CST GROUP LIMITED
中譽集團有限公司

(formerly known as "NetMind Financial Holdings Limited")
(Incorporated in Cayman Islands with limited liability)
(Stock Code: 985)

Contents

02 CST AT A GLANCE

03 CHAIRMAN'S STATEMENT

04 PROJECT OVERVIEW

05 The Lady Annie Operations

10 Corporate Sustainability Report

11 CORPORATE GOVERNANCE

12 Management Discussion and Analysis

21 Statutory Disclosure

24 FINANCIAL STATEMENTS

25 Report on Review of Condensed Consolidated Financial Statements

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

27 Condensed Consolidated Statement of Financial Position

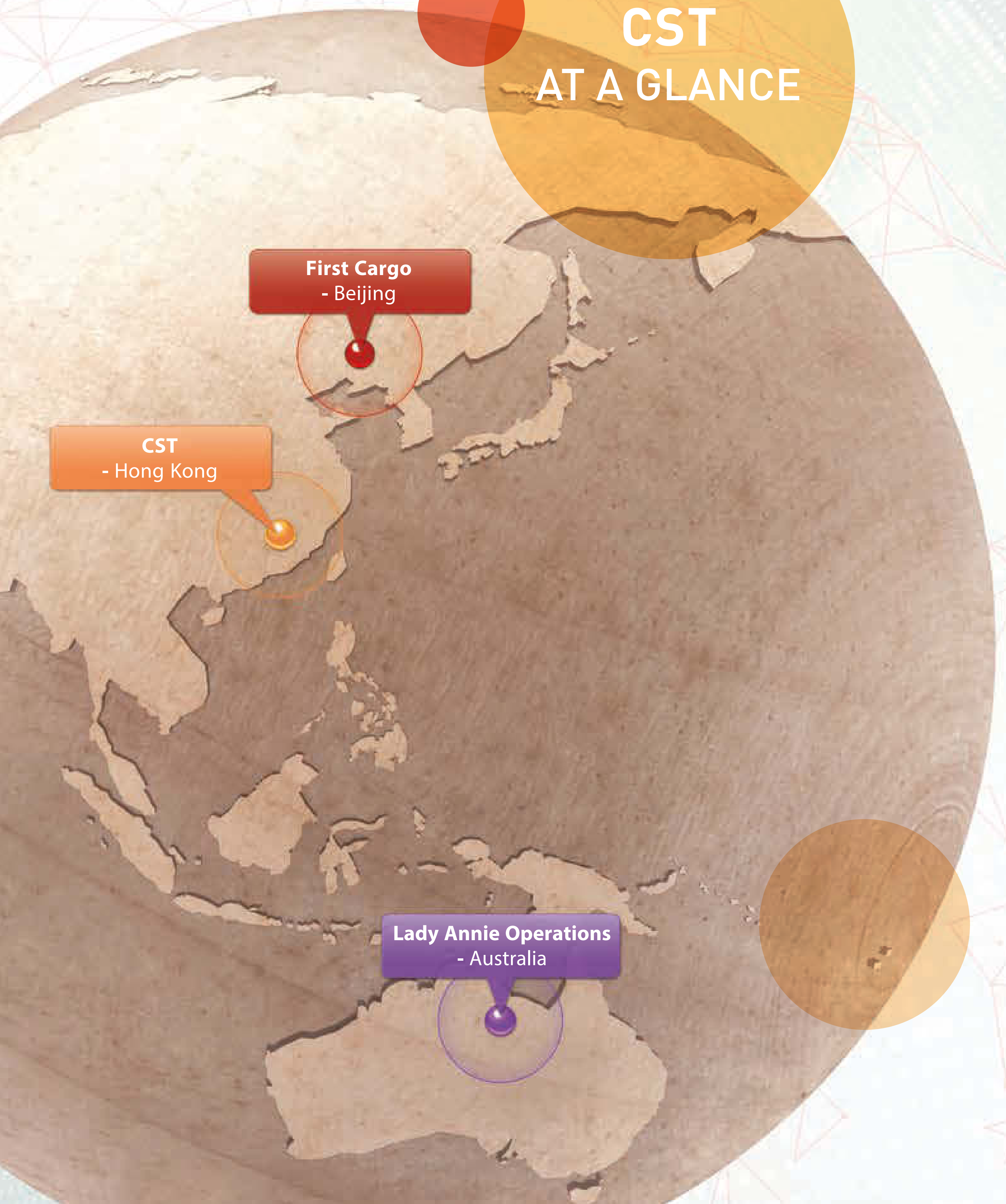
29 Condensed Consolidated Statement of Changes in Equity

30 Condensed Consolidated Statement of Cash Flows

31 Notes to the Condensed Consolidated Financial Statements

44 Corporate Information

CST
AT A GLANCE



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of directors of CST Group Limited and its subsidiaries (collectively referred to as the "Group"), I hereby report to our shareholders the results of the Group for the six months ended 30 September 2017 (the "Period").

During the Period, the Group recorded significant improvement in overall financial performance through proactively confronting the new opportunities and challenges arising from the changing markets. During the Period, the Group recorded a profit of approximately US$50.65 million, primarily due to the upturn in the financial markets. During the Period, the gains arising from changes in fair value of financial assets through profit or loss was approximately US$83.58 million.

During the Period, the Group continued to explore market opportunities and expand its revenue streams. Also, the Group continued to expand its business scale via continued development in businesses including investments in financial instruments, property investments and money lending. Additionally, through comprehensive consideration of the industry environment and its own situation, the Group has decided to scale down the operation of its e-logistics platform and not to further allocate any resources to the business.

The Group formally changed its Chinese and English names to "中譽集團有限公司" and "CST Group Limited" in 22 September 2017 and turned a new page in business development. For business transformation and development, the Group formulated strategies of actively adjusting business structure, further exploring diversified business opportunities and being committed to building itself into a comprehensive investment company.

In terms of investment in financial instruments, the Group further broadened and diversified its investment portfolio, including products such as funds and bonds. The Group is dedicated to seeking steady investment returns and achieving capital appreciation.

The Group also actively explored opportunities in property investment. In March 2017, the Group successfully acquired a Scottish property management company jointly with a number of third parties. The property management company will generate stable rental income in the future and provide medium and long term potential for capital appreciation.

Since the kick-off of the money lending business in 2016, the Group has entered into a number of loan agreements. The money lending business achieved significant growth and contributed stable cash flow and profit for the Group. In the future, the Group will continue to adhere to a prudent and stable strategy to achieve a balance between business growth and risk management.

Looking forward, the Group will try its best to seek suitable investment opportunities to develop its existing business portfolio, and tapping into new businesses with the most potential. The Group is committed to developing diversified businesses and expanding income sources, as well as enhancing corporate value and creating returns for shareholders.

On behalf of the Board of Directors, I would like to express my great gratitude to our shareholders for their continued support. I would also like to thank our staff for their long-term and unremitting efforts. I look forward to announcing more developments and achievements in the years to come.

Chiu Tao
Chairman

24 November 2017

PROJECT
OVERVIEW

THE LADY ANNIE OPERATIONS

PROJECT DESCRIPTION AND LOCATION

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

Lady Annie Operations is owned 100% by CST Group Limited (the "CST"). The mining operation consists of a number of open-pit deposits currently suspended from operation at present and a heap leach facility. The leach pads are being turned over and re-leached with no additional fresh ore being added. 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 2,300km^2 of exploration tenements that are located around the Lady Annie mine and across the three geological provinces of the world renowned Mount Isa Inlier.

1. OPERATING RESULTS

The table below provides certain key operation information for Lady Annie Operations for the six months ended 30 September 2017 (the "Period") and 30 September 2016 respectively.

Key operational information

		2017	2016
Mined	Total material (tonnes)	**–**	–
	Ore (tonnes)	**–**	–
	Ore grade (copper %)	**–**	–
	Contained copper (tonnes)	**–**	–
Stacked	Ore (tonnes)	**–**	–
	Ore grade (copper %)	**–**	–
	Contained copper (tonnes)	**–**	–
Production	Copper cathode (tonnes)	**1,068**	1,124
Sales	Copper cathode (tonnes)	**1,102**	1,105
	Average price (US$/tonne)	**6,014**	4,843
	Revenue (US$'000)	**6,627**	5,352

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

	US$'000
Administration	**3**
Camp expense	**1**
Consultancy and contractor expense	**22**
Staff cost	**110**
Tenement and mining leases fee	**61**
Others	**64**
Total	**261**

2. OPERATIONS UPDATE

Mining, ore crushing and stacking remain suspended for the reporting period and will only be developed when deemed economically viable.

Small scale leaching from existing heap leach pads continued and Lady Annie Operations produced 1,068 tonnes of copper cathode during the six month period up to the end of September 2017.

Options have been reviewed in extending the life of the heap leach drawdown, by engaging a business partner to assist with proven heap leach recovery extension options (focusing on the heap leach residue material). These activities commenced at the beginning of October 2016 and is on-going currently.

3. EXPLORATION

3.1 Competent Person Statement

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

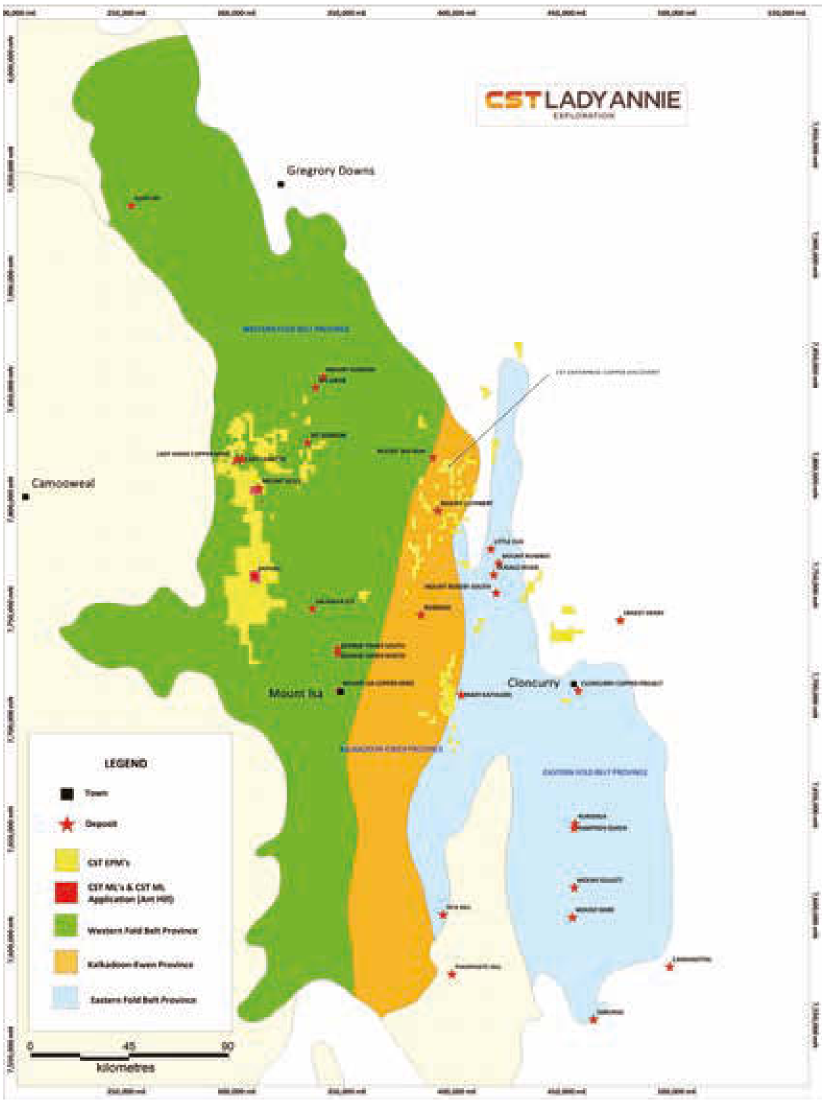


Figure 1: Lady Annie Tenements, Mines and Resources (Lady Annie, Mount Kelly and Anthill) with major deposits and Towns – Mount Isa Inlier.

3.2 Overview of Exploration Activities

Activity for the Period (1 April – 30 September 2017) focused on maintaining the integrity of the Lady Annie license portfolio through renewal of critical Exploration Permit for Minerals ("EPM's") and the consolidation for expenditure reporting purposes of geologically and spatially associated licenses into project areas. It was also considered important to group the Central and Eastern Tenement Area EPM's into a separate corporate entity to the Western Tenement Area EPM's that surround the Lady Annie Operations. During the reporting period, Lady Annie also surrendered a number of EPM's that it considered had limited exploration potential. At the end of the reporting period, Lady Annie had a total of 49 granted EPM's with 1 EMP's renewal application awaiting approval.

3.3 Applications to Consolidate select Lady Annie EPM's into 3 Project Areas

From 8 - 16 November 2016, Lady Annie made application to the Department of Natural Resources and Mines ("DNRM") to consolidate the EPM's that were spatially and geologically associated into 3 Project Areas (MIW South, Miranda and Cameron River), to allow a more effective spread of exploration expenditure over these areas. The applications for Miranda and Cameron River were approved; the application for MIW South was rejected.

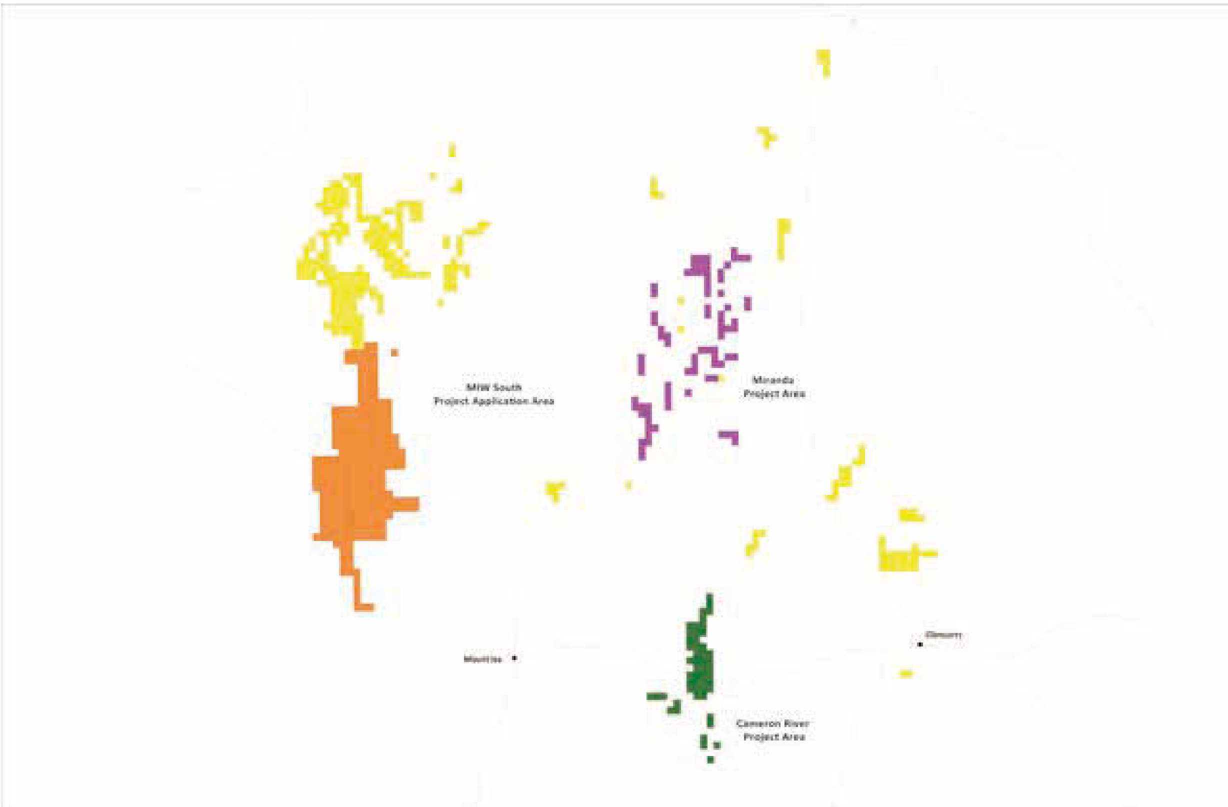


Figure 2: MIW South Project (orange), Miranda Project (magenta), Cameron River Project (green), other Lady Annie licenses (yellow)

3.4 Application for 20 EMP's Renewals

A significant number of Lady Annie EPM's expired during late 2016 and the first half of 2017. Lady Annie relinquished a number of EPM's that it deemed had limited exploration potential and applied for renewal of 20 EPM's that were considered prospective. During the reporting period, Lady Annie received approval for 19 of 20 renewal applications. The remaining application (EPM17088) is still under review.

3.5 Application to surrender 11 EPM's

During the reporting period, Lady Annie relinquished a total of 11 EPM's that it considered had limited exploration potential due to the not satisfactory results from work completed, deep cover (hundreds of metres) and/or the limited remaining size of the EPM area (e.g. 1 sub block). A summary of the status for EPM's relinquished is as follows:

Table 1: Status of Lady Annie License Surrenders at 30 September 2017

STATUS LICENSE SURRENDERS					
EPM	Submitted	Accepted	Environmental Authority refund Submitted and Approved	EPM Expired	Comments
11920	15/09/2017	18/09/2017	06/10/2017 Approved	Yes	Surrender complete
17170	21/02/2017	10/04/2017	28/03/2017 Approved	Yes	Surrender complete
17281	20/09/2017	Awaiting	27/09/2017 Awaiting approval	Yes	Surrender not complete
17311	24/03/2017	05/04/2017	05/04/2017 Approved	Yes	Surrender complete
17411	06/06/2017	18/08/2017	12/09/2017 Approved	Yes	Surrender complete
17414	09/06/2017	18/08/2017	13/09/2017 Approved	Yes	Surrender complete
17491	06/06/2017	10/04/2017	28/03/2017 Approved	Yes	Surrender complete
17647	06/06/2017	18/08/2017	26/09/2016 Approved	Yes	Surrender complete
17704	06/06/2017	18/08/2017	26/09/2016 Approved	Yes	Surrender complete
17852	06/06/2017	18/08/2017	13/09/2017 Approved	Yes	Surrender complete
17858	15/09/2017	18/09/2017	06/10/2017 Approved	Yes	Surrender complete

3.6 Application to transfer 33 EPM's from Lady Annie to CST Minerals Exploration Pty Ltd

In December 2016, Lady Annie's made the corporate decision to transfer their exploration EPM's in the Central and Eastern Tenement Areas ("CTA & ETA") into a separate (wholly owned) corporate entity. This decision was made to recognise the geographic and operational differences between the two areas. The Western Tenement Area comprises Lady Annie's mining and processing operations surrounded by largely contiguous EPM's. The CTA & ETA are situated 70kms-170kms east of the Lady Annie's process facility and comprise exploration licenses (EPM's) only. The process of transferring the CTA & ETA EPM's from Lady Annie to CST Minerals Exploration Pty Ltd has been indicatively approved by the DNRM and an application for payment of stamp duty on the transaction has been made.

4. MINERAL RESOURCES AND RESERVES

There is no update on mineral resources and reserves since the last mineral resources estimate disclosed in 2017 Annual Report of the Company.

CORPORATE SUSTAINABILITY REPORT

HEALTH, SAFETY, ENVIRONMENT & COMMUNITY

Health and Safety

The Lady Annie Operations Health Safety Department continued to ensure the high standard of safety awareness and risk mitigation was maintained by all site based employees and contractors. The development of an Integrated Safety, Environment and Quality Management System was of the highest priority with legislative compliance, Australian Standards and Industry best practice methods reviewed during the development.

The Lady Annie Operational staff ongoing training in all aspects of the site operations has ensured all personnel are able to identify hazards and implement immediate corrective actions as required. The multi-disciplinary approach to site based operational staff ensure effective coverage during critical periods and provides employees with a widen knowledge base of both Operational and Safety requirements.

Site based Nationally Accredited competency training continues to be delivered onsite with several Lady Annie Operational staff successfully obtaining High Risk Licenses for machinery during the reporting period. Resource Industry specific competencies were delivered to ensure the National Vocational Training Standard compliance is maintained.

Environment

Lady Annie continued to review and assess environmental monitoring and reporting obligations with a view to further streamlining data collection and reporting. Environmental regulatory monitoring and reporting were ongoing for State and Federal Government Agencies with updates to water licencing, National Pollutant Inventory reporting, National Greenhouse and Energy Reporting, Receiving Environment Monitoring Program Annual Reporting, Annual Regulated Dam Inspections, and other reporting required under the Environmental Authority.

INDIGENOUS AND COMMUNITY RELATIONS

Lady Annie Operations remains committed and open to all local Indigenous engagements and relations. There has been no significant activity over this reporting period. The site manager has arranged several community meetings with representative of Carltons Hills.

Community Relations

Lady Annie Operations' continued commitment to local communities including Mount Isa, Camooweal, Cloncurry is supported with sponsorship, donations and mutual aid agreements. The staff of Lady Annie Operations continue to maintain a good working and supportive relationship with the local land owners including Calton Hills and Yelvertoft Cattle Stations. Lady Annie continued support of the annual Yelvertoft Campdraft.

CORPORATE GOVERNANCE

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND FINANCIAL RESULTS

The revenue of the Company and its subsidiaries (collectively referred to as the "Group") for the period ended 30 September 2017 (the "Period"), was approximately US$14.12 million. This was a decrease of approximately 15.95% compared to revenue recorded during the corresponding period last year. Operating revenue generated by Lady Annie Operations went up from approximately US$5.35 million to US$6.63 million, representing an increase of approximately 23.93% over the Period. The increase was due to rising of copper price during the Period.

Compared with the corresponding period of the previous year, there was approximately US$4.47 million decrease in gross profit, a drop of approximately 33.11%. Dividends from securities trades and interest income from financial assets, rental income, and interest income from money lending represented approximately 34.57%, 10.55% and 7.97% respectively of total revenue for the Period.

Compared with same period of last year, revenue derived from property investments increased significantly by approximately 298.40%, which is mainly attributable to rental income generated by the acquisition of a Scottish property in March 2017 through an indirect subsidiary of which the Group owned a 51% equity interest. Rental income provided steady cash flow over the Period, and this trend is expected to continue. As the share of equity securities in the Group's investment portfolio has been reduced, dividends from trading securities and interest income on financial assets decreased by approximately 55.17% period-on-period. Due to an upturn in the financial market, the Group recorded a gain on fair value changes of financial assets at fair value through profit or loss of approximately US$83.58 million for the Period, while there was a loss on fair value changes of financial assets at fair value through profit or loss of approximately US$54.56 million during the corresponding period of last year.

Information concerning the Group's 10 largest financial assets as of 30 September 2017 is detailed below:

Stock Code	Name of Stock/Note/Fund	Principal Business	Number of Share/Note/ Fund Held	% of Shareholding held by the Group 30.09.2017	Purchase Cost USD'000	Market Value 30.09.2017 USD'000	% to the Group's Net Assets 30.09.2017	Realised Gain on change in fair value for the period ended 30.09.2017 USD'000	Unrealised Gain/(Loss) on change in fair value for the period ended 30.09.2017 USD'000
Equity securities listed in Hong Kong									
708	Evergrande Health Industry Group Limited	Book and magazine publishing, digital business, copyright holding and licensing business in Hong Kong and providing plastic surgery, anti-aging and health services in the PRC	230,150,000	2.66%	35,024.99	101,206.99	12.55%	–	58,127.63*
3333	China Evergrande Group	Property (including development, investment, management, construction and other property related service), hotel and fast consuming industry in PRC	15,108,000	0.12%	38,872.34	52,781.15	6.54%	–	13,877.57*
1031	Kingston Financial Group Limited	Provision of securities brokerage, underwriting & placements, margin & IPO financing, corporate finance advisory services, futures brokerage & asset management services; providing gaming & hospitality service in Macau.	75,296,000	0.55%	8,125.74	38,420.27	4.76%	–	13,997.33*

Stock Code	Name of Stock/Note/Fund	Principal Business	Number of Share/Note/ Fund Held	% of Shareholding held by the Group 30.09.2017	Purchase Cost USD'000	Market Value 30.09.2017 USD'000	% to the Group's Net Assets 30.09.2017	Realised Gain on change in fair value for the period ended 30.09.2017 USD'000	Unrealised Gain/(Loss) on change in fair value for the period ended 30.09.2017 USD'000
1051	G-Resources Group Limited	Principal investment business, financial services business, money lending business and real property business	2,207,389,165	8.16%	103,940.46	29,148.86	3.61%	–	(12,451.94)*
1231	Newton Resources Ltd	Trading business, mining, processing and sale of non concentrates and gabbro-diabase and stone products and car-park business	186,498,000	4.66%	20,503.23	17,454.30	2.16%	–	1,434.60*
32	The Cross-Harbour (Holdings) Limited	Operation of motoring schools, tunnels and an electronic toll system, and investment	6,078,000	1.63%	5,383.69	9,537.78	1.18%	–	483.12*
189	Dongyue Group Limited	Manufacture, distribution and sale of refrigerants, polymers, organic silicone and dichloromethane, polyvinyl chloride and liquid alkali, and property development in the PRC	13,723,000	0.65%	7,301.34	8,550.48	1.06%	3,310.16	6,140.16*

Stock Code	Name of Stock/Note/Fund	Principal Business	Number of Share/Note/ Fund Held	% of Shareholding held by the Group 30.09.2017	Purchase Cost USD'000	Market Value 30.09.2017 USD'000	% to the Group's Net Assets 30.09.2017	Realised Gain on change in fair value for the period ended 30.09.2017 USD'000	Unrealised Gain/(Loss) on change in fair value for the period ended 30.09.2017 USD'000
Financial assets other than equity securities listed in Hong Kong									
	9.5% China Evergrande Senior Note	Property (including development, investment, management, construction and other property related service), hotel and fast consuming industry in PRC	50,000,000	N/A	50,000.00	52,525.00	6.51%	–	(2,787.50)*
	8.75% China Evergrande Senior Note	Property (including development, investment, management, construction and other property related service), hotel and fast consuming industry in PRC	50,000,000	N/A	49,987.25	50,817.50	6.30%	–	830.25
	Nexus Emerging Opportunities Fund Alpha SP	Fund with no specific investment objective and restriction on the investment of assets	25,475.7916	N/A	30,282.96	52,985.72	6.57%	–	2,393.34*
Total					**349,422.00**	**413,428.05**	**51.24%**	**3,310.16**	**82,044.56**

* Purchase costs in these securities represented the initial acquisition costs for the respective costs of the respective securities. Some of the financial assets were acquired by the Group in prior years. Financial assets acquired in prior years were subject to fair value adjustments and unrealized gains/(losses) on change in fair value were recognized at the end of the respective period. Unrealized gains/(losses) on change in the fair value of these financial assets for the period ended 30 September 2017 exclude amounts recognized in prior periods.

The Group's overall investment portfolio recorded a gain of approximately US$69.48 million, compared to a loss of approximately US$62.72 million, over the same period last year. Global economic and political instability, and US interest rate policy will continue to dampen investor and market sentiment as market conditions remain volatile. The Group will not be too optimistic about the performance of the second half of the global financial market. The Group is exploring opportunities to diversify its revenue.

Interest income from the money lending business increased to approximately 5.95 times of the same period of last year's amount as the Group has become increasingly active in this business. During the Period, approximately US$1.13 million in interest income was generated by the money lending business. The interest income from the money lending business was approximately US$0.19 million in the corresponding period of previous year.

As stated in the Group's annual report for the financial year ended 31 March 2017, the Group's internet logistics service in the PRC (the "E-logistics Platform Business") has not seen any pronounced cash flow improvements, and the forecasted growth rate and actual growth rate differed significantly. The Group therefore scaled down the E-logistics Platform Business' operations and reduced resources allocated to this business line. In light of considering the continued severe market competition and the existing difficult operation environment, the Group considered not to further allocate any resources to this business line. As such, an impairment loss on goodwill in the amount of approximately US$18.77 million was recognized in the Period.

Due to diminishing copper reserves and the Company's further down-scaling of its copper production, the carry value of inventories was written down by approximately US$3.78 million. Over the same period last year, the carry value of inventories was written down by approximately US$4.87 million. Exploration and evaluation assets were impaired by approximately US$0.23 million during the Period. In the same period last year, the write off, with respect to exploration and evaluation assets, was approximately US$0.14 million. Other gains totaling approximately US$3.65 million were recorded for the Period, contrasting with other losses of approximately US$1.59 million observed in the prior corresponding period. This was mainly attributable to increase in bank and other interest income and write-back part of provision for onerous contract during the Period. Overall, the Group recorded an after tax profit of approximately US$50.65 million for the Period, whereas an after tax loss of approximately US$81.73 million was recorded for the same period of last year.

NET ASSET VALUE

As of 30 September 2017, the Group held bank balances and cash totaling approximately US$202.55 million. Bank deposits of approximately US$48.98 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 was approximately US$72.23 million and US$457.67 million, respectively. During the Period, a bank granted a one-year HK$150 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 Period. During the Period, an indirect non-wholly owned subsidiary was granted a loan of GBP10.41 million with an interest rate of 3.73% per annum for four years for refinancing a Scottish property owned by the non-wholly owned subsidiary. As of 30 September 2017, the outstanding balance of this bank loan was approximately GBP10.49 million equivalently to approximately US$13.69 million. Based on the balance of all outstanding loans and borrowings from financial institutions and total equity, the gearing ratio was 1.70%. The net asset value of the Group amounted to approximately US$806.61 million.

HUMAN RESOURCES

As of 30 September 2017, the Group's total number of staff (including Company directors) was 36. Staff costs (excluding directors' emoluments) were approximately US$1.35 million for the Period. Staff remuneration packages are normally reviewed annually. The Group also participated in the Mandatory Provident Fund Scheme in Hong Kong, and provided other staff benefits, such as medical benefits.

FOREIGN EXCHANGE RISK

The Group conducts most of its business in US dollars, Australian dollars, Renminbi, Hong Kong dollars and British Pound. 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 Period, as business conducted in Renminbi represents only a small portion of the Group's total business in terms of revenue. The foreign currency exposure to British Pound is very limited as the rental income generated from a property in Scotland will be used to repay a loan facility granted by a local Scottish bank for refinancing the property in Scotland. The Group's primary source of foreign exchange risk is derived from the Australian dollar. However, as the Group's mining operations in Australia are scaling down, the foreign exchange risk posed by the Australian dollar is reduced. Management will continue to monitor the Group's foreign exchange risk and will consider hedging its exchange rate exposure should the need arise.

LADY ANNIE OPERATIONS

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.

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

	Six months ended 30 September 2017 US$'000	2016 US$'000
Revenue	**6,627**	5,352
Cost of sales	**(5,092)**	(3,301)
Gross profit	**1,535**	2,051
Other income and other gains	**836**	666
Distribution and selling expenses	**(5)**	(265)
Administrative expenses	**(2,876)**	(2,585)
Finance costs*	**–**	(216)
Loss on inventories written down to net realisable value	**(3,775)**	(4,872)
Write off of exploration and evaluation assets	**–**	(139)
Impairment loss on exploration and evaluation assets	**(231)**	–
Loss before taxation	**(4,516)**	(5,360)
Depreciation in administrative expenses	**38**	19
Depreciation in cost of sales	**235**	371
Total depreciation	**273**	390

* 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 reconciles Lady Annie Operations' C1 operating cost to measure the statement of comprehensive income in the financial statements of the Lady Annie Operations for the indicated period.

	Six months ended 30 September 2017 US$'000	2016 US$'000
Cash costs as reported in the income statement:		
Direct and indirect mining cost	**9,685**	8,097
Adjustment for change in inventory	**(3,645)**	(2,299)
Total operating costs	**6,040**	5,798
Copper sold (tonnes)	**1,102**	1,105
Copper sold (in thousand pounds)	**2,429**	2,436
C1 operating cost per pound of copper	**US$2.49/lb**	US$2.38/lb

In addition to conventional measures prepared in accordance with HKFRS, certain investors may want to 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

The Company held an annual general meeting on 22 September 2017 (the "AGM"). During the AGM, a special resolution was passed to change the English name of the Company from "NetMind Financial Holdings Limited" to "CST Group Limited" as well as the dual foreign Chinese name, which was changed from "網智金控集團有限公司" to "中譽集團有限公司". Both name changes became effective on 22 September 2017. Details of the change of company name were disclosed in the Company's announcements dated 17 August 2017 and 10 October 2017 and circular dated 24 August 2017.

OUTLOOK

While the global economic environment has been positive, US monetary policy and geopolitical factors continued to bring uncertainty to the business for the Group during the Period. However, the Group remains cautiously optimistic about current business prospects. Going forward, the Group will continue to evaluate market opportunities and optimize resource allocations to enhance overall profitability and returns while simultaneously promoting long-term development.

In terms of financial instruments, the Group will actively seek diversified investment and potential business opportunities to increase value. In order to seek new growth drivers, the Group will explore opportunities and identify uncertainties in the investment environment, prudently adapt to market changes, and monitor market risks.

Since the launch of the money lending business, both the Group's business scale and revenue have recorded solid growth. Looking forward, the Group believes that demand for loans will remain robust. The Group will look to further balance risks and revenue, and continue to prudently expand its money lending business. It is expected that this business will continue to generate stable and considerable revenue in the second half of the year.

The Group will seek more opportunities globally to broaden its property investment portfolio to generate rental income and/or capital appreciation, as well as produce future economic benefits.

As copper reserves in the Lady Annie mine site are mostly depleted, the Group will seek to develop other business segments with higher profitability. However, the Group will extend the life of the mine for continued business operations. In conjunction with close monitoring of production costs and market conditions, the Group is carefully considering the following actions: further reduction of operation scale; increased outsourcing as a proportion of operation activities; and/or temporarily halting production.

The e-logistics industry, as described in the Group's annual report for the financial year ended 31 March 2017, has witnessed intensified competition and a harsher operating environment than expected. There has been no pronounced improvement in the cash flow of the E-logistics Platform Business, and the growth of platform users differed significantly from the forecasted rate. The Group has therefore scaled down the e-logistics platform and reduced resources allocated to this business line. For the Period, given the continued intense market competition and a difficult operational environment, the Group has considered to halt allocation of additional resources to this business. The Group will continue to adjust the E-logistics Platform Business marketing and development strategy in accordance with market changes.

Going forward, the Group will enhance its current businesses to increase scale and overall revenue, and seek to improve financial performance. The Group will actively explore and capitalize on diversified investment and potential business opportunities to grow shareholder value.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

At 30 September 2017, the interests and short positions of the directors and the chief executives of the Company and their respective associates in the shares, underlying shares, convertible notes or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were disclosed as follows:

Long positions in shares/underlying shares of the Company

	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%

Note:

* Ordinary shares unless otherwise specified

Save as disclosed above, as at 30 September 2017, 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 required to be disclosed in accordance with the Listing Rules.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF PERSONS OTHER THAN DIRECTORS AND CHIEF EXECUTIVES

As at 30 September 2017, so far as known to the directors or the chief executives of the Company, the following persons are the shareholders (other than the directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or who were recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or had otherwise notified to the Company and the Stock Exchange.

Long positions in shares and underlying shares of the Company

Name of Shareholder	Capacity	Number of shares/ underlying shares	Approximate % of the issued share capital	
Wong Howard	Beneficial owner	5,186,920,000	13.40%	
Cheung Chung Kiu ("Mr. Cheung")	Beneficial owner/Interest of a controlled corporation	2,125,861,856	5.49%	(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; and

(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.

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

Save as disclosed above, as at 30 September 2017, the Company has not been notified by any person (other than the directors or the chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or who were recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or had otherwise notified to the Company and the Stock Exchange.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has, during the six months ended 30 September 2017 complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules, except for the following deviation:

Code Provision A.2.1

Under Code Provision A.2.1, the roles of the chairman and chief executive 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 THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding director's securities transactions. In response to specific enquiries, all the directors of the Company confirmed that they have complied with the required standards as set out in the Model Code throughout the six months ended 30 September 2017.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2017, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

REVIEW BY AUDIT COMMITTEE

The 2017 Interim Report has been reviewed by the Company's audit committee which comprises Mr. Yu Pan, Ms. Tong So Yuet and Ms. Ma Yin Fan, all of them are independent non-executive directors of the Company, and the Company's auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

By order of the Board

Chiu Tao
Chairman

Hong Kong, 24 November, 2017

FINANCIAL
STATEMENTS

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF CST GROUP LIMITED
(FORMERLY KNOWN AS NETMIND FINANCIAL HOLDINGS LIMITED)
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of CST Group Limited (formerly known as NetMind Financial Holdings Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 26 to 43, which comprise the condensed consolidated statement of financial position as of 30 September 2017 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24 November 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2017

	NOTES	Six months ended 30 September 2017 US$'000 (unaudited)	 2016 US$'000 (unaudited)
Revenue	4	**14,124**	16,804
Cost of sales	5	**(5,092)**	(3,301)
Gross profit		**9,032**	13,503
Other income and other gains and losses	6	**3,645**	(1,586)
Distribution and selling expenses		**(5)**	(1,141)
Administrative expenses		**(10,373)**	(10,380)
Impairment loss recognised and write-off of exploration and evaluation assets		**(231)**	(139)
Impairment loss recognised on goodwill	14	**(18,770)**	(12,332)
Loss on inventories written down to net realisable value		**(3,775)**	(4,872)
Impairment loss recognised on available-for-sale investments	15	**(14,101)**	(8,164)
Gain (loss) on fair value changes of financial assets at fair value through profit or loss		**83,584**	(54,558)
Gain on fair value changes of investment properties	13	**2,621**	878
Share of result of a joint venture		**(596)**	(2,150)
Share of result of an associate		**–**	(425)
Finance costs	7	**(110)**	(216)
Profit (loss) before taxation		**50,921**	(81,582)
Taxation	8	**(274)**	(151)
Profit (loss) for the period	9	**50,647**	(81,733)
Profit (loss) for the period attributable to:			
Owners of the Company		**49,573**	(81,558)
Non-controlling interests		**1,074**	(175)
		50,647	(81,733)
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**1,892**	(2,202)
Loss arising from fair value changes of an available-for-sale investment		**(13,650)**	(3,322)
Reclassification adjustment upon impairment on an available-for-sale investment		**12,408**	3,322
Exchange differences arising on translation of foreign operation from an associate		**–**	(5)
Other comprehensive income (expense) for the period		**650**	(2,207)
Total comprehensive income (expense) for the period		**51,297**	(83,940)
Total comprehensive income (expense) attributable to:			
Owners of the Company		**49,707**	(83,768)
Non-controlling interests		**1,590**	(172)
		51,297	(83,940)
EARNINGS (LOSS) PER SHARE			
Basic	10	**US0.13 cents**	US(0.21) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2017

	NOTES	As at 30 September 2017 US$'000 (unaudited)	As at 31 March 2017 US$'000 (audited)
Non-current assets			
Property, plant and equipment	12	**3,057**	3,481
Exploration and evaluation assets	12	**–**	–
Investment properties	13	**50,822**	46,962
Goodwill	14	**897**	19,017
Interests in an associate		**–**	–
Interests in a joint venture		**1,478**	2,074
Available-for-sale investments	15	**72,232**	56,637
Pledged bank deposits	17	**48,977**	44,840
Deposit for acquisition of property, plant and equipment		**4,768**	–
		182,231	173,011
Current assets			
Inventories		**5,140**	7,417
Trade and other receivables	18	**17,324**	30,975
Loan receivable		**9,033**	5,154
Amount due from a joint venture		**4,042**	4,042
Amount due from non-controlling interests		**6,709**	–
Financial assets at fair value through profit or loss	16	**457,668**	297,453
Bank balances and cash		**202,550**	299,947
		702,466	644,988
Current liabilities			
Trade and other payables	19	**12,535**	8,882
Provision for an onerous contract	22	**6,611**	6,456
Amount due to a non-controlling interest		**256**	256
Tax payable		**5,439**	5,172
Bank borrowings – amount due within one year	20	**1,185**	–
		26,026	20,766
Net current assets		**676,440**	624,222
Total assets less current liabilities		**858,671**	797,233
Non-current liabilities			
Bank borrowings – amount due after one year	20	**12,508**	–
Provision for mine rehabilitation cost	21	**24,291**	23,744
Provision for an onerous contract	22	**15,210**	18,174
Derivative financial instruments		**50**	–
		52,059	41,918
		806,612	755,315

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2017

	NOTE	As at 30 September 2017 US$'000 (unaudited)	As at 31 March 2017 US$'000 (audited)
Capital and reserves			
Share capital	23	**496,132**	496,132
Reserves		**297,628**	247,921
Equity attributable to owners of the Company		**793,760**	744,053
Non-controlling interests		**12,852**	11,262
		806,612	755,315

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2017

	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$'000	Exchange reserve US$'000	Accumulated losses US$'000	Total US$'000	Non-controlling interests US$'000	Total US$'000
At 1 April 2016 (audited)	496,132	507,573	987	128,275	–	176	(77,230)	1,055,913	64	1,055,977
Loss for the period	–	–	–	–	–	–	(81,558)	(81,558)	(175)	(81,733)
Other comprehensive (expense) income for the period	–	–	–	–	–	(2,210)	–	(2,210)	3	(2,207)
At 30 September 2016 (unaudited)	496,132	507,573	987	128,275	–	(2,034)	(158,788)	972,145	(108)	972,037
At 1 April 2017 (audited)	**496,132**	**507,573**	**987**	**128,275**	**1,242**	**(7,949)**	**(382,207)**	**744,053**	**11,262**	**755,315**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**49,573**	**49,573**	**1,074**	**50,647**
Other comprehensive (expense) income for the period	**–**	**–**	**–**	**–**	**(1,242)**	**1,376**	**–**	**134**	**516**	**650**
At 30 September 2017 (unaudited)	**496,132**	**507,573**	**987**	**128,275**	**–**	**(6,573)**	**(332,634)**	**793,760**	**12,852**	**806,612**

Notes:

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

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2017

	NOTE	Six months ended 30 September 2017 US$'000 (unaudited)	2016 US$'000 (unaudited)
Net cash (used in) from operating activities		**(65,776)**	44,253
Investing activities			
Purchase of available-for-sale investments		**(30,938)**	–
Purchase of property, plant and equipment	12	**(50)**	(448)
Deposit paid for acquisition of property, plant and equipment		**(4,768)**	–
Additions to exploration and evaluation assets	12	**(227)**	(966)
Increase in pledged bank deposit		**(2,994)**	(591)
Proceeds on disposal of property, plant and equipment		**164**	15
Net cash used in investing activities		**(38,813)**	(1,990)
Financing activities			
New bank borrowing raised		**13,693**	–
Amount advanced to non-controlling interests		**(6,709)**	–
Net cash from financing activities		**6,984**	–
Net (decrease) increase in cash and cash equivalents		**(97,605)**	42,263
Effect of foreign exchange rate changes		**208**	(127)
Cash and cash equivalents at the beginning of the period		**299,947**	44,450
Cash and cash equivalents at the end of the period, represented by bank balances and cash		**202,550**	86,586

1. GENERAL

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

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

Pursuant to special resolution passed by the shareholders of the Company on 22 September 2017, the Company's name was changed from "NetMind Financial Holdings Limited" to "CST Group Limited" with effect from 22 September 2017.

2. BASIS OF PREPARATION

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

3. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2017 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2017.

In the current period, the Group has applied, for the first time, the following amendments to HKAS and Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

HKAS 7 (Amendments)	Disclosure initiative
HKAS 12 (Amendments)	Recognition of deferred tax assets for unrealised losses
HKFRSs (Amendments)	Annual improvements to HKFRSs 2014-2016 cycle

The application of the above amendments to HKAS and HKFRSs in the current period has had no material effect on the amounts reported in and/or disclosures set out in these condensed consolidated financial statements. Additional disclosures about changes in liabilities arising from financing activities, including both changes from cash flows and non-cash changes on application of amendments to HKAS 7 will be provided in the consolidated financial statements for the year ending 31 March 2018.

4. 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 period is as follows:

	Six months ended 30 September	
	2017	2016
	US$'000	US$'000
	(unaudited)	(unaudited)
Sale of copper cathodes	**6,627**	5,352
Residential rental income	**307**	272
Office rental income	**1,183**	102
Dividend income from trading of securities	**1,411**	10,418
Interest income from financial assets at fair value through profit or loss	**3,471**	471
Interest income from money lending business	**1,125**	189
	14,124	16,804

Segment Information

Information provided to the chief operating decision maker ("CODM"), representing the executive directors of the Company, for the purposes of resource allocation and performance assessment focuses on types of business. The Group's operating and reportable segments under HKFRS 8 *Operating Segments* are (i) mining business, (ii) investment in financial instruments, (iii) property investment, (iv) money lending and (v) e-logistics platform.

4. REVENUE/SEGMENT INFORMATION (continued)

Segment revenue and results

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

	Segment revenue Six months ended 30 September		Segment results Six months ended 30 September	
	2017 US$'000 (unaudited)	2016 US$'000 (unaudited)	**2017 US$'000 (unaudited)**	2016 US$'000 (unaudited)
Mining business	**6,627**	5,352	**(5,329)**	(5,809)
Investment in financial instruments	**4,882**	10,889	**73,843**	(52,714)
Property investment	**1,490**	374	**3,716**	1,096
Money lending	**1,125**	189	**1,008**	189
E-logistics platform	**–**	–	**(18,856)**	(14,482)
	14,124	16,804	**54,382**	(71,720)
Other income and other gains and losses (except for reversal of (provision for) an onerous contract and fair value loss on derivative financial instruments)			**3,160**	(1,331)
Central administration costs			**(5,915)**	(5,740)
Finance costs			**(110)**	(216)
Share of result of a joint venture			**(596)**	(2,150)
Share of result of an associate			**–**	(425)
Profit (loss) before taxation			**50,921**	(81,582)

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

Segment results represent the results of each segment without allocation of other income and other gains and losses (except for reversal of (provision for) an onerous contract and fair value loss on derivative financial instruments), central administration costs, finance costs, share of result of a joint venture and share of result of an associate. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

4. REVENUE/SEGMENT INFORMATION (continued)

Other segment information

Six months ended 30 September 2017
Amount included in the measure of segment results:

	Mining business US$'000 (unaudited)	Investment in financial instruments US$'000 (unaudited)	Property investment US$'000 (unaudited)	Money lending US$'000 (unaudited)	E-logistics platform US$'000 (unaudited)	Unallocated US$'000 (unaudited)	Total US$'000 (unaudited)
Depreciation	548	–	–	–	35	85	668
Staff costs	472	–	–	–	27	846	1,345

Six months ended 30 September 2016
Amount included in the measure of segment results:

	Mining business US$'000 (unaudited)	Investment in financial instruments US$'000 (unaudited)	Property investment US$'000 (unaudited)	Money lending US$'000 (unaudited)	E-logistics platform US$'000 (unaudited)	Unallocated US$'000 (unaudited)	Total US$'000 (unaudited)
Depreciation	388	–	–	–	45	99	532
Staff costs	1,700	–	–	–	1,350	857	3,907

5. COST OF SALES

	Six months ended 30 September	
	2017 US$'000 (unaudited)	2016 US$'000 (unaudited)
Contractor fee	6,229	–
Electricity	–	3,442
Diesel/fuel	–	161
Direct materials	30	1,411
Equipment rental	–	3
Staff costs	–	745
Overhead	3	174
Maintenance	–	8
Depreciation	235	134
Movement in inventories	(1,405)	(2,777)
	5,092	3,301

6. OTHER INCOME AND OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2017	2016
	US$'000	US$'000
	(unaudited)	(unaudited)
Bank and other interest income	**1,731**	673
Net foreign exchange gain (loss)	**526**	(785)
Gain on disposal of assets	**49**	–
Fair value loss on derivative financial instruments	**(50)**	–
Reversal of (provision for) an onerous contract	**535**	(255)
Impairment loss recognised on interest in an associate	**–**	(1,457)
Others	**854**	238
	3,645	(1,586)

7. FINANCE COSTS

	Six months ended 30 September	
	2017	2016
	US$'000	US$'000
	(unaudited)	(unaudited)
Effective interest expense on provision for mine rehabilitation cost	**–**	175
Effective interest expense on provision for an onerous contract	**–**	41
Interest expense on bank borrowing	**110**	–
	110	216

8. TAXATION

	Six months ended 30 September	
	2017	2016
	US$'000	US$'000
	(unaudited)	(unaudited)
The charge comprises:		
Current tax:		
People's Republic of China ("PRC")	**11**	10
Australian withholding tax	**123**	141
United Kingdom	**140**	–
Taxation charge for the period	**274**	151

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

Under the applicable corporate tax law in the United Kingdom, the tax rate is 19% of the estimated assessable profits.

8. TAXATION (continued)

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

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

9. PROFIT (LOSS) FOR THE PERIOD

	Six months ended 30 September	
	2017	2016
	US$'000	US$'000
	(unaudited)	(unaudited)
Profit (loss) for the period has been arrived at after charging:		
Depreciation on property, plant and equipment	**668**	532
Directors' remuneration	**3,131**	3,054

10. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share attributable to owners of the Company is based on the profit for the period of US$49,573,000 (six months ended 30 September 2016: loss for the period of US$81,558,000) and weighted average number of 38,698,308,961 ordinary shares in issue during the period (six months ended 30 September 2016: 38,698,308,961 ordinary shares).

No diluted earnings per share is presented as there were no potential ordinary shares in issue during the both periods.

11. DIVIDEND

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

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

During the six months ended 30 September 2017, the Group incurred expenditures on mine property and development assets of US$30,000 (six months ended 30 September 2016: US$9,000) and other property, plant and equipment of US$20,000 (six months ended 30 September 2016: US$439,000).

During the six months ended 30 September 2017, the Group incurred expenditures on exploration and evaluation assets of US$231,000 (six months ended 30 September 2016: US$971,000).

13. INVESTMENT PROPERTIES

	US$'000
Fair value at 1 April 2017 (audited)	46,962
Unrealised fair value changes recognised in profit or loss	2,621
Exchange adjustments	1,239
Fair value at 30 September 2017 (unaudited)	50,822

The Group's investment properties in Hong Kong, the PRC and the UK as at 30 September 2017 and 31 March 2017 were valued by an independent qualified professional valuer not connected with the Group. The fair value was determined based on the income approach and direct comparison approach. For the income approach, the value of the completed investment properties is derived from capitalising the rental income derived from the existing tenancies. For the direct comparison approach, the fair value is arrived at by reference to unit market values of comparable properties and the adjusting factors such as floor and direction. The increase in fair value of investment properties of US$2,621,000 has been recognised directly in profit or loss for the six months ended 30 September 2017 (six months ended 30 September 2016: US$878,000).

14. GOODWILL

As at 30 September 2017, the carrying value of goodwill is US$897,000 (31 March 2017: US$19,017,000). It is solely related to the e-logistics platform which is considered as a cash generating unit ("CGU") of the Group.

The carrying amount of the assets allocated to the unit was determined to be higher than its recoverable amount and an impairment loss of US$18,770,000 (six months ended 30 September 2016: US$12,332,000) was recognised. The impairment loss was allocated fully to the goodwill and is presented as a separate financial statement line item in the condensed consolidated statement of profit or loss and other comprehensive income.

15. AVAILABLE-FOR-SALE INVESTMENTS

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

	As at 30 September 2017 US$'000 (unaudited)	As at 31 March 2017 US$'000 (audited)
Unlisted equity securities (Note a)	**51,961**	51,961
Less: Impairment loss recognised	**(46,281)**	(44,588)
	5,680	7,373
Equity securities listed in Hong Kong (Note b)	**31,950**	45,600
Investment funds (Note c)	**32,165**	1,227
Club membership	**2,437**	2,437
	72,232	56,637

15. AVAILABLE-FOR-SALE INVESTMENTS (continued)

Notes:

(a)(i) The Group has 8.22% equity interest of an unlisted company incorporated in the Republic of Marshall Islands principally engaged in investment activity. 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.

As at 30 September 2016, the management has engaged independent professional valuer to determine the fair value of Company. The valuer applied a discount rate of 30% 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$1,279,000 was recognised during the six months ended 30 September 2016.

Considered that full impairment had been made to this investment as at 30 September 2016 and no reversal of impairment on available-for-sale investment is allowed, the management did not engage independent professional valuer to determine the fair value of Company as at 31 March 2017 and 30 September 2017.

(a)(ii) As at 30 September 2017 and 31 March 2017, the Group has 2.19% equity interest of an unlisted company incorporated in the Cayman Islands principally engaged in securities investing business.

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

During the period, the management engaged an independent professional valuer to determine the fair value of this investment with reference to publicly available information of comparable companies applying a marketability discount. The valuer adopts the market approach to determine the valuation parameters derived from 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% (31 March 2017: 30%) for the lack of liquidity of business operation being valued due to the fact that it is not a listed company. An impairment loss of US$1,693,000 was recognised in profit or loss for the six months ended 30 September 2017 (six months ended 30 September 2016: US$3,563,000).

(b) As at 30 September 2017, the Group's available-for-sale investments included equity securities listed in Hong Kong, which represents 2,419,569,625 equity shares, approximately 8.95% shareholding (31 March 2017: 2,419,569,625 equity shares, approximately 8.95% shareholding) in G-Resources Group Limited ("G-Resources"), incorporated in Bermuda, with a carrying amount of US$31,950,000 as at 30 September 2017 (31 March 2017: US$45,600,000). The listed equity securities are stated at fair values which have been determined based on quoted market bid prices available on the Stock Exchange. During the six months ended 30 September 2017, fair value loss amounting to US$13,650,000 was recognised. Due to a significant decline in the fair value of the investment in G-Resources below its cost, an impairment loss amounting to US$12,408,000 has been recognised during the six months ended 30 September 2017 which was reclassified from the investment revaluation reserve (six months ended 30 September 2016: US$3,322,000).

(c) The investment funds are measured at cost less impairment at the end of the reporting period because the ranges of reasonable fair value estimates are so significant that the directors of the Company are of the opinion that the fair values cannot be measured reliably.

As at 30 September 2017, included in the investment funds, there are two major newly invested funds in the current period, of which the carrying values of an investee engaged in note investment in Hong Kong and an investee engaged in property investment in the United States are US$15,000,000 (31 March 2016: nil) and US$10,000,000 (31 March 2016: nil), respectively. No impairment indicator was noted for the investment funds for both periods.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 September 2017 US$'000 (unaudited)	As at 31 March 2017 US$'000 (audited)
Held for trading investments		
Debt securities listed in Singapore	**103,342**	55,312
Equity securities – listed in Hong Kong	**289,845**	180,709
Equity securities – listed outside Hong Kong	**3,091**	2,364
Investment funds	**61,390**	59,068
	457,668	297,453

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

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 by net asset value per share or unit provided by the financial institution with reference to observable quoted price of underlying investment portfolio in an active markets or over-the-counter.

17. PLEDGED BANK DEPOSITS

The Group has provided certain bank guarantees in connection with the terms of supplier contracts in respect of which the Group is obliged to indemnify the banks. At the end of the reporting period, no claims have been made under these guarantees. The amount of these guarantees may vary from time to time depending upon the requirements of the contract terms of the supplier contracts. These guarantees are backed by collateral deposits which amounted to US$23,061,000 as at 30 September 2017 (31 March 2017: US$21,403,000).

Another US$25,916,000 (31 March 2017: US$23,437,000) represents deposit placed by the Group to a bank as required by the government of Queensland, Australia for operating in the mining activities or closure of mines and the environmental rehabilitation work of relevant mines meets the government's requirements in note 21.

18. TRADE AND OTHER RECEIVABLES

	As at 30 September 2017 US$'000 (unaudited)	As at 31 March 2017 US$'000 (audited)
Trade receivables	**1,333**	1,180
Other receivables	**15,991**	29,795
Total trade and other receivables	**17,324**	30,975

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

	As at 30 September 2017 US$'000 (unaudited)	As at 31 March 2017 US$'000 (audited)
0 – 60 days	**1,333**	1,180

Trade receivables as at 30 September 2017 and 31 March 2017 mainly represent trade receivables from sales of copper cathodes in Australia. The balance is due on the fifth working day 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 brokers amounting to US$13,898,000 (31 March 2017: US$21,468,000).

19. TRADE AND OTHER PAYABLES

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

	As at 30 September 2017 US$'000 (unaudited)	As at 31 March 2017 US$'000 (audited)
Trade payables		
0 – 30 days	**157**	298
Other payables	**12,378**	8,584
Total trade and other payables	**12,535**	8,882

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$1,960,000 (31 March 2017: AUD2,500,000, equivalent to approximately US$1,911,000) and (ii) of AUD2,500,000, equivalent to approximately US$1,960,000 (31 March 2017: AUD2,500,000, equivalent to approximately US$1,911,000) 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 30 September 2017, the additional ore reserves are not yet delineated and the remaining AUD2,500,000, equivalent to approximately US$1,960,000 (31 March 2017: AUD2,500,000, equivalent to approximately US$1,911,000), was included in other payables.

Other payables also include Goods and Services Tax payable and Royalty payable of US$43,000 and nil (31 March 2017: US$42,000 and US$118,000), respectively, in respect of sales made in Australia under relevant rules and regulations.

20. BANK BORROWING

During the current period, the Group obtained new bank borrowing amounting to US$13,693,000 (31 March 2017: nil). The loan carries interest at variable market rates of LIBOR plus 2.75% and is repayable in instalments over a period of 4 years.

21. PROVISION FOR MINE REHABILITATION COST

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

Rehabilitation cost has been estimated based on the current regulatory requirements and determined based on the net present value of future cash expenditures upon rehabilitation, and which is expected to result in cash outflow for CSTLA of such mine rehabilitation cost in July 2019. Rehabilitation cost is capitalised as part of mine property and development assets in property, plant and equipment, and is amortised over the life of the mine on a unit-of-production basis. No payment was made during the six months ended 30 September 2017 and 2016 for rehabilitation works.

22. PROVISION FOR AN ONEROUS CONTRACT

As at 30 September 2017, the committed power supply expenses of an non-cancellable power supply contracts with lease term expiring over 39 months. During the six months ended 30 September 2017, reversal of provision of US$535,000 was made due to change of accounting estimates on the discount rate. As at 30 September 2017, US$2,893,000 (31 March 2017: US$6,321,000) was realised and transferred from provision for an onerous contract to other payable. No payment was made in the both periods for the onerous contract for the six months ended 30 September 2017 and 2016.

23. SHARE CAPITAL

	Number of shares	Share capital US$'000
Ordinary shares of HK$0.10 each:		
Authorised		
At 1 April 2016	50,000,000,000	641,026
Increase in authorised share capital (Note)	50,000,000,000	641,026
At 31 March 2017 and 30 September 2017 (unaudited)	100,000,000,000	1,282,052
Issued and fully paid		
At 1 April 2016, 31 March 2017 and 30 September 2017 (unaudited)	38,698,308,961	496,132

Note: By an ordinary resolution passed at the extraordinary general meeting on 16 May 2016, the Company's authorised share capital was increased from HK$5,000,000,000 divided into 50,000,000,000 ordinary shares of HK$0.10 each to HK$10,000,000,000 divided into 100,000,000,000 ordinary shares of HK$0.10 each by creation of additional 50,000,000,000 ordinary shares of HK$0.10 each.

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

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

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

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

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s)
	30 September 2017 US$'000	31 March 2017 US$'000		
Available-for-sale investments				
Equity securities listed in Hong Kong ("HK")	31,950	45,600	Level 1	Quoted bid prices in an active market
Financial assets designated at fair value through profit or loss				
Debt securities listed in Singapore	103,342	55,312	Level 2	Quoted prices in over-the-counter
Equity securities listed in HK	289,845	180,709	Level 1	Quoted bid prices in an active market
Equity securities listed in overseas	3,091	2,364	Level 1	Quoted bid prices in an active market
Investment funds	61,390	59,068	Level 2	Net asset value per share or unit provided by the financial institutions with reference to observable quoted price of underlying investment portfolio in an active markets or over-the-counter
Derivative financial instruments				
Interest rate swap contract	(50)	–	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at an applicable discount rate taking into account the credit risk of the counter-parties and of the Group as appropriate.

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

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

There were no transfers between Levels 1, 2 and 3 in both periods.

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

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.

25. RELATED PARTY DISCLOSURES

Key management personnel compensation

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

	Six months ended 30 September	
	2017	2016
	US$'000	US$'000
	(unaudited)	(unaudited)
Short-term benefits	**3,124**	3,048
Post-employment benefits	**7**	6
	3,131	3,054

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
Mr. Wah Wang Kei, Jackie

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

COMPANY SECRETARY

Mr. Chow Kim Hang

REGISTERED OFFICE

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Cayman Islands

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P.O. Box 897
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Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

PRINCIPAL BANKER

Hang Seng Bank Limited

STOCK CODE

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WEBSITE

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