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)

2018 ANNUAL REPORT

CONTENTS

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 year ended 31 March 2018 (the "Year").

During the Year, the Group recorded significant improvements in overall financial performance. For the financial year ended 31 March 2018, the Group recorded a revenue of approximately US$32,417,000, an increase of 20.34% compared to 2017 revenue of US$26,937,000. The loss attributable to shareholders of the Group in the Year was approximately US$12,719,000, a decrease of 95.83% compared to the 2017 loss of approximately US$304,977,000. The reduction in losses was due to several factors, including the increase of gain brought by the changes in the fair value of financial assets; the increase of interest income in the money lending business; and the reduction of good-will impairment losses in the e-logistics platform business.

During the Year, the Group continued to develop its mining, investment in financial instruments and money lending businesses, all of which achieved stable development. The Group also optimized its business structure to expand its mineral portfolio. Going forward, the Group will no longer allocate any resources to its e-logistics platform business, thereby freeing up resources to explore alternative investment opportunities.

As copper reserves in the Lady Annie mine site are mostly depleted, the Group will downscale mining operations and simultaneously evaluate other global investment opportunities to complement the Group's mining business. We are confident that expanding and diversifying the Company's mineral portfolio is beneficial for the Group in the long-term.

CHAIRMAN'S STATEMENT

On 8 January 2018, the Group announced that its subsidiary intended to acquire mining assets and properties related to coking coal from Grande Cache Canada (the "Substantial Acquisition"). This Substantial Acquisition was approved during the extraordinary general meeting of the Company held on 28 March 2018. With management's rich experience and expertise in conducting the mining business and investing in natural resources, the Group believes that the Substantial Acquisition will provide a valuable opportunity to generate returns in the near future.

The Group also actively engaged in the money lending business. The money lending business achieved significant growth and contributed stable cash flows and profits to the Group. In the future, the Group will continue to adhere to a prudent and stable strategy to maintain a balance between business growth and risk management.

In terms of property investment, the Group's property investment in Scotland provided the Group with stable and recurrent rental income and long-term potential for capital appreciation during the Year. Property investments in Hong Kong and Mainland China also provided the Group with stable cash income.

While market fluctuations during the Year impacted the Group's investments in financial instruments, this business line enjoyed strong performance compared to the corresponding period last year. The fair value of securities investments recorded an increase. However, the overall securities market in Hong Kong was vulnerable due to global economic and political instability. The Group adopted a prudent and stable strategy to adapt to subsequent market changes and rigorously monitored market risks.

Looking forward, the Group will diversify its investments to tap into new business opportunities that have the most potential to expand the Group's scale and total revenue while improving shareholder value.

On behalf of the Board of Directors, I would like to express my gratitude to our shareholders and business partners 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

27 June 2018

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 Northwest 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. 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 is holding approximately 2,030km^2 of exploration tenement in Northwest Queensland, Australia with some tenements located around the Lady Annie processing plant and some situated 70kms to 170kms east of the Lady Annie mine site.

1. Operating Results

The table below provides certain key operation information for Lady Annie Operations for the year ended 31 March 2018 (the "Year") and 31 March 2017 respectively.

Key operational information		2018	2017
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)	**1,882**	2,379
Sales	Copper cathode (tonnes)	**1,950**	2,542
	Average price (US$/tonne)	**6,424**	5,298
	Revenue (US$'000)	**12,527**	13,468

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

	US$'000
Administration	4
Camp expense	1
Consultancy and contractor expense	45
Staff cost	328
Tenement and mining leases fee	10
Others	198
Total	586

2. Operations Update

Mining, ore crushing and stacking still remains suspended during the Year. Development of viable opportunities are being evaluated to optimize this resource.

Small scale leaching from heap leach pads continued and Lady Annie Operations produced 1,882 tonnes of copper cathode during the twelve months period up to the end of March 2018.

A 45,000 tonne fresh ore trial from the ROM (run of mine) stockpiles was undertaken from December 2017 to February 2018, whereby uncrushed and un-agglomerated ore was added to the heap leach pad material with the view to increase production. To date this has shown positive results.

3. Exploration

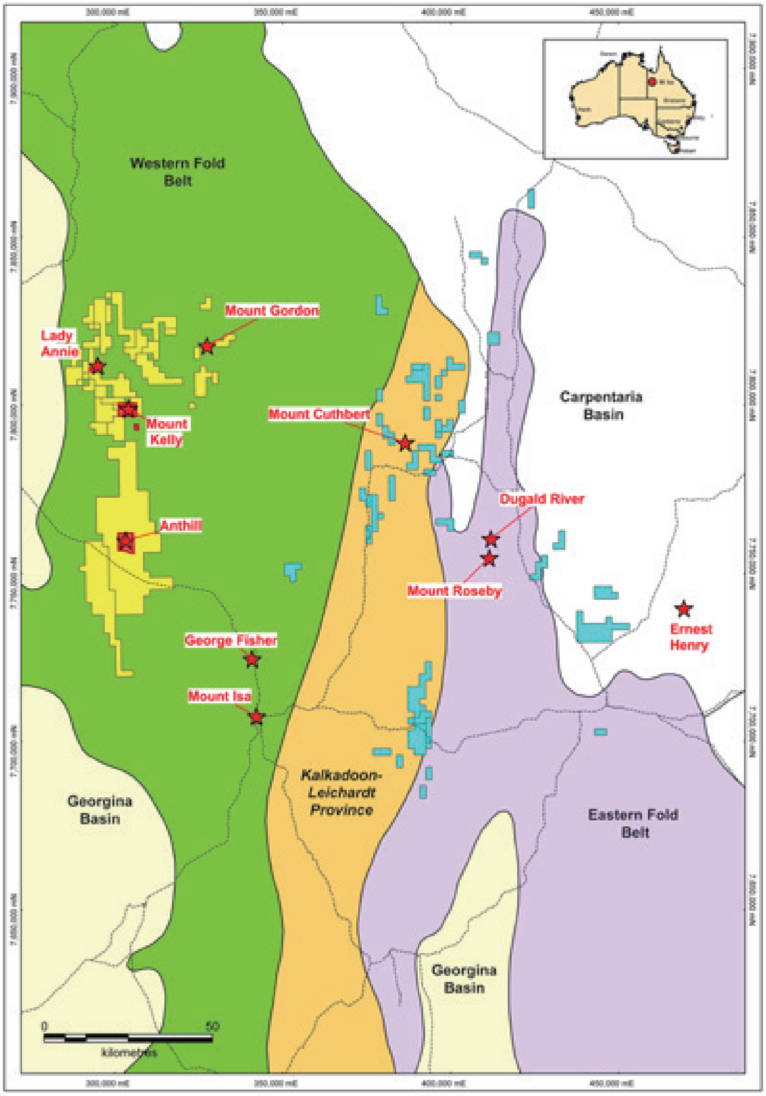
3.1 Competent Person Statement

The following information that relates to exploration results is based on information compiled by Mrs Lisa Orr ("Mrs Orr") MSc (Hons) Geology, who is a member of the Australasian Institute of Mining and Metallurgy. Mrs Orr is a geological consultant 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). Mrs Orr consents to the inclusion in this section of the matters based on her information in the form and context in which it appears.

3.2 Overview of Exploration Activities

Activity for the Year (1 April 2017 – 31 March 2018) focused on maintaining the integrity of the Lady Annie license portfolio through renewal of critical Exploration Permit for Minerals ("EPM's"). The licenses have been grouped into three areas, the Western Tenement Area ("WTA"), the Central Tenement Area ("CTA") and the Eastern Tenement Area ("ETA"). The WTA comprises Lady Annie's mining and processing operations surrounded by largely contiguous EPM's. The CTA and ETA are situated 70kms–170kms east of the Lady Annie's process facility and comprise EPM's. In December 2016, Lady Annie made the corporate decision to transfer their exploration EPM's in the Central and Eastern Tenement Areas into a separate (wholly owned) corporate entity (CST Minerals Exploration Pty Ltd ("CSTEXP")). All tenements within the Central and Eastern Tenement areas were transferred to CSTEXP on the 19 December 2017. In October 2017 Lady Annie received mining license for Anthill project.

PROJECT OVERVIEW



3.3 Applications for Exploration Industry Expenditure Concession

In December 2017 Lady Annie and CSTEXP made application to the Department of Natural Resources and Mines ("DNRM") to apply for Exploration Industry Expenditure Concession ("EIEC") for seven EPM's. The EIEC, a concession of up to 50% of the scheduled expenditure, was available to EPMs which were in their third year of tenure during 2016 and 2017. A 50% reduction in the scheduled expenditure was approval for 6 EPM's and rejected for one EPM as it did not meet the eligibility criteria.

3.4 Application for EMP's Renewals

As of 31 March 2018, Lady Annie had a total of 12 granted EPM's and 4 EPM's renewal application awaiting approval.

As of 31 March 2018, CSTEXP had a total of 21 granted EPM's and 9 EPM's renewal application awaiting approval.

3.5 Application to surrender 12 EPM's

During the reporting period, Lady Annie relinquished a total of 12 EPM's that it considered had limited exploration potential due to the not satisfactory results from work completed, deep cover and/or the limited remaining size of the EPM area. A summary of the status for EPM's relinquished is as follows:

Table 1: Status of Lady Annie License Surrenders 1 April 2017 to 31 March 2018

STATUS LICENSE SURRENDERS					
EPM	**Submitted**	**Accepted**	**Environmental Authority refund Submitted and Approved**	**EPM Expired**	**Comments**
11920	15-Sep-17	18-Sep-17	18-Sep-17 Approved	Yes	Surrender complete
17281	20-Sep-17	17-Oct-17	14-Nov-17 Approved	Yes	Surrender complete
17411	06-Jun-17	06-Jun-17	18-Aug-17 Approved	Yes	Surrender complete
17414	09-Jun-17	09-Jun-17	18-Aug-17 Approved	Yes	Surrender complete
17433	13-Nov-17	21-Nov-17	30-Nov-17 Approved	Yes	Surrender complete
17470	09-Nov-17	21-Nov-17	30-Nov-17 Approved	Yes	Surrender complete
17584	09-Nov-17	21-Nov-17	14-Dec-17 Approved	Yes	Surrender complete
17635	09-Nov-17	21-Nov-17	14-Dec-17 Approved	Yes	Surrender complete
17647	06-Jun-17	06-Jun-17	18-Aug-17 Approved	Yes	Surrender complete
17704	06-Jun-17	06-Jun-17	18-Aug-17 Approved	Yes	Surrender complete
17852	06-Jun-17	06-Jun-17	18-Aug-17 Approved	Yes	Surrender complete
17858	15-Sep-17	18-Sep-17	18-Sep-17 Approved	Yes	Surrender complete

PROJECT OVERVIEW

4. Mineral Resources and Reserves

Table 2: Lady Annie Mineral Resources by Deposit at 0.30% Cu cut-off at end of December 2017

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	2.70	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	0.30	0.90	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
	Sulphide	0.02	0.70	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**	**3.00**	**0.79**	**0.8**	**0.5**	**8.7**	**0.71**	**1.9**	**1.2**	**2.1**	**0.52**	**6.0**	**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
	Sulphide	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**	**3.0**	**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	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	1.94	0.68	8.0	4.7	3.33	0.83	8.1	4.9	0.12	0.57	9.2	5.8	5.39	0.77	8.1	4.8
	Sulphide	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**	**3.00**	**0.70**	**6.9**	**4.0**	**8.52**	**0.8**	**7.6**	**4.6**	**0.64**	**0.57**	**9.7**	**6.1**	**12.16**	**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	0.35	0.59	8.9	5.2	3.09	0.53	8.8	5.2	0.65	0.46	7.4	4.6	4.09	0.52	8.6	5.1
	Sulphide	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**	**1.03**	**0.52**	**4.0**	**2.3**	**6.74**	**0.48**	**5.2**	**3.2**	**1.18**	**0.44**	**6.6**	**4.0**	**8.95**	**0.48**	**5.3**	**3.2**
Lady Colleen	Oxide	–	–	–	–	0.1	0.63	1.0	0.4	0.1	0.52	0.7	0.3	0.2	0.58	0.9	0.4
	Transition	0.10	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
	Sulphide	0.10	1.08	0.7	0.4	1.9	1.14	6.1	3.3	3.6	0.75	3.5	2.0	5.6	0.89	4.4	2.4
	Total**	**0.10**	**1.00**	**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	0.16	0.47	2.2	1.3	0.003	0.46	6.4	2.8	0.57	0.53	1.7	1.1
	Sulphide	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**	**0.52**	**0.55**	**2.4**	**1.4**	**2.64**	**0.54**	**1.6**	**1.0**
McLeod Hill	Oxide	–	–	–	–	–	–	–	–	0.48	0.35	–	–	0.5	0.35	–	–
	Transition	–	–	–	–	–	–	–	–	0.55	0.57	–	–	0.6	0.57	–	–
	Sulphide	–	–	–	–	–	–	–	–	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	–	–
	Sulphide	–	–	–	–	–	–	–	–	0.03	0.45	–	–	0.0	0.45	–	–
	Total**	**0.14**	**0.67**	**–**	**–**	**0.10**	**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	3.97	0.67	6.5	3.8	11.17	0.70	6.8	4.0	2.42	0.52	3.8	2.3	17.56	0.67	6.4	3.7
	Sulphide	2.00	0.98	5.0	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**	**10.95**	**0.72**	**3.5**	**2.1**	**36.35**	**0.72**	**4.8**	**2.9**	**14.43**	**0.64**	**4.4**	**2.6**	**61.73**	**0.7**	**4.5**	**2.7**

Table 3: Lady Annie Ore Reserves by Deposit at end of December 2017, including surface stockpiles

Deposit	Material Type	Proven			Probable			Total		
		kt	Cu%	Ca%*	kt	Cu%	Ca%*	kt	Cu%	Ca%*
Lady Annie	Oxide	7	0.66	0.5	13	0.85	0.6	21	0.78	0.5
	Transition	92	0.72	8.7	67	1.16	8.1	159	0.9	8.5
	Sub-total	**99**	**0.71**	**8.1**	**80**	**1.11**	**6.8**	**179**	**0.89**	**7.5**
Lady Brenda	Oxide	341	0.55	0.7	65	0.76	5.1	407	0.59	1.4
	Transition	65	0.76	5.1	145	0.78	5.9	210	0.77	5.6
	Sub-total	**407**	**0.59**	**1.4**	**210**	**0.77**	**5.6**	**617**	**0.65**	**2.9**
Mount Kelly	Oxide	237	0.66	0.3	79	0.5	0.4	315	0.62	0.3
	Transition	365	0.76	4.0	167	0.92	0.6	533	0.81	2.9
	Sub-total	**602**	**0.72**	**2.5**	**246**	**0.78**	**0.5**	**848**	**0.74**	**1.9**
ROM Stockpiles	Oxide	87	0.94	0.5	–	–	–	87	0.94	0.5
	Transition	250	0.98	5.3	–	–	–	250	0.98	5.3
	Total	**337**	**0.97**	**4.0**	**–**	**–**	**–**	**337**	**0.97**	**4.0**
Total	Oxide	672	0.64	0.6	157	0.64	2.3	830	0.64	0.9
	Transition	772	0.83	5.1	379	0.91	3.9	1,152	0.85	4.7
	Total	**1,444**	**0.74**	**3.0**	**536**	**0.83**	**3.5**	**1,982**	**0.76**	**3.1**

Notes: * Due to the sparseness of Ca assays the Ca estimates are indicative only.

** Totals may not add up due to rounding.

For further details on resources and reserves, a copy of the report "Mineral Resource and Ore Reserve Statement – May 2018" is posted on the website of the Company.

CORPORATE SUSTAINABILITY REPORT

Health, Safety, Environment & Community

Health and Safety

The Lady Annie Operations' Health Safety Department continues to ensure the high standard of safety awareness and risk mitigation will be maintained by all site-based employees and contractors. The continual improvement of the newly implemented Integrated Safety, Environmental and Quality Management System is of highest priority.

The Lady Annie Operational staff continues to implement and deliver relevant ongoing training in all aspects of the site operations to ensure all personnel can identify hazards and implement immediate corrective actions as required. 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.

The multi-disciplinary approach to site based operational staff will ensure effective coverage during critical periods and provides employees with a wide knowledge base of both operational and safety requirements.

Environment

Lady Annie continues to review, improve and assess environmental monitoring and reporting obligations with a view to further streamlining data collection and reporting. Environmental regulatory monitoring and reporting are ongoing for State and Federal Government Agencies with updates to water licensing, 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 continues meetings with representatives of Carlton Hills.

Community Relations

Lady Annie Operations' continued commitment to local communities is supported with sponsorship, donations and mutual aid agreements. Lady Annie Operations continues to maintain a good working and supportive relationship with the local land owners including Carlton Hills and Yelvertoft Cattle Stations. An agreement was met to allow Carlton Hills cattle station the use of standby water bores to service animal water troughs. Lady Annie continues to support the annual Yelvertoft Camp draft.

BIOGRAPHICAL DETAILS OF DIRECTORS

Executive Directors

Chiu Tao, aged 62
was appointed as the Chairman and an executive director of CST Group Limited (the "Company") on 10 March 2009 and 7 November 2008, respectively. Mr. Chiu is the brother-in-law of Mr. Yeung Kwok Yu.

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

Mr. Chiu was 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 50
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 was an executive director of G-Resources and 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 56
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.

BIOGRAPHICAL DETAILS OF DIRECTORS

Kwan Kam Hung, Jimmy, aged 56
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.

Yeung Kwok Yu, aged 67
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.

Tsui Ching Hung, aged 65
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 was an independent non-executive director of China Smarter Energy Group Holdings Limited, the shares of which are listed on the main board of the Stock Exchange.

Chen Weixing, aged 35
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. He founded Zhejiang Funcity Asset Management Limited in October 2016, which is a fund management company served for multiple private equity funds with investments in high-tech start-ups.

* *For identification only*

BIOGRAPHICAL DETAILS OF DIRECTORS

Wah Wang Kei, Jackie, aged 51
was appointed as an executive director of the Company on 29 December 2016. He is also an in-house legal counsel of the Company. Mr. Wah graduated from The University of Hong Kong in 1990 and was qualified as a solicitor in 1992. Mr. Wah was a partner of a Hong Kong law firm until 1997. Mr. Wah is currently an independent non-executive director of Symphony Holdings Limited. He was an executive director of G-Resources. The shares of the two companies are listed on the main board of the Stock Exchange.

Independent Non-executive Directors

Yu Pan, aged 63
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.

Tong So Yuet, aged 46
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.

BIOGRAPHICAL DETAILS OF DIRECTORS

Ma Yin Fan, aged 54
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 Grand Investment International Ltd. She was an independent non-executive director of G-Resources. The shares of all the aforementioned companies are listed on the main board of the Stock Exchange.

Leung Hoi Ying, aged 67
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. He was an independent non-executive director of G-Resources. The shares of the two 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 2018 (the "Year") was approximately US$32.42 million. This was an increase of approximately 20.34% compared to revenue recorded last year. Operating revenue generated by Lady Annie Operations fell from approximately US$13.47 million to approximately US$12.53 million, representing a decrease of approximately 6.99% over the Year. The decrease was due to low copper production arising from reduced copper reserves.

Compared to the previous year, there was an approximately US$3.03 million increase in gross profit, representing a relative increase of approximately 16.45%. Dividends from securities trades and interest income from financial assets, interest income from money lending and rental income represented approximately 34.72%, 17.44% and 9.20% respectively of total revenue for the Year.

Compared with last year, revenue derived from property investments increased significantly by approximately 273.68%, which was mainly attributable to rental income generated by the March 2017 acquisition of a Scottish property through an indirect subsidiary of which the Group owned a 51% equity interest. Rental income provided steady cash flow to the Group over the Year, and this trend is expected to continue into next year. During the Year, dividends from securities trades and interest income on financial assets decreased slightly by approximately 0.88% year-on-year. Due to an upturn in the financial market during the Year, the Group recorded a gain on fair value changes of financial assets at fair value through profit or loss of approximately US$16.30 million, while there was a loss on fair value changes of financial assets at fair value through profit or loss of approximately US$199.84 million last year.

Information concerning the Group's 10 largest financial assets as of 31 March 2018 is detailed below:

Stock Code	Name of Stock/ Note/Fund	Principal Business	Number of Share/Note/ Fund Held	% of Shareholding held by the Group 31.03.2018	Investment Cost USD	Market Value 31.03.2018 USD	% to the Group's Net Assets 31.03.2018	Realised Gain on change in fair value for the year ended 31.03.2018 USD	Unrealised Gain/(Loss) on change in fair value for the year ended 31.03.2018 USD
Equity securities listed in Hong Kong									
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%	8,125,735.90	33,883,200.00	4.58%	—	9,460,266.67*
1051	G-Resources Group Limited	Principal investment business, financial services business, money lending business and real property business	2,207,389,165	8.16%	103,940,461.79	20,658,898.60	2.79%	—	(20,941,897.21)*
1231	Newton Resources Ltd	Trading business of iron ore, other commodities and construction materials and the mining business carried at the Yanjiazhuang Mine	186,498,000	4.66%	20,503,228.21	17,215,200.00	2.32%	—	1,195,500.00*
32	The Cross-Harbour (Holdings) Limited	Electronic toll operation; motoring school operation; tunnel operation and treasury management business	6,078,000	1.63%	5,383,685.90	9,974,153.85	1.35%	—	919,492.31*
2136	Lifestyle China Group Limited	Operation of department stores and supermarket business in the PRC and restaurant business	32,300,000	2.02%	8,406,282.05	9,151,666.67	1.24%	—	745,384.62
329	OCI International Holdings Limited	Principally engaged in securities trading and investments, provision of financial advisory services and trading of wines	40,668,000	3.84%	3,301,826.92	7,038,692.31	0.95%	—	(2,711,200.00)*
Financial assets other than equity securities listed in Hong Kong									
	Nexus Emerging Opportunities Fund Alpha SP	Fund with no specific investment objective and restriction on the investment of assets	25,475.7916		30,282,961.54	55,919,400.78	7.55%	—	5,327,018.59*
	9.5% China Evergrande Senior Note	Properties (including development, investment, management, construction and other property related service), hotel and fast consuming industry in PRC	50,000,000		50,000,000.00	51,745,000.00	6.99%	—	(3,567,500.00)*
	8.75% China Evergrande Senior Note	Properties (including development, investment, management, construction and other property related service), hotel and fast consuming industry in PRC	50,000,000		49,987,250.00	50,065,000.00	6.76%	—	77,750.00
	Nexus Asian Hybrid Credit Fund	Multi-strategy credit oriented hedge fund which seeks to capture attractive risk adjusted return through investing in credit or credit related opportunities within the Asia-Pacific region	7,497.6025		7,585,344.00	8,020,847.43	1.08%	—	(454,635.12)*
Total					**287,516,776.31**	**263,672,059.64**	**35.61%**	**0.00**	**(9,949,820.14)**

* Purchase costs of these securities represented the initial acquisition costs of 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. Unrealized gains/(losses) on change in fair value were recognized at the end of the respective financial year. Unrealized gains/(losses) on change in the fair value of these financial assets for the year ended 31 March 2018 excluded amounts recognized in prior years.

MANAGEMENT DISCUSSION AND ANALYSIS

Of the approximately US$16.30 million gain on fair value changes of financial assets at fair value through profit or loss, the unrealized loss and realized gain was approximately US$14.24 million and US$30.54 million respectively. The Group's overall investment portfolio recorded a net loss of approximately US$7.26 million for the Year, compared to a net loss of approximately US$208.00 million for the previous year. Global economic and political instability, especially unpredictable U.S. diplomatic and trade policy will continue to shake investors' confidence and dampen market expectations as conditions remain volatile in the year to come. The Group is exploring opportunities to diversify its revenue and mitigate these risks.

Interest income from the money lending business was more than 4 times of last year's amount as the Group has become more active in this business and has generated higher profits. During the Year, approximately US$5.65 million in interest income was generated by the money lending business. The interest income from the money lending business was approximately US$1.32 million in the previous year.

As stated in the interim report of the Group, for the six months ended on 30 September 2017, the Group had considered halting the allocation of additional resources to the Group's internet logistics service in the PRC (the "E-logistics Platform Business"). Due to this consideration, no further allocation of extra resources, an impairment loss totalling approximately US$19.91 million was recognized in the Year.

Due to diminishing copper reserves, copper production was further reduced during the Year. The Group then made a provision for an impairment loss in respect of exploration and evaluation assets of approximately US$0.38 million. There was no write-off of exploration and evaluation assets. The carrying value of inventories was written down by approximately US$5.91 million. In the previous year, the impairment loss and write-off with respect to exploration and evaluation assets was approximately US$7.51 million and US$0.14 million respectively, with a written down carrying value of inventories of approximately US$9.23 million. After making cost adjustments to account for power supply expenses during the Year, a reversal of provision for an onerous contract regarding committed power supply expenses was recorded in the amount of approximately US$13.19 million. No provision for an onerous contract was provided in previous year. Due to an increase in the fair value of the joint venture's investment relative to its value at the end of the Year, an overall gain was recorded. The Group shared an approximately US$2.98 million gain from the joint venture. While in last year, the shared loss of the joint venture was approximately US$3.55 million. Overall, the Group recorded an after tax loss of approximately US$11.27 million for the Year. After tax loss was approximately US$305.27 million in the previous year.

Net Asset Value

As of 31 March 2018, the Group held bank balances and cash totalling approximately US$93.58 million, excluding approximately US$38.24 million held in pledged bank deposits. The pledged deposits are mostly for covering rehabilitation costs related to the operation of the mining business (as required by the government of Queensland, Australia), and as a guarantee to the electric power supplier of 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$63.20 million and US$287.80 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. During the Year, an indirect non-wholly owned subsidiary was granted a loan of GBP10.41 million with a fixed interest rate of 3.73% per annum for four years, for refinancing the Scottish property owned by the non-wholly owned subsidiary. The Scottish property was pledged to the bank as security to the loan. As of 31 March 2018, the outstanding balance of this bank loan was approximately GBP9.96

million equivalent to approximately US$14.11 million. Based on the balance of all outstanding loans and borrowings from financial institutions and total equity, the gearing ratio was 1.91%. The net asset value of the Group amounted to approximately US$740.55 million.

Human Resources

As of 31 March 2018, the Group's total number of staff (including Company directors) was 38. Staff costs (excluding directors' emoluments) were approximately US$3.33 million for the Year. 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 the Renminbi is also minimal, as business conducted in Renminbi represents a marginal 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 the Scottish property will be used to repay the 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 decreasing. 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

Lady Annie Operation, 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 the Australian Group over the Year is detailed below:

	2018 US$'000	2017 US$'000
Revenue	12,527	13,468
Cost of sales	(11,000)	(8,545)
Gross profit	1,527	4,923
Other income, expenses, gains and losses	16,370	2,105
Distribution and selling expenses	(7)	(546)
Administrative and overhead expenses	(6,682)	(5,172)
Finance costs*	(37)	(625)
Loss on inventories written down to net realisable value	(5,905)	(9,233)
Written-off of exploration and evaluation assets	—	(139)
Impairment losses on exploration and evaluation assets	(379)	(7,508)
Profit (Loss) before taxation	4,887	(16,195)

* Inter-company financial charges of the Australian Group were not included

MANAGEMENT DISCUSSION AND ANALYSIS

Non-HKFRS Financial Measure

The term "C1 operating cost" is a non-HKFRS performance measure included 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 costs to the statement of comprehensive income in the financial statements of Lady Annie Operations for the financial year indicated.

	2018	2017
	US$'000	US$'000
Cash costs as reported in the income statement:		
Direct and indirect mining cost	**18,712**	19,049
Adjustment for change in inventory	**(5,471)**	(6,065)
Total operating costs	**13,241**	12,984
Copper sold (tonnes)	**1,950**	2,542
Copper sold (in thousand pounds)	**4,299**	5,604
C1 operating cost per pound of copper	**US$3.08/lb**	US$2.32/lb

The Company believes that in addition to conventional measures prepared in accordance with HKFRS, certain investors will use the above tool and related information to evaluate the Company. It is intended to provide additional information and should not be considered in isolation nor as a substitute for measures of performance prepared in accordance with HKFRS.

Significant Events

1. 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.

2. On 22 December 2017, the Company's indirect wholly-owned subsidiary, Sonicfield Global Limited ("Sonicfield") and China Minsheng Banking Corp., Ltd., Hong Kong Branch ("CMBC") entered into a restructuring implementation agreement (the "Restructuring Implementation Agreement") to implement the proposed restructuring of the indebtedness of Grande Cache Coal LP ("GCC") in accordance with the terms set out therein. On the same date, Sonicfield and Deloitte Restructuring Inc. (the "Vendor") which was appointed as the receiver of all the assets including GCC mines in Canada, entered into an asset purchase agreement (the "Asset Purchase Agreement") to acquire the relevant coking coal mining assets and properties whose transfer to Sonicfield is being facilitated by the Vendor (the "Acquisition").

The Company entered into the Restructuring Implementation Agreement and Asset Purchase Agreement to facilitate the implementation of the proposed restructuring of indebtedness of GCC and the Acquisition. Details of the proposed restructuring of the indebtedness and the Acquisition were disclosed in the Company's announcements dated 5 January 2018, 9 January 2018 and 26 January 2018, as well as in a circular dated 8 March 2018.

The Restructuring Implementation Agreement, Assets Purchase Agreement and transactions contemplated thereunder (the "Transactions") were approved by shareholders of the Company in the extraordinary general meeting held on 28 March 2018 (the "EGM"). The Transactions are pending completion. Details of the poll results of the EGM were disclosed in the Company's announcement dated 28 March 2018.

Outlook

The global economy experienced steady growth in 2017. Despite new uncertainties in both political and economic policies, the Group maintains a positive attitude towards the global economic prospects of 2018. Regardless of geopolitical outcomes, the Group will continue to optimize its business portfolio, diversify its resources allocations, and explore potential market opportunities to create greater value for shareholders.

For the Group's mining business, the Group plans to further broaden and diversify its portfolio. Copper reserves in the Lady Annie mine site are mostly depleted. Although a mining license for the Anthill project was granted in October 2017, the Group, in light of reserves levels of Anthill project and mining costs, will thoroughly consider all factors including market conditions before adopting further actions. With regards to the coking coal business, this market has picked up in recent years and the demand for high-quality, hard coking coal has gradually grown. The development of emerging markets is expected to further boost demand and improve the price outlook for high-quality hard coking coal in the future. The Group plans to resume operations and production in the Canadian Grande Cache coal mines as soon as possible following the completion of the Acquisition to maximize market opportunity.

Demand for the money lending business in Hong Kong is expected to remain robust and generate stable revenue for the Group. The Group will continue to sensibly expand this business and actively bring in new credit-worthy customers.

The Group is optimistic about the prospects for its property investments, given the relative strength and health of the global economy. The Group's properties in Scotland, Hong Kong and Mainland China are expected to continue generating stable rental income for the Group and all have potential for appreciation in value.

The Group will actively seek diversified investments to increase the value of its financial instruments business. The Group will boldly face both opportunities and uncertainties in the investment environment, prudently adapt to unexpected market changes, monitor market risks, and explore new growth drivers.

Going forward, the Group will continue to develop its major businesses to increase scale and revenue as well as to improve the Group's financial performance. Moreover, the Group will further explore more business opportunities to facilitate long-term development and create value for shareholders.

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 2018 (the "Year").

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the Group currently consists of (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 particulars of the Company's principal subsidiaries are set out in note 41 to the consolidated financial statements.

Business Review

The business review of the Group for the year ended 31 March 2018 is set out on pages 16 to 21.

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 43 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 13 to the consolidated financial statements.

Investment Properties

Details of movements in the investment properties of the Group are set out in note 15 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 46 of this annual report.

Share Capital

Details of the share capital of the Company set out in note 31 to the consolidated financial statements.

Directors

The directors of the Company (the "Director(s)") 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
Mr. Yeung Kwok Yu	
Mr. Tsui Ching Hung	
Mr. Chen Weixing	
Mr. Wah Wang Kei, Jackie	

In accordance with Article 99 of the Articles of Association, Mr. Chiu Tao, Mr. Tsui Ching Hung, Mr. Chen Weixing and Mr. Yu Pan will retire at the forthcoming annual general meeting (the "AGM") and, being eligible, offer themselves for re-election.

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 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.

Directors' and Chief Executives' Interests in Securities

As at 31 March 2018, the interests and short positions of the Directors and 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

DIRECTORS' REPORT

Save as disclosed above, as at 31 March 2018, 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.

Share Option

The Company adopted a share option scheme for a period of 10 years commencing on 11 May 2007 (the "Share Option Scheme"), accordingly, the Share Option Scheme has expired within the Year. No share options have been granted under the Share Option Scheme before expiration during the Year.

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

As at 31 March 2018, so far as known to the Directors or the chief executives of the Company, the following persons are the shareholders (other than 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 31 March 2018, 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.

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.

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 46.55% of the Group's turnover, and the largest customer included therein amounted to approximately 38.64%. Purchases from the five largest suppliers accounted for approximately 75.13% of the total purchase for the Year, and purchase from the largest supplier included therein amounted to approximately 66.09%.

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.

Charitable Donations

Donations made by the Group during the Year amounted to approximately US$21,800 (2017: Nil).

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.

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 seven years and most of the copper reserves have been used up. Thus, the existing copper reserve is very limited and could have been used up for not more than a year. Although the mining license for Anthill project has been granted in October 2017, the Group, in view of Anthill's amount of reserves and mining costs, will thoroughly consider all relevant factors, as well as the market conditions before adopting further actions. Meanwhile, appropriate measures such as maintaining minimal operation size, further outsourcing operational activities or suspending production temporarily will be considered to apply.

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.

In accordance with Rule 13.91 of the Listing Rules, the Company will publish an Environmental, Social and Governance ("ESG") Report within three months after the publication of this annual report in compliance with the provisions set out in the ESG Reporting Guide in Appendix 27 to the Listing Rules.

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 (Chapter 622 of the Laws of Hong Kong), Listing Rules, and other applicable local laws and regulations in various jurisdictions during the year ended 31 March 2018 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 2018 there were no material and significant disputes between the Group and its employees, customers and suppliers.

Corporate Governance

The information set out in pages 28 to 36 and information incorporated by reference, if any, constitutes the Corporate Governance Report of the Company.

Auditor

The financial statements have been audited by Deloitte Touche Tohmatsu who will retire at the forthcoming AGM and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Chiu Tao
Chairman
Hong Kong, 27 June 2018

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 2018 (the "Year") complied with the code provisions of the Corporate Governance Code (the "Code") and 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 8 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
Mr. Wah Wang Kei, Jackie

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

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 12 to 15 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 2018, 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 2018, 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 a meeting to discuss remuneration matters of the Directors.

Nomination Committee

For the year ended 31 March 2018, 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.

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.

CORPORATE GOVERNANCE REPORT

Attendances of Meetings

The attendance record of each Director at the respective meetings during the year ended 31 March 2018 is set out below:

	Meeting(s) Attended/Held				
Name of Director	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting[Note]
Executive Directors:					
Mr. Chiu Tao	3/4	–	–	1/1	0/2
Mr. Hui Richard Rui	4/4	–	–	–	2/2
Mr. Lee Ming Tung	4/4	–	–	–	2/2
Mr. Kwan Kam Hung, Jimmy	4/4	–	–	–	2/2
Mr. Yeung Kwok Yu	3/4	–	–	–	2/2
Mr. Tsui Ching Hung	4/4	–	–	–	2/2
Mr. Chan Weixing	0/4	–	–	–	0/2
Mr. Wah Wang Kei, Jackie	3/4	–	–	–	2/2
Independent Non-executive Directors:					
Mr. Yu Pan	4/4	2/2	1/1	1/1	2/2
Ms. Tong So Yuet	3/4	2/2	–	–	1/2
Ms. Ma Yin Fan	3/4	1/2	1/1	1/1	2/2
Mr. Leung Hoi Ying	4/4	–	–	–	2/2

Note:

The Company held two shareholders' general meetings during the Year, the annual general meeting for 2017 held on 22 September 2017 and the extraordinary general meeting held on 28 March 2018.

Compliance with the Corporate Governance Code

During the Year, the Company has complied with code provisions of the Code contained in Appendix 14 of the Rules Governing the Listing Rules except for the following deviations:

(i) under code provision A.2.1 of the Code, the roles of the chairman and chief executive should be separate 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.

(ii) according to code provision E.1.2 of the Code, Mr. Chiu Tao, the chairman of the Board, should have attended the annual general meeting of the Company held on 22 September 2017 ("2017 AGM"). However, Mr. Chiu Tao was unable to attend the 2017 AGM due to another business commitment. Mr. Hui Richard Rui, executive director and General Manager of the Company, who took the chair of the 2017 AGM, together with other members of the Board who attended the 2017 AGM were of sufficient calibre and knowledge for answering questions at the 2017 AGM.

Compliance with the Model Code for Securities Transactions by Directors

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. In response to specific enquiry, all the directors of the Company confirmed that they have 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	√
Mr. Wah Wang Kei, Jackie	√
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 and Professional Service Fees

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$0.14 million. The fees for audit related services provided by the external auditors were approximately US$0.43 million.

Directors' Responsibility for Financial Statements

The Directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Group, and ensuring that appropriate accounting policies are selected and applied consistently and that financial statements are prepared in accordance with the relevant statutory requirements and applicable accounting standard. 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 and Risk Management

The Board is responsible for maintaining a sound and effective internal control and risk management systems. Such systems are in place and designed to manage risks and provide reasonable assurance against material misstatement or loss in order to safeguard the interests of the shareholders and the assets of the Group against unauthorised use or disposition, ensuring maintenance of proper books and records for the provision of reliable financial information, and ensuring compliance with the relevant rules and regulations.

The Group, during the Year has engaged a professional firm as an independent advisor to hold an annual internal control review and risk management assessment to aid the Group in ensuring the internal controls and risk management systems are functioning adequately.

Process and Main Features of Risk Management and Internal Control

The goal of the Group is to identify and manage the risks which are inherent in the Group's business and its operating markets so that the risks can be reduced, mitigated, transferred or avoided.

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. The Board would oversee its management in the design, implementation and monitoring of the risk management and internal control systems.

The Board oversees the Group's overall risk management and internal control process through the Audit Committee which forms an important part of the corporate governance regime of the Group. The Audit Committee assists the Board in monitoring the risk exposures, the design and operating effectiveness of the relevant risk management and internal control systems. The Audit Committee oversees the following procedures for and on behalf of the Board:

(i) Periodic assessment of key operational risks and control measures aimed at mitigating, reducing or transferring such risks; the strengths and weaknesses of the overall internal control system, and action programs to address the control weaknesses or improve the assessment process;

(ii) Regularly review the business processes and operational reports, including the action plan to address the identified weaknesses in control, and the latest status and monitor results in the implementation of the recommendations; and

(iii) The external auditors regularly report on the control issues identified in the course of their work and meet with the Audit Committee to discuss the scope and results of the review.

The Audit Committee will then report to the Board after properly reviewing the effectiveness of the Group's risk management and internal control systems. The Board considers the works and findings of the Audit Committee in forming its own view on the effectiveness of such systems.

The Group does not maintain its own internal audit team due to cost saving reason. However, the independent advisor engaged by the Company would assist the Audit Committee to review the effectiveness of the Group's risk management and internal control systems and the external auditor of the Company would also assess the adequacy and effectiveness of certain key risk management and internal controls of the Group as part of their statutory audit process. The Group would review the need for an internal audit function on an annual basis.

The Group's risk management and integrated internal control framework are closely intertwined, and major control measures are tested to assess performance. A "top-down" approach is complemented by the "bottom-up" aspects, which require the head of the operating unit to participate in the identification of operational risks to determine the Group's major risks.

Review of Effectiveness of the Internal Control and Risk Management System

The Board has overseen the Group's risk management and internal control systems on an ongoing basis to ensure that a review of the effectiveness of the Group's risk management and internal control systems has been conducted at least once a year.

The Directors acknowledge their responsibility for reviewing the effectiveness of the Group's internal control and risk management systems and would communicate regularly with the Audit Committee and the independent advisor. The Board has reviewed through the work of its Audit Committee and the internal control review report and the findings performed by independent advisor and was satisfied to the effectiveness of the Group's internal control and risk management systems for the year ended 31 March 2018.

Inside information

With regard to the internal controls and procedures for the handling and dissemination of inside information, the Group is in compliance with under the Part XIVA and relevant parts of the Securities and Future Ordinances and Listing Rules. To be certain that all the staff members in the Group are aware of the inside information handling, the Group's disclosure policy sets out guidance and procedures to ensure that the inside information of the Group is disseminated to the public completely, accurately and timely. Besides, the Board is responsible to approve the dissemination of the information. The Group also has reasonable measures regarding keeping the sensitive information confidential and ensuring the confidentiality terms are in place in the significant agreements.

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 members of the Audit Committee, Remuneration Committee and 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 two 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@cstgrouphk.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.

INDEPENDENT AUDITOR'S REPORT

Deloitte. 德勤

TO THE SHAREHOLDERS OF CST GROUP LIMITED
中譽集團有限公司
(FORMERLY KNOWN AS NETMIND FINANCIAL HOLDINGS LIMITED
前稱網智金控集團有限公司)
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the 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 43 to 117, which comprise the consolidated statement of financial position as at 31 March 2018, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties	
We identified the valuation of investment properties as a key audit matter due to the subjective judgements and estimates made by the management in determining the fair values. As disclosed in notes 4 and 15 to the consolidated financial statements, the Group's investment property portfolio comprises commercial and residential properties located in Hong Kong, the People's Republic of China (the "PRC") and the United Kingdom (the "UK"), which are stated at fair value of US$55,174,000 as at 31 March 2018 with gain on change in fair value recognised of US$4,999,000 in the consolidated statement of profit or loss for the year then ended. In estimating the fair value of these investment properties, the Group engaged independent professional valuers to carry out the valuation. In determining the fair value of the Group's investment property in the UK, the valuer has adopted income approach which involves certain estimates, including appropriate market rent and capitalisation rates of the investment property. In determining the fair value of the Group's investment properties in Hong Kong and the PRC, the valuer has adopted direct comparison approach which mainly involves certain significant inputs including market prices of comparable properties and adjusting factors such as floor and direction of the properties.	Our procedures in relation to management's valuation of investment properties included: • Evaluating the competence, capabilities, and objectivity of the valuers; • Understanding the key assumptions applied to the valuation based on available market data; • For the income approach, evaluating the reasonableness of key data inputs underpinning the valuation, such as comparing market rents estimated by the valuer against recent lease renewals and evaluating whether capitalisation rates adopted are comparable to the market; and • For the direct comparison approach, assessing the reasonableness of the key inputs used by the valuer in the valuation model by comparing to relevant market information on market unit prices adopted in other similar properties in neighbourhood.

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill arising from the e-logistics platform	
We identified the impairment assessment of the goodwill arising from the e-logistics platform as a key audit matter as the amount is quantitatively significant to the Group and the valuation requires involvement of significant judgements and estimates. As set out in notes 4 and 16 to the consolidated financial statements, due to change of business plan of the Group and delay in revenue generating activities of the e-logistics business, the management carried out an impairment assessment of the e-logistics business and recognised an impairment loss of US$19,907,000 in profit or loss during the year. The Group's carrying amount of goodwill was fully impaired as at 31 March 2018. Impairment of goodwill is assessed by the management by comparing the recoverable amount and carrying amount of the relevant cash-generating unit. The recoverable amount of the e-logistics platform at 31 March 2018 is determined at the higher of its fair value less costs of disposal and its value in use. The management engaged an independent professional valuer to perform a valuation. The valuation involves the use of certain significant inputs including discount rate.	Our procedures in relation to the impairment assessment of goodwill arising from the e-logistics business included: • Understanding management's impairment assessment process, including the methodology applied and key assumptions used; • Obtaining the discounted future cash flow analysis prepared by the management and checking its mathematical accuracy; • Evaluating the appropriateness of the parameters of the discounted future cash flow; and • Assessing the competence, capability and objectivity of the valuer.

INDEPENDENT AUDITOR'S REPORT

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Chung Chin Cheung.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 June 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	NOTES	2018 US$'000	2017 US$'000
Revenue	5	32,417	26,937
Cost of sales	6	(11,000)	(8,545)
Gross profit		21,417	18,392
Other income, expenses, gains and losses	7	20,007	(4,908)
Distribution and selling expenses		(7)	(1,404)
Administrative expenses		(26,251)	(28,092)
Impairment loss recognised in respect of exploration and evaluation assets	14	(379)	(7,508)
Write-off of exploration and evaluation assets	14	—	(139)
Impairment loss recognised on goodwill	16	(19,907)	(61,763)
Loss on inventories written down to net realisable value		(5,905)	(9,233)
Impairment loss recognised on available-for-sale investments	19	(23,561)	(8,164)
Gain (loss) on fair value changes of financial assets at fair value through profit or loss		16,303	(199,836)
Gain on fair value changes of investment properties	15	4,999	2,603
Share of result of a joint venture	18	2,978	(3,549)
Share of result of an associate	17	(21)	(751)
Finance costs	9	(416)	(625)
Loss before taxation	10	(10,743)	(304,977)
Taxation	11	(524)	(291)
Loss for the year		(11,267)	(305,268)
Loss for the year attributable to:			
Owners of the Company		(12,719)	(304,977)
Non-controlling interests		1,452	(291)
		(11,267)	(305,268)
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		4,448	(8,088)
Loss arising from fair value changes of an available-for-sale investment		(22,957)	(2,080)
Reclassification adjustment upon impairment on an available-for-sale investment		21,715	3,322
Share of other comprehensive expense of an associate	17	—	(40)
		3,206	(6,886)
Total comprehensive expense for the year		(8,061)	(312,154)
Total comprehensive expense attributable to:			
Owners of the Company		(10,609)	(311,860)
Non-controlling interests		2,548	(294)
		(8,061)	(312,154)
Loss per share			
Basic and diluted	12	US(0.03) cents	US(0.79) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2018

	NOTES	2018 US$'000	2017 US$'000
Non-current assets			
Property, plant and equipment	13	28,997	3,481
Exploration and evaluation assets	14	—	—
Investment properties	15	55,174	46,962
Goodwill	16	—	19,017
Interests in associates	17	6,706	—
Interests in a joint venture	18	5,052	2,074
Available-for-sale investments	19	63,204	56,637
Pledged bank deposits	24	38,244	44,840
Deposit of acquisition of property, plant and equipment	25	17,597	—
		214,974	173,011
Current assets			
Inventories	20	3,159	7,417
Trade and other receivables	21	6,115	30,975
Loan receivables	22	192,449	5,154
Amount due from a joint venture	18	4,042	4,042
Financial assets at fair value through profit or loss	23	287,804	297,453
Derivative financial instruments		66	—
Bank balances and cash	24	93,581	299,947
		587,216	644,988
Current liabilities			
Trade and other payables	26	6,369	8,882
Provision for an onerous contract	30	1,453	6,456
Amount due to a non-controlling interest	27	—	256
Tax payable		5,691	5,172
Bank borrowing — amount due within one year	28	1,275	—
		14,788	20,766
Net current assets		572,428	624,222
Total assets less current liabilities		787,402	797,233
Non-current liabilities			
Bank borrowing — amount due after one year	28	12,836	—
Provision for mine rehabilitation cost	29	23,862	23,744
Provision for an onerous contract	30	10,159	18,174
		46,857	41,918
		740,545	755,315

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2018

	NOTE	2018 US$'000	2017 US$'000
Capital and reserves			
Share capital	31	**496,132**	496,132
Reserves		**237,312**	247,921
Equity attributable to owners of the Company		**733,444**	744,053
Non-controlling interests		**7,101**	11,262
		740,545	755,315

The consolidated financial statements on pages 43 to 117 were approved and authorised for issue by the Board of Directors on 27 June 2018 and are signed on its behalf by:

CHIU TAO	**HUI RICHARD RUI**
DIRECTOR	*DIRECTOR*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2018

	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	496,132	507,573	987	128,275	—	176	(77,230)	1,055,913	64	1,055,977
Loss for the year	—	—	—	—	—	—	(304,977)	(304,977)	(291)	(305,268)
Other comprehensive income (expense)	—	—	—	—	1,242	(8,125)	—	(6,883)	(3)	(6,886)
Total comprehensive income (expense) for the year	—	—	—	—	1,242	(8,125)	(304,977)	(311,860)	(294)	(312,154)
Acquisition of subsidiaries	—	—	—	—	—	—	—	—	11,492	11,492
At 31 March 2017	496,132	507,573	987	128,275	1,242	(7,949)	(382,207)	744,053	11,262	755,315
(Loss) profit for the year	—	—	—	—	—	—	(12,719)	(12,719)	1,452	(11,267)
Other comprehensive (expense) income	—	—	—	—	(1,242)	3,352	—	2,110	1,096	3,206
Total comprehensive (expense) income for the year	—	—	—	—	(1,242)	3,352	(12,719)	(10,609)	2,548	(8,061)
Capital reduction (note c)	—	—	—	—	—	—	—	—	(6,709)	(6,709)
At 31 March 2018	496,132	507,573	987	128,275	—	(4,597)	(394,926)	733,444	7,101	740,545

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.

(c) The capital reduction represents the balance being distributed to non-controlling interests by a partially-owned subsidiary incorporated in British Virgin Islands.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2018

	2018 US$'000	2017 US$'000
OPERATING ACTIVITIES		
Loss before taxation	(10,743)	(304,977)
Adjustments for:		
Bank interest income	(2,826)	(1,673)
Dividend income	—	(10,479)
Finance costs	416	625
Depreciation on property, plant and equipment	1,798	1,263
Impairment loss recognised on goodwill	19,907	61,763
Impairment loss recognised on available-for-sale investments	23,561	8,164
Impairment loss recognised in respect of exploration and evaluation assets	379	7,508
Impairment loss recognised on an associate	—	8,207
Loss on inventories written down to net realisable value	5,905	9,233
Gain on disposal of property, plant and equipment	(105)	(11)
Write-off of exploration and evaluation assets	—	139
Reversal of provision for an onerous contract	(13,193)	—
Share of result of a joint venture	(2,978)	3,549
Share of result of an associate	21	751
Gain on fair value changes of investment properties	(4,999)	(2,603)
Gain on fair value changes of derivative financial instruments	(62)	—
(Gain) loss on fair value changes of financial assets at fair value through profit or loss	(16,303)	199,836
Operating cash flows before movements in working capital	778	(18,705)
Increase in inventories	(2,057)	(6,028)
Decrease (increase) in trade and other receivables	25,061	(11,594)
(Increase) decrease in loan receivable	(187,295)	13,018
Decrease in held for trading investments	25,952	261,586
Decrease in trade and other payables	(2,649)	(4,293)
Decrease in amount due to a non-controlling interest	(256)	—
Net cash (used in) generated from operations	(140,466)	233,984
Interest received	2,826	1,673
Dividend received	—	7,947
Income tax paid	—	(20)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(137,640)	243,584

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2018

	NOTES	2018 US$'000	2017 US$'000
INVESTING ACTIVITIES			
Purchase of available-for-sale investments	19	**(31,370)**	(1,227)
Additions to exploration and evaluation assets		**(370)**	(1,187)
Purchase of property, plant and equipment	13	**(27,041)**	(464)
Proceeds on disposal of property, plant and equipment		**297**	93
Decrease in pledged bank deposits		**6,783**	7,914
Acquisition of interests in an associate		**(6,727)**	—
Net cash outflow arising from acquisition of assets through acquisition of subsidiaries	32	**—**	(11,960)
Proceeds on disposal of financial assets designated at fair value through profit or loss		**—**	18,846
Deposit paid for acquisition of property, plant and equipment		**(17,597)**	—
NET CASH (USED IN) FROM INVESTING ACTIVITIES		**(76,025)**	12,015
FINANCING ACTIVITIES			
New bank borrowing raised		**14,659**	—
Repayment of borrowing		**(637)**	—
Interest paid		**(257)**	—
Net cash outflow arising from capital reduction		**(6,709)**	—
NET CASH FROM FINANCING ACTIVITIES		**7,056**	—
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(206,609)**	255,599
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**243**	(102)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**299,947**	44,450
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**93,581**	299,947
Represented by:			
Bank balances and cash		**93,581**	299,947

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. GENERAL

CST Group Limited (formerly known as NetMind Financial Holdings Limited) ("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 41.

The consolidated financial statements are presented in United States dollars ("US$"), which is different from the Company's functional currency of Hong Kong dollars ("HK$"). The management adopted US$ as presentation currency as the management controls and monitors the performance and financial position of the Group based on US$. 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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

The Company and its subsidiaries (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 Hong Kong Accounting Standards ("HKAS") 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle

Except as described below, 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 consolidated financial statements.

Amendments to HKAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

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

Amendments to HKAS 7 Disclosure Initiative (continued)

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items is provided in note 38. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 38, the application of these amendments has had no impact on the Group's consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers and the related Amendments[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts[4]
HK(IFRIC) — Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC) — Int 23	Uncertainty over Income Tax Treatments[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 "Financial Instruments" with HKFRS 4 "Insurance Contracts"[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS19	Plan Amendment, Curtailment or Settlement[2]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[2]
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle[1]
Amendments to HKAS 40	Transfers of Investment Property[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle[2]

[1] Effective for annual periods beginning on or after 1 January 2018.
[2] Effective for annual periods beginning on or after 1 January 2019.
[3] Effective for annual periods beginning on or after a date to be determined.
[4] Effective for annual periods beginning on or after 1 January 2021.

Except for the new HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs and Interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

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

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

- All recognised financial assets that are within the scope of HKFRS 9 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 fair value through other comprehensive income ("FVTOCI"). All other financial assets are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- 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.

Based on the Group's financial instruments and risk management policies as at 31 March 2018, the directors of the Company anticipate the following potential impact on initial application of HKFRS 9:

Classification and measurement:

Debt instruments classified as loan receivables carried at amortised cost as disclosed in note 22: these are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of HKFRS 9.

Listed equity securities and unlisted equity securities classified under available-for-sale investments as disclosed in note 19: these securities qualified for designation as measured at FVTOCI under HKFRS 9, however, the Group has not elected the option for designating these securities to be measured at FVTOCI and will measure these securities at fair value with subsequent fair value gains or losses to be recognised in profit or loss. Upon initial application of HKFRS 9, net fair value gains relating to these securities would be adjusted to retained earnings as at 1 April 2018.

The unlisted securities other than equity securities give rise to cash flows on specified dates that are solely payments of principal and interest on the principal outstanding amount accordingly will be measured at fair value with subsequent fair value gains or losses to be recognised in profit or loss.

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

HKFRS 9 Financial Instruments (continued)

Classification and measurement: (continued)

All other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

Impairment

In general, the directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of HKFRS 9 by the Group.

The Group expects to apply the simplified approach to recognise lifetime expected credit losses for its accounts receivables as required or permitted under HKFRS 9. Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by Group as at 1 April 2018 would not be materially increased as compared to the accumulated amount recognised under HKAS 39 mainly attributable to expected credit losses provision on trade and other receivables, loan receivables and amount due from a joint venture. Such further impairment recognised under expected credit loss model would reduce the opening retained earnings and increase the deferred tax assets at 1 April 2018.

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.

In 2016, the HKICPA issued clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

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

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands classified as investment properties while other operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and operating cash flows respectively by the Group.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease. Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 March 2018, the Group has non-cancellable operating lease commitments of US$2,479,000 as disclosed in note 36. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16.

In addition, the Group currently considers refundable rental deposits paid of US$309,000 and refundable rental deposits received of US$106,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments that are measured at fair values at the end of each 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

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

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

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 amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. 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 relevant subsidiary's net assets in the event of liquidation are 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.

Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to the financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

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 unit (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represents the lowest level at which the goodwill is monitored for internal management purposes.

A cash-generating unit (or group of cash-generating units) 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 (or group of cash-generating units) 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 (or group of cash-generating units).

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 associates 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 or the portion so classified is accounted for in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale shall be accounted for using the equity method.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates 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. Changes in net assets of the associate or joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. 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 recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Interest income from financial assets (including financial assets measured at fair value through profit or loss ("FVTPL") and loan receivables) 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.

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:

- facts and circumstances suggest that the carrying amount exceeds the recoverable amount; or
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; or
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

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

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

Property, plant and equipment

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

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, net of proceeds from the sale of test production and construction cost of the mining site infrastructure, incurred in relation to areas of interest in which commercial production of minerals has commenced.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

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. When the payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

Capital work in progress and properties, plant and equipment under construction

Capital work in progress represents the work in progress of construction of mine structures and mining site infrastructures and processing facilities. Capital work in progress is classified to mine property and development assets when work in progress is completed and ready for intended use.

Properties, plant and equipment under construction represents a vessel under construction. It is classified to vessel when the construction is completed and ready for intended use.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Depreciation

Property, plant and equipment are depreciated to their 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 (the "UOP") based on the actual production volume over 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 and properties, plant and equipment under construction are not depreciated until they are substantially complete and available for their intended use.

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

Investment properties

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

Investment properties are initially measured at cost, including 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 FVTPL 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 FVTPL are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets at FVTPL, available-for-sale financial assets 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL

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 excludes any dividend or interest earned on the financial assets and is presented as a separate line items as "gain (loss) on fair value changes of financial assets at FVTPL".

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or 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 traded in an active market are measured at fair value at the end of the each reporting period. Available-for-sale unlisted securities 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 instruments are measured at cost less any identified impairment losses at the end of the reporting period. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Changes in the fair value of available-for-sale 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.

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 when 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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.

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.

Financial liabilities at amortised cost

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

(i) the amount of obligation under the contract, as determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and

(ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

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, 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 have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

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

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax 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 venture 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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.

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 operations including foreign operations are translated into the presentation currency of the Group (i.e. US$) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

The Group as lessee

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

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

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 unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

When it is not possible to estimate the recoverable amount of an asset individually, 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 unit, 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. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

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

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

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.

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.

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

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 of the Company 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")

In April 2014, 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 18.

The directors of the Company 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 of the Company 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 of the Company 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.

Valuation 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 2018, investment properties are at fair value of US$55,174,000 (2017: US$46,962,000).

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

Key sources of estimation uncertainty (continued)

Impairment assessment of goodwill arising from e-logistics platform

In determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit to which goodwill has been allocated. Significant judgement and assumptions are required by the management of the Group in assessing this recoverable amount of cash-generating unit. The recoverable amount is determined at the higher of value in use and fair value less costs of disposal of the relevant cash-generating unit, which the value in use calculation required significant assumptions on future cash flows to be generated from operation and the discount rate in order to derive the net present value of the discounted future cash flow analysis. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in a downward revision of future cash flows, a material loss may arise.

As at 31 March 2018, management expected a significant impairment of goodwill arising from acquisition of e-logistics platform due to change of business plan and delay in revenue generating activities of Planet Smooth Limited and its subsidiaries ("Planet Smooth Group"). Thus, impairment loss of US$19,907,000 (2017: US$61,763,000) was recognised in profit or loss during the year and the carrying amount of goodwill was fully impaired during the year ended 31 March 2018 (2017: US$19,017,000).

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 2018 was amounted to US$5,905,000 (2017: US$9,233,000). The management estimates the net realisable value based primarily on the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The carrying amount of inventories after allowance for write-down of the Group as at 31 March 2018 is US$3,159,000 (2017: US$7,417,000).

Provision for mine rehabilitation cost

A provision for future rehabilitation cost requires estimates and assumptions to be made around the relevant regulatory framework, the magnitude of the possible disturbance and the timing, extent and costs of the required closure and rehabilitation activities. To the extent that the actual future costs differ from these estimates, adjustments will be recorded and the consolidated statement of profit or loss and other comprehensive income could be impacted. The provisions, including the estimates and assumptions contained therein, are reviewed regularly by management. As at 31 March 2018, provision for mine rehabilitation cost is at carrying amount of US$23,862,000 (2017: US$23,744,000).

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. As at 31 March 2018, provision for an onerous contract is at carrying amount of US$11,612,000 (2017: US$24,630,000).

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

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. 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 notes 15 and 34(c).

5. 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:

	2018	2017
	US$'000	US$'000
Sale of copper cathodes	**12,527**	13,468
Residential rental income	**583**	540
Office rental income	**2,399**	258
Dividend income from trading securities	**3,208**	10,479
Interest income from financial assets at FVTPL	**8,047**	876
Interest income from money lending business	**5,653**	1,316
	32,417	26,937

5. 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.

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 CODM of the Group. The measurement policies of 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, expenses, gains and losses (except for reversal of 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	
	2018 US$'000	2017 US$'000	2018 US$'000	2017 US$'000
Mining business	12,527	13,468	3,365	(17,673)
Investments in financial instruments	11,255	11,355	3,298	(200,600)
Property investment	2,982	798	7,073	2,595
Money lending	5,653	1,316	5,471	338
E-logistics platform	—	—	(20,070)	(64,578)
	32,417	26,937	(863)	(279,918)
Other income, expenses, gains and losses (except for reversal of provision for an onerous contract)			5,176	(4,908)
Central administration costs			(17,597)	(15,226)
Finance costs			(416)	(625)
Share of result of a joint venture			2,978	(3,549)
Share of result of an associate			(21)	(751)
Loss before taxation			(10,743)	(304,977)

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

5. REVENUE/SEGMENT INFORMATION (continued)

Segment assets

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

	2018 US$'000	2017 US$'000
Segment assets:		
— Mining business	53,278	72,877
— Investments in financial instruments	355,190	375,558
— Property investment	55,240	46,962
— Money lending	192,449	5,154
— E-logistics platform	114	19,267
Total segment assets	656,271	519,818
Unallocated assets:		
— Bank balances and cash	83,099	283,527
— Property, plant and equipment	27,989	1,804
— Others	34,831	12,850
	145,919	298,181
Consolidated total assets	802,190	817,999

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable and operating segments other than certain bank balances and cash, certain property, plant and equipment, certain other receivables, interests in associates and interests in a joint venture. 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.

5. REVENUE/SEGMENT INFORMATION (continued)

Other segment information

2018

	Mining business US$'000	Investments in financial instruments US$'000	Property investment US$'000	Money lending US$'000	E-logistics platform 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 investment properties	—	—	4,999	—	—	—	4,999
Additions to non-current assets (note)	586	—	—	—	—	26,834	27,420
Depreciation on property, plant and equipment	(646)	—	—	—	(47)	(644)	(1,337)
Gain on fair value changes of financial assets at FVTPL	—	16,303	—	—	—	—	16,303
Impairment loss recognised on goodwill	—	—	—	—	(19,907)	—	(19,907)
Impairment loss recognised on available-for-sale investments	—	(23,561)	—	—	—	—	(23,561)
Impairment loss on exploration and evaluation assets recognised in profit or loss	(379)	—	—	—	—	—	(379)
Loss on inventories written down to net realisable value	(5,905)	—	—	—	—	—	(5,905)
Reversal of provision for an onerous contract	13,193	—	—	—	—	—	13,193

2017

	Mining business US$'000	Investments in financial instruments US$'000	Property investment US$'000	Money lending US$'000	E-logistics platform 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 investment properties	—	—	2,603	—	—	—	2,603
Additions to non-current assets (note)	1,617	—	23,270	—	—	43	24,930
Depreciation on property, plant and equipment	(351)	—	—	—	(86)	(196)	(633)
Loss on fair value changes of financial assets at FVTPL	—	(199,836)	—	—	—	—	(199,836)
Impairment loss recognised on goodwill	—	—	—	—	(61,763)	—	(61,763)
Impairment loss recognised on interests in an associate	—	—	—	—	—	(8,207)	(8,207)
Impairment loss recognised on available-for-sale investments	—	(8,164)	—	—	—	—	(8,164)
Impairment loss on exploration and evaluation assets recognised in profit or loss	(7,508)	—	—	—	—	—	(7,508)
Loss on inventories written down to net realisable value	(9,233)	—	—	—	—	—	(9,233)
Write-off of exploration and evaluation assets	(139)	—	—	—	—	—	(139)

Note: Additions to non-current assets comprise property, plant and equipment, an investment property and exploration and evaluation assets.

5. 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, interests in associates 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	
	2018 US$'000	2017 US$'000	2018 US$'000	2017 US$'000
The People's Republic of China (the "PRC"), other than Hong Kong	237	204	6,910	25,130
Hong Kong	9,371	12,327	65,894	19,547
Australia	12,527	13,468	914	1,513
The United Kingdom (the "UK")	2,190	62	28,050	23,270
Singapore	8,047	876	—	—
Others	45	—	—	—
	32,417	26,937	101,768	69,460

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	
	2018 US$'000	2017 US$'000
Customer A	12,527	13,468

6. COST OF SALES

	2018 US$'000	2017 US$'000
Contractor fee	12,127	6,477
Depreciation	570	275
Staff costs	—	747
Direct materials	30	1,419
Electricity	—	5,015
Others	—	365
Movement in inventories	(1,727)	(5,753)
	11,000	8,545

7. OTHER INCOME, EXPENSES, GAINS AND LOSSES

	2018 US$'000	2017 US$'000
Bank interest income	2,826	1,673
Net foreign exchange gain	1,093	282
Reversal of provision for an onerous contract	13,193	—
Fair value gain on derivative financial instruments	62	—
Impairment loss recognised on interests in an associate	—	(8,207)
Others	2,833	1,344
	20,007	(4,908)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

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

(a) Directors

The emoluments paid or payable to each of the twelve (2017: twelve) directors were as follows:

	2018				
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	Total US$'000
Executive Directors (note i)					
Chiu Tao (Chairman) (note ii)	—	5,404	3,205	2	8,611
Chen Weixing	—	—	—	—	—
Hui Richard Rui (note iv)	—	280	—	2	282
Kwan Kam Hung, Jimmy	—	175	186	2	363
Lee Ming Tung	—	168	64	2	234
Tsui Ching Hung	—	190	38	2	230
Wah Wang Kei, Jackie (note iii)	—	129	128	2	259
Yeung Kwok Yu	—	218	25	—	243
Independent Non-executive Directors (note v)					
Leung Hoi Ying	19	—	—	—	19
Ma Yin Fan	26	—	—	—	26
Tong So Yuet	26	—	—	—	26
Yu Pan	15	—	—	—	15
	86	6,564	3,646	12	10,308

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

(a) Directors (continued)

		2017			
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	Total US$'000
Executive Directors (note i)					
Chiu Tao (Chairman) (note ii)	—	5,551	3,205	2	8,758
Chen Weixing	—	—	—	—	—
Hui Richard Rui (note iv)	—	267	128	2	397
Kwan Kam Hung, Jimmy	—	168	186	2	356
Lee Ming Tung	—	162	86	2	250
Tsui Ching Hung	—	182	38	2	222
Wah Wang Kei, Jackie (note iii)	—	30	—	1	31
Yeung Kwok Yu	—	211	48	1	260
Independent Non-executive Directors (note v)					
Leung Hoi Ying	19	—	—	—	19
Ma Yin Fan	26	—	—	—	26
Tong So Yuet	26	—	—	—	26
Yu Pan	15	—	—	—	15
	86	6,571	3,691	12	10,360

Notes:

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

(ii) Mr. Chiu Tao is the Chairman of the Company and his emoluments disclosed above include those for services rendered by him.

(iii) Mr. Wah Wang Kei, Jackie was appointed as an executive director of the Company on 29 December 2016.

(iv) Mr. Hui Richard Rui is the General Manager of the Company, whose role is equivalent to a chief executive.

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

(vi) 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.

(vii) There is no compensation for the loss of office as a director of the Group for both years.

(viii) There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

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

(b) Information regarding employees' emoluments

The five highest paid employees of the Group during the year included four directors (2017: four directors), details of whose remuneration are set out in above. Details of the remuneration for the year of the remaining one (2017: one) highest paid employee who is neither a director nor chief executive of the Company are as follows:

	2018 US$'000	2017 US$'000
Salaries, allowances and benefits-in-kind	391	408
Retirement benefits	23	23
	414	431

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2018 No. of employees	2017 No. of employees
HK$3,000,001 to HK$3,500,000 (equivalent to US$384,615 to US$448,718)	1	1

During the years ended 31 March 2018 and 2017, no emoluments were paid by the Group to the directors and the chief executives of the Company or the five highest paid individuals of the Group (including directors, the chief executives and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

9. FINANCE COSTS

	2018 US$'000	2017 US$'000
Effective interest expense on provision for mine rehabilitation cost	53	432
Effective interest expense on provision for an onerous contract	—	193
Interest expense on bank borrowing	363	—
	416	625

10. LOSS BEFORE TAXATION

	2018 US$'000	2017 US$'000
Loss before taxation has been arrived at after charging:		
Directors' remuneration (note 8(a))	10,308	10,360
Contributions to retirement benefit scheme to employees	113	781
Other staff costs	3,212	5,605
Total staff costs	13,633	16,746
Less: amount capitalised in		
Exploration and evaluation assets	(328)	(353)
Inventories	—	(747)
Total staff costs included in administrative expenses	13,305	15,646
Auditor's remuneration	432	457
Depreciation on property, plant and equipment	1,798	1,263
Cost of inventories recognised as an expense	16,905	17,778
Minimum lease payments paid under operating leases in respect of rented premises	643	741
and after crediting:		
Gain on disposal of property, plant and equipment	105	11
Gross rental income less direct operating expenses of US$354,000 (2017: US$236,000) from investment properties that generated rental income during the year	2,628	562

11. TAXATION

	2018 US$'000	2017 US$'000
Current tax:		
PRC	21	20
Australian withholding tax	237	271
UK	266	—
Taxation for the year	524	291

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

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.

11. TAXATION (continued)

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

	2018 US$'000	2017 US$'000
Loss before taxation	(10,743)	(304,977)
Taxation at the respective domestic income tax rates (note)	(2,740)	(57,994)
Tax effect of share of result of a joint venture	(491)	586
Tax effect of share of result of an associate	3	188
Tax effect of expenses not deductible for tax purpose	10,608	20,476
Tax effect of income not taxable for tax purpose	(7,645)	(3,380)
Tax effect of tax losses not recognised	4,971	40,169
Tax effect of utilisation of tax losses previously not recognised	(4,419)	(25)
Australian withholding tax	237	271
Taxation for the year	524	291

Note: The domestic tax rate in Hong Kong of 16.5% (2017: 16.5%), PRC of 25% (2017: 25%), UK of 19% (2017: 19%) and Australia of 30% (2017: 30%), which are jurisdictions where the operations of the Group are substantially used.

At 31 March 2018, the Group had unused tax losses of US$615,943,000 (2017: US$598,154,000) available to offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams in both 2018 and 2017. The losses may be carried forward indefinitely.

12. LOSS PER SHARE

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

	2018 US$'000	2017 US$'000
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	(12,719)	(304,977)

	Number of share	
	2018 '000	2017 '000
Number of ordinary shares for the purposes of basic and diluted loss per share	38,698,309	38,698,309

Both basic and diluted loss per share were the same in 2018 and 2017 as there were no potential ordinary shares in issue for both 2018 and 2017.

13. PROPERTY, PLANT AND EQUIPMENT

	Capital work in progress	Mine property and development assets	Plant and equipment	Leasehold land and buildings	Leasehold improvements	Furniture and equipment	Motor vehicles	Vessel	Software	Aircraft	Properties, plant and equipment under construction	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
COST												
At 1 April 2016	2,722	205,306	26,540	6,507	392	1,881	942	3,942	183	—	—	248,415
Exchange adjustments	—	(291)	(54)	(8)	—	(2)	5	—	(14)	—	—	(364)
Additions	—	9	—	—	13	17	413	12	—	—	—	464
Disposals/write-off	—	—	(94)	—	—	—	(56)	(94)	—	—	—	(244)
At 31 March 2017	2,722	205,024	26,392	6,499	405	1,896	1,304	3,860	169	—	—	248,271
Exchange adjustments	—	467	79	13	—	—	3	—	18	—	—	580
Additions	—	207	—	—	10	19	71	74	—	19,300	7,360	27,041
Disposals/write-off	—	—	(28)	—	—	(41)	(246)	(48)	—	—	—	(363)
At 31 March 2018	2,722	205,698	26,443	6,512	415	1,874	1,132	3,886	187	19,300	7,360	275,529
DEPRECIATION AND IMPAIRMENT												
At 1 April 2016	2,722	205,306	24,963	5,083	336	1,715	828	3,707	—	—	—	244,660
Exchange adjustments	—	(291)	(40)	(8)	—	(2)	—	—	—	—	—	(341)
Provided for the year	—	9	314	34	29	66	107	31	43	—	—	633
Eliminated on disposals/ write-off	—	—	(65)	—	—	—	(3)	(94)	—	—	—	(162)
At 31 March 2017	2,722	205,024	25,172	5,109	365	1,779	932	3,644	43	—	—	244,790
Exchange adjustments	—	467	79	13	—	—	3	—	14	—	—	576
Provided for the year	—	207	371	34	15	56	93	31	47	483	—	1,337
Eliminated on disposals/ write-off	—	—	(13)	—	—	(39)	(74)	(45)	—	—	—	(171)
At 31 March 2018	2,722	205,698	25,609	5,156	380	1,796	954	3,630	104	483	—	246,532
CARRYING VALUES												
At 31 March 2018	—	—	834	1,356	35	78	178	256	83	18,817	7,360	28,997
At 31 March 2017	—	—	1,220	1,390	40	117	372	216	126	—	—	3,481

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The property, plant and equipment, except for capital work in progress, mine property and development assets and properties, plant and equipment under construction, 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%
Software	25%
Aircraft	10%

Depreciation expense of property, plant and equipment of US$9,000 and US$570,000 (2017: US$9,000 and US$275,000) incurred during the year ended 31 March 2018 were capitalised as part of exploration and evaluation assets and inventories, respectively. US$1,041,000 (2017: US$914,000) of these capitalised costs was charged to profit or loss as cost of goods sold during the year.

As at 31 March 2018, the recoverable amount of cash-generating unit for the mining of copper on the Group's property, plant and equipment is US$914,000 (2017: US$1,513,000). No impairment loss has been recognised during the year ended 31 March 2018.

14. EXPLORATION AND EVALUATION ASSETS

	US$'000
COST	
At 1 April 2016	6,558
Additions	1,196
Exchange adjustments	(107)
Impairment loss recognised in profit or loss	(7,508)
Write-off recognised in profit or loss	(139)
At 31 March 2017	—
Additions	**379**
Impairment loss recognised in profit or loss	**(379)**
At 31 March 2018	—

14. EXPLORATION AND EVALUATION ASSETS (continued)

During the year, the management conducted a review on the recoverable amount of cash-generating unit for the mining of copper on the Group's exploration and evaluation assets and determined that impairment loss of US$379,000 has been recognised (2017: US$7,508,000). The recoverable amounts of the relevant assets have been determined on the basis of the value in use.

During the year ended 31 March 2017, the management carried out review on all exploration projects undergoing and have decided to surrender 2 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 2 permits. Accordingly, the management has fully written off the carrying amount of part of these exploration projects of US$139,000 during the year ended 31 March 2017.

15. INVESTMENT PROPERTIES

	2018 US$'000	2017 US$'000
FAIR VALUE		
At the beginning of the year	46,962	21,089
Additions through acquisition of subsidiaries (note 32)	—	23,270
Gain on fair value changes recognised in profit or loss	4,999	2,603
Exchange adjustment	3,213	—
At the end of the year	55,174	46,962

The fair value of the Group's investment properties as at 31 March 2018 and 2017 has been arrived at on the basis of a valuation carried out on those dates by independent qualified professional valuers 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 with due provision for any reversionary income potential. 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.

In determining the fair value of the relevant properties, the management and the person in charge of financial matters of the Group, would determine the appropriate valuation techniques and inputs for fair value measurements.

The Group engages independent valuers to perform its valuations. The person in charge works closely with the independent valuers to establish the appropriate valuation techniques and inputs to the model. The person in charge of financial matters reports the management's findings, if any, to the board of directors every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

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15. INVESTMENT PROPERTIES (continued)

The properties were rented out under operating leases and categorised at Level 3 (2017: 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 2018 and 2017 are as follows:

	Fair value as at 31 March	
	2018	2017
	US$'000	US$'000
Residential units located in Hong Kong	**20,308**	17,744
Commercial units located in the PRC	**6,816**	5,948
Commercial units located in the UK	**28,050**	23,270
	55,174	46,962

The following table gives information about how the fair values of these investment properties as at 31 March 2018 and 31 March 2017 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 the adjusting factors such as floor and direction of the property, of HK$9,276 per square foot (2017: HK$8,103 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$345,000 (equivalent to HK$2,690,000) (2017: US$301,000 (equivalent to HK$2,350,000)).
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 the adjusting factors such as floor and direction of the property, of HK$9,712 per square foot (2017: HK$8,487 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$671,000 (equivalent to HK$5,230,000) (2017: US$586,000 (equivalent to HK$4,570,000)).

15. INVESTMENT PROPERTIES (continued)

	Valuation technique(s) & key inputs	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
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 the adjusting factors such as floor and direction of the property, of RMB21,775 per square metre (2017: RMB21,775 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$111,000 (equivalent to RMB700,000) (2017: US$100,000 (equivalent to RMB700,000)).
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 the adjusting factors such as floor and direction of the property, of RMB18,363 per square metre (2017: RMB17,413 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$230,000 (equivalent to RMB1,450,000) (2017: US$197,000 (equivalent to RMB1,375,000)).
Property 5 — Property in Edinburgh, the UK	Income capitalisation method based on market rent and capitalisation rate of similar properties	Market rent per square foot of GBP14.5 (2017: GBP15)	The higher the market rent, the higher the fair value.	If the market rent 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$1,429,000 (equivalent to GBP1,009,000) (2017: US$1,161,000 (equivalent to GBP929,000)).
		Capitalisation rate of 7.00% (2017: 7.40%)	The higher the capitalisation rate, the lower the fair value.	If the capitalisation rate to the valuation model is 0.5% higher/lower while all the other variables were held constant, the carrying value of the investment property would decrease/increase by US$1,905,000/US$2,199,000 (equivalent to GBP 1,345,000/GBP1,552,000) (2017: US$1,470,000/US$1,682,000 (equivalent to GBP1,176,000/GBP1,346,000)), respectively.

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

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16. GOODWILL

	US$'000
COST	
At 1 April 2016	88,278
Exchange adjustments	(7,930)
At 31 March 2017	80,348
Exchange adjustments	8,509
At 31 March 2018	**88,857**
IMPAIRMENT	
At 1 April 2016	—
Exchange adjustments	(432)
Impairment loss recognised in the year	61,763
At 31 March 2017	61,331
Exchange adjustments	7,619
Impairment loss recognised in the year	19,907
At 31 March 2018	**88,857**
CARRYING VALUES	
At 31 March 2018	—
At 31 March 2017	19,017

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

The carrying amount of the CGU was determined to be higher than its recoverable amount. An impairment loss of US$19,907,000 (2017: US$61,763,000) was recognised. The impairment loss was allocated fully to the goodwill and is presented as a separate financial statement line item in the consolidated statement of profit or loss and other comprehensive income.

17. INTERESTS IN ASSOCIATES

	2018 US$'000	2017 US$'000
Cost of unlisted investment in associates	**16,727**	10,000
Share of post-acquisition loss and other comprehensive expense	**(1,285)**	(1,264)
Impairment loss recognised on interests in an associate	**(8,207)**	(8,207)
Exchange adjustment	**(529)**	(529)
	6,706	—

Details of the Group's associates 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 2018	Proportion of ownership interest held by the Group 2017	Proportion of voting rights held by the Group 2018	Proportion of voting rights held by the Group 2017	Principal activity
Kuaichi Group Holding Limited ("Kuaichi Group")	Cayman Islands	PRC	**20%**	20%	**20%**	20%	E-logistics business
Best Future Investments Limited ("Best Future") (note)	British Virgin Islands	HK	**33.5%**	—	**33.5%**	—	Trading of securities

Note: On 17 January 2018, Violet Fame Limited, a wholly-owned subsidiary of the Company and Tai United Holdings Limited (the "Vendors"), entered into a sales and purchase agreement in respect of the acquisition of 33.5% equity interest in Best Future at an aggregate consideration of US$6,727,000 and it is principally engaged in securities investment business in Hong Kong.

During the year ended 31 March 2017, the directors of the Company considered the continuous loss incurred by Kuaichi Group and 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 lower when compared with its carrying amount, impairment loss amounting to US$8,207,000 is recognised during the year ended 31 March 2017.

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For the year ended 31 March 2018

17. INTERESTS IN ASSOCIATES (continued)

The recoverable amount of the investment in Kuaichi Group was based on its value in use and was determined with the assistance of GW Financial Advisory Services Limited, an independent professional qualified valuer not connected with the Group. In determining the value in use of the interest in an associate, the directors estimated the present value of the estimated future cash flow comprising expected dividend income from the associate and expected ultimate disposal, by using a discount rate to discount the cash flow projections to net present value. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and at discount rate of 29.4%. Cash flows after the five-year period were extrapolated using a 3% growth rate in considering the economic condition of the market.

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.

Best Future

	2018 US$'000
Current assets	31,149
Non-current assets	877
Current liabilities	13,343
Non-current liabilities	—

	2018 US$'000
Revenue	1,060
Loss for the period	62
Other comprehensive expense for the period	—
Total comprehensive expense for the period	62

17. INTERESTS IN ASSOCIATES (continued)

Best Future (continued)

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

	2018 US$'000
Net assets of Best Future	18,683
Proportion of the Group's ownership interest in Best Future	33.5%
	6,259
Goodwill	447
Carrying amount of the Group's interest in Best Future	6,706

	2018 US$'000	2017 US$'000
The unrecognised share of loss of Kuaichi Group for the year	491	—

	2018 US$'000	2017 US$'000
Cumulative unrecognised share of loss of Kuaichi Group	491	—

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

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

	2018 US$'000	2017 US$'000
Cost of investment in joint venture	—	—
Share of post-acquisition profits and other comprehensive income	5,052	2,074
	5,052	2,074
Share of result of a joint venture	2,978	(3,549)
Amount due from a joint venture	4,042	4,042

The interest in a joint venture represents a 50% equity interest in 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
					2018	2017	2018	2017	
Mission Right	Incorporated	British Virgin Islands ("BVI")	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:

	2018 US$'000	2017 US$'000
Current assets	18,190	12,232
Non-current assets	—	—
Current liabilities	8,086	8,084
Non-current liabilities	—	—
Revenue	—	—
Gain (loss) for the year	5,956	(7,098)

18. 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:

	2018 US$'000	2017 US$'000
Net assets of Mission Right	10,104	4,148
Proportion of Group's ownership interest in Mission Right	50%	50%
Carrying amount of Group's interest in Mission Right	5,052	2,074

19. AVAILABLE-FOR-SALE INVESTMENTS

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

	2018 US$'000	2017 US$'000
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)	22,643	45,600
Investment funds (note c)	32,444	1,227
Club membership	2,437	2,437
	63,204	56,637

Notes:

(a) (i) As at 1 April 2015, the Group held 23,800,000 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, 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%.

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%). During the period ended 30 September 2016, Company A disposed of all the shares of the Investee Company and significant loss was resulted from the disposal. Company A invested in other debt instruments afterwards.

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19. AVAILABLE-FOR-SALE INVESTMENTS (continued)

Notes: (continued)

(a) (i) (continued)

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 A. 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 year ended 31 March 2017.

Considered that full impairment has been made to this investment as at 31 March 2017 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 A as at 31 March 2018 and 31 March 2017.

(ii) As at 31 March 2018 and 31 March 2017, the Group held 52,479 shares of a private and unlisted company incorporated in the Cayman Islands which is engaged in securities investing business. It represents approximately 2.19% of the issued share capital of the investee company.

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

During the year ended 31 March 2018, 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 related to this unlisted investment was recognised in profit or loss for the year ended 31 March 2018 (2017: US$3,563,000).

(b) As at 31 March 2018, the Group's available-for-sale investments included equity securities listed in Hong Kong, which represented 2,419,569,625 shares, approximately 8.95% shareholding, (31 March 2017: 2,419,569,625 shares, approximately 8.95% shareholding) in G-Resources Group Limited ("G-Resources") incorporated in Bermuda, with a carrying amount of US$22,643,000 as at 31 March 2018 (31 March 2017: US$45,600,000). The listed equity securities were stated at fair values which have been determined based on quoted market bid prices available on the Stock Exchange.

During the year ended 31 March 2018, a fair value decrease amounting to US$22,957,000 was recognised in the investment revaluation reserve and the amount of US$21,715,000 was reclassified as impairment loss to profit or loss as the drop of fair value of G-Resources is considered significant and prolonged and such amount cannot be reversed afterwards.

During the period ended 30 September 2016, a fair value decrease amounting to US$3,322,000 was recognised in the investment revaluation reserve and this was reclassified as impairment loss to profit or loss as the drop of fair value of G-Resources is considered prolonged and significant and such amount cannot be reversed afterwards. Subsequently, a fair value gain of US$1,242,000 was recognised in investment revaluation reserve during the year ended 31 March 2017.

19. AVAILABLE-FOR-SALE INVESTMENTS (continued)

Notes: (continued)

(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 31 March 2018, included in the investment funds, there are two major newly invested funds in the current year, 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 2017: nil) and US$10,000,000 (31 March 2017: nil), respectively. An impairment loss of US$153,000 related to investment funds was recognised in profit or loss for the year ended 31 March 2018 (2017: nil).

20. INVENTORIES

	2018 US$'000	2017 US$'000
Copper in process	2,367	6,101
Copper cathodes	40	427
Spare parts and consumables	752	889
	3,159	7,417

21. TRADE AND OTHER RECEIVABLES

	2018 US$'000	2017 US$'000
Trade receivable	1,021	1,180
Other receivables	5,094	29,795
Total trade and other receivables	6,115	30,975

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

	2018 US$'000	2017 US$'000
0 – 60 days	1,021	1,180

Trade receivable as at 31 March 2018 represents trade receivable from sales of copper cathodes in Australia. The balance is due on the fifth working days of the following month after delivery. Management believes that no impairment allowance is necessary in respect of this balance as it is settled subsequently in full. The Group does not hold any collateral over this balance.

21. TRADE AND OTHER RECEIVABLES (continued)

No trade receivables are past due but not impaired as at 31 March 2018.

Included in other receivables is amount due from broker amounting to US$1,075,000 due to either deposits for acquisition of securities investments or disposal of securities investments as at 31 March 2018 (2017: US$21,468,000). The amount has been fully repaid or utilised subsequent to 31 March 2018.

As at 31 March 2017, a deposit paid for potential investments amounting to US$5,234,000 is also included in the other receivables. The potential investments were subsequently lapsed and the deposit was received.

22. LOAN RECEIVABLES

	2018 US$'000	2017 US$'000
Fixed-rate loan receivables, current	192,449	5,154

The range of effective interest rate (which are fixed rates, also equal to contractual interest rates) on the Group's loan receivables is 7% to 15% (2017: 14%) per annum. The contractual maturity date of the loan receivables ranges from less than one month to one year and are all denominated in HKD. As at 31 March 2018, loan receivables of US$192,449,000 (2017: US$5,154,000) are unsecured.

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.

The Group received US$3,205,000 (2017: US$5,154,000) subsequent to the date of reporting period. As at 31 March 2018, the management believes that no impairment allowance is necessary in respect of the remaining loan receivables as there is no significant change in credit quality and the balances are still considered fully recoverable.

No loan receivables are past due but not impaired as at 31 March 2018.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2018 US$'000	2017 US$'000
Held for trading investments (current assets)		
Debt securities listed in Singapore	**101,810**	55,312
Equity securities listed in Hong Kong	**118,814**	180,709
Equity securities listed outside Hong Kong	**3,240**	2,364
Investment funds	**63,940**	59,068
	287,804	297,453

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

Included in equity securities listed in Hong Kong above is the Group's investment in G-Resources with a carrying amount of US$20,659,000 as at 31 March 2018 (2017: US$41,601,000). The investment represents 8.16% of holding of the issued shares of G-Resources as at 31 March 2018 (2017: 8.16%).

24. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less at prevailing market interest rates. The effective interest rate ranges from 0.15% to 3.80% (2017: 0.29% to 2.20%) 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 amounted to US$14,007,000 (2017: US$21,403,000) as at 31 March 2018 are backed by collateral deposits which amounted to US$14,293,000 as at 31 March 2018 (2017: US$21,403,000).

Another US$23,951,000 (2017: US$23,437,000) 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 29).

The interest rates for the pledged bank deposits range from 2.20% to 2.35% (2017: 1.37% to 2.50%) per annum for the year ended 31 March 2018.

25. DEPOSIT OF ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

Grande Cache Coal LP ("GCC LP"), an independent third party, is a limited partnership established in Canada and being the owner of mines and engaged in the business of the development of coal mines and production of coking coal and related products in Canada. Due to unfavorable coal market conditions, GCC LP has been in financial distress since late 2015. Pursuant to the Receivership Orders dated 24 January 2017 and 3 February 2017, Deloitte Restructuring Inc. ("Vendor"), was appointed as the Receiver of all of the assets including Grande Cache Coal ("GCC") mines located in Canada ("Assets").

On 22 December 2017, the Company's indirectly wholly-owned subsidiary, Sonicfield Global Limited ("Sonicfield") as the Purchaser and the Vendor entered into an asset purchase agreement (the "Asset Purchase Agreement"), which Sonicfield conditionally agreed to purchase and the Vendor conditionally agreed to sell and transfer the relevant coking coal mining assets and properties ("Acquisition"). The deposit of acquisition of property, plant and equipment amounted to US$17,597,000 was paid in order to facilitate the Acquisition.

On the same date, the Company and China Minsheng Banking Corp., Ltd., Hong Kong Branch ("CMBC") entered into a restructuring implementation agreement (the "Restructuring Implementation Agreement") to implement the proposed restructuring of indebtedness of GCC LP and the Acquisition.

The Restructuring Implementation Agreement, Assets Purchase Agreement and transactions contemplated thereunder (the "Transactions") were approved by shareholders of the Company in the extraordinary general meeting held on 28 March 2018. The Transactions are pending completion, which is expected no later than 30 June 2018. Details are set out in the Company's announcement dated 8 January 2018, 9 January 2018, 7 March 2018 and 28 March 2018.

26. TRADE AND OTHER PAYABLES

	2018 US$'000	2017 US$'000
Total trade payables (aged within 30 days)	99	298
Other payables	6,270	8,584
	6,369	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$1,916,000 (2017: AUD2,500,000, equivalent to approximately US$1,911,000) and (ii) of AUD2,500,000, equivalent to approximately US$1,916,000 (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 31 March 2018, the additional ore reserves are not yet delineated and the remaining AUD2,500,000, equivalent to approximately US$1,916,000 (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 to the Australian Government of US$59,000 and nil (2017: US$42,000 and US$118,000), respectively, in respect of sales made in Australia under relevant rules and regulations.

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27. AMOUNT DUE TO A NON-CONTROLLING INTEREST

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

28. BANK BORROWING

	2018 US$'000	2017 US$'000
The carrying amounts of the secured bank borrowing are repayable:		
Within one year	1,275	—
Within a period of more than one year but not exceeding two years	1,275	—
Within a period of more than two years but not exceeding five years	11,561	—
	14,111	—

During the current year, the Group obtained new bank borrowing amounting to US$14,659,000 (31 March 2017: nil). The loan carries interest at variable market rates of London Inter-Bank Offer Rate ("LIBOR") plus 2.75% and is repayable in instalments over a period of 4 years.

29. 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 2019. Rehabilitation costs are capitalised as mine property and development assets in property, plant and equipment, and are amortised over the life of the mine on an UOP basis.

A bank guarantee of US$23,381,000 (2017: US$23,317,000) is placed with the Department of Environment and Heritage Protection, Queensland Government, Australia for the purposes of settling these rehabilitation costs (see note 24).

29. PROVISION FOR MINE REHABILITATION COST (continued)

	US$'000
At 1 April 2016	23,346
Exchange adjustment	(34)
Effective interest	432
At 31 March 2017	**23,744**
Exchange adjustment	**65**
Effective interest	**53**
At 31 March 2018	**23,862**

30. PROVISION FOR AN ONEROUS CONTRACT

As at 31 March 2018, the committed power supply expenses of an non-cancellable power supply contract with lease term expiring over 45 months as at 31 March 2018 and the management estimated their onerous contract amounted to US$11,612,000 (2017: US$24,630,000).

	US$'000
At 1 April 2016	30,902
Effective interest	193
Amounts transferred to other payables	(6,321)
Exchange adjustment	(144)
At 31 March 2017	**24,630**
Effective interest	**(16)**
Reversal of provision for an onerous contract	**(13,193)**
Exchange adjustment	**191**
At 31 March 2018	**11,612**

	2018 **US$'000**	2017 US$'000
Current portion	**1,453**	6,456
Non-current portion	**10,159**	18,174
	11,612	24,630

31. SHARE CAPITAL

	Number of shares	Share capital
Ordinary shares of HK$0.10 each		
Authorised		
At 1 April 2016	50,000,000,000	HK$5,000,000,000
Increased in authorised share capital (note)	50,000,000,000	HK$5,000,000,000
At 31 March 2017 and 31 March 2018	**100,000,000,000**	**HK$10,000,000,000**
		US$'000
Issued and fully paid		
At 1 April 2016, 31 March 2017 and 31 March 2018	**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.

32. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

For the year ended 31 March 2017

The below acquisition was determined by the directors of the Company to be acquisition of assets and liabilities through acquisition of subsidiaries rather than a business combination as the assets acquired and liabilities assumed did not constitute a business as defined under HKFRS 3 (revised) "Business Combinations".

In March 2017, the Group acquired 51% equity interests in Dakota RE I Limited and its subsidiaries ("Dakota Group"), from an independent third party at a cash consideration of approximately GBP9,571,000 (equivalent to US$11,960,000). Dakota Group is principally engaged in property investment in the UK.

	2017 US$'000
Consideration transferred:	
Cash paid	11,960
Assets acquired and liabilities recognised at the date of acquisition:	
Investment properties	23,270
Other receivables	182
Net assets	23,452
Consideration transferred	11,960
Add: Non-controlling interests	11,492
Net assets recognised	23,452

32. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES (continued)

Non-controlling interest

The non-controlling interest in Dakota Group recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets.

	2017 US$'000
Net outflow of cash and cash equivalents in respect of the acquisition asset through of acquisition of subsidiaries:	
Cash consideration paid	(11,960)

33. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of amount due to a non-controlling interest, bank borrowing, 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.

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2018 US$'000	2017 US$'000
Financial Assets		
Loans and receivables (including cash and cash equivalents)	**331,768**	376,819
Financial assets at FVTPL	**287,804**	297,453
Available-for-sale investments	**63,204**	56,637
Derivative financial instruments	**66**	—
	682,842	730,909
Financial Liabilities		
Amortised cost	**16,912**	2,920

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34. FINANCIAL INSTRUMENTS (continued)

(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 ("RMB"), Canadian dollars ("CAD"), US$, British Pound ("GBP") and Australian 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$78,276,000 at 31 March 2018 (2017: US$87,846,000).

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

	Assets		Liabilities	
	2018 **US$'000**	2017 US$'000	**2018** **US$'000**	2017 US$'000
RMB	**4,908**	4,106	**—**	—
CAD	**1,625**	1,734	**—**	—
US$	**240,344**	119,606	**—**	—
GBP	**1,924**	—	**—**	—
AUD	**11,545**	5,711	**—**	—

34. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% (2017: 5%) increase or decrease in RMB, CAD and AUD. 5% (2017: 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% (2017: 5%) change in foreign currency rate. It excludes items denominated in US$ held by group entities with HK$ as functional currency as the directors consider that the Group's exposure to US$ for such entities is insignificant on the ground that HK$ is pegged to US$. A positive number indicates a decrease in post-tax loss for the year where the foreign currencies strengthens 5% (2017: 5%) against the functional currency of respective group entity.

	Profit or loss	
	2018	2017
	US$'000	US$'000
RMB	**205**	171
CAD	**68**	72
US$	**47**	103
GBP	**78**	—
AUD	**404**	200

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

Interest rate risk management

The Group is exposed to 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, pledged bank deposits and bank borrowing. If the bank interest rate had been 10 basis point (2017: 10 basis point) increase/decrease while all other variables were held constant, the Group's loss for the year ended 31 March 2018 would decrease/increase by US$92,000 (2017: US$280,000).

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% (2017: 30%). If the prices of the financial assets at FVTPL and listed equity securities classified as available-for-sale investments had been 30% (2017: 30%) higher/lower while all other variables were held constant, the Group's post-tax loss for the year would decrease/increase by US$78,888,000 (2017: US$74,512,000/US$86,950,000) and the investment revaluation reserve would increase/decrease by nil (2017: US$13,680,000/US$1,242,000).

34. FINANCIAL INSTRUMENTS (continued)

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

Credit risk management

As at 31 March 2018, other than those financial assets whose carrying amounts best represent the maximum exposure to credit risk, the Group's maximum exposure to credit risk which will cause a financial loss to the Group arising from the amount of contingent liabilities in relation to financial guarantees provided by the Group is disclosed in note 24.

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.

As at 31 March 2018, the Group has concentration of credit risk of investment in financial assets designated as FVTPL, representing listed debt securities of US$101,810,000 (2017: US$55,312,000) issued by a Hong Kong listed company.

The management considers the credit risk on the debt securities is limited for both years because the issuers are 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 entities and the listed issuers to ensure appropriate measures are implemented on a timely and effective manner.

As at 31 March 2018 and 2017, the Group's trade receivable is due from one major customer based in Australia (31 March 2017: 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 and Singapore, which accounted for 100% (2017: 100%) of the total trade receivables and 35% (2017: 19%) of the financial assets at FVTPL as at 31 March 2018 respectively.

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 2018, the total loan receivable is due from six customers (31 March 2017: one).

34. FINANCIAL INSTRUMENTS (continued)

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

Credit risk management (continued)

The directors consider the credit risk under control since the management exercise due care in granting credit and check the financial background of these customers 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.

	Weighted average interest rate	Less than 3 months or on demand	Over 3 months but not more than 1 year	Over 1 year but not more than 2 years	Over 2 years but not more than 5 years	Total undiscounted cash flows	Carrying amount at 31.3.2018
	%	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
As at 31 March 2018							
Non-derivatives financial liabilities							
Trade and other payables	—	2,801	—	—	—	2,801	2,801
Bank borrowing — variable rate	3.46	322	981	1,365	13,195	15,863	14,111
		3,123	981	1,365	13,195	18,664	16,912
Financial guarantee contracts	—	37,388	—	—	—	37,388	—
As at 31 March 2017							
Non-derivatives financial liabilities							
Trade and other payables	—	2,664	—	—	—	2,664	2,664
Amount due to a non-controlling interest	—	256	—	—	—	256	256
	—	2,920	—	—	—	2,920	2,920
Financial guarantee contracts	—	44,720	—	—	—	44,720	—

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 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.

(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.

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For the year ended 31 March 2018

34. FINANCIAL INSTRUMENTS (continued)

(c) Fair values of financial instruments (continued)

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)
	2018 US$'000	2017 US$'000		
Available-for-sale investments				
Equity securities listed in Hong Kong ("HK")	22,643	45,600	Level 1	Quoted bid prices in active markets
Financial assets at FVTPL				
Debt securities listed in Singapore	101,810	55,312	Level 2	Quoted prices in over-the-counter
Equity securities listed in HK	118,814	180,709	Level 1	Quoted bid prices in active markets
Equity securities listed in overseas	3,240	2,364	Level 1	Quoted bid prices in active markets
Investment funds	63,940	59,068	Level 2	Net asset value per share or unit provided by the financial institution with reference to observable quoted price of underlying investment portfolio in active markets or over-the-counter
Derivative financial instruments				
Interest rate swap contract	66	—	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.

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

34. 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
2018				
Financial assets at FVTPL	122,054	165,750	—	287,804
Available-for-sale investments	22,643	—	—	22,643
Derivative financial instruments	—	66	—	66
	144,697	165,816	—	310,513

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
2017				
Financial assets at FVTPL	183,073	114,380	—	297,453
Available-for-sale investments	45,600	—	—	45,600
	228,673	114,380	—	343,053

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

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

35. 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).

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.

35. RETIREMENT BENEFIT SCHEMES (continued)

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$60,000 (2017: US$610,000). The Group also contributed US$53,000 (2017: US$171,000) 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.

36. 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:

	2018 US$'000	2017 US$'000
In respect of rented premises:		
Within one year	1,448	1,239
In the second to fifth year inclusive	1,031	932
	2,479	2,171

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 2018 and 2017.

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:

	2018 US$'000	2017 US$'000
Within one year	2,831	2,494
In the second to fifth year inclusive	8,305	9,243
	11,136	11,737

Leases are negotiated for the terms range from one to three years (2017: one to four years) for the year ended 31 March 2018.

37. CAPITAL COMMITMENTS

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

	2018 US$'000	2017 US$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
— capital injection in an unlisted investment	7,475	3,769
— acquisition of property, plant and equipment	5,072	—
	12,547	3,769

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowing US$'000	Interest payable US$'000	Total US$'000
At 1 April 2017	—	—	—
Financing cash flows	14,022	(257)	13,765
Interest expenses recognised in the consolidated statement of profit or loss	—	363	363
Exchange realignment	89	7	96
At 31 March 2018	14,111	113	14,224

39. EVENT AFTER THE REPORTING PERIOD

On 21 May 2018, Skytop Technology Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company, sold an aggregate number of 3,822,000,000 G-Resources shares to PX Capital Management Limited at an aggregate consideration of HK$267,540,000, equivalent to approximately US$34,300,000, at the price of HK$0.07 per G-Resources share through cross trade which constitute the entire classified as available-for-sale investments and the remaining G-Resources shares are classified under financial assets at FVTPL. The loss on disposal of G-Resources shares is US$1,470,000. The aggregate number of 3,822,000,000 G-Resources Shares representing approximately 14.13% of the entire issued share capital of G-Resources. The purpose for the disposal is seeking for both better investment return of its financial resources and for future business development strategy.

40. RELATED PARTY DISCLOSURES

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

	2018 US$'000	2017 US$'000
Short-term benefits	10,296	10,348
Post-employment benefits	12	12
	10,308	10,360

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For the year ended 31 March 2018

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 March 2018 and 31 March 2017 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 activities
		2018	2017	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	BVI	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$7,320,000	US$7,300,000	—	91.81%	E-logistics platform
Sun Power Finance Limited	Hong Kong	HK$1	HK$1	—	100%	Money lending
Dakota RE I Limited	BVI	US$510	US$510	—	51%	Property investment
Rising Up Holdings Limited	BVI	US$1	—	—	100%	Aircraft holding

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

None of the subsidiaries had issued any debt securities at 31 March 2018 and 2017 or at any time during both years.

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

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

Principal activities	Principal place of business	Number of subsidiaries	
		2018	2017
Investment holdings	Hong Kong	48	40
Mining business	Australia	2	2
Securities investment	Hong Kong	8	5
E-logistics platform	PRC	2	2
Property investment	UK	2	2
		62	51

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 held by non-controlling interests		Loss (gain) allocated to non-controlling interests		Accumulated non-controlling interests	
		2018	2017	2018	2017	2018 US$'000	2017 US$'000	2018 US$'000	2017 US$'000
First Cargo Holdings Limited	BVI/Hong Kong	8%	8%	8%	8%	13	228	(191)	(161)
Dakota RE I Limited	BVI/UK	49%	49%	49%	49%	(1,465)	63	7,292	11,429
						(1,452)	291	7,101	11,268

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2018 US$'000	2017 US$'000
Non-current assets		
Property, plant and equipment	**25**	27
Investments in subsidiaries	**—**	—
Available-for-sale investment	**1,949**	1,949
Amounts due from subsidiaries	**310,417**	387,118
	312,391	389,094
Current assets		
Other receivables	**546**	549
Amounts due from subsidiaries	**332,999**	170,839
Financial assets at fair value through profit or loss	**5,972**	7,147
Bank balances and cash	**14,774**	114,869
	354,291	293,404
Current liabilities		
Other payables	**320**	316
Amounts due to subsidiaries	**2,465**	2,470
	2,785	2,786
Net current assets	**351,506**	290,618
Total assets less current liabilities	**663,897**	679,712
Capital and reserves		
Share capital	**496,132**	496,132
Reserves	**167,765**	183,580
Total equity	**663,897**	679,712

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

Movement of the share capital and reserves are stated as below:

	Share capital US$'000	Share premium US$'000	Capital reserve US$'000 (note a)	Other capital reserve US$'000 (note b)	Accumulated losses US$'000	Total US$'000
At 1 April 2016	496,132	507,573	4,503	128,275	(111,527)	1,024,956
Loss and total comprehensive expenses for the year	—	—	—	—	(345,244)	(345,244)
At 31 March 2017	**496,132**	**507,573**	**4,503**	**128,275**	**(456,771)**	**679,712**
Loss and total comprehensive expenses for the year	**—**	**—**	**—**	**—**	**(15,815)**	**(15,815)**
At 31 March 2018	**496,132**	**507,573**	**4,503**	**128,275**	**(472,586)**	**663,897**

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				
	2018	2017	2016	2015	2014
	US$'000	US$'000	US$'000	US$'000	US$'000
Results					
(Loss) profit for the year	**(11,267)**	(305,268)	(68,462)	28,172	(61,744)

	At 31 March				
	2018	2017	2016	2015	2014
	US$'000	US$'000	US$'000	US$'000	US$'000
Assets and liabilities					
Total assets	**802,190**	817,999	1,122,535	1,014,523	991,833
Total liabilities	**(61,645)**	(62,684)	(66,558)	(37,237)	(47,327)
Net assets	**740,545**	755,315	1,055,977	977,286	944,506

PARTICULARS OF PROPERTIES HELD BY THE GROUP

Location	Percentage of ownership held by the Group	Use	Lease term
Unit Nos. 1104–1107 and Unit Nos. 2501–2512 Oriental Building No. 39 Jianshe Road Luohu District Shenzhen Guangdong Province People's Republic of China	100%	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 People's Republic of China	100%	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	100%	Residential	Long term lease
Flat 10 on 20/F Apartment Tower on the Western Side Convention Plaza No. 1 Harbour Road Hong Kong	100%	Residential	Long term lease
Silvan House 231 Corstorphine Road Edinburgh United Kingdom	51%	Commercial	Freehold

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

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Grand Cayman KY1-1102
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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.cstgrouphk.com

CST GROUP LIMITED

(formerly known as "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

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

www.cstgrouphk.com

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