CST GROUP LIMITED
中譽集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 985)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

UNAUDITED INTERIM RESULTS

The board of directors (the "Board") of CST Group Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2018 with the comparative figures for the corresponding period in 2017 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2018

		Six months ended 30 September	
		2018	2017
	NOTES	**US$'000**	US$'000
		(unaudited)	(unaudited)
Revenue	4	**23,371**	14,124
Cost of sales		**(9,521)**	(5,092)
Gross profit		**13,850**	9,032
Other income and other gains and losses	5	**(96)**	3,645
Distribution and selling expenses		**(47)**	(5)
Administrative expenses		**(17,872)**	(10,373)
Write-off of exploration and evaluation assets		**(97)**	(231)
Impairment loss recognised on goodwill		**—**	(18,770)
Loss on inventories written down to net realisable value		**(36)**	(3,775)
Impairment loss recognised on available-for-sale investments		**—**	(14,101)
(Loss) gain on fair value changes of financial assets at fair value through profit or loss		**(35,510)**	83,584
Gain on fair value changes of investment properties		**811**	2,621

	NOTES	Six months ended 30 September 2018 US$'000 (unaudited)	2017 US$'000 (unaudited)
Gain on disposal of a subsidiary		**1,026**	—
Reversal of expected credit losses on financial assets		**1,795**	—
Share of result of a joint venture		**310**	(596)
Share of result of an associate		**(70)**	—
Finance costs	6	**(3,335)**	(110)
(Loss) profit before taxation		**(39,271)**	50,921
Taxation	7	**(214)**	(274)
(Loss) profit for the period	8	**(39,485)**	50,647
(Loss) profit for the period attributable to:			
Owners of the Company		**(39,374)**	49,573
Non-controlling interests		**(111)**	1,074
		(39,485)	50,647
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss :			
Exchange differences arising on translation of foreign operations		**8,265**	1,892
Loss arising from fair value changes of an available-for-sale investment		**—**	(13,650)
Reclassification adjustment upon impairment on an available-for-sale investment		**—**	12,408
Other comprehensive income for the period		**8,265**	650
Total comprehensive (expense) income for the period		**(31,220)**	51,297
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(30,565)**	49,707
Non-controlling interests		**(655)**	1,590
		(31,220)	51,297
(Loss) earnings per share			
- Basic and diluted (US cents)	9	**(0.10)**	0.13

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 SEPTEMBER 2018

	NOTES	**As at 30 September 2018 US$'000 (unaudited)**	As at 31 March 2018 US$'000 (audited)
Non-current assets			
Property, plant and equipment	10	**483,874**	28,997
Exploration and evaluation assets	10	**34,760**	—
Investment properties		**53,367**	55,174
Goodwill		**—**	—
Interests in an associate		**6,636**	6,706
Interests in a joint venture		**5,362**	5,052
Club membership		**2,437**	—
Available-for-sale investments		**—**	63,204
Financial assets at fair value through profit or loss		**67,888**	—
Pledged bank deposits		**60,032**	38,244
Deposit for acquisition of property, plant and equipment		**—**	17,597
		714,356	214,974
Current assets			
Inventories		**8,474**	3,159
Trade and other receivables	11	**12,985**	6,115
Loan receivables		**106,072**	192,449
Amount due from a joint venture		**4,042**	4,042
Financial assets at fair value through profit or loss		**309,894**	287,804
Derivative financial instruments		**47**	66
Bank balances and cash		**97,126**	93,581
		538,640	587,216
Current liabilities			
Trade and other payables	12	**16,838**	6,369
Provision for an onerous contract		**4,121**	1,453
Tax payable		**5,878**	5,691
Bank borrowings – amount due within one year		**1,178**	1,275
		28,015	14,788

	NOTE	As at 30 September 2018 US$'000 (unaudited)	As at 31 March 2018 US$'000 (audited)
Net current assets		**510,625**	572,428
Total assets less current liabilities		**1,224,981**	787,402
Non-current liabilities			
Bank borrowings – amount due after one year		**420,680**	12,836
Guarantee liability		**40,100**	—
Provision for mine rehabilitation cost		**52,120**	23,862
Provision for an onerous contract		**6,871**	10,159
		519,771	46,857
		705,210	740,545
Capital and reserves			
Share capital	13	**496,132**	496,132
Reserves		**202,632**	237,312
Equity attributable to owners of the Company		**698,764**	733,444
Non-controlling interests		**6,446**	7,101
		705,210	740,545

1. GENERAL

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

The Company is an investment holding company with its subsidiaries engaged in (i) exploration, development and mining of mineral resources, (ii) investment in financial instruments, (iii) property investment, (iv) money lending and (v) e-logistics platform.

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

2. BASIS OF PREPARATION

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

3. PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2018 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2018.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2018 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts

Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 - 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

3.1 Impacts and changes in accounting policies of application on HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The Group recognises revenue from the following major sources:

- Sale of copper cathodes
- Rental income
- Dividend income from trading of securities
- Interest income from financial assets at fair value through profit or loss ("FVTPL") held for trading
- Interest income from money lending business

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 "Revenue", and the related interpretations.

3.1.1 Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognising revenue:

- 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 Group satisfies a performance obligation.

Under HKFRS 15, the Group 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.

A performance obligation represents a goods and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

3.1.2 Summary of effects arising from initial application of HKFRS 15

The revenue of the Group is recognised at a point of time. The adoption of HKFRS 15 has had no material impact on the Group's financial performance and positions for the current period or at 1 April 2018.

3.2 Impacts and changes in accounting policies of application on HKFRS 9 "Financial Instruments"

In the current period, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("ECL") for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 "Financial Instruments: Recognition and Measurement".

3.2.1 Key changes in accounting policies resulting from application of HKFRS 9

Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under HKAS 39.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 “Business Combinations” applies.

In addition, the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "(loss) gain on fair value changes of financial assets at FVTPL" line item.

The directors of the Company reviewed and assessed the Group's financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date. Changes in classification and measurement on the Group's financial assets and the impacts thereof are detailed in Note 3.2.2.

Impairment under ECL model

The Group recognised a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, loan receivables, amount due from a joint venture, pledged bank deposits and bank balances) and financial guarantee contracts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognised lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognised lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

For financial guarantee contract, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

As at 1 April 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. The results of the assessment and the impact thereof are detailed as below.

3.2.2 Summary of effects arising from initial application of HKFRS 9

Reclassification from available-for-sale (“AFS”) investments to financial assets at FVTPL

At the date of initial application of HKFRS 9, the Group's investments in investment funds, unlisted equity securities and equity securities listed in Hong Kong with a fair value of US$60,767,000 were reclassified from AFS investments to financial assets at FVTPL.

Impairment under ECL model

Loss allowances for other financial assets at amortised cost, comprising mainly other receivables, loan receivables, amount due from a joint venture, pledged bank deposits and bank balances and cash are measured on 12m ECL basis and the amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. As at 1 April 2018, credit loss allowance of US$4,115,000 in aggregate for loan receivables was recognised against accumulated losses. Loss allowance of US$4,115,000 was charged against the loan receivables.

The table below illustrates the classification and measurement (including the measurement of ECL) of financial assets and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

	AFS investments US$'000	Loan receivables US$'000	Financial assets through profit or loss US$'000	Accumulated losses US$'000
Closing balance at 31 March 2018 - HKAS 39 (audited)	63,204	192,449	287,804	(394,926)
Effect arising from initial application of HKFRS 9:				
Reclassification	(63,204)	—	60,767	—
Remeasurement				
Impairment under ECL model	—	(4,115)	—	(4,115)
Opening balance at 1 April 2018 (restated)	—	188,334	348,571	(399,041)

4. REVENUE/SEGMENT INFORMATION

Revenue

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

	Six months ended 30 September	
	2018	2017
	US$'000	US$'000
	(unaudited)	(unaudited)
Sale of copper cathodes	**7,202**	6,627
Residential rental income	**308**	307
Office rental income	**1,202**	1,183
Dividend income from trading of securities	**4,296**	1,411
Interest income from financial assets at fair value through profit or loss	**4,575**	3,471
Interest income from money lending business	**5,788**	1,125
	23,371	14,124

Segment information

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

Segment revenue and results

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

	Segment revenue Six months ended 30 September		Segment results Six months ended 30 September	
	2018	2017	**2018**	2017
	US$'000	US$'000	**US$'000**	US$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Mining business	**7,202**	6,627	**(8,933)**	(5,329)
Investment in financial instruments	**8,871**	4,882	**(26,715)**	73,843
Property investment	**1,510**	1,490	**1,432**	3,716
Money lending	**5,788**	1,125	**5,778**	1,008
E-logistics platform	**—**	—	**(89)**	(18,856)
	23,371	14,124	**(28,527)**	54,382
Other income and other gains and losses (except for reversal of provision for an onerous contract and fair value loss on derivative financial instruments)			**(82)**	3,160
Reversal of expected credit losses on financial assets			**1,795**	—
Central administration costs			**(9,362)**	(5,915)
Finance costs			**(3,335)**	(110)
Share of result of a joint venture			**310**	(596)
Share of result of an associate			**(70)**	—
(Loss) profit before taxation			**(39,271)**	50,921

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

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

Other segment information

Six months ended 30 September 2018

Amount included in the measure of segment results:

	Mining business US$'000 (unaudited)	**Investment in financial instruments US$'000 (unaudited)**	**Property investment US$'000 (unaudited)**	**Money lending US$'000 (unaudited)**	**E-logistics platform US$'000 (unaudited)**	**Unallocated US$'000 (unaudited)**	**Consolidated US$'000 (unaudited)**
Depreciation	**1,329**	**—**	**—**	**—**	**—**	**1,042**	**2,371**
Staff costs	**1,405**	**—**	**—**	**—**	**—**	**1,319**	**2,724**

Six months ended 30 September 2017

Amount included in the measure of segment results:

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

5. OTHER INCOME AND OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2018	2017
	US$'000	US$'000
	(unaudited)	(unaudited)
Bank and other interest income	**1,114**	1,731
Net foreign exchange (loss) gain	**(1,191)**	526
(Loss) gain on disposal of assets	**(86)**	49
Fair value loss on derivative financial instruments	**(14)**	(50)
Reversal of provision for an onerous contract	**—**	535
Others	**81**	854
	(96)	3,645

6. FINANCE COSTS

	Six months ended 30 September	
	2018	2017
	US$'000	US$'000
	(unaudited)	(unaudited)
Effective interest expense on provision for mine rehabilitation cost	**29**	—
Effective interest expense on provision for an onerous contract	**52**	—
Interest expense on bank borrowings	**3,254**	110
	3,335	110

7. TAXATION

	Six months ended 30 September	
	2018	2017
	US$'000	US$'000
	(unaudited)	(unaudited)
The charge comprises:		
Current tax:		
Hong Kong	**29**	—
People's Republic of China ("PRC")	**5**	11
Australian withholding tax	**110**	123
United Kingdom	**70**	140
Taxation charge for the period	**214**	274

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

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

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.

On 21 March 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. The two-tiered profits tax rate applies to years of assessment commencing on or after 1 April 2018.

Under the two-tiered profits tax rates regime, the first HK$2 million of assessable profits of qualifying corporation will be taxed at 8.25%, and assessable profits above HK$2 million will be taxed at 16.5%. For the relevant period in the six months ended 30 September 2018, Hong Kong profits tax of the qualifying corporation in the Group is calculated in accordance with the two-tiered profits tax rates regime.

The profits of other corporations in the Group which are not qualified for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5%.

8. (LOSS) PROFIT FOR THE PERIOD

	Six months ended 30 September	
	2018	2017
	US$'000	US$'000
	(unaudited)	(unaudited)
(Loss) profit for the period has been arrived at after charging:		
Depreciation on property, plant and equipment	**2,371**	668
Directors' remuneration	**3,309**	3,131
Cost of inventories sold	**9,521**	5,092

9. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share attributable to owners of the Company is based on the loss for the period of US$39,374,000 (six months ended 30 September 2017: profit for the period of US$49,573,000) and 38,698,308,961 ordinary shares in issue during the period (six months ended 30 September 2017: 38,698,308,961 ordinary shares).

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

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

During the six months ended 30 September 2018, the Group incurred expenditures on mine property and development assets of US$198,934,000 (six months ended 30 September 2017: US$30,000) and other property, plant and equipment of US$241,489,000 (six months ended 30 September 2017: US$20,000). Among the expenditures on mine property and development assets and other property, plant and equipment, the Group acquired the coal mining reserves and resources, related property, plant and equipment and exploration and evaluation assets in Canada amounting to US$197,945,000, US$238,988,000 and US$34,760,000 respectively during the period ended 30 September 2018.

During the six months ended 30 September 2018, the Group incurred expenditures on exploration and evaluation assets of US$97,000 (six months ended 30 September 2017: US$231,000).

11. TRADE AND OTHER RECEIVABLES

	As at 30 September 2018 US$'000 (unaudited)	As at 31 March 2018 US$'000 (audited)
Trade receivables	**910**	1,021
Other receivables	**12,075**	5,094
Total trade and other receivables	**12,985**	6,115

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

	As at 30 September 2018 US$'000 (unaudited)	As at 31 March 2018 US$'000 (audited)
0 – 60 days	**910**	1,021

Trade receivables as at 30 September 2018 and 31 March 2018 mainly represent trade receivables from sales of copper cathodes in Australia. The balances is due on the fifth working day of the following month after delivery. Management believes that no impairment allowance is necessary in respect of this balance as it is settled subsequently in full. The Group does not hold any collateral over this balance.

Included in other receivables mainly are the amount due from brokers, investment interest income and prepayment of investment fund amounting to US$738,000 (31 March 2018: US$1,075,000), US$3,545,000 (31 March 2018: US$1,182,000) and US$750,000 (31 March 2018: US$nil) respectively.

12. TRADE AND OTHER PAYABLES

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

	As at 30 September 2018 US$'000 (unaudited)	As at 31 March 2018 US$'000 (audited)
Trade payables		
0 – 30 days	**804**	99
Other payables	**16,034**	6,270
Total trade and other payables	**16,838**	6,369

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$1,806,000 (31 March 2018: AUD2,500,000, equivalent to approximately US$1,916,000 and (ii) of AUD2,500,000, equivalent to approximately US$1,806,000 (31 March 2018: AUD2,500,000, equivalent to approximately US$1,916,000) represents the estimated fair value of the Group's obligation as at 31 May 2010 and has been fully provided. Production of the first 10,000 tonnes was completed in the year ended 31 March 2012 and US$2,607,000 was fully settled during the year ended 31 March 2013. As at 30 September 2018, the additional ore reserves are not yet delineated and the remaining AUD2,500,000, equivalent to approximately US$1,806,000 (31 March 2018: AUD2,500,000, equivalent to approximately US$1,916,000) was included in other payables.

Other payables also include Goods and Services Tax payable of US$39,000 (31 March 2018: US$59,000), in respect of sales made in Australia under relevant rules and regulations, amount due to brokers of US$4,986,000 (31 March 2018: US$nil), coal mine restructuring fee and bank loan interest expense of US$1,675,000 (31 March 2018: US$nil) and US$3,035,000 (31 March 2018: US$nil) respectively.

13. SHARE CAPITAL

Ordinary shares of HK$0.10 each	Number of shares	Share capital US$'000
Authorised		
At 1 April 2017, 31 March 2018 and 30 September 2018 (unaudited)	100,000,000,000	1,282,052
Issued and fully paid		
At 1 April 2017, 31 March 2018 and 30 September 2018 (unaudited)	38,698,308,961	496,132

14. DIVIDEND

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND FINANCIAL RESULTS

The revenue of the Company and its subsidiaries (collectively referred to as the "Group") for the period ended 30 September 2018 (the "Period") was approximately US$23.37 million. This was an increase of approximately 65.47% compared to revenue recorded for the corresponding period of last year. Operating revenue generated by Lady Annie Operations increased from approximately US$6.63 million to approximately US$7.20 million, representing an increase of approximately 8.68% over the same period of last year. The increase was due to increases in copper prices during the Period.

Compared to the corresponding period last year, there was an approximate US$4.82 million increase in gross profit, representing a relative increase of approximately 53.34%. Dividends from securities trades and interest income from financial assets, interest income from money lending and rental income represented approximately 37.96%, 24.77% and 6.46% respectively of total revenue for the Period.

Compared with the same period last year, revenue derived from property investments increased slightly by approximately 1.34%. Rental income provided steady cash flow to the Group over the Period, and this trend is expected to continue. Finance cost was approximately US$3.34 million for the Period compared with approximately US$0.11 million for the corresponding period of last year. Of the US$3.34 million finance cost, approximately US$3.25 million was interest expense on bank loans used to refinance the Scottish property and acquisition of mining assets in Canada Coal Project. During the Period, dividends from securities trades and interest income on financial assets increased by approximately 81.71% period-on-period. Due to the instability of the financial market during the Period, the Group recorded a loss on fair value changes of financial assets at fair value through profit or loss (a net amount of the fair value changes of financial assets at fair value through profit or loss. As the change of accounting standard, the available-for-sale investments bas been reclassified as non-current financial assets at fair value through profit or loss) of approximately US$35.51 million, while there was a gain of approximately US$69.48 million (a net amount of the fair value changes of financial assets at fair value through profit or loss and the impairment loss recognized on available-for-sale investments) in the corresponding period last year.

Information concerning the Group's 10 largest current financial assets as of 30 September 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 30.09.2018	Investment Cost USD'000	Market Value 30.09.2018 USD'000	% to the Group's Net Assets 30.09.2018	Realised Gain on change in fair value for the period ended 30.09.2018 USD'000	Unrealised gain/(loss) on change in fair value for the period ended* 30.09.2018 USD'000
Equity securities listed in Hong Kong									
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%	20,503.23	21,997.20	3.12%	-	4,782.00
708	Evergrande Health Industry Group Limited	"Internet+" community health management, international hospitals, elderly care and rehabilitation, medical cosmetology and anti-ageing in the People's Republic of China ("PRC")	17,485,000	0.20%	26,977.23	21,318.25	3.02%	-	(5,692.01)
1031	Kingston Financial Group Limited	Provision of securities brokerage, underwriting & placements, margin & IPO financing, corporate finance advisory services, futures brokerage & asset management services; providing gaming & hospitality service in Macau	75,296,000	0.55%	8,125.74	20,078.93	2.85%	-	(13,804.27)
1387	Renhe Commercial Holdings Company Limited	Development, lease and management of shopping mall and operation of agriculture wholesale markets in PRC	453,932,429	0.79%	18,000.20	15,422.06	2.19%	-	6,040.14
32	The Cross-Harbour (Holdings) Limited	Electronic toll operation; motoring school operation; tunnel operation and treasury management business	6,078,000	1.63%	5,383.69	10,130.00	1.44%	-	155.85
Financial assets other than equity securities listed in Hong Kong									
	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	N/A	50,000.00	48,185.00	6.83%	-	(3,560.00)
	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	N/A	49,987.25	45,437.50	6.44%	-	(4,627.50)
	Nexus Emerging Opportunities Fund Alpha SP	Fund with no specific investment objective and restriction on the investment of assets	25,475.7916	N/A	30,282.96	41,401.25	5.87%	-	(14,518.15)
	Nexus Asian Hybrid Credit Fund S8	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	31,838.3771	N/A	32,033.49	32,256.35	4.57%	-	222.86
	Nexus Asian Hybrid Credit Fund S1	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	N/A	7,585.34	8,155.58	1.16%	-	134.74
Total					**248,879.13**	**264,382.12**	**37.49%**	**-**	**(30,866.34)**

* Investment costs of these securities represented the initial acquisition costs for the respective costs of the respective securities. Some of the financial assets were acquired by the Group in prior years. Financial assets acquired in prior years were subject to fair value adjustments. Unrealized gains/(losses) on change in fair value were recognized at the end of the respective period. Unrealized gains/(losses) on change in the fair value of these financial assets for the period ended 30 September 2018 excluded amounts recognized in prior periods.

Of the approximately US$35.51 million loss on fair value changes of financial assets at fair value through profit or loss, the realized gain and unrealized loss were approximately US$1.00 million and US$36.51 million respectively. Global economic and political instability, especially the trade war between the U.S. and China and unpredictable U.S. diplomatic and trade policy, will continue to shake investors' confidence and dampen market expectations as conditions remain volatile. The Group is continuing to explore opportunities to diversify its revenue and mitigate these risks.

Interest income from the money lending business was more than 4 times of the same period last year's amount as the Group has become more active in this business and has generated higher profits. During the Period, approximately US$5.79 million in interest income was generated by the money lending business. The interest income from the money lending business was approximately US$1.13 million in the corresponding period of previous year.

As stated in the Group's previous financial reports, the Group had halted allocation of additional resources to the Group's internet logistics service in the People's Republic of China.

Due to diminishing copper reserves, copper production remained low during the Period. The carry value of inventories was written down by approximately US$36,000.00 for the Period. Over the same period last year, the carry value of inventories was written down by approximately US$3.78 million. The exploration and evaluation assets were written down by approximately US$97,000.00 for the Period compared to approximately US$231,000.00 for the corresponding period of 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 Period, an overall gain was recorded. The Group shared an approximately US$0.31 million gain from the joint venture. Relative to the corresponding period in the previous year, the shared loss of the joint venture was approximately US$0.60 million. Overall, the Group recorded an after tax loss of approximately US$39.49 million for the Period compared to after tax profit of approximately US$50.65 million in the corresponding period last year.

Net Asset Value

As of 30 September 2018, the Group held bank balances and cash totalling approximately US$97.13 million, excluding approximately US$60.03 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 the government of Alberta, Canada), and as a guarantee to the electric power supplier of the Lady Annie mine site. Fair value of non-current and current financial assets at fair value through profit and loss was approximately US$67.89 million and US$309.89 million respectively. During the Period, 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 Period. 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 in 2017, intended for the refinancing of 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 30 September 2018, the outstanding balance of this bank loan was approximately GBP9.51 million, equivalent to approximately US$12.45 million. During the Period, the Group through its subsidiary CST Canada Coal Limited ("CST Coal") acquired mining assets of Grande Cache Coal LP ("GCC") in Canada. Due to the acquisition, the Group has new bank borrowings from China Minsheng Banking Corp., Ltd. amounting to approximately US$409.41 million. The bank borrowings carry an interest rate of 1.2% over 3 months LIBOR and repayable in 5 years. The borrowings are secured by (i) a fixed and floating charge over all present and future assets and undertaking of CST Coal; (ii) charges over all shares in CST - Grande Cache Cayman Limited, which is an indirect beneficiary holding company CST Coal; and (iii) corporate guarantees from each of the shareholders of each member of CST Coal project group which include four subsidiaries of the Company. The four subsidiaries are Gold Grace Limited which is a sole shareholder of CST Coal, Excel Fame Limited which is a sole shareholder of Gold Grace Limited, CST - Grande Cache Cayman Limited which is a sole shareholder Excel Fame Limited and Sonicfield Global Limited which is a majority shareholder of CST - Grande Cache Cayman Limited.

Based on the balance of all outstanding loans and borrowings from financial institutions and total equity, the gearing ratio was 65.51%. The net asset value of the Group amounted to approximately US$705.21 million.

Human Resources

As of 30 September 2018, the Group's total number of staff (including Company directors) was 160. Staff costs (excluding directors' emoluments) were approximately US$2.72 million for the Period. Staff remuneration packages are normally reviewed annually. The Group also participated in the Mandatory Provident Fund Scheme in Hong Kong, and provided other staff benefits, such as medical benefits.

Foreign Exchange Risk

The Group conducts most of its business in US dollars, Australian dollars, Renminbi, Hong Kong dollars, British Pounds and Canadian dollars. 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. Foreign currency exposure to the 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 to refinance the property in Scotland. The Group's primary source of foreign exchange risk is derived from the Australian dollar and Canadian dollar. However, as the Group's mining operations in Australia are scaling down, the foreign exchange risk posed by the Australian dollar is decreasing. With respect to newly acquired Canadian coal mines, there is not any hedging policy for the Canadian dollar. Management will continue to monitor the Group's foreign exchange risk and will consider hedging its exchange rate exposure should the need arise.

Lady Annie Operations

The 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 Period is detailed below:

	Six months ended 30 September	
	2018	2017
	US$'000	US$'000
Revenue	**7,202**	6,627
Cost of sales	**(9,521)**	(5,092)
Gross (loss) profit	**(2,319)**	1,535
Other income, expenses, gains and losses	**670**	836
Distribution and selling expenses	**-**	(5)
Administrative expenses	**(3,716)**	(2,876)
Finance costs*	**(82)**	-
Loss on inventories written down to net realisable value	**(36)**	(3,775)
Write-off of exploration and evaluation assets	**(97)**	(231)
Loss before taxation	**(5,580)**	(4,516)

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

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. The 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 period indicated.

	Six months ended 30 September	
	2018	2017
	US$'000	US$'000
Cash costs as reported in the income statement:		
Direct and indirect mining cost	**7,104**	9,685
Adjustment for change in inventory	**2,298**	(3,645)
Total operating costs	**9,402**	6,040
Copper sold (tonnes)	**1,097**	1,102
Copper sold (in thousand pounds)	**2,418**	2,429
C1 operating cost per pound of copper	US$3.89/lb	US$2.49/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.

CST Coal Mine

The acquisition of the mining assets of the GCC was completed on 18 July 2018 (Alberta, Canada time). The mining assets include the Grande Cache Coal mines located in West Central Alberta, approximately 400 kilometres west of the City of Edmonton, the capital of Alberta Province in Canada. The mine site is approximately 20 kilometres north of the town of Grande Cache in the Municipal District of Greenview. Following acquisition completion, the management team of CST Canada Coal Limited, a subsidiary of the Company, has been working diligently to resume the production and operation of the CST Coal Mine in Canada. As of 30 September 2018, the following outcomes have been achieved:

Mining commenced in late August 2018 with half of the surface mining fleet and two crews. At the end September 2018, 625,027 bcm of waste and 30,240 tonnes of raw coal were hauled to the Run-of-Mine (ROM). A third crew was recruited in the same period and they were undergoing orientation and training.

The processing plant restarted operations in early September and had one crew operating in the Period.

During the Period, CST Coal incurred the following operating expenses:

Cost	C$
Mining	910,294
Processing	261,292
Maintenance	1,006,520
General & administration – Site	850,867
Cash product costs	**3,028,973**

All departments of CST Canada Coal Limited continued to work diligently in ramping up operations. There were no exploration or development activities during the Period.

Significant Events

The Company entered into the restructuring implementation agreement dated 22 December 2017 and asset purchase agreement dated 22 December 2017 to facilitate the implementation of the proposed restructuring of indebtedness of GCC and the acquisition of the assets of pursuant to the receivership order dated 24 January 2017 and 3 February 2017 (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 the circular dated 8 March 2018.

The aforesaid 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”). Details of the poll results of the EGM were disclosed in the Company’s announcement dated 28 March 2018.

The Transactions were completed on 18 July 2018. Details of the completion of the Transactions were disclosed in the Company’s announcement dated 19 July 2018.

Outlook

The global economy experienced slowdown in 2018. Despite new uncertainties in both political and economic policies, the Group remains cautiously optimistic about current business prospects. Going forward, the Group will continue to optimize its business portfolio, diversify its allocation of resources, 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. Considering reserves levels of the Anthill project and mining costs, the Group will thoroughly consider all factors including market conditions before adopting further actions towards the Anthill project. Meanwhile, the Group will closely monitor the production and operation costs. Other course of actions such as temporarily halting production will also be carefully considered.

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. Since the completion of the acquisition of mining assets of GCC in July 2018, the Group has been working diligently to resume the site’s production and operations. The first sale of coal after resumption of production is expected in late November or early December of 2018.

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

The Group will actively seek diversified investments to increase the value of its financial instruments business, given the relative instability of the global economy. 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. The Group is optimistic about the prospects for its property investments. The Group’s properties in Scotland, Hong Kong and Mainland China are expected to continue generating stable rental income for the Group.

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.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 September 2018, the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") except for the following deviations:

(i) under code provision A.2.1 of the CG 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 CG Code, Mr. Chiu Tao, the chairman of the Board, should have attended the annual general meeting of the Company held on 21 September 2018 ("2018 AGM"). However, Mr. Chiu Tao was unable to attend the 2018 AGM due to another business commitment. Mr. Hui Richard Rui, executive director and General Manager of the Company, who took the chair of the 2018 AGM, together with other members of the Board who attended the 2018 AGM were of sufficient calibre and knowledge for answering questions at the 2018 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 (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding director's securities transactions. In response to specific enquiry, all directors of the Company confirmed that they have complied with the required standards as set out in the Model Code throughout the six months ended 30 September 2018.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 September 2018, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

REVIEW BY AUDIT COMMITTEE

The unaudited interim results for the six months ended 30 September 2018 has been reviewed by the Company's audit committee which comprises 3 members namely Ms. Tong So Yuet, Mr. Yu Pan and Ms. Ma Yin Fan, all of them are independent non-executive directors of the Company, and the Company's auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

By order of the Board
CST Group Limited
Chiu Tao
Executive Director and Chairman

Hong Kong, 29 November 2018

As at the date of this announcement, the board of directors of the Company comprises (i) Mr. Chiu Tao (Chairman), Mr. Hui Richard Rui, Mr. Lee Ming Tung, Mr. Kwan Kam Hung, Jimmy, Mr. Yeung Kwok Yu, Mr. Tsui Ching Hung and Mr. Wah Wang Kei, Jackie as executive directors of the Company; and (ii) Mr. Yu Pan, Ms. Tong So Yuet, Ms. Ma Yin Fan and Mr. Leung Hoi Ying as independent non-executive directors of the Company.