



# INTERIM REPORT

## 2015

**CST MINING**  
GROUP LIMITED



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CST - Hong Kong



Lady Annie Operations  
(Australia — 100% ownership)



**MINE TYPE**

Open pit

**STATUS**

Producing

**PROCESSING METHOD**

Heap leach and solvent extraction and electrowinning

**PRODUCT**

London Metal Exchange  
Grade A equivalent copper cathode



### Dear Shareholders,

I am pleased to report performance from CST Mining Group (the "Company") and its subsidiaries (collectively referred to as the "Group") over the six months ended September 30, 2015 (the "Period"). Despite a challenging global macro-economic environment, there were many positive developments during the Period as the Group focused on further developing the long-term sustainability of its business, while actively expanded the new business of Internet based on our principal business.

On a year-over-year basis, the overall performance of the Group was weaker as a result of lower and fluctuating copper prices, alongside depleting copper reserves. Output from the Group's Lady Annie Operations facility remained stable however, thanks to improvements we made in its efficiency and operations. Maintaining steady and efficient production levels at the Group's Lady Annie Operations facility has been a key goal of ours as we seek to extend its lifespan by prioritizing further exploration programs. Meanwhile, management of the Company as well as Lady Annie Operations will closely monitor its operation and the development of copper market in order to make appropriate action in response to any changes arisen.

I am also pleased to report that the first stage of the development of the Anthill project is close to completion. Negotiations between Lady Annie Operations and existing land owners have been finalized with the signing of agreements in July 2015. We expect the mining license to be granted in the coming months.

The Group also pushed forward the expansion and investment in its internet business. We welcomed Mr. Chen Weixing to our team as an Executive Director on November 2, 2015. Mr. Chen brings with him years of experience in China's internet industry, most famously as the founder of the smartphone taxi app Kuaidi

Dache. In another exciting development, the Group announced the acquisition of First Cargo Holdings Limited ("First Cargo") on November 4, 2015 through which the Company will have full effective control over First Cargo's financing and operations. The acquisition was completed on November 12, 2015. Addressing the increasing demand for logistics services in China, First Cargo also offers great value with its market-leading e-logistics platform which leverages the traditional logistics sector's transition towards mobile internet technology in China's "Internet Plus" era. The addressable market is huge and offers great growth potential, with third-party general road freight in China reaching RMB2.1 trillion in 2014. I am confident that we will be able to expand First Cargo and we are dedicated to developing it into one of the largest logistics eco-system in the country over the long-term. The Group will continue to monitor the development of internet services and other related businesses in China as we look for further investment opportunities that will create new market opportunities and enhance value for our shareholders.

Looking forward, the Group will continue to pursue opportunities that will maximize the value of its operations with innovative new programs, diversify its revenue streams, ensure the best utilization of its resources and enhance its profitability.

I would like to thank our staff for their contribution and dedication to the success of CST Mining Group Limited, and to thank our shareholders for their continued support to the Company. I look forward to announcing more developments and achievements in the coming years.

Sincerely yours,  
**Chiu Tao**  
 Chairman  
 26 November 2015



# PROJECT OVERVIEW



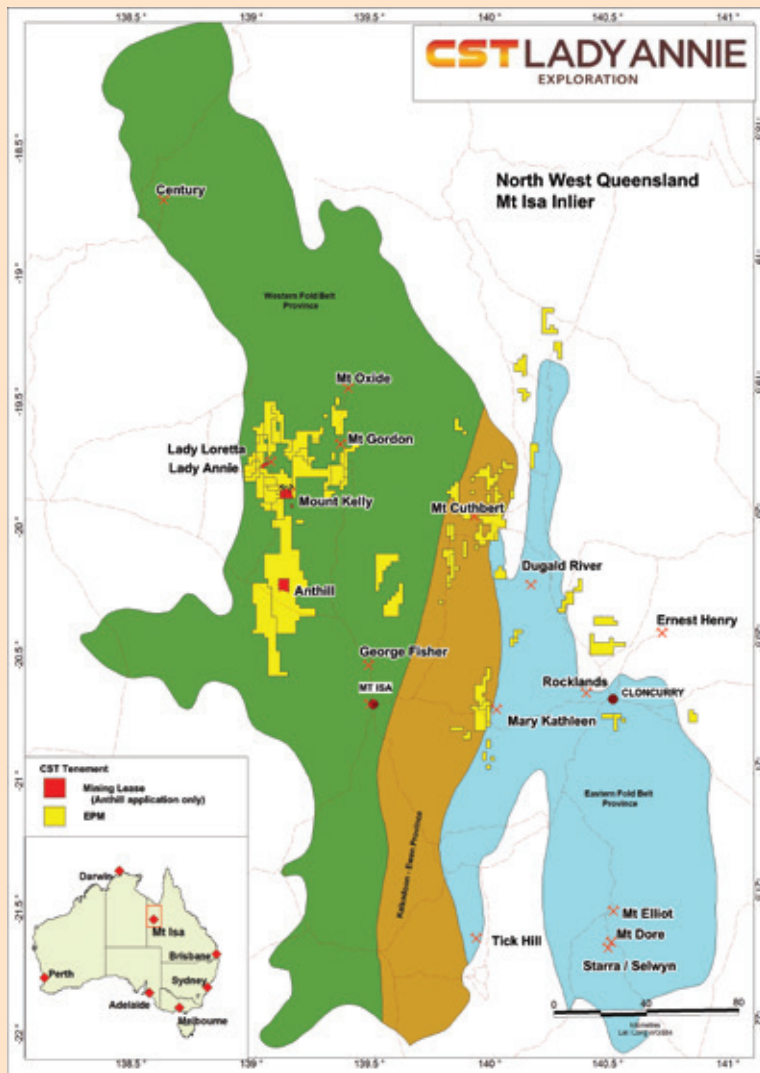
# THE LADY ANNIE OPERATIONS

Production (Tonnes)

**4,296**

Revenue (US\$)

**\$28** 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 London Metal Exchange Grade A equivalent copper cathode.

Lady Annie Operations also controls approximately 2,800km<sup>2</sup> 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 six months ended 30 September 2015 (the "Period") and 2014 respectively.

### Key operational information

		2015	2014
<b>Mined</b>	Total material (tonnes)	—	5,027,608
	Ore (tonnes)	—	2,517,322
	Ore grade (copper %)	—	0.81
	Contained copper (tonnes)	—	20,317
<b>Stacked</b>	Ore (tonnes)	<b>841,744</b>	1,341,041
	Ore grade (copper %)	<b>0.52</b>	0.96
	Contained copper (tonnes)	<b>4,357</b>	12,593
<b>Production</b>	Copper cathode (tonnes)	<b>4,296</b>	9,469
<b>Sales</b>	Copper cathode (tonnes)	<b>4,752</b>	8,728
	Average price (US\$/tonne)	<b>5,792</b>	7,038
	Revenue (US\$'000)	<b>27,523</b>	61,427

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

	US\$'000
Administration	16
Camp expense	28
Consultancy and contractor expense	108
Consumables	17
Drilling and assays expenses	124
Machinery and equipment	20
Tenement and mining leases fee	173
Others	84
Staff cost	285
<b>Total</b>	<b>855</b>

## 2. MINING, STACKING AND PROCESSING OPERATIONS

### 2.1 Mining

No mining activities were undertaken during the period 1 April to 30 September 2015 at Lady Annie Operations.

During the Period:

- A limited volume of secondary sulphide ore containing chalcocite was processed.
- Mining personnel maintained pit dewatering programme.
- Geotechnical wall monitoring inspections continued.
- Assistance was given to Exploration and Processing as required.

### 2.2 Stacked Ore Copper Grade

Figure 2 shows the monthly stacked ore copper grade for the six months to September 2015. Total 841,744 tonnes of ore (dry basis) were stacked for processing for the period with a mean copper grade of 0.52%. Ore grade remained fairly consistent and of the acid consuming components, both the calcium and magnesium decreased slightly while the iron decreased after the first two months and then returned to higher levels.

Stacking during the period was all on Stage 1, starting with No. 15 pad on the 3rd lift (3rd level) and then stacking on lift 5 from No. 14 pad to No. 10 pad.

### 2.3 Stacked Copper Metal

Figure 3 shows the monthly stacked copper metal for the six months. 4,357 tonnes of copper metal was stacked. The amount stacked in June was the lowest due to the lower copper grade and lower run time caused by the stacker movement timing.

### 2.4 Copper Cathode Production

Figure 4 shows the monthly copper cathode produced throughout the six months period. Lady Annie Operations produced 4,296 tonnes of copper in the six months to September.

The Processing Department maintained a strong focus on cathode refurbishment and cell house cleaning during the Period to improve cathode quality and appearance, the result of which was that only 2.5% of the product was downgraded to B grade.

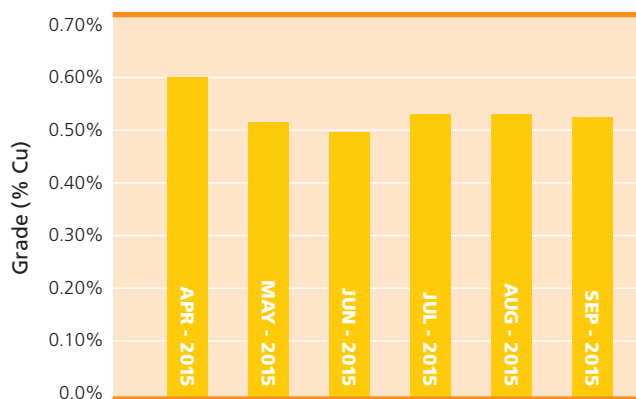


Figure 2: Stacked Ore Copper Grade

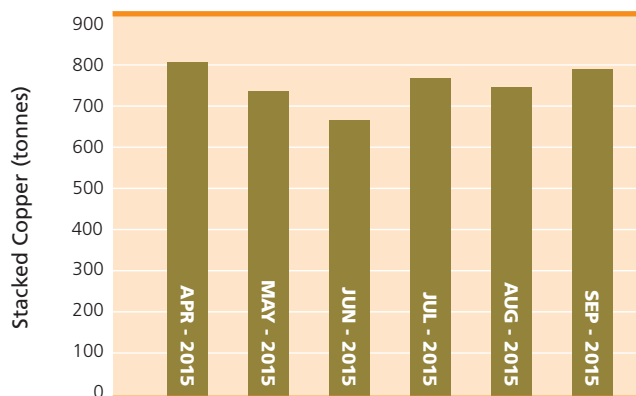


Figure 3: Stacked Copper Metal

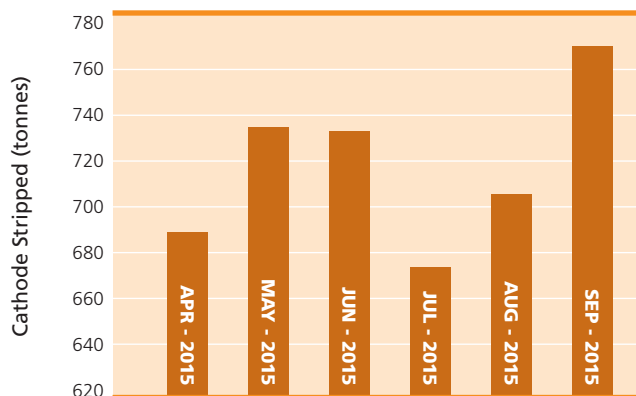


Figure 4: Copper Cathode Production

Production during the Period was low and in proportion to the lower amounts of copper metal stacked over the Period. It improved toward the end of the Period with improved leach performance in relation to the budget and after the end of the wet season.

### 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. 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.

#### 3.2 Overview of Exploration Activities

Activity for the Period focused on exploration for oxide mineralisation in CST's Western and Eastern Tenement Areas and included:

- Following up the 2014 Rotary Air Blast ("RAB") drilling in the Western Tenement Area ("WTA") with RAB drilling at Lindsay's Lament, Quadrin, Kypros, Double Barrel and Barratt's Bend Target Areas.
- Target evaluation and generation within CST's Eastern Tenement Area ("ETA").
- RAB and Air Core ("AC") drilling within CST's ETA at Cloncurry North 2 and Quamby 2 Project Areas.
- Proposal for Reverse Circulation ("RC") drilling of Target Areas generated at the Miranda and Cameron River Project Areas.

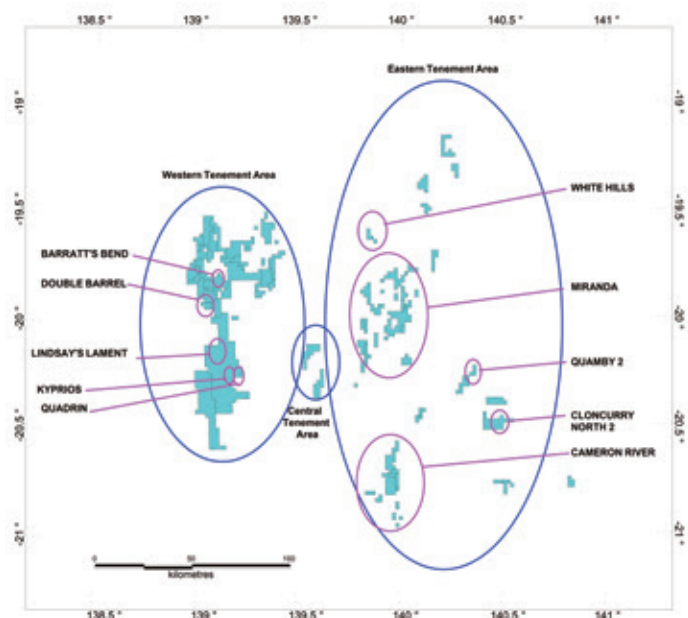


Figure 5: CST tenure with Project and Target Areas.

- **2015 RAB Drilling — WTA:** The 2015 RAB drilling programme in the WTA commenced on 17 April 2015 and was completed on 12 May 2015. Forty-eight RAB holes were drilled for a total of 4,408m.

**Table 1: WTA RAB drilling details**

Tenement	Prospect	Number of holes	Total metres
EPM16244	Lindsay's Lament	19	1,673
EPM16244	Quadrin	3	405
EPM16244	Kyprios	9	1,014
EPM14693	Double Barrel	9	877
EPM17789	Barratt's Bend	8	439
Total		48	4,408

- A total of 1,137 approximately 4m composite RAB samples were analysed by portable XRF. Significant Cu and Zn assays for the complete and corrected dataset are shown in Tables 2 and 3 below.

**Table 2: Significant Cu Assay Results for 2015 follow-up RAB drilling programme — WTA**

Prospect	Hole_ID	From (m)	To (m)	Interval (m)	Cu (ppm)
Quadrin	BUCB104	80	116	36	187
Quadrin	BUCB105	56	104	48	501
Quadrin	BUCB106	92	165	73	193
Kyprios	BUCB107	72	112	40	272
Kyprios	BUCB109	100	120	20	275
Kyprios	BUCB115	20	32	12	264
Lindsay's Lament	BUCB116	8	138	130	231
Lindsay's Lament	BUCB121	4	28	24	270
Lindsay's Lament	BUCB121	60	68	8	11,267
Lindsay's Lament	BUCB122	8	44	36	698
Lindsay's Lament	BUCB123	8	36	28	322
Lindsay's Lament	BUCB132	4	24	20	206
Barratt's Bend	MTKB235	8	20	12	405

**Table 3: Significant Zn Assay Results for 2015 follow-up RAB drilling programme — WTA**

Prospect	Hole_ID	From (m)	To (m)	Interval (m)	Zn (ppm)
Double Barrel	MTKB228	8	20	12	243
Double Barrel	MTKB228	24	44	20	212
Double Barrel	MTKB228	48	56	8	212

- **2015 RAB/AC Drilling — ETA:** The 2015 RAB/AC drilling programme in the ETA commenced on 15 May 2015 and was completed by 30 May 2015. Forty-four RAB/AC holes were drilled for a total of 2,052m at Cloncurry North 2 and Quamby 2. These Targets were identified from the February 2015 Southern GeoScience Consultants (SGSC) interpretation of the 2013 CST Helicopter borne Sub Audio Magnetic (Heli-SAM) survey. The Target Areas are buried beneath cover and were based on the anomalous responses (magnetic and electromagnetic) to the Heli-SAM aerial survey.

**Table 4: ETA RAB/AC drilling details.**

Tenement	Prospect	Hole Type	Number of holes	Total metres
EPM17295	Cloncurry North 2	AC	6	299
EPM17295	Cloncurry North 2	RAB	12	630
EPM17495	Quamby 2	AC	11	490
EPM17495	Quamby 2	RAB	15	633
Total			44	2,052

The approximately 4m composite samples for all RAB drill holes were analysed by portable XRF. Where RAB drill holes failed to reach the Target, drilling was converted to the AC method. All the AC approximately 4m drill samples were also analysed by portable XRF. Best results are as follows:

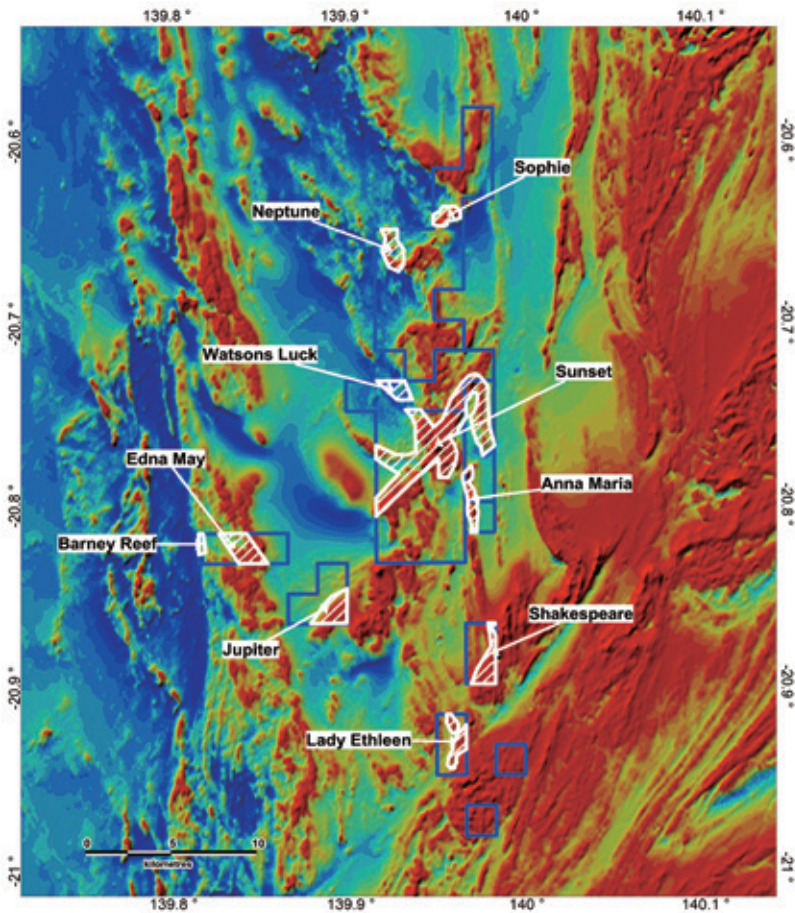
**Table 5: Significant Cu Assay Results for 2015 RAB/AC drilling programme — ETA.**

Prospect	Hole_ID	From (m)	To (m)	Interval (m)	Cu (ppm)
Cloncurry North 2	CLUA017	24	32	8	821
Cloncurry North 2	CLUB020	20	24	4	300
Cloncurry North 2	CLUB021	28	32	4	116
Cloncurry North 2	CLUB027	12	32	20	197
Quamby 2	CLUA002	12	24	12	430
Quamby 2	CLUA004	28	65	37	281
Quamby 2	CLUA005	20	32	12	148
Quamby 2	CLUA006	24	28	4	296
Quamby 2	CLUB004	20	28	8	165

All the RAB/AC approximately 4m drill samples were sent to ALS Laboratory in Townsville for precious metal (gold) analysis and returned a best result in CLUB001 of 4m@0.35ppm (44m–48m).

The depth of cover intersected in drilling was significantly less than anticipated. As a consequence, although the total number of drill holes increased due to the necessity to re-drill several failed RAB drill holes using AC drilling techniques, the total metres drilled was less than originally planned.

**Target Definition:** From June to September 2015, exploration focus was on Target Generation within the ETA. This review generated a number of Target Areas within the Cameron River, White Hills and Miranda Project Areas. A total of 26 Target Areas were identified and have all been assessed in the field and ranked for drilling.



**Figure 6:** Regional Total Magnetic Intensity (TMI) and location of CST Target Areas in the Cameron River Project Area. CST Tenements are outlined in blue.

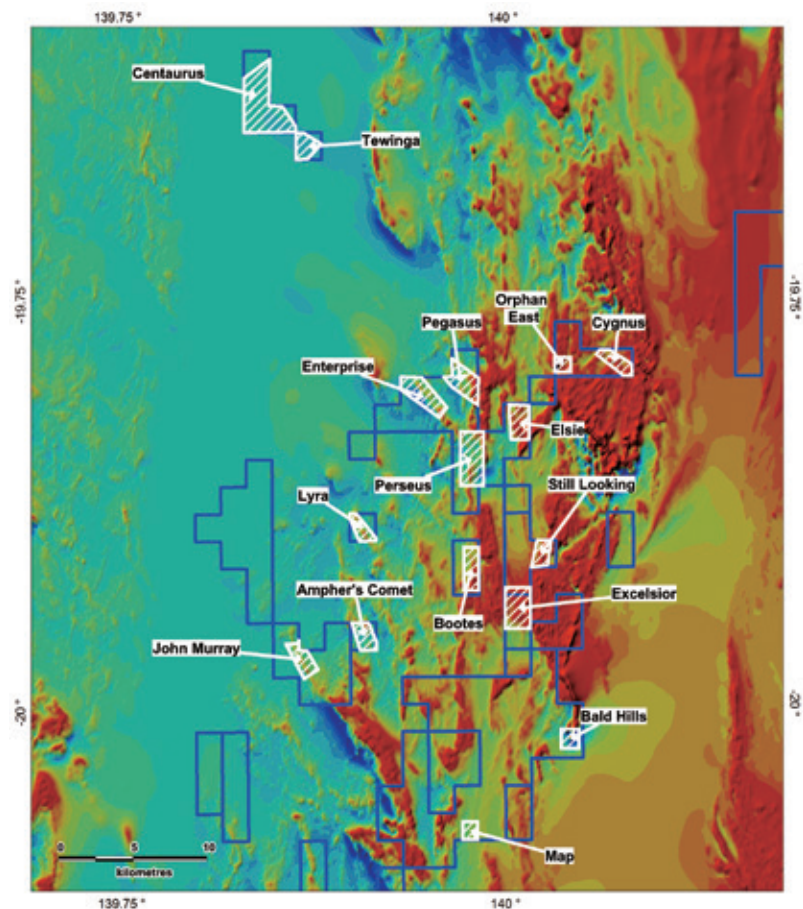
- Cameron River:** The Cameron River Project Area is hosted in the Mary Kathleen Domain and comprises rocks of Cover Sequence 1 (Leichhardt Volcanics) and Cover Sequence 2 (Magna Lynn Metabasalt, Argylla Formation, Ballara Quartzite, Corella Formation and mid to late Paleoproterozoic granites). The Area is prospective for structurally controlled copper mineralisation and iron oxide copper/gold (IOCG) mineralisation. An evaluation of the geological, geochemical, geophysical and remote sensing datasets for the Project Area resulted in the identification of 10 Target Areas that warranted ground evaluation and if prospectivity is high, drill testing. The Target Areas identified at Cameron River are shown in Figure 6.

- White Hills:** CST has tenure of a single Tenement of five blocks (White Hills Project Area) in the centre of the Myally Shelf that lies within the Eastern Fold Belt of the Mount Isa Inlier. The area comprises a wedge of meta-sedimentary rocks, down-faulted between the Ewen Block, Leichhardt-Kalkadoon Belt older granitoids and Leichhardt Volcanics. The metamorphic grade across the Myally Shelf is similar to the Western Fold Belt rocks of the Mount Isa Inlier. The area is prospective for fracture related copper mineralisation in predominantly fine grained siltstones (in part carbonaceous and dolomitic) assigned to the Surprise Creek Formation and Mount Isa Group. The largest known deposit in the area (Mount Watson) is 15km to the South-southeast. An evaluation of the geological, geochemical, geophysical and remote sensing datasets for the Project Area resulted in the identification of 2 Target Areas that warranted ground evaluation and if prospectivity is high, drill testing. The Target Areas identified at White Hills are shown in Figure 8.



**Figure 7:** Malachite, azurite and chrysocolla in outcrop at Neptune Target Area.

- Miranda:** Most of CST's Miranda Tenements cover an area in the northern segment of the Leichhardt-Kalkadoon Belt that are interpreted to be disconformably overlain with meta-igneous and meta-sedimentary rocks of Cover Sequence 2. Mineralisation is spatially associated with either North to South or North-West to South-East trending fractures and occurs in a range of lithologies. Of particular interest are mineralised North-West to South-East and North to South trending structures juxtaposing granitoid rocks and Leichhardt Volcanics within the Miranda 6 and Miranda 8 licenses (EPM17530 and EPM17527). An evaluation of the geological, geochemical, geophysical and remote sensing datasets for the Project Area has resulted in the identification of 14 Target Areas that warranted ground evaluation and if prospectivity is high, drill testing. The Target Areas identified at Miranda are shown in Figure 8.



**Figure 8:** Regional Total Magnetic Intensity (TMI) and location of 16 CST Target Areas in the White Hills and Miranda Project Areas. CST Tenements are outlined in blue



**Figure 9:** Enterprise Target Area, ferruginous outcrop with copper weed. CST Geologist using a portable XRF during field reconnaissance for preliminary element analysis.

- **Proposed 2015 RC Drilling Programme — ETA:** After field inspection and a rigorous ranking of all 26 Target Areas identified in the Target Generation programme, a total of 6 Target Areas were selected for RC drill testing to depth at the Cameron River and Miranda Project Areas:

Rank & Target Area	Project Area	Planned RC Holes
o Neptune	Cameron River Project Area	— 8 holes
o Bald Hills	Miranda Project Area	— 2 holes
o Map	Miranda Project Area	— 2 holes
o Sunset	Cameron River Project Area	— 3 holes
o Elsie	Miranda Project Area	— 3 holes
o Enterprise	Miranda Project Area	— 4 holes

- o During September 2015, Mitchell Drilling Services were contracted to complete a 2,000m RC drilling programme at the Cameron River and Miranda Project Areas. The holes are planned to drill approximately 100m and the programme was due to commence on 1 October 2015.
- **Commonwealth Scientific and Industrial Research Organisation (“CSIRO”):** CST has joined a CSIRO/ Industry initiative that will characterise samples from 20 significant mineral deposits across the Eastern Fold Belt of the Mount Isa Inlier (CST ETA), in order to identify the different ore systems and deposit types in the district. The objective of the initiative will be to apply the knowledge from deposit-scale characterisation to understand how the mineral system works as a whole and what controls the localisation of ore. This information will be of great benefit to exploration in the region going forward.

#### 4. MINERAL RESOURCES AND RESERVES

There is no update on mineral resources and reserves since the last mineral resources estimate disclosed in CST’s 2015 Annual Report.



## HEALTH, SAFETY, ENVIRONMENT & COMMUNITY

### Health and Safety

The Safety Department has continued to remain consistent throughout this reporting period with ongoing low incident and injuries. Statistics reflect zero lost time injuries for the past reporting period which can be contributed to the reduced staff and also an increased safety focus of the workforce.

The Safety Department maintains a high presence across all departments on site with ongoing safety coaching and support where identified.

The onsite based training continues to deliver quality National Standard competencies across a wide variety of disciplines. The Safety Department has recently renewed the contract with our Registered Training Organization and we look forward to a continued harmonious relationship going forward. The upgrading of all operator competencies to the recently released training packages by the Australian Government training body will be the focus over the following few months.

Internal auditing is ongoing of the Safety Health Management System to ensure the compliance to Queensland Mining Legislation. The auditing of

contractor management for site has been completed in preparation for the onboarding of mining contracting companies.

The Queensland Department of Mines has conducted a number of external audits on site including the tyre and rim management which until recently was not a requirement for this operation. The process areas were also inspected by the department for safety and risk management and reported no significant issues.

Hygiene monitoring for personal exposure to harmful dust and noise has been conducted and no new risks have been identified. The Safety Department continues to implement controls to ensure the known exposures are maintained to a minimum.

The site Mines Rescue Team has been reformed and now consists of a core group of CST employees who over the next few months will be upskilled in areas such as advanced first aid and emergency management.

### Environment

The Environment Department has continued with the emphasis of streamlining the collection and collation of environmental data necessary to meet the obligations set through legislative requirements. Changes to calibration and sampling methodologies have resulted in improved quality assurance/quality





control of water samples, a reduction in the duration of groundwater sampling events and an increase in the retention of surface water samples during storm events. In addition, improvements were made to data collation within the specialist environmental database which will assist in tracking data associated with environmental incidents.

Other improvements include modifications to the tracking and management of regulated waste, with the implementation of a new labelling system that is in line with legislative requirements, and the management of vegetation surrounding site infrastructure.

Environmental regulatory reporting obligations for State and Federal Government Agencies have been ongoing with the Annual Return for the Environmental Authority and National Pollutant Inventory reporting completed within this reporting period.

Ongoing liaisons with Regulatory Authorities has progressed several major projects; an interim agreement has been made to set Financial Assurance ("FA") as unchanged, a successful application under the discount system has resulted in a FA reimbursement of A\$3.29 million; a proposal to use a less expensive Heap Leach closure method with better environmental outcomes and; a significant reduction in Biodiversity Offsets requirements for the Anthill project.

Agreements with traditional owners and landholders that overlay the proposed Anthill mining license were settled during the reporting period and it is anticipated that the mining license will be granted in the fourth Quarter of 2015.

## Indigenous and Community Relations

### Indigenous Relations

Extensive native title negotiations were held throughout the year with Kalkadoon and Indjalandji Dhidhanu People, in relation to the future project of Anthill Mine Lease 90233. Successful outcomes achieved with Native Title Agreements signed by all parties in support of the Anthill mine lease application.

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

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. Cultural Heritage Clearances are ongoing within the Cloncurry region due to ongoing exploration activity.

Lady Annie Operations current workforce consist of 3% Kalkadoon, 1% Indjalandji Dhidhanu, 3% Aboriginal and Torres Strait Islander and 93% Non-Indigenous people. Workforce numbers are slowly increasing with the ramp up of Lady Annie Operations and future project of Anthill.

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 and continues participation with ongoing Cultural Awareness training as provided by the relevant traditional owner people. This also includes contractors to site who are working on country.

### Community Relations

Lady Annie Operations relationship with communities of Mount Isa, Camooweal and Cloncurry and the North West Queensland and North Queensland regions has grown through its involvement with community events and activities by sponsorship, donations and in-kind support, employment and business opportunities.

Ongoing 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 are continuing on a regular and needs basis.

Lady Annie Operations continues to provide support to the Yelvertoft Camp draft, Mount Isa NAIDOC Ball, Camooweal Drover Festival, and Camooweal Camp draft.





# CORPORATE GOVERNANCE



### FINANCIAL RESULTS

The revenue of the Company and its subsidiaries (collectively referred to as the “Group”) for the period ended September 30, 2015 (the “Period”) was approximately US\$38.98 million. This was a decrease of approximately 44.37% when compared with the same period of last year. Operating revenue generated by Lady Annie Operations fell from approximately US\$61.43 million to US\$27.52 million, representing a decrease of approximately 55.19% over the Period. Copper production volume was scaled down due to sustained low copper market prices and the diminishing of copper reserves. In turn, copper sales decreased significantly during the Period. Nevertheless, the application of effective cost control measures lowered production costs and improved the gross profit margin, as a whole. Compared with the same period last year, there was an approximately US\$2.12 million decrease in gross profit, a drop of approximately 8.67%. However, the gross profit margin increased from approximately 34.92% from the same period last year, to approximately 57.34% of the Period. Dividends from trading securities and interest income from financial assets, and rental income, represented approximately 28.27% and 1.12% of the total revenue respectively over the Period.

Compared with the corresponding period last year, revenue derived from property investments increased by approximately 12.63%, resulting from stable occupancy rates and increased rental rates for newly signed rental contracts. Rental income provided steady cash flow to the Group over the Period, and this is expected to continue in the future. As the economy was benefited from the good overall performance of the financial markets in 2014, more dividend income was received from securities investments during the Period. Compared to the previous year, dividends from trading securities and interest income on financial assets increased by approximately 33.44% period-on-period. The instability of the global economy, slowing economic growth in the People’s Republic of China, and international terrorism affected financial market trends — creating instability during the Period. Hence, the overall performance of the Group’s investment portfolio was not as strong as the same period of the previous year. Although the general securities market in Hong Kong outperformed the regional markets in the 2nd quarter due to further supporting measures for Shanghai-Hong Kong Stock Connect, there was market correction in the 3rd quarter after the launch of deleveraging measures in China stock market. Eventually, the securities market in Hong Kong was down 16.28% (measured by Hang Seng Indexes) during the Period. On the other hand, with the benefits of the successful investment made by the Group, the performance of the Hong Kong listed securities held by the Group managed to

outperform the general stock market in Hong Kong and was able to withstand the market volatility to deliver decent return. Gain on fair value changes of financial assets at fair value through profit or loss of approximately US\$46.55 million for the Period, while there was a gain on fair value changes of financial assets at fair value through profit or loss of approximately US\$91.13 million of the same period last year. Information of the gain on fair value changes of financial assets at fair value though profit or loss is set out below:

Stock Code	Name	Fair value	% of	Market	% of	Market
		change	shareholding	Value	shareholding	Value
		30.09.2015	held by the	30.09.2015	held by the	31.03.2015
		US\$'000	Company	US\$'000	Company	US\$'000
<b>Equity securities listed in Hong Kong</b>						
412	China Innovative	17,050	8.61%	142,790	9.81%	125,740
2066	Shengjing Bank	16,487	3.39%	73,016	0.17%	2,596
1051	G-Resources	(7,442)	8.06%	55,198	7.96%	61,344
136	HengTen Networks	5,363	3.71%	50,743	2.43%	10,424
3333	Evergrande Real Estate	(9,931)	0.54%	44,061	0.00%	—
1004	China Smarter Energy	(31,256)	6.58%	41,872	6.58%	73,128
330	Esprit Holdings	(13,158)	2.50%	35,916	2.50%	48,981
279	Freeman Financial	22,338	4.79%	30,462	4.79%	8,123
708	Evergrande Health	(4,909)	2.66%	30,097	0.05%	4,462
996	Carnival Group	(13,115)	1.63%	28,603	2.10%	50,564
1031	Kingston Financial	17,473	0.55%	25,967	0.62%	8,495
928	Tack Fiori International	9,359	4.66%	21,667	4.66%	12,308
	Others	11,531		95,268		162,726
<b>Financial assets other than equity securities listed in Hong Kong</b>						
	Nexus Strategic Investments Fund	(346)		5,696		6,042
	Nexus Emerging Opportunities Fund	25,829		75,622		49,792
	Nexus Asian Hybrid Credit Fund	166		7,909		7,743
	Others (including equity securities outside Hong Kong and unlisted debt securities)	1,113		11,407		10,294
<b>Total</b>		<b>46,552</b>		<b>776,294</b>		<b>642,762</b>

The Group's investment portfolio recorded a net gain of approximately US\$42.03 million for the Period, compared to a net gain of approximately US\$74.00 million for the corresponding period last year. The instability of the global economic environment will continue to affect the sentiment of both investors and the market, as the aforementioned unfavorable factors will continue to shake confidence. Market conditions are likely to remain volatile into the second half of this financial year. The Group will take the dynamic approach to the investment portfolio so as to maximize our shareholders' interest.

Due to persistent low copper prices and demand, and diminishing copper reserves, the Group reviewed the carrying value of Lady Annie Operations' assets. The Group then wrote down the carry value of inventories by approximately US\$20.73 million. No such write down was made in the same period last year. Other losses of approximately US\$4.62 million were recorded for the Period, which compare to a loss of approximately US\$3.73 million for the same period last year. The higher losses are mainly due to a further devaluation of

the Australian dollar against the U.S. dollar. Due to fair value of the joint venture's investment decreased compared to the value at the end of last financial year, it recorded a loss for the Period. The Group then shared approximately US\$7.70 million loss of the joint venture. Overall, the Group recorded a profit after taxation of approximately US\$18.61 million for the Period, while there was a profit after taxation of approximately US\$84.34 million for the same period last year.

### NET ASSET VALUE

As of September 30, 2015, the Group held bank balances and cash totaling approximately US\$55.61 million. A bank deposit of approximately US\$49.01 million was pledged, mostly to cover the mine rehabilitation costs for operating a mining business (as mandated by the government of Queensland, Australia), and as a guarantee to the electric power supplier for the Lady Annie mine site. Fair value of available-for-sale investments and fair valued financial assets through profit and loss were approximately US\$89.29 million and US\$776.29 million, respectively. During the Period, an one year HK\$150.00 million revolving loan facility with an interest rate of 1% over HIBOR/LIBOR was granted by a bank to a subsidiary of the Company. The Company has provided a guarantee to the bank for this facility. The facility was not utilised during the Period. As of September 30, 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. The net asset value of the Group amounted to approximately US\$1.05 billion.

### HUMAN RESOURCES

As of September 30, 2015, the Group had 34 staff (including directors of the Company) in Hong Kong and 63 staff in Australia. Staff costs (excluding directors' emoluments) were approximately US\$4.05 million for the Period. 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, such as medical benefits.

Furthermore, the Group has a share option scheme and details of this scheme and the movement of the share options are disclosed under the heading "Statutory Disclosure" in this interim report.

### EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group conducts most of its business in U.S. dollars, Australian dollars, Renminbi and Hong Kong dollars. Foreign currency exposure to U.S. dollars is minimal, as the Hong Kong dollar is pegged to the U.S. 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.

During the Period, the Australian dollar depreciated against U.S. dollar, causing exchange losses for the Group. More information can be found in note 6 to the Condensed Consolidated Financial Statements. Management will continue to monitor the Group's foreign currency risk 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 2,940 square kilometers, and include 14 mining leases and 63 exploration permits for minerals.



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

	Six months ended 30 September	
	2015 US\$'000	2014 US\$'000
Revenue	27,523	61,427
Cost of sales	(16,631)	(45,602)
Gross profit	10,892	15,825
Other income and other gains	3,210	1,548
Distribution and selling expenses	(1,505)	(3,308)
Administrative expenses	(3,415)	(5,723)
Finance costs*	(159)	(861)
Loss on inventories written down to net realisable value	(20,729)	—
Profit (loss) profit before taxation	(11,706)	7,481
Depreciation in administrative expenses	323	454
Depreciation in cost of sales	975	374
Total depreciation	1,298	828

\* 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 it is prepared on a per-pound of copper sold basis. The term C1 operating cost does not have a 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 it is prepared and presented herein on a basis consistent with industry standard definitions. C1 operating cost includes all mining and processing costs, mine site overheads and realization costs through to refined metal.

The table below provides, 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 for the period indicated.

	Six months ended 30 September	
	2015 US\$'000	2014 US\$'000
Cash costs as reported in the income statement:		
Direct and indirect mining cost	20,737	41,912
Adjustment for change in inventory	(794)	(313)
Total operating costs	19,943	41,599
Copper sold (tonnes)	4,752	8,728
Copper sold (in thousand pounds)	10,476	19,242
C1 operating cost per pound of copper	US\$1.90/lb	US\$2.16/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 May 28, 2015, the Company and Kingston Securities Limited (“Kingston”) entered into a placing agreement, pursuant to which the Company had conditionally agreed to place through 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 and to not less than six placees, with beneficial owners consisting of independent third parties. The maximum gross proceeds and net proceeds from the placing would be HK\$540.00 million and HK\$531.80 million, respectively. The net proceeds from the placing are intended to be used for the Group’s existing principal activities and business, for funding future potential investments of the Group, and for general working capital. The placing would be allotted and issued pursuant to the general mandate granted to the directors of the Company at the annual general meeting held on September 26, 2014, and the placing was completed on June 12, 2015. Details of the placing were disclosed in the Company’s announcements dated May 28, 2015 and June 12, 2015, respectively.

On November 4, 2015, Equal Sun Limited (a wholly-owned subsidiary of the Company) as Purchaser; Grandwin Enterprises Limited (“Grandwin”), Zhongjing Industry (Group) Hong Kong Limited (“Zhongjing”), Mr. Howard Wong (“Mr. Wong”) and Mr. Chan Boon Ho Peter (“Mr. Chan”) as Vendors; and Mr. Gao Yang and Mr. Leung Pak To as Guarantors entered into the sale and purchase agreement. Pursuant to the sale and purchase agreement, the Vendors conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the entire issued share capital of Planet Smooth Limited (the “Target Company”) (the “Sale Shares”). The aggregate consideration shall be US\$80.00 million (equivalent to approximately HK\$620.00 million) (the “Consideration”) for the Sale Shares in accordance with the sale and purchase agreement. The Consideration shall be satisfied by the Purchaser for the Vendors by the allotment and issuance of shares by the Company (the “Share(s)”) at an issue price of HK\$0.10 per share (the “Consideration Shares”). The Consideration Shares, comprising 6,200,000,000 Shares, represent approximately 19.08% of the existing issued share capital of the Company and approximately 16.02% of the issued share capital of the Company as enlarged by the issue and allotment of the Consideration Shares. The completion of the sale and purchase agreement is subject to fulfillment of certain condition precedents, which includes obtaining listing approval of the Consideration Shares from the Stock Exchange of Hong Kong Limited. The acquisition was completed on November 12, 2015. Details of the acquisition and the completion were disclosed in the Company’s announcements dated November 4, 2015 and November 12, 2015 respectively.



## OUTLOOK

Due to persistent low copper market prices and demand, and diminishing copper reserves, Lady Annie Operations rescheduled its copper production program and downscaled the volume of copper production. Sales of copper, in turn, significantly decreased during the Period. However, with the implementation of many cost control measures that lowered production costs, such as strengthening planning processes, controlling spending, broadening supply outsourcing, and rearranging shifts, Lady Annie Operations improved the gross profit margin. It is expected that copper production will be lower but stable, and that sales will remain low through the second half of this financial year compared to last financial year. Nevertheless, management of the Lady Annie Operations will closely monitor the overall costs, in order to maintain a desirable gross profit margin.

The first development stage for the Anthill project is close to an end. Negotiations with traditional land owners have been finalized, and agreements were signed in July of this year. We are expecting the mining license to be granted in the coming months. Furthermore, the exploration program will continue seeking new discoveries in order to extend the lifespan and increase the value of Lady Annie Operations. Meanwhile, management of the Company as well as Lady Annie Operations will closely monitor its operation and the development of copper market in order to make appropriate action in response to any changes arisen.

The Group also pushed forward the expansion and investment in its internet business. We welcomed Mr. Chen Weixing to our team as an Executive Director on November 2, 2015. Mr. Chen brings with him years of experience in China's internet industry, most famously as the founder of the smartphone taxi app Kuaidi Dache. In another exciting development, the Group announced the acquisition of First Cargo Holdings Limited ("First Cargo") on November 4, 2015 through which the Company will have full effective control over First Cargo's financing and operations. The acquisition was completed on November 12, 2015. Addressing the increasing demand for logistics services in China, First Cargo also offers great value with its market-leading e-logistics platform which leverages the traditional logistics sector's transition towards mobile internet technology in China's "Internet Plus" era. The addressable market is huge and offers great growth potential, with third-party general road freight in China reaching RMB2.1 trillion in 2014. We will be able to expand First Cargo and we are dedicated to developing it into one of the largest logistics eco-system in the country over the long-term. The Group will continue to monitor the development of internet services and other related businesses in China as we look for further investment opportunities that will create new market opportunities and enhance value for our shareholders.

In the time ahead, the Group will continue to pursue potential investment opportunities that will bring added value. Furthermore, we will seek new business solutions to diversify our revenue sources. Internal resources and/or other effective sources of funding may be used to fund future investments, if opportunities arise, and depending on the nature of any such investments and market conditions. Meanwhile, management will continue to strengthen its operations within other existing businesses of the Group.



## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

At 30 September 2015, the interests and short positions of the Directors and the chief executives of the Company 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

Name of Director	Number of *shares/underlying shares			Approximate % of the issued share capital of the Company
	Personal interests	Share options	Total	
CHIU Tao	3,900,000,000	—	3,900,000,000	12.00%

\* Ordinary shares unless otherwise specified

Save as disclosed above, none of the Directors or the chief executives of the Company or their respective 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 30 September 2015.

### SHARE OPTION

Particulars of the share option scheme of the Company are set out in note 21 to the condensed consolidated financial statements.

## Share Option Scheme

The following tables 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 period ended 30 September 2015:

Name or category of participants	Date of grant	Exercise price HK\$	Exercisable period	Outstanding as at 01.04.2015	Granted during the Period	Exercised during the Period	Cancelled during the Period	Forfeited during the Period	Outstanding as at 30.09.2015	Market value per share at date of grant of options HK\$	Fair value per share option HK\$
<b>(a) Directors</b>											
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>(b) Employees</b>											
	02.09.2010	0.2000	17.09.2011–16.09.2015	18,200,000	—	—	—	18,200,000	—	0.1570	0.0649
	28.02.2011	0.2350	28.02.2012–27.02.2016	2,700,000	—	—	—	—	2,700,000	0.2290	0.1004
Total for employees				20,900,000	—	—	—	18,200,000	2,700,000		
<b>Total for Scheme</b>				<b>90,900,000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>88,200,000</b>	<b>2,700,000</b>		

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 months 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 30 September 2015, so far as known to the Directors or the chief executives of the Company, the following persons is the shareholder (other than the Directors or chief executives of the Company) 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	7.93% (Notes)

Notes:

These securities represent relevant interests in respect of:

- 1,950,840,000 shares held by Bondic International Holdings Limited, directly solely owned by Mr. Cheung Chung Kiu ("Mr. Cheung");
- 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
- 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 of the Company) 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 30 September 2015.

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has, during the six months ended 30 September 2015 complied the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules, except for the following deviation:

### Code Provision A.2.1

Under Code Provision A.2.1, the roles of the 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.

## COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding director's securities transactions. Having made specific enquiry, all the Directors confirmed that they had complied with the required standards as set out in the Model Code during the six months ended 30 September 2015.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## REVIEW BY AUDIT COMMITTEE

The 2015 Interim Report has been reviewed by the Company's audit committee which comprises three independent non-executive Directors and the Company's auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

By order of the Board

**Chiu Tao**  
*Chairman*

Hong Kong, 26 November 2015





# FINANCIAL STATEMENTS



## TO THE BOARD OF DIRECTORS OF CST MINING GROUP LIMITED (incorporated in the Cayman Islands with limited liability)

### INTRODUCTION

We have reviewed the condensed consolidated financial statements of CST Mining Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 33 to 51, which comprise the condensed consolidated statement of financial position as of 30 September 2015 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

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

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

#### **Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

26 November 2015

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2015

	NOTES	Six months ended 30 September	
		2015 US\$'000 (unaudited)	2014 US\$'000 (unaudited)
Revenue	4	38,981	70,074
Cost of sales	5	(16,631)	(45,602)
Gross profit		22,350	24,472
Other income and other gains and losses	6	(4,615)	(3,730)
Distribution and selling expenses		(1,505)	(3,308)
Administrative expenses		(11,187)	(12,436)
Gain on disposal of an available-for-sale investment		—	336
Loss on inventories written down to net realisable value		(20,729)	—
Impairment loss recognised on an available-for-sale investment	14	(4,522)	(17,479)
Gain on fair value changes of financial assets at fair value through profit or loss		46,552	91,133
Gain (loss) on fair value changes of investment properties	13	684	(98)
Finance costs	7	(159)	(885)
Share of (loss) profit of a joint venture		(7,700)	5,323
Profit before taxation		19,169	83,328
Taxation	8	(563)	1,013
Profit for the period, attributable to owners of the Company	9	18,606	84,341
<b>Other comprehensive expenses</b>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(6,882)	(2,881)
Loss arising from fair value changes of an available-for-sale investment		(8,158)	—
Other comprehensive expenses for the period		(15,040)	(2,881)
Total comprehensive income for the period, attributable to owners of the Company		3,566	81,460
<b>EARNINGS PER SHARE</b>			
Basic and diluted	10	US0.06 cents	US0.31 cents

# Condensed Consolidated Statement of Financial Position

At 30 September 2015

	NOTES	As at 30 September 2015 US\$'000 (unaudited)	As at 31 March 2015 US\$'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	12	3,639	4,518
Exploration and evaluation assets	12	27,198	28,709
Investment properties	13	21,360	20,676
Financial assets at fair value through profit or loss	17	9,925	8,281
Available-for-sale investments	14	89,287	100,545
Pledged bank deposits	15	49,006	52,781
Interests in a joint venture		4,732	12,432
		<b>205,147</b>	227,942
<b>Current assets</b>			
Inventories		18,550	40,954
Trade and other receivables	16	34,817	7,606
Amount due from a joint venture		4,045	4,037
Financial assets at fair value through profit or loss	17	766,369	634,481
Bank balances and cash		55,611	99,503
		<b>879,392</b>	786,581
<b>Current liabilities</b>			
Trade and other payables	18	6,670	7,002
Amount due to a non-controlling interest		256	256
Tax payable		5,117	4,602
		<b>12,043</b>	11,860
<b>Net current assets</b>			
		<b>867,349</b>	774,721
<b>Total assets less current liabilities</b>			
		<b>1,072,496</b>	1,002,663
<b>Non-current liability</b>			
Provision for mine rehabilitation cost	19	23,451	25,377
		<b>1,049,045</b>	977,286
<b>Capital and reserves</b>			
Share capital	20	416,645	347,414
Reserves		632,406	629,878
Equity attributable to owners of the Company		<b>1,049,051</b>	977,292
Non-controlling interests		(6)	(6)
		<b>1,049,045</b>	977,286

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2015

	Attributable to owners of the Company							(Accumulated losses)/ Retained earnings	Total	Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Other capital reserve	Investment revaluation reserve	Share options reserve	Exchange reserve				
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				(note a)	(note b)						
At 1 April 2014 (audited)	347,414	497,483	987	128,275	—	547	7,454	(37,648)	944,512	(6)	944,506
Profit for the period	—	—	—	—	—	—	—	84,341	84,341	—	84,341
Other comprehensive expense for the period	—	—	—	—	—	—	(2,881)	—	(2,881)	—	(2,881)
Total comprehensive expense for the period	—	—	—	—	—	—	(2,881)	84,341	81,460	—	81,460
Lapse of share option	—	—	—	—	—	(19)	—	19	—	—	—
Recognition of share-based payment expense	—	—	—	—	—	19	—	—	19	—	19
At 30 September 2014 (unaudited)	347,414	497,483	987	128,275	—	547	4,573	46,712	1,025,991	(6)	1,025,985
At 1 April 2015 (audited)	<b>347,414</b>	<b>497,483</b>	<b>987</b>	<b>128,275</b>	<b>8,886</b>	<b>512</b>	<b>3,157</b>	<b>(9,422)</b>	<b>977,292</b>	<b>(6)</b>	<b>977,286</b>
Profit for the period	—	—	—	—	—	—	—	<b>18,606</b>	<b>18,606</b>	—	<b>18,606</b>
Other comprehensive expenses for the period	—	—	—	—	<b>(8,158)</b>	—	<b>(6,882)</b>	—	<b>(15,040)</b>	—	<b>(15,040)</b>
Total comprehensive expenses for the period	—	—	—	—	<b>(8,158)</b>	—	<b>(6,882)</b>	<b>18,606</b>	<b>3,566</b>	—	<b>3,566</b>
Lapse of share option	—	—	—	—	—	<b>(489)</b>	—	<b>489</b>	—	—	—
Issue of new ordinary shares	<b>69,231</b>	—	—	—	—	—	—	—	<b>69,231</b>	—	<b>69,231</b>
Transaction costs attributable to issue of new ordinary shares	—	<b>(1,038)</b>	—	—	—	—	—	—	<b>(1,038)</b>	—	<b>(1,038)</b>
At 30 September 2015 (unaudited)	<b>416,645</b>	<b>496,445</b>	<b>987</b>	<b>128,275</b>	<b>728</b>	<b>23</b>	<b>(3,725)</b>	<b>9,673</b>	<b>1,049,051</b>	<b>(6)</b>	<b>1,049,045</b>

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.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2015

	NOTE	Six months ended 30 September	
		2015 US\$'000 (unaudited)	2014 US\$'000 (unaudited)
<b>Net cash (used in) from operating activities</b>		<b>(108,092)</b>	41,831
<b>Investing activities</b>			
Purchase of available-for-sale investments		—	(33,000)
Purchase of property, plant and equipment	12	(452)	(2,353)
Additions to exploration and evaluation assets	12	(691)	(1,583)
Amounts advanced to a joint venture		(8)	—
Increase in pledged bank deposit		(577)	(730)
Proceeds on disposal of available-for-sale investments		—	1,309
<b>Net cash used in investing activities</b>		<b>(1,728)</b>	(36,357)
<b>Financing activities</b>			
Proceeds from issue of ordinary shares		69,231	—
Payment for transaction costs attributable to issue of new ordinary shares		(1,038)	—
Interest paid		—	(24)
<b>Net cash from (used in) financing activities</b>		<b>68,193</b>	(24)
Net (decrease) increase in cash and cash equivalents		<b>(41,627)</b>	5,450
Effect of foreign exchange rate changes		<b>(2,265)</b>	(163)
Cash and cash equivalents at the beginning of the period		<b>99,503</b>	135,734
Cash and cash equivalents at the end of the period, represented by bank balances and cash		<b>55,611</b>	141,021

## 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 interim 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 condensed 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. BASIS OF PREPARATION

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

## 3. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2015.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

**4. REVENUE/SEGMENT INFORMATION****Revenue**

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Sale of copper cathodes	<b>27,523</b>	61,427
Residential rental income	<b>331</b>	258
Office rental income	<b>106</b>	130
Dividend income from trading of securities	<b>10,549</b>	7,632
Interest income from financial assets at fair value through profit or loss	<b>472</b>	627
	<b>38,981</b>	70,074

**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. The Group's operating and reportable segments under HKFRS 8 *Operating Segments* 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 bonds/convertible notes
Property investment	— properties letting



**4. 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	
	Six months ended		Six months ended	
	30 September		30 September	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Mining business — Australia	<b>27,523</b>	61,427	<b>(14,757)</b>	4,662
Investments in financial instruments	<b>11,021</b>	8,259	<b>51,353</b>	82,567
Property investment	<b>437</b>	388	<b>960</b>	123
	<b>38,981</b>	70,074	<b>37,556</b>	87,352
Other income and other gains and losses			<b>(4,615)</b>	(3,730)
Central administrative costs			<b>(5,913)</b>	(4,713)
Share-based payment expenses			—	(19)
Finance costs			<b>(159)</b>	(885)
Share of (loss) profit of a joint venture			<b>(7,700)</b>	5,323
Profit before taxation			<b>19,169</b>	83,328

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

Segment results represent the results of each segment without allocation of other income and other gains and losses, central administrative costs, share-based payment expenses, finance costs and share of (loss) profit of a joint venture. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

**Other segment information**

Six months ended 30 September 2015

Amount included in the measure of segment results:

	Mining business — Australia	Investments in financial instruments	Property investment	Unallocated	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Depreciation	<b>1,298</b>	—	—	<b>117</b>	<b>1,415</b>
Staff costs	<b>3,178</b>	—	—	<b>795</b>	<b>3,973</b>

For the six months ended 30 September 2015

### 4. REVENUE/SEGMENT INFORMATION (continued)

#### Other segment information (continued)

Six months ended 30 September 2014

Amount included in the measure of segment results:

	Mining business — Australia US\$'000 (unaudited)	Investments in financial instruments US\$'000 (unaudited)	Property investment US\$'000 (unaudited)	Unallocated US\$'000 (unaudited)	Consolidated US\$'000 (unaudited)
Depreciation	828	—	—	138	966
Staff costs	10,581	—	—	802	11,383

### 5. COST OF SALES

	Six months ended 30 September	
	2015 US\$'000 (unaudited)	2014 US\$'000 (unaudited)
Electricity	4,424	5,693
Diesel/fuel	486	3,934
Direct materials	6,076	11,301
Equipment rental	482	257
Staff costs	1,889	8,091
Drilling & blasting, earthmoving & haulage	1,493	10,731
Overhead	582	2,559
Maintenance	1,018	964
Depreciation	521	1,870
Production stripping cost capitalised	—	(1,470)
Movement in inventories	(340)	1,672
	<b>16,631</b>	45,602

### 6. OTHER INCOME AND OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2015 US\$'000 (unaudited)	2014 US\$'000 (unaudited)
Bank interest income	795	1,073
Net foreign exchange loss	(5,909)	(4,953)
Others	499	150
	<b>(4,615)</b>	(3,730)

**7. FINANCE COSTS**

	Six months ended 30 September	
	2015 US\$'000 (unaudited)	2014 US\$'000 (unaudited)
Interest on other borrowings wholly repayable within five years	—	24
Effective interest expense on provision for mine rehabilitation cost	<b>159</b>	861
	<b>159</b>	885

**8. TAXATION**

	Six months ended 30 September	
	2015 US\$'000 (unaudited)	2014 US\$'000 (unaudited)
The charge (credit) comprises:		
Current tax:		
People's Republic of China	<b>11</b>	13
Australian withholding tax	<b>147</b>	213
Australian corporate income tax	<b>405</b>	—
Deferred tax	—	(1,239)
Taxation charge (credit) for the period	<b>563</b>	(1,013)

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.

No tax is payable on the profit arising in Hong Kong since the assessable profit is wholly absorbed by the tax losses brought forward for both periods.

### 9. PROFIT FOR THE PERIOD

	Six months ended 30 September	
	2015 US\$'000 (unaudited)	2014 US\$'000 (unaudited)
Profit for the period has been arrived at after charging:		
Depreciation on property, plant and equipment	1,415	966
Directors' remuneration, including share-based payment expenses (six months ended 30 September 2015: Nil and six months ended 30 September 2014: US\$24,000)	2,792	2,359

### 10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the profit for the period of US\$18,606,000 (six months ended 30 September 2014: US\$84,341,000) and weighted average number of 30,373,718,797 ordinary shares (six months ended 30 September 2014: 27,098,308,961 ordinary shares) in issue during the period.

The computation of diluted earnings per share for both periods 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 for both periods.

### 11. DIVIDEND

No dividends were paid, declared or proposed during both periods. The directors of the Company have determined that no dividend will be paid in respect of the current interim period.

### 12. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT AND EXPLORATION AND EVALUATION ASSETS

During the six months ended 30 September 2015, the Group incurred expenditures on mine property and development assets of US\$165,000 (six months ended 30 September 2014: US\$2,304,000) and other property, plant and equipment of US\$82,000 (six months ended 30 September 2014: US\$49,000).

During the six months ended 30 September 2015, the Group incurred expenditures on exploration and evaluation assets of US\$896,000 (six months ended 30 September 2014: US\$1,583,000).

### 13. INVESTMENT PROPERTIES

	US\$'000
Fair value at 1 April 2015 (audited)	20,676
Unrealised fair value changes recognised in profit or loss	684
Fair value at 30 September 2015 (unaudited)	21,360
Fair value at 1 April 2014 (audited)	19,510
Unrealised fair value changes recognised in profit or loss	(98)
Fair value at 30 September 2014 (unaudited)	19,412

**13. INVESTMENT PROPERTIES** (continued)

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

	As at 30 September 2015 US\$'000 (unaudited)	As at 31 March 2015 US\$'000 (audited)
Land and buildings in Hong Kong held under long leases	15,820	14,974
Land and buildings in the mainland China (the "PRC") held under medium-term leases	5,540	5,702
	<b>21,360</b>	20,676

The Group's investment properties in Hong Kong and the PRC as at 30 September 2015 and 31 March 2015 were valued by an independent qualified professional valuer not connected with the Group. The valuations were arrived at by reference to market evidence of transaction prices for similar properties. The increase in fair value of investment properties of US\$684,000 has been recognised directly in profit or loss for the six months ended 30 September 2015 (six months ended 30 September 2014: decrease in fair value of US\$98,000).

**14. AVAILABLE-FOR-SALE INVESTMENTS**

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

	As at 30 September 2015 US\$'000 (unaudited)	As at 31 March 2015 US\$'000 (audited)
Unlisted equity securities (note a)	51,961	51,961
Less: Impairment loss recognised	<b>(25,615)</b>	(21,093)
	<b>26,346</b>	30,868
Equity securities listed in Hong Kong (note b)	60,504	67,240
Club membership	2,437	2,437
	<b>89,287</b>	100,545

Notes:

- (a) As at 30 September 2015 and 31 March 2015, the Group held 23,800,000 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 23,800,000 shares represent approximately 2.28% 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.

### 14. AVAILABLE-FOR-SALE INVESTMENTS (continued)

Notes: (continued)

(a) (continued)

The management considered that the unstable global economic environment may adversely affect the securities trading and provision of brokerage and financial services business of the investee company and has engaged an independent professional valuer to determine the fair value of this investment with reference to publicly available information of comparable companies applying a marketability discount. Following such assessment, no impairment loss was recognised during the six months ended 30 September 2015 and 30 September 2014.

As at 30 September 2015 and 31 March 2015, the Group held 52,479 equity shares of a private and unlisted company incorporated in the Cayman Islands which is an investment holding company in China. 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 period, the management considered that the reorganisation of business from agriculture business to securities investing could have adverse effect on the investee and engaged an independent professional valuer to determine the fair value of this investment with reference to publicly available information of comparable companies applying a marketability discount. An impairment loss of US\$4,522,000 related to this unlisted investment was recognised in profit or loss for the six months ended 30 September 2015 (six months ended 30 September 2014: US\$8,000,000).

(b) As at 30 September 2015, the Group's available-for-sale investments included equity securities listed in Hong Kong, which represent 2,347,926,918 shares, approximately 8.84% shareholding, (31 March 2015: 2,310,459,999, approximately 8.72% shareholding) in G-Resources Group Limited ("G-Resources") incorporated in Bermuda, with a carrying amount of US\$60,504,000 as at 30 September 2015 (31 March 2015: US\$67,240,000). The increase in shareholding is due to the receipt of scrip dividend shares of 37,466,919 ordinary shares during the period. The listed equity securities are stated at fair values which have been determined based on quoted market bid prices available on the Stock Exchange. Fair value loss amounting to US\$8,158,000 was recognised in the investment revaluation reserve during the period ended 30 September 2015 (30 September 2014: fair value loss of US\$9,479,000).

### 15. PLEDGED BANK DEPOSITS

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\$22,862,000 as at 30 September 2015 (31 March 2015: US\$24,607,000).

Another US\$26,144,000 (31 March 2015: US\$28,174,000) represents deposit placed 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 requirements in note 19.

**16. TRADE AND OTHER RECEIVABLES**

	<b>As at 30 September 2015 US\$'000 (unaudited)</b>	<b>As at 31 March 2015 US\$'000 (audited)</b>
Trade receivables	<b>3,647</b>	2,919
Other receivables	<b>31,170</b>	4,687
Total trade and other receivables	<b>34,817</b>	7,606

The following is an analysis of trade receivables by age, presented based on the invoice date, which approximated the revenue recognition date.

	<b>As at 30 September 2015 US\$'000 (unaudited)</b>	<b>As at 31 March 2015 US\$'000 (audited)</b>
0–60 days	<b>3,647</b>	2,919

Trade receivables as at 30 September 2015 and 31 March 2015 mainly represent trade receivables from sales of copper cathodes in Australia. The balance 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 an investment, amounting to US\$2,000,000 (31 March 2015: Nil) and Goods and Services 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\$792,000 (31 March 2015: US\$995,000).

## 17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 September 2015 US\$'000 (unaudited)	As at 31 March 2015 US\$'000 (audited)
<b>Held for trading investments (current assets)</b>		
Equity securities — listed in Hong Kong	<b>675,660</b>	568,890
Equity securities — listed outside Hong Kong	<b>1,315</b>	1,851
Investment funds	<b>89,394</b>	63,740
	<b>766,369</b>	634,481
<b>Designated at fair value through profit or loss (non-current assets)</b>		
Unlisted debt securities (Note)	<b>9,925</b>	8,281
	<b>776,294</b>	642,762

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.

Note: As at 30 September 2015 and 31 March 2015, the unlisted debt securities represents the unlisted unsecured bond (the "Bond") issued by a private company incorporated in the Cayman Islands with principal amount of HK\$147,000,000, equivalent to approximately US\$18,846,000.

The Bond 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 Bond is payable upon maturity on 9 October 2020.

At 30 September 2015, the fair value of the debt component of the Bond is determined as discounted cash flows using the prevailing market interest rate of 20.80% (31 March 2015: 24.02%) while the fair value of the embedded derivative of the early redemption option of the issuer is determined using Hull-White Model by an independent professional valuer. A gain on fair value changes of US\$1,644,000 was recognised in profit or loss during the six months ended 30 September 2015 (six months ended 30 September 2014: gain of US\$393,000).



**18. TRADE AND OTHER PAYABLES**

The following is an analysis of trade payables by age, presented based on the invoice date.

	<b>As at 30 September 2015 US\$'000 (unaudited)</b>	<b>As at 31 March 2015 US\$'000 (audited)</b>
Trade payables		
0–30 days	<b>701</b>	1,171
Other payables	<b>5,969</b>	5,831
<b>Total trade and other payables</b>	<b>6,670</b>	7,002

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.

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\$1,752,000 (31 March 2015: AUD2,500,000, equivalent to approximately US\$1,908,000) and (ii) of AUD2,500,000, equivalent to approximately US\$1,752,000 (31 March 2015: AUD2,500,000, equivalent to approximately US\$1,908,000) 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 AUD2,500,000, equivalent to approximately US\$2,607,000, was fully settled during the year ended 31 March 2013. As at 30 September 2015, the additional ore reserves are not yet delineated and the remaining AUD2,500,000, equivalent to approximately US\$1,752,000, was included in other payables.

Other payables also included Goods and Services Tax payable and Royalty payable to the Australian Government of US\$45,000 and US\$485,000 (31 March 2015: US\$25,000 and US\$680,000), respectively, in respect of sales made in Australia under relevant rules and regulations.

**19. 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 mines. The provision for rehabilitation cost has been estimated in accordance with the local rules and regulations in the aforesaid region.

Rehabilitation cost has 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 2016. Rehabilitation cost is capitalised as part of mine property and development assets in property, plant and equipment, and is amortised over the life of the mine on a unit-of-production basis.

For the six months ended 30 September 2015

### 19. PROVISION FOR MINE REHABILITATION COST (continued)

During the six months ended 30 September 2015, there was no movement in the provision for mine rehabilitation cost. No payment was made in the current period for rehabilitation works (six months ended 30 September 2014: Nil).

### 20. SHARE CAPITAL

	Number of shares	Share capital US\$'000
Ordinary shares of HK\$0.10 each:		
Authorised		
At 1 April 2014, 30 September 2014, 1 April 2015 and 30 September 2015	50,000,000,000	641,026
Issued and fully paid		
At 1 April 2014, 30 September 2014 and 1 April 2015	27,098,308,961	347,414
Placing of shares (Note)	5,400,000,000	69,231
At 30 September 2015 (unaudited)	32,498,308,961	416,645

Note: On 12 June 2015, the Company completed a placing of 5,400,000,000 shares at a subscription price of HK\$0.10 per placing share. Details of the placing are set out in the Company's announcement dated 12 June 2015.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the current period.

### 21. SHARE-BASED PAYMENTS TRANSACTION

The Company has a share option scheme for employees (including existing and proposed directors), advisors, consultants, agents, contractors, clients and suppliers of any members of the Group. Details of the share options outstanding during the current period are as follows:

	Number of share options
Outstanding at 1 April 2015	90,900,000
Lapsed during the period	(88,200,000)
Outstanding at 30 September 2015	2,700,000

At the end of the 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.

During the six months ended 30 September 2015, there were share options lapsed after the vesting date as a result of the end of share option's life, and the corresponding share-based payment expenses of US\$489,000 previously recognised were transferred from share options reserve to the retained profits.

**21. SHARE-BASED PAYMENTS TRANSACTION** (continued)

During the six months ended 30 September 2015, no share-based payment was recognised (six months ended 30 September 2014: net share-based payment of US\$19,000) as the share options had been fully recognised during the year ended 31 March 2015.

**22. CAPITAL COMMITMENTS**

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

	As at 30 September 2015 US\$'000 (unaudited)	As at 31 March 2015 US\$'000 (audited)
Capital expenditure contracted for but not provided for in the condensed consolidated financial statements in respect of acquisition of property, plant and equipment	—	17
Capital expenditure authorised but not contracted for in respect of acquisition of property, plant and equipment	73	568

**23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS****Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis**

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the 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.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset that are not based on observable market data (unobservable inputs).

For the six months ended 30 September 2015

### 23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

#### Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	30 September 2015	31 March 2015				
	US\$'000	US\$'000				
<b>Available-for-sale investments</b>						
Equity securities listed in Hong Kong ("HK")	60,504	67,240	Level 1	Quoted bid prices in an active market	N/A	N/A
<b>Financial assets designated at fair value through profit or loss</b>						
Equity securities listed in HK	675,660	568,890	Level 1	Quoted bid prices in an active market	N/A	N/A
Equity securities listed in overseas	1,315	1,851	Level 1	Quoted bid prices in active markets	N/A	N/A
Investment funds	89,394	63,740	Level 2	Market price or net asset value per share or unit provided by the financial institutions	N/A	N/A
Unlisted investment — Bond	9,925	8,281	Level 3	Discounted cash flows and Hull-White model	Discount rate Risk free rate Option adjusted spread Liquidity premium	The higher the discount rate, the lower the fair value The higher the risk free rate, the lower the fair value The higher the option adjusted spread, the lower the fair value The higher the liquidity premium, the lower the fair value

Note: For the Bond, the most significant unobservable input is the discount rate. If the discount rate to the valuation model was 0.5% higher/lower while the other variables were held constant, the total carrying amount of these unlisted investments would decrease/increase by US\$179,000 and US\$183,000 respectively.

There were no transfers between Levels 1, 2 and 3 in current period.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

#### Reconciliation of Level 3 fair value measurements of financial assets

	Bond US\$'000
At 1 April 2015 (audited)	8,281
Gain on fair value changes recognised in profit or loss	1,644
At 30 September 2015 (unaudited)	9,925

**23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS** (continued)**Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis** (continued)

Gain on fair value changes of financial assets at fair value through profit or loss for the period included the gain of US\$1,644,000 related to the Bond classified as financial assets designated at fair value through profit or loss held at the end of the reporting period.

*Fair value measurements and valuation process*

The board of directors of the Company has closely monitored and determined 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 valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the models.

The Group engages the valuers to perform the valuations of the Bond 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 and liabilities is disclosed above.

**24. RELATED PARTY DISCLOSURES****Key management personnel compensation**

The remuneration of executive directors who are also key management during the period was as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Short-term benefits	<b>2,785</b>	2,329
Expenses of share-based payment	—	24
Post-employment benefits	<b>7</b>	6
	<b>2,792</b>	2,359

**25. EVENT AFTER THE END OF THE REPORTING PERIOD**

In November 2015, the Group has entered into a sale and purchase agreement, pursuant to which the Group has conditionally agreed to acquire the entire issued share capital of a target company at an aggregate consideration of US\$80 million. The consideration shall be satisfied by the Group by the allotment and issue of shares at an issue price of HK\$0.10 per share. The target company, together with its subsidiaries, is principally engaged in the operation of an e-logistics platform business in the PRC.

## 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  
Mr. Chen Weixing (appointed on 2 November 2015)

### 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](http://www.cstmining.com)