CST MINING
GROUP LIMITED

EXPLORE the Road to SUCCESS

Annual Report 2015

At a Glance

MINE TYPE
Open pit

STATUS
Producing

PROCESSING METHOD
Heap leach and
solvent extraction and electrowinning

PRODUCT
London Metal Exchange Grade A
equivalent copper cathode

Contents

Chairman's Statement

Dear Shareholders,

I am pleased to report that over the 12 months ending 31 March 2015, the performance of CST Mining Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") have been satisfactory. The Group recorded a net profit of approximately US$28.17million for the 2015 financial year and our efforts – which seek to maintain our existing assets as well as explore new prospects – will have both immediate and long-term benefits for the Group's business operations.

After four years of operation, copper reserves at the Lady Annie Operations have mostly depleted and output has decreased. However, production has remained steady and in line with our targets. To address this issue, the Group adopted cost controls and other enhancements to improve our organizational and operational efficiencies. These actions generated stable production and continue to provide positive results.

The declining price and demand of copper have imposed heavy pressures on the Lady Annie Operations and intensified the need to enact further measures to maintain efficient and effective operations. In late February, Lady Annie began implementing a resized operational plan by gradually suspending mining activity and downsizing its workforce. Lady Annie Operations will continue optimizing resources through developmental drilling and exploration programmes to enable new discoveries and extend the operational life of the facility.

The Anthill Project is underway, as negotiations with the traditional owners are still ongoing. While not all issues have reached an agreement, the Lady Annie Operations hopes negotiations will come to a conclusion in the coming months. The Group will then endeavour to obtain the requisite mining license as soon as agreements are reached.

In the time ahead, the Group will continue to pursue opportunities to improve our profitability, and well utilize our resources with innovative programs that can improve the value of our operations. Through these efforts, we expect steady growth in the future.

I would like to thank our staff for their enormous contribution and dedication to the success of the Company, and I look forward to announcing more developments and achievements in the coming years.

Sincerely yours,

Chiu Tao
Chairman

Chiu Tao
Chairman

PROJECT OVERVIEW

Project Overview

THE LADY ANNIE OPERATIONS

Ore Mined (Tonnes)

2.99 million

Production (Tonnes)

15,835

Revenue (US$)

109 million approximately

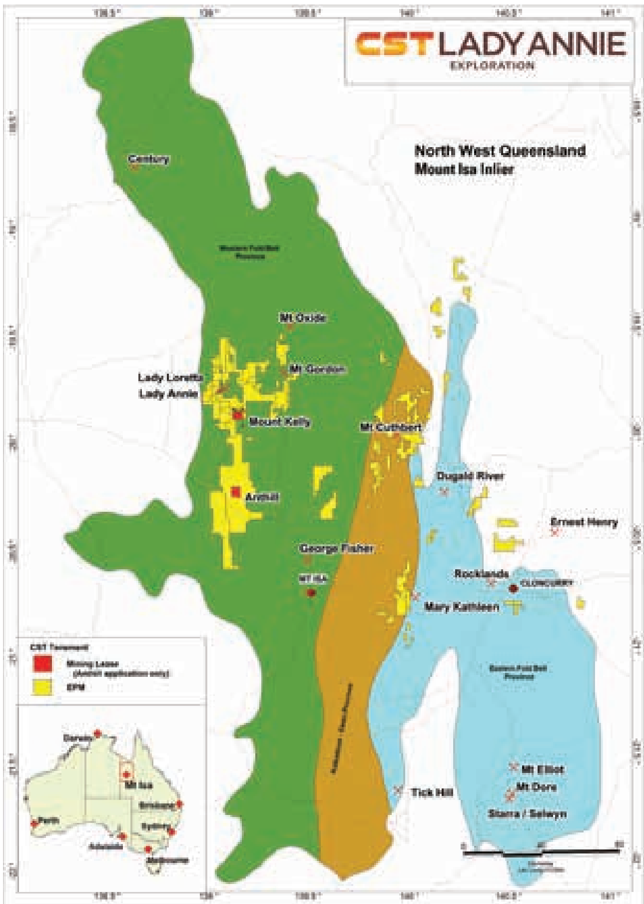


Figure 1: Location of CST Copper Mines (Lady Annie and Mount Kelly) and Exploration Tenements with other Major Deposits – Mount Isa Inlier

Project Description and Location

CST Minerals Lady Annie Pty Limited ("Lady Annie Operations") comprises a copper mine and processing facility in north-west Queensland, Australia. The Mine is situated approximately 120km northwest of Mount Isa, the regional mining centre.

Lady Annie Operations is owned 100% by CST Mining Group Limited ("CST").

The mining operation consists of a number of open-pit deposits that feed ore into a heap leach facility. The resulting solution then undergoes solvent extraction and electrowinning in the adjacent Processing Plant to produce LME Grade A equivalent copper cathode.

Lady Annie Operations also controls approximately 2,800km² of highly prospective exploration tenements that are located around the Lady Annie mine and across the three geological provinces of the world renowned Mount Isa Inlier (Figure 1). North-west Queensland is a major base metals province and contains most of the state's giant orebodies, including Mount Isa, Century, Cannington, Ernest Henry, Osborne and Dugald River. The region produces approximately 75% of the value of metallic minerals recovered in Queensland and is Australia's largest source of copper. *(Queensland Department of Natural Resources and Mines 2014)*

1. Operating Results

The table below provides certain key operation information for Lady Annie Operations for the year ended 31 March 2015 (the "Year") and 31 March 2014 respectively.

Key operational information		2015	2014
Mined	Total material (tonnes)	7,203,881	9,924,408
	Ore (tonnes)	2,993,411	4,669,561
	Ore grade (copper %)	0.83%	0.83%
	Contained copper (tonnes)	24,764	38,884
Stacked	Ore (tonnes)	2,176,445	2,760,369
	Ore grade (copper %)	0.90%	1.01%
	Contained copper (tonnes)	19,553	27,747
Production	Copper cathode (tonnes)	15,835	20,051
Sales	Copper cathode (tonnes)	16,155	21,237
	Average price (US$/tonne)	6,756	7,151
	Revenue (US$'000)	109,143	151,861

The table below provides the expenditure of Lady Annie Operations on exploration, mining and development activities for the Year.

	US$'000
Administration	81
Camp expense	157
Consultancy and contractor expense	489
Consumables	149
Drilling and assays expenses	739
Machinery and equipment	119
Tenement and mining leases fee	326
Others	482
Staff cost	1,496
Total	4,038

2. Mining, Stacking and Processing Operations

2.1 Mining

Mining during the Year was undertaken in the Mount Clarke, Flying Horse, Lady Annie and Lady Brenda pits.

Total mining volume for the Year was 3,447,550 bcm.

Total high grade ore tonnes mined for the Year was 2,993,411 tonnes. Average high grade ore grade for the Year was 0.83% Cu.

Contained metal in the high grade ore for the Year was 24,764 tonnes.

Some of the highlights from Mining for the Year were:

- Engineers designed alterations to the Lady Annie, Flying Horse and Mount Clarke pit designs seeking opportunities to increase reserves.
- Mining in these new areas commenced in Flying Horse and Mount Clarke West.
- Continued successful blending high grade transition ores with oxide ore.
- Trialed increased transition ore blend in early 2015.
- Small scale additions of Mount Clarke Transition Sulfides late 2014.
- Free digging oxide ore (not blasting an area before digging) which reduced drill and blast costs and allowed the use of closer spaced drill patterns in harder material was undertaken in Flying Horse, Lady Annie and Lady Brenda.
- Geologists focused on mapping and ore spotting to assist excavator operators in minimizing ore loss and dilution. Geological mapping also assisted drill and blast pattern design.
- Development of all pits to allow more effective pit watering management during the wet season.

2.2 Stacked Ore Copper Grade

Figure 2 shows the monthly stacked ore copper grade for the period from April 2014 to March 2015. On a dry ore basis, 2.18 million tonnes of ore was stacked for processing for the Year with a mean copper grade of 0.90%. Ore grade averaged 0.93% for the first seven months of the Year but fell to an average of 0.73% during the last five months. The calcium grade averaged approximately 1.62% and magnesium 0.82% for the Year and they both increased relative to the copper grades in the later months along with an increased acid consumption rate. To mitigate the effects of these acid consuming minerals on production and maintain optimal copper leaching, the majority of the required acid for leaching continued to be added at the agglomerator.

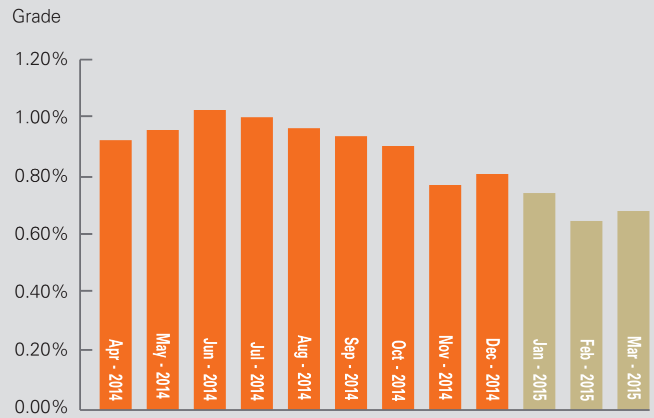


Figure 2: Stacked Ore Copper Grade

2.3 Stacked Copper Metal

Figure 3 shows the monthly stacked metal for the Year. The contained copper metal for the Year was 19,553 tonnes, down from the 27,747 tonnes of the previous year and this occurred from mid-November 2014. The main factors contributing to the lower metal tonnes stacked were, a management decision to reduce the crushing and stacking operations in line with the deterioration of the minerals market climate and operational restructuring.

Stacking of stage 1 and stage 2 lift 4 pads finished in mid June 2014, and the stacking machine was moved to stage 3 lift 2 pads. The stage 3, lift 2 pads were completed on 20 March 2015 and stacking commenced on No. 15 pad on the 3rd lift (3rd level).

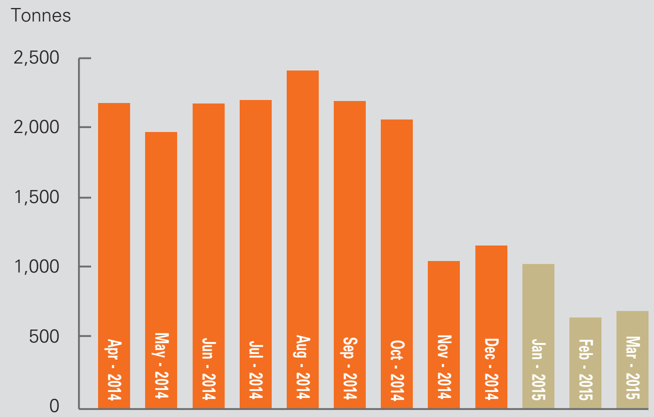


Figure 3: Stacked Copper Metal

2.4 Copper Cathode Production

Figure 4 shows the monthly copper cathode produced throughout the Year. The total Lady Annie Operations production was 15,835 tonnes of copper cathode, of which 11,146 was produced in the first seven months i.e. a rate of 1,592 tonnes copper cathode per month, compared to the rate of 938 tonnes per month during the last five months. The copper cathode production rate was slightly above the falling rate of copper metal delivered to the heaps due to additional copper being recovered from the heap inventory.

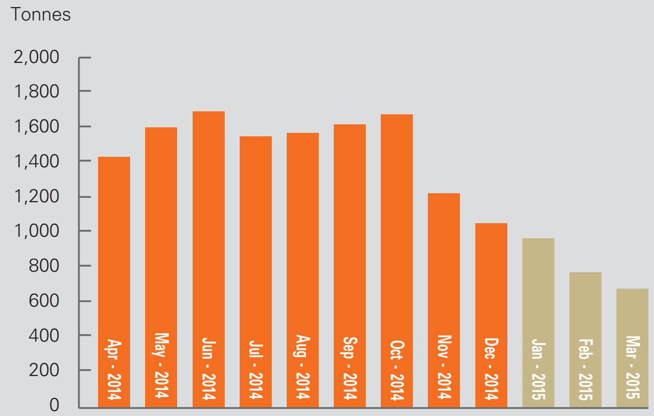


Figure 4: Copper Cathode Production

While the Processing Department maintained a strong focus on cathode refurbishment throughout the Year, the quality of the housekeeping in the cells and cell top furniture slowly deteriorated and this combined with more stringent quality requirements from the customers, resulted in the amount of product classified as B grade increasing. With the restructuring, the emphasis on operator awareness and cell housekeeping has increased and the cathode quality has improved although further improvements remain to be implemented.

2.5 Transition Ore Processing

Investigations into the validity of transition ore processing are ongoing, with initial plant trials proving successful.

The leaching characteristics of the transition ores differ from a traditional oxide ores, as they display slower leaching kinetics. Transition ore processing also requires increased acid addition due to the fact that it contains a higher percentage of acid-consuming gangue minerals, mainly calcium and magnesium.

At present, 10% of the ore blend is permanently composed of Lady Annie transition ore. This blending strategy produces a more consistent ore grade while reducing the acid-consuming effect of the transition ore.

Lady Annie Operations are also investigating the treatment of secondary sulphide ores such as chalcocite. Mining costs as well as processing options are being evaluated.

3. Exploration

3.1 Competent Person Statement

The following information that relates to exploration results is based on information compiled by, or overseen by Mr Alasdair Smith ("Mr Smith") BSc Geology, who is a member of the Australasian Institute of Mining and Metallurgy ("AusIMM"). Mr Smith is a full time employee of Lady Annie Operations and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a competent person, as defined in the "Australasian Code for the Reporting of Exploration Results, Mineral Resources or Ore Reserves" (JORC Code 2012 Edition). Mr Smith consents to the inclusion in this section of the matters based on his information in the form and context in which it appears.

Figure 5: Follow up Rotary Air Blast (RAB) drilling at Lindsay's Lament Prospect – 2015

3.2 Overview of Exploration Activities

Activity for the year focused on exploration for oxide copper mineralisation within a 50km radius of the CST SX-EW Processing Plant at the Lady Annie Operations (in the CST Western Tenement Area), to increase the CST copper resource inventory. Lead, zinc, silver and gold mineralisation was also considered important as they are formed under similar geological conditions to the copper mineralisation. An intensive period of target generation was undertaken in early 2014 and this was greatly enhanced through collaboration with the Commonwealth Scientific and Industrial Research Organisation ("CSIRO"). The targeting programme was followed by a Rotary Air Blast ("RAB") drill programme involving 2 rigs, to test to depth the Targets that had been identified. A limited Reverse Circulation ("RC") drill programme was carried out in the southern section of the Western Tenement Area to follow up on promising intersections from drilling in late 2013. Regional rock chip, soil and lag sampling was also undertaken to generate new Targets for drilling. In late 2014 Southern Geoscience Consultants Pty Ltd (Perth) ("SGC") were asked to interpret data derived from airborne and ground geophysical surveys conducted in 2013. These interpretations will be useful in giving focus for exploration in 2015. Early stage reconnaissance and soil sampling was undertaken in the CST Central Tenement Area (Miranda Project) in late 2014 and this work (along with the SGC interpretations) has driven a change in focus from the CST Western Tenement Area to the CST Central and Eastern Tenement Areas.

Summary of Drilling Metres	RC Drilling		RAB Drilling		Total	
Drill Target	Metres	Holes	Metres	Holes	Metres	Holes
Oxide/sulphide copper mineralisation (Area 1 Prospect)	1,158	11	0	0	1,158	11
Oxide copper mineralisation (Target Generation)	–	–	24,569	370	24,569	370
Total	1,158	11	24,569	370	25,727	381

Table 1: Exploration Drilling Summary

3.3 CST/CSIRO Collaboration

During May 2014, CST entered into collaboration with CSIRO. Under Module 1 of the collaboration, CSIRO were tasked with providing assistance to CST in evaluation of multi-element geochemistry in the CST database, understanding the evolution and structural framework for the Mount Isa Inlier and determining different styles of mineralisation that can be expected in the Inlier. Conclusions from these studies would drive the CST exploration focus for the year 2014. Under Module 2 of the collaboration, CSIRO were tasked with an evaluation of the regolith profile and associated anomalous geochemical patterns surrounding the three CST copper deposits (Lady Annie, Mount Kelly and Anthill). The study was designed to understand regolith/landscape evolution and geochemical dispersion of copper (and other elements) around copper deposits and allow for enhanced exploration targeting and vectoring toward economic mineralisation in regional exploration drilling.

Development by CSIRO of the Max-Ent target generation programme for CST

The most significant development by CSIRO from Module 1 was the design and presentation of a new data analysis software programme called 'Max-Ent' that utilises maximum entropy theory to identify new Targets for CST exploration. Max-Ent interrogates multiple, large regional datasets simultaneously the programme is then introduced to known deposits in the region as reference points. Max-Ent 'Machine Learns' the common characteristics of these known mineral deposits and then calculates the probability for these common characteristics elsewhere in the datasets. The interpretation is presented as a thematic map with best Targets represented in hot colours and least prospective areas in cold colours. The hot areas become exploration Targets for CST to investigate in the field.

Characterisation of the regolith and associated geochemical profile, around copper deposits

For Module 2, the study focussed on an evaluation of 3 regolith traverses (approximately 2-3km each) crossing the Lady Annie, Mount Kelly and Anthill copper deposits. A total of 55 regolith profiles were described from interpretation of RC drill chips and diamond drill core (20 drill holes at Lady Annie, 19 drill holes at Mount Kelly and 16 drill holes at Anthill). The study was successful in determining the signature of the regolith profile and associated anomalous geochemistry above and around the copper deposits. The study conclusions are now used by CST to help prioritise follow up drill programmes to anomalous intercepts from previous drilling.

Establishment of a portable XRF at Lady Annie and training of CST personnel in analysis of samples

CST established a portable x-ray fluorescence ("pXRF") assay instrument at the Lady Annie Mine site in May 2014 that allowed for a significant reduction in geochemical analysis (assay) costs and real time reaction to significant assays returned from drilling. The protocols and procedures for use of the pXRF were established by CSIRO personnel, who are regarded as experts in this field. CST was able to return an accurate assay for a suite of 33 elements (including copper, lead and zinc) within 48 hours of sampling. This allowed CST to alter the 2014 regional RAB drill programme location, or spacing, to immediately test any anomalous intercepts that were returned.

Figure 6: CSIRO Geoscientists and CST Exploration personnel involved in collaboration during 2015

3.4 Target Generation

Target development in exploration is the component that drives everything else. It determines the areas to be explored, the type of deposit that is likely to be discovered, the most suitable exploration techniques and method of geochemical analysis and therefore, how the exploration budget will be spent.

Evaluation of Targets defined by Geological Consultants in 2013-2014

A study of local geology, geochemistry, airborne magnetics and known copper deposits for 20 EPM's (Miranda Project) in the CST Central Tenement Area was carried out by an independent geological consulting company from October 2013 to January 2014. The study identified a number of Target Areas that were considered prospective for copper mineralisation.

In early 2014, a Target generation study by an independent Geological Consultant was completed over the CST Western Tenement Area. The study involved the integration of geophysical, geochemical, geological and radiometric information and focused on identifying structurally controlled copper mineralisation. A number of Targets for structurally controlled copper, strata bound Zn/Pb/Ag and sediment hosted gold mineralisation were identified.

All of the above Target Areas were incorporated into a CST Target prioritisation study that ranked Targets for field checking and RAB drill testing.

Max-Ent programme target generation from May 2014 – March 2015

The Max-Ent programme (as described in section 3.3) was 'trained' to identify higher probability Target Areas for structurally controlled copper, lead, zinc silver deposits in all the CST's Tenement Areas and iron oxide copper gold (IOCG) deposits in the CST Central and Eastern Tenement Areas. The programme identified multiple Targets and these were incorporated into a CST Target prioritisation study that ranked Targets for RAB drill testing. CST now has an 'in-house' capability to utilise the Max-Ent programme.

Evaluation of datasets and Prospects by CST for Target generation/prioritisation (May – October 2014)

From May to August 2014, CST Geologists conducted field trips to known Prospects in the Western Tenement Area and analysed the open file and CST datasets in MapInfo workspaces to independently develop Target Areas for investigation.

By early September 2014, CST Geologists had reviewed all Targets in the CST Western Tenement Area; they then carried out a ranking and prioritisation of the Targets. This resulted in a final set of 29 Target Areas (comprising the best Max-Ent, Haynes and CST Targets) that were deemed suitable for RAB drill testing.

From August to October 2014, CST Geologists carried out an evaluation of open file/CST datasets and the Target Areas for the Miranda Project in the CST Central Tenement Area. Field reconnaissance and rock chip sampling of Target Areas was an important part of this process. The programme resulted in a recommendation for a 100m x 100m soil sampling programme over and north of the Bald Hills Prospect.

3.5 Exploration – Western Block Tenements

The Western Block exploration tenements of Lady Annie Operations comprise the following Project Areas: Lady Annie (LAN), Burt JV (BUT), Mount Gordon Fault Zone (MGF), Mount Kelly (MTK) and Buckley River (BUC).

Rock chip sampling (145 Samples) over selected Target Areas

Rock chip sampling in the CST Western Tenement Area was part of regional prospecting and the geological reconnaissance of existing Prospects undertaken throughout the year. The programme of 145 samples was useful in discriminating Target Areas for follow up with soil sampling and/or RAB drilling. The most significant assay results returned from the programme are highlighted in red in Table 2.

Sample	Prospect	Cu (ppm)	Pb (ppm)	Zn (ppm)
B187857	Jaffas Find	484	1,404	425
B187868	Paradise Creek	3,834	14	36
B187869	Paradise Creek	40,268	216	168
B187872	Regional	12	632	1,014
B187873	Regional	1,227	509	608
B187875	Swagman	112,900	0	0
B187893	Jaffas Find	0	2,027	0
B187905	Galah	438	557	1,616
B187913	Galah	0	344	1,705
B187915	Galah	7,587	2,203	1,999
B187916	Galah	6,191	779	3,677
B187920	Mount Kelly	414,368	434	0
B187927	Mount Kelly	1,518	0	58
B195001	Galah	249	324	1,133
B195008	Galah	152	14	1,300
B195023	Jaffas Find	101	1,347	239
B195025	Amy's Pocket	1,504	401	135
B195026	Amy's Pocket	1,805	726	94
B195028	Amy's Pocket	2,228	733	266
B195029	Amy's Pocket	2,548	715	105
B195049	Rhona Marie	405,684	31	0
B195109	Double Barrel	0	98	1,239
B195303	Weasel	1,437	259	12
B195307	Glory	1,152	303	500
B195384	Galah South	144	72	2,350
B195385	Galah South	444	48	1,200
B195407	Regional	65	399	4,070

Table 2: Significant assay results in rock chip sampling – Western Tenement Area

Surface sample geochemical orientation survey

Understanding geochemical signatures developed above copper deposits, was the motivation for an orientation exercise to determine the most appropriate form of surface sampling to detect these deposits at depth. The CST Anthill copper deposit was selected for this purpose because it hosts a potentially mineable resource of oxide copper and the surface is only partially disturbed by resource drilling. A range of sample types (soil, lag and termite) with various size fractions were tested and the most accurate sample type and size fraction at detecting the Anthill deposit at depth proved to be; the soil fraction 300 - 850 micron and the lag fraction -1.6mm.

It was decided to take a soil and lag sample at each sample site in the Western Tenement Area regional surface sampling programmes for the year 2014. This was to build a database of two types of sample for comparison. Once enough data has been collected, a decision on the most appropriate type of sample would be made.

Regional soil and lag sampling (1,649 samples)

During 2014, soil and lag sampling programmes were carried out over 4 new grid areas (Figure 7) in the Western Tenement Area:

1. EPM 16241 – Torpedo Creek Target
2. EPM 18816 – Redie Creek Area
3. EPMs 17533, 16243 & 16244 – a composite grid centred 9km SW of Mount Kelly Mine
4. EPM 16244 – a polygon grid 12km NNE of Anthill Deposit

This programme adopted the sample type and size fractions recommended from the orientation sampling programme undertaken at Anthill copper deposit with samples taken on a staggered 400m x 400m grid pattern. The programme over the 4 grids began in July 2014 and was suspended in September when manpower and logistics were redirected to support the RAB drill programme. Before the programme was suspended, a total of 1,649 samples (830 soil and 819 lag) had been collected from 830 sample sites (Note: 11 sites yielded soil samples only). The early onset of the wet season prevented further sampling for the year.

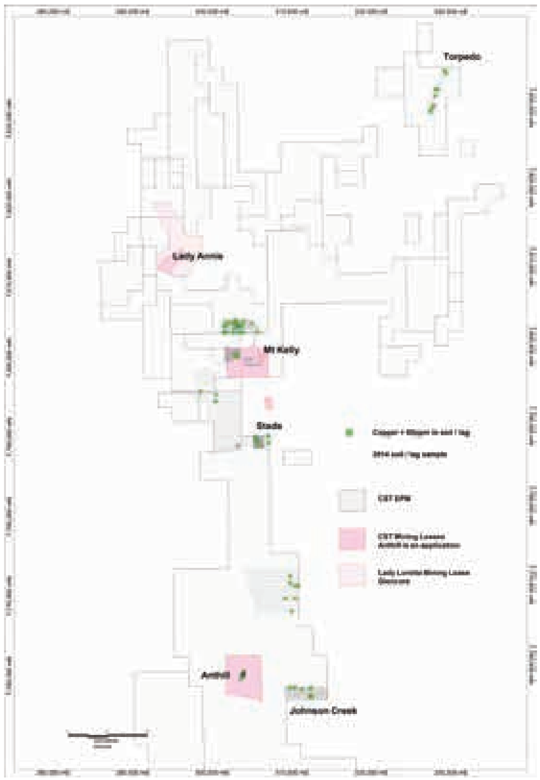


Figure 7: Western Tenement Area soil geochemistry for >80ppm copper (Grids 1-7)

In addition, 951 samples from 3 existing grid areas (5, 6, 7) in the Western Tenement Area, that had been soil sampled during 2013 (but not analysed), were analysed in 2014. The 3 grid areas are:

5. EPM 17789 – SE sector of Barratt's Bend Prospect (100m x 200m sample spacing)
6. EPM 16243 – 2km W of Mount Kelly (50m x 200m sample spacing)
7. EPM 16244 – Johnson Creek area 8km ESE of Anthill Deposit (100m x 200m sample spacing)

Several zones of anomalous copper, lead and zinc were identified from sampling over the 7 grid areas and two anomalous areas for copper (Kyprios and Quadrin Prospects) in grid 7 (Johnson Creek) were RAB drilled in 2014.

Follow up RC drill programme at Area 1 prospect (1,158m)

RC drill programme at Buckley River (EPM16244) Area 1 Prospect was carried out from 29 March – 6 April 2014. The programme was designed to test zones adjacent to interpreted 'halo' copper intervals from CST drilling at the Area 1 Prospect during 2013. A total of 11 holes for 1,158m were completed. The most significant RC drill intercepts returned are as follows:

• BURC0667	4m	@ 0.13%	from 34m
• BURC0668	10m	@ 0.22%	from 34m
• BURC0671	8m	@ 0.13%	from 52m
• BURC0673	26m	@ 0.20%	from 10m
• BURC0673	32m	@ 0.19%	from 52m
• BURC0673	2m	@ 0.13%	from 88m
• BURC0673	8m	@ 0.15%	from 94m
• BURC0673	2m	@ 0.82%	from 106m
• BURC0677	6m	@ 0.16%	from 42m

These results do not improve on those obtained previously from drilling at Buckley River (Area 1) and no further work is planned at this stage.

RAB drill programmes over 19 Target Areas comprising 370 holes for 24,569m

RAB drilling over areas developed in the Target Generation Programme in the Western Tenement Area commenced on 10 September 2014 and ceased on 16 December 2014. The Exploration team had proposed drill testing 29 Target Areas for a total of 40,000m (Figure 8). Unfortunately, due to the early onset of the wet season and some restrictions on entering Endangered Regional Ecosystem 'Buffer Zones' over some Targets, CST were only able to drill test 18 Target Areas by the end of the year. A total of 370 holes were completed for 24,569m. The most promising intercepts returned from the RAB drill programme for copper, lead and zinc are shown in Figures 9, 10 and 11.

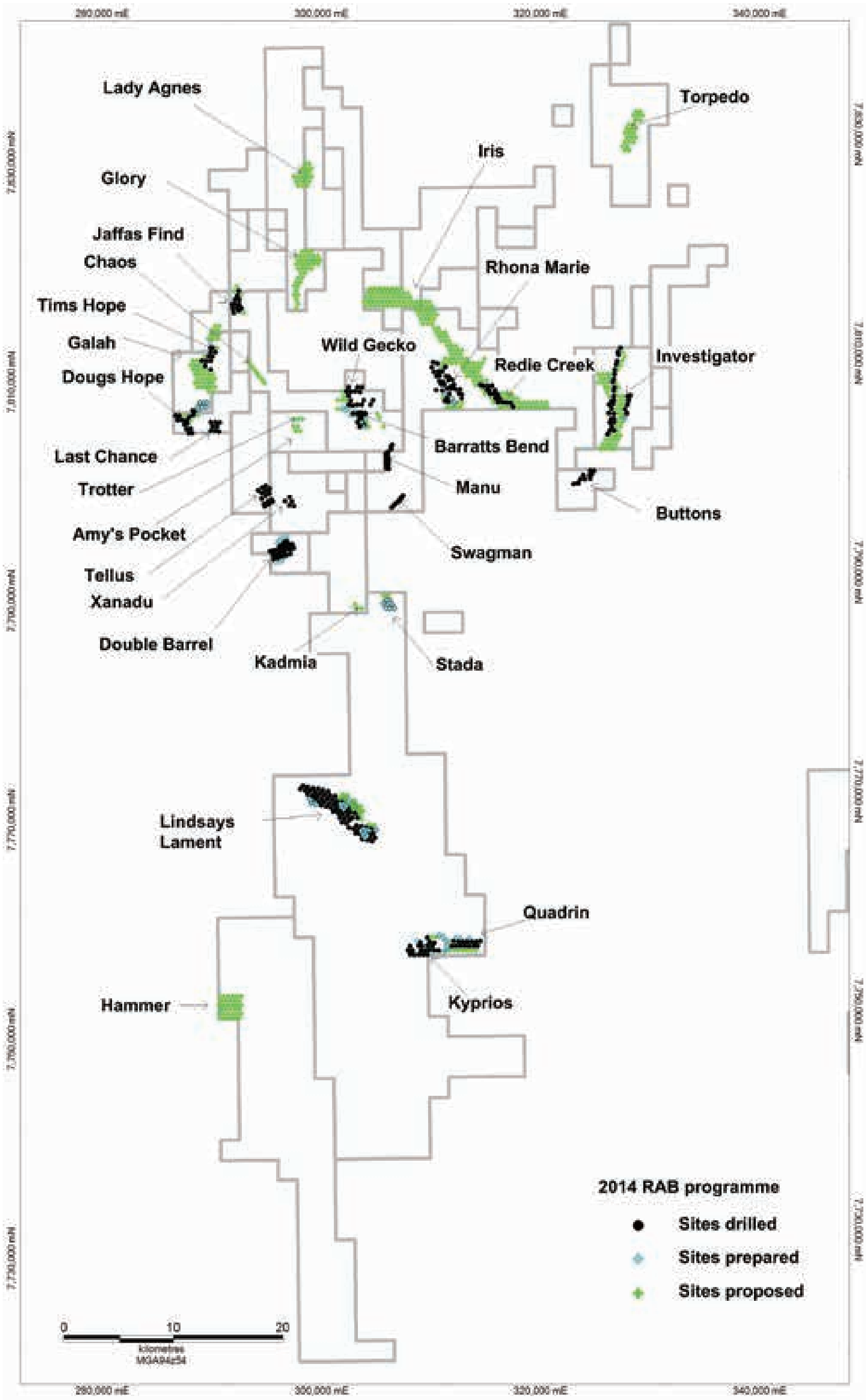


Figure 8: 2014 RAB drill holes proposed (green crosses), prepared (blue diamonds) and completed (black dots) over 29 Target Areas

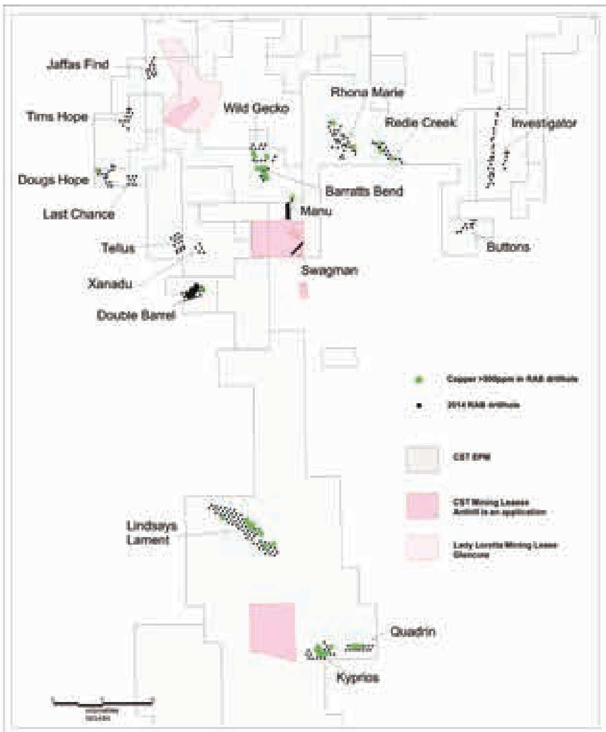


Figure 9: Anomalous copper intercepts in 2014 RAB drilling

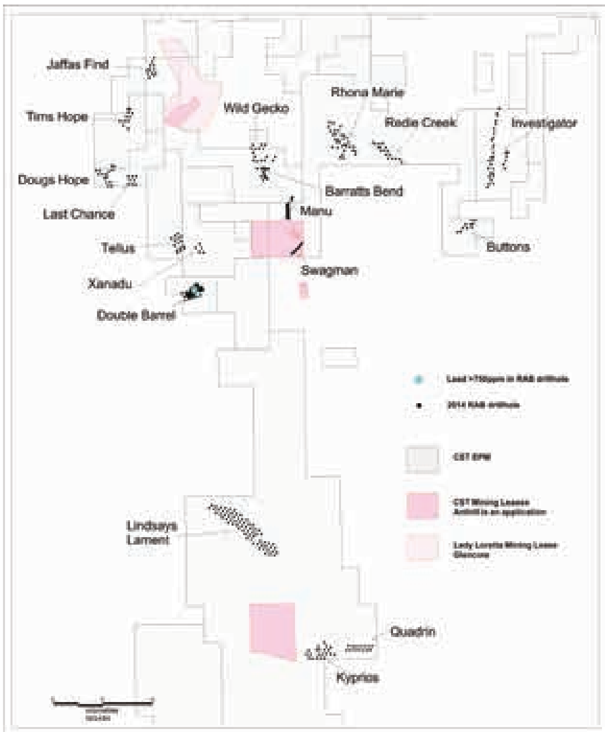


Figure 10: Anomalous lead intercepts in 2014 RAB drilling

Target Areas with significant assay results from the 2014 RAB drill campaign are:

1.	Double Barrel	Cu/Pb/Zn
2.	Barratt's Bend	Cu/Zn
3.	Quadrin	Cu
4.	Kyprios	Cu
5.	Lindsay's Lament	Cu
6.	Doug's Hope	Cu/Zn
7.	Rhona Marie	Cu
8.	Redie Creek	Cu
9.	Manu	Cu

The most promising assay results, with regards to grade and length of intercept are:

1.	Double Barrel	48m	@1,196ppm Pb	from 0m
		24m	@1,014ppm Zn	from 16m
		4m	@1,053ppm Cu	from 72m
2.	Barratt's Bend	63m	@1,194ppm Cu	from 8m
		8m	@1,147ppm Zn	from 0m
3.	Quadrin	33m	@1,284ppm Cu	from 56m
4.	Kyprios	16m	@2,274ppm Cu	from 44m
5.	Lindsay's Lament	12m	@1,908ppm Cu	from 24m

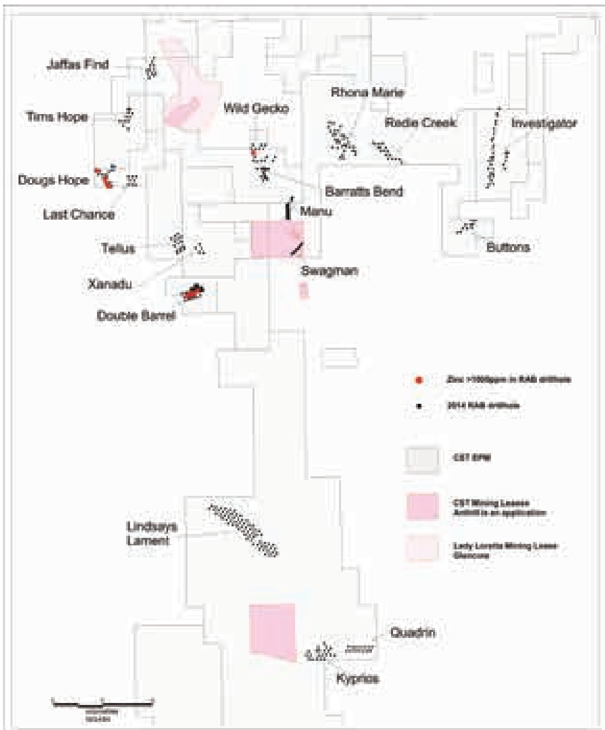


Figure 11: Anomalous zinc intercepts in 2014 RAB drilling

Follow up 2015 RAB drill programme to test best intercepts returned from 2014 RAB drill programme

A programme of RAB drilling was planned in March 2015 to follow up on the best intercepts returned from the 2014 RAB drill programme in CST's Western Tenement Area. The programme comprises 44 holes for an estimated 2,680m of drilling (Figure 12) and commenced in April 2015.

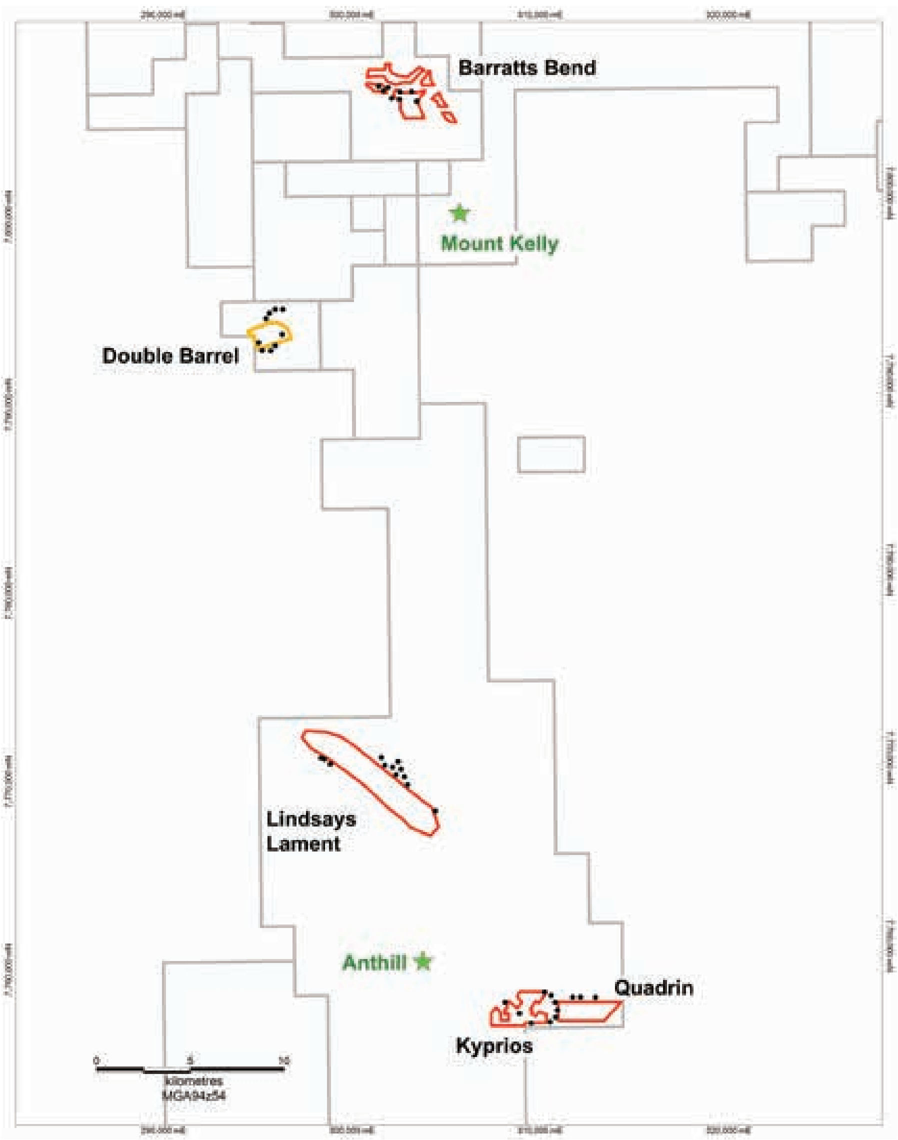


Figure 12: Planned 2015 RAB drill programme (black dots) at Target Areas that returned anomalous intercepts in 2014 RAB drilling

Interpretation of the 2013 Airborne Electro-Magnetic Survey datasets

Interpretation by SGC of the 2013 Airborne Electro-Magnetic survey (over a large part of the CST Western Tenement Area) was completed in April 2015. This will be useful in identifying mineralisation that is hidden under cover rocks and also discriminating between anomalous intercepts from existing drilling.

3.6 Exploration – Central Block Tenements

The Central Block exploration tenements of Lady Annie Operations comprise the following Project Areas: Miranda (MIR), Paroo (PAR), Round Mount (RND), and Cameron River (CAM).

Prospecting and rock chip sampling (39 Samples) of the Miranda Project Area

In the latter half of August 2014, CST Geologists commenced a review of all the datasets and reports for the Miranda Project (CST Central Tenement Area). From this review, Target Areas for field evaluation were developed. Field reconnaissance and rock chip sampling of Target Areas commenced by late August 2014 and continued until the wet season suspended field work in late November. A total of 39 samples were taken and assay results confirmed that the Bald Hills Prospect near the eastern boundary of the Miranda Project, was prospective for iron oxide copper/gold (IOCG) mineralisation. The most significant assay results returned from the programme for copper, lead, zinc and gold are highlighted in Table 3 in red.

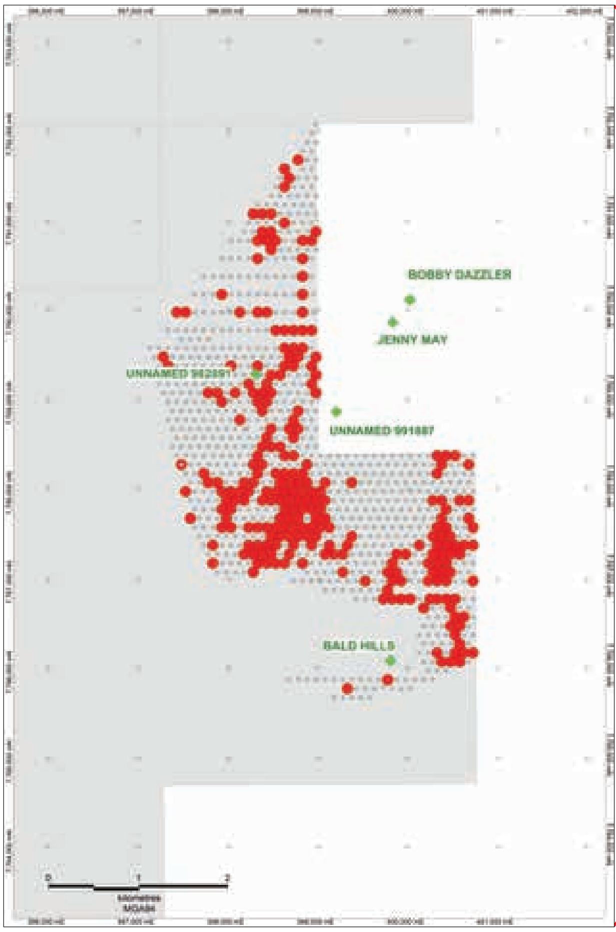
Significant Rock Chip Assay Results – Central Tenement Area

Sample	Prospect	Cu (ppm)	Pb (ppm)	Zn (ppm)	Au (ppm)
B195409	Bald Hills	972	10	10	0.07
B195410	Bald Hills	2,710	18	119	1.08
B195411	Bald Hills	6,260	65	57	0.35
B195412	Bald Hills	3,670	26	152	0.26
B195413	Bald Hills	2,110	202	47	0.08
B195414	Bald Hills	3,200	48	13	0.17
B195415	Bald Hills	6,350	46	289	1.29
B195416	Bald Hills	11,900	31	116	0.56
B195420	Bald Hills	15,550	31	42	6.07
B195421	Bald Hills	7,260	92	219	1.61
B195422	Bald Hills	9,340	45	20	2.08
B195423	Bald Hills	3,600	122	29	2.10
B195424	Bald Hills	10,000	85	76	0.32
B195425	Bald Hills	19,150	23	39	1.15
B195427	Bald Hills	557	4	3	0.16
B195428	Bald Hills	7,110	21	22	1.82
B195429	Bald Hills	530	5	3	0.02
B195430	Bald Hills	2,340	24	26	0.06
B195431	Bald Hills	1,100	253	1,020	0.09
B195432	Miranda Regional	7,040	13	6	11.60
B195433	Miranda Regional	40,400	10	9	1.17
B195434	Miranda Regional	10,700	6	17	1.12
B195435	Miranda Regional	1,540	2	6	0.06
B195436	Miranda Regional	533	8	34	0.02
B195438	Miranda Regional	1,310	26	4	0.04
B195439	Miranda Regional	3,700	1	7	0.04
B195440	Miranda Regional	100,500	11	11	0.16
B195441	Miranda Regional	6,990	13	3	0.03
B195442	Miranda Regional	80,500	15	61	1.58
B195445	Bald Hills	11,750	4	39	0.02
B195447	Bald Hills	7,660	4	6	0.29
B195450	Bald Hills	746	2	-2	0.00

Table 3: Significant assay results (red) in rock chip sampling – Miranda Project (CST Western Tenement Area)

Detailed (100m x 100m) soil sampling (954 Samples) at Bald Hills Prospect – Miranda Project Area

A programme of 100m x 100m soil sampling was carried out at the Miranda Project, over and north of, the Bald Hills Prospect from mid to late November 2014 (Figures 13 and 14). A total of 954 sites were sampled before the programme was suspended due to the early onset of the wet season. The sample assay results show some clusters for both copper and gold that warrant follow up exploration.



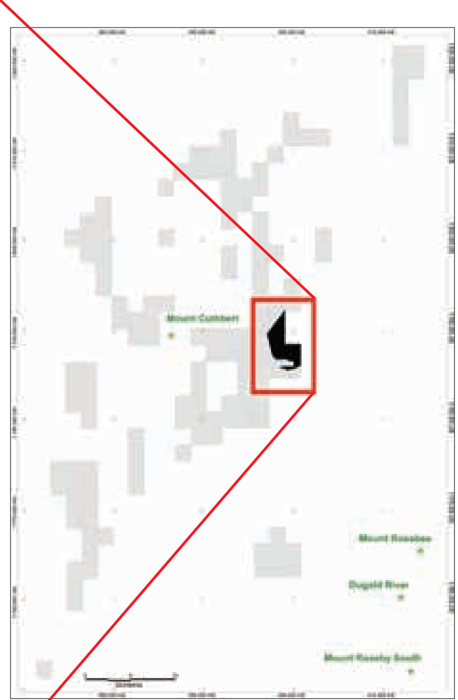


Figure 13: Miranda Project Tenements and Bald Hills Prospect area (black polygon) with 100m x 100m soil sampling

Figure 14: Bald Hills 100m x 100m soil geochemistry for >80ppm copper (red dots) Miranda Project

All soil and lag samples taken over the CST Tenement Areas were analysed at CST's Lady Annie Mine site using the Exploration Department's portable XRF for 33 base metal and 'pathfinder' elements. In addition, the samples were submitted to ALS (Townsville) for gold analysis by fire assay as the detection limits for precious metals with the portable XRF are not precise enough.

Interpretation of the 2013 Cameron River Project Ground Magnetic Survey datasets

In late 2014, SGC were contracted to carry out an interpretation of the 2013 CST ground magnetic survey data from the CST Cameron River Project. During February 2015, SGC delivered a report on their interpretation to CST. The report identifies Target Areas for possible base/precious metal mineralisation and these will be investigated during 2015.

3.7 Exploration – Eastern Block Tenements

The Eastern Block exploration tenements of Lady Annie Operations comprise the following Project Areas: Cloncurry (CLO) and Cloncurry North (CLN).

Interpretation of the 2013 helicopter borne Sub-Audio Magnetic ("Heli-Sam") Survey datasets

In late 2014, SGC were contracted to carry out an interpretation of the 2013 CST helicopter borne Heli-Sam survey over sections of EPM17495, EPM17295, EPM17170. During February 2015, SGC delivered a report on their interpretation of the Heli-Sam surveys to CST. The report identifies Target Areas for possible base/precious metal mineralisation.

Design of 2015 RAB drill programmes to test Target Areas identified from the Heli-Sam interpretation

During March 2015, CST Geologists reviewed the Target Areas identified from the Heli-Sam interpretation by SGC and selected 2 Target Areas (Quamby East and Cloncurry North 2) that warranted RAB drilling. The Target Areas are buried beneath cover and are based on anomalous electromagnetic and magnetic responses from the Heli-Sam survey.

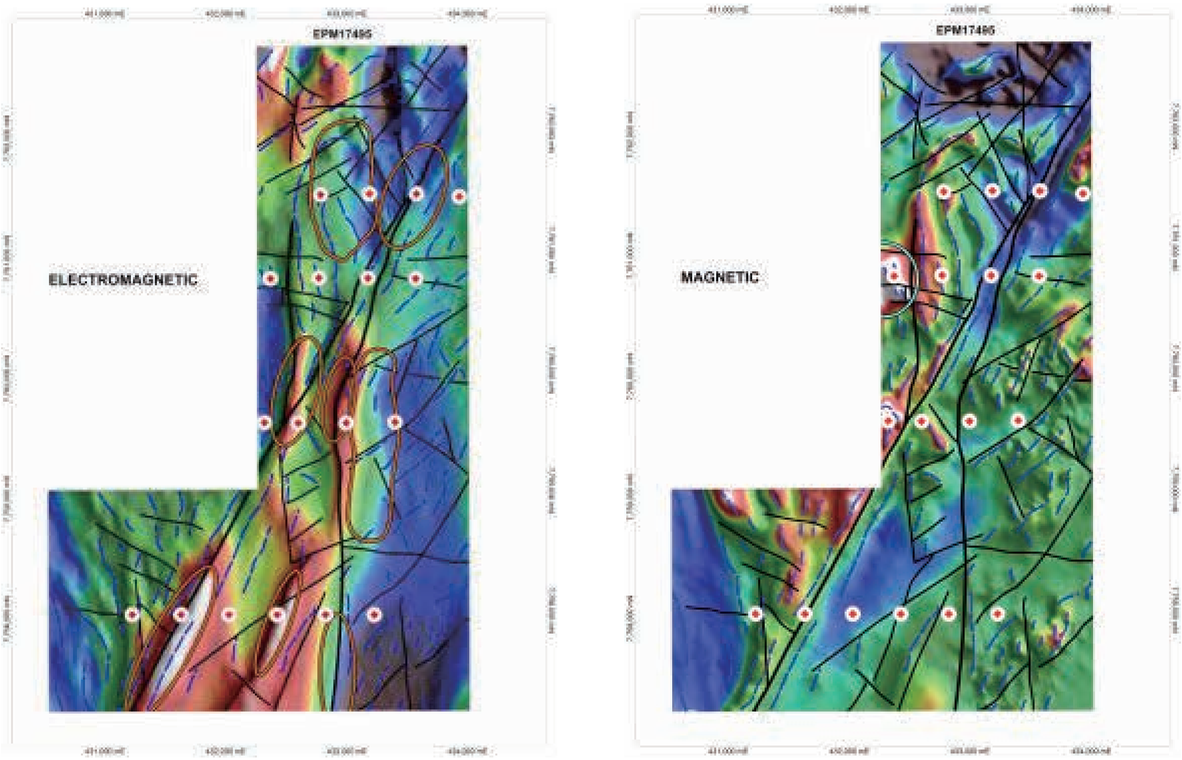


Figure 15: Proposed RAB drill holes (red dots) over buried electromagnetic and magnetic Target Areas – Quamby East

The proposed RAB drilling at Quamby East (Figure 15) and Cloncurry North 2 comprises 33 holes for an estimated 2,145m.

3.8 Planned Exploration for 2015

Change in exploration focus from CST Western Tenements to CST Central and Eastern Tenement Areas

The CST Central and Eastern Tenement Areas have always been very prospective for mineralisation (as evidenced by the many known deposits and mines in the region) however; they have not undergone intensive exploration by CST due to previous focus on the Western Tenement Area. In 2015 CST will now focus a significant portion of exploration expenditure for 2015 on drill testing the best Target Areas in the CST Central and Eastern Tenement Areas.

4. CST Mineral Resources and Reserves

4.1 Competent Person Statement

The following information that relates to mineral resources was completed under the overall supervision and direction of Mr Alasdair Smith ("Mr Smith") BSc, who is a Competent Person as defined by the Australasian Code for the Reporting of Exploration Results, Mineral Resources or Ore Reserves (JORC Code 2012 Edition). Mr Smith has sufficient experience which is relevant to the style of mineralisation and type of deposit and to the activity under consideration to qualify as a competent person. Mr Smith is a full time employee of Lady Annie Operations and consents to the inclusion of this material in the form and context as it is presented.

4.2 Overview of Mineral Resources

The Mineral Resource estimate with mining depletion applied to the end of December 2014 was based on data compiled or supervised by Mr Jorge Peres ("Mr Peres"), Senior Resource Geologist, who is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy (AusIMM (CP)) and a full time employee of Golder Associates Pty Ltd. ("Golder") Mr Peres has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Peres consents to the inclusion of this material in the form and context as it is presented. Golder is an independent resource industry consultancy firm engaged by Lady Annie Operations to undertake resource and reserve estimations.

In April 2015, Golder delivered to Lady Annie Operations a 'Mineral Resource Estimate to 31 December 2014'. The Mineral Resource (in accordance with the JORC Code, 2012 Edition guidelines) for Lady Annie Operations includes the pits Lady Annie, Lady Brenda, Mount Clarke and Flying Horse and the deposits McLeod Hill, Swagman, Anthill and Lady Colleen. The resource was estimated using the end-of-month surface of December 2014 provided by CST. The resource model is based on interpreted copper mineralisation envelopes completed in July 2012 and no new drill holes have been completed during the year. The Mineral Resource at a cut-off grade of 0.3% Cu is presented in Table 4.

The current Mineral Resource incorporating mining depletion to end of December 2014 is 62.3Mt @ 0.70% Cu for 436kt of contained copper (Table 4).

Lady Annie Operations 'in-situ' Mineral Resource Estimate Depleted to End-December 2014									
Deposit	Material Type	Measured		Indicated		Inferred		Total	
		Mt	Cu	Mt	Cu	Mt	Cu	Mt	Cu
Anthill	Oxide	2.70	0.77	6.10	0.71	0.10	0.37	8.90	0.73
	Transition	0.30	0.90	1.80	0.76	0.30	0.47	2.40	0.74
	Sulphide	0.02	0.70	0.80	0.61	1.70	0.54	2.50	0.57
	Total*	**3.00**	**0.79**	**8.70**	**0.71**	**2.10**	**0.52**	**13.80**	**0.70**
Flying Horse	Oxide	0.84	0.51	0.63	0.44	0.01	0.34	1.48	0.48
	Transition	0.89	0.63	1.42	0.61	0.06	0.56	2.36	0.62
	Sulphide	0.95	1.16	5.75	0.85	4.01	0.77	10.72	0.85
	Total*	**2.68**	**0.78**	**7.81**	**0.77**	**4.08**	**0.76**	**14.56**	**0.77**
Lady Annie	Oxide	0.52	0.56	1.36	0.44	0.03	0.40	1.91	0.47
	Transition	2.04	0.69	3.40	0.84	0.12	0.57	5.57	0.78
	Sulphide	0.56	0.92	3.87	0.89	0.49	0.58	4.91	0.86
	Total*	**3.12**	**0.71**	**8.63**	**0.80**	**0.64**	**0.57**	**12.39**	**0.77**
Lady Brenda	Oxide	0.71	0.50	3.34	0.43	0.16	0.35	4.21	0.44
	Transition	0.39	0.60	3.09	0.53	0.65	0.46	4.13	0.53
	Sulphide	0.02	0.42	0.45	0.56	0.37	0.45	0.84	0.51
	Total*	**1.13**	**0.53**	**6.88**	**0.48**	**1.18**	**0.44**	**9.18**	**0.48**
Lady Colleen	Oxide	–	–	0.10	0.63	0.10	0.52	0.20	0.58
	Transition	0.10	0.93	1.30	0.84	0.70	0.55	2.10	0.75
	Sulphide	0.10	1.08	1.90	1.14	3.60	0.75	5.60	0.89
	Total*	**0.10**	**1.00**	**3.30**	**1.01**	**4.40**	**0.72**	**7.90**	**0.84**
Mount Clarke	Oxide	0.15	0.46	0.35	0.43	0.02	0.48	0.52	0.44
	Transition	0.46	0.59	0.16	0.47	0.00	0.46	0.62	0.56
	Sulphide	0.42	0.64	0.69	0.57	0.50	0.55	1.61	0.58
	Total*	**1.03**	**0.59**	**1.20**	**0.52**	**0.53**	**0.55**	**2.76**	**0.55**
McLeod Hill	Oxide	–	–	–	–	0.48	0.35	0.50	0.35
	Transition	–	–	–	–	0.55	0.57	0.60	0.57
	Sulphide	–	–	–	–	0.39	0.56	0.40	0.56
	Total*	**–**	**–**	**–**	**–**	**1.42**	**0.49**	**1.40**	**0.49**
Swagman	Oxide	0.14	0.67	0.03	0.62	0.02	0.53	0.20	0.65
	Transition	–	–	0.07	0.60	0.04	0.45	0.10	0.55
	Sulphide	–	–	–	–	0.03	0.45	0.00	0.45
	Total*	**0.14**	**0.67**	**0.10**	**0.61**	**0.09**	**0.47**	**0.30**	**0.60**
Total	Oxide	5.06	0.66	11.91	0.58	0.92	0.38	17.92	0.59
	Transition	4.17	0.68	11.25	0.71	2.43	0.52	17.89	0.67
	Sulphide	2.08	0.97	13.46	0.86	11.09	0.69	26.59	0.80
	Total*	**11.19**	**0.72**	**36.62**	**0.72**	**14.45**	**0.64**	**62.30**	**0.70**

Note: *Totals may not add up due to rounding

Table 4: In Situ Mineral Resource Estimate at 0.3% Cu Cut-off Grade Depleted to end of December 2014

4.3 Overview of Mineral Reserves

The Mineral Reserve estimate was based on data compiled or supervised by Ms Vicki Woodward ("Ms Woodward") , Senior Mining Engineer, who is a member of the Australian Institute of Mining and Metallurgy ("AusIMM") and full time employee of Golder. Ms Woodward has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which she has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Woodward consents to the inclusion of this material in the form and context as it is presented. Golder is an independent resource industry consultancy firm engaged by Lady Annie Operations to undertake resource and reserve estimations.

In April 2015, Golder delivered to Lady Annie Operations a 'Mineral Ore Reserve Estimate to 31 December 2014'. The ore reserve estimate for Lady Annie is based on pit designs and includes modifying factors with mining dilution of 5% at an assumed 0.2% Cu average grade and mining losses of 2.5%. Cut-off grades are variable as they are dependent on calcium grade and oxidation type. The ore within the pit designs is mostly oxide with some transition also encountered as pits get deeper. The Ore Reserve for Lady Annie, as at end of December 2014, is provided in Table 5.

The current Mineral Ore Reserve incorporating mining depletion to end of December 2014 is 3.37Mt @ 0.63% Cu for 21kt of contained copper.

Lady Annie Ore Reserves by Area as at 31 December 2014							
Deposit	Material Type	Proven		Probable		Total	
		Mt	Cu	Mt	Cu	Mt	Cu
Lady Annie	Oxide	0.40	0.57	0.62	0.63	1.02	0.60
	Transition	0.14	1.23	0.17	1.40	0.31	1.32
	Total	**0.54**	**0.74**	**0.79**	**0.79**	**1.33**	**0.77**
Mount Kelly	Oxide	0.23	0.67	0.09	0.49	0.32	0.62
	Transition	0.21	1.03	0.10	0.87	0.31	0.98
	Total	**0.44**	**0.84**	**0.19**	**0.70**	**0.63**	**0.80**
ROM Stockpiles	Oxide	1.41	0.42	–	–	1.41	0.42
	Transition	–	–	–	–	–	–
	Total	**1.41**	**0.42**	**–**	**–**	**1.41**	**0.42**
Total	Oxide	2.04	0.48	0.71	0.61	2.75	0.51
	Transition	0.35	1.11	0.27	1.20	0.62	1.15
	Total	**2.39**	**0.57**	**0.98**	**0.77**	**3.37**	**0.63**

Note: Includes high grade stockpiles at end of December 2014 and excludes material on leach pads being processed. Small discrepancies may occur due to rounding

Table 5: Lady Annie Operations Ore Reserve to 31 December 2014

The waste within the planned pits is 2.5 Mt at a strip ratio of 0.74 (t waste:t ore).

The statement of ore reserves for transitional material is dependent on the systematic blending of transition and oxide material types for the remaining life of mine. This is required to even out acid consumption.

The ore reserve estimate relates specifically to the conversion of measured and indicated oxide and transition mineral resources within the Lady Annie Project pit designs and current stockpiles.

In October 2012, Golder completed a resource estimation for the Anthill deposit. Details of these resources were announced in the CST's announcement dated 20 November 2012. In December 2013 pit optimisations were carried out utilising similar economic parameters and modifying factors to those used for the Lady Annie and Mount Kelly deposits, and pit designs based upon these optimisations were completed for the Anthill Project. The resource within these pit designs is considered potential mining inventory. These resources are inclusive of ore loss and dilution and CST envisage they should be available for conversion to Reserve upon grant of the Anthill mining lease ML90233, currently in application. This material is additional to mineral reserves shown in Table 5 and included in the mineral resources in Table 4.

For further details on resource and reserve, a copy of the report "Update of Lady Annie Operations Mineral Resource and Reserve Statement" is posted on the website of the Company.

CORPORATE SUSTAINABILITY REPORT

Corporate Sustainability Report

Health, Safety, Environment & Community

Health and Safety

2014 – 2015 has been a challenging year for all; however the Safety Department continues to maintain a high presence across site which is directly reflected in the statistics. The continued downward trend of workplace injuries is not only due to fewer employees, but also due the safety message being positively reinforced across the site.

The auditing and area inspection program continues to identify areas of improvement and the associated follow up controls ensure that the deficiencies are being addressed in a timely manner.

The Safety Department holistically has been stream lined to ensure efficiency by utilising multi skilled personnel that not only have extensive site knowledge but also a though understanding of the systems that are currently in place.

Safety training continues with High Risk Training as the need for employees with multiple skills is required and the need for employees to be more versatile when working across various departmental tasks. This includes Confined Space Entry, Working at Heights, Forklift, Isolation and Gantry Crane. Basically this means that there is a higher degree of departmental integration and that when required personnel can be drawn from almost any department to undertake work anywhere on site. Training and site pass outs for mobile plant is undertaken as required.

The apprenticeship program that was introduced to site in 2013 has been finalized. This program had significant benefits not only to the participating employees but also to mining business of the Group.

Mines Rescue Team training has been down sized according to the sites risk. A number of core Emergency Response Team members have been retained and are spread across the rosters to ensure legislative compliance.

Environment

The Environment Department has consolidated a number of significant improvements during the reporting period. Changes to sampling techniques have resulted in an increase in the number of water quality samples obtained for analysis improving the knowledge base of natural variations within the lease area. This, together with importation of historical data into a specialist environmental software data warehousing and analysis package will see the improvement of both quantity and quality of environmental information collected. Other improvements include 3 new monitoring bores, refurbishment of other monitoring infrastructure and overhaul of aspects of the Environmental Management System in line with ISO14001 principles.

Environmental management reports that have been submitted to State and Federal Regulatory Authorities include: Annual Groundwater Report; Annual Return; Plan of Operations; National Pollutant Inventory; Dam Safety Inspection; Receiving Environment Monitoring Program Report; National Greenhouse and Energy Reporting System. Whilst the government has abandoned the Energy Efficiency Opportunity Scheme, total energy usage has still decreased nevertheless.

Substantial improvements have been made to systems and documentation within the Environmental Management System (EMS) during this reporting period resulting in a more robust system during uncertain times. The newly implemented data warehousing system is almost fully implemented with all historical data now imported giving useful insights into baseline information. The data will be used for establishing site-specific trigger and contaminant levels for future reference.

Design work associated with the Johnson Creek Diversion for the Anthill project has been fully scoped and a number of tenders have been submitted. Whilst legislative changes have potentially made the biodiversity offsets required for the project simpler to achieve.

Indigenous and Community Relations

Indigenous Relations

Lady Annie Operations have maintained a harmonious relationship with the traditional owners being the Kalkadoon, Indjalandji and Mitakoodi people and is committed to working with issues such as native title, cultural heritage, and employment and business opportunities associated with Lady Annie Operations and future project of Anthill.

Lady Annie Operations current workforce consist of 2% Kalkadoon, 3% Aboriginal and Torres Strait Islander and 95% Non-Indigenous people. Numbers reduced to downsizing within Lady Annie Operations.

2014 has seen the Apprenticeship Scheme through to its fourth year and ended in December 2014 due to downsizing. All apprentices were handed back to MIGATE to continue into their fourth year to completion in 2015.

Cultural heritage is a vital component of Lady Annie Operations and Anthill project in which recognition and respect for cultural heritage of the Kalkadoon, Indjalandji and Mitakoodi people who have customary connections to country in which we operate on.

Lady Annie Operations continues to work closely with the traditional owners for any current and future project in respect of native title, cultural heritage, and employment and business opportunities.

Lady Annie Operations is actively involved with all employees' part taking in ongoing Cultural Awareness training as provided by the traditional owner people. This also includes contractors to site who are working on country.

The Cultural Awareness Program is to educate employees, contractors and visitors of the significance and importance of preserving and protecting significant sites, lores/law, dreamings and cultural and traditional values of the traditional owner people.

Community Relations

Lady Annie Operations continues to build its relationship with communities of Mount Isa, North West Queensland and North Queensland through its involvement with sponsorship, donations and in-kind support towards events, functions and employment opportunities.

Regular community and stakeholder engagement with meetings and information sessions have remained in place with the focus of providing the communities with updates of current and future mining activities, programs and upcoming opportunities.

Since the commencement of Anthill project development work, Lady Annie Operations have increased the community and stakeholder engagement with all parties that include our neighbours being; Calton Hills Station and Yelvertoft Station, Kalkadoon, Indjalandji and Mitakoodi people, business partners and employees.

The community and stakeholder engagement provides evidence of our commitment to working towards our stakeholders' priorities: delivering employment and business opportunities, community benefits, environmental protection, native title and cultural heritage protection to the indigenous communities.

Lady Annie Operations is a strong supporter of local events being; Yelvertoft Camp draft, Mount Isa NAIDOC Ball, Camooweal Drover Festival, and Camooweal Camp draft.

MANAGEMENT REPORT

Biographical Details of Directors

Executive Directors

Chiu Tao, aged 59

was appointed as Chairman and an executive director of CST Mining Group Limited (the "Company") on 10 March 2009 and 7 November 2008, respectively. Mr. Chiu is the brother-in-law of Mr. Yeung Kwok Yu.

Mr. Chiu is an experienced executive and merchant. He has extensive experience in the metal business, trading, investment planning, business acquisitions and development, and corporate management.

Mr. Chui is currently the chairman & acting chief executive officer and an executive director of G-Resources Group Limited (the "G-Resources"), the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Hui Richard Rui, aged 47

was appointed as an executive director of the Company on 17 August 2004 and as General Manager of the Company on 11 October 2006. He graduated from University of Technology, Sydney in Australia with a Bachelor's degree in Mechanical Engineering.

Mr. Hui has more than 10 years' experience in management positions with companies in Australia, Hong Kong and the People's Republic of China ("China"). He is a member of The Australasian Institute of Mining and Metallurgy.

Mr. Hui is also an executive director of G-Resources and China Strategic Holdings Limited (the "China Strategic"). The shares of the two companies are listed on the main board of the Stock Exchange.

Lee Ming Tung, aged 53

was appointed as an executive director of the Company on 28 September 2007. He is also the Chief Financial Officer of the Company. He holds a Bachelor of Science degree in Accounting from Brigham Young University in the U.S.A., a Master of Accountancy degree from Virginia Polytechnic Institute and State University in the U.S.A., a Master of Financial Engineering degree from City University of Hong Kong and a Postgraduate Diploma in Corporate Administration from The Hong Kong Polytechnic University.

Mr. Lee is an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom, a fellow member of The Taxation Institute of Hong Kong, a Certified Tax Adviser of Hong Kong, a Certified Management Accountant of Australia and a member of Institute of Public Accountant of Australia. He has over 20 years' experience in the field of accounting and finance.

Mr. Lee was an independent non-executive director of China New Energy Power Group Limited (the "China New Energy Power"), the shares of which are listed on the main board of the Stock Exchange.

Kwan Kam Hung, Jimmy, aged 53
was appointed as an executive director of the Company on 11 November 2002.

Mr. Kwan has over 15 years of experience in the fields of finance, accounting and corporate management.

Mr. Kwan was an executive director of G-Resources and China New Energy Power. The shares of the two companies are listed on the main board of the Stock Exchange.

Yeung Kwok Yu, aged 64
was appointed as an executive director of the Company on 26 September 2008. Mr. Yeung is the brother-in-law of Mr. Chiu Tao.

Mr. Yeung had held management positions in trading companies which were based in China and Hong Kong, and was also engaged as senior management in various listed companies in Hong Kong. Mr. Yeung has extensive experience in general trading, strategic investment planning and business development.

Mr. Yeung was an executive director of China New Energy Power, the shares of which are listed on the main board of the Stock Exchange.

Tsui Ching Hung, aged 62
was appointed as an executive director of the Company on 2 May 2007. He holds a Master of Science degree in Polymer Science and a Master of Business Administration degree from the University of Aston and University of Warwick in the United Kingdom, respectively.

Mr. Tsui has over 10 years of experience in senior management positions with several multinational corporations in Hong Kong.

Mr. Tsui is currently an independent non-executive director of China Smarter Energy Group Holdings Limited (formerly known as "Rising Development Holdings Limited"). He was a non-executive director of G-Resources. The shares of both companies are listed on the main board of the Stock Exchange.

Independent Non-executive Directors

Yu Pan, aged 60

was appointed as an independent non-executive director of the Company on 28 September 2004.

Mr. Yu has over 20 years of experience in management positions of multinational trading companies in Hong Kong and China.

Mr. Yu was an independent non-executive director of China New Energy Power, the shares of which are listed on the main board of the Stock Exchange.

Tong So Yuet, aged 43

was appointed as an independent non-executive director of the Company on 24 February 2005. She graduated from The Hong Kong Polytechnic University with a Bachelor's degree in Accountancy.

Ms. Tong is a fellow member of the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Certified Public Accountants, The Hong Kong Institute of Chartered Secretaries, The Institute of Chartered Secretaries and Administrators in the United Kingdom and a Certified Public Accountant (Practising). She has over 18 years of experience in auditing and accounting sector.

Ma Yin Fan, aged 51

was appointed as an independent non-executive director of the Company on 31 December 2012. She obtained a Bachelor's degree with honours in Accountancy at Middlesex University in the United Kingdom. She also holds a Master's degree in Business Administration and a Master in Professional Accounting degree from Heriot-Watt University in the United Kingdom and The Hong Kong Polytechnic University, respectively.

Ms. Ma is a Certified Public Accountant (Practising) in Hong Kong and has been working in the auditing, accounting and taxation for more than 20 years. She is the principal of Messrs. Ma Yin Fan & Company CPAs. She is a fellow member of the Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Accountants in the England and Wales, The Taxation Institute of Hong Kong, the Association of Chartered Certified Accountants, The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom. She is also a Certified Tax Adviser in Hong Kong.

Ms. Ma is currently an independent non-executive director of China Strategic and G-Resources. She was an independent non-executive director of China New Energy Power. The shares of the three companies are listed on the main board of the Stock Exchange.

Management Discussion and Analysis

Business and Financial Review

The revenue of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2015 (the "Year") was approximately US$119.16 million. This was a decrease of approximately 23.94% compared to previous year. Copper sold of Lady Annie Operations dropped from 21,237 tonnes of last year to 16,155 tonnes of the Year. Its operating revenue fell from approximately US$151.86 million to US$109.14 million, representing a decrease of approximately 28.13% over the Year. The continued low market price for copper and fewer copper sales resulted from sluggish copper demand are the main reasons for this decrease. Nevertheless, the application of effective cost controls and significant decreased in depreciation expense as a result from the impairment of certain assets made in last year lowered production costs and lifted the overall gross profit of the Group which was approximately US$41.58 million for the Year, a rise of more than 233.55% compared to the previous year. During the Year, the Group invested approximately US$3.18 million in exploration, mining and development activities. A summary of these activities can be found in the "Project Overview" section of this annual report.

Revenue from the property investment segment and the investments in financial instruments segment represented approximately 0.67% and 7.74% of the total revenue respectively over the Year. In comparison with last year, revenue derived from property investments increased by approximately 9.33% as a result of stable occupancy rates and an increase in the rental rate for newly signed rental contracts. Rental income provided steady cash flow to the Group over the Year, and this is expected to continue in the future. With an optimistic atmosphere around the financial market, dividend and interest income from financial instruments investments increased significantly. Year on year, dividends from trading securities and interest income from financial assets increased by approximately 125.85%. Maintaining the upward trend of the financial market from the second half of the previous year, the overall performance of the Group's investment portfolio is satisfactory. The investment portfolio recorded a net gain of approximately US$66.92 million which represents a decrease of 12.84% in comparison with last year's net gain of approximately US$76.78 million.

Nevertheless, the instability in the global economy may affect the direction of financial markets in the coming future. Uncertainties such as the continued economic difficult in Europe, changing financial policies and the opening of securities markets in the People's Republic of China, potentially tighter monetary policy in the United States of America ("US"), as well as political and territorial disputes in East Asia could cause fluctuations in market sentiment. As a result of these factors, global investor confidence and market conditions are likely to be volatile.

With continued low copper price and demand, and diminishing copper reserves, the Group reviewed the carrying value of the assets of Lady Annie Operations. The Group then provided an impairment loss in respect of property, plant and equipment of US$0.96 million, and impairment and written off in respect of exploration and evaluation assets of approximately US$17.65 million and US$1.43 million respectively, and wrote down the carrying value of inventories by approximately US$24.26 million. In the previous year, the impairment loss in respect of property, plant and equipment was approximately US$60.23 million, no impairment loss and written off was made in respect of exploration and evaluation assets, and carrying value of inventories was written down the by approximately US$36.21 million. One of the Company's subsidiaries formed a joint venture, which principally engages in business of investments in equity instruments, with an independent party during the Year. As of 31 March 2015, the Group recorded a share of profit on the joint venture of US$12.43 million. Details of the joint venture can refer to note 35 of the Notes to the Consolidated Financial Statements in this annual report. Overall, the Group recorded a profit of approximately US$28.17 million for the Year, contrasting with a loss of approximately US$61.74 million from the year earlier.

Net Asset Value

As of 31 March 2015, the Group held bank balances and cash totaling approximately US$99.50 million. A bank deposit of approximately US$52.78 million was pledged mainly for the mine rehabilitation costs mandated by the government of Queensland, Australia, and to serve as a guarantee for the electric power supplier of the Lady Annie mine site. Fair value of available-for-sale investments and financial assets through profit or loss were approximately US$100.55 million and US$642.76 million respectively. As of 31 March 2015, the Group had no outstanding loans or borrowings from banks or other financial institutions. As such, based on the balance of all outstanding loans and borrowings from financial institutions and total equity, the gearing ratio was zero. As of 31 March 2015, the net asset value of the Group amounted to approximately US$977.29 million.

Human Resources

As of 31 March 2015, the Group had 32 staff (including directors of the Company) in Hong Kong and 51 staff in Australia. Staff costs (excluding directors' emoluments and share-based payment expenses) were approximately US$21.41 million for the Year. Staff remuneration packages are normally reviewed annually. The Group also participated in the Mandatory Provident Fund Scheme in Hong Kong. In addition, the Group provided other staff benefits, which includes medical coverage.

Furthermore, the Group has a share option scheme. Details of this scheme and the movement of the share options are disclosed under the heading "Directors' Report" in this annual report.

Exposure to Fluctuations in Exchange Rates

The Group conducts most of its business in US dollars, Australian dollars, Renminbi and Hong Kong dollars. Foreign currency exposure to US dollars is minimal since the Hong Kong dollar is pegged to the US dollar. The exposure to Renminbi is also minimal as business conducted in Renminbi represents only a very small portion of the Group's total business in terms of revenue. The Group is primarily exposed to foreign currency risk in Australian dollars.

The Australian dollar depreciated against the US dollar, causing exchange losses for the Group for the Year. More information can be found in note 9 of the Notes to the Consolidated Financial Statements. Management will continue to monitor the Group's foreign currency exposure and will consider hedging its exchange rate exposure should the need arise.

Lady Annie

The Lady Annie Operations principally comprised of the Lady Annie mining area, the Mount Kelly mining area, and the Mount Kelly processing plant and tenements is located in the Mount Isa district of north-western Queensland, Australia. The Mount Isa Inlier hosts several known copper oxide and sulphide resources and several notable copper and lead-zinc silver mines. Tenements held by the Lady Annie project cover approximately 2,800 square kilometres, and include 14 mining leases and 58 EPMs (exploration permits for minerals).

A summary of the financial results for the Year for Australian Group is set out below:

	2015 US$'000	2014 US$'000
Revenue	**109,143**	151,860
Cost of sales	**(77,583)**	(144,206)
Gross profit	**31,560**	7,654
Other income and other gains	**4,987**	4,631
Distribution and selling expenses	**(5,921)**	(8,346)
Administrative expenses	**(10,285)**	(14,380)
Finance costs*	**(1,632)**	(1,492)
Loss on inventories written down to net realisable value	**(24,264)**	(36,213)
Exploration and evaluation assets written off	**(1,428)**	–
Impairment losses on exploration and evaluation assets	**(17,654)**	–
Impairment losses on property, plant and equipment	**(962)**	(60,225)
Loss before taxation	**(25,599)**	(108,371)
Depreciation in administrative expenses	**833**	2,174
Depreciation in cost of sales	**1,229**	60,283
Total depreciation	**2,062**	62,457

* Inter companies financial charges of the Australian Group was not included

Non-HKFRS Financial Measure

The term "C1 operating cost" is a non-HKFRS performance measure reported in this "Management Discussion and Analysis" and is prepared on a per-pound of copper sold basis. The term C1 operating cost does not have any standardized meaning prescribed by HKFRS and therefore may not be comparable to similar measures presented by other issuers. C1 operating cost is a common performance measure in the copper industry and is prepared and presented herein on a basis consistent with industry standard definitions. C1 operating costs include all mining and processing costs, mine site overheads and realization costs through to refined metal.

The table below provides, for the financial years indicated, a reconciliation of Lady Annie Operations C1 operating cost measures to the statement of comprehensive income in the financial statements of the Lady Annie Operations.

	2015 US$'000	2014 US$'000
Cash costs as reported in the income statement:		
Direct and indirect mining cost	**80,401**	107,047
Adjustment for change in inventory	**(5,607)**	(11,360)
Total operating costs	**74,794**	95,687
Copper sold (tonnes)	**16,155**	21,237
Copper sold (in thousand pounds)	**35,616**	46,820
C1 operating cost per pound of copper	**US$2.10/lb**	US$2.04/lb

The Company believes that, in addition to conventional measures prepared in accordance with HKFRS, certain investors use the above tool and information to evaluate the Company. It is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with HKFRS.

Significant Events

On 28 May 2015, the Company and Kingston Securities Limited ("Kingston") entered into a placing agreement, pursuant to which the Company had conditionally agreed to place through the Kingston, on a best effort basis, up to 5,400,000,000 new shares of the Company at a placing price of HK$0.10 per placing share to expected not less than six placees who and whose beneficial owners should be independent third parties. The maximum gross proceeds from the placing would be HK$540.00 million. The placing shares would be allotted and issued pursuant to the general mandate granted to the directors of the Company at the annual general meeting held on 26 September 2014. The placing was completed on 12 June 2015. Details of the placing were disclosed in the Company's announcements dated 28 May 2015 and 12 June 2015.

Outlook

Over the Year, the market price for copper fluctuated, copper demand slowed down and copper sales fell. As a result, the revenue from Lady Annie Operations decreased by 28.13% compared to the previous year. In response to these circumstances, Lady Annie Operations implemented numerous measures to lower production costs, such as adjusting annual copper production schedule, downsizing the workforce, strengthening the planning process, controlling spending, and broadening the outsourcing of supply. Consequently, the profitability of the copper business improved for the Year.

Looking ahead to the 2016 financial year, the Company expects copper production at Lady Annie Operations to drop substantially, which may have a significant impact on the revenue of the Group. The expected drop in copper production is attributable to several factors. In addition to continued low copper prices and demand, copper reserves in Lady Annie Operations have depleted significantly since the resumption of production in 2010. To mitigate these issues, Lady Annie Operations implemented a resized operational plan by gradually suspending mining activity and downsizing its workforce beginning in February 2015.

At the Anthill Project, negotiations with the traditional owners are still ongoing. However, Lady Annie Operations hopes negotiations will be completed in the coming months and the Group will endeavour to obtain the Anthill Project mining license as soon as agreements are reached.

The exploration program will continue seeking new discoveries to extend the life of the mine and increase the value of Lady Annie Operations. The Company looks forward to realizing further improvements in all aspects of Lady Annie Operations in the future.

The success of recent placing has further enhanced and strengthened the financial position of the Group. With this sound financial foundation, the Group is seeking new potential investment opportunities that bring even more added value. Internal resources and/or other effective funding sources may be used for future investments if opportunities arise, and depending on the nature of the investments and market conditions. At the same time, management will continue to strengthen its operations within other existing businesses of the Group.

Directors' Report

The board of directors (the "Board") has pleasure in presenting its report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2015 (the "Year").

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the Group are (i) acquisition, exploration, development and mining of copper and other mineral resources minerals; (ii) investment in financial instruments and (iii) property investment. The particulars of the Company's principal subsidiaries are set out in note 34 to the consolidated financial statements.

Results and Dividend

Results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 59 of this annual report.

The Board does not recommend the payment of a dividend during the Year.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 15 to the consolidated financial statements.

Investment Properties

Details of movements in the investment properties of the Group are set out in note 17 to the consolidated financial statements.

Reserves

Details of movements during the Year in the reserves of the Group are set out in the consolidated statement of changes in equity on page 62 of this annual report.

Share Capital

Details of the share capital of the Company set out in note 28 to the consolidated financial statements.

Directors

The directors of the Company (the "Directors") during the Year and up to the date of this report are:

Executive Directors:

Mr. Chiu Tao *(Chairman)*
Mr. Hui Richard Rui *(General Manager)*
Mr. Lee Ming Tung *(Chief Financial Officer)*
Mr. Kwan Kam Hung, Jimmy
Mr. Yeung Kwok Yu
Mr. Tsui Ching Hung

Independent Non-executive Directors:

Mr. Yu Pan
Ms. Tong So Yuet
Ms. Ma Yin Fan

The Directors (including independent non-executive Directors) are subject to retirement by rotation and re-election at the annual general meeting of the Company (the "AGM") in accordance with the provision of the Company's articles of association (the "Articles of Association"). Accordingly, the Directors, Mr. Chiu Tao, Mr. Hui Richard Rui and Mr. Tsui Ching Hung will retire from office and, being eligible, offer themselves for re-election at the forthcoming AGM.

None of the Directors who are proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

Directors' and Chief Executives' Interests in Securities

As at 31 March 2015, the interests and short positions of the Directors and chief executives of the Company (the "Chief Executives") and their respective associates in the shares, underlying shares, convertible notes or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were disclosed as follows:

Long positions in shares/underlying shares of the Company

	Number of *shares/underlying shares			
Name of Director	Personal interests	Share options	Total	Approximate % of the issued share capital of the Company
CHIU Tao	3,900,000,000	–	3,900,000,000	14.39%
HUI Richard Rui	–	20,000,000	20,000,000	0.07%
LEE Ming Tung	–	15,000,000	15,000,000	0.06%
KWAN Kam Hung, Jimmy	–	15,000,000	15,000,000	0.06%
YEUNG Kwok Yu	–	15,000,000	15,000,000	0.06%
TSUI Ching Hung	–	5,000,000	5,000,000	0.02%

* Ordinary shares unless otherwise specified

Save as disclosed above, none of the Directors or their associates had any interests and short positions in the shares, underlying shares, convertible notes or debentures of the Company or any of its associated corporations as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 31 March 2015.

Share Option

Particulars of the share option scheme of the Company are set out in note 32 to the consolidated financial statements.

Share Option Scheme

The following table disclose movements in the Company's share options held by each of the Directors and the employees of the Group in aggregate granted under the share option scheme of the Company during the Year:

Name or category of participants	Date of grant	Exercise price HK$	Exercisable period	Outstanding as at 01.04.2014	Granted during the Year	Exercised during the Year	Cancelled during the Year	Forfeited during the Year	Outstanding as at 31.03.2015	Market value per share at date of grant of options HK$	Fair value per share option HK$
(a) Directors											
HUI Richard Rui	02.09.2010	0.2000	17.09.2011–16.09.2015	20,000,000	–	–	–	–	20,000,000	0.1570	0.0649
LEE Ming Tung	02.09.2010	0.2000	17.09.2011–16.09.2015	15,000,000	–	–	–	–	15,000,000	0.1570	0.0649
KWAN Kam Hung, Jimmy	02.09.2010	0.2000	17.09.2011–16.09.2015	15,000,000	–	–	–	–	15,000,000	0.1570	0.0649
YEUNG Kwok Yu	02.09.2010	0.2000	17.09.2011–16.09.2015	15,000,000	–	–	–	–	15,000,000	0.1570	0.0649
TSUI Ching Hung	02.09.2010	0.2000	17.09.2011–16.09.2015	5,000,000	–	–	–	–	5,000,000	0.1570	0.0649
Total for Directors				70,000,000	–	–	–	–	70,000,000		
(b) Employees	02.09.2010	0.2000	17.09.2011–16.09.2015	18,200,000	–	–	–	–	18,200,000	0.1570	0.0649
	13.12.2010	0.2700	13.12.2011–12.12.2015	4,000,000	–	–	–	(4,000,000)	–	0.2250	0.0988
	28.02.2011	0.2350	28.02.2012–27.02.2016	7,300,000	–	–	–	(4,600,000)	2,700,000	0.2290	0.1004
Total for employees				29,500,000	–	–	–	(8,600,000)	20,900,000		
Total for Scheme				99,500,000	–	–	–	(8,600,000)	90,900,000		

Notes:

Vesting conditions for share options granted:

(i) as to one-third of the share options, upon the average closing share price for a continuous period of 30 days immediately after twelve months from the date of grant of the share options being not less than 200% of the exercise price;

(ii) as to another one-third of the share options, upon CST Minerals Lady Annie Pty Limited producing averaging 2,300 tonnes per month of saleable copper production over a six consecutive month period;

(iii) as to the remaining one-third, upon CST Minerals Lady Annie Pty Limited achieving 75,000 tonnes of cumulative saleable copper cathode production; and

(iv) no share option shall vest at any time prior to the expiry of twelve months from the date of grant of the share options.

Discloseable Interests and Short Positions of Persons other than Directors and Chief Executives

As at 31 March 2015, so far as known to the Directors or the Chief Executives, the following person is the shareholder (other than Directors or Chief Executives) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or who were recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or had otherwise notified to the Company and the Stock Exchange.

Long positions in shares and underlying shares of the Company

Name of shareholder	Capacity	Number of shares/ underlying shares	Approximate % of the issued share capital	
Cheung Chung Kiu	Beneficial owner/Interest of a controlled corporation	2,575,861,856	9.51%	(Notes)

Notes:

These securities represent relevant interests in respect of:

(a) 1,950,840,000 shares held by Bondic International Holdings Limited, directly solely owned by Mr. Cheung Chung Kiu ("Mr. Cheung");

(b) 175,021,856 shares held by Bookman Properties Limited, directly wholly-owned by Ferrex Holdings Limited which is directly wholly-owned by Yugang International (B.V.I.) Limited ("Yugang BVI"). Yugang BVI is directly wholly-owned by Yugang International Limited. Yugang International Limited is directly owned by Chongqing Industrial Limited as to 34.33% of the entire issued share capital. Chongqing Industrial Limited is directly solely owned by Mr. Cheung; and

(c) 450,000,000 shares held by Gold Faith Investments Limited, wholly owned by Konco Limited which is directly wholly owned by The Cross-Harbour (Holdings) Limited. The Cross-Harbour (Holdings) Limited is directly owned by Honway Holdings Limited as to 41.66% of the entire issued share capital. Honway Holdings Limited is directly wholly-owned by Y.T. Investment Holdings Limited which is directly wholly-owned by Y.T. Realty Group Limited. Y.T. Realty Group Limited is directly owned by Funrise Limited as to 34.14% of the entire issued share capital. Funrise Limited is directly wholly-owned by Yugang BVI.

As such, Mr. Cheung is deemed to be interested in the shares held by Bondic International Holdings Limited, Bookman Properties Limited and Gold Faith Investments Limited.

Save as disclosed above, the Company has not been notified by any person (other than the Directors or the Chief Executives) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or who were recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or had otherwise notified to the Company and the Stock Exchange as at 31 March 2015.

Independent Non-executive Directors

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

Directors' Service Contracts

During the Year up to the date of this annual report, none of the Directors being proposed for re-election at the forthcoming AGM has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

Directors' Interests in Contracts of Significance
No contracts of significance to which the Company or its subsidiaries, was a party and in which a Director had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the Year.

Directors' Interests in Competing Business
During the Year up to the date of this annual report, none of the Directors, or any of their respective associates (as defined in the Listing Rules) had any material interest in a business that competes or may compete with the business of the Group.

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

Purchase, Sale or Redemption of Listed Securities
Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

Major Customers and Suppliers
For the Year, the five largest customers accounted for approximately 92% of the Group's turnover, and the largest customer included therein amounted to approximately 74%. Purchases from the five largest suppliers accounted for approximately 65% of the total purchase for the Year, and purchase from the largest supplier included therein amounted to approximately 19%.

At no time during the Year, none of the Directors, their associates or the shareholders of the Company, which to the knowledge of the Directors owned more than 5% of the Company's issued share capital, had any interests in the major customers and suppliers.

Emolument Policy
The remuneration policy of the employees of the Group is based on their merit, qualifications and competence.

The emoluments of the Directors are decided by the Board, having regard to the Company's operating results, the previling market condition and individual performance.

The Company has adopted the share option scheme as an incentive to the Directors and the eligible employees, details of the schemes are set out in note 32 to the consolidation financial statements.

Pre-emptive Rights
There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

Corporate Governance
The information set out in pages 48 to 55 and information incorporated by reference, if any, constitutes the Corporate Governance Report of the Company.

Auditor
Messrs. Deloitte Touche Tohmatsu will retire at the forthcoming AGM and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Chiu Tao
Chairman
Hong Kong, 29 June 2015

CORPORATE GOVERNANCE REPORT

Corporate Governance Report

Corporate Governance Practices

The Company recognised the importance of transparency and accountability, and believes that shareholders can benefit from good corporate governance. The Company aims to achieve sound standards of corporate governance, and has during the year ended 31 March 2015 (the "Year") complied with the code provisions of the Corporate Governance Code (the "Code") and Corporate Governance Report (the "Corporate Governance Report") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Any deviation from the Code will be explained in this report.

Board of Directors

The board of directors (the "Board") of the Company comprises 6 executive directors and 3 independent non-executive directors (the "INEDs") (collectively the "Directors") as follows:

Executive Directors:
Mr. Chiu Tao *(Chairman)*
Mr. Hui Richard Rui *(General Manager)*
Mr. Lee Ming Tung *(Chief Financial Officer)*
Mr. Kwan Kam Hung, Jimmy
Mr. Yeung Kwok Yu
Mr. Tsui Ching Hung

Independent Non-executive Directors:
Mr. Yu Pan
Ms. Tong So Yuet
Ms. Ma Yin Fan

The Directors are considered to posses a balance of skill and experience appropriate for the requirements of the business of the Company; details related to the Directors are shown on pages 34 to 36 in the section of "Biographical Details of Directors".

Save as disclosed in the headings of the "Directors' Report" and the "Biographical Details of Directors" of this annual report, none of the Directors had any financial, business, family or other material/relevant relationship with any other Director.

Each of our INEDs has presented an annual confirmation of independence to the Company in accordance with the requirement of the Listing Rules. The Company considers all of the INEDs to be independent.

The Board is responsible for the overall operations of the Company. It provides leadership and oversees the Group's strategic decisions, business development and performance, as well as its business affairs. Directors carry out their duties in good faith and in compliance with applicable laws and regulations, taking decisions objectively and acting in the interests of the Company and its shareholders.

There are four major committees under the Board, namely the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee"), the nomination committee (the "Nomination Committee") and the investment and management committee (the "IMC"). The responsibilities and the composition of these committees are described below. Matters which the Board considers suitable for delegation are contained in the terms of reference of the committees. The committees' terms of reference may be amended from time to time as necessary, subject to the approval by the Board.

The Board met regularly throughout the Year to discuss overall strategy as well as the operation and financial performance of the Group. The Directors are kept informed on a timely basis of major changes that may affect the Group's business, including relevant rules and regulations. The Directors can, upon reasonable request, seek independent professional advice in appropriate circumstances, at the Company's expenses. The Board shall resolve to provide separate appropriate independent professional advice to the Directors to assist the relevant Directors to discharge their duties.

The Company has renewed its corporate liability insurance purchased for Directors together with senior management, in compliance with the Code Provision A.1.8 under the Code that the Company should arrange appropriate insurance cover in respect of potential legal actions against its Directors.

Board Committees

Audit Committee

For the year ended 31 March 2015, the Audit Committee composed 3 INEDs, namely:

Name of Audit Committee Members
Ms. Tong So Yuet *(Chairlady)*
Mr. Yu Pan
Ms. Ma Yin Fan

Ms. Tong So Yuet and Ms. Ma Yin Fan possess an appropriate professional accounting qualification, while Mr. Yu Pan possesses extensive management experience in the commercial sector. The terms of reference of the Audit Committee have been reviewed and revised with reference to the Code of which, among other things, include reviewing the financial statements of the Company. Any findings together with recommendations of the Audit Committee are submitted to the Board for consideration.

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee. It is also authorised to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if considered necessary.

The Audit Committee held two meetings during the Year and reviewed reports from external auditors regarding their audit on annual financial statements and review on interim financial results.

Remuneration Committee

For the year ended 31 March 2015, the Remuneration Committee comprised 2 INEDs, namely:

Name of Remuneration Committee Members
Mr. Yu Pan *(Chairman)*
Ms. Ma Yin Fan

The principal responsibilities of the Remuneration Committee include formulation of the remuneration policy, review and recommendations to the Board on the annual remuneration policy, and determination of the remuneration of the executive Directors and members of senior management. The overriding objective of the remuneration policy is to ensure that the Group is able to attract, retain and motivate a high-calibre team, which is essential to the success of the Group.

During the Year, the Remuneration Committee held a meeting to discuss remuneration matters of the Directors.

Nomination Committee

For the year ended 31 March 2015, the Nomination Committee comprised the Chairman of the Company (the "Chairman") and 2 INEDs, namely:

Name of Nomination Committee Members
Mr. Chiu Tao *(Chairman)*
Mr. Yu Pan
Ms. Ma Yin Fan

The Nomination Committee is responsible for identifying suitable qualified individuals to the Board and making recommendations for the Board's consideration.

Board Diversity Policy

The Board has adopted the a board diversity policy on 29 August 2013 (the "Board Diversity Policy") and delegated the Nomination Committee to review and assess the Board composition and its effectiveness on an annual basis, and to review and monitor the implementation of the Board Diversity Policy.

The Board Diversity Policy is set out below:

1. *Vision*

   The Company sees diversity at Board level as an important element in maintaining a high standard of corporate governance. The Company is committed to a diverse Board, so directors from diverse backgrounds could present the Company effectively to various constituencies, and to bring different and inspiring perspectives into the boardroom.

2. *Policy Statement*
   (i) The Company aspires to maintain an appropriate range and a balance of skills, experience and background on the Board. In determining the optimum composition of the Board, differences in the skills, regional and industry experience, background, ethnicity, gender and other qualities of directors shall be considered. All Board appointments are made on merits, in the context of the skills and experience the Board as a whole requires to be effective, with due regard for the benefits of diversity on the Board.

   (ii) The Nomination Committee will review and assess Board composition and its effectiveness on an annual basis. When there is vacancy on the Board, the Nomination Committee will recommend suitable candidate(s) for appointment to the Board on merits, based on the Terms of Reference of the Nomination Committee, with due regard to the Company's own circumstances.

3. *Monitoring and Reporting*
   The Nomination Committee will report annually in the corporate governance report in the annual report, on the composition of the Board (including gender, age, length of service, education background and working experience), and monitor the implementation of the Board Diversity Policy.

The Nomination Committee has reviewed the existing board structure which is complies with the Board Diversity Policy.

Investment and Management Committee

The Board has delegated management of daily operations and investment matters of the Group to the IMC. The IMC comprises 3 members of the Board, namely:

Name of IMC Members
Mr. Chiu Tao *(Chairman)*
Mr. Hui Richard Rui
Mr. Lee Ming Tung

Corporate Governance Function

The Board is responsible for determining policy related to corporate governance for the Group and performing the corporate governance duties as below:

- To develop and review the Group's policies and practices on corporate governance and make recommendations;
- To review and monitor the training and continuous professional development of the Directors and the senior management;
- To review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements;
- To develop, review and monitor the code of conduct applicable to the employees and the Directors; and
- To review the Group's compliance with the Code and disclosure requirements in the Corporate Governance Report.

Attendances of Meetings

The attendance record of each Director at the respective meetings during the year ended 31 March 2015 is set out below:

	Meeting(s) Attended/Held				
Name of Director	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee	2014 AGM
Executive Directors:					
Mr. Chiu Tao	4/4	–	–	1/1	√
Mr. Hui Richard Rui	4/4	–	–	–	√
Mr. Lee Ming Tung	4/4	–	–	–	√
Mr. Kwan Kam Hung, Jimmy	4/4	–	–	–	√
Mr. Yeung Kwok Yu	3/4	–	–	–	√
Mr. Tsui Ching Hung	4/4	–	–	–	√
Independent Non-executive Directors:					
Mr. Yu Pan	4/4	2/2	1/1	1/1	√
Ms. Tong So Yuet	4/4	2/2	–	–	√
Ms. Ma Yin Fan	4/4	2/2	1/1	1/1	√

Chairman and Chief Executive Officer

Under the Code Provision A.2.1, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The Company did not name any officer with the title of "Chief Executive Officer". Mr. Hui Richard Rui is the general manager of the Group (the "General Manager") and assumed the duty of "Chief Executive Officer" who is responsible for managing and smoothing the business operations of the Group while Mr. Chiu Tao, the Chairman, remains to be responsible for leading the Board in the overall strategic development of the Group. The Board believes that there is an effective and sufficient segregation of duties between the Chairman and the General Manager.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code") as its own code of conduct regarding directors' securities transactions. Based on specific enquiry of all the Directors, the Directors have confirmed that they complied with the required standards as set out in the Model Code throughout the Year.

Term of Appointment of Non-executive Directors

The Code stipulates that non-executive directors should be appointed for a specific term and subject to re-election. All INEDs have signed appointment letters with the Company for a term of two years but they continue to be subject to retirement and re-election as governed by the Articles of Association of the Company.

Continuous Professional Development

In order to ensure the Directors' contribution to the Board remains informed and relevant and to develop and refresh their knowledge and skills, the Company has regularly provided training information, encouraged and funded suitable trainings/seminars for the Directors to participate in continuous professional development. The Company also updates the Directors on the latest developments regarding the Listing Rules and applicable regulatory requirements from time to time to enhance their awareness of good corporate governance practices and to ensure compliance.

During the Year, all Directors have participated in continuous professional development by attending training courses and/or referring materials on the topics related to the Group's business, corporate governance and regulations:

Name of Director	Reading regulatory update	Attending expert briefings/seminars/ conferences relevant to the business or directors' duties
Executive Directors:		
Mr. Chiu Tao	✓	✓
Mr. Hui Richard Rui	✓	✓
Mr. Lee Ming Tung	✓	✓
Mr. Kwan Kam Hung, Jimmy	✓	✓
Mr. Yeung Kwok Yu	✓	✓
Mr. Tsui Ching Hung	✓	✓
Independent Non-executive Directors:		
Mr. Yu Pan	✓	✓
Ms. Tong So Yuet	✓	✓
Ms. Ma Yin Fan	✓	✓

Company Secretary

Mr. Chow Kim Hang ("Mr. Chow"), has been appointed as the Company Secretary of the Company since 2006. Mr. Chow is a Solicitor of Ma Tang & Co., Solicitors, a corporate and commercial law firm in Hong Kong. He is a practicing solicitor in Hong Kong and a member of The Law Society of Hong Kong. His primary contact person at the Company is Mr. Lee Ming Tung, the executive Director.

During the Year, Mr. Chow has taken no less than 15 hours of relevant professional trainings to update his skills and knowledge.

Auditor's Remuneration

For the Year, the Group engaged Deloitte Touche Tohmatsu, external auditor of the Company, to perform audit service.

During the Year, the fees for non-audit services in relation to taxation services and other professional and advisory services provided by the external auditors were approximately US$151,000. The fees for audit related services provided by the external auditors were approximately US$361,000.

Directors' Responsibility for Financial Statements

Monthly updates on the Group's business, activities and events have been provided to all members of the Board to enable them to discharge their duties.

The Directors are responsible for the preparation of financial statements. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, therefore the Directors continue to adopt the going concern approach in preparing financial statements.

The statement of the external auditor of the Company with regard to their reporting responsibilities on the Company's financial statements for the Year is set out in the "Independent Auditor's Report" of this annual report.

Internal Control

The Board has overall responsibilities for maintaining a sound and effective internal control system and reviewing their effectiveness to safeguard the shareholders' investments and the Group's assets. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide reasonable but not absolute assurance against material misstatement or loss.

During the Year, the internal control system of the Group was reviewed. The Board is satisfied that, given the size and activities of the Group, adequate internal controls have been established and continuing reviews of internal controls will be undertaken to ensure its adequacy and effectiveness.

Shareholders' Rights And Communications

The Board recognises the importance of effective communications with all shareholders. The Company's annual general meeting (the "AGM") is a valuable forum for the Board to communicate directly with shareholders. During the Year, the Chairman and the members of the Audit Committee, the Remuneration Committee and the Nomination Committee together with the external auditors also attended the AGM to answer shareholders' questions.

Pursuant to the Articles of Association of the Company, an extraordinary general meeting shall also be convened on the written requisition of any 2 or more members holding at the date of the deposit of the requisition in aggregate not less than 25% of such of the paid up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company. Such requisition must state the purposes of the meeting and must be signed by the requisitionists and deposited to our office at Rooms 4503-05, 45/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong. If the Directors do not within 21 days from the date of the deposit of such requisition proceed duly to convene an extraordinary general meeting, the requisitionists themselves may convene the extraordinary general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene such a meeting shall be reimbursed to them by the Company.

Shareholders shall make a written requisition to the Board by mail to Rooms 4503-05, 45/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, specifying their shareholding information, their contact details and the proposals they intend to put forward at the general meetings regarding any specified transaction/business, together with supporting documents.

Shareholders may send enquiries and concerns to the Board by mail to Rooms 4503-05, 45/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong or by email at info@cstmining.com. Such communications relating to matters within the Board's direct responsibilities shall be forwarded to the Board and communications relating to ordinary business matters, such as suggestions, inquiries and customer complaints shall be forwarded to the relevant senior management of the Company.

Investor Relations

A consolidated version of the Memorandum and Articles of Association of the Company has been posted on the websites of the Company and the Stock Exchange respectively. There have been no changes in the Company's constitutional documents during the Year.

FINANCIAL OVERVIEW

Independent Auditor's Report

Deloitte.
德勤

TO THE MEMBERS OF CST MINING GROUP LIMITED
中科礦業集團有限公司
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of CST Mining Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 59 to 123, which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. 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 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 March 2015, and of its 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.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 June 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

	NOTES	**2015 US$'000**	2014 US$'000
Revenue	7	**119,157**	156,670
Cost of sales	8	**(77,583)**	(144,206)
Gross profit		**41,574**	12,464
Other income and other gains and losses	9	**(15,631)**	(16,486)
Distribution and selling expenses		**(5,920)**	(8,346)
Administrative expenses			
Expense of share-based payment	32	**(19)**	(4,792)
Other administrative expenses		**(28,377)**	(31,820)
Impairment loss recognised in respect of property, plant and equipment	15	**(962)**	(60,225)
Impairment loss recognised in respect of exploration and evaluation assets	16	**(17,654)**	–
Loss on inventories written down to net realisable value		**(24,264)**	(36,213)
Impairment loss on available-for-sale investments	18	**(25,219)**	(28,964)
Gain on disposal of available-for-sale investments		**150**	205
Gain on fair value changes of financial assets at fair value through profit or loss		**91,986**	104,766
Gain on fair value changes of derivative financial instruments		**–**	775
Gain (loss) on fair value changes of investment properties		**1,166**	(135)
Share of profit of a joint venture	35	**12,432**	–
Finance costs	11	**(1,686)**	(1,517)
Profit (loss) before taxation	12	**27,576**	(70,288)
Taxation	13	**596**	8,544
Profit (loss) for the year		**28,172**	(61,744)
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(4,297)**	(19,058)
Gain (loss) arising from fair value changes of an available-for-sale investment		**8,886**	(31,399)
Item that will not be reclassified subsequently to profit or loss:			
Reclassification adjustment upon impairment on an available-for-sale investment		**–**	26,536
		4,589	(23,921)
Total comprehensive income (expense) for the year		**32,761**	(85,665)
Profit (loss) for the year attributable to owners of the Company		**28,172**	(61,744)
Total comprehensive income (expense) for the year attributable to owners of the Company		**32,761**	(85,665)
Earnings (loss) per share			
Basic and diluted	14	**US0.10 cent**	US(0.23) cent

Consolidated Statement of Financial Position

At 31 March 2015

	NOTES	2015 US$'000	2014 US$'000
Non-current assets			
Property, plant and equipment	15	**4,518**	7,716
Exploration and evaluation assets	16	**28,709**	50,925
Investment properties	17	**20,676**	19,510
Financial assets at fair value through profit or loss	23	**8,281**	7,326
Available-for-sale investments	18	**100,545**	84,927
Pledged bank deposits	20	**52,781**	62,167
Interests in a joint venture	35	**12,432**	–
		227,942	232,571
Current assets			
Inventories	21	**40,954**	79,168
Trade and other receivables	22	**7,606**	44,455
Amount due from a joint venture	35	**4,037**	–
Financial assets at fair value through profit or loss	23	**634,481**	499,905
Bank balances and cash	20	**99,503**	135,734
		786,581	759,262
Current liabilities			
Trade and other payables	25	**7,002**	12,198
Amount due to a non-controlling interest	26	**256**	256
Derivative financial instruments	24	**–**	617
Tax payable		**4,602**	4,268
		11,860	17,339
Net current assets		**774,721**	741,923
Total assets less current liabilities		**1,002,663**	974,494
Non-current liabilities			
Deferred tax liabilities	19	**–**	1,054
Provision for mine rehabilitation cost	27	**25,377**	28,934
		25,377	29,988
		977,286	944,506

Consolidated Statement of Financial Position

At 31 March 2015

	NOTE	**2015 US$'000**	2014 US$'000
Capital and reserves			
Share capital	28	**347,414**	347,414
Reserves		**629,878**	597,098
Equity attributable to owners of the Company		**977,292**	944,512
Non-controlling interests		**(6)**	(6)
		977,286	944,506

The consolidated financial statements on pages 59 to 123 were approved and authorised for issue by the Board of Directors on 29 June 2015 and are signed on its behalf by:

CHIU TAO
DIRECTOR

HUI RICHARD RUI
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 March 2015

	Attributable to owners of the Company											
	Share capital US$'000	Share premium US$'000	Capital reserve US$'000 (note a)	Other capital reserve US$'000 (note b)	Investment revaluation reserve US$'000	Warrant reserve US$'000	Share options reserve US$'000	Exchange reserve US$'000	Accumulated losses/ retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total US$'000
At 1 April 2013 (restated)	347,414	497,483	987	128,275	4,863	9	31,218	26,512	(11,376)	1,025,385	(6)	1,025,379
Loss for the year	–	–	–	–	–	–	–	–	(61,744)	(61,744)	–	(61,744)
Reclassification adjustment upon impairment on an available-for-sale investment	–	–	–	–	26,536	–	–	–	–	26,536	–	26,536
Other comprehensive expense	–	–	–	–	(31,399)	–	–	(19,058)	–	(50,457)	–	(50,457)
Total comprehensive expense for the year	–	–	–	–	(4,863)	–	–	(19,058)	(61,744)	(85,665)	–	(85,665)
Recognition of share-based payment expense (note 32)	–	–	–	–	–	–	1,549	–	–	1,549	–	1,549
Lapse of share options	–	–	–	–	–	–	(65)	–	65	–	–	–
Cancellation of unvested share options	–	–	–	–	–	–	3,243	–	–	3,243	–	3,243
Transfer upon cancellation of share options	–	–	–	–	–	–	(35,398)	–	35,398	–	–	–
Lapse of warrants	–	–	–	–	–	(9)	–	–	9	–	–	–
At 31 March 2014	347,414	497,483	987	128,275	-	-	547	7,454	(37,648)	944,512	(6)	944,506
Profit for the year	-	-	-	-	-	-	-	-	28,172	28,172	-	28,172
Other comprehensive income (expense)	-	-	-	-	8,886	-	-	(4,297)	-	4,589	-	4,589
Total comprehensive income (expense) for the year	-	-	-	-	8,886	-	-	(4,297)	28,172	32,761	-	32,761
Recognition of share-based payment expense (note 32)	-	-	-	-	-	-	19	-	-	19	-	19
Lapse of share options	-	-	-	-	-	-	(54)	-	54	-	-	-
At 31 March 2015	347,414	497,483	987	128,275	8,886	-	512	3,157	(9,422)	977,292	(6)	977,286

Notes:

(a) The capital reserve of the Group represents the difference between the nominal value of the shares of the subsidiaries acquired, over the nominal value of the share capital of the Company issued in exchange, in connection with the Group reorganisation completed in January 1994.

(b) The other capital reserve of the Group represents the balance of the credit arising from the cancellation of paid up capital in previous years.

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	NOTE	**2015 US$'000**	2014 US$'000
OPERATING ACTIVITIES			
Profit (loss) before taxation		**27,576**	(70,288)
Adjustments for:			
Interest income		**(2,037)**	(2,086)
Finance costs		**1,686**	1,517
Depreciation on property, plant and equipment		**2,320**	63,605
Expense of share-based payment		**19**	4,792
Impairment loss on available-for-sale investments		**25,219**	28,964
Impairment loss recognised in respect of property, plant and equipment		**962**	60,225
Impairment loss recognised in respect of exploration and evaluation assets		**17,654**	–
Loss on inventories written down to net realisable value		**24,264**	36,213
Loss on disposal of property, plant and equipment		**–**	6
Write-off of exploration and evaluation assets		**1,428**	–
Share of profit of a joint venture		**(12,432)**	–
(Gain) loss on fair value changes of investment properties		**(1,166)**	135
Gain on disposal of available-for-sale investments		**(150)**	(205)
Gain on fair value changes of financial assets at fair value through profit or loss		**(91,986)**	(104,766)
Operating cash flows before movements in working capital		**(6,643)**	18,112
Decrease (increase) in inventories		**9,821**	(11,283)
Decrease (increase) in trade and other receivables		**10,204**	(17,905)
Increase in held for trading investments		**(48,673)**	(62,652)
Increase in trade and other payables		**14,288**	15,083
Decrease in derivative financial instruments		**(617)**	2,927
Increase in amount due from a joint venture		**(4,037)**	–
Net cash used in operations		**(25,657)**	(55,718)
Interest received		**2,037**	2,086
NET CASH USED IN OPERATING ACTIVITIES		**(23,620)**	(53,632)
INVESTING ACTIVITIES			
Purchase of available-for-sale investments	18	**(8,128)**	(13,531)
Additions to exploration and evaluation assets		**(3,176)**	(6,021)
Purchase of property, plant and equipment		**(5,781)**	(4,850)
Increase in pledged bank deposits		**(1,375)**	(1,550)
Proceeds on disposal of financial assets designated at fair value through profit or loss		**5,128**	16,731
Proceeds on disposal of available-for-sale investments		**1,328**	1,537
NET CASH USED IN INVESTING ACTIVITIES		**(12,004)**	(7,684)

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	2015 US$'000	2014 US$'000
CASH USED IN A FINANCING ACTIVITY		
Interest paid	**(54)**	(25)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(35,678)**	(61,341)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(553)**	(285)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**135,734**	197,360
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**99,503**	135,734
Represented by:		
Bank balances and cash	**99,503**	135,734

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

1. GENERAL

The Company is incorporated in the Cayman Islands 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 section of the annual report.

The Company is an investment holding company with its subsidiaries engaged in (i) acquisition, exploration, development and mining of copper and other mineral resources materials, (ii) investment in financial instruments, and (iii) property investment. The principal activities of each of its principal subsidiaries are set out in note 34.

The consolidated financial statements are presented in United States dollars ("USD"), which is different from the Company's functional currency of Hong Kong dollars ("HKD"). The management adopted USD as presentation currency as the management controls and monitors the performance and financial position of the Group based on USD. Each entity of the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has applied, for the first time in the current year the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Accounting Standards ("HKASs") and a new interpretation.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	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) - INT 21	Levies

The application of the above amendments to HKFRSs and a new interpretation 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 financial statement.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

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

New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	Financial instruments[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	Defined benefit 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]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 - 2012 cycle[6]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 - 2013 cycle[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012 - 2014 cycle[5]
Amendment to HKAS 1	Disclosure initiative[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[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 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 debt instruments.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (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 values 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 the 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 transactions 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 do not anticipate that the adoption of HKFRS 9 in the future will have a significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (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 its 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 of the Company do not anticipate that the application of these amendments to HKAS 27 will have a material impact on the Group's consolidated financial statements.

The directors of the Company do not anticipate that the application of the other new and revised HKFRSs issued but not yet effective will have a material impact on the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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 Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments that are measured at fair values at the end of reporting period, as explained in the accounting policies set out 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition, for financial reporting purposes, fair value measurements are categorised 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 entirety, 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.

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.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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 into 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.

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of sales discounts and sales related taxes.

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

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

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

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Exploration and evaluation assets

Exploration and evaluation assets are recognised at cost.

Exploration and evaluation assets represent costs of acquiring exploration and mining rights and the expenditures in the search for mineral resources on an area of interest basis. Costs incurred before the Group has obtained the legal right to explore an area are recognised in the profit or loss.

Exploration and evaluation assets are only recognised if the rights to the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
- activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

Exploration and evaluation assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability; or
- facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Where a potential impairment is indicated, an assessment is performed for each area of interest or at the cash generating unit level. To the extent that capitalised expenditure is not expected to be recovered, it is charged to the profit or loss.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrated, any previously recognised exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining properties (included in property, plant and equipment).

Property, plant and equipment

Property, plant and equipment including leasehold land and buildings for administrative purposes, are stated in the consolidated financial statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, 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 depreciation 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.

Mine property and development assets

Mine property and development assets include costs of exploration and evaluation, cost to acquire mineral rights, subsequent costs to develop the mine to the production phase, costs which are necessarily incurred during commissioning of the plant and net of proceeds from the sale of test production.

Mine property and development assets are reclassified to mining properties when the mine starts commercial production.

Mining properties represent the accumulated mine property and development assets and other costs, including construction cost of the mining site infrastructure, incurred in relation to areas of interest in which commercial production of minerals has commenced.

When further development expenditure is incurred in respect of an area of interest in production, such expenditure is capitalised as part of the cost of that mining property only if future economic benefits are probable. Otherwise such expenditure is classified as part of the cost of production and expensed in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Mine property and development assets (continued)

The amortisation of mining properties and plant and equipment related to production commences when the mine starts commercial production and is provided on the unit of production basis, based on the actual production volume over the total estimated proved and probable reserves of the copper mine.

The estimated reserves and life of mine are reassessed at least annually. Where there is a change in the reserves, depreciation and amortisation rates are adjusted prospectively from that reporting period.

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period in which the item is derecognised.

Stripping cost

The costs from waste removal activity ("stripping cost") incurred in the development phase of a surface mine are capitalised as part of the mining properties and are subsequently amortised over the life of the mine on a unit of production basis.

To the extent that stripping costs incurred in the production phase of a surface mine ("production stripping costs") provide improved access to ore, such costs are recognised as a non-current asset ("stripping activity asset") when certain criteria are met. The costs of normal ongoing operational stripping activities are accounted as inventories. The stripping activity asset is accounted for as an addition to, or as an enhancement of mining properties and classified as tangible assets according to the nature of the mining properties of which it forms part.

The stripping activity asset is then depreciated on a unit of production basis over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

Leasehold land and buildings

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. 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 classified 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 except for those that are classified and accounted for as investment properties under fair value model.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Capital work in progress

Capital work in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Capital work in progress is carried at costs less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Capital work in progress is classified to the appropriate category 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

Property, plant and equipment is depreciated to its estimated residual value over the estimated useful life of the specific asset concerned, or the estimated remaining life of the associated mine, field or lease, if shorter. Depreciation commences when the asset is available for use.

Mine property and development assets are depreciated using the unit of production method based on the estimated total recoverable copper contained in proven and probable ore reserves at the related mine.

The production level intended by management is considered to be reached when operational commissioning of major mine and plant components is completed, operating results are being achieved consistently for a period of time and there are indicators that these operating results will be sustained. Other factors include one or more of the following:

- A significant utilisation rate of plant capacity has been achieved; and

- A pre-determined, reasonable period of time of stable operation has passed.

Management reviews the estimated total recoverable copper contained in proven and probable ore reserves at the end of each reporting period and when events and circumstances indicate that such a review should be made. Changes to estimated total recoverable copper contained in proven and probable ore reserves are accounted for prospectively.

Capital work in progress are not depreciated until they are substantially complete and available for their intended use.

Other property, plant and equipment items are depreciated on a straight-line basis over their estimated useful life.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at their fair values. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the item is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are valued at the lower of weighted average production cost or net realisable value. Copper in process inventory consists of copper contained in mineral ores, the ore on leach pads and in-circuit material within processing operations. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. 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 or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are mainly classified into financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale 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 financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

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

Financial assets at fair value through profit or loss

Financial assets at FVTPL comprise financial assets 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 it in the near term; 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at fair value through profit or loss (continued)

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 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on remeasurement 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 and losses' line item.

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, amount due from a joint venture and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in investment revaluation reserve, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

For 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, they are measured at cost less any identified impairment losses at the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of the 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.

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 default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets 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 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.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable 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 impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss 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.

Impairment losses on available-for-sale equity investments will not be reversed through profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in investment revaluation reserve. For available-for-sale debt investments, 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments

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 the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities, including trade and other payables and amount due to a non-controlling interest, are measured at amortised cost, using the effective interest method.

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.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

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.

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 profit or loss.

Financial liabilities are derecognised 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 or payable is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit 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 is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base 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 other 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 and interests in joint ventures 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 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 the 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.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

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 is included in the accounting for the business combination.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation) which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for 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. USD) using exchange rate 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 the 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 (the exchange reserve).

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 translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme are recognised as expense when employees have rendered service entitling them to the contributions.

Defined contribution plans

Contributions to defined superannuation guarantee contribution plans are expensed when employees have rendered service entitling them to the contributions.

Borrowing costs

All borrowing costs for non-qualifying assets are recognised in profit or loss in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing

Leases are classified as operating leases whenever the terms of the lease do not transfer substantially all the risks and rewards of ownership to the lessee.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease.

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.

Impairment

At the end of the reporting period, the Group reviews the carrying amounts of its assets 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.

Recoverable amount is the higher of fair value less costs 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 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 immediately in profit or loss.

Provisions

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at 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).

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provision for mine rehabilitation cost

Provision for mine rehabilitation cost is required when the Group has a present obligation as a result of past event, and it is probable that the Group will be required to settle that obligation. Provision is measured based on the area of land disturbed by the mine as a whole in accordance with the relevant rules and regulations at the end of the reporting period, and using the cash flows estimated to settle the present obligation. Its carrying amount is the present value of those cash flows (where the effect is material). The payments for the mine rehabilitation cost is required by the local authority upon the closure of the respective mine project.

Mine rehabilitation cost is provided in the period in which the obligation is identified and is capitalised to the costs of mining properties. The cost is charged to profit or loss through depreciation of assets, which are depreciated using the unit of production method based on the actual production volume over the total estimated proved and probable reserves of the copper mine.

Share-based payment arrangements

Equity settled share-based payment transactions

Share options granted to directors and employees of the Company

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense on a straight-line basis over the vesting period/in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share options reserve).

At the end of each reporting period, the Group revises its estimates of the number of options that are expect to ultimately 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 estimated, with a corresponding adjustment to share options reserve.

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/retained earnings.

When the unvested share options are lapsed at the expiry date, the amount previously recognised in share options reserve is transferred to profit or loss.

If the share options expire or lapse (due to termination of employment) after the vesting period, the share options reserve is transferred directly to accumulated losses/retained earnings.

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies which are described in note 3, management is 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 is the critical judgment, apart from those involving estimations, that management has 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.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group has not recognised any deferred taxes on changes in fair value of investment properties as the Group is not subject to any income taxes on disposal of its investment properties.

Joint control over Mission Right

During the year ended 31 March 2015, the Group acquired of 50% interest in Mission Right Limited ("Mission Right"). Mission Right has become a joint venture of the Group following the transaction. Details are set out in note 35.

The directors assessed whether or not the Group has control over Mission Right based on whether the Group has the practical ability to direct the relevant activities of Mission Right unilaterally. In making their judgement, the directors considered the Group does not have control over Mission Right because under the relevant shareholders' agreement, decisions on operating and financing activities of Mission Right require unanimous consent from all joint venture partners. After assessment, the directors concluded that neither the Group nor the other joint venture partner has the ability to control Mission Right unilaterally and therefore Mission Right is considered as jointly controlled by the Group and the joint venture partner.

Key sources of estimation uncertainty

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.

Depreciation of mining property and development assets and other property, plant and equipment in relation to mining business

Mine property and development assets in area of interest where copper production commenced, are amortised using the unit of production method (the "UOP''). The calculation of the UOP rate of amortisation, and therefore the amortisation charge for the year can fluctuate from initial estimates. This could generally happen when there are significant changes in any of the factors or assumptions used in estimating proven and probable ore reserves. Such changes in ore reserves could similarly impact the useful lives of assets in relation to mining business which are depreciated on a straight-line basis but limited to the life of that area of interest. Estimates of proven and probable ore reserves are prepared by experts in extraction, geology and reserve determination. Assessments of UOP rates against the estimated ore reserve base and the operating and development plan are performed regularly.

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For the year ended 31 March 2015

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Depreciation of mining property and development assets and other property, plant and equipment in relation to mining business (continued)

The carrying amount for mine property and development assets was nil as at 31 March 2015 and 2014, net of impairment.

Estimated impairment of property, plant and equipment in relation to mining business

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable. If an asset's recoverable amount is less than the asset's carrying amount, an impairment loss is recognised. Future cash flow estimates which are used to calculate the asset's recoverable amount are based on expectations about future operations primarily comprising estimates about production and sales volumes, commodity prices, reserves, operating and rehabilitation and restoration costs and estimated allocation of cost to inventories work in progress. Fair value less costs to sell estimates which are used to calculate the asset's recoverable amount are based on management's observation of market and certain assumptions based on assets condition and location. Changes in such estimates could impact recoverable values of these assets. Estimates are reviewed regularly by management. As at 31 March 2015, property, plant and equipment is at carrying amount of US$4,518,000 (2014: US$7,716,000), net of impairment.

Estimated net realisable value of inventories

Inventories are reviewed for their net realisable value at the end of each reporting period, and makes allowance for inventories with net realisable values lower than their carrying amounts. The excess of net realisable value over carrying value of inventories as at 31 March 2015 was amounted to US$24,264,000 (2014: US$36,213,000). The management estimates the net realisable value for goods based primarily on the latest selling prices and current market conditions and its related cost to completion. The carrying amount of inventories after allowance for write-down of the Group as at 31 March 2015 is US$40,954,000 (2014: US$79,168,000).

Provision for mine rehabilitation cost

A provision for future rehabilitation cost requires estimates and assumptions to be made around the relevant regulatory framework, the magnitude of the possible disturbance and the timing, extent and costs of the required closure and rehabilitation activities. To the extent that the actual future costs differ from these estimates, adjustments will be recorded and the consolidated statement of profit or loss and other comprehensive income could be impacted. The provisions, including the estimates and assumptions contained therein, are reviewed regularly by management. As at 31 March 2015, provision for mine rehabilitation cost is at carrying amount of US$25,377,000 (2014: US$28,934,000).

Fair value of investment properties

Fair value of investment properties was determined based on a valuation on these properties conducted by an independent firm of professional valuers using property valuation techniques which involve certain assumptions of market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss recognised in the consolidated statement of profit or loss and other comprehensive income. As at 31 March 2015, investment properties are at fair value of US$20,676,000 (2014: US$19,510,000).

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Estimated impairment on exploration and evaluation assets

In determining whether there is an impairment of the exploration and evaluation assets, management is required to assess whether there is any impairment indicators which indicates that there is impairment on the exploration and evaluation assets including (a) the period for which the Group 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; (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (c) 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 Group has decided to discontinue such activities in the specific area; (d) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to recovered in full from successful development or by sale. As at 31 March 2015, the carrying amount of exploration and evaluation assets is US$28,709,000 (2014: US$50,925,000).

Fair value of measurement and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The fluctuation in the fair value of the assets and liabilities is reported and analysed periodically.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. The detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities are set out in note 6 (c).

5. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that the 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 amount due to a non-controlling interest, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital and reserves as disclosed in the consolidated statement of changes in equity.

The directors of the Company reviews the capital structure on an on-going basis. As part of this review, the directors considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt.

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For the year ended 31 March 2015

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2015 US$'000	2014 US$'000
Financial Assets		
Loans and receivables (including cash and cash equivalents)	**161,232**	213,142
Financial assets at FVTPL	**642,762**	507,231
Available-for-sale investments	**100,545**	84,927
Financial Liabilities		
Amortised cost	**3,287**	5,087
Derivative financial instruments	**–**	617

	Weighted average interest rate %	**Less than 3 months or on demand** US$'000	**Total undiscounted cash flows** US$'000	**Carrying amount at 31.3.2015** US$'000
Non-derivatives financial liabilities				
Trade and other payables	–	3,031	3,031	3,031
Amount due to a non-controlling interest	–	256	256	256
		3,287	3,287	3,287
Financial guarantee contracts	–	46,532	46,532	–

	Weighted average interest rate %	**Less than 3 months or on demand** US$'000	**Total undiscounted cash flows** US$'000	**Carrying amount at 31.3.2014** US$'000
Non-derivatives financial liabilities				
Trade and other payables	–	4,831	4,831	4,831
Amount due to a non-controlling interest	–	256	256	256
		5,087	5,087	5,087
Financial guarantee contracts	–	55,191	55,191	–
Derivatives – net settlement				
Commodity future contract	–	617	617	617

6. FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

(b) Financial risk management objectives and policies

The management of the Group manages the financial risks relating to operations through the internal risk reports which analyse exposures by degree and magnitude of risks. These risks represent market risk (including currency risk, interest rate risk and 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.

The Group does not enter into derivative financial instruments for hedging purpose. There has been no significant change to the Group's exposure to market risks or manner in which it manages and measures such risks.

Market risk

Foreign currency risk management

Several subsidiaries of the Group have financial assets denominated in Renminbi, Singapore dollars, Canadian dollars, USD and Australia dollars ("AUD") which are other than the functional currency of the relevant group entities and expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

In addition, the Group is also exposed to foreign currency risk to the extent of non-current intra-group balances that form part of the net investment when the subsidiaries which have HKD as their functional currency injected capital denominated in AUD for operations in Australia which have AUD as their functional currency. The carrying amount of the intra-group balances was US$99,240,000 at 31 March 2015 (2014: US$119,873,000).

The carrying amount of the Group's foreign currency denominated monetary assets (representing financial assets at fair value through profit or loss and bank balances and cash, excluding intra-group balance described above) at the reporting date is as follows:

	Assets		**Liabilities**	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Renminbi	**4,614**	2,681	**–**	–
Singapore dollars	**–**	3,474	**–**	–
Canadian dollars	**1,003**	2,231	**–**	–
USD	**122,146**	150,767	**–**	–
AUD	**4,354**	1,482	**–**	–

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Foreign currency sensitivity analysis

The Company is mainly exposed to the effects of fluctuation in Renminbi, Singapore dollars, Canadian dollars, USD and AUD.

The following table details the Group's sensitivity to a 5% (2014: 5%) increase or decrease in Renminbi, Singapore dollars, Canadian dollars and AUD. 5% (2014: 5%) is the sensitivity rate used in the current year when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes outstanding foreign currency denominated monetary assets and adjusts their translation at the end of the reporting period for a 5% (2014: 5%) change in foreign currency rate. It excludes items denominated in USD held by group entities with HKD as functional currency as the directors consider that the Group's exposure to USD for such entities is insignificant on the ground that HKD is pegged to USD. A positive number indicates an increase in post-tax profit for the year where the foreign currencies strengthens 5% (2014: decrease in post-tax loss for the year where the foreign currencies strengthens 5%) against the functional currency of respective group entity. For a 5% (2014: 5%) weakening of the foreign currencies against the functional currency of respective group entity, there would be an equal and opposite impact.

	Profit or loss	
	2015	2014
	US$'000	US$'000
Renminbi	**193**	112
Singapore dollars	**–**	145
Canadian dollars	**42**	93
USD	**770**	617
AUD	**152**	52

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk management

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing financial assets which are mainly short-term bank deposits and pledged bank deposits. If the bank interest rate had been 10 basis point (2014: 10 basis point) increase/decrease while all other variables were held constant, the Group's profit for the year ended 31 March 2015 would increase/decrease by US$152,000 (2014: loss for the year ended would decrease/increase by US$198,000).

Other price risk

The Group is exposed to equity and other price risk mainly through its financial assets at FVTPL and available-for-sale investments. The management of the Group manages this exposure by maintaining a portfolio of investments with different risk and return profiles. For sensitivity analysis purpose, the sensitivity rate is 30% (2014: 30%). If the prices of the financial assets at FVTPL and listed equity securities classified as available-for-sale investments had been 30% (2014: 30%) higher/lower while all other variables were held constant, the Group's post-tax profit for the year would increase/decrease by US$161,012,000 (2014: post-tax loss for the year would decrease/increase by US$127,061,000) and the investment revaluation reserve would increase/decrease by US$20,172,000 (2014: US$20,350,000).

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk management

The Group's principal financial assets which are exposed to credit risk are trade receivables, other receivables, bank balances and cash.

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statement of financial position. The Group reviews the recoverable amount of each individual receivable at the end of the reporting period to ensure that adequate impairment losses, if necessary, are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk of investment in financial assets designated as FVTPL, including unlisted debt securities of US$8,281,000 (2014: US$7,326,000) issued by a private entity incorporated in the Cayman Islands.

The management considers the credit risk on the debt securities issued by the private entity is limited because the private entity is in good financial position and the management closely oversees its financial position. The management manages and monitors these exposures by overseeing the performance of the private entity and the listed issuers to ensure appropriate measures are implemented on a timely and effective manner.

In addition, the fair values of these investments have been determined taking into consideration the creditability of the issuers. In this regard, the directors consider that the Group's credit risk on these investments is significantly reduced.

As at 31 March 2015, the Group's trade receivable is due from one major customer (31 March 2014: two) based in Australia (31 March 2014: Australia and Japan). The major customer has a long history of manufacturing and sales of copper products and the Group's management monitors the customer's performance continuously to ensure the Group's exposure to credit risk is minimised.

The Group's concentration of credit risk by geographical location is mainly in Australia, which accounted for 100% (31 March 2014: 100%) of the total trade receivables as at 31 March 2015.

Although the bank balances are concentrated on certain counterparties, the credit risk on liquid funds is limited because the counterparties are banks with good reputation.

Liquidity risk management

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.

All of the Group's financial liabilities have maturity dates of less than 180 days based on the agreed repayment dates.

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For the year ended 31 March 2015

6. FINANCIAL INSTRUMENTS (continued)

(c) Fair values of financial instruments

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on recurring basis

Financial assets	Fair value as at 31 March 2015 US$'000	2014 US$'000	Fair value hierarchy	Valuation technique(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Available-for-sale investments						
Equity securities listed in Hong Kong ("HK")	**67,240**	67,833	Level 1	Quoted bid prices in an active market	N/A	N/A
Financial assets at fair value through profit or loss						
Equity securities listed in HK	**568,890**	432,497	Level 1	Quoted bid prices in an active market	N/A	N/A
Equity securities listed in overseas	**1,851**	7,577	Level 1	Quoted bid prices in active markets	N/A	N/A
Investment funds	**63,740**	55,148	Level 2	Market price or net asset value per share or unit provided by the financial institutions	N/A	N/A
Unlisted investment, Note (as defined in note 23 (b))	**–**	4,683	Level 3	Discounted cash flow	Discount rate	The higher the discount rate, the lower the fair value
					Risk free rate	The higher the risk free rate, the lower the fair value
					Option adjusted spread	The higher the option adjusted spread, the lower the fair value
					Liquidity premium	The higher the liquidity premium, the lower the fair value
Unlisted investment, Unsecured Bond B (as defined in note 23 (b))	**8,281**	7,326	Level 3	Discounted cash flow and Hull-White model	Discount rate (Note)	The higher the discount rate, the lower the fair value
					Risk free rate	The higher the risk free rate, the lower the fair value
					Option adjusted spread	The higher the option adjusted spread, the lower the fair value
					Liquidity premium	The higher the liquidity premium, the lower the fair value

Note: For the Unsecured Bond B, the most significant unobservable input is the discount rate. If the discount rate to the valuation model was 0.5% higher/lower while and the other variables were held constant, the total carrying amount of these unlisted investments would decrease/increase by US$153,000 and US$156,000 respectively.

There are no transfers between Level 1, 2 and 3 during both years.

6. FINANCIAL INSTRUMENTS (continued)

(c) Fair values of financial instruments (continued)

Fair value hierarchy

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
2015				
Financial assets at FVTPL	**570,741**	**63,740**	**8,281**	**642,762**
Available-for-sale investments	**67,240**	**–**	**–**	**67,240**
	637,981	**63,740**	**8,281**	**710,002**

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
2014				
Financial assets at FVTPL	440,074	55,148	12,009	507,231
Available-for-sale investments	67,833	–	–	67,833
	507,907	55,148	12,009	575,064

Reconciliation of Level 3 fair value measurements of financial assets:

	Unsecured Bond A (as defined in note 23 (a)) US$'000	Note (as defined in note 23 (b)) US$'000	Unsecured Bond B (as defined in note 23 (b)) US$'000	Convertible Bond (as defined in note 23 (c)) US$'000	Total unlisted securities US$'000
At 1 April 2013	9,317	4,487	9,113	6,354	29,271
Disposal	(8,013)	–	(385)	(8,333)	(16,731)
Total (losses) gain recognised in profit or loss	(1,304)	196	(1,402)	1,979	(531)
At 31 March 2014	–	4,683	7,326	–	12,009
Disposal/settlement	–	(5,128)	–	–	(5,128)
Total gain recognised in profit or loss	–	445	955	–	1,400
At 31 March 2015	**–**	**–**	**8,281**	**–**	**8,281**

Of the total gains or losses for the year included in profit or loss, gain of US$1,400,000 (2014: loss of US$531,000) relates to financial assets at FVTPL held at the end of the reporting period. Fair value gains or losses on financial assets at FVTPL are included in the consolidated statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements

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6. FINANCIAL INSTRUMENTS (continued)

Fair value measurements and valuation process

The board of directors of the Company has closely monitored the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. For level 3 investment, the Group engages third party independent qualified valuer to perform the valuation. The management works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model.

The Group engages the valuer to perform the valuations of the Unsecured Bond B required for financial reporting purposes. As a part of the valuation process, the management reports the findings reviewed by the board of directors of the Company semi-annually.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed above.

7. REVENUE/SEGMENT INFORMATION

Revenue

Revenue represents revenue arising on sale of copper cathodes, property rental income, dividend income and interest income. An analysis of the Group's revenue for the year is as follows:

	2015 **US$'000**	2014 US$'000
Sale of copper cathodes	**109,143**	151,860
Residential rental income	**563**	468
Office rental income	**234**	261
Dividend income from trading of securities	**8,009**	1,304
Interest income from financial assets at fair value through profit or loss	**1,208**	2,777
	119,157	156,670

Segment information

Information provided to the chief operating decision maker ("CODM"), representing the executive directors of the Company, for the purposes of resource allocation and performance assessment focuses on types of business. In addition, for mining business, the information reported to CODM is further analysed based on geographical location of the mine projects. This is also the basis upon which the Group is arranged and organised. The Group's operating and reportable segments under HKFRS 8 are as follows:

Mining business – Australia – exploration, mining, processing and sale of copper in Australia

Investments in financial instruments – trading of securities, available-for-sale investments and convertible notes

Property investment – properties letting

7. REVENUE/SEGMENT INFORMATION (continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

	Segment revenue		Segment results	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Mining business – Australia	**109,143**	151,860	**(33,672)**	(116,710)
Investments in financial instruments	**9,217**	4,081	**75,175**	83,546
Property investment	**797**	729	**1,564**	288
	119,157	156,670	**43,067**	(32,876)
Other income and other gains and losses			**(14,203)**	(16,486)
Central administration costs			**(12,015)**	(14,617)
Expense of share-based payment			**(19)**	(4,792)
Finance costs			**(1,686)**	(1,517)
Share of profit of a joint venture			**12,432**	–
Profit (loss) before taxation			**27,576**	(70,288)

All of the segment revenue reported above is generated from external customers.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment results represent the results of each segment without allocation of other income and other gains and losses, expense of share-based payment, central administration costs, finance costs and share of profit of a joint venture. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets

The following is an analysis of the Group's assets by reportable and operating segments:

	2015	2014
	US$'000	US$'000
Segment assets:		
– Mining business – Australia	**152,307**	222,396
– Investments in financial instruments	**743,307**	592,158
– Property investment	**20,676**	19,510
Total segment assets	**916,290**	834,064
Unallocated assets:		
– Bank balances and cash	**77,613**	127,825
– Property, plant and equipment	**2,014**	2,184
– Others	**18,606**	27,760
	98,233	157,769
Consolidated total assets	**1,014,523**	991,833

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For the year ended 31 March 2015

7. REVENUE/SEGMENT INFORMATION (continued)

Segment assets (continued)

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable and operating segments other than certain bank balances and cash, certain property, plant and equipment, certain other receivables and derivative financial instruments. The Group's liabilities are not included in report received by CODM as the management is of the opinion that the liabilities have insignificant impact on the financial position of respective segments. Therefore, no segment liabilities are presented.

Interest income is not allocated to relevant segments, while the respective bank balances are allocated to relevant segments.

Other segment information

2015

	Mining business – Australia US$'000	Investments in financial instruments US$'000	Property investment US$'000	Unallocated US$'000	Total US$'000
Amounts included in the measure of segment results or segment assets:					
Gain on fair value changes of financial assets at FVTPL	–	91,986	–	–	91,986
Gain on fair value changes of investment properties	–	–	1,166	–	1,166
Additions to non-current assets (Note)	8,873	–	–	91	8,964
Deprecation on property, plant and equipment	(7,945)	–	–	(261)	(8,206)
Impairment loss on property, plant and equipment recognised in profit or loss	(962)	–	–	–	(962)
Impairment loss on exploration and evaluation assets recognised in profit or loss	(17,654)	–	–	–	(17,654)
Loss on inventories written down to net realisable value	(24,264)	–	–	–	(24,264)
Write-off of exploration and evaluation assets	(1,428)	–	–	–	(1,428)

7. REVENUE/SEGMENT INFORMATION (continued)

Other segment information (continued)

2014

	Mining business – Australia US$'000	Investments in financial instruments US$'000	Property investment US$'000	Unallocated US$'000	Total US$'000
Amounts included in the measure of segment results or segment assets:					
Gain on fair value changes of financial assets at FVTPL	–	104,766	–	–	104,766
Loss on fair value changes of investment properties	–	–	(135)	–	(135)
Additions to non-current assets (Note)	19,364	–	–	377	19,741
Deprecation on property, plant and equipment	(82,066)	–	–	(1,149)	(83,215)
Impairment loss on property, plant and equipment recognised in profit or loss	(60,225)	–	–	–	(60,225)
Loss on inventories written down to net realisable value	(36,213)	–	–	–	(36,213)

Note: Non-current assets comprise property, plant and equipment, exploration and evaluation assets and pledged bank deposits.

Geographical information

A geographical analysis of the Group's revenue from external customers is presented based on the geographical market where listed securities are traded for investments in financial instruments segment, geographical location where the goods sold are delivered for mining business segment, geographical location of the properties for property investment segment; while information about the carrying amount of non-current assets, excluding financial instruments, pledged bank deposits and interests in a joint venture, is presented based on the geographical location of the assets, as follows:

	Revenue from external customers		Carrying amounts of non-current assets	
	2015 US$'000	2014 US$'000	**2015 US$'000**	2014 US$'000
The PRC, other than Hong Kong	**272**	318	**5,702**	5,702
Hong Kong	**9,742**	4,492	**16,988**	15,992
Australia	**109,143**	151,860	**31,213**	56,457
	119,157	156,670	**53,903**	78,151

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7. REVENUE/SEGMENT INFORMATION (continued)

Information about major customers

Revenue from mining business in Australia from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Year ended 31 March	
	2015	2014
	US$'000	US$'000
Customer A	**88,721**	75,516
Customer B	**16,820**	70,643

8. COST OF SALES

	2015	2014
	US$'000	US$'000
Depreciation	**7,108**	79,653
Drilling & blasting, earthmoving & haulage	**14,561**	25,960
Staff costs	**14,163**	21,486
Direct materials	**18,480**	21,389
Electricity	**11,510**	12,766
Diesel/Fuel	**5,212**	7,949
Overhead	**4,324**	3,756
Maintenance	**2,367**	1,973
Equipment rental	**1,088**	623
Production stripping cost capitalised	**(4,848)**	(618)
Movement in inventories	**3,618**	(30,731)
	77,583	144,206

9. OTHER INCOME AND OTHER GAINS AND LOSSES

	2015	2014
	US$'000	US$'000
Bank interest income	**2,037**	2,086
Net foreign exchange loss	**(16,571)**	(19,695)
Write-off of exploration and evaluation assets	**(1,428)**	–
Others	**331**	1,123
	(15,631)	(16,486)

10. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(a) Directors

The emoluments paid or payable to each of the nine (2014: nine) directors were as follows:

Name	Fees	Basic salaries allowances and benefits-in-kind	Performance related bonus	Contributions to retirement benefit scheme	Share-based payments	Total
			2015			
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Chiu Tao (Chairman)	–	4,338	3,205	2	–	7,545
Hui Richard Rui	–	243	96	2	7	348
Kwan Kam Hung Jimmy	–	150	119	2	5	276
Lee Ming Tung	–	143	92	2	5	242
Tsui Ching Hung	–	166	27	2	1	196
Yeung Kwok Yu	–	166	54	2	5	227
Yu Pan	15	–	–	–	–	15
Tong So Yuet	26	–	–	–	–	26
Ma Yin Fan	26	–	–	–	–	26
	67	5,206	3,593	12	23	8,901

Name	Fees	Basic salaries allowances and benefits-in-kind	Performance related bonus	Contributions to retirement benefit scheme	Share-based payments	Total
			2014			
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Chiu Tao (Chairman)	–	4,072	3,205	2	–	7,279
Hui Richard Rui	–	232	91	2	11	336
Kwan Kam Hung Jimmy	–	142	115	2	8	267
Lee Ming Tung	–	135	90	2	8	235
Tsui Ching Hung	–	158	26	2	2	188
Yeung Kwok Yu	–	150	38	2	8	198
Yu Pan	15	–	–	–	–	15
Tong So Yuet	26	–	–	–	–	26
Ma Yin Fan	26	–	–	–	–	26
	67	4,889	3,565	12	37	8,570

Mr. Chiu Tao is the Chairman of the Company and his emoluments disclosed above include those for services rendered by him as the Chairman, whose role is equivalent to a chief executive.

The performance related bonus payable to executive directors is determined based on the performance of the individual directors. No directors waived any emoluments in both years.

(b) Information regarding employees' emoluments

Of the five individuals with the highest emoluments in the Group, there are four directors of the Company whose emoluments are included in the disclosure in (a) above.

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11. FINANCE COSTS

	2015 US$'000	2014 US$'000
Interest on overdrafts	**54**	25
Effective interest expense on provision for mine rehabilitation cost	**1,632**	1,492
	1,686	1,517

12. PROFIT (LOSS) BEFORE TAXATION

	2015 US$'000	2014 US$'000
Profit (loss) before taxation has been arrived at after charging:		
Directors' remuneration (note 10(a))	**8,901**	8,570
Contributions to retirement benefit scheme to employees	**1,383**	1,964
(Reversal of) share-based payment expenses to employees	**(4)**	4,755
Other staff costs	**20,024**	29,303
Total staff costs	**30,304**	44,592
Less: amount capitalised in		
Exploration and evaluation assets	**(1,402)**	(2,212)
Mine property and development assets	**–**	(301)
Inventories	**(14,163)**	(21,486)
Total staff costs included in administrative expenses	**14,739**	20,593
Auditor's remuneration	**463**	397
Depreciation on property, plant and equipment	**2,320**	63,605
Loss on disposal of property, plant and equipment	**–**	6
Cost of inventories recognised as an expense	**77,583**	144,206
Minimum lease payments paid under operating leases in respect of rented premises	**843**	1,333
and after crediting:		
Gross rental income less direct operating expenses of US$206,000 (2014: US$126,000) from investment properties that generated rental income during the year	**591**	603

13. TAXATION

	2015 **US$'000**	2014 US$'000
Current tax:		
PRC	**23**	21
Australian withholding tax	**383**	523
Deferred tax (note 19)	**(1,002)**	(9,088)
Taxation credit for the year	**(596)**	(8,544)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No provision is made for Hong Kong Profits Tax as the Hong Kong group entities have no assessable profit during both years.

Under the applicable corporate tax law in Australia, the tax rate is 30% of the estimated assessable profits.

Under the Law of the People's Republic of China 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 taxation for the year can be reconciled to the profit (loss) before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2015 **US$'000**	2014 US$'000
Profit (loss) before taxation	**27,576**	(70,288)
Taxation at the domestic income tax rate (Note)	**(577)**	26,935
Tax effect of expenses not deductible for tax purpose	**(10,988)**	(5,039)
Tax effect of income not taxable for tax purpose	**13,488**	1,479
Tax effect of tax losses not recognised	**(2,218)**	(28,366)
Tax effect of utilisation of tax losses previously not recognised	**1,274**	14,058
Australian withholding tax	**(383)**	(523)
Taxation credit for the year	**596**	8,544

Note: The domestic tax rate in Hong Kong of 16.5% (2014: 16.5%) and Australia of 30% (2014: 30%), which are jurisdictions where the operations of the Group are substantially used.

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14. EARNINGS (LOSS) PER SHARE

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

	2015	2014
	US$'000	US$'000
Profit (loss) for the year attributable to owners of the Company for the purposes of basic and diluted earnings (loss) per share	**28,172**	(61,744)

	Number of share	
	2015	2014
	'000	'000
Number of ordinary shares for the purposes of basic and diluted earnings (loss) per share	**27,098,309**	27,098,309

The computation of diluted earnings (loss) per share for both years does not assume the exercise of the Company's outstanding share options as the exercise prices of those share options were higher than the average market price of shares for both years.

15. PROPERTY, PLANT AND EQUIPMENT

	Capital work in progress US$'000	Mine property and development assets US$'000	Plant and equipment US$'000	Leasehold land and buildings US$'000	Leasehold improvements US$'000	Furniture and equipment US$'000	Motor vehicles US$'000	Vessel US$'000	Total US$'000
COST									
At 1 April 2013 (restated)	3,824	256,507	32,479	7,670	339	1,957	858	3,741	307,375
Exchange adjustments	(442)	(29,645)	(3,709)	(691)	–	(164)	–	–	(34,651)
Additions	1,917	5,126	–	–	17	76	90	194	7,420
Reallocation	(3,455)	–	2,809	511	–	135	–	–	–
Disposals/write off	–	–	(87)	–	(16)	(4)	(70)	–	(177)
At 31 March 2014	1,844	231,988	31,492	7,490	340	2,000	878	3,935	279,967
Exchange adjustments	–	(33,956)	(5,420)	(998)	–	(239)	–	–	(40,613)
Additions	1,128	4,562	–	–	45	36	–	10	5,781
Reallocation	(290)	–	261	–	–	29	–	–	–
Disposals/write off	–	–	–	–	–	(2)	–	(11)	(13)
At 31 March 2015	2,682	202,594	26,333	6,492	385	1,824	878	3,934	245,122
DEPRECIATION AND IMPAIRMENT									
At 1 April 2013 (restated)	–	125,166	12,808	3,285	242	699	725	2,892	145,817
Exchange adjustments	(7)	(14,887)	(1,527)	(372)	–	(64)	–	–	(16,857)
Provided for the year	–	70,919	9,259	1,557	59	528	94	799	83,215
Impairment loss recognised in profit or loss	1,851	50,790	5,479	1,529	–	576	–	–	60,225
Eliminated on disposals/write off	–	–	(60)	–	(16)	(3)	(70)	–	(149)
At 31 March 2014	1,844	231,988	25,959	5,999	285	1,736	749	3,691	272,251
Exchange adjustments	(124)	(34,627)	(3,832)	(1,773)	–	(446)	–	–	(40,802)
Provided for the year	–	5,233	1,998	602	23	271	40	39	8,206
Impairment loss recognised in profit or loss	962	–	–	–	–	–	–	–	962
Eliminated on disposals/write off	–	–	–	–	–	(2)	–	(11)	(13)
At 31 March 2015	2,682	202,594	24,125	4,828	308	1,559	789	3,719	240,604
CARRYING VALUES									
At 31 March 2015	–	–	2,208	1,664	77	265	89	215	4,518
At 31 March 2014	–	–	5,533	1,491	55	264	129	244	7,716

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15. PROPERTY, PLANT AND EQUIPMENT (continued)

Capital work in progress represents the construction of mine structures and mining site infrastructure and processing facilities.

Depreciation on the mine property and development assets of items in area of interest where mine production commenced is provided using the UOP method based on the actual production volume over the total estimated proved and probable ore reserves of the copper mines.

The effective depreciation rate for the year ended 31 March 2015 is 2.4% (2014: 29.0%).

The property, plant and equipment except for capital work in progress and mine property and development assets, are depreciated on a straight-line basis after taking into account their estimated residual value, at the following rates per annum:

Plant and equipment	20%–33%, or over the life of the mines whichever is shorter
Leasehold land and buildings	2%
Leasehold improvements	20%–33%
Furniture and equipment	10%–25%
Motor vehicles	25%
Vessel	10%–25%

Depreciation expense of property, plant and equipment of US$7,000 and US$7,108,000 (2014: US$239,000 and US$79,653,000) incurred during the year ended 31 March 2015 were capitalised as part of exploration and evaluation assets and inventories, respectively. US$1,229,000 (2014: US$60,282,000) of these capitalised costs was charged to profit or loss as cost of goods sold during the year.

During the year, under the circumstances of the decrease in copper price, the directors conducted a review on the recoverable amount of cash-generating units ("CGU") for the mining of copper on the Group's property, plant and equipment and determined that a number of those assets were impaired. Accordingly, an impairment loss of US$962,000 (2014: US$60,255,000) has been recognised in respect of property, plant and equipment, which are used in the Mining business – Australia segment. The recoverable amounts of the relevant assets have been determined on the basis of their value in use. The discount rate in measuring the amount of value in use was 11.0% (2014: 9.7%) in relation to property, plant and equipment.

At 31 March 2015, leasehold land and buildings with a carrying amount of US$1,457,000 (2014: US$1,491,000) are situated in Hong Kong under long-term leases. The remaining leasehold land and buildings are situated in Australia under medium-term leases.

16. EXPLORATION AND EVALUATION ASSETS

	US$'000
COST	
At 1 April 2013	50,501
Exchange adjustments	(5,836)
Additions	6,260
At 31 March 2014	50,925
Impairment loss recognised in profit or loss	(17,654)
Exchange adjustments	(6,317)
Additions	3,183
Write-off recognised in profit or loss	(1,428)
At 31 March 2015	28,709

During the year ended 31 March 2015, the management carried out review on all exploration projects undergoing and have decided to surrender six exploration permits for minerals in Australia which might not make synergy with other exploration areas after considering the then current copper price and the locations and expected returns from further drilling of the areas under these six permits. Accordingly, the management has fully written off the carrying amount of these exploration projects of US$1,428,000 during the year ended 31 March 2015 (2014: Nil).

During the year, under the circumstances of the decrease in copper price, the directors also conducted a review on the recoverable amount of CGU for the mining of copper on the Group's exploration and evaluation assets and determined that an impairment loss of US$17,654,000 (2014: Nil) has been recognized. The recoverable amounts of the relevant assets have been determined on the basis of the value in use. The discount rate in measuring the amount of value in use was 11% in relation to exploration and evaluation assets.

17. INVESTMENT PROPERTIES

	2015 **US$'000**	2014 US$'000
FAIR VALUE		
At the beginning of the year	**19,510**	19,645
Gain (loss) on fair value changes recognised in profit or loss	**1,166**	(135)
At the end of the year	**20,676**	19,510

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17. INVESTMENT PROPERTIES (continued)

An analysis of the Group's investment properties is as follows:

	2015 **US$'000**	2014 US$'000
Land and buildings in Hong Kong held under long leases	**14,974**	13,808
Land and buildings in the PRC held under medium-term leases	**5,702**	5,702
	20,676	19,510

The fair value of the Group's investment properties at the end of the reporting periods has been arrived at on the basis of valuations carried out as of these dates by an independent qualified professional valuer. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

The properties were rented out under operating leases.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 March 2015 and 2014 are as follows:

	Level 3 **US$'000**	**Fair value as at 31 March 2015** **US$'000**
Residential units located in Hong Kong	**14,974**	**14,974**
Commercial units located in the PRC	**5,702**	**5,702**
		20,676

	Level 3 US$'000	Fair value as at 31 March 2014 US$'000
Residential units located in Hong Kong	13,808	13,808
Commercial units located in the PRC	5,702	5,702
		19,510

17. INVESTMENT PROPERTIES (continued)

The following table gives information about how the fair values of these investment properties as at 31 March 2015 are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Level 3) based on the degree to which the inputs to the fair value measurements is observable.

	Valuation technique(s) & key inputs	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
Property 1 – Properties in Quarry Bay, Hong Kong	Direct comparison method based on market observable transactions of similar properties and adjust to reflect the conditions and locations of the subject property	Price per square foot, using market direct comparable and taking into account of location and other individual factors such as age and location of the property, of HK$6,845 per square foot	A slight increase in the price per square foot will increase significantly the fair value.	If the market price to the valuation model is 5% higher/lower while all the other variables were held constant, the carrying value of the investment properties would increase/decrease by HK$1,985,000.
Property 2 – Properties in Quarry Bay, Hong Kong	Direct comparison method based on market observable transactions of similar properties and adjust to reflect the conditions and locations of the subject property	Price per square foot, using market direct comparable and taking into account of location and other individual factors such as age and location of the property, of HK$7,159 per square foot	A slight increase in the price per square foot will increase significantly the fair value.	If the market price to the valuation model is 5% higher/lower while all the other variables were held constant, the carrying value of the investment properties would increase/decrease by HK$3,855,000.
Property 3 – Properties in Changning District, Shanghai City, the PRC	Direct comparison method based on market observable transactions of similar properties and adjust to reflect the conditions and locations of the subject property	Price per square metre, using market direct comparable and taking into account of location and other individual factors such as age and location of the property, of RMB22,708 per square metre	A slight increase in the price per square metre will increase significantly the fair value.	If the market price to the valuation model is 5% higher/lower while all the other variables were held constant, the carrying value of the investment properties would increase/decrease by RMB730,000.
Property 4 – Properties in Luohu District, Shenzhen, the PRC	Direct comparison method based on market observable transactions of similar properties and adjust to reflect the conditions and locations of the subject property	Price per square metre, using market direct comparable and taking into account of location and other individual factors such as age and location of the property, of RMB13,044 per square metre	A slight increase in the price per square metre will increase significantly the fair value.	If the market price to the valuation model is 5% higher/lower while all the other variables were held constant, the carrying value of the investment properties would increase/decrease by RMB1,030,000.

There was no transfer into or out of Level 3 during the year.

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18. AVAILABLE-FOR-SALE INVESTMENTS

Details of the available-for-sale investments are set out below:

	2015 **US$'000**	2014 US$'000
Unlisted equity securities (note a)	**51,961**	20,270
Less: Impairment loss recognised	**(21,093)**	(5,689)
	30,868	14,581
Equity securities listed in Hong Kong (note b)	**67,240**	67,833
Club membership	**2,437**	2,513
	100,545	84,927

Notes:

(a) As at 31 March 2014, the Group held 25,500,000 shares of a private and unlisted company incorporated in the Cayman Islands whose subsidiaries are principally engaged in securities trading, investment holding and provision of brokerage and financial services. The 25,500,000 shares represent approximately 2.86% of the issued share capital of the investee company.

These unlisted equity securities are measured at cost less impairment at the end of the reporting period because variability in the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

Following the disposal of 1,700,000 shares at a consideration of US$1,309,000 during the year ended 31 March 2015, resulting in a gain on disposal of US$336,000, the Group holds 23,800,000 shares of the investee company, which represents approximately 2.59% of the issued shares in the investee company.

The management considers that the businesses of the investee company are securities trading, provision of brokerage and financial services and has engaged independent professional valuer to determine the fair value of this investment with reference to publicly available information of comparable companies applying a marketability discount. The valuer adopts the market approach to determine the valuation parameters derived from the market prices and financial data of listed companies in a similar business and with a similar business model as those of the company being valued. The valuer applied a discount rate of 20.14% (2014: 20.14%) for the lack of liquidity of the business operation being valued due to the fact that it is not a listed company. The inputs of the valuation are the price to book ratio and the liquidity discount. Following such assessment, no impairment loss was recognised during the year ended 31 March 2015 (2014: US$2,428,000) and no reversal of impairment is permitted if the financial assets recognised at cost.

During the year ended 31 March 2015, the Group acquired 52,479 shares of a private company and unlisted company incorporated in the Cayman Islands which is a leading wholesaler of agriculture products in China, at a total consideration of US$33,000,000. The 52,479 shares represent approximately 2.19% of the issued share capital of the investee company.

The unlisted equity securities are measured at cost less impairment at the end of the reporting period because variability in the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

During the year, the management considered that the unstable global economic environment could have adverse effect on the wholesale of agriculture business of the investee and engaged independent professional valuer to determine the fair value of this investment with reference to publicly available information of comparable companies applying a marketability discount. The valuer adopts the market approach to determine the valuation parameters derived from the market prices and financial data of listed companies in a similar business and with a similar business model as that of the company being valued. The valuer applied a discount rate of 20.14% for the lack of liquidity of the business operation being valued due to the fact that it is not a listed company. An impairment loss of US$15,740,000 related to this unlisted investment was recognised in profit or loss for the year ended 31 March 2015.

18. AVAILABLE-FOR-SALE INVESTMENTS (continued)

Notes: (continued)

(b) As at 31 March 2015 and 2014, the Group's available-for-sale investments included equity securities listed in Hong Kong, which represented 2,310,459,999 shares (approximately 8.72% shareholding) in G-Resources Group Limited ("G-Resources") incorporated in Bermuda, with a carrying amount of US$67,240,000 as at 31 March 2015 (31 March 2014: US$67,833,000). The listed equity securities were stated at fair values which have been determined based on quoted market bid prices available on the Stock Exchange. During the period ended 30 September 2014, fair value loss amounting to US$9,479,000 was recognised in the profit or loss which cannot be reversed. A fair value gain of US$8,886,000 was recognised in investment revaluation reserve during the year ended 31 March 2015.

The investment in G-Resources as at 31 March 2014 was stated at fair value based on quoted market bid price. Fair value loss amounting to US$31,399,000 was recognised during the year ended 31 March 2014. Due to a significant decline in the fair value of the investment in G-Resources below its cost, an impairment loss amounting to US$26,536,000 has been recognised during the year ended 31 March 2014 which was reclassified from the investment revaluation reserve.

19. DEFERRED TAX LIABILITIES

The following are the major deferred tax assets (liabilities) in respect of the temporary differences of future deductible exploration and evaluation and mine property and development expenditures of the mine in Australia recognised and movements thereon during the current and prior years:

	Depreciation allowance in excess of related depreciation expenses US$'000	**Tax losses** US$'000	**Accrued expenses** US$'000	**Others** US$'000	**Total** US$'000
At 1 April 2013 (restated)	(27,241)	10,870	6,271	(1,238)	(11,338)
Credit (charge) to profit or loss	24,221	(9,631)	(5,541)	39	9,088
Exchange realignment	3,020	(1,239)	(730)	145	1,196
At 31 March 2014	–	–	–	(1,054)	(1,054)
Credit to profit or loss	–	–	–	1,054	1,054
At 31 March 2015	–	–	–	–	–

At 31 March 2015, the Group had unused tax losses of US$292,791,000 (2014: US$307,087,000) available to offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams in both 2014 and 2015. The losses may be carried forward indefinitely.

At 31 March 2015, the Group has deductible temporary differences of US$55,972,000 (2014: US$66,652,000). No deferred tax asset has been recognised in 2014 and 2015 in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which deductible temporary differences can be utilised.

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20. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less at prevailing market interest rates. The effective interest rate ranges from 0.15% to 2.30% (2014: 0.15% to 2.50%) per annum.

The Group has provided certain bank guarantees in connection with the terms of supplier contracts in respect of which the Group is obliged to indemnify the banks. At the end of the reporting period, no claims have been made under these guarantees. The amount of these guarantees may vary from time to time depending upon the requirements of the contract terms of the supplier contracts. These guarantees are backed by collateral deposits which amounted to US$24,607,000 as at 31 March 2015 (2014: US$28,950,000).

Another US$28,174,000 (2014: US$33,217,000) represents deposit paid by the Group to a bank as required by the government of Queensland, Australia for operating in the mining activities or closure of mines and the environmental rehabilitation work of relevant mines meets the government's requirement (see note 27).

The interest rates for the pledged bank deposits range from 2.38% to 2.79% (2014: 2.33% to 2.95%) per annum for the year ended 31 March 2015.

21. INVENTORIES

	2015 **US$'000**	2014 US$'000
Copper in process	**34,474**	67,759
Copper cathodes	**4,360**	8,506
Spare parts and consumables	**2,120**	2,903
	40,954	79,168

22. TRADE AND OTHER RECEIVABLES

	2015 **US$'000**	2014 US$'000
Trade receivable	**2,919**	12,128
Other receivables	**4,687**	32,327
Total trade and other receivables	**7,606**	44,455

22. TRADE AND OTHER RECEIVABLES (continued)

Aging of trade receivable (based on invoice dates, which approximated the respective revenue recognition dates)

	2015 US$'000	2014 US$'000
0–60 days	**2,919**	12,128

Trade receivable as at 31 March 2015 represents trade receivable from sales of copper cathodes in Australia. The balances is due on the fifth working days of the following month after delivery. Management believes that no impairment allowance is necessary in respect of this balance as it is settled subsequently in full. The Group does not hold any collateral over this balance.

Included in other receivables are deposit paid for an acquisition of a held for trading investment, amounting to US$25,000,000 as at 31 March 2014 and Goods and Service Tax recoverable to set-off expenditures incurred in mining operation in the future in accordance with the relevant tax laws and regulation in Australia, amounting to US$995,000 as at 31 March 2015 (2014: US$2,085,000).

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 US$'000	2014 US$'000
Held for trading investments (current assets)		
Equity securities listed in Hong Kong	**568,890**	432,497
Equity securities listed outside Hong Kong	**1,851**	7,577
Investment funds	**63,740**	55,148
Unlisted debt securities (note b)	**–**	4,683
	634,481	499,905
Designated at fair value through profit or loss (non-current assets)		
Unlisted debt securities (note b)	**8,281**	7,326
	642,762	507,231

The fair values of the listed equity securities are determined based on the quoted market bid prices available on the relevant stock exchanges. The fair values of the investment funds are determined with reference to the values of the underlying assets of the funds which are provided by the counterparty financial institutions.

Included in equity securities listed in Hong Kong above is the Group's investment in G-Resources, a company incorporated in Bermuda, with a carrying amount of US$61,344,000 as at 31 March 2015 (2014: US$61,884,000). The investment represents 7.96% of holding of the ordinary shares of G-Resources as at 31 March 2015 (2014: 7.96%).

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23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

As at 31 March 2015 and 31 March 2014, the Group held several unlisted debt securities as follows:

(a) During the year ended 31 March 2013, the Group acquired through a broker the unlisted unsecured bonds at purchase price of HK$180,000,000 (equivalent to approximately US$23,077,000) (the "Unsecured Bond A"), which was issued by a company with its shares listed on the Stock Exchange, with principal amount of HK$250,000,000 (equivalent to approximately US$32,051,000), which carry coupon rate of 2.5% per annum and are redeemable by the issuer at any time before or upon maturity at its principal amount together with interest accrued at the redemption date. The Unsecured Bond A is repayable upon maturity on 4 January 2015 or extended maturity date of 4 January 2019, if the issuer delivers an extension notice to bondholders at any time before extension deadline, with an adjusted coupon rate of 12.5%.

During the year ended 31 March 2014, the Group disposed the Unsecured Bond A at a consideration of HK$62,500,000 (equivalent to approximately US$8,013,000). A loss on disposal of US$1,304,000 was recognised in profit or loss during the year ended 31 March 2014 accordingly.

(b) The unlisted unsecured loan note (the "Note") with a principal amount of HK$40,000,000 (equivalent to approximately US$5,128,000) carries coupon rate of 6% per annum and is redeemable by the issuer at any time before or upon maturity at its principal amount together with interest accrued at the redemption date. The Note was paid and matured on 9 February 2015. A gain of US$445,000 (2014: US$196,000) was recognised in profit or loss during the year ended 31 March 2015.

The unlisted unsecured bond (the "Unsecured Bond B") with a principal amount of HK$147,000,000 (equivalent to approximately US$18,846,000) carries coupon rate of 5% per annum, and is redeemable by the issuer at any time after thirty days from date of issue before maturity at its principal amount together with interest accrued at the redemption date. The Unsecured Bond B is payable upon maturity on 9 October 2020.

As at 31 March 2015, the fair value of the debt component of the Unsecured Bond B was determined as discounted cash flows using the prevailing market interest rate of 24.02% (2014: 25.39%) while the fair value of the embedded derivative of the early redemption option of the issuer was determined using Hull-White Model by an independent professional valuer. A gain on fair value change of US$955,000 was recognised in profit or loss during the year ended 31 March 2015 (2014: loss of US$1,609,000).

(c) During the year ended 31 March 2013, the Group acquired the unlisted unsecured convertible bonds (the "Convertible Bond") issued by a company with its shares listed on the Stock Exchange at a purchase price of HK$130,000,000 (equivalent to approximately US$16,668,000). The Convertible Bond with principal amount of HK$130,000,000 (equivalent to approximately US$16,668,000) carries zero coupons with maturity on 27 May 2016. The Group has the right, at any time following the date of issue of the Convertible Bond until the maturity date, to convert any part of the Convertible Bond (in an amount or integral multiple of HK$10,000,000) into ordinary shares of the issuer at an initial conversion price of HK$9.902, subject to adjustments as stipulated in the terms and conditions of the Convertible Bond, by giving prior written notice to the issuer. The issuer has the right at any time following the date of issue of the Convertible Bond and until the maturity date, to redeem the whole or any part of the aggregate outstanding principal amount of the Convertible Bond at par.

During the year ended 31 March 2014, the Group disposed of the Convertible Bond at a consideration of HK$65,000,000 (equivalent to approximately US$8,333,000). A gain on disposal of US$1,979,000 was recognised in profit or loss during the year accordingly.

24. DERIVATIVE FINANCIAL INSTRUMENTS

	Current	
	2015	2014
	US$'000	US$'000
Derivative financial liabilities (not under hedge accounting)		
Future contracts on non-ferrous metals (note)	**–**	617

Note: Major terms of future contracts on non-ferrous metals are set out below:

At 31 March 2014

Contracted future price	Standard trading unit	Total unit	Maturity
Copper future contracts:			
Buy at a price at US$7,075 and sell at a price at US$6,932 (settled in net)	25 tonnes	60	23 May 2014
Buy at a price at US$7,093 and sell at a price at US$6,932 (settled in net)	25 tonnes	100	23 May 2014

The copper future contracts are not designated and effective as a hedging instrument. Therefore, the fair value gains or losses are recognised in profit or loss in the period in which they arise. At 31 March 2015 and 2014, the fair value of the copper future contracts is determined based on price quoted by financial institutions. There is no outstanding copper future contracts as at 31 March 2015.

25. TRADE AND OTHER PAYABLES

The following is an aged analysis of accounts payable presented based on the invoice date at the end of the reporting period.

	2015	2014
	US$'000	US$'000
Total trade payables (0–30 days)	**1,171**	640
Other payables	**5,831**	11,558
	7,002	12,198

The average credit period on purchases of goods is 30 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

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25. TRADE AND OTHER PAYABLES (continued)

On 31 May 2010, the Group acquired the entire issued share capital of CST Minerals Lady Annie Pty Limited ("CSTLA") at cash consideration of AUD130,000,000 (equivalent to approximately US$110,073,000) and an additional contingent consideration. Based on the relevant agreement, the Group is required to pay (i) an additional amount of AUD2,500,000 upon the production of the first 10,000 tonnes of copper cathode from CSTLA and (ii) a further AUD2,500,000 upon the delineation of additional ore reserves containing 25,000 tonnes of contained copper. Obligation stated in (i) of AUD2,500,000, equivalent to approximately US$1,908,000 (2014: AUD2,500,000, equivalent to approximately US$2,305,000 and (ii) of AUD2,500,000, equivalent to approximately US$1,908,000 (2014: AUD2,500,000, equivalent to approximately US$2,305,000) represents the estimated fair value of the Group's obligation as at 31 May 2010 and has been fully provided. Production of the first 10,000 tonnes was completed in the year ended 31 March 2012 and US$2,607,000 was fully settled during the year ended 31 March 2013. As at 31 March 2015, the additional ore reserves are not yet delineated and the remaining AUD2,500,000 (equivalent to approximately US$1,908,000) was included in other payables.

Other payables also include Goods and Services Tax payable and Royalty payable to the Australian Government of US$25,000 and US$680,000 (2014: US$839,000 and US$1,346,000), respectively, in respect of sales made in Australia under relevant rules and regulations.

26. AMOUNT DUE TO A NON-CONTROLLING INTEREST

The amount is unsecured, interest-free and repayable on demand.

27. PROVISION FOR MINE REHABILITATION COST

In accordance with relevant rules and regulations in Australia, the Group is obligated to bear the cost of rehabilitation upon the closure of the Group's copper mine. The provision for rehabilitation cost has been estimated in accordance with the local rules and regulations in the aforesaid regions.

Rehabilitation costs have been estimated based on the current regulatory requirements and determined based on the net present value of future cash expenditures upon rehabilitation, and which is expected to result in cash outflow for CSTLA of such mine rehabilitation cost in July 2015. Rehabilitation costs are capitalised as mine property and development assets in property, plant and equipment, and are amortised over the life of the mine on an UOP basis.

A bank guarantee of US$25,156,000 (2014: US$33,217,000) is placed with the Department of Environment and Heritage Protection, Queensland Government, Australia for the purposes of settling these rehabilitation costs (see note 20).

	US$'000
At 1 April 2013	28,126
Exchange adjustment	(3,254)
Additions	2,570
Effective interest	1,492
At 31 March 2014	28,934
Exchange adjustment	(5,189)
Effective interest	1,632
At 31 March 2015	25,377

28. SHARE CAPITAL

	Number of shares	Share capital
Authorised		
At 1 April 2013, 31 March 2014 and 2015		
– Ordinary shares of HK$0.1 each	50,000,000,000	HK$5,000,000,000
		US$'000
Issued and fully paid		
At 1 April 2013, 31 March 2014 and 2015		
– Ordinary shares of HK$0.1 each	27,098,308,961	347,414

29. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group in funds under the control of trustees. The MPF Scheme is funded by monthly contribution from both employees and the Group at a rate of 5% of the employee's relevant income with maximum employee's contribution of not exceeding HK$1,500 per month (equivalent to approximately US$192) effective on 1 June 2014 (2014: HK$1,250 per month (equivalent to approximately US$160)).

The employees in the Group's subsidiary in Australia are members of the Compulsory Superannuation Guarantee Contributions. The subsidiaries are required to contribute a certain percentage of payroll costs to the retirement benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make specified contributions.

During the year, the amount contributed by the Group to the MPF Scheme charged to profit or loss was US$57,000 (2014: US$52,000). The Group also contributed US$1,383,000 (2014: US$1,922,000) to the superannuation operated in Australia and the contribution amounts were charged to profit or loss, or capitalised as exploration and evaluation assets and mine property and development assets (included in the property, plant and equipment) or inventories and to cost of sales according to its nature.

30. OPERATING LEASE ARRANGEMENTS

The Group as lessee

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:

	2015 **US$'000**	2014 US$'000
In respect of rented premises:		
Within one year	**1,195**	1,340
In the second to fifth years inclusive	**348**	1,487
	1,543	2,827

Operating lease payments represent rentals payable by the Group for certain of its rented premises. Leases are negotiated for an average term of two years.

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30. OPERATING LEASE ARRANGEMENTS (continued)

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments to the Group:

	2015 US$'000	2014 US$'000
Within one year	**459**	546
In the second to fifth years inclusive	**68**	315
	527	861

Leases are negotiated for an average term of two years.

31. CAPITAL COMMITMENTS

At the end of the reporting periods, the Group had the following capital commitments:

	2015 US$'000	2014 US$'000
Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of property, plant and equipment	**17**	135
Capital expenditure authorised but not contracted for in respect of acquisition of property, plant and equipment	**568**	2,759

32. SHARE-BASED PAYMENT TRANSACTIONS

The Company has a share option scheme (the "Scheme") which was adopted on 11 May 2007. The Scheme is valid and effective for a period of ten years from the date of adoption.

Pursuant to the Scheme, the Company may grant options to employees (including existing and proposed directors), advisors, consultants, agents, contractors, clients and suppliers of any members of the Group (collectively the "Participants"). The purpose of the Scheme is to attract, retain and motivate Participants to strive for future development and expansion of the Group and to provide incentive to encourage the Participants to enjoy the results of the Company attained through their efforts and contributions. The total number of shares of the Company available for issue under the Scheme is 2,665,483,035 which represented 10% of the issued share capital of the Company as at 6 August 2010.

No Participants shall be granted an option if the total number of shares of the Company issued and to be issued upon exercise of the options granted and to be granted (including both exercised and outstanding options) in twelve month period up to and including the date of grant to such Participants would exceed 1% of the shares of the Company for the time being in issue unless the proposed grant has been approved by the shareholders of the Company in general meeting with the proposed grantee and his associates abstaining from voting.

At 31 March 2015, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 90,900,000 (2014: 99,500,000), representing approximately 0.3% (2014: 0.4%) of the shares of the Company in issue at that date.

32. SHARE-BASED PAYMENT TRANSACTIONS (continued)

An option may be exercised in accordance with the terms of the Scheme at any time during a period as the board of the directors of the Company (the "Board") may determine which shall not be more than ten years from the date of grant of the option subject to the provisions of early termination thereof and the Board may provide restrictions on the exercise of an option during the period an option may be exercised. The subscription price of the option shall be determined by the Board but in any case shall not be less than the higher of (i) the closing price of the shares of the Company as stated in the daily quotations sheet of the Stock Exchange on the date of grant which must be a trading day, (ii) the average closing price of the shares of the Company as stated in the daily quotations sheet of the Stock Exchange for the five trading days immediately preceding the date of grant and (iii) the nominal value of a share of the Company. Upon acceptance of the option, the grantee shall pay HK$1.00 to the Company by way of consideration for the grant.

The following tables disclose details of the Company's share options granted under the Scheme for both years:

Share options granted under the Scheme

Category of participants	Notes	Date of grant	Exercise period	Exercise price HK$	As at 1.4.2013	Forfeited/ cancelled during the year	As at 31.3.2014	Forfeited during the year	As at 31.3.2015
Directors	(a)	02.09.2010	17.09.2011 – 16.09.2015	0.2000	205,000,000	(205,000,000)	–	–	–
Total for directors					205,000,000	(205,000,000)	–	–	–
Employees of the Group	(a)	02.09.2010	17.09.2011 – 16.09.2015	0.2000	8,800,000	(8,800,000)	–	–	–
	(a)	30.09.2010	30.09.2011 – 29.09.2015	0.2350	20,000,000	(20,000,000)	–	–	–
	(a)	13.12.2010	13.12.2011 – 12.12.2015	0.2700	16,000,000	(16,000,000)	–	–	–
	(a)	28.02.2011	28.02.2012 – 27.02.2016	0.2350	13,200,000	(13,200,000)	–	–	–
Total for employees					58,000,000	(58,000,000)	–	–	–
Total for Tranche A					263,000,000	(263,000,000)	–	–	–
Directors	(b)	02.09.2010	17.09.2011 – 16.09.2015	0.2000	70,000,000	–	70,000,000	–	70,000,000
Total for directors					70,000,000	–	70,000,000	–	70,000,000
Employees of the Group	(b)	02.09.2010	17.09.2011 – 16.09.2015	0.2000	26,200,000	(8,000,000)	18,200,000	–	18,200,000
	(b)	13.12.2010	13.12.2011 – 12.12.2015	0.2700	4,000,000	–	4,000,000	(4,000,000)	–
	(b)	28.02.2011	28.02.2012 – 27.02.2016	0.2350	17,300,000	(10,000,000)	7,300,000	(4,600,000)	2,700,000
Total for employees					47,500,000	(18,000,000)	29,500,000	(8,600,000)	20,900,000
Total for Tranche B					117,500,000	(18,000,000)	99,500,000	(8,600,000)	90,900,000
Weighted average exercise price (HK$)					0.2083	0.2094	0.2054	0.2513	0.2010

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32. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Share options granted under the Scheme (continued)

Notes:

(a) Vesting conditions of these share options ("Tranche A" Options) are as follows:

(i) as to one-third of the share options, upon the average closing share price for a continuous period of 30 days immediately after twelve months from the date of grant of the share options being not less than 200% of the exercise price;

(ii) as to another one-third of the share options, upon the first copper production by the Mina Justa Project; and

(iii) as to the remaining one-third, upon the process plant of the Mina Justa Project being in operation and having reached its designed capacity within a range of 10% deviation for the average of the first year of production as defined by the mine schedule and plan and as approved by the Board for a continuous period of six months.

(b) Vesting conditions of these share options ("Tranche B" Options) are as follows:

(i) as to one-third of the share options, upon the average closing share price for a continuous period of 30 days immediately after twelve months from the date of grant of the share options being not less than 200% of the exercise price;

(ii) as to another one-third of the share options, upon CSTLA producing averaging 2,300 tonnes per month of saleable copper production over a six consecutive month period; and

(iii) as to the remaining one-third, upon CSTLA achieving 75,000 tonnes of cumulative saleable copper cathode production.

Share options granted under share option agreements

On 24 March 2010, three directors of the Group entered into share option agreements with the Company, pursuant to which the Company granted to each of them share options to subscribe for shares of the Company subject to fulfilment of the conditions set out therein.

Category of participants	Date of share option agreement	Exercise period	Exercise price HK$	As at 1.4.2013	Cancelled during the year	As at 31.3.2014	Movement during the year	As at 31.3.2015
Directors	24.03.2010	22.06.2011 - 21.06.2015	0.2000	215,000,000	(215,000,000)	–	–	–
Directors	24.03.2010	06.07.2011 - 05.07.2015	0.2000	860,000,000	(860,000,000)	–	–	–
Total				1,075,000,000	(1,075,000,000)	–	–	–

32. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Share options granted under share option agreements (continued)

Vesting condition:

(i) as to one-third of the share options, upon the average closing share price for a continuous period of 30 days immediately after twelve months of the fulfilment of (a) the Listing Committee of the Stock Exchange granting the approval of the listing of and permission to deal in the shares under the share option scheme upon the exercise of the share options; and (b) the approval by the shareholders of the issue of the share options and the shares under the share option scheme upon exercise of the share options, being not less than 200% of the exercise price (the "First Event"), or upon both the Second Event (as defined below) and the Third Event (as defined below) having been achieved while the First Event has not taken place; and

(ii) as to another one-third of the share options, (a) upon the first copper production by the Mina Justa Project after the completion of acquisition of Chariot Resources Limited and its 70% interest in a Peruvian joint venture; or upon twelve months after the copper production by CSTLA after the completion of acquisition of entire issued share capital of CSTLA (the "Second Event"); and

(iii) as to the remaining one-third, (a) upon the process plant of the Mina Justa Project being in operation and having reached its designed capacity within a range of 10% deviation for the average of the first year of production as defined by the mine schedule and plan and as approved by the Board, which schedule and plan are intended to be completed within a period of four months after the completion of acquisition of Chariot Group, for a continuous period of six months; or (b) upon twelve months after achieving an annual copper production of 25,000 tonnes under the mining business of CSTLA after the completion of acquisition of CSTLA (the "Third Events").

Weighted average exercise price of the share options is HK$0.2010 (equivalent to US$0.0258) at 31 March 2015 (2014: HK$0.2054).

All the share options granted under Tranche B during the year ended 31 March 2012 are valid upon fulfilment of vesting conditions and up to a maximum period of five years from the effective date. The grantee shall continue to provide services to the Group as director of the Group during the vesting period of respective share options.

In each case, no share option shall vest at any time prior to the expiry of twelve months from the effective date of the share options.

Fair values of the options are determined at the dates of grant using the Binominal model. Share-based payment expenses were recognised over the vesting period based on the contractual period of twelve months or management's estimation of the timing when the vesting conditions described are met.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest ultimately. The impact of the revision of the estimates, if any, is recognised in profit or loss, with a corresponding adjustment to the share options reserve.

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32. SHARE-BASED PAYMENT TRANSACTIONS (continued)

During the year ended 31 March 2014, 18,000,000 share options were forfeited prior to vesting as a result of resignation of employees, and the corresponding share-based payment expenses of US$65,000 previously recognised were transferred to the accumulated losses.

As the Group disposed of the Mina Justa Project during the year ended 31 March 2013, the Group cancelled the options on 27 June 2013 and accounted for the cancellation as an acceleration of vesting in respect of 1,338,000,000 share options previously granted and therefore recognised immediately share-based payment expenses of US$3,243,000 that otherwise would have been recognised for services received over the remainder of the vesting period. US$1,535,000 share-based payment expenses were recognised to profit or loss from 1 April 2013 to 27 June 2013. Share-based payment expenses of US$35,398,000 was then transferred directly to the accumulated losses.

During the year ended 31 March 2014, share-based payment of US$14,000 was recognised for the share options remaining as at the end of the year. As a result, share-based payment expenses of US$4,792,000 was recognised in profit or loss for the year.

During the year ended 31 March 2015, share-based payment of US$19,000 was recognised for the share options remaining as at the end of the year. 8,600,000 share options were forfeited after vesting as a result of resignation of employees, and the corresponding share-based payment expenses of US$54,000 previously recognised were transferred to the accumulated losses.

33. RELATED PARTY DISCLOSURES

The remuneration of directors who are also key management during the year was as follow:

	2015 **US$'000**	2014 US$'000
Short-term benefits	**8,866**	8,521
Share-based payment expenses (Note)	**23**	37
Post-employment benefits	**12**	12
	8,901	8,570

Note: Share-based payment expenses represent the portion of the total fair value at the grant date of share options issued under the Scheme and the share option agreements which has been charged to profit or loss during the years ended 31 March 2014 and 2015.

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 March 2015 and 31 March 2014 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued share capital/ registered and paid-up capital 2015	2014	Proportion of nominal value of issued share capital/registered and paid-up capital held by the Company Directly	Indirectly	Principal activities
China Sci-Tech Secretaries Limited	Hong Kong	**HK$10,000**	HK$10,000	100%	–	Provision of secretarial services and investment holding
CST Minerals Lady Annie Pty Limited	Australia	**AUD2**	AUD2	–	100%	Exploration, mining, processing and sale of copper in Australia
Deep Bowl Limited	British Virgin Islands	**US$1**	US$1	–	100%	Vessel holding
Isenberg Holdings Limited	Hong Kong	**HK$2**	HK$2	–	100%	Property investment
Jabour Limited	Hong Kong	**HK$2**	HK$2	–	100%	Property investment
Kingarm Company Limited	Hong Kong	**HK$2**	HK$2	–	100%	Property investment
Skytop Technology Limited	Hong Kong	**HK$127,490,481**	HK$127,490,481	–	100%	Securities investment
Unigolden Limited	Hong Kong	**HK$2**	HK$2	–	100%	Property investment

In the opinion of the directors of the Company, the above companies principally affected the operations of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at 31 March 2014 and 2015 or at any time during both years.

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34. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in Hong Kong. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Principal place of business	Number of subsidiaries 2015	2014
Inactives	Hong Kong	**14**	12
Investment holdings	Hong Kong	**26**	25
Mining business	Australia	**1**	1
Securities investment	Hong Kong	**4**	4
		45	42

Details of non-wholly owned subsidiary that have material non-controlling interests

The table below shows details of non-wholly owned subsidiary of the Group that have material non-controlling interest:

Name of subsidiary	Incorporation and principal place of business	Proportion of ownership interest held by non-controlling interests		Proportion of voting power held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2015	2014	**2015**	2014	**2015 US$'000**	2014 US$'000	**2015 US$'000**	2014 US$'000
China Sci-Tech (Far East) Limited	Hong Kong	**49%**	49%	**49%**	49%	**–**	–	**6**	6

35. INTERESTS IN A JOINT VENTURE

During the year ended 31 March 2015, the Group and a third party set up a company, Mission Right, which principally engages in the business of investments in equity instruments.

For this joint venture without entering into any agreements, the Group and the other shareholder each has owned 50% interest and the directors are of the opinion that both parties have implicitly agreed that they have joint control on this entity because decision on operating activities cannot be made without both parties agreeing.

35. INTERESTS IN A JOINT VENTURE (continued)

Details of the Group's investment in a joint venture as follows:

	As at 31 March 2015 US$'000
Share of profit in a joint venture	**12,432**
Amount due from a joint venture	**4,037**

Details of joint venture at the end of the reporting period as follows:

Name of entity	Form of entity	Country of incorporation	Principal place of operation	Class of shares held	Proportion of ownership interest held by the Group 31.3.2015	Proportion of voting rights held by the Group 31.3.2015	Principal activity
Mission Right Limited	Incorporated	British Virgin Islands	Hong Kong	Ordinary	**50%**	**50%**	Investment in equity instruments

The joint venture is accounted for using the equity method in financial statements:

	As at 31 March 2015 US$'000
Current assets	**32,938**
Non-current assets	–
Current liabilities	**8,074**
Non-current liabilities	–
Revenue	–
Profit for the period	**24,864**

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35. INTERESTS IN A JOINT VENTURE (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Mission Right recognised in the financial statements:

	As at 31 March 2015 US$'000
Net assets of Mission Right	**24,864**
Proportion of Group's ownership interest in Mission Right	**50%**
Carrying amount of Group's interest in Mission Right	**12,432**

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2015 US$'000	2014 US$'000
ASSETS		
Property, plant and equipment	**35**	116
Investments in subsidiaries	**16,164**	11,083
Available-for-sale investment	**1,949**	2,025
Financial assets at fair value through profit or loss	**16,071**	8,844
Other receivables	**403**	913
Amounts due from subsidiaries	**801,945**	781,624
Bank balances and cash	**48,435**	95,151
	885,002	899,756
LIABILITIES		
Other payables	**328**	281
Derivative financial instruments	**–**	617
Amounts due to subsidiaries	**1,843**	7,608
	2,171	8,506
	882,831	891,250
CAPITAL AND RESERVES		
Share capital	**347,414**	347,414
Reserves	**535,417**	543,836
Total Equity	**882,831**	891,250

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

	Share capital US$'000	Share premium US$'000	Capital reserve US$'000 (note a)	Other capital reserve US$'000 (note b)	Warrant reserve US$'000	Share options reserve US$'000	Accumulated losses US$'000	Total US$'000
At 1 April 2013	347,414	497,483	4,503	128,275	9	31,218	(101,648)	907,254
Loss and total comprehensive expenses for the year	–	–	–	–	–	–	(20,796)	(20,796)
Recognition of share-based payment expenses	–	–	–	–	–	1,549	–	1,549
Lapse of share options	–	–	–	–	–	(65)	65	–
Cancellation of unvested share options	–	–	–	–	–	3,243	–	3,243
Transfer upon cancellation of share options	–	–	–	–	–	(35,398)	35,398	–
Lapse of warrants	–	–	–	–	(9)	–	9	–
At 31 March 2014	347,414	497,483	4,503	128,275	–	547	(86,972)	891,250
Loss and total comprehensive expenses for the year	–	–	–	–	–	–	(8,438)	(8,438)
Recognition of share-based payment expenses	–	–	–	–	–	19	–	19
Lapse of share options	–	–	–	–	–	(54)	54	–
At 31 March 2015	347,414	497,483	4,503	128,275	–	512	(95,356)	882,831

Notes:

(a) The capital reserve of the Company represents the difference between the nominal value of the shares of the subsidiaries acquired, over the nominal value of the share capital of the Company issued in exchange, in connection with the Company's reorganisation completed in January 1994.

(b) The other capital reserve of the Company represents the balance of the credit arising from the cancellation of paid up capital in previous years.

Financial Summary

	Year ended 31 March				
	2015	2014	2013	2012	2011
	US$'000	US$'000	US$'000	US$'000	US$'000
			(restated)	(restated)	(restated)
Results					
Profit (loss) for the year	**28,172**	(61,744)	119,675	(53,881)	(25,987)

	At 31 March				
	2015	2014	2013	2012	2011
	US$'000	US$'000	US$'000	US$'000	US$'000
			(restated)	(restated)	(restated)
Assets and liabilities					
Total assets	**1,014,523**	991,833	1,087,765	963,765	983,596
Total liabilities	**(37,237)**	(47,327)	(62,386)	(57,052)	(48,262)
Net assets	**977,286**	944,506	1,025,379	906,713	935,334

Notes:

1. In 2011, the Group has changed its presentation currency from Hong Kong dollars to United States dollars in order to present more relevant information as the management controls and monitors the performance and financial position of the Group based on United States dollars and to provide international investors a better comparison with the Group's international peers. The comparative figures in 2010 have been restated accordingly to achieve comparability with the current years.

2. In order to comply with HK(IFRIC) — Int 20 "Stripping costs in the production phase of a surface mine", the Group adopted a new accounting policy for production stripping cost in 2014. Figures for 2011 to 2013 have been adjusted as a result of the adoption of new accounting policy.

Particulars of Properties Held by the Group

Location	Use	Lease term
Unit Nos. 1104–1107 and Unit Nos. 2501–2512 Oriental Building No. 39 Jianshe Road Luohu District Shenzhen Guangdong Province PRC	Commercial	Medium term lease
East Portion of level 18 and Unit No. 2601 and Carparking Space No. 20 on basement level Shartex Plaza No. 88 Zunyi South Road Changning District Shanghai PRC	Commercial	Medium term lease
Unit B on 2/F Unit A and B on 3/F Unit B on 5/F Unit A, B & C on 16/F to 23/F of Fortwest No. 1 Westlands Road Quarry Bay Hong Kong	Residential	Long term lease
Flat 10 on 20/F Apartment Tower on the Western Side Convention Plaza No. 1 Harbour Road Hong Kong	Residential	Long term lease

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Chiu Tao *(Chairman)*
Mr. Hui Richard Rui *(General Manager)*
Mr. Lee Ming Tung *(Chief Financial Officer)*
Mr. Kwan Kam Hung, Jimmy
Mr. Yeung Kwok Yu
Mr. Tsui Ching Hung

Independent Non-executive Directors

Mr. Yu Pan
Ms. Tong So Yuet
Ms. Ma Yin Fan

COMPANY SECRETARY

Mr. Chow Kim Hang

REGISTERED OFFICE

First Floor
Caledonian House
69 Dr. Roy's Drive
P.O. Box 1043
George Town
Grand Cayman KY1-1102
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 4503–05, 45th Floor
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

The R&H Trust Co. Ltd.
Windward 1
Regatta Office Park
P.O. Box 897
Grand Cayman KY1-1103
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

PRINCIPAL BANKER

Hang Seng Bank Limited

STOCK CODE

985

WEBSITE

www.cstmining.com

CST Mining Group Limited

(Incorporated in Cayman Islands with limited liability)
Stock code: 985

Registered Office

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