities granted to the Group as details disclosed in Note 30 to the consolidated financial statements.

21. BIOLOGICAL ASSETS

At the end of the report period, the Group's biological assets are stated at fair values less costs-to-sell which was classified as non-current assets in the consolidated statement of financial position. The fair value of biological assets is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided below.

	Tea plantation *HK$'000*
At 1 January 2013	8,043
Exchange adjustment	294
Agricultural produce harvested during the year	(507)
Gain on changes in fair value less costs-to-sell *(Note 8)*	2,389
At 31 December 2013	10,219
Exchange adjustment	(62)
Agricultural produce harvested during the year	(674)
Gain on changes in fair value less costs-to-sell *(Note 8)*	2,262
At 31 December 2014	**11,745**

The Group's tea plantation was located in Fujian Province, Wuyishan City, Wuyi Town, Chishi Village, Du Kou Dao Ban（福建省武夷山市武夷鎮赤石村渡口道班）.

The fair value less costs-to-sell of tea plantation of approximately HK$11,745,000 (2013: HK$10,219,000) is determined with reference to the present value of expected net cash inflows from the biological assets discounted at a current market-determined pre-tax rate of 12.98% (2013: 14.41%). For the estimation of the projected cash flows, the Directors had made reference to the existing tree resources, the historical growth rate of the tea trees and the economy in the PRC, and adopted a growth rate of approximately 3.1% (2013: 3%) for 5 years (2013: 5 years). The higher the growth rate of tea trees is, the higher the fair value of the biological assets is.

There were no changes to the valuation technique during the year. A gain on changes in fair value less costs-to-sell of approximately HK$2,262,000 (2013: HK$$2,389,000) has been recognised in profit or loss.

The agricultural produce amounting to approximately HK$674,000 (2013: HK$507,000) has been harvested during the year ended 31 December 2014.

21. BIOLOGICAL ASSETS *(CONTINUED)*

Nature of activities

The Group is exposed to a number of risk related to biological assets.

i) Regulatory and environmental risk

The Group is subject to law and regulations in the PRC in which it operates. The Group has established environment policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risk and to ensure that the systems in place are adequate to manage those risks. The Directors are not aware of any environmental liabilities as at 31 December 2014.

ii) Supply and demand risk

The Group is exposed to risk arising from fluctuations in the price and sales volume of tea leave. When possible the Group manages this risk by controlling its harvest volume, according to market conditions. Management performs regular industry trend analysis to ensure the Group's pricing policy is comparable to the market and the projected harvesting volumes are consistent with expected demand.

iii) Climate and other risks

The Group's tea plantation is exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has procedures in place aimed at monitoring and mitigation those risks, including regular tea forest inspections and pesticide preventions.

Fair value measurement of biological assets

	Fair value at 31 December 2014	**Fair value measurement as at 31 December 2014 categorised into**		
		Level 1	**Level 2**	**Level 3**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
The Group				
Recurring fair value measurement				
Biological assets	**11,745**	**—**	**—**	**11,745**

	Fair value at 31 December 2013	Fair value measurement as at 31 December 2013 categorised into		
		Level 1	Level 2	Level 3
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
The Group				
Recurring fair value measurement				
Biological assets	10,219	—	—	10,219

All the Group's biological assets were revalued as at 31 December 2014. The valuation was carried out by an independent firm of valuers, Greater China Appraisal Limited (the "Greater China"), who has staff with recent experience in the location and category of biological asset being valued.

21. BIOLOGICAL ASSETS *(CONTINUED)*

Fair value measurement of biological assets *(CONTINUED)*

Information about Level 3 fair value measurements

	Valuation technique	Unobservable inputs	Value/range	Inter-relationship between unobservable inputs and fair value measurements
Biological assets	Income approach	Discount rate	12.98%	The estimated fair value decreases when the discount rate increases
		Long-term inflation rate	3.1%	The estimated fair value increase when the long-term inflation rate increase
		Expected life	25 years	The estimated fair value increase when the expected life increase

The fair values biological assets located in the PRC were determined under income approach and the followings are the major assumptions adopted in the valuation:

- the market price variables and direct production cost variable in each projected year will increase with reference to the expected inflation rate of 3.1% in the PRC;
- there are no material changes in the existing political, legal, fiscal, economic conditions, climate and any other unfavorable nature conditions;
- there will be no material changes in the current taxation law and tax rates as prevailing and that all applicable laws and regulations on taxation will be complied with by the Group;
- the interest rates and foreign currency exchange rates will not differ materially from those currently prevailing;
- the availability of finance will not be a constraint on the cultivation of tea trees;
- the Group will retain competent management, key personnel, and technical staff to support the ongoing tea operation;
- the Group has obtained or shall have no impediment to obtain all necessary legal approvals, business certificates or licenses to carry out its tea operation in the PRC.

21. BIOLOGICAL ASSETS *(CONTINUED)*

Fair value measurement of biological assets *(CONTINUED)*

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in either one of the key unobservable inputs, with all other variables held constant, of Group's loss before tax:

Key unobservable inputs	Percentage increase (decrease) in key unobservable inputs	(Increase) decrease in loss before tax
		HK$'000
Discount rate	1%	(703)
	(1%)	789
Long-term inflation rate	1%	910
	(1%)	(815)

22. IMPAIRMENT TESTING ON GOODWILL AND OTHER INTANGIBLE ASSETS

(a) Impairment testing on goodwill and brand name of its tea business, attributable to the reportable and operating segment of tea business

As at 31 December 2014, the carrying amounts of goodwill and brand name relating to the Group's tea business were HK$Nil and HK$4,100,000 respectively (2013: HK$Nil and HK$8,166,000 respectively).

The goodwill and brand name with indefinite useful life arose from the acquisition of King Gold Investments Limited and its subsidiaries (the "King Gold Group") in 2009. The tea business operated by the King Gold Group is the CGU for the purpose of impairment testing of goodwill and brand name with indefinite useful life.

During the two years ended 31 December 2014 and 31 December 2013, the Directors conducted a review of the Group's brand name and appointed an independent professional valuer, BMI Appraisals Limited, to assist them to determine the recoverable amount.

The recoverable amount of brand name has been determined on the basis of its fair value. Relief-from-royalty method was applied in the valuation of the brand name. In applying the method, an estimate of a reasonable royalty rate was made assuming that the brand name was licensed at a fair rate as a result of arm's length negotiations. Royalty rate of 0.6% (2013: 0.86%) was adopted in the valuation of brand name.

Based on the above basis and assumptions, impairment loss of approximately HK$4,172,000 (2013: HK$27,777,000) have been recognised in respect of brand name to the extent that the carrying amounts exceeded their recoverable amounts based on the best estimate by the Directors, with reference to the valuation report issued by BMI Appraisals Limited and thus, the amounts were recognised to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014.

22. IMPAIRMENT TESTING ON GOODWILL AND OTHER INTANGIBLE ASSETS *(CONTINUED)*

(a) Impairment testing on goodwill and brand name of its tea business, attributable to the reportable and operating segment of tea business *(CONTINUED)*

During the year ended 31 December 2013, the Directors conducted a review of the Group's goodwill and appointed an independent professional valuer, BMI Appraisals Limited, to assist them to determine their recoverable amounts.

The recoverable amount of goodwill has been determined by using value-in-use calculation. The cash flow projections were prepared from financial budgets approved by the Directors covering a number of years with a pre-tax discount rate of 18.03%. Cash flows beyond the forecast period were extrapolated using a 3% steady growth rate. This growth rate was based on the relevant growth forecasts and does not exceed the average long-term growth rate for the relevant industry. In addition, the cash flow projections were prepared based on the expected earnings before interest, taxes, depreciation and amortisation margin determined based on past performance and management's expectations for the market development.

Based on the above basis and assumptions, impairment loss of approximately HK$88,295,000 represented the entire carrying amount of goodwill has been recognised to the consolidated statement of profit or loss and other comprehensive income during the year ended 31 December 2013.

(b) Impairment testing on mining right of its molybdenum business, attributable to the reportable and operating segment of Molybdenum

As at 31 October 2014, being the date of disposal of the Disposal subsidiaries, the carrying amount of mining rights relating to the Group's molybdenum business was HK$55,400,000 (31 December 2013: HK$82,820,000).

During the ten months ended 31 October 2014 and year ended 31 December 2013, the Directors conducted a review of the mining rights and appointed an independent professional valuer, Greater China Appraisal Limited, to perform a business valuation on the mining rights CGU.

The recoverable amount of mining rights CGU has been determined by using value-in-use calculation. The value-in-use calculation is based on a pre-tax discount rate of 32.75% (2013: 37.49%) and cash flow projections prepared from financial forecasts approved by the Directors. Other key assumptions for the value-in-use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the mining unit's past performance and management's expectations for the market development.

Based on the above basis and assumptions, impairment loss of approximately HK$26,101,000 (2013: HK$32,083,000) has been recognised in respect of the mining rights to the extent that the carrying amount exceeded its recoverable amount based on the best estimate by the Directors, with reference to the valuation report issued by Greater China Appraisal Limited and thus, the amount was recognised to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014.

22. IMPAIRMENT TESTING ON GOODWILL AND OTHER INTANGIBLE ASSETS *(CONTINUED)*

(c) Impairment testing on network video platform of its iTV business, attributable to the reportable and operating segment of iTV

The network video platform represents the design and application of the network video platform for providing online video services and the expected useful life is 10 years.

Due to the unsatisfactory performance of iTV business, the network video platform has been fully impaired during the year ended 31 December 2012.

(d) Impairment testing on forest use right of its tea plantation business, attributable to the reportable and operating segment of tea business

As at 31 December 2014, the carrying amount of forest use right relating to the Group's tea business was approximately HK$7,384,000 (2013: HK$9,240,000).

The biological assets and forest use right represent the right to use and operate of tea plantation in Fujian Province, Wuyishan City, Wuyi Town, Chishi Village, Du Kou Dao Ban（福建省武夷山市武夷鎮赤石村渡口道班）with the useful life of 25 years. The biological assets and forest use right were acquired during the year ended 31 December 2011 for an aggregated consideration of HK$21,541,000 (equivalent to RMB17,536,000).

During the two years ended 31 December 2014 and 31 December 2013, the Directors conducted a review of the forest use right and appointed an independent professional valuer, Greater China Appraisals Limited, to perform a valuation on the forest use right CGU.

The recoverable amount of the CGU has been determined based on value-in-use calculation. The value-in-use calculation is based on a pre-tax discount rate of 7.17% (2013: 6.23%) and cash flow projections prepared from financial forecasts approved by the Directors.

Based on the above basis and assumptions, impairment loss of approximately HK$1,430,000 (2013: Nil) has been recognised in respect of the forest use right to the extent that the carrying amount exceeded its recoverable amount based on the best estimate by the Directors with reference to the valuation report issued by Greater China Apprasial Limited and thus, the amount was recognised to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014.

23. AVAILABLE-FOR-SALE INVESTMENTS

	2014	2013
	HK$'000	*HK$'000*
Available-for-sale investments		
Equity securities listed in overseas stock exchange	**20,537**	69,819

23. AVAILABLE-FOR-SALE INVESTMENTS *(CONTINUED)*

The available-for-sale investments represent investments in the following listed entities at the end of reporting period:

Name of the investees	Place of incorporation	Carrying value as at 31 December HK$'000	Credit to investment revaluation reserve during the year HK$'000	Impairment loss recognised during the year HK$'000	Equity interest attributable to the Group as at 31 December
Year ended 31 December 2014					
Selwyn Resources Ltd	Canada	**8,786**	**5,467**	**—**	**11.14%**
Fortune Minerals Ltd	Canada	**11,751**	**—**	**(13,205)**	**7.13%**
Majestic Gold Corporation	Canada	**—**	**—**	**(4,173)**	**0%**
Total		**20,537**	**5,467**	**(17,378)**	
Year ended 31 December 2013					
Selwyn Resources Ltd	Canada	4,774	977	—	11.14%
Fortune Minerals Ltd	Canada	29,981	—	(24,998)	10.18%
Majestic Gold Corporation	Canada	35,064	553	—	6.06%
Total		**69,819**	**1,530**	**(24,998)**	

Included in the available-for-sale investments are the following amounts denominated in a currency other than the functional currency of the Group:

	2014	2013
	'000	*'000*
Currency		
Canadian dollars ("CAD")	**3,079**	9,631

The listed available-for-sale investments represent investments in equity securities listed in Toronto Stock Exchange ("TSE") for both years. They are measured at fair values determined with reference to quoted market bid prices at the end of each reporting period.

During the year ended 31 December 2014, fair value gain of approximately HK$5,467,000 (2013: HK$1,530,000) is recognised in investment revaluation reserve under other comprehensive income and impairment loss of approximately HK$17,378,000 (2013: HK$24,998,000) has been included in the consolidated statement of profit or loss and other comprehensive income for the current year.

During the year ended 31 December 2013, Selwyn Resources Ltd announced that there was a return of capital to its shareholders at CAD0.07 per share. An amount of approximately HK$22,248,000 (equivalent to CAD3,073,000) had been returned to the Group on 30 December 2013. After the return of capital, the shareholding of the Group in Selwyn Resources Ltd remains unchanged.

24. OTHER NON-CURRENT FINANCIAL ASSETS

	2014	2013
	HK$'000	*HK$'000*
The amounts comprise of:		
— Other long-term advances *(Note)*	—	3,805
— Trade and other receivable — non-current portion *(Note 26(b))*	—	3,805
	—	7,610

Note: During the year ended 31 December 2013, the Group participated in a small and medium enterprises fund scheme in Nanping City (南平市中小企業互助基金), which is governed by a committee composed of various regulatory departments and enterprises in the PRC, for the purpose of financing small and medium enterprises with temporary financial difficulties. The Group placed an advance of approximately HK$3,805,000 (equivalent to RMB3,000,000) to the fund for the year ended 31 December 2013. This amount had been fully refunded during the year ended 31 December 2014.

25. INVENTORIES

	2014	2013
	HK$'000	*HK$'000*
Raw materials	**19,616**	62,582
Work in progress	**68,413**	75,244
Finished goods	**18,760**	36,688
	106,789	174,514

During the year ended 31 December 2014, approximately HK$22,000 of the inventories has been written-off (2013: Nil).

At 31 December 2013, approximately HK$47,767,000 of the inventories, which was related to molybdemum segment, was stated at net realisable value.

26. TRADE AND OTHER RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade receivables *(Note (a))*	**22,749**	49,888
Less: Allowances	**(10,127)**	(13,851)
	12,622	36,037
Other receivables *(Note (b))*	**10,801**	78,114
Less: Allowances	**(3,666)**	(60,271)
	7,135	17,843
Bill receivables	**—**	13,887
Deposits and prepayments	**13,773**	12,206
Advanced to suppliers *(Note (c))*	**53,997**	59,143
	67,770	85,236
Total trade and other receivables	**87,527**	139,116
Analysed for reporting purposes as:		
— Current assets	**87,527**	135,311
— Non-current assets included in “other non-current financial assets” *(Note (b) and Note 24)*	**—**	3,805
	87,527	139,116

26. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

Notes:

(a) Trade receivables

The Group normally allows credit period of 90 days to its trade customers. The aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date which approximated the respective dates on which revenue was recognised at the end of the reporting period is as follows:

	2014	2013
	HK$'000	*HK$'000*
0 — 30 days	**2,885**	3,621
31 — 60 days	**2,491**	2,289
61 — 90 days	**812**	1,417
Over 90 days	**6,434**	28,710
	12,622	36,037

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and credit quality attributed to customers are reviewed once a year. At 31 December 2014, approximately 27% (2013: 15%) of the trade receivables that are neither past due nor impaired.

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

	2014	2013
	HK$'000	*HK$'000*
31 — 90 days	**—**	—
Over 90 days	**6,434**	28,710
	6,434	28,710

Included in the Group's trade receivables balance at 31 December 2014 are debtors with aggregate carrying amount of approximately HK$6,434,000 (2013: HK$28,710,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered to be recoverable. The Group does not hold any collateral over these balances. The average age of trade receivables is 116 days (2013: 154 days).

At 31 December 2013, included in the Group's trade receivables past due but not impaired is receivable from one of the major customers of mining, processing and sales of molybdenum segment with approximately HK$23,636,000. This customer was a stated-owned enterprise located in the PRC and has long-term business relationship with the Group. The Group allows credit period of 30 days to this customer. In view of the past repayment records and the high credit rating of this customer, even though the repayment time was exceed the credit period and the balance was unsecured, the Directors are in the opinion that there has not been any significant change in the credit quality of this customer and further, this customer did not have any bad debt history. Accordingly, the Directors are satisfied that no impairment loss for this customer was required to be recognised.

26. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

(a) Trade receivables *(CONTINUED)*

Movement in the allowance for doubtful debts for trade receivables:

	2014 HK$'000	2013 HK$'000
At beginning of the year	**13,851**	9,906
Exchange adjustments	**(73)**	381
Reversal of impairment loss	**(944)**	(1,373)
Amounts written-off during the year as uncollectible	**(1,267)**	—
Impairment loss recognised	**3,166**	4,937
Derecognised on disposal of subsidiaries	**(4,606)**	—
At end of the year	**10,127**	13,851

Movement in the allowance for doubtful debts for other receivables:

	2014 HK$'000	2013 HK$'000
At beginning of the year	**60,271**	57,212
Exchange adjustments	**(74)**	1,930
Reversal of impairment loss	**(3,520)**	—
Amounts written-off during the year as uncollectible	**(1,135)**	—
Impairment loss recognised	**7,566**	1,129
Derecognised on disposal of subsidiaries	**(59,442)**	—
At end of the year	**3,666**	60,271

Included in the Group's allowance for doubtful debts are individually impaired trade receivables and other receivables with an aggregate balances of approximately HK$10,127,000 (2013: HK$13,851,000) and HK$3,666,000 (2013: HK$60,271,000) respectively in which the Directors consider that the Group is unlikely to recover these debts as they are long outstanding for more than 180 days to one year. The Group does not hold any collateral over these balances.

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

(b) Other receivables

Included in the Group's other receivables, an amount of approximately HK$7,610,000 (equivalent to RMB6,000,000) represented the proceeds from the disposal of certain plant and equipment of the Group during the year ended 31 December 2013. Pursuant to the asset disposal agreement, an amount of approximately HK$3,805,000 will be settled in September 2014 and the remaining amount of approximately HK$3,805,000 will be settled in September 2015. Accordingly, an amount of HK$3,805,000 was reclassified as other non-current financial assets in the consolidated statement of financial position at 31 December 2013.

During the year ended 31 December 2014, full impairment loss had been recognised in respect of these other receivables.

(c) Advanced to suppliers

The amount represented advance payments to several suppliers for sourcing of goods from them. Out of which, amounting to approximately HK$50,428,000 (2013: approximately HK$50,732,000) represented the sourcing of teas from several suppliers which the goods shall be delivered during the year ending 31 December 2015. Prior to the delivery of teas to the Group, these suppliers will pay an interest at the rate of 11.152% (2013: 11.152%) on the outstanding balances to the Group. During the year ended 31 December 2014, interest income from these suppliers of approximately HK$5,626,000 (equivalent to RMB4,461,000) (2013: HK$5,583,000 (equivalent to RMB4,402,000)) were received by the Company and the amount was recognised as other income in the consolidated statement of profit or loss and other comprehensive income (Note 7).

27. SHORT-TERM LOAN AND LOAN INTEREST RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Loan receivables	**15,128**	15,220
Loan interest receivables	**—**	343
Less: Allowances	**(15,128)**	(15,563)
	—	—

The short-term loan carried interest at 5% per annum, unsecured and was originally matured on 30 July 2013. During the year ended 31 December 2013, the Group and the debtor mutually agreed to extend the repayment period for one more year to 30 July 2014 and all other terms of the loan remain unchanged. However, after considering the uncertainty of the financial status of the debtor in view of no repayment of the loan interest receivables and the debtor could not provide for any collateral to the Group, the Directors consider that the possibility to recover this short-term loan is remote and therefore, full impairment was recognised for the year ended 31 December 2013.

Movement in the allowance for doubtful debts for loan and loan interest receivables:

	2014	2013
	HK$'000	*HK$'000*
At the beginning of the year	**15,563**	—
Exchange adjustments	**(92)**	206
Impairment loss recognised	**—**	15,357
Written-off	**(343)**	—
At the end of the year	**15,128**	15,563

28. BANK BALANCES AND CASH

Bank balances carry interest at prevailing market rates ranging from 0.01% to 0.65% per annum (2013: 0.01% to 0.40% per annum) at 31 December 2014.

29. TRADE AND OTHER PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Trade payables *(Note (a))*	**19,159**	15,151
Mining right payables *(Note (b))*	**—**	118,186
Other payables and accruals	**44,281**	180,511
	63,440	313,848
Analysed for reporting purposes as:		
— Current liabilities	**63,440**	271,787
— Non-current liabilities (classified as "other long-term payables" *(Note 35)*)	**—**	42,061
	63,440	313,848

Notes:

(a) Trade payables

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

	2014	2013
	HK$'000	*HK$'000*
0 — 90 days	**11,829**	6,473
91 — 180 days	**4,844**	4,169
181 — 365 days	**651**	660
Over 1 year	**1,835**	3,849
	19,159	15,151

The average credit period on purchases of goods is 90 days (2013: 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timetable.

(b) Mining right payables

	2014	2013
	HK$'000	*HK$'000*
Analysed for reporting purposes as:		
— Current liabilities	**—**	76,125
— Non-current liabilities (classified as "other long-term payables" *(Note 35)*)	**—**	42,061
	—	118,186

Details of the mining right payables are disclosed in Note 35 to the consolidated financial statements.

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

30. BANK BORROWINGS

	2014 HK$'000	2013 HK$'000
Secured bank borrowings, repayable on demand or within one year	**90,770**	107,806

The Group has pledged certain buildings, prepaid lease payments and forest use right with carrying values of approximately HK$11,100,000 (2013: HK$35,319,000), HK$17,124,000 (2013: HK$19,838,000) and HK$7,384,000 (2013: HK$9,240,000), respectively to secure general banking facilities grant to the Group.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

	2014		2013	
	Fixed rate	**Variable rate**	Fixed rate	Variable rate
Bank borrowings	**6.44%-6.90% per annum**	**N/A**	N/A	6.00%-6.55% per annum

Due to the disposal of the Disposed Subsidiaries, the relevant bank borrowings have been derecognised during the year ended 31 December 2014.

31. OTHER BORROWINGS

	2014 HK$'000	2013 HK$'000
The amounts comprise of:		
— Interest-free loan *(Note (a))*	—	1,268
— Interest bearing loan *(Note (b))*	—	5,442
	—	6,710
Analysed for reporting purposes as:		
— Current liabilities	—	2,357
— Non-current liabilities	—	4,353
	—	6,710

31. OTHER BORROWINGS *(CONTINUED)*

Notes:

(a) Interest-free loan

At 31 December 2013, the amount represented a loan with a principal amount of approximately HK$1,268,000 (equivalent to RMB1,000,000) which was provided by the Industry Development Fund（工業發展基金）of the Harbin Finance Bureau in 1998. The amount was unsecured, interest-free and repayable on demand.

(b) Interest bearing loan

At 31 December 2013, the amount represented a loan with a principal amount of approximately HK$5,442,000 (equivalent to RMB4,290,000) which was provided by the Harbin Finance Bureau in 2007. The amount was unsecured, born interest at a rate of 2.55% per annum and was repayable as follows:

	2014	2013
	HK$'000	*HK$'000*
Within one year	—	1,089
More than one year, but not more than two years	—	545
More than two years, but not more than five years	—	1,632
More than five years, up to year 2022	—	2,176
	—	5,442

Due to the disposal of the Disposed Subsidiaries, the relevant other borrowings have been derecognised during the year ended 31 December 2014.

32. PROVISIONS

	Provision for land reclamation and cavity refill cost	**Provision for post-employment benefits to employees**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
	(Note (a))	*(Note (b))*	
At 1 January 2013	57,295	22,375	79,670
Exchange adjustments	1,998	743	2,741
Additions for the year	7,669	4,574	12,243
Utilisation of provision	(1,954)	—	(1,954)
Actuarial gain	—	(5,039)	(5,039)
At 31 December 2013	65,008	22,653	87,661
Exchange adjustments	(1,993)	(78)	(2,071)
Additions for the year	2,998	3,016	6,014
Utilisation of provision	(207)	(8,343)	(8,550)
Actuarial loss	—	6,681	6,681
Gain on settlement of post employment benefits to employees	—	(20,872)	(20,872)
Derecognised on disposal of subsidiaries	(65,806)	(3,057)	(68,863)
At 31 December 2014	—	—	—

32. PROVISIONS *(CONTINUED)*

	2014	2013
	HK$'000	*HK$'000*
Analysed for reporting purposes as:		
Current liabilities	—	11,630
Non-current liabilities	—	76,031
	—	87,661

Notes:

(a) Provision for land reclamation and cavity refill cost

In accordance with relevant PRC rules and regulations, the Group is obliged to accrue the costs for land reclamation and cavity refill for the Group's existing mines. The provision for land reclamation and cavity refill costs has been determined by the Directors, based on their best estimation and such costs are expected to be incurred during the period from 2011 to 2020 (2013: 2011 to 2020).

At 31 December 2013, anticipated expenditure for year 2014 is HK$11,630,000 and the remaining expenditure of HK$53,378,000 is expected to be incurred after 2014 during the year ended 31 December 2013.

Due to the disposal of the Disposed Subsidiaries, the relevant provision for land reclamation and cavity refill cost have been derecognised during the year ended 31 December 2014.

(b) Provision for post-employment benefits to employees

The amount represented the provision for post-employment benefits to employees and the expected cost of providing these post-employment benefits is actuarially determined and recognised by using projected unit credit method, which involves a number of assumptions and estimates, including work injury rate, discount rate and employees' turnover ratio (see Note 40). The cost has been determined by the Directors with reference to the actuarial valuation issued by Real Actuarial Consulting Limited (2013: Avista Valuation Advisory Limited), the professional valuer not connected to the Group, based on their best estimation. At 31 December 2013, anticipated expenditure in respect of post-employment benefit of approximately HK$22,653,000 to be incurred after 2014 for the year ended 31 December 2013.

Due to the disposal of the Disposed Subsidiaries, the relevant provision for post-employment benefits to employees have been derecognised during the year ended 31 December 2014.

33. DEFERRED INCOME

Deferred income represents government grants received by the Group at the end of the reporting period in respect of acquisition of property, plant and equipment and prepaid lease payments. It can only be recognised in profit or loss when the relevant mines and relevant tea productions subsidised by the government commence operations, which is a condition set out by the government. Such government grants are recognised as deferred income initially and recognised in profit or loss as other income over the useful lives of the assets.

Movements of government grants during the year are as follows:

	2014	2013
	HK\$'000	*HK\$'000*
At beginning of the year	**107,487**	61,533
Exchange adjustments	**(524)**	3,880
Received during the year	**6,663**	43,996
Recognised in profit or loss for the year	**(369)**	(1,922)
Derecognised on disposal of subsidiaries	**(111,343)**	—
At end of the year	**1,914**	107,487

Due to the disposal of the Disposed Subsidiaries, the relevant deferred income have been derecognised during the year ended 31 December 2014.

34. DEFERRED TAX (ASSETS) LIABILITIES

The followings are the deferred tax (assets) liabilities recognised and movements thereon during both years:

	Accelerated tax depreciation	**Other intangible assets**	**Others**	**Total**
	HK\$'000	*HK\$'000*	*HK\$'000*	*HK\$'000*
At 1 January 2013	(9,663)	18,496	(2,677)	6,156
Exchange adjustments	(407)	508	(92)	9
Credit to profit or loss for the year	—	(5,171)	(994)	(6,165)
At 31 December 2013	(10,070)	13,833	(3,763)	—
Exchange adjustments	451	(1,118)	(58)	(725)
Charged to profit or loss for the year	—	—	725	725
Derecognised on disposal of subsidiaries	9,861	(9,097)	(764)	—
At 31 December 2014	**242**	**3,618**	**(3,860)**	**—**

At the end of the reporting period, the Group has unused tax loss of approximately HK\$462,528,000 (2013: HK\$513,920,000). No deferred tax asset has been recognised in relation to such tax losses due to the unpredictability of future profit streams. The tax loss may be carried forward indefinitely.

34. DEFERRED TAX (ASSETS) LIABILITIES *(CONTINUED)*

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. No deferred taxation has been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

35. OTHER LONG-TERM PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Mining right payables — non-current portion	**—**	42,061

Pursuant to mining rights premium agreements in 2007 entered into between the Group and the relevant government authorities of the PRC in respect of the mining rights of Wudaoling Molybdenum mine, the mining right payable was amounting to approximately HK$179,386,000.

The mining rights payables in respect of Wudaoling Molybdenum mine are interest-free. According to repayment terms in 2008, they shall be settled in four instalments payable on or before 22 May 2011. In 2009, the mining right payables for Wudaoling Molybdenum has been extended to 22 May 2016 by instalments.

As the Directors are in the negotiation with the relevant government authorities of the PRC in respect of the mining rights payables, the instalments payable for year 2011, year 2012 and year 2013 had not been settled as at 31 December 2013.

As advised by the PRC legal counsel, the Group would not expose to any penalty levy by the relevant government authorities of the PRC due to the delay in settlement.

The carrying amounts of the mining rights payables in respect of Wudaoling Molybdenum mine have been determined using a discount rate of 6.15% for current year (2013: 6.40%) according to PBOC.

The amount was analysed for reporting purposes as:

	2014	2013
	HK$'000	*HK$'000*
Mining right payables		
— Current liabilities *(Note 29)*	**—**	76,125
— Non-current liabilities	**—**	42,061
	—	118,186

Due to the disposal of the Disposed Subsidiaries, the relevant mining right payables have been derecognised during the year ended 31 December 2014.

36. NON-REDEEMABLE CONVERTIBLE PREFERENCE SHARES

The Company allotted and issued 3,776,190,000 non-redeemable convertible preference shares ("CPS") at HK$0.195 (market price of ordinary share) per CPS on 14 December 2010. The CPS was recognised in the consolidated statement of financial position is as follows:

	Number of CPS	Equity component *HK$'000*	Liability component *HK$'000*	Total *HK$'000*
As at 31 December 2014				
Issue of CPS during the year ended 31 December 2010	3,776,190,000	684,321	53,619	737,940
As at 31 December 2013				
Issue of CPS during the year ended 31 December 2010	3,776,190,000	684,321	53,125	737,446

Trinomial Lattice Model is used to value the fair value of the CPS on 14 December 2010. The inputs into the model were as follows:

Share price	HK$0.195
Exercise price	HK$0.21
Risk-free rate	3.556%
Expected volatility	75.4633%
Expected dividend yield	Nil

The non-redeemable convertible preference shares contain two components, liability and equity components. The equity element is presented in equity heading "Non-redeemable convertible preference shares". The liability component represents the Group's contractual obligation of interest payment to the holders of CPS. For the fair value of the liability component of the CPS at initial recognition, effective interest rate method is adopted in the valuation. The effective interest rate used in the valuation is 15.82%.

The principal terms of the CPS are set out below:

(a) Holders of the CPS shall not be entitled to any dividend payment or any distribution (including the bonus issue) of the Company other than interest at the rate of 1% per annum on the issue price of HK$0.21 per share (at date of entering into this agreement), amounting to approximately HK$7,930,000 per annum, payable on the last day of every six months of the date of issue of the CPS. The CPS does not carry any voting right.

(b) The CPS is not redeemable.

(c) The holders of the CPS shall have the right to convert the CPS into ordinary shares at the conversion ratio of one CPS into one ordinary share of the Company.

36. NON-REDEEMABLE CONVERTIBLE PREFERENCE SHARES *(CONTINUED)*

(d) The CPS shall rank equally among themselves. On a return of capital in liquidation or otherwise, the assets of the Company available for distribution among the members of the Company, holders of the CPS and the ordinary shares shall rank pari passu with each other.

(e) The CPS is freely transferable.

(f) The CPS has no maturity date.

The movement of the liability component of the non-redeemable convertible preference shares during the years is set out below.

	2014	2013
	HK$'000	*HK$'000*
At beginning of the year	**53,125**	52,702
Interest charge *(Note 9)*	**8,424**	8,353
Interest paid	**(7,930)**	(7,930)
At the end of the year	**53,619**	53,125

37. SHARE CAPITAL

	Number of shares		**Share capital**	
	2014	2013	**2014**	2013
	'000	*'000*	***HK$'000***	*HK$'000*
Ordinary shares of HK$0.1 each				
Authorised:				
At 1 January 2013, 31 December 2013 and **31 December 2014**	**46,223,810**	46,223,810	**4,622,381**	4,622,381
Issued and fully paid:				
At 1 January 2013, 31 December 2013 and **31 December 2014**	**9,138,782**	9,138,782	**913,878**	913,878

38. OPERATING LEASES

As lessee

	2014	2013
	HK$'000	*HK$'000*
Minimum lease payments in respect of premises and tea plantation under operating leases during the year	**16,847**	13,727

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2014	2013
	HK$'000	*HK$'000*
Within one year	**13,328**	13,880
In the second to fifth years inclusive	**22,721**	24,508
Over fifth years	**6,023**	9,498
	42,072	47,886

Operating lease payments represent rentals payable by the Group for certain of its office premises and tea plantation. Leases are negotiated and rentals are fixed for terms ranging from one to ten years (2013: one to ten years), and there is option to renew the lease contract of a tea plantation on expiry of lease term at rental rates based on the last rental payments.

39. CAPITAL COMMITMENTS

	2014	2013
	HK$'000	*HK$'000*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**3,408**	14,892

40. RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme (the "Scheme") for all qualifying Hong Kong employees. The assets of the Scheme are held separately from those of the Group, in funds under the control of trustees.

The PRC employees of the Group are members of state-managed retirement benefit scheme operated by the local government. The Group is required to contribute a specified percentage of their payroll costs to the retirement benefit scheme to fund the benefits.

The contributions paid/payable to the scheme by the Group at rates specified in the rules of the schemes are included in staff costs and disclosed in Note 12 for employees and directors respectively.

The Group also provides post-employment benefits. The benefits include compensation on work injuries and other welfares. The expected cost of providing these post-retirement benefits is actuarially determined and recognised by using Projected Unit Credit Method, which involves a number of assumptions and estimates, including work injury rate, discount rate and employees' turnover ratio.

The actuarial valuations of the retirement benefit plan were carried out as at 31 October 2014 by Real Actuarial Consulting Limited (31 December 2013: by Avista Valuation Advisory Limited).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation at	
	31.10.2014 *(Note)*	31.12.2013
Discount rate	**4.25%**	5.00%
Post-employment allowance and social insurance contribution annual increase rate for injured workers	**4.00%**	4.00%
Heating allowance annual increase rate	**5.00%**	5.00%
Post-retirement medical contribution annual increase rate	**5.00%**	5.00%
Medical reimbursement annual increase rate for injured workers	**4.00%**	4.00%
Allowance annual increase rate for beneficiaries	**0.00%**	0.00%
Annual turnover rate for active employees	**3.00%**	3.00%

Note: Completion date of the disposal of the Disposal Subsidiaries

41. SHARE OPTION SCHEME

2012 Option Scheme

The Company has a share option scheme which was adopted on 25 May 2012 (the "2012 Option Scheme") whereby the Directors may, at their discretion, invite directors and employees of the Company or its subsidiaries to subscribe for shares in the Company subject to terms and conditions stipulated therein. The options granted were vested immediately at the date of grant and were exercisable within a period of five years. Each option gives the holder the right to subscribe for one ordinary share in the Company.

Details of the terms and movements of the share options granted during the year ended 31 December 2014 pursuant to the 2012 Option Scheme are as follows:

2014				Number of options					
Category of grantee	Date of grant	Exercise price per share	Expiry date	Balance as at 1.1.2014	Reclassification during the year	Granted during the year	Lapsed during the year	Cancelled during the year	Balance as at 31.12.2014
Directors	11.11.2013	HK$0.100	10.11.2018	149,000,000	(78,000,000)	–	–	(71,000,000)	–
	28.3.2013	HK$0.1084	27.3.2018	6,000,000	–	–	–	(6,000,000)	–
Employees	11.11.2013	HK$0.100	10.11.2018	81,600,000	(55,000,000)	–	–	(26,600,000)	–
Other *(Note)*	11.11.2013	HK$0.100	10.11.2018	30,000,000	133,000,000	–	–	(163,000,000)	–
				266,600,000	–	–	–	(266,600,000)	–
Exercisable at the end of the year									–
Weighted average exercise price (HK$)				0.1002	–	–	–	0.1002	–

41. SHARE OPTION SCHEME *(CONTINUED)*

2012 Option Scheme *(CONTINUED)*

2013				Number of options				
Category of grantee	Date of grant	Exercise price per share	Expiry date	Balance as at 1.1.2013	Granted during the year	Lapsed during the year	Cancelled during the year	Balance as at 31.12.2013
Directors	11.11.2013	HK$0.100	10.11.2018	—	149,000,000	—	—	149,000,000
	28.3.2013	HK$0.1084	27.3.2018	—	6,000,000	—	—	6,000,000
Employees	11.11.2013	HK$0.100	10.11.2018	—	81,600,000	—	—	81,600,000
Other *(Note)*	11.11.2013	HK$0.100	10.11.2018	—	30,000,000	—	—	30,000,000
				—	266,600,000	—	—	266,600,000
Exercisable at the end of the year								266,600,000
Weighted average exercise price (HK$)				—	0.1002	—	—	0.1002

Note:

Other represented share options held by former director or employee or consulting firm of the Group. The share options remain exercisable until the expiry date.

During the year ended 31 December 2013, options were granted on 28 March 2013 and 11 November 2013 respectively. The estimated fair values of the options granted on 28 March 2013 and 11 November 2013 were approximately HK$212,000 and HK$11,378,000 respectively.

As the fair value of the services provided by the parties other than employees could not be estimated reliably by the Company, the fair value of service received was measured indirectly by reference to the fair value of the share options granted. The estimate of the fair value of the share options granted is measured based on Binomial Option Pricing Model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the Binomial Option Pricing Model.

All share options have been cancelled during the year ended 31 December 2014 (2013: Nil).

41. SHARE OPTION SCHEME *(CONTINUED)*

2012 Option Scheme *(CONTINUED)*

The inputs into the model as of grant date were as follows:

Grant date	**28 March 2013**	**11 November 2013** Lot 1	**11 November 2013** Lot 2
Share price	HK$0.087	HK$0.095	HK$0.095
Exercise price	HK$0.1084	HK$0.100	HK$0.1000
Expected volatility	56.94%	59.29%	59.29%
Risk-free rate	0.52%	1.00%	1.00%
Expected dividend yield	—	—	—
Exercisable period	5 years	5 years	5 years
Exercise multiple	2.8	2.8	2.2
Fair value per option	HK$0.03528	HK$0.04431	HK$0.04133

The details of the fair value per option for options granted during the year ended 31 December 2013 were set out below:

	Number of options	**Per option value** *HK$*	**Total option value** *HK$'000*
28 March 2013	6,000,000	0.03528	212
11 November 2013 — Lot 1	204,000,000	0.04431	9,039
11 November 2013 — Lot 2	56,600,000	0.04133	2,339
	266,600,000		11,590

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 5 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised the total expenses of approximately HK$11,590,000 for the year ended 31 December 2013 in relation to share options granted under the 2012 Option Scheme.

41. SHARE OPTION SCHEME *(CONTINUED)*

2002 Option Scheme

The Company has a share option scheme which was adopted on 26 June 2002 ("2002 Option Scheme") whereby the Directors may, at their discretion, invite directors and employees of the Company or its subsidiaries to subscribe for shares in the Company subject to terms and conditions stipulated therein. The options granted were vested immediately at the date of grant and were exercisable within a period of five years. Each option gives the holder the right to subscribe for one ordinary share in the Company.

Details of the terms and movements of the share options granted pursuant to the 2002 Option Scheme are as follows:

2014				Number of options					
Category of grantee	Date of grant	Exercise price per share	Expiry date	Balance as at 1.1.2014	Reclassification during the year	Granted during the year	Lapsed during the year	Cancelled during the year	Balance as at 31.12.2014
Directors	30.08.2011	HK$0.161	29.08.2016	102,000,000	(61,000,000)	–	–	(41,000,000)	–
	29.06.2010	HK$0.208	28.06.2015	79,000,000	(47,000,000)	–	–	(32,000,000)	–
Employees	30.08.2011	HK$0.161	29.08.2016	204,300,000	(160,000,000)	–	–	(44,300,000)	–
	29.06.2010	HK$0.208	28.06.2015	42,400,000	(9,000,000)	–	–	(33,400,000)	–
Other *(Note)*	30.08.2011	HK$0.161	29.08.2016	63,000,000	221,000,000	–	–	(284,000,000)	–
	29.06.2010	HK$0.208	28.06.2015	6,000,000	56,000,000	–	–	(62,000,000)	–
				496,700,000	–	–	–	(496,700,000)	–
Exercisable at the end of the year									**–**
Weighted average exercise price (HK$)				**0.173**	**–**	**–**	**–**	**0.173**	**–**

41. SHARE OPTION SCHEME *(CONTINUED)*

2002 Option Scheme *(CONTINUED)*

2013				Number of options				
Category of grantee	Date of grant	Exercise price per share	Expiry date	Balance as at 1.1.2013	Granted during the year	Lapsed during the year	Cancelled during the year	Balance as at 31.12.2013
Directors	30.08.2011	HK$0.161	29.08.2016	102,000,000	—	—	—	102,000,000
	29.06.2010	HK$0.208	28.06.2015	79,000,000	—	—	—	79,000,000
	14.10.2008	HK$0.275	13.10.2013	151,000,000	—	(151,000,000)	—	—
Employees	30.08.2011	HK$0.161	29.08.2016	204,300,000	—	—	—	204,300,000
	29.06.2010	HK$0.208	28.06.2015	42,400,000	—	—	—	42,400,000
	14.10.2008	HK$0.275	13.10.2013	81,600,000	—	(81,600,000)	—	—
Other *(Note)*	30.08.2011	HK$0.161	29.08.2016	63,000,000	—	—	—	63,000,000
	29.06.2010	HK$0.208	28.06.2015	6,000,000	—	—	—	6,000,000
	14.10.2008	HK$0.275	13.10.2013	59,000,000	—	(59,000,000)	—	—
				788,300,000	—	(291,600,000)	—	496,700,000
Exercisable at the end of the year								496,700,000
Weighted average exercise price (HK$)				0.211	—	0.275	—	0.173

Note:

Other represented share options held by former director or employee or consulting firm of the Group. The share options remain exercisable until the expiry date. The estimate of the fair value of the share options granted is measured based on Binomial Option Pricing Model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the Binomial Option Pricing Model.

All share options have been cancelled during the year ended 31 December 2014 (2013: Nil).

No share options have been lapsed during the year ended 31 December 2014 (2013: 291,600,000 share options have been lapsed).

The inputs into the model as of grant date were as follows:

Grant date	14 October 2008	29 June 2010	30 August 2011
Share price	HK$0.275	HK$0.200	HK$0.161
Exercise price	HK$0.275	HK$0.208	HK$0.161
Expected volatility	67.12%	86.88%	73.94%
Risk-free rate	1.54%	1.613%	0.79%
Expected dividend yield	—	—	—
Exercisable period	5 years	5 years	5 years
Fair value per option	HK$0.1144	HK$0.0997	HK$0.0806

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 5 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

42. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes bank borrowings and other borrowings disclosed in Notes 30 and 31 respectively and equity attributable to owners of the Company, comprising issued share capital and reserves.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and risks associates with each class of capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through new share issues as well as the issue of new debt or the redemption of the existing debt.

43. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2014	2013
	HK$'000	*HK$'000*
Financial assets		
Available-for-sale investments	**20,537**	69,819
Loans and receivables		
Trade and other receivables	**19,757**	67,767
Other non-current financial assets	**—**	7,610
Bank balances and cash	**214,170**	118,555
	233,927	193,932
	254,464	263,751
Financial liabilities		
Liabilities measured at amortised cost		
Trade and other payables	**63,440**	271,777
Bank borrowings	**90,770**	107,806
Other borrowings	**—**	6,710
Other long-term payables	**—**	42,061
Non-redeemable convertible preference shares	**53,619**	53,125
	207,829	481,479

43. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and polices

The Group's major financial instruments include available-for-sale investments, other non-current financial assets, trade and other receivables, bank balances and cash, trade and other payables, other borrowings, bank borrowings, non-redeemable convertible preference shares and other long-term payables. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, and certain trade and other receivables, bank balances, available-for-sale investments, bank borrowings and non-redeemable convertible preference shares are denominated in foreign currencies, which expose the Company to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		**Assets**	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
United States dollars ("USD")	**—**	—	**2**	20,263
HK$	**9,217**	3,213	**57,670**	4,521
CAD	**—**	—	**20,573**	69,819

Sensitivity analysis

The Group is mainly exposed to the effects of fluctuation in USD, HK$ and CAD.

The following table details the Group's sensitivity to a 5% (2013: 5%) increase and decrease in RMB against the relevant foreign currencies. A 5% (2013: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2013: 5%) change in foreign currency rates.

43. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and polices *(CONTINUED)*

Market risk *(CONTINUED)*

(i) Currency risk *(CONTINUED)*

A negative number (i.e. in bracket) / positive number below indicate an increase/decrease in post-tax loss where RMB strengthen 5% (2013: 5%) against the relevant currency. For a 5% (2013: 5%) weakening of RMB against the relevant currency, there would be an equal and opposite impact on the loss.

	USD impact		**HK$ impact**		**CAD impact**	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Increase in post-tax loss	**—**	(1,013)	**(2,423)**	(65)	**(1,028)**	(3,491)

USD and CAD denominated transactions are with lower transaction volumes in the last quarter of the financial year, which results in a reduction in USD and CAD denominated assets at year end.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings and other borrowings (see Notes 30 and 31 for details of these borrowings) and liability component of non-redeemable convertible preference shares (see Note 36 for details of these shares). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and bank borrowings (see Note 30 for details of these borrowings). It is the Group's policy to maintain an appropriate level between its fixed-rate and variable-rate borrowings so as to balance the fair value and cash flow interest rate risk.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of lending rate of PBOC arising from the Group's RMB denominated bank borrowings.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate borrowings at the end of each reporting period. The analysis is prepared assuming these borrowings outstanding at the end of reporting period were outstanding for the whole year. A 50 basis points (2013: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2013: 50 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 December 2014 would increase/decrease by HK$Nil (2013: approximately HK$539,000).

For bank balances, management is of the opinion that the impact of interest rates risk is insignificant. Accordingly, no sensitivity analysis is presented.

43. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and polices *(CONTINUED)*

Market risk *(CONTINUED)*

(iii) Other price risk

The Group is exposed to equity price risk through its investments in listed equity securities. The Group's equity price risk is mainly concentrated on equity instruments issued by two entities listed in TSE for the year ended 31 December 2014 (2013: three entities listed in TSE). In addition, the Group will monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period.

If the prices of the respective equity instruments had been 10% (2013: 10%) higher, investment valuation reserve would increase by approximately HK$2,054,000 (2013: HK$6,982,000) as a result of the changes in fair value of available-for-sale investments; and if the prices of the respective equity instruments had been 10% (2013: 10%) lower, investment valuation reserve would decrease by approximately HK$2,054,000 (2013: HK$6,982,000) as a result of the changes in fair value of available-for-sale investments.

Credit risk

As at 31 December 2014, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. In order to minimise the credit risk, the Directors have reviewed the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment loss are made to irrecoverable amounts.

In respect of mining operations, credit evaluations are performed on all customers requiring credit over a certain amount. These receivables are due within 90 days from the date of billing. Billings to customers are normally made immediately after the date of delivery. Overseas customers are required to settle in cash on delivery. In this regard, the Directors consider that the Group's credit risk is significantly reduced. Normally, the Group does not obtain collateral from customers.

Dongbei Steel Group Company Limited ("Dongbei Steel") is the Group's major customer in molybdenum segment and its respective trade receivable is HK$23,636,000 or 66% of the total trade receivables as at 31 December 2013. Hence, the Group is exposed to credit risk arising from dependency on Dongbei Steel as at 31 December 2013.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings and on trade receivable due from Dongbei Steel, the Group does not have any other significant concentration of credit risk. The remaining trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.

43. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and polices *(CONTINUED)*

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate as at the end of the reporting period. The table includes both interest and principal cash flows.

Liquidity tables

	Weighted average interest rate %	Repayable on demand or within 1 year *HK$'000*	1-2 years *HK$'000*	2-5 years *HK$'000*	More than 5 years *HK$'000*	Total undiscounted cash flows *HK$'000*	Carrying amount *HK$'000*
2014							
Trade and other payables	–	63,440	–	–	–	63,440	63,440
Bank borrowings	6.67	94,185	–	–	–	94,185	90,770
		157,625	–	–	–	157,625	154,210

	Weighted average interest rate %	Repayable on demand or within 1 year *HK$'000*	1-2 years *HK$'000*	2-5 years *HK$'000*	More than 5 years *HK$'000*	Total undiscounted cash flows *HK$'000*	Carrying amount *HK$'000*
2013							
Trade and other payables							
— interest bearing	6.40	79,338	—	—	—	79,338	76,125
— non-interest bearing	—	195,652	—	—	—	195,652	195,652
Other long term payables	6.40	—	23,244	22,189	—	45,433	42,061
Bank borrowings	6.66	112,536	—	—	—	112,536	107,806
Other borrowings							
— interest bearing	2.55	2,046	656	1,882	2,315	6,899	5,442
— non-interest bearing	—	1,268	—	—	—	1,268	1,268
		390,840	23,900	24,071	2,315	441,126	428,354

43. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and polices *(CONTINUED)*

Liquidity risk *(CONTINUED)*

The table above does not include non-redeemable convertible preference shares which have no maturing date. However, interest payment of HK$7,930,000 is required to pay in each of the coming years until the non-redeemable convertible preference shares are converted.

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change of changes in variable interest rate different to those estimates of interest rates determined at the end of the reporting period.

(c) Fair value measurements of the financial instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at 31 December 2014	Fair value as at 31 December 2013	Fair value hierarchy	Valuation technique(s) and key input(s)
Listed equity securities classified as available-for-sale investments in the consolidated statement of financial position	Asset-approximately HK$20,537,000	Asset-approximately HK$69,819,000	Level 1	Quoted bid prices in an active market

There were no transfers between Level 1, 2 and 3 in current and prior year.

The Directors consider that the carrying amounts of other financial assets and financial liabilities in the consolidated financial statements approximate their fair value.

	Fair value hierarchy as at 31 December 2014			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Available-for-sale investments				
Listed equity securities	**20,537,000**	**—**	**—**	**20,537,000**

	Fair value hierarchy as at 31 December 2013			
	Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Available-for-sale investment				
Listed equity securities	69,819,000	—	—	69,819,000

44. DISPOSAL OF SUBSIDIARIES

On 31 October 2014, the Group completed the disposed of the Disposed Subsidiaries as detailed in Note 11.

Consideration received

	HK$'000
Consideration received in cash and cash equivalents	113,854

	HK$'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	79,448
Prepaid lease payments	4,246
Exploration and evaluation assets	—
Other intangible assets	55,400
Inventories	60,434
Trade and other receivables, deposits and prepayments	40,189
Bank balances and cash	34,556
Trade and other payables and accruals	(251,612)
Bank borrowings	(37,911)
Other borrowings	(6,685)
Provisions	(68,863)
Deferred income	(111,343)
Tax liabilities	(41,025)
Net liabilities disposed of	(243,166)
Non-controlling interests	(134,839)
Cumulative exchange differences in respect of the net liabilities of the Disposed Subsidiaries reclassified from equity to profit or loss upon the disposal of the Disposed Subsidiaries	(218,844)
Gain on disposal *(Note 11)*	710,703
Total consideration	113,854

44. DISPOSAL OF SUBSIDIARIES *(CONTINUED)*

The gain on disposal is included in the profit for the year from discontinued operations (Note 11).

	HK$'000
Net cash inflow on disposal of subsidiaries:	
Consideration received in cash and cash equivalents	113,854
Less: bank balances and cash disposed of	(34,556)
	79,298

45. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of Directors and other members of key management during the year were as follows:

	2014	2013
	HK$'000	*HK$'000*
Short-term benefits	**15,884**	9,882
Retirement benefits contributions	**281**	396
Share-based payments	**—**	9,251
	16,165	19,529

The remuneration of Directors and key executives is determined by the remuneration committee having regard to the financial performance of the Group, performance of individuals and market trends.

46. LITIGATION

As disclosed in the announcement of the Company dated 8 November 2011, the Company has received a writ of summons issued by the High Court of Hong Kong Special Administrative Region on 8 November 2011 (the "Writ") pursuant to which Mr. Lin Min and Fujian Yuansheng Foods Industry Co. Ltd. ("Fujian Yuansheng") (named as the plaintiffs in the writ) alleged that, amongst other things, the Company and 27 other co-defendants and/or certain PRC government officials had acted in conspiracy in obtaining ownership and control of certain assets of the plaintiffs and they were claiming for, amongst other things, damages from all 28 defendants jointly and severally in the total amount of RMB1,589,000,000.

As the Company has not obtained any interests in Fujian Yuanshen and is seeking legal advice in response the Writ, in the opinion of the Directors, the possible of an outflow of resources embodying economic benefit is remote.

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE GROUP

Details of the Group's principal subsidiaries as at 31 December 2014 and 2013 are set as follows:

Name of company	Place of incorporation and registration/ operation	Class of shares held	Paid up registered capital	Proportion of ownership interest held by the Company				Proportion voting power held by the Group		Principal activities
				Directly		Indirectly				
				2014	2013	**2014**	2013	**2014**	2013	
				%	%	**%**	%	**%**	%	
New Legend International Group Limited	Hong Kong/ Hong Kong	Ordinary	HK$1	**100**	100	**–**	—	**100**	100	Provision of administrative support to group companies
Titanspeed Investments Limited^	British Virgin Islands/ Hong Kong	Ordinary	US$1	**–**	100	**–**	—	**–**	100	Inactive
Best Tone Holdings Limited	British Virgin Islands/ Hong Kong	Ordinary	US$1	**100**	100	**–**	—	**100**	100	Investment holding
Will Win Group Limited	Hong Kong/ Hong Kong	Ordinary	HK$1	**100**	100	**–**	—	**100**	100	Investment holding
Harbin Songjiang Copper (Group) Company Limited # * (哈爾濱松江銅業(集團)有限公司)	The PRC/ The PRC	Registered	RMB240,788,100	**–**	75.08	**–**	—	**–**	75.08	Sales of molybdenum and other nonferrous metals
Harbin Songjiang Molybdenum Ltd. # * (哈爾濱松江鉬業有限公司)	The PRC/ The PRC	Registered	RMB128,782,900	**–**	—	**–**	75.08	**–**	75.08	Mining, processing and sales of molybdenum
Shangzhi Zhuhe Mining Co. Ltd. # * (尚志市珠河礦業有限公司)	The PRC/ The PRC	Registered	RMB50,000,000	**–**	—	**–**	75.08	**–**	75.08	Inactive
New Victor Investment Limited	Hong Kong/ Hong Kong	Ordinary	HK$10,000	**–**	—	**100**	100	**100**	100	Inactive
King Gold Investments Limited	British Virgin Islands/ Hong Kong	Ordinary	US$100	**80**	80	**–**	—	**80**	80	Investment holding
Desire Star Hong Kong Limited	Hong Kong/ Hong Kong	Ordinary	HK$100	**–**	—	**80**	80	**80**	80	Investment holding
Wuyi Star Tea Industrial Co., Ltd. # (武夷星茶業有限公司)	The PRC/ The PRC	Registered	RMB109,000,000	**–**	—	**80**	80	**80**	80	Production and sales of tea products

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE GROUP *(CONTINUED)*

Name of company	Place of incorporation and registration/ operation	Class of shares held	Paid up registered capital	Proportion of ownership interest held by the Company				Proportion voting power held by the Group		Principal activities
				Directly		Indirectly				
				2014	2013	**2014**	2013	**2014**	2013	
				%	%	%	%	%	%	
China Dahongpao Tea Industrial Company Limited	Hong Kong/ Hong Kong	Ordinary	HK$10,000	**–**	–	**80**	80	**80**	80	Inactive
Fortune Sharp Limited	British Virgin Islands/ Hong Kong	Ordinary	US$1	**–**	–	**80**	80	**80**	80	Trading of tea products
Famous Class Limited	British Virgin Islands/ Hong Kong	Ordinary	US$50.000	**100**	100	**–**	–	**100**	100	Investment holding
Year Joy Investments Limited	British Virgin Islands/ Hong Kong	Ordinary	US$100	**–**	–	**70**	70	**70**	70	Investment holding
Top Delight Investments Limited	Hong Kong/ Hong Kong	Ordinary	HK$1	**–**	–	**70**	70	**70**	70	Investment holding
Beijing Nian Yue Technology Co., Ltd.# (北京年悅科技有限公司)	The PRC/ The PRC	Registered	RMB1,000,000	**–**	–	**70**	70	**70**	70	Provision of technical support and consulting services
China iTV Network Co., Ltd. # (九州時代數碼科技有限公司)	The PRC/ The PRC	Registered	RMB50,000,000	**–**	–	**–**	–	**Note**	Note	Provision of online video services
Power Crown Limited	Hong Kong/ Hong Kong	Ordinary	HK$10,000	**–**	–	**80**	80	**80**	80	Inactive

None of the subsidiaries had issued any debt securities during the year and at the end of the year.

Note:

The Group holds 70% of controlling interest in this subsidiary through special arrangements.

A limited liability company established in the PRC.

* Subsidiaries were disposed of during the year ended 31 December 2014.

^ Subsidiary was strike off on 1 May 2014.

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE GROUP *(CONTINUED)*

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiaries	Place of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests		Total comprehensive expense allocated to non-controlling interests		Accumulated non-controlling interests	
		31 December 2014	31 December 2013	**31 December 2014** ***HK$'000***	31 December 2013 *HK$'000*	**31 December 2014** ***HK$'000***	31 December 2013 *HK$'000*
King Gold Investments Limited and its subsidiaries ("King Gold Group")	British Virgin Islands	**20%**	20%	**(1,898)**	(36,234)	**10,036**	11,934
Others						**8**	144,970
						10,044	156,904

Summarised financial information in respect of King Gold Group that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

	2014 ***HK$'000***	2013 *HK$'000*
Current assets	**261,327**	241,180
Non-current assets	**69,116**	77,298
Current liabilities	**279,062**	257,632
Non-current liabilities	**1,202**	1,175
Equity attributable to owners of the Company	**40,143**	47,737
Non-controlling interests	**10,036**	11,934

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE GROUP *(CONTINUED)*

	2014	2013
	HK$'000	*HK$'000*
Total revenue	**146,497**	159,091
Total expenses	**(155,179)**	(346,110)
Loss for the year	**(8,682)**	(187,019)
Loss attributable to owners of the Company	**(6,946)**	(149,615)
Loss attributable to non-controlling interests	**(1,736)**	(37,404)
Loss for the year	**(8,682)**	(187,019)

	2014	2013
	HK$'000	*HK$'000*
Other comprehensive (expense) income attributable to owners of the Company	**(648)**	4,680
Other comprehensive (expense) income attributable to non-controlling interests	**(162)**	1,170
Other comprehensive (expense) income for the year	**(810)**	5,850
Total comprehensive expense attributable to owners of the Company	**(7,594)**	(144,935)
Total comprehensive expense attributable to non-controlling interests	**(1,898)**	(36,234)
Total comprehensive expense for the year	**(9,492)**	(181,169)
Dividends paid to non-controlling interests	**—**	—
Net cash used in operating activities	**(2,390)**	(22,870)
Net cash inflow (outflow) from investing activities	**3,133**	(12,939)
Net cash inflow (outflow) from financing activities	**15,339**	(5,480)
Net cash inflow (outflow)	**16,082**	(41,289)

48. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Assets and Liabilities

	2014	2013
	HK$'000	*HK$'000*
Non-current assets		
Investments in subsidiaries	**139,000**	139,000
Amount due from a subsidiary *(Note a)*	**—**	—
Property, plant and equipment	**35**	65
	139,035	139,065
Current assets		
Amounts due from subsidiaries *(Note a)*	**125,677**	10
Other receivables	**4,343**	2,639
Bank balances and cash	**25,171**	21,440
	155,191	24,089
Current liabilities		
Other payables	**9,142**	2,887
Amounts due to subsidiaries *(Note a)*	**47,607**	47,621
	56,749	50,508
Net current assets (liabilities)	**98,442**	(26,419)
Total assets less current liabilities	**237,477**	112,646
Non-current liability		
Non-redeemable convertible preference shares	**53,619**	53,125
	183,858	59,521
Capital and reserves		
Share capital	**913,878**	913,878
Reserves *(Note b)*	**(730,020)**	(854,357)
	183,858	59,521

Notes:

(a) The amounts due from (to) subsidiaries are unsecured, non-interest bearing and repayable on demand.

48. FINANCIAL SUMMARY OF THE COMPANY *(CONTINUED)*

(b) Reserves

	Share premium	**Non-redeemable convertible preference shares**	**Share options reserve**	**Translation reserve**	**Accumulated loss**	**Total**
	HK$'000	*HK$'000* *(Note 36)*	*HK$'000* *(Note 41)*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2013	3,192,267	684,321	75,839	35,509	(4,623,931)	(635,995)
Loss and total comprehensive expense for the year	—	—	—	—	(229,952)	(229,952)
Grant of Share options	—	—	11,590	—	—	11,590
Lapsed of share options	—	—	(33,372)	—	33,372	—
At 31 December 2013	3,192,267	684,321	54,057	35,509	(4,820,511)	(854,357)
Profit and total comprehensive income for the year	—	—	—	—	124,337	124,337
Cancellation of share options	—	—	(54,057)	—	54,057	—
At 31 December 2014	**3,192,267**	**684,321**	**—**	**35,509**	**(4,642,117)**	**(730,020)**

49. EVENT AFTER THE END OF THE REPORTING PERIOD

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

Pursuant to the Company's announcement dated 5 March 2015, the Company received a conversion notice from Ms. Ho Ping Tanya in respect of the conversion of all of the non-redeemable convertible preference shares of the Company held by her on 5 March 2015. As a result of this conversion, the Company will allot and issue a total of 3,300,000,000 ordinary shares of the Company ("Conversion Shares") to Ms. Ho Ping Tanya on 10 March 2015 and Ms. Ho Ping Tanya will be a substantial shareholder of the Company.

The Conversion Shares will rank pari passu with all the existing ordinary share of the Company at the date of allotment and among themselves in all respects, and represent approximately 26.53% of the issued ordinary share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

50. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2014, the Group has disposed of certain property, plant and equipment (the "Disposed Assets") to a creditor ("Creditor A") at approximately HK$195,000 (equivalent to RMB155,000) as to settle the other payable due to Creditor A. As the Disposal Assets was disposed at a value approximate to its carrying amounts, no gain or loss was resulted.

During the year ended 31 December 2013, the Group has acquired certain property, plant and equipment from a customer at the consideration of HK$1,327,000 (equivalent to RMB1,060,000). The purchase cost was settled through the trade receivable due from that customer.

FINANCIAL SUMMARY

	For the year ended 31 December				
	2014	2013	2012	2011	2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
RESULTS					
Revenue	**184,400**	186,585	221,646	241,649	341,927
Profit (loss) for the year attributable to:					
Owners of the Company	**630,412**	(311,048)	(110,858)	82,109	(1,749,676)
Non-controlling interests	**(10,637)**	(33,852)	(9,375)	92,808	(2,863)
	619,775	(344,900)	(120,233)	174,917	(1,752,539)

	As at 31 December				
	2014	2013	2012	2011	2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS AND LIABILITIES					
Total assets	**498,117**	741,600	997,022	1,135,415	1,416,057
Total liabilities	**(225,808)**	(733,580)	(669,391)	(656,548)	(916,790)
	272,309	8,020	327,631	478,867	499,267
Represented by:					
Equity attributable to owners of the Company	**262,265**	(148,884)	139,713	284,037	420,660
Non-controlling interests	**10,044**	156,904	187,918	194,830	78,607
	272,309	8,020	327,631	478,867	499,267