NetMind Financial Holdings Limited
網智金控集團有限公司

ANNUAL REPORT 2016

Extraordinary Future

Contents

NetMind at a Glance

Chairman's Statement

Dear Shareholders,

I am pleased to report a solid performance for NetMind Financial Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2016 (the "Year"). As the Group focused on further enhancing long-term sustainability, and expanding into the E-logistics Platform business, there were many positive developments during the Year. Nevertheless, the Group recorded revenue of approximately US$58.03 million, which represented a year-on-year decrease of 51.30%, and the Group recorded a loss of approximately US$68.46 million, compared to a profit of approximately US$28.17 million for the financial year ended 31 March 2015.

On a year-on-year basis, the overall performance of the Group's mining business was weaker as a result of lower copper prices, alongside decreasing copper output. After five years of production, copper reserves at the Lady Annie Operations have mostly been depleted. Despite enacting measures to extend the lifespan by prioritizing further exploration programs, output from the facility decreased during the Year, and revenue derived from copper mining Year has decreased significantly.

The Anthill project's first stage of the development is near completion, as agreements between Lady Annie Operations and existing land owners were signed in July 2015. Furthermore, the Company has submitted a mining license application for the Anthill project which is pending approval. Moving forward, the Company will closely monitor the market, and all other relevant issues, while carefully considering the appropriate actions for the Group's copper mining operations.

I am also happy to report that the Group has continued its expansion and investment into E-logistics. The acquisition of First Cargo Holdings Limited ("First Cargo") was completed on 12 November 2015, allowing the Group to control and develop a new E-logistics platform in the PRC and to capture growing opportunities in new markets. Addressing the increasing demand for logistics services in China, First Cargo has offered great value with its market-leading e-logistics platform. This platform leverages the traditional logistics sector's transition towards mobile internet technology in the "Internet+" era. I hope that we will be able to expand First Cargo.

In another exciting development, we welcomed Mr. Chen Weixing to our team as an Executive Director on 2 November 2015. Mr. Chen brings years of experience from China's internet industry, most famously as the founder of the smartphone taxi app "Kuaidi Dache" (快的打車).

In the months ahead, the Group will grow the Company's e-logistics platform throughout China by expanding the number of users, reducing delivery times, and by providing big-data related value-added services. The Group will also continue to monitor internet services and other related businesses in China as we search for more investment opportunities to create higher growth trajectories.

I would like to thank our staff for their contribution and dedication to the success of NetMind Financial Holdings Limited, as well as our shareholders for their continued support. I look forward to announcing more developments and achievements in the coming years.

Sincerely yours,

Chiu Tao
Chairman

29 June 2016

PROJECT OVERVIEW

Project Overview

Project Description and Location

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

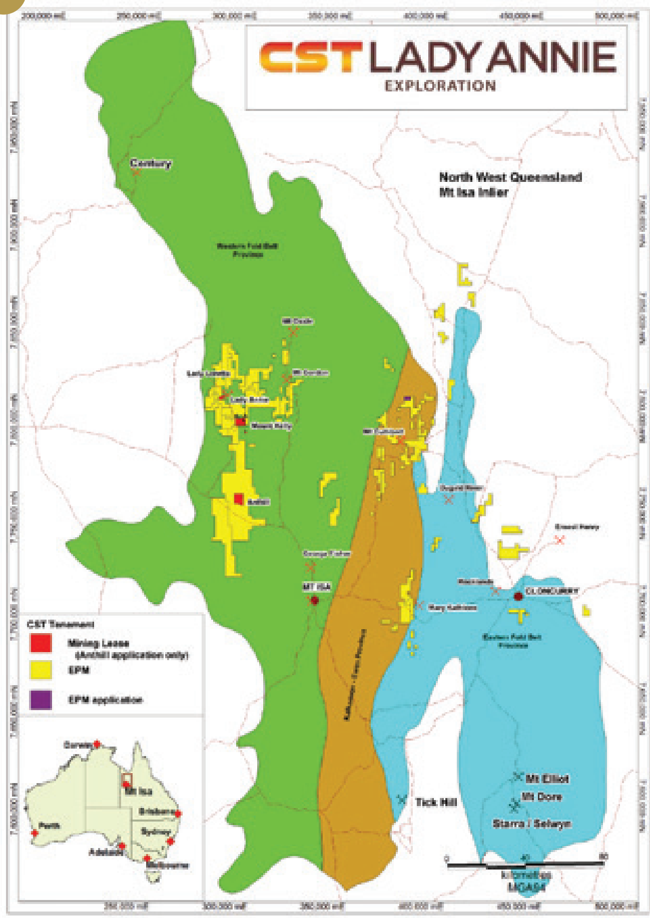

Figure 1: Location of Lady Annie Copper Mines (Lady Annie and Mount Kelly) and Tenements with Major Deposits and Towns — Mount Isa Inlier.

1. Operating Results

The table below provides certain key operation information for Lady Annie Operations for the year ended 31 March 2016 (the "Year") and 31 March 2015 respectively.

Key operational information			
		2016	2015
Mined	Total material (tonnes)	**2,433,227**	7,203,881
	Ore (tonnes)	**369,453**	2,993,411
	Ore grade (copper %)	**0.73%**	0.83%
	Contained copper (tonnes)	**2,683**	24,764
Stacked	Ore (tonnes)	**1,290,053**	2,176,445
	Ore grade (copper %)	**0.57%**	0.90%
	Contained copper (tonnes)	**7,324**	19,553
Production	Copper cathode (tonnes)	**7,589**	15,835
Sales	Copper cathode (tonnes)	**8,489**	16,155
	Average price (US$/tonne)	**5,355**	6,756
	Revenue (US$'000)	**45,461**	109,143

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

	US$'000
Administration	47
Camp expense	56
Consultancy and contractor expense	299
Consumables	55
Drilling and assays expenses	364
Machinery and equipment	49
Staff cost	559
Tenement and mining leases fee	199
Others	194
Total	1,822

2. Mining, Stacking and Processing Operations

2.1 Mining

Mining recommenced in October 2015 and ceased in the middle of January 2016 due to unfavorable market conditions. During the Year a total of 369,453 tonnes of ore were mined, at an average grade of 0.73%.

2.2 Stacked Ore Copper Grade

Figure 2 shows the monthly stacked ore copper grade for the twelve months to March 2016. Total 1,290,053 tonnes of ore (dry basis) were stacked for processing for the Year with a mean copper grade of 0.57%. Ore grade remained fairly consistent with an increase toward the end. The acid consuming components, both the calcium and magnesium, remained elevated.

Stacking during the Year was all on Stage 1, starting with Pad #15 lift 3 and then stacking on lift 5 from Pad #14 to Pad #7.

2.3 Stacked Copper Metal

Figure 3 shows the monthly stacked metal for the twelve months 7,324 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.

Stacking was suspended in mid-January.

2.4 Copper Cathode Production

Figure 4 shows the monthly copper cathode produced throughout the twelve month period. Lady Annie Operations produced 7,589 tonnes of copper in the twelve months to March 2016.

The Processing Department maintained a strong focus on cathode refurbishment and cell house cleaning during the Year and was particularly conscious of cathode appearance, a result of which was that 2.3% of the product was downgraded to

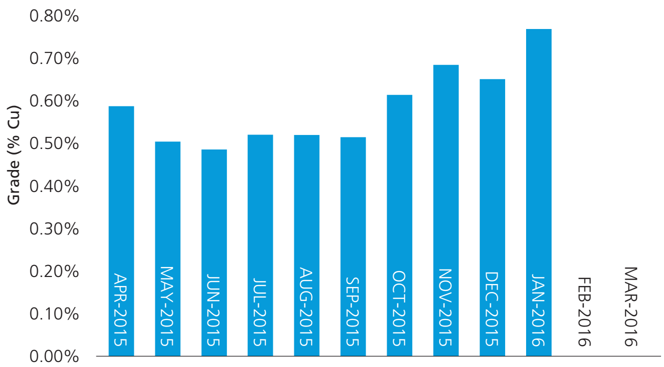

Figure 2: Stacked Ore Copper Grade

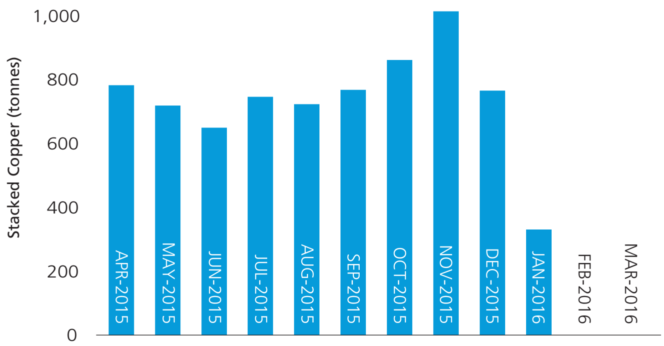

Figure 3: Stacked Copper Metal

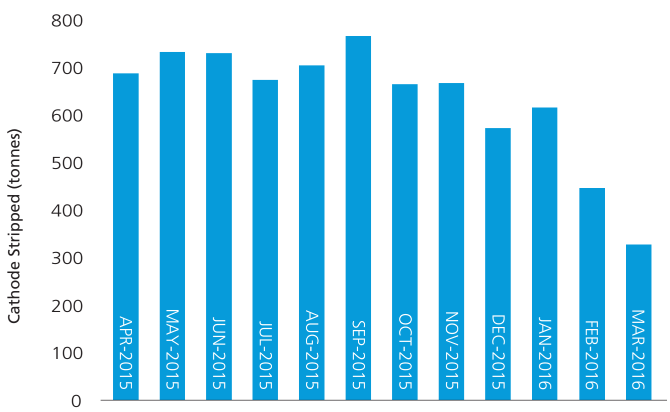

Figure 4: Copper Cathode Production

B grade, but purely on aesthetical appearance and not assayed quality; all product for the Year was of London Metal Exchange A-grade quality. Significant improvement was made on Electrolyte filtration, resulting in improved organic interception, resulting in cleaner cathode.

Production during the Year was lower and in proportion to the lower amounts of copper metal stacked over the Year. It reduced toward the end of the Year in line with the grade from the start of the Year. An improved leach performance was realised after improvements made to the acid cure process, along with uplift in Grade.

3. Exploration

3.1 Competent Person Statement

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

3.2 Overview of Exploration Activities

Activity for the period focused on exploration for oxide and sulphide copper mineralisation in Lady Annie's Western Tenement Area ("WTA") and Central Tenement Areas ("CTA") and Iron Oxide Copper Gold ("IOCG") mineralisation in Lady Annie's Eastern Tenement Area ("ETA"). The CTA and ETA have always been very prospective for mineralisation (as evidenced by the many known deposits and Mines in the region) however; the Tenements have

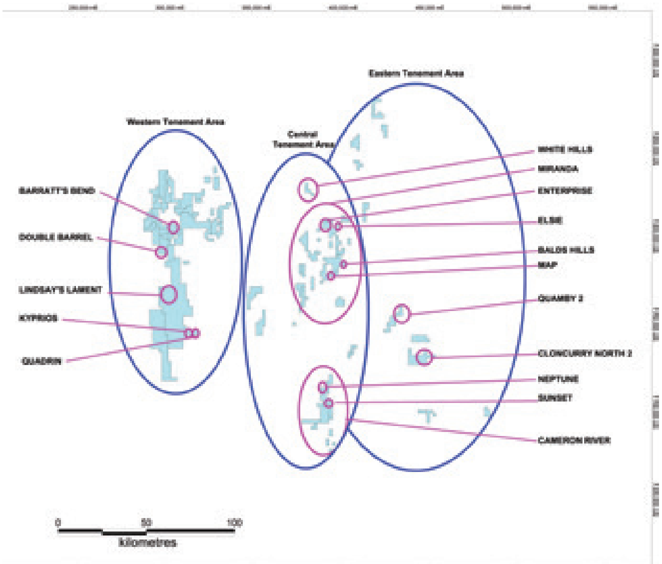

Figure 5: Location of Lady Annie Tenements with important Project and Target Areas in the WTA, CTA and ETA outlined (Diagram revised from 2015 Interim Report)

Figure 6: Location of Enterprise copper discovery with major regional deposits and surrounding company land holdings

not undergone intensive exploration by Lady Annie due to the historical focus on the WTA surrounding the Lady Annie Processing Plant at Lady Annie Operations. In 2015-2016, Lady Annie changed focus and a significant portion of exploration budget for the Year was spent on drill testing the best Target Areas in the CTA and ETA. Work programmes for the Year included:

- Further collaboration with the Commonwealth Scientific and Industrial Research Organisation ("CSIRO").
- Following up significant intercepts from the 2014 Rotary Air Blast ("RAB") drilling for copper in the WTA with further RAB drilling at Lindsay's Lament, Quadrin, Kyprios, Double Barrel and Barratt's Bend Target Areas.
- Target Generation studies in the CTA and ETA.
- RAB and Air Core ("AC") drilling of 2 Target Areas in the ETA at Cloncurry North 2 and Quamby 2 Project Areas for IOCG mineralisation.
- Field inspection of the 26 Target Areas generated in the CTA.
- Portable XRF analysis of Termite mounds at Tewinga Prospect in the CTA.
- Regional Reverse Circulation ("RC") drilling in CTA leading to the Enterprise copper discovery.
- Multi-disciplinary ground geophysical surveys at the Enterprise copper discovery.
- Resource development programme including RC and Diamond Drilling ("DD") at the Enterprise copper discovery.

	DD		RC		RAB		AC		Total	
Drilling Target	**Metres**	**Holes**	**Metres**	**Holes**	**Metres**	**Holes**	**Metres**	**Holes**	**Metres**	**Holes**
Oxide/sulphide copper mineralisation WTA and CTA	354.8	4	7,995	60	4,501	49			12,850.8	113
Iron oxide copper gold mineralisation ETA					1,263	27	789	18	2,052	45
Total	**354.8**	**4**	**7,995**	**60**	**5,764**	**76**	**789**	**18**	**14,902.8**	**158**

Table 1: Summary of Drilling Metres

3.3 Lady Annie and CSIRO Collaboration

The association with CSIRO continued with Lady Annie joining an Industry/CSIRO collaboration in the Eastern Fold Belt (Cloncurry region) of the Mount Isa Inlier called 'Uncover Cloncurry'. The collaboration was for 1 year (1 July 2015–30 June 2016) and designed to characterise samples from 20 mineral deposits across the Eastern Fold Belt to increase the understanding of mineral systems and localisation of ore. This is expected to greatly enhance the possibility for exploration success in the region going forward.

3.4 Follow up RAB Drilling Programme — WTA

During March 2015, Lady Annie carried out a final review of the 2014 RAB drilling results in the WTA and prioritised the 5 best target areas (Double Barrel, Quadrin, Barratt's Bend, Kyprios and Lindsay's Lament) for follow-up RAB drilling, where the intercepts returned were the most promising with regards to grade and length of intercept.

The follow up RAB drilling programme was carried out from 17 April to 12 May 2015. A total of 49 holes for 4,501m were completed. The best assay result (8m@11,267ppm Cu from 60m) returned from the RAB drilling programme was in hole BUCB121 at Lindsay's Lament. A visual inspection of the drill chips identified malachite and a small amount of native copper. The positive assay result from BUCB121 was followed up with further drilling (BUCB132-134) around BUCB121. Unfortunately the follow-up holes failed to return sufficiently significant results to indicate an economic copper deposit may be present. As a consequence, Lady Annie turned its focus for the remainder of 2015 to exploration in the ETA.

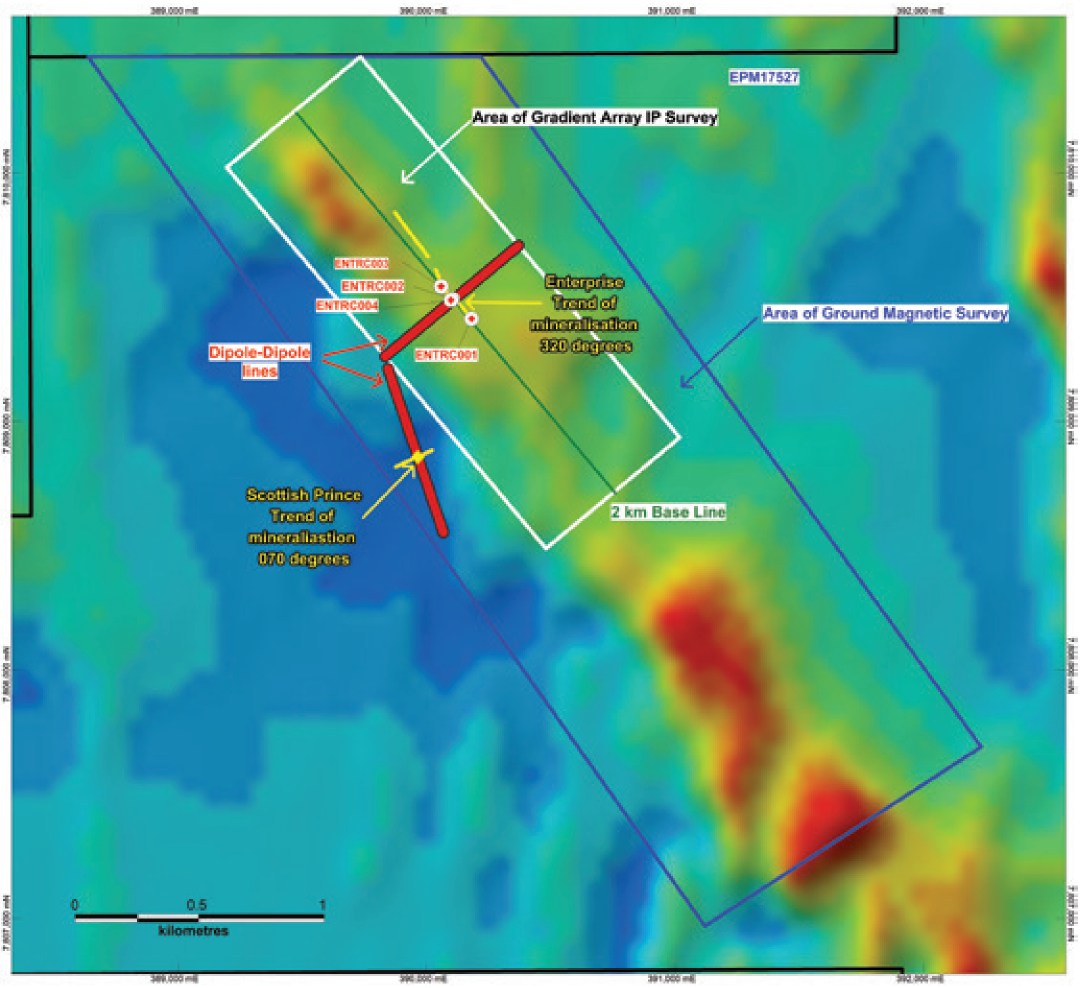

Figure 7: Location of DDIP (red lines) survey lines with GAIP (White rectangle) and Magnetic (Blue Polygon) survey areas over the regional Total Magnetic image

3.5 RAB and AC Drilling Programme for IOCG Mineralisation in the ETA

Lady Annie carried out RAB/AC drill testing of the two 'Blind' Target Areas (Quamby 2 and Cloncurry North 2) derived from interpretation by Southern Geoscience Consultants Pty Ltd (Perth) of Heli-SAM data sets. Drilling was carried out from 15 May–30 May 2015. A total of 44 drill holes were completed for 2,052m. The drill programme failed to identify any areas of potential economic interest that warrant further drilling.

3.6 Field Inspection and Ranking of the 26 Target Areas Generated in the CTA

From June to September 2015, Lady Annie Geologists carried out field inspections of 26 Target Areas generated in the CTA and a number of the historical Prospects and Mines in the Eastern Fold Belt. Following field evaluation of the 26 Target Areas, it became clear that the depth of oxidation in the CTA is significantly less (5m–10m), when compared to the depth of oxidation in the WTA (60m–70m). This resulted in a conversion of proposed RAB drilling of the best Target Areas to the RC method, to cope with harder ground conditions and the need to drill deeper holes. Upon completion of field evaluation for all Target Areas, a ranking process was carried out by Lady Annie during September 2015 whereby; all Targets were compared on factors ranging from geology, geochemistry, geophysics, Max-Ent prospectivity, through to logistics and potential for joint venture. The 6 highest ranked Targets recommended for RC drill testing in October 2015 were as follows:

1.	Neptune	(Cameron River Project)
2.	Bald Hills	(Miranda Project)
3.	Map	(Miranda Project)
4.	Sunset (Rock Hill)	(Cameron River Project)
5.	Elsie	(Miranda Project)
6.	Enterprise	(Miranda Project)

3.7 Portable XRF Analysis of Termite Mounds at Tewinga Prospect in the CTA

During August 2015, a programme of termite mound sampling (with portable XRF analysis) was carried out at the Tewinga Prospect in the White Hills Project Area. The survey covered:

- A copper mineralised outcrop that had undergone several programmes of historical drill testing.
- The area of sheet-wash cover immediately south-west of the area where historic drilling had occurred.
- The strike extensions to the north-west and the south-east of the area of historic drilling.

A total of 67 termite mounds were analysed. Assay results from the portable XRF survey of termite mounds confirm the elevated copper mineralisation over the area of historic drilling but do not indicate significant copper mineralisation beneath the sheet-wash areas nearby.

3.8 Regional RC Drilling in CTA Leading to the Enterprise Copper Discovery

The 6 Target Areas selected for RC drill testing in 2015 comprised Neptune and Sunset (Rock Hill) in the Cameron River Project Area and Bald Hills, Map, Elsie and Enterprise in the Miranda Project Area. A total of 20 holes for 1,583m were completed. The most significant assay results for copper mineralisation were as follows:

Best RC Assays for Cu from Cameron River Project Target Areas

Target Area	Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Analysis Method
Neptune	CCRC001	20	28	8	0.82	Portable XRF
Neptune	CCRC001	32	52	20	0.41	Portable XRF
Neptune	CCRC002	8	62	54	0.12	Portable XRF
Neptune	CCRC005	32	56	24	0.27	Portable XRF
Neptune	CCRC008	32	48	16	0.42	Portable XRF
Rock Hill	CCRC010	0	20	20	0.28	Portable XRF
Rock Hill	CCRC010	24	28	4	0.37	Portable XRF

Best RC Assays for Cu from Miranda Project Target Areas

Target Area	Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Analysis Method
Enterprise	ENTRC001	33	42	9	0.69	ALS Laboratory
Enterprise	ENTRC002	31	59	28	1.32	ALS Laboratory
Enterprise	ENTRC003	24	43	19	1.85	ALS Laboratory
Enterprise	ENTRC004	50	84	34	1.39	ALS Laboratory
Map	CMRC003	40	52	12	0.16	Portable XRF
Elsie	CMRC006	32	40	8	0.52	Portable XRF

The most promising results from the RC drill programme were obtained from drilling at the Enterprise Target Area where ore grade intersections and widths that could indicate the presence of an economic copper deposit, were obtained in all 4 of the holes drilled.

Further promising intersections of copper mineralisation were returned from RC drilling at the Neptune Target Area and these require follow up exploration.

3.9 Multi-Disciplinary Ground Geophysical Surveys at Enterprise

From 4-17 December 2015, Zonge Engineering carried out induced polarisation (Dipole-dipole ("DDIP") and gradient array ("GAIP")), resistivity and magnetic ground geophysical surveys (on behalf of Lady Annie) over and along strike of the Enterprise copper discovery. Two DDIP survey lines across the strike of the known copper mineralisation at Enterprise and a nearby working (Scottish Prince) were used to determine if GAIP would be effective for the survey area. The DDIP line at Enterprise identified a strong anomaly directly beneath the existing drilling and it was concluded that GAIP could be used for the greater survey area. The GAIP survey revealed that the known Enterprise mineralisation was located on the northern end of a 500m long, southeast trending chargeability anomaly. Several other strong GAIP anomalies were identified on trend to the northwest and south-southeast. A comparison of GAIP chargeability on the magnetic model demonstrates a spatial association of the chargeability with the magnetic body. This view also appears to show the chargeability anomalies and the magnetic models are being broken up by cross-cutting structures that off-set the interpreted bodies. A comparison of GAIP chargeability data with the resistivity data shows that the GAIP anomalies are coincident with resistivity lows.

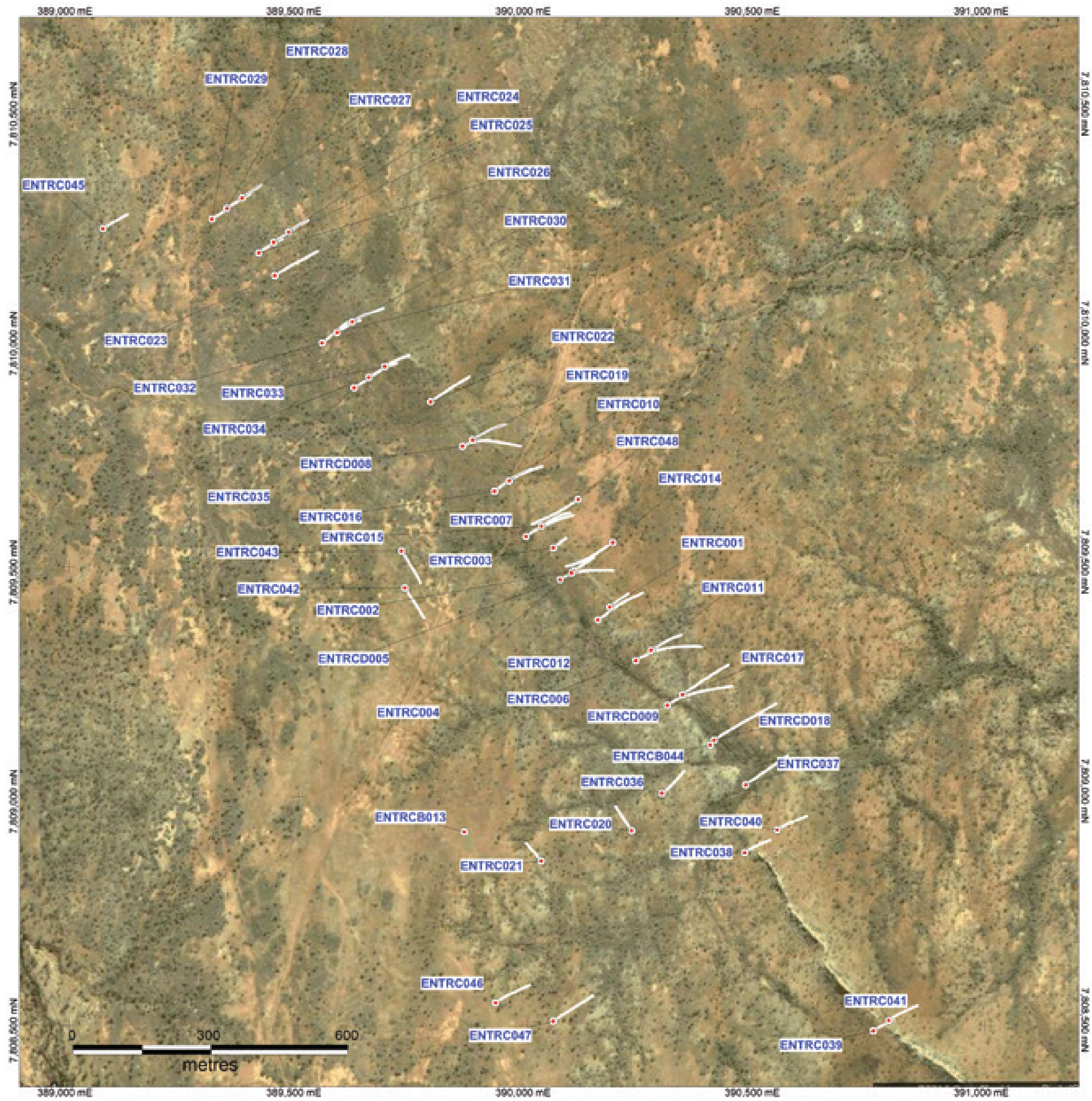

Figure 8: Drill hole location plan with drill traces (white lines) projected to surface on Google image — Enterprise

3.10 Resource Development Programme with RC drilling programme and DD at Enterprise

Lady Annie Exploration commenced a resource development drilling programme at Enterprise Copper Deposit between 25 February and 30 April 2016. A total of 7 drill holes (ENTRC006-7, 10-11 and ENTRCD005, 8-9) were completed into the strongest chargeability anomalies (as defined from the ground geophysical survey) and beneath the existing drilling, to test the mineralisation to depth. Significant assay results from these holes did not correspond to the promising chargeability anomalies interpreted from the ground geophysical survey however, they were considered sufficiently encouraging to continue with further development drilling. An additional 37 drill holes (ENTRC012-17, 19-48 and ENTRCD018) were completed, testing the Enterprise Prospect with holes 40m apart along lines with lines 120m apart, over a distance of 2.44kms. This brought the total number of holes drilled at Enterprise to date (including the 4 discovery holes completed in October 2015) to 48, for a total of 7,096.8m. Drilling to the north-west and south-east of the main mineralised zone to test for possible strike extensions did not intersect any further mineralised bodies with economic grades and/or widths. In addition, a series of satellite anomalies to the south, west and northwest of the main zone, delineated by a programme of surface mapping and geochemical sampling were also drill tested.

Table 2: Significant RC and Drill Core Sample Assay Results for Cu — Enterprise

Hole ID	From (m)	To (m)	Interval (m)	Cu (ppm)	Cu (%)
ENTRC001	24	26	2	4,930	0.49
ENTRC001	33	42	9	6,856	0.69
ENTRC001	45	60	15	5,199	0.52
ENTRC002	31	59	28	13,216	1.32
ENTRC003	24	43	19	18,507	1.85
ENTRC004	50	84	34	13,920	1.39
ENTRC004	87	101	14	5,228	0.52
ENTRCD005	133	156	23	6,132	0.61
ENTRCD005	159	160	1	6,940	0.69
ENTRCD005	163	170	7	4,427	0.44
ENTRCD005	172.2	174.6	2.4	33,900	3.39
ENTRCD005	177	178.2	1.2	5,710	0.57
ENTRCD005	191	194	3	4,157	0.42
ENTRCD005	207	209.4	2.4	4,519	0.45
ENTRC006	107	111	4	4,045	0.40
ENTRC006	120	133	13	6,264	0.63
ENTRC006	137	149	12	7,207	0.72
ENTRC006	152	182	30	8,731	0.87
ENTRC007	94	97	3	4,163	0.42
ENTRC007	152	166	14	6,618	0.66
ENTRC007	177	188	11	8,362	0.84
ENTRCD008	127	129	2	5,185	0.52
ENTRCD008	134	138	4	5,720	0.57
ENTRCD008	190	191	1	6,630	0.66
ENTRCD009	213	216	3	6,147	0.61
ENTRCD009	224.2	230	5.8	27,332	2.73
ENTRCD009	258	263.8	5.8	4,510	0.45
ENTRC011	56	60	4	12,928	1.29
ENTRC011	72	85	13	16,495	1.65

Hole ID	From (m)	To (m)	Interval (m)	Cu (ppm)	Cu (%)
ENTRC011	109	110	1	8,310	0.83
ENTRC012	105	106	1	10,050	1.01
ENTRC012	116	139	23	7,357	0.74
ENTRC012	152	153	1	6,590	0.66
ENTRC014	101	120	19	6,528	0.65
ENTRC014	124	127	3	4,217	0.42
ENTRC015	64	66	2	5,240	0.52
ENTRC015	69	72	3	3,724	0.37
ENTRC016	34	36	2	7,970	0.80
ENTRC016	63	66	3	19,697	1.97
ENTRC016	156	159	3	4,283	0.43
ENTRC020	23	33	10	3,599	0.36
ENTRC023	35	36	1	5,650	0.57
ENTRC025	9	10	1	6,130	0.61
ENTRC047	68	72	4	5,543	0.55

A total of 8 RC drill chip samples from the alteration and ore zones at Enterprise were analysed by scanning electron microscope in January 2016 to provide Lady Annie with information on the lithologies, petrography and genesis for mineralisation. A report on the petrography of 20 drill core/RC samples from the Enterprise Copper Deposit is due to be received during April 2016 from an independent Consultant.

4 Lady Annie Mineral Resources and Reserves

4.1 Competent Person Statement

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

4.2 Overview of Mineral Resources

In early 2016, Golder Associates Pty Ltd. ("Golder") delivered to Lady Annie Operations a Mineral Resource Estimate to 31 December 2015. The Mineral Resource (in accordance with the JORC Code, 2012 Edition guidelines) for Lady Annie operations includes the pits Lady Annie, Lady Brenda, Mount Clarke and Flying Horse and the deposits McLeod Hill, Swagman, Anthill and Lady Colleen. The resource was estimated using the end-of-month surface of December 2015 provided by Lady Annie. The resource model was completed in 2012 and it is based on interpreted copper mineralisation envelopes completed in July 2012 and no new drill holes or updates have been completed in 2015. The Mineral Resource at a cut-off grade of 0.3% Cu is presented in Table 3 below.

The oxide mineralisation and parts of the transition (with low calcium and magnesium) are suitable for acid leach recovery using methods currently employed at Lady Annie. The transition and fresh mineralisation contains copper sulfide minerals that would also be suitable for effective recovery using traditional flotation methods. Fresh material is generally not suitable for the existing copper heap leach treatment.

Mineral Resources that have not been converted to Ore Reserves may have potential economic viability, yet this has not been demonstrated through appropriate mining studies.

The Mineral Resource estimate does not include material currently on ROM stockpiles or on the leach pads.

The Mineral Resource estimate with mining depletion applied to the end of December 2015 was based on data compiled or supervised by Mr. Jorge Peres ("Mr. Peres"), Senior Resource Geologist, who is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy (AusIMM (CP)) and a full time employee of Golder. Mr. Peres has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Peres consents to the inclusion of this material in the form and context as it is presented Golder is an independent Consultancy firm engaged by Lady Annie Operations to undertake Resource and reserve estimations.

The current Mineral Resource incorporating mining depletion to the end of December 2015 is 61.8Mt @ 0.70% Cu for 432kt of contained copper.

Table 3: Lady Annie 'In-situ' Mineral Resource Estimate at 0.3% cut-off grade depleted to 31 December 2015

Deposit	Material Type	Measured				Indicated				Inferred				Total			
		Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*
Anthill	Oxide	2.7	0.77	0.3	0.2	6.1	0.71	0.3	0.3	0.1	0.37	0.3	0.3	8.9	0.73	0.3	0.3
	Transition	0.3	0.9	5.8	3.3	1.8	0.76	5.6	3.2	0.3	0.47	5.5	3.3	2.4	0.74	5.6	3.2
	Sulfide	0.02	0.7	5.9	3.4	0.8	0.61	5.5	3.1	1.7	0.54	6.5	3.9	2.5	0.57	6.2	3.7
	Total**	**3**	**0.79**	**0.8**	**0.5**	**8.7**	**0.71**	**1.9**	**1.2**	**2.1**	**0.52**	**6**	**3.6**	**13.8**	**0.7**	**2.3**	**1.4**
Flying Horse	Oxide	0.82	0.51	0.7	0.6	0.62	0.44	0.6	0.6	0.01	0.34	0.1	0.1	1.45	0.48	0.6	0.6
	Transition	0.87	0.64	4.9	2.7	1.42	0.61	4.3	2.5	0.06	0.56	2.7	1.5	2.35	0.62	4.5	2.6
	Sulfide	0.95	1.16	5.1	2.9	5.75	0.85	5.9	3.4	4.01	0.77	5.2	3.1	10.71	0.85	5.5	3.2
	Total**	**2.64**	**0.79**	**3.6**	**2.1**	**7.79**	**0.77**	**5.2**	**3**	**4.08**	**0.77**	**5.1**	**3.1**	**14.51**	**0.77**	**4.9**	**2.9**
Lady Annie	Oxide	0.51	0.56	1	0.6	1.35	0.44	0.5	0.5	0.03	0.4	0.4	0.7	1.89	0.47	0.6	0.5
	Transition	1.95	0.68	8	4.7	3.33	0.83	8.1	4.9	0.12	0.57	9.2	5.8	5.4	0.77	8.1	4.8
	Sulfide	0.55	0.91	8.3	4.9	3.84	0.89	9.7	5.9	0.49	0.58	10.4	6.5	4.88	0.86	9.6	5.9
	Total**	**3.01**	**0.7**	**6.9**	**4**	**8.52**	**0.8**	**7.6**	**4.6**	**0.64**	**0.57**	**9.7**	**6.1**	**12.17**	**0.76**	**7.5**	**4.6**
Lady Brenda	Oxide	0.66	0.49	1.1	0.7	3.2	0.43	1.1	0.8	0.16	0.35	2.2	1.4	4.02	0.44	1.2	0.8
	Transition	0.39	0.6	8.9	5.2	3.09	0.53	8.8	5.2	0.65	0.46	7.4	4.6	4.13	0.53	8.6	5.1
	Sulfide	0.02	0.42	2.6	1.3	0.45	0.56	10.4	6.2	0.37	0.45	7.1	4.2	0.84	0.51	8.7	5.2
	Total**	**1.07**	**0.53**	**4**	**2.3**	**6.74**	**0.48**	**5.2**	**3.2**	**1.18**	**0.44**	**6.6**	**4**	**8.99**	**0.48**	**5.3**	**3.2**
Lady Colleen	Oxide					0.1	0.63	1	0.4	0.1	0.52	0.7	0.3	0.2	0.58	0.9	0.4
	Transition	0.1	0.93	5.7	3.2	1.3	0.84	4.5	2.5	0.7	0.55	2.2	1.2	2.1	0.75	3.8	2.1
	Sulfide	0.1	1.08	0.7	0.4	1.9	1.14	6.1	3.3	3.6	0.75	3.5	2	5.6	0.89	4.4	2.4
	Total**	**0.1**	**1**	**3.3**	**1.9**	**3.3**	**1.01**	**5.3**	**2.9**	**4.4**	**0.72**	**3.2**	**1.8**	**7.9**	**0.84**	**4.1**	**2.3**
Mount Clarke	Oxide	0.15	0.46	0.4	0.6	0.35	0.43	0.2	0.5	0.02	0.48	0.3	0.8	0.52	0.44	0.3	0.5
	Transition	0.41	0.55	1.5	1	0.16	0.47	2.2	1.3	0.003	0.46	6.4	2.8	0.57	0.53	1.7	1.1
	Sulfide	0.36	0.61	1.2	0.8	0.69	0.57	1.9	1.2	0.5	0.55	2.4	1.4	1.55	0.57	1.9	1.2
	Total**	**0.92**	**0.56**	**1.2**	**0.8**	**1.2**	**0.52**	**1.5**	**1**	**0.52**	**0.55**	**2.4**	**1.4**	**2.64**	**0.54**	**1.6**	**1**

Deposit	Material Type	Measured				Indicated				Inferred				Total			
		Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*
McLeod Hill	Oxide									0.48	0.35			0.5	0.35		
	Transition									0.55	0.57			0.6	0.57		
	Sulfide									0.39	0.56			0.4	0.56		
	Total**									**1.42**	**0.49**			**1.4**	**0.49**		
Swagman	Oxide	0.14	0.67			0.03	0.62			0.02	0.53			0.2	0.65		
	Transition					0.07	0.6			0.04	0.45			0.1	0.55		
	Sulfide									0.03	0.45			0	0.45		
	Total**	**0.14**	**0.67**			**0.1**	**0.61**			**0.09**	**0.47**			**0.3**	**0.6**		
Total	Oxide	4.98	0.66	0.5	0.4	11.75	0.58	0.6	0.5	0.92	0.38	0.5	0.4	17.65	0.59	0.5	0.4
	Transition	4.02	0.67	6.5	3.8	11.17	0.7	6.8	4	2.42	0.52	3.8	2.3	17.61	0.67	6.4	3.7
	Sulfide	2	0.98	5	2.9	13.43	0.86	6.9	4.1	11.09	0.69	4.8	2.9	26.52	0.8	5.9	3.5
	Total**	**11**	**0.72**	**3.5**	**2.1**	**36.35**	**0.72**	**4.8**	**2.9**	**14.43**	**0.64**	**4.4**	**2.6**	**61.78**	**0.7**	**4.5**	**2.7**

Notes: * Due to the sparseness of calcium and magnesium assays the calcium and magnesium estimates are indicative only

** Totals may not add up due to rounding

4.3 Overview of Mineral Reserves

In early 2016, Golder delivered to Lady Annie Operations a Mineral Ore Reserve Estimate to 31 December 2015. The Ore Reserve estimate for Lady Annie is based on pit designs and includes modifying factors with mining dilution of 5% at an assumed 0.2% Cu average grade and mining losses of 2.5%. Cut-off grades are variable as they are dependent on calcium grade and oxidation type. The Ore Reserve for Lady Annie as at end of December 2015 is provided in Table 4 below.

The ore within the pit designs is mostly oxide with some transition also encountered as pits get deeper. The proportion of calcium has increased with depth and results in increased acid consumption and processing cost.

The waste within the planned pits is 3.7 Mt at a strip ratio of 1.74 (tonnes of waste:tonnes of ore).

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

The Ore Reserve estimate relates specifically to the conversion of Measured and Indicated oxide and transition Mineral Resources within the Lady Annie Project pit designs and current stockpiles. The Ore Reserves are as reported at 31 December 2015.

This Ore Reserve estimate was based on data supplied by Lady Annie and compiled or supervised by Glenn Turnbull, Principal Mining Engineer, who is a Member of the Australian Institute of Mining and Metallurgy and an employee of Golder. Glenn Turnbull has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves".

The current Mineral Ore Reserve incorporating mining depletion to end of December 2015 is 2.48Mt @ 0.75% Cu for 19kt of contained copper.

Table 4: Lady Annie Mineral Reserve Estimate to 31 December 2015

Deposit	Material Type	Proven			Probable			Total		
		Mt	Cu%	Ca%	Mt	Cu%	Ca%	Mt	Cu%	Ca%
Lady Annie	Oxide	0.01	0.66	0.46	0.01	0.85	0.57	0.02	0.78	0.53
	Transition	0.09	0.72	8.74	0.08	1.2	8.06	0.17	0.94	8.43
	Total	**0.1**	**0.71**	**8.12**	**0.09**	**1.15**	**6.95**	**0.19**	**0.92**	**7.57**
Lady Brenda	Oxide	0.34	0.55	0.73	0.48	0.67	0.27	0.83	0.62	0.46
	Transition	0.11	0.74	5.09	0.14	0.78	5.89	0.25	0.76	5.55
	Total	**0.45**	**0.6**	**1.77**	**0.63**	**0.7**	**1.57**	**1.08**	**0.66**	**1.65**
Mount Kelly	Oxide	0.24	0.66	0.32	0.08	0.5	0.36	0.32	0.62	0.33
	Transition	0.37	0.76	3.96	0.17	0.92	0.56	0.53	0.81	2.89
	Total	**0.6**	**0.72**	**2.53**	**0.25**	**0.78**	**0.5**	**0.85**	**0.74**	**1.94**
ROM Stockpiles	Oxide	0.11	0.91	0.29				0.11	0.91	0.29
	Transition	0.26	1	5.4				0.26	1	5.4
	Total	**0.37**	**0.98**	**3.89**				**0.37**	**0.98**	**3.89**
Total	Oxide	0.69	0.65	0.52	0.58	0.65	0.29	1.27	0.65	0.41
	Transition	0.82	0.83	5.09	0.39	0.92	4.01	1.21	0.86	4.75
	Total	**1.52**	**0.75**	**3**	**0.96**	**0.76**	**1.79**	**2.48**	**0.75**	**2.53**

Note:

1. Includes high grade stockpiles at end of December 2015 and excludes material on leach pads being processed.

2. Totals may not add up due to rounding.

In October 2012 Golder completed a Resource Estimation for the Anthill Deposit. Details of these Resources were announced in the announcement of the Company dated 20 November 2012. In December 2013 pit optimisations were carried out utilising similar economic parameters and modifying factors to those used for the Lady Annie and Mount Kelly deposits, and pit designs based upon these optimisations were completed for the Anthill Project. The resource within these pit designs is considered Potential Mining Inventory. These Resources are inclusive of ore loss and dilution and Lady Annie envisage they should be available for conversion to Reserve upon grant of the Anthill mining lease ML90233 currently in application. This material is additional to Mineral Reserves shown in Table 4 and included in the Mineral Resources in Table 3.

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

CORPORATE SUSTAINABILITY REPORT

Corporate Sustainability Report

Health, Safety, Environment & Community

Health and Safety

The Safety Department which consists of medical, training, safety and emergency response, have recorded positive results in relation to decreased incidents and reportable injuries. One lost time injury was reported during the past year in addition to no high potential reportable incidents. This trend of reduced incidents can be contributed to both the reduced numbers of staff on site, and to a number of safety initiatives implemented during the past 12 months.

The commencement of mining in the second half of 2015 involved a contractor onboarding process which was significant in terms of both safety management implementation and also the increase in contractor numbers onsite. Compliance with the Lady Annie Safety Management System by the mining contractor was achieved through procedural gap analysis and a comprehensive onboarding analysis of the intended mining operations. Risk identification and hazard controls were the highest priority during the initial period of mining recommencement.

The implementation of a number of safety initiatives improved the hazard identification reporting culture. The prestart meetings at the commencement of each work day now include hazard reporting performance which supports the focus of reduced incidents and safe workplace by early hazard detection and reporting. Safety initiatives and improvements raised by the workforce are actively encouraged and implemented after risk evaluation; industry best practice in all areas of safety is an achievable target.

The training requirements of the staff continued to be reviewed to ensure the multi-skilling target set during the last reporting period was continued. The upgrading of machinery competency certificates to the current training packages was facilitated by working closely with the Registered Training Organization Civil Safety. Civil Safety ensured all of the training material supplied to site was of industry best standard and compliant with the most recently released training packages. The training of staff in additional skills of various departments was managed closely to ensure consistent skill sharing standards were achieved, and all safety related issues were communicated correctly.

The Medical Centre and injury management statistics dramatically decreased and only a small number of minor injuries were recorded during the past 12 months. The target of zero injuries was achieved for a number of months consecutively and the injuries recorded during the other periods were of minor significance. One lost time injury was recorded and was successfully managed back to full time work capability in a short time frame.

A review of the Emergency Response capability was conducted post mining operations with the decision to upskill all the remaining staff with a general understanding of the basic skills of mines rescue. This decision increased the number of available personnel able to attend to any unforeseen emergency and greatly increased the understanding of the importance of emergency response including medical emergencies. The target of all remaining staff obtaining minimum Senior First Aid qualification will be achieved by the end of May 2016; scenario based training will be conducted on a regular basis to ensure confidence in each team member and also to identify any ongoing deficiencies. Continual improvement in medical and emergency response capability through upskilling and scenario based training will continue into the future.

The reporting period performance indicators for the Safety Department, including completion targets for training compliance, were positive with the low injury statistics and no significant incidents reported. The addition of safety initiatives including prestart meeting hazard reporting has contributed to the improved safety performance and culture on site.

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. New technology has be utilised for survey and drainage analysis of mining areas resulting in faster, safer and higher quality data gathering resulting in cheaper, better quality surface water management decisions to be made as well as a range of other benefits.

Environmental regulatory reporting obligations for State and Federal Government Agencies have been ongoing with the Plan of Operations, Annual Return for the Environmental Authority, National Pollutant Inventory National Greenhouse Emissions Reporting Scheme, Receiving Environment Monitoring Program, Water Licensing and Regulated Dams Inspection reporting completed within the 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.

The Anthill mining lease project has continued to progress with scientific data and reports submitted to the regulator resulting in significant reduced offset requirements for the operation. Agreements with traditional owners that overlay the proposed Anthill mining license were settled during the reporting period and resolution on the remaining outstanding agreements is underway. It is anticipated that the mining license will be granted once these are completed.

Despite an El Niño weather event, which is usually associated with reduced rainfall, during the 2015/2016 wet season, rainfall was slightly above average at 494mm and site water management infrastructure held up well.

Indigenous and Community Relations

Indigenous Relations

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. Subsequently, Native Title Agreements have been signed by all parties in support of the Anthill mining lease application.

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-Dhidhanu and Mitakoodi people who have customary connections to country in which we operate on. As part of this, Cultural Heritage Clearances are conducted by traditional owners within the region to ensure a diligent and cooperative approach when conducting exploration activity.

Lady Annie Operations continues to work closely with the Kalkadoon, Indjalandji-Dhidhanu and Mitakoodi 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 the country.

The Cultural Awareness training is designed to educate participants in the importance of the recognition, protection and conservation of cultural heritage, and to explain the relationship of the traditional owner people with the project area and the natural environment as a whole. The training promotes an understanding of, and respect for, the traditional owner's culture, knowledge and traditional practices.

Community Relations

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

The Exploration Department maintains close relations with landholders over the broad area of Lady Annie exploration tenements as well as contributing to ongoing community and stakeholder engagement with other stakeholders such as; Calton Hills Station and Yelvertoft Station, Kalkadoon, Indjalandji-Dhidhanu and Mitakoodi people, business partners and regulators on a regular and needs basis. Lady Annie Operations continues to provide support to the Yelvertoft Camp draft, Royal Flying Doctor Service and Mount Isa Rescue Helicopter.

(C$)
6.9100
2.0663
1.0028
483.750

MANAGEMENT REPORT

Biographical Details of Directors

Executive Directors

Chiu Tao, aged 60
was appointed as Chairman and an executive director of NetMind Financial Holdings Limited (the "Company") on 10 March 2009 and 7 November 2008, respectively. Mr. Chiu is the brother-in-law of Mr. Yeung Kwok Yu.

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

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

Hui Richard Rui, aged 48
was appointed as an executive director of the Company on 17 August 2004 and as General Manager of the Company on 11 October 2006. He graduated from University of Technology, Sydney in Australia with a Bachelor's degree in Mechanical Engineering.

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

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

Lee Ming Tung, aged 54
was appointed as an executive director of the Company on 28 September 2007. He is also the Chief Financial Officer of the Company. He holds a Bachelor of Science degree in Accounting from Brigham Young University in the U.S.A., a Master of Accountancy degree from Virginia Polytechnic Institute and State University in the U.S.A., a Master of Financial Engineering degree from City University of Hong Kong and a Postgraduate Diploma in Corporate Administration from The Hong Kong Polytechnic University.

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

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

Kwan Kam Hung, Jimmy, aged 54
was appointed as an executive director of the Company on 11 November 2002.

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

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

Yeung Kwok Yu, aged 65
was appointed as an executive director of the Company on 26 September 2008. Mr. Yeung is the brother-in-law of Mr. Chiu Tao.

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

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

Tsui Ching Hung, aged 63
was appointed as an executive director of the Company on 2 May 2007. He holds a Master of Science degree in Polymer Science and a Master of Business Administration degree from the University of Aston and University of Warwick in the United Kingdom, respectively.

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

Mr. Tsui is currently an independent non-executive director of China Smarter Energy Group Holdings Limited . He was a non-executive director of G-Resources. The shares of which are listed on the main board of the Stock Exchange.

Chen Weixing, aged 33
was appointed as an executive director of the Company on 2 November 2015. He obtained a Bachelor's degree in Civil Engineering from the College of Civil Engineering and Architecture, Zhejiang University.

Mr. Chen was a founder of Hangzhou Kuaizhi Technology Company Limited* (杭州快智科技有限公司), a company established in November 2012 which developed the smartphone taxi app "Kuaide Dache"* (快的打車) and subsequently merged with a company that developed the smartphone taxi app "Didi Dache"* (滴滴打車) to become a company named DiDi Kuaide* (滴滴快的) in February 2015. Mr. Chen was also a founder of Hangzhou Paitao Technology Company Limited, a company established in May 2013 which is principally engaged in the development, distribution and operation of mobile device application software for O2O shopping, delivery and related services.

* *For identification purposes only*

Independent Non-executive Directors

Yu Pan, aged 61
was appointed as an independent non-executive director of the Company on 28 September 2004.

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

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

Tong So Yuet, aged 44
was appointed as an independent non-executive director of the Company on 24 February 2005. She graduated from The Hong Kong Polytechnic University with a Bachelor's degree in Accountancy.

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

Ma Yin Fan, aged 52
was appointed as an independent non-executive director of the Company on 31 December 2012. She obtained a Bachelor's degree with honours in Accountancy at Middlesex University in the United Kingdom. She also holds a Master's degree in Business Administration and a Master in Professional Accounting degree from Heriot-Watt University in the United Kingdom and The Hong Kong Polytechnic University, respectively.

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

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

Leung Hoi Ying, aged 65
was appointed as an independent non-executive director of the Company on 29 January 2016. He graduated from the Guangdong Foreign Trade School in China.

Mr. Leung has over 30 years of experience in international trade and business development. He is currently an independent non-executive director of China Strategic and G-Resources. He was an independent non-executive director of China New Energy Power. The shares of all the aforementioned companies are listed on the main board of the Stock Exchange.

Management Discussion And Analysis

Business Review and Results

The revenue of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2016 (the "Year") was approximately US$58.03 million. This was a decrease of approximately 51.30% when compared with last year. Operating revenue generated by Lady Annie Operations fell from approximately US$109.14 million to US$45.46 million, representing a reduction of approximately 58.35% over the Year. The volume of copper production was scaled down due to sustained low copper market prices and the diminishing of copper reserves. In turn, copper sales decreased significantly during the Year.

Nevertheless, through the use of effective cost control measures, production costs were reduced and held at an ideal level for improving the gross profit margin, as a whole. Compared with the previous year, there was an approximately US$10.27 million decrease in gross profit, a drop of approximately 24.71%. However, the gross profit margin increased from approximately 34.89% last year, to approximately 53.94% this Year. Dividends from trading securities and interest income from financial assets, rental income, and interest income from money lending, represented approximately 19.92%, 1.35% and 0.38% of the total revenue, respectively over the Year.

Compared with last year, revenue derived from property investments decreased slightly by approximately 1.38%, as a result of a very small reduction in occupancy rates. Rental income provided steady cash flow to the Group over the Year, and this is expected to continue in the future. For the Year, dividends from trading securities and interest income on financial assets increased by approximately 25.43% year-on-year. Instability in the global economy, slowing growth in the People's Republic of China (the "PRC"), and international terrorism all affected financial market trends — creating volatility. Hence, the overall performance of the Group's investment portfolio was not as strong as the previous year. Although the general securities market in Hong Kong outperformed the regional markets in the 2nd quarter, as a result of further supportive measures for Shanghai-Hong Kong Stock Connect, there was a market correction in the 3rd quarter following deleveraging measures in the PRC stock market. The general securities market in Hong Kong remained gloomy through the first quarter of 2016, with the devaluation of Renminbi, collapsing crude oil prices and speculation of increases in the United States of America ("US") interest rates affecting the market performance. Eventually, the securities market in Hong Kong ended down approximately 17.17% (measured by Hang Seng Indexes) over the Year.

On the other hand, due to successful investments made by the Group, the performance of Hong Kong listed securities held by the Group managed to outperform the general stock market in Hong Kong, and withstood the market volatility to deliver modest results. The group gained on fair value changes of financial assets at fair value through profit or loss of approximately US$66.64 million for the Year, while there was a gain on fair value changes of financial assets at fair value through profit or loss of approximately US$91.99 million last year. Information on 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 change 31.03.2016 USD'000	% of shareholding held by the Company 31.03.2016	Market Value 31.03.2016 USD'000	% of shareholding held by the Company 31.03.2015	Market Value 31.03.2015 USD'000
Equity securities listed in Hong Kong						
412	China Innovative	76,723	8.61%	202,463	9.81%	125,740
2066	Shengjing Bank	14,080	3.39%	70,609	0.17%	2,596
3333	Evergrande Real Estate	5,991	0.57%	59,983	0.00%	—
330	Esprit Holdings	(3,929)	2.50%	45,145	2.50%	48,981
1051	G-Resources	(20,350)	8.06%	42,291	7.96%	61,344
708	Evergrande Health	5,123	2.66%	40,129	0.50%	4,462
1031	Kingston Financial	27,126	0.55%	35,621	0.62%	8,495
136	HengTen Networks	(12,572)	0.93%	32,808	2.43%	10,424
	Others	(38,624)		160,526		306,849
Financial assets other than equity securities listed in Hong Kong						
Nexus Strategic Investments Fund		(1,676)		4,366		6,042
Nexus Emerging Opportunities Fund		14,607		64,399		49,792
Nexus Asian Hybrid Credit Fund		358		8,101		7,743
Others (including equity securities outside Hong Kong and unlisted debt securities)		(222)		10,072		10,294
Total		66,635		776,513		642,762

The Group's overall investment portfolio recorded a net gain of approximately US$34.56 million for the Year, compared to a net gain of approximately US$66.92 million for the previous year. Global economic instability will continue to affect the sentiment of both investors and the market, as the aforementioned unfavourable factors endure and shake confidence to cause market conditions to remain volatile. The Group will take a dynamic approach to the investment portfolio so as to best promote shareholders' interest. The Group is also seeking opportunities to diversify its revenue, and with a money lender license already in place, kicked off its money lending business in the 4th quarter of this financial year. During the Year, approximately US$0.22 million in interest income was generated by money lending and the Group will prudently develop this segment of business.

In November 2015, the Group successfully acquired First Cargo Holdings Limited ("First Cargo") which is a developing internet logistics service solutions provider. Through the acquisition, the Group can have the ability to control and develop a new e-logistics platform in the PRC to capture the growing opportunities in relevant market. The Group primarily focuses on the user growth currently. As of 31 March 2016, the e-logistics platform has accumulated approximately 710,000 users.

Due to persistent low copper prices and demand, diminishing copper reserves and further down scaling the copper production, the Group reviewed the carrying value of Lady Annie Operations' assets. The Group then provided an impairment loss in respect of property, plant and equipment of approximately US$40,000; an impairment loss of approximately US$7.46 million and write off of approximately US$15.78 million in respect of exploration and evaluation assets. The carry value of inventories was written down by approximately US$41.80 million. In the previous year, the impairment loss in respect of property, plant and equipment was approximately US$0.96 million; and the impairment loss and write off in respect of exploration and evaluation assets were approximately US$17.65 million and US$1.43 million respectively; with a write down carry value of inventories of approximately US$24.26 million. A provision for an onerous contract regarding committed power supply expenses of a non-cancellable power supply contract with lease term expiring over 48 month in the amount of approximately US$29.72 million was made for the Year, whereas no provision for an onerous contract was made in previous year. Due to fair value of the joint venture's investment decreased compared to the value at the end of the last financial year, a loss was recorded for the Year. The Group shared an approximate US$6.81 million loss from the joint venture. Overall, the Group recorded an after tax loss of approximately US$68.46 million for the Year, whereas there was an after tax profit of approximately US$28.17 million last year.

Net Asset Value

As of 31 March 2016, the Group held bank balances and cash totaling approximately US$44.45 million. Bank deposits of approximately US$52.96 million were pledged, mostly to cover 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 financial assets at fair value through profit and loss were approximately US$61.01 million and US$776.51 million, respectively. During the Year, a bank granted a one year HK$150.00 million revolving loan with an interest rate of 1% over HIBOR/LIBOR to a subsidiary of the Company. The Company provided a guarantee to the bank for this facility, but the facility was not utilized during the Year. As of 31 March 2016, 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$1.06 billion.

Human Resources

As of 31 March 2016, the Group had 35 staff (including Company directors) in Hong Kong, 33 staff in Australia and 72 staff in the PRC. Staff costs (excluding directors' emoluments) were approximately US$10.06 million for the Year. Staff remuneration packages are normally reviewed annually and the Group also participated in the Mandatory Provident Fund Scheme in Hong Kong, and provided other staff benefits, such as medical benefits.

Furthermore, the Group has a share option scheme but there was no outstanding share option as of 31 March 2016. Details of this scheme and the movement of the share options are disclosed under the heading "Directors' Report" in this annual report.

Exposure to Fluctuations in Exchange Rates

The Group conducts most of its business in US dollars, Australian dollars, Renminbi and Hong Kong dollars. Foreign currency exposure to US dollars is minimal, as the Hong Kong dollar is pegged to the US dollar. Exposure to Renminbi is also minimal during the Year, 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 by Australian dollars. As the Group's mining operation in Australia is scaling down, the exposure of foreign currency risk by Australian dollars is comparatively reduced.

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

Lady Annie

The Lady Annie Operations, located in the Mount Isa district of north-western Queensland, Australia, is principally comprised of the Lady Annie mining area, the Mount Kelly mining area, and the Mount Kelly processing plant and tenements. 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 including 14 mining leases and 63 exploration permits for minerals.

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

	2016 US$'000	2015 US$'000
Revenue	45,461	109,143
Cost of sales	(26,731)	(77,583)
Gross profit	18,730	31,560
Other income and other gains and (losses)	(25,096)	4,987
Distribution and selling expenses	(2,391)	(5,921)
Administrative expenses	(6,581)	(10,285)
Finance costs*	(369)	(1,632)
Loss on inventories written down to net realisable value	(41,804)	(24,264)
Written off of exploration and evaluation assets	(15,778)	(1,428)
Impairment losses on exploration and evaluation assets	(7,460)	(17,654)
Impairment losses on property, plant and equipment	(40)	(962)
Loss before taxation	(80,789)	(25,599)
Depreciation in administrative expenses	357	833
Depreciation in cost of sales	2,005	1,229
Total depreciation	2,362	2,062

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

Non-HKFRS Financial Measure

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

The table below provides 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 financial year indicated.

	2016 US$'000	2015 US$'000
Cash costs as reported in the income statement:		
Direct and indirect mining cost	42,791	80,401
Adjustment for change in inventory	(7,607)	(5,607)
Total operating costs	35,184	74,794
Copper sold (tonnes)	8,489	16,155
Copper sold (in thousand pounds)	18,715	35,616
C1 operating cost per pound of copper	US$1.88/lb	US$2.10/lb

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

Significant Events

On 28 May 2015, the Company and Kingston Securities Limited ("Kingston") entered into a placing agreement (the "Placing Agreement"), pursuant to which the Company conditionally agreed to place through Kingston, on a best effort basis, up to 5.4 billion new shares of HK$0.10 each in the issued share capital of the Company (the "Placing Share(s)") at a placing price of HK$0.10 per Placing Share with no less than six placees, and beneficial owners consisting of independent third parties. The said placing price represented a discount of approximately 7.41% to the closing price of HK$0.108 per share of HK$0.10 each in the issued share capital of the Company as quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 28 May 2015, being the date of the Placing Agreement. 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 net proceeds raised per

Placing Share will be approximately HK$0.098 per share(s) of HK$0.10 each in the issued share capital of the Company. The Directors considered that the placing represented an opportunity to raise capital for the Group for future development and investment while broadening its shareholder and capital base. 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 26 September 2014, and the placing was completed on 12 June 2015. Details of the placing were disclosed in the Company's announcements dated 28 May 2015 and 12 June 2015, respectively. All net proceeds were utilized by the Group during the Year in accordance with the foregoing intended purposes, of which approximately 80% was utilized by the Group in its investment business. The remaining 20% was utilized in the investment in Kuaichi Group Holding Limited ("Kuaichi", together with its subsidiaries, "Kuaichi Group")(for details, please refer to the paragraph below), and as general working capital.

On 4 November 2015, Equal Sun Limited (a wholly-owned subsidiary of the Company) as Purchaser; Grandwin Enterprises Limited, Zhongjing Industry (Group) Hong Kong Limited, Mr. Howard Wong and Mr. Chan Boon Ho Peter as Vendors; and Mr. Gao Yang and Mr. Leung Pak To as Guarantors, entered into a sale and purchase agreement. Pursuant to the agreement, the Vendors conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the entire issued share capital of Planet Smooth Limited (the "Sale Shares"). The aggregate consideration shall be US$80 million (equivalent to approximately HK$620 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 a per share issue price of HK$0.10 (the "Consideration Shares"). The Consideration Shares, comprising of 6.2 billion 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. The acquisition was completed on 12 November 2015, and details of the acquisition and completion were disclosed in the Company's announcements dated 4 November 2015 and 12 November 2015 respectively.

On 27 November 2015, Gold Label Inc., a wholly owned subsidiary of the Company, completed the subscription of new shares of Kuaichi, representing 20% of the enlarged issued share capital of Kuaichi, for consideration of US$10 million (the "Subscription of Kuaichi"). Kuaichi is a company incorporated with limited liability in the Cayman Islands and is an investment holding company. Kuaichi Group has entered into several contractual arrangements with Hangzhou Kuaichi Technology Company Limited (杭州快馳科技有限公司) ("Hangzhou Kuaichi") to gain effective control over, and to receive economic benefits generated by, Hangzhou Kuaichi. Hangzhou Kuaichi is a company established with limited liability in the PRC and is principally engaged in the development and operation of mobile phone apps via which logistics and freight transportation services are provided. Details of the Subscription of Kuaichi were disclosed in the Company's announcement dated 27 November 2015.

On 15 March 2016, the Company and Mr. Chen Weixing (the "Subscriber"), an executive director of the Company, entered into a subscription agreement (the "Subscription") pursuant to which the Company conditionally agreed to allot and issue, and the Subscriber conditionally agreed to subscribe in cash for 6.24 billion new shares of the Company ("Subscription Share(s)") at HK$0.10 per Subscription Share, as part of the placing (the "Placing") of up to 23.4 billion new shares of the Company (the "Placing Share(s)") and through Morgan Stanley Asia Limited (the "Placing Agent") in its capacity as the placing agent. On the same date, the Company and the Placing Agent entered into a placing engagement letter pursuant to which the Company engaged the Placing Agent as the sole agent for the purpose of, on a best efforts basis, Placing the Placing Shares at the placing per Placing Share price of HK$0.10 for no less than six placees (including the Subscriber), and with ultimate beneficial owners (in each case, except the Subscriber) being independent third parties. The maximum gross proceeds from the Placing are to be approximately HK$2.34 billion and maximum net proceeds are to be HK$2.278 billion. Approximately 90% of the net process of the Placing are to be used for the organic growth of the e-logistics platform, with the remaining 10% utilized as part of the Group's general working capital. Details of the Subscription and Placing were disclosed in the Company's announcement dated 16 March 2016 and circular dated 21 April 2016.

Having regard to the market volatility and conditions, the proposed Placing could not be completed before the expiry date 16 June 2016 of the specific mandate (the "Specific Mandate") which was obtained from the independent shareholders of the Company at the extraordinary general meeting held on 16 May 2016 (the "EGM"). Accordingly the Specific Mandate lapsed. Details of the lapse of the Specific Mandate were disclosed in the Company's announcement dated 13 June 2016.

In the EGM, an ordinary resolution was passed to increase authorized share capital from HK$5 billion divided into 50 billion shares, to HK$10 billion divided into 100 billion shares, by creating 50 billion new shares at a value of HK$0.10 in capital of the Company. A special resolution was also passed in the EGM to change the English name of the Company from "CST Mining Group Limited" to "NetMind Financial Holdings Limited" and 網智金控集團有限公司 being adopted as the Company's new dual foreign name. The said change of the Company's English name and the said adoption of new dual foreign name became effective on 17 May 2016. Details of the authorized capital increase and the Company's name change were disclosed in the Company's announcements dated 15 March 2016, 20 April 2016 and 31 May 2016, and circular dated 21 April 2016.

Outlook

Mining business has been the focus of the Group for the last five years. Although the Company continues to diligently pursue its mining business, revenue derived from the Group's copper business has decreased significantly due to persistently low copper prices and demand, as well as diminishing copper reserves. Moreover, a mining license in relation to the Anthill project has not yet been granted. In addition to efficiently controlling production costs, the Company will closely monitor the market and all relevant market situations, and carefully consider what appropriate actions it should take with the Group's copper mining operations. Future actions could include further downscaling operational size, increasingly outsourcing operational activities, or temporarily suspending production.

In order to diversify sources of revenue, the Group accelerated expansion and investment in its internet business. The Group completed the acquisition of First Cargo on 12 November 2015. Through the acquisition of First Cargo, the Group is able to control and develop a new e-logistics platform in the PRC to capture the growing opportunities in relevant markets. The Company has been renamed to "NetMind Financial Holdings Limited" ("網智金控集團有限公司") in order to better reflect its strategic repositioning as an internet logistics service solutions provider.

Looking forward, the Company intends to build its e-logistics platform into a big logistics ecosystem in the PRC via a substantial amount of initial investment, and will seek to accumulate a critical amount of users and shipments before focusing towards profitability. The Company will organically grow its e-logistics platform nationwide by increasing the number of users, cultivating the high-end market segment, and providing big-data related value-added services for its targeted customers.

The logistics market in the PRC is huge and poised for major growth in the next few years. Leveraging its internet platform and mobile phone apps, the Company will provide truck owners and shippers with an ideal matching system and comprehensive information by collecting and analyzing large quantities of data. The Company is also implementing plans to provide financial services, including insurance and freight-related lending, to make the e-logistics platform one of the most comprehensive logistics networks nationwide.

The Group will continue to monitor the development of internet services and other related businesses in the PRC as it looks for further investment opportunities that will create new market opportunities and enhance value for its shareholders. In the time ahead, the Group will continue to pursue potential investment opportunities that bring added value. Furthermore, the Group will seek new business solutions to diversify its revenue sources, while management will also continue to strengthen operations within other existing businesses of the Group. 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.

Directors' Report

The board of directors (the "Board") has pleasure in presenting its report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2016 (the "Year").

Change of Company Name

As approved by the shareholders at the extraordinary general meeting of the Company held on 16 May 2016, the change of the English name of the Company from "CST Mining Group Limited" to "NetMind Financial Holdings Limited" and the adoption of a dual foreign name in Chinese as "網智金控集團有限公司" have become effective on 17 May 2016. The Certificate of Incorporation on Change of Name was issued by the registrar of Companies in the Cayman Islands on 17 May 2016.

The Companies Registrar in Hong Kong has issued a Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company on 27 May 2016 confirming the registration of the Company's new English and Chinese names of "NetMind Financial Holdings Limited" and "網智金控集團有限公司" respectively in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the Group currently consists of (i) the e-logistics platform; (ii) acquisition, exploration, development and mining of copper and other mineral resources materials; (iii) investment in financial instruments and (iv) property investment. The particulars of the Company's principal subsidiaries are set out in note 40 to the consolidated financial statements.

Business Review

The business review of the Group for the year ended 31 March 2016 is set out on pages 30 to 36.

Results and Dividend

Results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 62 of this annual report.

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

Property, Plant and Equipment

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

Investment Properties

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

Reserves

Details of movements during the Year in the reserves of the Group are set out in the consolidated statement of changes in equity on page 65 of this annual report.

Share Capital

Details of the share capital of the Company set out in note 32 to the consolidated financial statements.

Directors

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

Executive Directors:	**Independent Non-executive Directors:**
Mr. Chiu Tao *(Chairman)*	Mr. Yu Pan
Mr. Hui Richard Rui *(General Manager)*	Ms. Tong So Yuet
Mr. Lee Ming Tung *(Chief Financial Officer)*	Ms. Ma Yin Fan
Mr. Kwan Kam Hung, Jimmy	Mr. Leung Hoi Ying (appointed on 29 January 2016)
Mr. Yeung Kwok Yu	
Mr. Tsui Ching Hung	
Mr. Chen Weixing (appointed on 2 November 2015)	

The Directors (including independent non-executive Directors) are subject to retirement by rotation and re-election at the annual general meeting of the Company (the "AGM") in accordance with the provision of the Company's articles of association (the "Articles of Association"). Accordingly, the Directors, Mr. Lee Ming Tung, Mr. Chen Weixing, Mr. Yu Pan, Mr. Leung Hoi Ying and Ms. Ma Yin Fan will retire from office and, being eligible, offer themselves for re-election at the forthcoming AGM.

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

Directors' and Chief Executives' Interests in Securities

As at 31 March 2016, the interests and short positions of the Directors and chief executives of the Company (the "Chief Executives") and their respective associates in the shares, underlying shares, convertible notes or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were disclosed as follows:

Long positions in shares/underlying shares of the Company

	Number of *shares/underlying shares			
Name of Director	**Personal interests**	**Share options**	**Total**	**Approximate % of the issued share capital of the Company**
Chiu Tao	3,900,000,000	—	3,900,000,000	10.08%
Chen Weixing ("Mr. Chen")	6,240,000,000	—	6,240,000,000	16.12% (Notes)

Notes:

(1) Calculation of the approximate % of personal interests to the issued share capital of the Company is based on the total number of issued shares as at 31 March 2016, i.e. 38,698,308,961 shares.

(2) Mr. Chen is deemed to be interested in 6,240,000,000 new shares of the Company at HK$0.10 per share which he has conditionally agreed to subscribe for pursuant to the subscription agreement entered with the Company on 15 March 2015.

* 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 31 March 2016.

Share Option

Particulars of the share option scheme of the Company are set out in note 37 to the 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 Year:

Name or category of participants	Date of grant	Exercise price HK$	Exercisable Year	Outstanding as at 01.04.2015	Granted during the Year	Exercised during the Year	Cancelled during the Year	Lapsed during the Year	Outstanding as at 31.03.2016	Market value per share at date of grant of options HK$	Fair value per share option HK$
(a) Directors											
HUI Richard Rui	02.09.2010	0.2000	17.09.2011–16.09.2015	20,000,000	—	—	—	20,000,000	—	0.1570	0.0649
LEE Ming Tung	02.09.2010	0.2000	17.09.2011–16.09.2015	15,000,000	—	—	—	15,000,000	—	0.1570	0.0649
KWAN Kam Hung, Jimmy	02.09.2010	0.2000	17.09.2011–16.09.2015	15,000,000	—	—	—	15,000,000	—	0.1570	0.0649
YEUNG Kwok Yu	02.09.2010	0.2000	17.09.2011–16.09.2015	15,000,000	—	—	—	15,000,000	—	0.1570	0.0649
TSUI Ching Hung	02.09.2010	0.2000	17.09.2011–16.09.2015	5,000,000	—	—	—	5,000,000	—	0.1570	0.0649
Total for Directors				70,000,000	—	—	—	70,000,000	—		
(b) Employees	02.09.2010	0.2000	17.09.2011–16.09.2015	18,200,000	—	—	—	18,200,000	—	0.1570	0.0649
	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	—	—	—	20,900,000	—		
Total for Scheme				90,900,000	—	—	—	90,900,000	—		

Notes:

Vesting conditions for share options granted

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

(ii) as to another one-third of the share options, upon CST Minerals Lady Annie Pty Limited producing averaging 2,300 tonnes per month of saleable copper production over a six consecutive 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 31 March 2016, so far as known to the Directors or the Chief Executives, the following persons are the shareholders (other than Directors or Chief Executives) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or who were recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or had otherwise notified to the Company and the Stock Exchange.

Long positions in shares and underlying shares of the Company

Name of Shareholder	Capacity	Number of shares/ underlying Shares	Approximate % of the issued share capital
Wong Howard	Beneficial owner	5,186,920,000	13.40%
Cheung Chung Kiu ("Mr. Cheung")	Beneficial owner/Interest of a controlled corporation	2,575,861,856	6.66% (Notes)

Notes:

These securities represent relevant interests in respect of:

(a) 1,950,840,000 shares held by Bondic International Holdings Limited, which is directly and solely owned by Mr. Cheung;

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

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

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

Save as disclosed above, the Company has not been notified by any person (other than the Directors or the Chief Executives) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or who were recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or had otherwise notified to the Company and the Stock Exchange as at 31 March 2016.

Independent Non-executive Directors

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

Directors' Service Contracts

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

Permitted Indemnity Provisions

A permitted indemnity provision for the benefit of the Directors under the Articles of Association of the Company is currently in force and was in force throughout the Year. The Company has also purchased and maintained directors' liability insurance throughout the Year, which provides appropriate cover for the Directors.

Directors' Interests in Contracts of Significance

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

Directors' Interests in Competing Business

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

Sufficiency of Public Float

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

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during the Year.

Major Customers and Suppliers

For the Year, the five largest customers accounted for approximately 79% of the Group's turnover, and the largest customer included therein amounted to approximately 70%. Purchases from the five largest suppliers accounted for approximately 62% of the total purchase for the Year, and purchase from the largest supplier included therein amounted to approximately 16%.

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

Emolument Policy

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

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

The Company has adopted the share option scheme as an incentive to the Directors and the eligible employees but there was no outstanding share option as of 31 March 2016. Details of this schemes are set out in note 37 to the consolidation financial statements.

Pre-emptive Rights

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

Principal Risk Factors

Market copper price and copper reserve

Fluctuation of market copper price will affect the performance of mining business, cash flow and revenue of the Group. Low market copper price has a negative impact on the business prospect, revenue and profit of mining business, which will lead to impair assets and/or downsize the production as well as the operation scale of the mining business. In addition to market copper price, copper reserve is another factor that will affect the cash flow and revenue generating from the mining business. The Group has been operating its mining business for over five years and most of the copper reserves have been used up. Besides of the project Anthill which is still pending the grant of a mining license, the Group has not discovered much new copper reserves that could be added to the existing reserves. Thus, the existing copper reserve is very limited and could have been used up for not more than a year. If the low market copper price continues, or the mining license for project Anthill cannot not be granted in time, appropriate measures such as maintaining minimal operation size, further outsourcing operational activities or suspending production temporarily will be considered to apply.

Competition of e-logistic market

The e-logistic platform business is a newly emerging industry in People's Republic of China ("PRC") and is growing rapidly. Some companies are optimistic about the huge prospective development potential for consolidating road logistics and enter the market through a variety of business models. Competition in the industry is getting intense. More choices and selections are provided to customers throughout the country. Target customers may switch to our competitors.

Estimation of the number of registered users in e-logistic platform

The Group's online e-logistic platform can offer various functions, such as payment, order management and matching specific customers from different user groups under a number of deal scenarios, to facilitate an interconnected logistic network that allows real-time deployment and monitor of delivery capacity, centralizes trucks management and matches transaction information across the network. For any data arising from those transactions, data-mining and data analysis will be performed to offer online logistic value-added service. If the growth in the number of registered user falls short of our estimate, the future operations, growth and revenue of the e-logistic platform business may be adversely affected to a certain extent.

Credit risk

The Group uses an internal credit assessment process to assess the degree of credibility of potential borrower and define credit limits to be granted to borrowers. The Group may suffer loss on loans receivable if repayment of principal and/or interest is not paid on due date and the realizable value of collaterals is less than the principal of the loans receivable and/or interest receivable.

Financial market risk

The movement of financial market may cause a fall in the value of principal financial investments. In view of the increasing instability of the global financial markets, this may impact the fair value of financial investments and add unpredictability to the Group's overall financial performance.

Exchange risk

The financial results of the Group are presented in United States Dollars ("USD"), but the Company and its various subsidiaries may receive revenue, incur expenses and make investments in other currencies. Any currency fluctuations on translation of the accounts of the Company and those subsidiaries and also the repatriation of earnings and equity investments may have impact on the Group's business. The appreciation and depreciation in USD against other foreign currencies may materially affect the Group's business, financial condition, and results of operation.

Environmental Policies

The Group encourages environmental protection and adopts measures to promote environmental awareness of its employees. The Group implements green office practices by encouraging employees to make use of scanning copies, double-sided printing and copying, promoting using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliances.

Compliance with Regulations

The Group is not aware of any instances of material breach of or non-compliance with the applicable laws and regulations such as the Hong Kong Companies Ordinance (Cap. 622), Listing Rules, and other applicable local laws and regulations in various jurisdictions during the year ended 31 March 2016 and up to the date of this annual report.

Relationships with Employees, Customers and Suppliers

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. During the year ended 31 March 2016 there were no material and significant dispute between the Group and its employees, customers and suppliers.

Corporate Governance

The information set out in pages 50 to 57 and information incorporated by reference, if any, constitutes the Corporate Governance Report of the Company.

Auditor

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

On behalf of the Board

Chiu Tao
Chairman

Hong Kong, 29 June 2016

CORPORATE GOVERNANCE REPORT

Corporate Governance Report

Corporate Governance Practices

The Company recognised the importance of transparency and accountability, and believes that shareholders can benefit from good corporate governance. The Company aims to achieve sound standards of corporate governance, and has during the year ended 31 March 2016 (the "Year") complied with the code provisions of the Corporate Governance Code (the "Code") and Corporate Governance Report (the "Corporate Governance Report") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Any deviation from the Code will be explained in this report.

Board of Directors

The board of directors (the "Board") of the Company comprises 7 executive directors and 4 independent non-executive directors (the "INEDs") (collectively the "Directors") as follows:

Executive Directors:
Mr. Chiu Tao *(Chairman)*
Mr. Hui Richard Rui *(General Manager)*
Mr. Lee Ming Tung *(Chief Financial Officer)*
Mr. Kwan Kam Hung, Jimmy
Mr. Yeung Kwok Yu
Mr. Tsui Ching Hung
Mr. Chen Weixing (appointed on 2 November 2015)

Independent Non-executive Directors:
Mr. Yu Pan
Ms. Tong So Yuet
Ms. Ma Yin Fan
Mr. Leung Hoi Ying (appointed on 29 January 2016)

The Directors are considered to posses a balance of skill and experience appropriate for the requirements of the business of the Company; details related to the Directors are shown on pages 26 to 29 in the section of "Biographical Details of Directors".

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

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

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

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

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

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

Board Committees

Audit Committee

For the year ended 31 March 2016, the Audit Committee composed 3 INEDs, namely:

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

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

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

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

Remuneration Committee

For the year ended 31 March 2016, the Remuneration Committee comprised 2 INEDs, namely:

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

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

During the Year, the Remuneration Committee held two meetings to discuss remuneration matters of the Directors.

Nomination Committee

For the year ended 31 March 2016, the Nomination Committee comprised the Chairman of the Company and 2 INEDs, namely:

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

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

During the Year, the Nomination Committee selected and recommended to the Board the appointment of Mr. Chen Weixing as Executive Director and Mr. Leung Hoi Ying as INED, on the basis of their qualifications, skill and experience. The Nomination Committee considered that they would make a positive contribution to the performance of the Board.

Board Diversity Policy

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

The Board Diversity Policy is set out below:

1. *Vision*

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

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

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

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

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

Investment and Management Committee

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

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

Corporate Governance Function

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

- To develop and review the Group's policies and practices on corporate governance and make recommendations;

- To review and monitor the training and continuous professional development of the Directors and the senior management;

- To review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements;

- To develop, review and monitor the code of conduct applicable to the employees and the Directors; and

- To review the Group's compliance with the Code and disclosure requirements in the Corporate Governance Report.

Attendances of Meetings

The attendance record of each Director at the respective meetings during the year ended 31 March 2016 is set out below:

	Meeting(s) Attended/Held				
Name of Director	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee	2015 AGM
Executive Directors:					
Mr. Chiu Tao	4/4	—	—	2/2	√
Mr. Hui Richard Rui	4/4	—	—	—	√
Mr. Lee Ming Tung	4/4	—	—	—	√
Mr. Kwan Kam Hung, Jimmy	4/4	—	—	—	√
Mr. Yeung Kwok Yu	4/4	—	—	—	√
Mr. Tsui Ching Hung	4/4	—	—	—	√
Mr. Chan Weixing	2/2[1]	—	—	—	Note[1]
Independent Non-executive Directors:					
Mr. Yu Pan	4/4	2/2	2/2	2/2	√
Ms. Tong So Yuet	4/4	2/2	—	—	√
Ms. Ma Yin Fan	4/4	2/2	2/2	2/2	√
Mr. Leung Hoi Ying	1/1[2]	—	—	—	Note[2]

Notes:

1. Mr. Chen Weixing was appointed on 2 November 2015. Two board meetings were held during the period from that date to 31 March 2016 and there was no general meeting held during the said period.

2. Mr. Leung Hoi Ying was appointed on 29 January 2016. A board meeting was held during the period from the that date to 31 March 2016 and there was no general meeting held during the said period.

Chairman and Chief Executive Officer

Under the Code Provision A.2.1, the roles of chairman and chief executive 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 Rules 3.10A of the Listing Rules

Pursuant to Rule 3.10A, the independent non-executive directors of a listed issuer must represent at least one-third of the members of the board. Following the appointment of Mr. Chen Weixing as an Executive Director on 2 November 2015, the composition of the board comprises 7 Executive Directors and 3 INEDs. The number of INEDs represents less than one-third of the members of the board as required under Rule 3.10A of the Listing Rules. Mr. Leung Hoi Ying has been appointed as an INED on 29 January 2016. Upon his appointment, the Company has complied with the aforesaid rule.

Directors' Securities Transactions

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

Term of Appointment of Non-executive Directors

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

Continuous Professional Development

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

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

Name of Director	Participated in continuous professional development (Note)
Executive Directors:	
Mr. Chiu Tao	√
Mr. Hui Richard Rui	√
Mr. Lee Ming Tung	√
Mr. Kwan Kam Hung, Jimmy	√
Mr. Yeung Kwok Yu	√
Mr. Tsui Ching Hung	√
Mr. Chen Weixing	√
Independent Non-executive Directors:	
Mr. Yu Pan	√
Ms. Tong So Yuet	√
Ms. Ma Yin Fan	√
Mr. Leung Hoi Ying	√

Note: Attended expert briefings/seminars/conferences relevant to the business or directors' duties or read regulatory update.

Company Secretary

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

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

Auditor's Remuneration

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

During the Year, the fees for non-audit services in relation to taxation services and other professional and advisory services provided by the external auditors were approximately US$138,000. The fees for audit related services provided by the external auditors were approximately US$290,000.

Directors' Responsibility for Financial Statements

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

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

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

Internal Control

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

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

Shareholders' Rights and Communications

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

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

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

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

Investor Relations

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

FINANCIAL OVERVIEW

Independent Auditor's Report

Deloitte.
德勤

TO THE MEMBERS OF NETMIND FINANCIAL HOLDINGS LIMITED
網智金控集團有限公司
(FORMERLY KNOWN AS CST MINING GROUP LIMITED
中科礦業集團有限公司)
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of NetMind Financial Holdings Limited (formerly known as CST Mining Group Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 62 to 141, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2016, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 June 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2016

	NOTES	2016 US$'000	2015 US$'000
Revenue	7	58,032	119,157
Cost of sales	8	(26,731)	(77,583)
Gross profit		31,301	41,574
Other income and other gains and losses	9	(30,095)	(14,203)
Distribution and selling expenses		(3,055)	(5,920)
Administrative expenses		(28,562)	(28,396)
Impairment loss recognised in respect of property, plant and equipment	15	(40)	(962)
Impairment loss recognised in respect of exploration and evaluation assets	16	(7,460)	(17,654)
Write-off of exploration and evaluation assets	16	(15,778)	(1,428)
Loss on inventories written down to net realisable value		(41,804)	(24,264)
Impairment loss on available-for-sale investments	21	(32,073)	(25,219)
Gain on disposal of available-for-sale investments		—	150
Gain on fair value changes of financial assets at fair value through profit or loss		66,635	91,986
Gain on fair value changes of investment properties		413	1,166
Share of result of a joint venture	20	(6,809)	12,432
Share of result of an associate	19	(461)	—
Finance costs	11	(369)	(1,686)
(Loss) profit before taxation	12	(68,157)	27,576
Taxation	13	(305)	596
(Loss) profit for the year		(68,462)	28,172
(Loss) profit for the year attributable to:			
Owners of the Company		(68,320)	28,172
Non-controlling interests		(142)	—
		(68,462)	28,172
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(2,965)	(4,297)
(Loss) gain arising from fair value changes of an available-for-sale investment		(22,306)	8,886
Reclassification adjustment upon impairment on an available-for-sale investment		13,420	—
Share of other comprehensive expense of an associate	19	(12)	—
		(11,863)	4,589
Total comprehensive (expense) income for the year		(80,325)	32,761
Total comprehensive (expense) income attributable to:			
Owners of the Company		(80,187)	32,761
Non-controlling interests		(138)	—
		(80,325)	32,761
(Loss) earnings per share			
Basic and diluted	14	US(0.20) cents	US0.10 cents

Consolidated Statement of Financial Position

At 31 March 2016

	NOTES	2016 US$'000	2015 US$'000
Non-current assets			
Property, plant and equipment	15	**3,755**	4,518
Exploration and evaluation assets	16	**6,558**	28,709
Investment properties	17	**21,089**	20,676
Goodwill	18	**88,278**	—
Interests in an associate	19	**9,527**	—
Interests in a joint venture	20	**5,623**	12,432
Available-for-sale investments	21	**61,008**	100,545
Financial assets at fair value through profit or loss	25	**8,508**	8,281
Pledged bank deposits	26	**52,962**	52,781
		257,308	227,942
Current assets			
Inventories	22	**11,337**	40,954
Trade and other receivables	23	**19,221**	7,606
Loan receivable	24	**18,172**	—
Amount due from a joint venture	20	**4,042**	4,037
Financial assets at fair value through profit or loss	25	**768,005**	634,481
Bank balances and cash	26	**44,450**	99,503
		865,227	786,581
Current liabilities			
Trade and other payables	27	**7,157**	7,002
Provision for an onerous contract	31	**6,279**	—
Amount due to a non-controlling interest	28	**256**	256
Tax payable		**4,897**	4,602
		18,589	11,860
Net current assets		**846,638**	774,721
Total assets less current liabilities		**1,103,946**	1,002,663

	NOTES	2016 US$'000	2015 US$'000
Non-current liabilities			
Provision for mine rehabilitation cost	30	23,346	25,377
Provision for an onerous contract	31	24,623	—
		47,969	25,377
		1,055,977	977,286
Capital and reserves			
Share capital	32	496,132	347,414
Reserves		559,781	629,878
Equity attributable to owners of the Company		1,055,913	977,292
Non-controlling interests		64	(6)
		1,055,977	977,286

The consolidated financial statements on pages 62 to 141 were approved and authorised for issue by the Board of Directors on 29 June 2016 and are signed on its behalf by:

CHIU TAO
DIRECTOR

HUI RICHARD RUI
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 March 2016

	Attributable to owners of the Company										
	Share capital US$'000	Share premium US$'000	Capital reserve US$'000 (note a)	Other capital reserve US$'000 (note b)	Investment revaluation reserve US$'000	Share options reserve US$'000	Exchange reserve US$'000	Accumulated losses/ retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total US$'000
At 1 April 2014	347,414	497,483	987	128,275	—	547	7,454	(37,648)	944,512	(6)	944,506
Profit for the year	—	—	—	—	—	—	—	28,172	28,172	—	28,172
Other comprehensive income (expense)	—	—	—	—	8,886	—	(4,297)	—	4,589	—	4,589
Total comprehensive income (expense) for the year	—	—	—	—	8,886	—	(4,297)	28,172	32,761	—	32,761
Recognition of share-based payment expense (note 37)	—	—	—	—	—	19	—	—	19	—	19
Lapse of share options	—	—	—	—	—	(54)	—	54	—	—	—
At 31 March 2015	347,414	497,483	987	128,275	8,886	512	3,157	(9,422)	977,292	(6)	977,286
Loss for the year	—	—	—	—	—	—	—	(68,320)	(68,320)	(142)	(68,462)
Other comprehensive (expense) income	—	—	—	—	(8,886)	—	(2,981)	—	(11,867)	4	(11,863)
Total comprehensive expense for the year	—	—	—	—	(8,886)	—	(2,981)	(68,320)	(80,187)	(138)	(80,325)
Acquisition of subsidiaries	79,487	11,128	—	—	—	—	—	—	90,615	208	90,823
Issue of ordinary shares upon share subscription	69,231	—	—	—	—	—	—	—	69,231	—	69,231
Transaction costs attributable to issue of new shares	—	(1,038)	—	—	—	—	—	—	(1,038)	—	(1,038)
Lapse of share options	—	—	—	—	—	(512)	—	512	—	—	—
At 31 March 2016	496,132	507,573	987	128,275	—	—	176	(77,230)	1,055,913	64	1,055,977

Notes:

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

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

Consolidated Statement of Cash Flows

For the year ended 31 March 2016

	2016 US$'000	2015 US$'000
OPERATING ACTIVITIES		
(Loss) profit before taxation	**(68,157)**	27,576
Adjustments for:		
Interest income	**(1,732)**	(2,037)
Dividend income	**(2,719)**	—
Finance costs	**369**	1,686
Depreciation on property, plant and equipment	**2,584**	2,320
Expense of share-based payment	**—**	19
Impairment loss on available-for-sale investments	**32,073**	25,219
Impairment loss recognised in respect of property, plant and equipment	**40**	962
Impairment loss recognised in respect of exploration and evaluation assets	**7,460**	17,654
Loss on inventories written down to net realisable value	**41,804**	24,264
Loss on disposal of property, plant and equipment	**180**	—
Write-off of exploration and evaluation assets	**15,778**	1,428
Provision for an onerous contract	**29,719**	—
Reversal of provision for rehabilitation	**(2,396)**	—
Share of result of a joint venture	**6,809**	(12,432)
Share of result of an associate	**461**	—
Gain on fair value changes of investment properties	**(413)**	(1,166)
Gain on disposal of available-for-sale investments	**—**	(150)
Gain on fair value changes of financial assets at fair value through profit or loss	**(66,635)**	(91,986)
Operating cash flows before movements in working capital	**(4,775)**	(6,643)
(Increase) decrease in inventories	**(12,443)**	9,821
(Increase) decrease in trade and other receivables	**(11,485)**	10,204
Increase in loan receivable	**(17,948)**	—
Increase in held for trading investments	**(65,819)**	(48,673)
(Decrease) increase in trade and other payables	**(1,903)**	14,288
Decrease in derivative financial instruments	**—**	(617)
Increase in amount due from a joint venture	**(5)**	(4,037)
Net cash used in operations	**(114,378)**	(25,657)
Interest received	**1,508**	2,037
NET CASH USED IN OPERATING ACTIVITIES	**(112,870)**	(23,620)

	NOTE	2016 US$'000	2015 US$'000
INVESTING ACTIVITIES			
Purchase of available-for-sale investments	21	—	(8,128)
Additions to exploration and evaluation assets		(1,839)	(3,176)
Purchase of property, plant and equipment		(2,510)	(5,781)
Proceeds on disposal of property, plant and equipment		20	—
Increase in pledged bank deposits		(21)	(1,375)
Acquisition of interest in an associate		(10,000)	—
Net cash inflow arising from acquisition of subsidiaries		3,979	—
Proceeds on disposal of financial assets designated at fair value through profit or loss		—	5,128
Proceeds on disposal of available-for-sale investments		—	1,328
NET CASH USED IN INVESTING ACTIVITIES		(10,371)	(12,004)
FINANCING ACTIVITIES			
Proceeds from issue of shares		69,231	—
Interest paid		—	(54)
Expense on issue of shares		(1,038)	—
NET CASH FROM (USED IN) FINANCING ACTIVITIES		68,193	(54)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(55,048)	(35,678)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(5)	(553)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		99,503	135,734
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		44,450	99,503
Represented by:			
Bank balances and cash		44,450	99,503

Notes to the Consolidated Financial Statements

For the year ended 31 March 2016

1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The Company is an investment holding company with its subsidiaries engaged in (i), exploration, development and mining of copper and other mineral resources materials, (ii) investment in financial instruments, (iii) property investment, (iv) money lending and (v) e-logistics platform. The principal activities of each of its principal subsidiaries are set out in note 40.

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

Pursuant to a special resolution passed by the shareholders of the Company on 16 May 2016, the Company's name was changed from "CST Mining Group Limited" to "NetMind Financial Holdings Limited" with effect from 17 May 2016.

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

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

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 amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these financial statements.

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

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

HKFRS 9	Financial instruments[3]
HKFRS 15	Revenue from contracts with customers[3]
HKFRS 16	Leases[4]
Amendments to HKAS 1	Disclosure initiative[1]
Amendments to HKAS 7	Disclosure initiative[2]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses[2]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[1]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[1]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[1]
Amendments to HKFRS 15	Clarification of HKFRS 15 revenue from contracts with customers[3]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle[1]

1 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
4 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
5 Effective for annual periods beginning on or after a date to be determined.

HKFRS 9 "Financial instruments"

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

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

HKFRS 9 "Financial instruments" (continued)

Key requirements of HKFRS 9:

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

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

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

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors anticipate that the adoption of HKFRS 9 in the future may have an impact on amounts reported and related disclosures of financial assets in respect of available-for-sale investments. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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

HKFRS 15 "Revenue from contracts with customers"

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction contracts" and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15. The directors of the Company are in the process of making an assessment of the potential impact of the applicable of HKFRS 15 and it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

HKFRS 16 "Leases"

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases", introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under HKAS 17.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2016

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

HKFRS 16 "Leases" (continued)

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

As set out in Note 35, total operating lease commitment of the Group in respect of premises leased as at 31 March 2016 amounted to US$1,899,000 (31 March 2015: US$1,543,000), the directors of the Company do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's result but it is expected that certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The provisions of the new CO (Cap 622) regarding preparation of accounts and directors' reports and audits became effective for the Company for the financial year ended 31 March 2016. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 March 2016 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 March 2015 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations

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

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

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

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

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations" are measured in accordance with that standard.

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

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill

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

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

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

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

The Group's policy for goodwill arising on the acquisition of an associate is described below.

Investments in an associate and a joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

The results and assets and liabilities of an associate and a joint venture are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations".

Notes to the Consolidated Financial Statements

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in an associate and a joint venture (continued)

Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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

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

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

Revenue recognition

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

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

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

- it is probable that the economic benefits associated with the transaction will flow to the Group; and

- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

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

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

Exploration and evaluation assets

Exploration and evaluation assets are recognised at cost less any impairment loss.

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

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

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or

- activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability; or

- facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

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

Property, plant and equipment

Property, plant and equipment including buildings, leasehold (classified as finance leases) and freehold land held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

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

Mine property and development assets

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Mine property and development assets (continued)

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

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

Stripping cost

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

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

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

Leasehold land and buildings

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

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is classified as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under fair value model.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Capital work in progress

Capital work in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Capital work in progress is carried at costs less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Capital work in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation

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

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

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

- A significant utilisation rate of plant capacity has been achieved; and
- A pre-determined, reasonable period of time of stable operation has passed.

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

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

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

Investment properties

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties (continued)

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

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

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

When no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Inventories

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

Financial instruments

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

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

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL"), available-for-sale and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

Financial assets at fair value through profit or loss

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

A financial asset is classified as held for trading if:

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

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

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

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets and is included in the 'other gains and losses' line item.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, loan receivable, amount due from a joint venture and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Available-for-sale financial assets

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

Equity and debt securities held by the Group that are classified as available-for-sale financial assets and are traded in an active market are measured at fair value at the end of the reporting period. Changes in the carrying amount of available-for-sale monetary financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the financial asset is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

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

Impairment of financial assets

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

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

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

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

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

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

Financial liabilities and equity instruments

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

Equity instruments

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

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

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

Interest expense is recognised on an effective interest basis.

Derecognition
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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

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

Taxation

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. USD) using exchange rate prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the exchange reserve).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income and accumulated in equity (the exchange reserve).

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme and state-sponsored pension scheme are recognised as expense when employees have rendered service entitling them to the contributions.

Defined contribution plans

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

Leasing

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

The Group as lessor

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

The Group as lessee

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

The Group as lessee (continued)

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

Impairment on tangible assets other than goodwill (see the accounting policy in respect of goodwill above)

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

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

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

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

Provisions

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions (continued)

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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

Provision for mine rehabilitation cost

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

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

Share-based payment arrangements

Equity settled share-based payment transactions

Share options granted to directors and employees of the Company

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

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

When the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited (due to termination of employment) after the vesting date, the amount previously recognised in share options reserve will be transferred to accumulated losses/retained earnings.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment arrangements (continued)

Equity settled share-based payment transactions (continued)

Share options granted to directors and employees of the Company (continued)

If the share options expire or lapse after the vesting period, the share options reserve is transferred directly to accumulated losses/retained earnings.

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgments in applying accounting policies

The following is the critical judgment, apart from those involving estimations, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

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

Joint control over Mission Right Limited ("Mission right")

During the year ended 31 March 2015, the Group acquired of 50% interest in Mission Right. Mission Right has become a joint venture of the Group following the transaction. Details are set out in note 20.

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

Critical judgments in applying accounting policies (continued)

Joint control over Mission Right Limited ("Mission right") (continued)

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

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable. If an asset's recoverable amount is less than the asset's carrying amount, an impairment loss is recognised. Future cash flow estimates which are used to calculate the asset's recoverable amount are based on expectations about future operations primarily comprising estimates about production and sales volumes, commodity prices, reserves, operating and rehabilitation and restoration costs and estimated allocation of cost to inventories work in progress. Fair value less costs to sell estimates which are used to calculate the asset's recoverable amount are based on management's observation of market and certain assumptions based on assets' condition and location. Changes in such estimates could impact recoverable values of these assets. Estimates are reviewed regularly by management. As at 31 March 2016, property, plant and equipment is at carrying amount of US$1,463,000 (2015: US$2,504,000), net of impairment.

Estimated net realisable value of inventories

Inventories are reviewed for their net realisable value at the end of each reporting period, and the Group will makes allowance for inventories with net realisable values lower than their carrying amounts. The excess of carrying value over net realisable value of inventories as at 31 March 2016 was amounted to US$41,804,000 (2015: US$24,264,000). The management estimates the net realisable value for goods based primarily on the latest selling prices and current market conditions and its related cost to completion. The carrying amount of inventories after allowance for write-down of the Group as at 31 March 2016 is US$11,337,000 (2015: US$40,954,000).

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

Key sources of estimation uncertainty (continued)

Provision for mine rehabilitation cost

A provision for future rehabilitation cost requires estimates and assumptions to be made around the relevant regulatory framework, the magnitude of the possible disturbance and the timing, extent and costs of the required closure and rehabilitation activities. To the extent that the actual future costs differ from these estimates, adjustments will be recorded and the consolidated statement of profit or loss and other comprehensive income could be impacted. The provisions, including the estimates and assumptions contained therein, are reviewed regularly by management. As at 31 March 2016, provision for mine rehabilitation cost is at carrying amount of US$23,346,000 (2015: US$25,377,000).

Provision for an onerous contract

Management estimates the provision for an onerous contract being the present obligation of the unavoidable costs less the economic benefits expected to be received under the non-cancellable power supply contract. The expected economic benefits are estimated based on estimated future usage and power supply rates by reference to market statistics and information while unavoidable costs are estimated based on power supply payments that the Group is obliged to make under the contracts.

Management conducted an assessment of the power supply contract and the estimates and assumptions contained therein are reviewed regularly. Provision for an onerous contract of US$30,902,000 (2015: nil) was made as at 31 March 2016 (note 31).

Provisional fair value of net assets on date of acquisition in respect of the acquisition of Planet Smooth Group

As set out in note 33, the Group completed the acquisition of Planet Smooth Group on 12 November 2015. However, since the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete.

Those provisional amounts adjusted during the measurement period (which cannot exceed one year from the acquisition date), and additional assets or liabilities recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the sum of acquisition date fair value of the assets transferred to the Group, liabilities assumed by the Group, the goodwill arising on acquisition recognised at the date of acquisition of Planet Smooth Group. As at 31 March 2016, the provisional fair value of net assets acquired on the date of acquisition of Planet Smooth Group was amounted to US$2,545,000 and the goodwill arising on the acquisition was US$88,278,000.

Fair value of investment properties

Fair value of investment properties was determined based on a valuation on these properties conducted by an independent firm of professional valuers using property valuation techniques which involve certain assumptions of market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss recognised in the consolidated statement of profit or loss and other comprehensive income. As at 31 March 2016, investment properties are at fair value of US$21,089,000 (2015: US$20,676,000).

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

Key sources of estimation uncertainty (continued)

Estimated impairment on exploration and evaluation assets

In determining whether there is an impairment of the exploration and evaluation assets, management is required to assess whether there is any impairment indicators which indicates that there is impairment on the exploration and evaluation assets including (a) the period for which the Group has the right to explore in the specific area has expired during the period or the right will expire in the near future, and is not expected to be renewed; (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; (d) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to recovered in full from successful development or by sale. As at 31 March 2016, the carrying amount of exploration and evaluation assets is US$6,558,000 (2015: US$28,709,000).

Fair value of measurement and valuation processes

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

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

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

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 March 2016, the carrying amount of goodwill is approximately US$88,278,000 (2015: nil).

5. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

Notes to the Consolidated Financial Statements

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5. CAPITAL RISK MANAGEMENT (continued)

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

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

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2016 US$'000	2015 US$'000
Financial Assets		
Loans and receivables (including cash and cash equivalents)	136,097	161,232
Financial assets at FVTPL	776,513	642,762
Available-for-sale investments	61,008	100,545
Financial Liabilities		
Amortised cost	2,960	3,287

	Weighted average interest rate %	Less than 3 months or on demand US$'000	Total undiscounted cash flows US$'000	Carrying amount at 31.3.2016 US$'000
As at 31 March 2016				
Non-derivatives financial liabilities				
Trade and other payables	—	2,704	2,704	2,704
Amount due to a non-controlling interest	—	256	256	256
		2,960	2,960	2,960
Financial guarantee contracts	—	46,672	46,672	—
As at 31 March 2015				
Non-derivatives financial liabilities				
Trade and other payables	—	3,031	3,031	3,031
Amount due to a non-controlling interest	—	256	256	256
		3,287	3,287	3,287
Financial guarantee contracts	—	46,532	46,532	—

6. FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

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

(b) Financial risk management objectives and policies

The management of the Group manages the financial risks relating to operations through the internal risk reports which analyse exposures by degree and magnitude of risks. These risks represent market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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

Market risk

Foreign currency risk management

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

In addition, the Group is also exposed to foreign currency risk to the extent of non-current intra-group balances that form part of the net investment when the subsidiaries which have HKD as their functional currency injected capital denominated in AUD for operations in Australia which have AUD as their functional currency. The carrying amount of the intra-group balances was US$88,113,000 at 31 March 2016 (2015: US$99,240,000).

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6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

Foreign currency risk management (continued)

The carrying amount of the Group's foreign currency denominated monetary assets (representing trade receivables, financial assets at FVTPL and bank balances and cash) at the reporting date is as follows:

	Assets		Liabilities	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Renminbi	**3,930**	4,614	**—**	—
Canadian dollars	**856**	1,003	**—**	—
USD	**95,947**	122,146	**—**	—
AUD	**5,641**	4,354	**—**	—

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% (2015: 5%) increase or decrease in Renminbi, Canadian dollars and AUD. 5% (2015: 5%) is the sensitivity rate used in the current year when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes outstanding foreign currency denominated monetary assets and adjusts their translation at the end of the reporting period for a 5% (2015: 5%) change in foreign currency rate. It excludes items denominated in USD held by group entities with HKD as functional currency as the directors consider that the Group's exposure to USD for such entities is insignificant on the ground that HKD is pegged to USD. A positive number indicates an decrease in post-tax loss for the year where the foreign currencies strengthens 5% (2015: increase in post-tax profit for the year where the foreign currencies strengthens 5%) against the functional currency of respective group entity. For a 5% (2015: 5%) weakening of the foreign currencies against the functional currency of respective group entity, there would be an equal and opposite impact.

	Profit or loss	
	2016 US$'000	2015 US$'000
Renminbi	**164**	193
Canadian dollars	**36**	42
USD	**557**	770
AUD	**197**	152

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

6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

Interest rate risk management
The Group is exposed to fair value interest rate risk in relation to fixed-rate loan receivable. The Group currently does not have any instruments to hedge against the fair value interest rate risk.

The Group is also exposed to cash flow interest rate risk through the impact of rate changes on interest bearing financial assets which are mainly short-term bank deposits and pledged bank deposits. If the bank interest rate had been 10 basis point (2015: 10 basis point) increase/decrease while all other variables were held constant, the Group's loss for the year ended 31 March 2016 would decrease/increase by US$97,000 (2015: profit for the year ended would increase/decrease by US$152,000).

Other price risk
The Group is exposed to equity and other price risk mainly through its financial assets at FVTPL and available-for-sale investments. The management of the Group manages this exposure by maintaining a portfolio of investments with different risk and return profiles. For sensitivity analysis purpose, the sensitivity rate is 30% (2015: 30%). If the prices of the financial assets at FVTPL and listed equity securities classified as available-for-sale investments had been 30% (2015: 30%) higher/lower while all other variables were held constant, the Group's post-tax loss for the year would decrease/increase by US$194,517,000 (2015: post-tax profit for the year would increase/decrease by US$161,012,000) and the investment revaluation reserve would increase/decrease by US$13,907,000 (2015: US$20,172,000).

Credit risk management
As at 31 March 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position (including trade and other receivables, loans receivable, bank balances and cash); and

- the amount of contingent liabilities in relation to financial guarantee issued by the Group as disclosed in note 26.

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

Notes to the Consolidated Financial Statements
For the year ended 31 March 2016

6. FINANCIAL INSTRUMENTS (continued)

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

Credit risk management (continued)
The Group has concentration of credit risk of investment in financial assets designated as FVTPL, representing unlisted debt securities of US$8,508,000 (2015: US$8,281,000) issued by a private entity incorporated in the Cayman Islands.

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

As at 31 March 2016 and 2015, the Group's trade receivable is due from one major customer based in Australia (31 March 2015: Australia). The major customer has a long history of manufacturing and sales of copper products and the Group's management monitors the customer's performance continuously to ensure the Group's exposure to credit risk is minimised.

The Group's concentration of credit risk by geographical location is mainly in Australia, which accounted for 100% of the total trade receivables as at 31 March 2016 and 2015.

In respect of the loan receivable, representing financing advances to customer under the Group's money lending business, individual credit evaluation is performed on each customer. The evaluation focuses on the customer's financial background and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. As at 31 March 2016, the total loan receivable is due from one major customer (31 March 2015: nil).

The directors consider the credit risk under control since the management exercises due care in granting credit and check the financial background of the customer on a regular basis.

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

Liquidity risk management
In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

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

6. FINANCIAL INSTRUMENTS (continued)

(c) Fair values of financial instruments

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

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

Financial assets	Fair value as at 31 March		Fair value hierarchy	Valuation technique(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2016 US$'000	2015 US$'000				
Available-for-sale investments						
Equity securities listed in Hong Kong ("HK")	46,356	67,240	Level 1	Quoted bid prices in an active market	N/A	N/A
Financial assets at FVTPL						
Equity securities listed in HK	689,575	568,890	Level 1	Quoted bid prices in an active market	N/A	N/A
Equity securities listed in overseas	1,375	1,851	Level 1	Quoted bid prices in active markets	N/A	N/A
Investment funds	77,055	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, Unsecured Bond (as defined in note 25 (b))	8,508	8,281	Level 3	Discounted cash flow and Hull-White model	Discount rate (Note)	The higher the discount rate, the lower the fair value
					Risk free rate	The higher the risk free rate, the lower the fair value
					Option adjusted spread	The higher the option adjusted spread, the lower the fair value
					Liquidity premium	The higher the liquidity premium, the lower the fair value

Note: For the Unsecured Bond, the most significant unobservable input is the discount rate. If the discount rate to the valuation model was 0.5% higher/lower while and the other variables were held constant, the total carrying amount of these unlisted investments would decrease/increase by US$133,000 and US$136,000 (2015: US$153,000 and US$156,000) respectively.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2016

6. FINANCIAL INSTRUMENTS (continued)

(c) Fair values of financial instruments (continued)

Fair value hierarchy

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
2016				
Financial assets at FVTPL	690,950	77,055	8,508	776,513
Available-for-sale investments	46,356	—	—	46,356
	737,306	77,055	8,508	822,869

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

Reconciliation of Level 3 fair value measurements of financial assets:

	Note (as defined in note 25 (a)) US$'000	Unsecured Bond (as defined in note 25 (b)) US$'000	Total unlisted securities US$'000
At 1 April 2014	4,683	7,326	12,009
Disposal/settlement	(5,128)	—	(5,128)
Total gain recognised in profit or loss	445	955	1,400
At 31 March 2015	—	8,281	8,281
Total gain recognised in profit or loss	—	227	227
At 31 March 2016	—	8,508	8,508

Of the total gain on fair value changes of financial assets at FVTPL, gain of US$227,000 (2015: US$1,400,000) related to financial assets at FVTPL with level 3 fair value measurement is included. Fair value gains or losses on financial assets at FVTPL are included in the consolidated statement of profit or loss and other comprehensive income.

6. FINANCIAL INSTRUMENTS (continued)

(d) Fair value measurements and valuation process

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

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

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

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

7. REVENUE/SEGMENT INFORMATION

Revenue

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

	2016 US$'000	2015 US$'000
Sale of copper cathodes	45,462	109,143
Residential rental income	578	563
Office rental income	208	234
Dividend income from trading securities	10,617	8,009
Interest income from financial assets at FVTPL	944	1,208
Interest income from money lending business	223	—
	58,032	119,157

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7. REVENUE/SEGMENT INFORMATION (continued)

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. This is also the basis upon which the Group is arranged and organised. The operating segments of money lending business and e-logistics platform business are newly commenced during the year ended 31 March 2016.

Specifically, the Group's operating and reportable segments under HKFRS 8 were organised into five main operating divisions — (i) mining business (ii) investment in financial instruments, (iii) property investment, (iv) money lending and (v) e-logistics platform.

Under HKFRS 8, segment information is based on internal management reporting information that is regularly reviewed by the executive directors, being the CODM of the Group. The measurement policies the Group used for segment reporting under HKFRS 8 are the same as those used in its HKFRS financial statements. The CODM assess segment profit or loss using a measure of operating profit whereby certain items are not included in arriving at the segment results of the operating segments (other income and other gains and losses (except for provision for an onerous contract), central administration costs, finance costs, share of result of a joint venture and share of result of an associate).

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	
	2016	2015	**2016**	2015
	US$'000	US$'000	**US$'000**	US$'000
Mining business	**45,462**	109,143	**(85,040)**	(33,672)
Investments in financial instruments	**11,561**	9,217	**43,505**	75,175
Property investment	**786**	797	**905**	1,564
Money lending	**223**	—	**223**	—
E-logistics platform	**—**	—	**(1,822)**	—
	58,032	119,157	**(42,229)**	43,067
Other income and other gains and losses (except for provision for an onerous contract)			**(376)**	(14,203)
Central administration costs			**(17,913)**	(12,034)
Finance costs			**(369)**	(1,686)
Share of result of an associate			**(461)**	—
Share of result of a joint venture			**(6,809)**	12,432
(Loss) profit before taxation			**(68,157)**	27,576

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

7. REVENUE/SEGMENT INFORMATION (continued)

Segment assets

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

	2016 US$'000	2015 US$'000
Segment assets:		
— Mining business	**93,742**	152,307
— Investments in financial instruments	**851,366**	743,307
— Property investment	**21,089**	20,676
— Money lending	**18,172**	—
— E-logistics platform	**91,278**	—
Total segment assets	**1,075,647**	916,290
Unallocated assets:		
— Bank balances and cash	**24,045**	77,613
— Property, plant and equipment	**1,956**	2,014
— Others	**20,887**	18,606
	46,888	98,233
Consolidated total assets	**1,122,535**	1,014,523

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

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

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7. REVENUE/SEGMENT INFORMATION (continued)

Other segment information

2016

	Mining business US$'000	Investments in financial instruments US$'000	Property investment US$'000	Money lending US$'000	E-logistics US$'000	Unallocated US$'000	Total US$'000
Amounts included in the measure of segment results or segment assets:							
Gain on fair value changes of financial assets at FVTPL	—	66,635	—	—	—	—	66,635
Gain on fair value changes of investment properties	—	—	413	—	—	—	413
Additions to non-current assets (note)	4,011	—	—	—	25	305	4,341
Deprecation on property, plant and equipment	(3,129)	—	—	—	(17)	(208)	(3,354)
Impairment loss on property, plant and equipment recognised in profit or loss	(40)	—	—	—	—	—	(40)
Impairment loss on exploration and evaluation assets recognised in profit or loss	(7,460)	—	—	—	—	—	(7,460)
Loss on inventories written down to net realisable value	(41,804)	—	—	—	—	—	(41,804)
Write-off of exploration and evaluation assets	(15,778)	—	—	—	—	—	(15,778)

2015

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

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

7. REVENUE/SEGMENT INFORMATION (continued)

Geographical information

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

	Revenue from external customers		Carrying amounts of non-current assets	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
The PRC, other than Hong Kong	**235**	272	**94,523**	5,702
Hong Kong	**12,335**	9,742	**17,136**	16,988
Australia	**45,462**	109,143	**8,021**	31,213
	58,032	119,157	**119,680**	53,903

Information about major customers

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

	Year ended 31 March	
	2016 US$'000	2015 US$'000
Customer A	**40,848**	88,721
Customer B	**Note**	16,820

Note: Revenue from Customer B is no longer over 10% during the year ended 31 March 2016.

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8. COST OF SALES

	2016 US$'000	2015 US$'000
Depreciation	812	7,108
Drilling & blasting, earthmoving & haulage	6,792	14,561
Staff costs	4,394	14,163
Direct materials	10,673	18,480
Electricity	12,113	11,510
Diesel/Fuel	1,340	5,212
Overhead	1,284	4,324
Maintenance	1,848	2,367
Equipment rental	710	1,088
Production stripping cost capitalised	—	(4,848)
Movement in inventories	(13,235)	3,618
	26,731	77,583

9. OTHER INCOME AND OTHER GAINS AND LOSSES

	2016 US$'000	2015 US$'000
Bank interest income	1,508	2,037
Net foreign exchange loss	(5,020)	(16,571)
Provision for an onerous contract	(29,719)	—
Reversal of provision for rehabilitation cost	2,396	—
Others	740	331
	(30,095)	(14,203)

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

(a) Directors

The emoluments paid or payable to each of the eleven (2015: nine) directors were as follows:

	2016					
Name	Fees US$'000	Basic salaries allowances and benefits-in-kind US$'000	Performance related bonus US$'000	Contributions to retirement benefit scheme US$'000	Share-based payments US$'000	Total US$'000
Executive Directors (note v)						
Chiu Tao (Chairman) (note i)	—	5,000	3,206	2	—	8,208
Chen Weixing (note ii)	—	—	—	—	—	—
Hui Richard Rui	—	255	114	2	—	371
Kwan Kam Hung Jimmy	—	160	106	2	—	268
Lee Ming Tung	—	155	77	2	—	234
Tsui Ching Hung	—	174	29	2	—	205
Yeung Kwok Yu	—	203	39	2	—	244
Independent Non-executive Directors (note vi)						
Leung Hoi Ying (note iii)	3	—	—	—	—	3
Ma Yin Fan	26	—	—	—	—	26
Tong So Yuet	26	—	—	—	—	26
Yu Pan	15	—	—	—	—	15
	70	5,947	3,571	12	—	9,600

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

Notes to the Consolidated Financial Statements

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10. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

(a) Directors (continued)

Notes:

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

(ii) Mr. Chen Weixing was appointed as an executive director of the Company on 2 November 2015.

(iii) Mr. Leung Hoi Ying was appointed as an independent non-executive director of the Company on 29 January 2016.

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

(v) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

(vi) The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

(vii) There is no compensation for the loss of office as a director in connection with the management of the affairs of member of the Group for both years.

(b) Information regarding employees' emoluments

The five highest paid employees of the Group during the year included four directors (2015: four directors), details of whose remuneration are set out in above. Details of the remuneration for the year of the remaining one (2015: one) highest paid employee who is neither a director nor chief executive of the Company is as follows:

	2016 US$'000	2015 US$'000
Salaries, allowances and benefits in kind	377	580
Retirement benefits	22	21
	399	601

The number of the highest paid employee who is not a director of the Company whose remuneration fell within the following bands is as follows:

	2016 No. of employees	2015 No. of employees
HK$3,000,000 to HK$3,500,000 (equivalent to US$384,615 to US$448,718)	1	—
HK$4,500,000 to HK$5,000,000 (equivalent to US$576,923 to US$641,026)	—	1
	1	1

11. FINANCE COSTS

	2016 US$'000	2015 US$'000
Interest on overdrafts	—	54
Effective interest expense on provision for mine rehabilitation cost	369	1,632
	369	1,686

12. (LOSS) PROFIT BEFORE TAXATION

	2016 US$'000	2015 US$'000
(Loss) profit before taxation has been arrived at after charging:		
Directors' remuneration (note 10(a))	9,600	8,901
Contributions to retirement benefit scheme to employees	693	1,383
Reversal of share-based payment expenses to employees	—	(4)
Other staff costs	9,368	20,024
Total staff costs	19,661	30,304
Less: amount capitalised in		
Exploration and evaluation assets	(540)	(1,402)
Inventories	(4,394)	(14,163)
Total staff costs included in administrative expenses	14,727	14,739
Auditor's remuneration	391	463
Depreciation on property, plant and equipment	2,584	2,320
Loss on disposal of property, plant and equipment	180	—
Cost of inventories recognised as an expense	26,731	77,583
Minimum lease payments paid under operating leases in respect of rented premises	844	843
and after crediting:		
Gross rental income less direct operating expenses of US$134,000 (2015: US$206,000) from investment properties that generated rental income during the year	652	591

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13. TAXATION

	2016 US$'000	2015 US$'000
Current tax:		
PRC	20	23
Australian withholding tax	285	383
Deferred tax (note 29)	—	(1,002)
Taxation for the year	305	(596)

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

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

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

The taxation for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2016 US$'000	2015 US$'000
(Loss) profit before taxation	(68,157)	27,576
Taxation at the domestic income tax rate (note)	(22,687)	577
Tax effect of share of loss (profit) of a joint venture	1,123	(2,051)
Tax effect of share of loss of an associate	115	—
Tax effect of expenses not deductible for tax purpose	29,062	10,988
Tax effect of income not taxable for tax purpose	(20,128)	(11,437)
Tax effect of tax losses not recognised	16,193	2,218
Tax effect of utilisation of tax losses previously not recognised	(3,658)	(1,274)
Australian withholding tax	285	383
Taxation for the year	305	(596)

Note: The domestic tax rate in Hong Kong of 16.5% (2015: 16.5%), PRC of 25% (2015: 25%) and Australia of 30% (2015: 30%), which are jurisdictions where the operations of the Group are substantially used.

14. (LOSS) EARNINGS PER SHARE

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

	2016 US$'000	2015 US$'000
(Loss) profit for the year attributable to owners of the Company for the purposes of basic and diluted (loss) earnings per share	(68,320)	28,172

	Number of share	
	2016 '000	2015 '000
Number of ordinary shares for the purposes of basic and diluted (loss) earnings per share	33,824,538	27,098,309

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

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15. PROPERTY, PLANT AND EQUIPMENT

	Capital work in progress US$'000	Mine property and development assets US$'000	Plant and equipment US$'000	Leasehold land and buildings US$'000	Leasehold improvements US$'000	Furniture and equipment US$'000	Motor vehicles US$'000	Vessel US$'000	Software US$'000	Total US$'000
COST										
At 1 April 2014	1,844	231,988	31,492	7,490	340	2,000	878	3,935	—	279,967
Exchange adjustments	—	(33,956)	(5,420)	(998)	—	(239)	—	—	—	(40,613)
Additions	1,128	4,562	—	—	45	36	—	10	—	5,781
Reallocation	(290)	—	261	—	—	29	—	—	—	—
Disposals/write-off	—	—	—	—	—	(2)	—	(11)	—	(13)
At 31 March 2015	2,682	202,594	26,333	6,492	385	1,824	878	3,934	—	245,122
Exchange adjustments	—	592	76	15	—	4	(2)	—	(4)	681
Additions	40	2,120	25	—	7	68	30	200	—	2,490
Acquisition of subsidiaries	—	—	140	—	—	—	36	—	187	363
Disposals/write-off	—	—	(34)	—	—	(15)	—	(192)	—	(241)
At 31 March 2016	2,722	205,306	26,540	6,507	392	1,881	942	3,942	183	248,415
DEPRECIATION AND IMPAIRMENT										
At 1 April 2014	1,844	231,988	25,959	5,999	285	1,736	749	3,691	—	272,251
Exchange adjustments	(124)	(34,627)	(3,832)	(1,773)	—	(446)	—	—	—	(40,802)
Provided for the year	—	5,233	1,998	602	23	271	40	39	—	8,206
Impairment loss recognised in profit or loss	962	—	—	—	—	—	—	—	—	962
Eliminated on disposals/write-off	—	—	—	—	—	(2)	—	(11)	—	(13)
At 31 March 2015	2,682	202,594	24,125	4,828	308	1,559	789	3,719	—	240,604
Exchange adjustments	—	592	102	22	—	7	—	—	—	723
Provided for the year	—	2,120	742	233	28	164	39	28	—	3,354
Impairment loss recognised in profit or loss	40	—	—	—	—	—	—	—	—	40
Eliminated on disposals/write-off	—	—	(6)	—	—	(15)	—	(40)	—	(61)
At 31 March 2016	2,722	205,306	24,963	5,083	336	1,715	828	3,707	—	244,660
CARRYING VALUES										
At 31 March 2016	—	—	1,577	1,424	56	166	114	235	183	3,755
At 31 March 2015	—	—	2,208	1,664	77	265	89	215	—	4,518

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

15. PROPERTY, PLANT AND EQUIPMENT (continued)

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

The effective depreciation rate for the year ended 31 March 2016 is 1.00% (2015: 2.40%).

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

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

Depreciation expense of property, plant and equipment of US$12,000 and US$2,763,000 (2015: US$7,000 and US$7,108,000) incurred during the year ended 31 March 2016 were capitalised as part of exploration and evaluation assets and inventories, respectively. US$2,005,000 (2015: US$1,229,000) of these capitalised costs was charged to profit or loss as cost of goods sold during the year.

During the year, under the circumstances of the continuous decrease in copper price, the directors conducted a review on the recoverable amount of cash-generating units ("CGU") for the mining of copper on the Group's property, plant and equipment and determined that a number of those assets were impaired. Accordingly, an impairment loss of US$40,000 (2015: US$962,000) has been recognised in respect of property, plant and equipment, which are used in the mining business segment. The recoverable amounts of the relevant assets have been determined on the basis of their value in use. The recoverable amount of the property, plant and equipment is US$1,463,000 (2015: US$2,504,000).

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16. EXPLORATION AND EVALUATION ASSETS

	US$'000
COST	
At 1 April 2014	50,925
Impairment loss recognised in profit or loss	(17,654)
Exchange adjustments	(6,317)
Additions	3,183
Write-off recognised in profit or loss	(1,428)
At 31 March 2015	**28,709**
Impairment loss recognised in profit or loss	**(7,460)**
Exchange adjustments	**(764)**
Additions	**1,851**
Write-off recognised in profit or loss	**(15,778)**
At 31 March 2016	**6,558**

During the year ended 31 March 2016, the management carried out review on all exploration projects undergoing and have decided to surrender 24 exploration permits for minerals in Australia which might not make synergy with other exploration areas after considering the then current copper price and the locations and expected returns from further drilling of the areas under these 24 permits. Accordingly, the management has fully written off the carrying amount of part of these exploration projects of US$15,778,000 during the year ended 31 March 2016 (2015: US$1,428,000).

During the year, under the circumstances of the decrease in copper price, the directors also conducted a review on the recoverable amount of CGU for the mining of copper on the Group's exploration and evaluation assets and determined that impairment loss of US$7,460,000 has been recognised (2015: US$17,654,000). The recoverable amounts of the relevant assets have been determined on the basis of the value in use.

17. INVESTMENT PROPERTIES

	2016 US$'000	2015 US$'000
FAIR VALUE		
At the beginning of the year	20,676	19,510
Gain on fair value changes recognised in profit or loss	413	1,166
At the end of the year	21,089	20,676

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

The properties were rented out under operating leases and categorised at level 3 under the fair value hierarchy.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 March 2016 and 2015 are as follows:

	Fair value as at 31 March	
	2016 US$'000	2015 US$'000
Residential units located in Hong Kong	15,180	14,974
Commercial units located in the PRC	5,909	5,702
	21,089	20,676

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17. INVESTMENT PROPERTIES (continued)

The following table gives information about how the fair values of these investment properties as at 31 March 2016 and 31 March 2015 are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Level 3) based on the degree to which the inputs to the fair value measurements is observable.

	Valuation technique(s) & key inputs	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
Property 1 — Properties in Quarry Bay, Hong Kong	Direct comparison method based on market observable transactions of similar properties and adjust to reflect the conditions and locations of the subject property	Price per square foot, using market direct comparable and taking into account of location and other individual factors such as age and location of the property, of HK$6,931 per square foot (2015: HK$6,845 per square foot)	A slight increase in the price per square foot will increase slightly the fair value.	If the market price to the valuation model is 5% higher/lower while all the other variables were held constant, the carrying value of the investment properties would increase/ decrease by US$258,000 (equivalent to HK$2,010,000) (2015: US$254,000 (equivalent to HK$1,985,000)).
Property 2 — Properties in Quarry Bay, Hong Kong	Direct comparison method based on market observable transactions of similar properties and adjust to reflect the conditions and locations of the subject property	Price per square foot, using market direct comparable and taking into account of location and other individual factors such as age and location of the property, of HK$7,261 per square foot (2015: HK$7,159 per square foot)	A slight increase in the price per square foot will increase slightly the fair value.	If the market price to the valuation model is 5% higher/lower while all the other variables were held constant, the carrying value of the investment properties would increase/ decrease by US$501,000 (equivalent to HK$3,910,000) (2015: US$494,000 (equivalent to HK$3,855,000)).
Property 3 — Properties in Changning District, Shanghai City, the PRC	Direct comparison method based on market observable transactions of similar properties and adjust to reflect the conditions and locations of the subject property	Price per square metre, using market direct comparable and taking into account of location and other individual factors such as age and location of the property, of RMB21,775 per square metre (2015: RMB22,708 per square metre)	A slight increase in the price per square metre will increase slightly the fair value.	If the market price to the valuation model is 5% higher/lower while all the other variables were held constant, the carrying value of the investment properties would increase/ decrease by US$108,000 (equivalent to RMB700,000) (2015: US$118,000 (equivalent to: RMB730,000)).
Property 4 — Properties in Luohu District, Shenzhen, the PRC	Direct comparison method based on market observable transactions of similar properties and adjust to reflect the conditions and locations of the subject property	Price per square metre, using market direct comparable and taking into account of location and other individual factors such as age and location of the property, of RMB15,450 per square metre (2015: RMB13,044 per square metre)	A slight increase in the price per square metre will increase slightly the fair value.	If the market price to the valuation model is 5% higher/lower while all the other variables were held constant, the carrying value of the investment properties would increase/ decrease by US$188,000 (equivalent to RMB1,220,000) (2015: US$166,000 (equivalents to RMB1,030,000)).

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

18. GOODWILL

	US$'000
COST	
At 31 March 2015 and 1 April 2015	—
Arising on acquisition of subsidiaries (provisional)	88,278
At 31 March 2016	**88,278**
CARRYING VALUES	
At 31 March 2016	**88,278**
At 31 March 2015	—

For the impairment testing, provisional goodwill is allocated to the Group's CGU identified according to business segment which is the e-logistic platform.

The recoverable amount of the e-logistic platform CGU was based on its value in use and was determined with the assistance of Grant Sherman Appraisal Limited, an independent professional qualified valuer not connected with the Group. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and at discount rate of 27.9% (2015: nil). Cash flows after the five-year period were extrapolated using a 3% (2015: nil) growth rate in considering the economic condition of the market.

The growth rate used to extrapolate cash flow projections beyond the five-year period do not exceed the long-term average growth rate for the industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows which include budgeted sales and gross margin. Such estimation is based on the industry information and management's expectation for the market development including the fluctuation in e-logistic business in the current economic environment. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of this unit to exceed the aggregate recoverable amount of this unit. Therefore no impairment was made for the year ended 31 March 2016.

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19. INTERESTS IN AN ASSOCIATE

	2016 US$'000
Cost of unlisted investment in an associate	10,000
Share of post-acquisition loss and other comprehensive expense	(473)
	9,527

The interests in an associate represent a 20% equity interest in Kuaichi Group Holding Limited and its subsidiaries ("Kuaichi Group"). The Group is able to exercise significant influence over Kuaichi Group as the Group has the power to participate in the financial and operating policy decisions of the investees but does not have control or joint control over those policies. Accordingly, Kuaichi Group is regarded as an associate of the Group.

Details of the Group's associate at the end of the reporting period are as follow:

Name of entity	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest held by the Group 2016	Proportion of voting rights held by the Group 2016	Principal activity
Kuaichi Group Holding Limited (note)	Cayman Islands	PRC	20%	20%	E-logistics business

Note: On 14 September 2015, Gold Label Inc, a wholly-owned subsidiary of the Company and Mr. Chen Wei Xing, Mr. Zhao Gan and Mr. Yang Bang Zhao (the "Vendors"), entered into a subscription agreement in respect of the acquisition of 20% equity interest in Kuaichi Group (the "Sale Shares") at an aggregate consideration of US$10,000,000 and it is principally engaged in e-logistics business in the PRC.

During the year ended 31 March 2016, the directors of the Company reviewed the carrying value of the Group's associate. The entire carrying amount of the interests in an associate (including goodwill) is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount with its carrying amount. Since the recoverable amount is higher when compared with its carrying amount, no impairment loss is recognised during the year ended 31 March 2016.

The recoverable amount of the investment in an associate was based on its value in use and was determined with the assistance of Grant Sherman Appraisal Limited, an independent professional qualified valuer not connected with the Group. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and at discount rate of 27.8% (2015: nil). Cash flows after the five-year period were extrapolated using a 3% (2015: nil) growth rate in considering the economic condition of the market.

19. INTERESTS IN AN ASSOCIATE (continued)

The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs.

The associate is accounted for using the equity method in these consolidated financial statements.

Kuaichi Group

	2016 US$'000
Current assets	5,263
Non-current assets	71
Current liabilities	508
Non-current liabilities	—

	2016 US$'000
Revenue	—
Loss for the period	2,306
Other comprehensive expense for the period	59
Total comprehensive expense for the period	2,365

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2016 US$'000
Net assets of Kuaichi Group	4,826
Proportion of the Group's ownership interest in Kuaichi Group	20%
	965
Goodwill	8,562
Carrying amount of the Group's interest in Kuaichi Group	9,527

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20. INTERESTS IN A JOINT VENTURE/AMOUNT DUE FROM A JOINT VENTURE

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

	2016 US$'000	2015 US$'000
Share of result in a joint venture	(6,809)	12,432
Amount due from a joint venture	4,042	4,037

The interest in a joint venture represents a 50% equity interest in Mission Right Limited ("Mission Right"), an equity joint venture established in the Hong Kong in April 2014. The Group is able to exercise joint control over Mission Right as all decisions about the relevant activities require unanimous consent of the Group and the other joint venture partner. The Group also has rights to the net assets of Mission Right. Accordingly, Mission Right is regarded as a joint venture of the Group.

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

Name of entity	Form of entity	Country of incorporation	Principal place of operation	Class of shares held	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activity
					2016	2015	2016	2015	
Mission Right Limited	Incorporated	British Virgin Islands	Hong Kong	Ordinary	50%	50%	50%	50%	Investment in equity instruments

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

	2016 US$'000	2015 US$'000
Current assets	19,330	32,938
Non-current assets	—	—
Current liabilities	8,084	8,074
Non-current liabilities	—	—
Revenue	—	—
(Loss) profit for the year/period	(13,618)	24,864

20. INTERESTS IN A JOINT VENTURE/AMOUNT DUE FROM A JOINT VENTURE (continued)

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

	2016 US$'000	2015 US$'000
Net assets of Mission Right	**11,246**	24,864
Proportion of Group's ownership interest in Mission Right	**50%**	50%
Carrying amount of Group's interest in Mission Right	**5,623**	12,432

21. AVAILABLE-FOR-SALE INVESTMENTS

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

	2016 US$'000	2015 US$'000
Unlisted equity securities (note a)	**51,961**	51,961
Less: Impairment loss recognised	**(39,746)**	(21,093)
	12,215	30,868
Equity securities listed in Hong Kong (note b)	**46,356**	67,240
Club membership	**2,437**	2,437
	61,008	100,545

Notes:

(a)(i) As at 1 April 2014, the Group held 25,500,000 shares of a private and unlisted company ("Investee Company") incorporated in the Cayman Islands whose subsidiaries are principally engaged in securities trading, investment holding and provision of brokerage and financial services. The 25,500,000 shares represent approximately 2.86% of the issued share capital of the investee company.

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

Afterwards, the Investee Company issued 124,688,000 more shares to other investors and the Group's shareholding of the Investee Company was diluted to 2.28%.

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21. AVAILABLE-FOR-SALE INVESTMENTS (continued)

Notes: (continued)

(a)(i) (continued)

On 15 September 2015, Leadton Corp. ("Leadton"), a wholly-owned subsidiary of the Company, signed an agreement with other ten shareholders of the Investee Company to set up a company incorporated in the Republic of Marshall Islands ("Company A"). Leadton and the other ten shareholders have an aggregate shareholding of 26.96% in the Investee Company. Under the agreement, Company A was interspersed between 1) Leadton and the other ten shareholders and 2) the Investee Company. Also, Leadton and the other ten shareholders exchanged every one share of the Investee Company for one share of Company A. Upon the completion, Leadton has 8.46% equity interests in Company A. Such share transfer was completed on 2 October 2015.

Subsequently, Company A issued 8,400,000 more shares to another new investor. Therefore, Leadton's equity interests in Company A was diluted from 8.46% to 8.22%.

Company A purchased another 47,138,400 shares of the Investee Company through borrowing. Afterwards, the Company A's shareholding in the Investee Company increased from 26.96% to 30.11% (the Group's effective shareholding in Investee Company increased from 2.28% to 2.48%).

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.

The management has engaged independent professional valuer to determine the fair value of Company A by assessing the investment in the Investee Company with the operation discount factor of Company A. The valuer adopts the market approach to determine the valuation parameters derived from the market prices and financial data of listed companies in a similar business and with a similar business model as those of the Investee Company being valued. The valuer applied a discount rate of 20.14% (2015: 20.14%) for the lack of liquidity of the business operation being valued due to the fact that it is not a listed company. The inputs of the valuation are the price to book ratio and the liquidity discount. Following such assessment, an impairment loss of US$12,329,000 was recognised during the year ended 31 March 2016 (2015: nil).

21. AVAILABLE-FOR-SALE INVESTMENTS (continued)

Notes: (continued)

(a)(ii) As at the year ended 31 March 2016 and 31 March 2015, the Group held 52,479 shares of a private company and unlisted company incorporated in the Cayman Islands ("Company B") at a total consideration of US$33,000,000. Company B originally engaged in wholesale agriculture products in PRC. However, the Company B reorganised its business from agriculture business to securities investing during the year ended 31 March 2016. The 52,479 shares represent approximately 2.19% of the issued share capital of the Company B.

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

During the year, the management considered that the reorganisation of business from agriculture business to securities investing could have adverse effect on the investee and engaged independent professional valuer to determine the fair value of this investment with reference to publicly available information of comparable companies applying a marketability discount. The valuer adopts the market approach to determine the valuation parameters derived from the market prices and financial data of listed companies in a similar business and with a similar business model as that of the company being valued. The valuer applied a discount rate of 30% (2015: 20.14%) for the lack of liquidity of the business operation being valued due to the fact that it is not a listed company. An impairment loss of US$6,324,000 related to this unlisted investment was recognised in profit or loss for the year ended 31 March 2016 (2015: US$15,740,000).

(b) As at 31 March 2016, the Group's available-for-sale investments included equity securities listed in Hong Kong, which represented 2,347,926,918 shares, approximately 8.84% shareholding, (31 March 2015: 2,310,459,999 shares, approximately 8.72% shareholding) in G-Resources Group Limited ("G-Resources") incorporated in Bermuda, with a carrying amount of US$46,356,000 as at 31 March 2016 (31 March 2015: US$67,240,000). The increase in shareholding is due to the receipt of scrip dividend of 37,466,919 ordinary shares during the year. The listed equity securities were stated at fair values which have been determined based on quoted market bid prices available on the Stock Exchange. During the year ended 31 March 2016, a fair value loss amounting to US$22,306,000 was recognised in the investment revaluation reserve. However, as the drop of fair value of G-Resources is considered significant and prolonged, an impairment loss amounting to US$13,420,000 was recognised which was reclassified from the investment revaluation reserve.

The investment in G-Resources as at 31 March 2015 was stated at fair value based on quoted market bid price. During the period ended 30 September 2014, fair value loss amounting to US$9,479,000 was recognised in the profit or loss which cannot be reversed. Subsequently, a fair value gain of US$8,886,000 was recognised in investment revaluation reserve during the year ended 31 March 2015.

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22. INVENTORIES

	2016 US$'000	2015 US$'000
Copper in process	**8,993**	34,474
Copper cathodes	**1,084**	4,360
Spare parts and consumables	**1,260**	2,120
	11,337	40,954

23. TRADE AND OTHER RECEIVABLES

	2016 US$'000	2015 US$'000
Trade receivable	**2,472**	2,919
Other receivables	**16,749**	4,687
Total trade and other receivables	**19,221**	7,606

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

	2016 US$'000	2015 US$'000
0–60 days	**2,472**	2,919

Trade receivable as at 31 March 2016 represents trade receivable from sales of copper cathodes in Australia. The balances is due on the fifth working days of the following month after delivery. Management believes that no impairment allowance is necessary in respect of this balance as it is settled subsequently in full. The Group does not hold any collateral over this balance.

Included in other receivables are amount due from broker amounting to US$13,845,000 due to disposal of certain securities investments as at 31 March 2016 (2015: US$990,000). The amount has been fully repaid subsequent to 31 March 2016. Goods and Service Tax recoverable to set-off expenditures incurred in mining operation in the future in accordance with the relevant tax laws and regulation in Australia, amounting to US$147,000 as at 31 March 2016 (2015: US$995,000).

24. LOAN RECEIVABLE

	2016 US$'000	2015 US$'000
Fixed-rate loan receivable, current	18,172	—

During the year ended 31 March 2016, the Group has started operating money lending business and the fixed-rate loan receivable amounted to US$18,172,000 (equivalent to HK$141,745,000) (2015: nil) is from one single independent borrower as at 31 March 2016. The effective interest rate (which is a fixed rate and equal to the contractual interest rate) is 7% (2015: nil) per annum. The contractual maturity date of the loan receivable is within one year and it is denominated in HKD.

No collateral agreement has been entered into in respect of the loan receivable.

Before granting loans to outsider, the Group uses an internal credit assessment process to assess the potential borrower's credit quality and defines credit limits granted to borrowers. Limits attributed to borrowers are reviewed by the management regularly.

Management believes that no impairment allowance is necessary in respect of the loans receivable as there is no significant change in credit quality and the balances are still considered fully recoverable.

No loan receivable is past due but not impaired as at 31 March 2016.

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016 US$'000	2015 US$'000
Held for trading investments (current assets)		
Equity securities listed in Hong Kong	689,575	568,890
Equity securities listed outside Hong Kong	1,375	1,851
Investment funds	77,055	63,740
	768,005	634,481
Designated at FVTPL (non-current assets)		
Unlisted debt securities (notes a & b)	8,508	8,281
	776,513	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.

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

Included in equity securities listed in Hong Kong above is the Group's investment in G-Resources with a carrying amount of US$42,291,000 as at 31 March 2016 (2015: US$61,344,000). The investment represents 8.06% of holding of the issued shares of G-Resources as at 31 March 2016 (2015: 7.96%).

As at 31 March 2016 and 31 March 2015, the Group held several unlisted debt securities as follows:

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

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

As at 31 March 2016, the fair value of the debt component of the Unsecured Bond was determined as discounted cash flows using the prevailing market interest rate of 27.19% (2015: 24.02%) while the fair value of the embedded derivative of the early redemption option of the issuer was determined using Hull-White Model by an independent professional valuer. A gain on fair value change of US$227,000 was recognised in profit or loss during the year ended 31 March 2016 (2015: gain of US$955,000).

26. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less at prevailing market interest rates. The effective interest rate ranges from 0.33% to 2.20% (2015: 0.15% to 2.30%) per annum.

The Group has provided certain bank guarantees in connection with the terms of supplier contracts in respect of which the Group is obliged to indemnify the banks. At the end of the reporting period, no claims have been made under these guarantees. The amount of these guarantees may vary from time to time depending upon the requirements of the contract terms of the supplier contracts. These guarantees are backed by collateral deposits which amounted to US$25,298,000 as at 31 March 2016 (2015: US$24,607,000).

Another US$27,664,000 (2015: US$28,174,000) represents deposit paid by the Group to a bank as required by the government of Queensland, Australia for operating in the mining activities or closure of mines and the environmental rehabilitation work of relevant mines meets the government's requirement (see note 30).

The interest rates for the pledged bank deposits range from 1.91% to 2.35% (2015: 2.38% to 2.79%) per annum for the year ended 31 March 2016.

27. TRADE AND OTHER PAYABLES

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

	2016 US$'000	2015 US$'000
Total trade payables (0–30 days)	349	1,171
Other payables	6,808	5,831
	7,157	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$1,914,000 (2015: AUD2,500,000, equivalent to approximately US$1,908,000 and (ii) of AUD2,500,000, equivalent to approximately US$1,914,000 (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 US$2,607,000 was fully settled during the year ended 31 March 2013. As at 31 March 2016, the additional ore reserves are not yet delineated and the remaining AUD2,500,000 (equivalent to approximately US$1,914,000) (2015: AUD2,500,000 equivalent to approximately US$1,908,000) was included in other payables.

Other payables also include Goods and Services Tax payable and Royalty payable to the Australian Government of US$2,000 and US$301,000 (2015: US$25,000 and US$680,000), respectively, in respect of sales made in Australia under relevant rules and regulations.

28. AMOUNT DUE TO A NON-CONTROLLING INTEREST

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

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29. DEFERRED TAX LIABILITIES

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

	Depreciation allowance in excess of related depreciation expenses US$'000	Tax losses US$'000	Accrued expenses US$'000	Others US$'000	Total US$'000
At 1 April 2014	—	—	—	(1,054)	(1,054)
Credit to profit or loss	—	—	—	1,054	1,054
At 31 March 2015	—	—	—	—	—
Credit to profit or loss	—	—	—	—	—
At 31 March 2016	—	—	—	—	—

At 31 March 2016, the Group had unused tax losses of US$365,117,000 (2015: US$292,791,000) available to offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams in both 2015 and 2016. The losses may be carried forward indefinitely.

No deferred tax asset has been recognised in both 2015 and 2016 in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which deductible temporary differences can be utilised.

30. PROVISION FOR MINE REHABILITATION COST

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

Rehabilitation costs have been estimated based on the current regulatory requirements and determined based on the net present value of future cash expenditures upon rehabilitation, and which is expected to result in cash outflow for CSTLA of such mine rehabilitation cost in July 2017. Rehabilitation costs are capitalised as mine property and development assets in property, plant and equipment, and are amortised over the life of the mine on an UOP basis.

30. PROVISION FOR MINE REHABILITATION COST (continued)

A bank guarantee of US$25,232,000 (2015: US$25,156,000) is placed with the Department of Environment and Heritage Protection, Queensland Government, Australia for the purposes of settling these rehabilitation costs (see note 26).

	US$'000
At 1 April 2014	28,934
Exchange adjustment	(5,189)
Effective interest	1,632
At 31 March 2015	**25,377**
Exchange adjustment	**(4)**
Effective interest	**369**
Reversal of provision	**(2,396)**
At 31 March 2016	**23,346**

31. PROVISION FOR AN ONEROUS CONTRACT

As at 31 March 2016, the committed power supply expenses of an non-cancellable power supply contract with lease term expiring over 48 months as at 31 March 2016 and the management estimated their onerous contract amounted to approximately US$30,902,000 (2015: nil).

	US$'000
At 1 April 2014 and 31 March 2015	—
Provision for the year	29,719
Exchange adjustment	1,183
At 31 March 2016	**30,902**
Current portion	6,279
Non-current portion	24,623
	30,902

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32. SHARE CAPITAL

	Number of shares	Share capital
Authorised		
At 1 April 2014, 31 March 2015 and 2016		
— Ordinary shares of HK$0.1 each	50,000,000,000	HK$5,000,000,000

		US$'000
Issued and fully paid		
At 1 April 2014 and 31 March 2015		
— Ordinary shares of HK$0.1 each	27,098,308,961	347,414
Issuance of shares upon subscription (note i)	5,400,000,000	69,231
Issued in consideration for the acquisition of subsidiaries (note ii)	6,200,000,000	79,487
At 31 March 2016	**38,698,308,961**	**496,132**

Notes:

(i) On 12 June 2015, 5,400,000,000 ordinary shares were allotted and issued at HK$0.10 per share to independent third parties. The gross proceeds from the agreement were approximately US$69,000,000 (equivalent to HK$540,000,000) which are intended to be used for funding future investments and general working capital of the Group. Details of the transaction are disclosed in the announcements of the Company dated 29 May 2015 and 12 June 2015.

(ii) On 12 November 2015, the Company issued 6,200,000,000 ordinary shares to independent third parties for acquisition of effective 91.81% equity interest in Planet Smooth Limited and its subsidiaries ("Planet Smooth Group"), details as per note 33. Details of the transaction are disclosed in the announcements of the Company dated 4 November 2015 and 12 November 2015.

33. ACQUISITION OF SUBSIDIARIES

For the year ended 31 March 2016

On 12 November 2015, the Group acquired effective 91.81% equity interests in Planet Smooth Group, from independent third parties at a consideration of approximate US$91 million, settled by the allotment and issue of 6,200,000,000 shares in the Company with HK$0.114 per share upon the completion date. This acquisition has been accounted for using the purchase method. Planet Smooth Group is engaged in e-logistics business.

	Total
	US$'000
Assets acquired and liabilities recognised at the date of acquisition are as follows (determined on a provisional basis):	
Property, plant and equipment	363
Trade and other receivables	189
Bank balances and cash	3,979
Trade and other payables	(1,986)
Provisional net assets	2,545
Consideration transferred	90,615
Consideration transferred	90,615
Add: Non-controlling interests	208
Less: Provisional net assets recognised	(2,545)
Goodwill arising on acquisition	88,278

Non-controlling interest

The non-controlling interest recognised at the acquisition date represents non-wholly-owned subsidiary held by Planet Smooth Limited and was measured by reference to the proportionate share of recognised amounts of net assets.

Goodwill arose in the acquisition of Planet Smooth Group because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Planet Smooth Group.

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33. ACQUISITION OF SUBSIDIARIES (continued)

Non-controlling interest (continued)

None of the goodwill arising on these acquisition is expected to be deductible for tax purposes.

	US$'000
Analysis of net inflow of cash and cash equivalents in connection with the acquisition of subsidiaries:	
Bank balances and cash acquired	3,979
Net cash inflow in respect of the acquisition of subsidiaries	3,979

Acquisition-related costs amounting to US$170,000 have been excluded from the consideration transferred and have been recognised as an expense in the current year's profit or loss.

For the expansion of the Group's business, the Group acquired Planet Smooth Group which is engaged in e-logistics business.

Impact of acquisition on the results of the Group

Included in the loss for the year is loss of US$1,740,000 attributable to Planet Smooth Group. No revenue in included in the Group's revenue as Planet Smooth Group has not had revenue generating activities during the year ended 31 March 2016.

Had the acquisition of Planet Smooth Group been effected at the beginning of the current year, no revenue of the Group for the year ended 31 March 2016 would have been included, and the amount of the loss for the year would have been US$73,335,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the current year, nor is it intended to be a projection of future results.

In determining the "pro forma" revenue and loss of the Group had Planet Smooth Group been acquired at the beginning of the interim period, the directors of the Company calculated depreciation and amortization of plant and equipment based on the recognised amounts of plant and equipment at the date of the acquisition.

34. RETIREMENT BENEFIT SCHEMES

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

34. RETIREMENT BENEFIT SCHEMES (continued)

The employees of subsidiaries in the PRC are members of the state-sponsored pension scheme operated by the PRC government. The subsidiaries are required to contribute a certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions.

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

During the year, the amount contributed by the Group to the MPF Scheme and state-sponsored pension scheme charged to profit or loss was US$217,000 (2015: US$57,000). The Group also contributed US$488,000 (2015: US$1,383,000) to the superannuation operated in Australia and the contribution amounts were charged to profit or loss, or capitalised as exploration and evaluation assets and mine property and development assets (included in the property, plant and equipment) or inventories and to cost of sales according to its nature.

35. OPERATING LEASE ARRANGEMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2016 US$'000	2015 US$'000
In respect of rented premises:		
Within one year	1,236	1,195
In the second to fifth years inclusive	663	348
	1,899	1,543

Operating lease payments represent rentals payable by the Group for certain of its rented premises. Leases are negotiated for the terms range from one to two years for both years ended 31 March 2015 and 2016.

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35. OPERATING LEASE ARRANGEMENTS (continued)

The Group as lessor

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

	2016 US$'000	2015 US$'000
Within one year	419	459
In the second to fifth years inclusive	207	68
	626	527

Leases are negotiated for the terms range from one to two years for both years ended 31 March 2015 and 2016.

36. CAPITAL COMMITMENTS

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

	2016 US$'000	2015 US$'000
Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of property, plant and equipment	—	17

37. SHARE-BASED PAYMENT TRANSACTIONS

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

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

37. SHARE-BASED PAYMENT TRANSACTIONS (continued)

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

As at 31 March 2016, all of the share options under the scheme was expired while the share options of 90,900,000 shares had been remained as at 31 March 2015, representing approximately 0.3% of the shares of the Company in issue at that date.

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

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37. SHARE-BASED PAYMENT TRANSACTIONS (continued)

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

Share options granted under the Scheme

Category of participants	Date of grant	Exercise period	Exercise price HK$	As at 1.4.2014	Forfeited during the year	As at 31.3.2015	Lapsed during the year	As at 31.3.2016
Directors	02.09.2010	17.09.2011–16.09.2015	0.2000	70,000,000	—	70,000,000	(70,000,000)	—
Total for directors				70,000,000	—	70,000,000	(70,000,000)	—
Employees of the Group	02.09.2010	17.09.2011–16.09.2015	0.2000	18,200,000	—	18,200,000	(18,200,000)	—
	13.12.2010	13.12.2011–12.12.2015	0.2700	4,000,000	(4,000,000)	—	—	—
	28.02.2011	28.02.2012–27.02.2016	0.2350	7,300,000	(4,600,000)	2,700,000	(2,700,000)	—
Total for employees				29,500,000	(8,600,000)	20,900,000	(20,900,000)	—
Total for Tranche B				99,500,000	(8,600,000)	90,900,000	(90,900,000)	—
Weighted average exercise price (HK$)				0.2054	0.2513	0.2010	0.2010	—

Note:

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

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

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

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

Weighted average exercise price of the share options is HK$0.2010 (equivalent to US$0.0258) at 31 March 2015 (2016: nil).

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

37. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Share options granted under the Scheme (continued)

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

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

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

During the year ended 31 March 2016, all of the share options have been expired and the amount of US$512,000 was transferred from share options reserve to accumulated losses.

38. EVENT AFTER THE REPORTING PERIOD

On 15 March 2016, the Company and the placing agent entered into the placing engagement letter (the "proposed placing") pursuant to which the Company has engaged the placing agent as the sole placing agent for the purposes of, on a best efforts basis, placing up to 23,400,000,000 placing shares at the placing price of HK$0.10 per placing share to, as currently expected, not less than six placees, including the subscriber, who and whose ultimate beneficial owners (in each case, except the subscriber) shall be independent third parties. The maximum gross proceeds from the proposed placing will be approximately HK$2,340 million, of which approximately 90% will be used for the organic growth of the e-logistics platform and the remaining 10% will be used as part of Group's general working capital. As at 31 March 2016, the proposed placing is not yet completed.

Subsequently, the proposed placing cannot be completed before the expiry of the specific mandate on 16 June 2016, and accordingly the specific mandate will lapse. Details of the placing was disclosed in the Company's announcements dated 15 March 2016, 20 April 2016, 16 May 2016 and 13 June 2016.

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39. RELATED PARTY DISCLOSURES

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

	2016 US$'000	2015 US$'000
Short-term benefits	9,588	8,866
Share-based payment expenses (note)	—	23
Post-employment benefits	12	12
	9,600	8,901

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

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 March 2016 and 31 March 2015 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued share capital/ registered and paid-up capital		Proportion of nominal value of issued share capital/registered and paid-up capital held by the Company		Principal activity
		2016	2015	Directly	Indirectly	
China Sci-Tech Secretaries Limited	Hong Kong	HK$10,000	HK$10,000	100%	—	Provision of secretarial services and investment holding
CST Minerals Lady Annie Pty Limited	Australia	AUD2	AUD2	—	100%	Exploration, mining, processing and sale of copper in Australia
Deep Bowl Limited	British Virgin Islands	US$1	US$1	—	100%	Vessel holding
Isenberg Holdings Limited	Hong Kong	HK$2	HK$2	—	100%	Property investment
Jabour Limited	Hong Kong	HK$2	HK$2	—	100%	Property investment
Kingarm Company Limited	Hong Kong	HK$2	HK$2	—	100%	Property investment
Skytop Technology Limited	Hong Kong	HK$127,490,481	HK$127,490,481	—	100%	Securities investment
Unigolden Limited	Hong Kong	HK$2	HK$2	—	100%	Property investment
First Cargo (Beijing) Technology Limited	PRC	US$5,700,000	N/A	—	91.81%	E-logistics platform
Sun Power Finance Limited	Hong Kong	HK$1	HK$1	—	100%	Money lending

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

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

None of the subsidiaries had issued any debt securities at 31 March 2015 and 2016 or at any time during both years.

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

Principal Activities	Principal Place of business	Number of subsidiaries 2016	2015
Inactives	Hong Kong	14	14
Investment holdings	Hong Kong	36	26
Mining business	Australia	1	1
Securities investment	Hong Kong	4	4
E-logistics platform	PRC	2	—
		57	45

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

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

Name of subsidiary	Incorporation/ principal place of business	Proportion of ownership interest held by non-controlling interests		Proportion of voting power non-controlling held by interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2016	2015	2016	2015	2016 US$'000	2015 US$'000	2016 US$'000	2015 US$'000
China Sci-Tech (Far East) Limited	Hong Kong	49%	49%	49%	49%	—	—	6	6
First Cargo Holdings Limited	British Virgin Islands/Hong Kong	8%	N/A	8%	N/A	142	N/A	(70)	N/A

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41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2016 US$'000	2015 US$'000
Non-current assets		
Property, plant and equipment	35	35
Investments in subsidiaries	19,063	16,164
Available-for-sale investment	1,949	1,949
Amounts due from subsidiaries	847,352	780,023
	868,399	798,171
Current assets		
Other receivables	408	403
Amounts due from subsidiaries	140,745	21,922
Financial assets at fair value through profit or loss	6,210	16,071
Bank balances and cash	11,372	48,435
	158,735	86,831
Current liabilities		
Other payables	349	328
Amounts due to subsidiaries	1,829	1,843
	2,178	2,171
Net current assets	156,557	84,660
Total assets less current liabilities	1,024,956	882,831
Capital and reserves		
Share capital	496,132	347,414
Reserves	528,824	535,417
Total equity	1,024,956	882,831

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

	Share capital US$'000	Share premium US$'000	Capital reserve US$'000 (note a)	Other capital reserve US$'000 (note b)	Share options reserve US$'000	Accumulated losses US$'000	Total US$'000
At 1 April 2014	347,414	497,483	4,503	128,275	547	(86,972)	891,250
Loss and total comprehensive expenses for the year	—	—	—	—	—	(8,438)	(8,438)
Recognition of share-based payment expenses	—	—	—	—	19	—	19
Lapse of share options	—	—	—	—	(54)	54	—
At 31 March 2015	**347,414**	**497,483**	**4,503**	**128,275**	**512**	**(95,356)**	**882,831**
Loss and total comprehensive expenses for the year	**—**	**—**	**—**	**—**	**—**	**(16,683)**	**(16,683)**
Acquisition of subsidiaries	**79,487**	**11,128**	**—**	**—**	**—**	**—**	**90,615**
Issue of ordinary shares upon share subscription	**69,231**	**—**	**—**	**—**	**—**	**—**	**69,231**
Transaction costs attributable to issue of new shares	**—**	**(1,038)**	**—**	**—**	**—**	**—**	**(1,038)**
Lapse of share options	**—**	**—**	**—**	**—**	**(512)**	**512**	**—**
At 31 March 2016	**496,132**	**507,573**	**4,503**	**128,275**	**—**	**(111,527)**	**1,024,956**

Notes:

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

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

Financial Summary

	Year ended 31 March				
	2016	2015	2014	2013	2012
	US$'000	US$'000	US$'000	US$'000 (restated)	US$'000 (restated)
Results					
(Loss) profit for the year	**(68,462)**	28,172	(61,744)	119,675	(53,881)

	At 31 March				
	2016	2015	2014	2013	2012
	US$'000	US$'000	US$'000	US$'000 (restated)	US$'000 (restated)
Assets and liabilities					
Total assets	**1,122,535**	1,014,523	991,833	1,087,765	963,765
Total liabilities	**(66,558)**	(37,237)	(47,327)	(62,386)	(57,052)
Net assets	**1,055,977**	977,286	944,506	1,025,379	906,713

Note:

1. In order to comply with HK(IFRIC)-Int 20 "Stripping costs in the production phase of a surface mine", the Group adopted a new accounting policy for production stripping cost in 2014. Figures for 2012 to 2013 have been adjusted as a result of the adoption of new accounting policy.

Particulars of Properties Held by the Group

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

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Chiu Tao *(Chairman)*
Mr. Hui Richard Rui *(General Manager)*
Mr. Lee Ming Tung *(Chief Financial Officer)*
Mr. Kwan Kam Hung, Jimmy
Mr. Yeung Kwok Yu
Mr. Tsui Ching Hung
Mr. Chen Weixing (appointed on 2 November 2015)

Independent Non-executive Directors

Mr. Yu Pan
Ms. Tong So Yuet
Ms. Ma Yin Fan
Mr. Leung Hoi Ying (appointed on 29 January 2016)

COMPANY SECRETARY

Mr. Chow Kim Hang

REGISTERED OFFICE

Whitehall House
238 North Church Street
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.netmindfh.com

www.netmindfh.com

NetMind Financial Holdings Limited

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

Registered Office

Whitehall House, 238 North Church Street, P.O. Box 1043,
George Town, Grand Cayman KY1-1102, Cayman Islands

Hong Kong Office

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