



6 December 2017

Additional financial reports

Astron Corporation Limited (ASX:ATR) ("Astron" or "Company") notes that its full-year statutory accounts were previously released on ASX on 2 October 2017.

Astron has been informed by the Companies Registry of Hong Kong that in addition to these statutory accounts, accounts certified by a CPA in Hong Kong are required to be prepared for Astron Corporation Limited.

The Report and Financial Statements that have been audited by Grant Thornton Hong Kong Limited are enclosed. These are prepared on a stand-alone basis for Astron Corporation Limited to comply with the requirements in Hong Kong and do not override the statutory accounts released on ASX on 2 October 2017.

Astron Corporation Limited

For further information, please contact:

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Reports and Financial Statements

Astron Corporation Limited

For the year ended 30 June 2017

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Directors' report for the year ended 30 June 2017

The directors present their report and the audited financial statements of Astron Corporation Limited (the "Company") for the year ended 30 June 2017.

PRINCIPAL ACTIVITY

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 10 to the financial statements. There were no significant changes in the nature of the Company's principal activity during the year.

BUSINESS REVIEW

The Company has continued its activities of investment in subsidiaries. The Company's business via its subsidiaries is principally within the mineral sands industry and includes trading in mineral sands and the exploration and intended development of mineral sand mines. During the year ended 30 June 2017 the Company's operations continued in Australia, China and the Senegal. The Company and the mineral sands industry has endured an extended period of low prices however there are indications that the market prices are strengthening. No significant events have impacted the Company subsequent to year end.

RESULTS AND APPROPRIATIONS

The results of the Company for the year ended 30 June 2017 and the financial position of the Company at that date are set out in the financial statements on pages 8 to 23.

The directors do not recommend the payment of any dividend in respect of the year ended 30 June 2017 (2016: Nil).

SHARE CAPITAL

There were no movements in the Company's share capital during the year.

DIRECTORS

The directors of the Company during the year and up to the date of this report were as follows:

King Gerard Arthur
Brown Alexander Gavin
Kang Rong

In accordance with the Company's articles of association, at the annual general meeting one-third of the directors for the time being, or the number nearest one-third, shall retire from office. A retiring director shall be eligible for re-election.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transaction, arrangement or contract of significance to which the Company or its subsidiaries was a party and in which a director of the Company or a connected entity of the director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the Company or its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

MANAGEMENT CONTRACTS

The Company did not enter into any contract, other than the contracts of service with the directors or any person engaged in the full-time employment of the Company, by which a person undertakes the management and administration of the whole, or any substantial part of any business of the Company during the year.

PERMITTED INDEMNITY PROVISION

At no time during the year and up to the date of this report, there was or is any permitted indemnity provision being in force for the benefit of any directors of the Company.

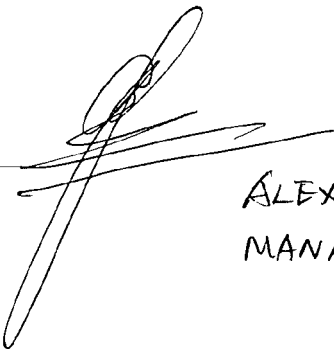
AUDITOR

The Company's auditor, Grant Thornton Hong Kong Limited, retire and, being eligible, offer themselves for re-appointment.

For and on behalf of the Board

~~King Gerard Arthur~~
~~Chairman~~

Hong Kong 27 NOV 2017



ALEX BROWN
MANAGING DIRECTOR



Grant Thornton
致同

Independent auditor's report

**To the members of Astron Corporation Limited
(incorporated in Hong Kong with limited liability)**

Adverse Opinion

We have audited the financial statements of Astron Corporation Limited (the "Company") set out on pages 8 to 23, which comprise the statement of financial position as at 30 June 2017, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the effects of the matters described in the Basis for Adverse Opinion section of our report, the financial statements do not give a true and fair view of the financial position of the Company as at 30 June 2017, and of its financial performance and its 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 not been properly prepared in compliance with the Hong Kong Companies Ordinance which concern the preparation of the financial statements.



Basis for Adverse Opinion

Hong Kong Financial Reporting Standard 10 (“HKFRS 10”) “Consolidated Financial Statements” requires an entity that has one or more subsidiaries to prepare consolidated financial statements. The Company has subsidiaries and therefore should prepare consolidated financial statements showing the financial position and results of the Company and its subsidiaries. However, as disclosed in note 2.1 to the financial statements, the directors have not prepared consolidated financial statements because in the opinion of the directors, the Company has prepared the consolidated financial statements in accordance with International Financial Reporting Standards (“IFRSs”) which is available for public use on www.astronlimited.com.au, and it has no real value to reproduce consolidated financial statements under HKFRSs for the statutory requirements of the Hong Kong Companies Ordinance to the members of the Company. According to the Company’s accounting policies, interests in subsidiaries are stated at cost less impairment losses, if applicable. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable on the reporting date. The non-preparation of consolidated financial statements is a departure from HKFRS 10 as well as sections 379(2) and 380 of the Hong Kong Companies Ordinance. Had the subsidiaries been consolidated, many elements in the financial statements would have been materially affected. The effects on the financial statements of the failure to consolidate can be referenced to the consolidated financial statements published on www.astronlimited.com.au.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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 adverse opinion.

Material Uncertainty Related to Going Concern

We draw your attention to note 2.1 to the financial statements, which indicates that the Company had incurred a net loss of A\$22,602 during the year ended 30 June 2017 and, as of that date, the Company had net current liabilities of A\$171,536. As stated in note 2.1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

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



Other Information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

As described in the Basis for Adverse Opinion section above, the Company should have prepared the consolidated financial statements of the Company and its subsidiaries. Accordingly, we have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the directors' report affected by the failure of consolidation.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matters to communicate in our report.

<i>Impairment assessment of interests in subsidiaries</i>	
Refer to notes 2.8, 4 and 10 to the financial statements	
<i>The Key Audit Matters</i>	<i>How the matter was addressed in our audit</i>
We identified impairment assessment of interests in subsidiaries as a key audit matter due to the significance of the Company's interests in subsidiaries in the context of the Company's financial statements, combined with judgment involved in management's impairment assessment of the interests in subsidiaries. As at 30 June 2017, the carrying amount of interests in subsidiaries amounted to A\$168,409,704 and no impairment losses were recognised.	Our audit procedures in relations to the impairment assessment of interests in subsidiaries include: <ul style="list-style-type: none"> - understanding management's process for identifying the existence of impairment indicators in interests in subsidiaries; - assessing the reasonableness of the recoverable amounts of the subsidiaries and obtaining an understanding from management of the financial position and future prospects.

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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. We report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance 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 HKSA's 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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 the directors 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 Financial Statements (Continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the 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.

Grant Thornton Hong Kong Limited
Certified Public Accountants
Level 12
28 Hennessy Road
Wanchai
Hong Kong

27 NOV 2017

Shaw Chi Kit
Practising Certificate No.: P04834

Statement of profit or loss and other comprehensive income for the year ended 30 June 2017

	Notes	2017 A\$	2016 A\$
Revenue	5	-	-
Other income	6	6,280	1
Administrative expenses		(28,882)	(39,020)
Loss before income tax	7	(22,602)	(39,019)
Income tax expense	8	-	-
Loss for the year and total comprehensive loss for the year		(22,602)	(39,019)

The notes on pages 12 to 23 are an integral part of these financial statements.

Statement of financial position as at 30 June 2017

	Notes	2017 A\$	2016 A\$
ASSETS AND LIABILITIES			
Non-current assets			
Interests in subsidiaries	10	168,409,704	168,409,704
Current assets			
Prepayments		2,004	-
Cash and cash equivalents		2,351	2,444
		4,355	2,444
Current liabilities			
Amount due to a subsidiary	11	175,891	150,334
Accrued expenses		-	1,044
		175,891	151,378
Net current liabilities		(171,536)	(148,934)
Net assets		168,238,168	168,260,770
EQUITY			
Share capital	12	73,307,874	73,307,874
Retained profits		94,930,294	94,952,896
Total equity		168,238,168	168,260,770

~~King Gerard Arthur~~
~~Director~~

Alex Brown
Managing Director

Kang Rong
Director

The notes on pages 12 to 23 are an integral part of these financial statements.

Statement of cash flows for the year ended 30 June 2017

	2017 A\$	2016 A\$
Cash flows from operating activities		
Loss before income tax	(22,602)	(39,019)
Adjustments for:		
Interest income	-	(1)
Operating loss before working capital changes	(22,602)	(39,020)
Increase in prepayments	(2,004)	-
Increase in amount due to a subsidiary	25,557	38,407
(Decrease)/Increase in accrued expenses	(1,044)	31
<i>Net cash used in operating activities</i>	(93)	(582)
Cash flows from investing activities		
Interest received	-	1
<i>Net cash from investing activities</i>	-	1
Net decrease in cash and cash equivalents	(93)	(581)
Cash and cash equivalents at beginning of year	2,444	3,025
Cash and cash equivalents at end of year, represented by cash at bank	2,351	2,444

The notes on pages 12 to 23 are an integral part of these financial statements.

Statement of changes in equity for the year ended 30 June 2017

	Issued capital A\$	Retained profits A\$	Total A\$
Balance at 1 July 2015	73,307,874	94,991,915	168,299,789
Loss and total comprehensive loss for the year	-	(39,019)	(39,019)
Balance at 30 June 2016 and 1 July 2016	73,307,874	94,952,896	168,260,770
Loss and total comprehensive loss for the year	-	(22,602)	(22,602)
Balance at 30 June 2017	73,307,874	94,930,294	168,238,168

The notes on pages 12 to 23 are an integral part of these financial statements.

Notes to the financial statements for the year ended 30 June 2017

1. GENERAL INFORMATION

Astron Corporation Limited (the “Company”) is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office is 16th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong. The Company’s shares are publicly traded through CHESS Depository Interests (“CDIs”) on the Australian Stock Exchange.

The principal activity of the Company is investment holding.

The financial statements for the year ended 30 June 2017 were approved for issue by the board of directors on 27 NOV 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These annual financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the accounting principles generally accepted in Hong Kong, except that the consolidated financial statements have not been issued in accordance with HKFRS 10 “Consolidated Financial Statements” because, in the opinion of the directors, the Company has prepared consolidated financial statements in accordance with International Financial Reporting Standards (“IFRSs”) which is available for public use on www.astronlimited.com.au, and it has no real value to reproduce consolidated financial statements under HKFRSs for the statutory requirements of the Hong Kong Companies Ordinance to the members of the Company.

The financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance, except for the non-preparation of consolidated financial statements which do not comply with the requirements of sections 379(2) and 380 of the Hong Kong Companies Ordinance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoptions of new or amended HKFRSs and the impacts on the Company's financial statements, if any, are disclosed in note 3.

The financial statements have been prepared on the historical cost basis. The measurement bases are fully described in the accounting policies below.

In preparing the financial statements, the directors of the Company have given consideration to the future liquidity of the Company in light of its net loss of A\$22,602 during the year ended 30 June 2017 and, as of that date, the Company had net current liabilities of A\$171,536. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial statements have been prepared on the assumption that the Company will continue to operate as a going concern notwithstanding the conditions prevailing as at 30 June 2017 and subsequently thereto up to the date of the approval of these financial statements. The going concern basis has been adopted on the basis that management's plan for addressing the above conditions includes ongoing operating developments to generate profits and cashflow and new debt arrangements. The financial statements do not include any adjustments that would result from a failure of the Company to operate as a going concern.

Should the Company be unable to continue in business as a going concern, adjustments would have to be made in the financial statements to restate the values of assets to their recoverable amounts, to reclassify non-current assets as current assets, and to provide for any further liabilities which might arise. The effect of these potential adjustments has not been reflected in the financial statements.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Company has power over the entity, only substantive rights relating to the entity (held by the Company and others) are considered.

Interests in subsidiaries are recorded at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2.3 Foreign currency translation

The financial statements are presented in Australian dollars (A\$), which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in the profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on 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.

2.4 Financial assets

Financial assets are classified into loans and receivables. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Financial assets (Continued)

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Impairment of financial assets

At each reporting date, financial assets are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Company about one or more of the following loss events:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in 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 to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Cash and cash equivalents

Cash and cash equivalents include cash at bank.

2.6 Financial liabilities

The Company's financial liabilities include amount due to a subsidiary and accrued expenses. They are included in line items in the statement of financial position under current liabilities.

Financial liabilities are recognised when the Company becomes a party to the contractual provision of the instrument. All interest related charges are recognised as an expense in profit or loss.

A financial liability is derecognised when the obligation specified in the relevant contracts are discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

2.7 Share capital

Ordinary shares are classified as equity. Share capital is recognised at the amount of consideration of shares issued, after deducting any transaction costs associated with the issuing of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2.8 Impairment of non-financial assets

Interests in subsidiaries are subject to impairment testing whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions 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 assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Impairment of non-financial assets (Continued)

Impairment losses recognised for cash-generating units are charged pro rata to the assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.9 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Accounting for income taxes (Continued)

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they are related to items that are charged or credited to other comprehensive income or directly to equity.

2.10 Related parties

For the purposes of these financial statements, a party is considered to be related to the Company if:

- (a) the party is a person, or a close member of that person's family, and if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
- (b) the party is an entity and if any of the following conditions applies:
 - (i) the entity and the Company are members of the same group.
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) the entity and the Company are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. ADOPTION OF NEW OR AMENDED HKFRSs AND HKASs

In the current year, the Company has applied for the first time, all the new standards, amendments and interpretations (the “new HKFRSs”) issued by the HKICPA, which are relevant to and effective for the financial statements for the annual period beginning on 1 July 2016.

The adoption of the new HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

At the date of authorisation of these financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Company.

The directors anticipate that all of the pronouncements will be adopted in the Company’s accounting policy for the first period beginning after the effective date of the pronouncement, but are not expected to have a material impact on the Company’s financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of interests in subsidiaries

At each reporting date, the Company reviews the carrying amount of interests in subsidiaries to determine whether there are any indications that the interests have suffered impairment losses, the calculation of the recoverable amount of the interests in subsidiaries requires the use of estimates and assumptions. Future changes in financial position and performance would affect the estimation of impairment loss and cause adjustments to the carrying amounts of interests in subsidiaries.

5. REVENUE

The Company did not derive any income from investment holding during the year.

6. OTHER INCOME

	2017 A\$	2016 A\$
Other revenue		
Bank interest income	-	1
Net foreign exchange gain	6,280	-
	6,280	1

7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after (crediting)/charging:

	2017 A\$	2016 A\$
Net foreign exchange (gain)/loss	(6,280)	3,316

Auditor's remuneration for the years ended 30 June 2016 and 2017 have been borne by the Company's subsidiary.

8. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been provided as the Company did not have estimated assessable profit for the year (2016: Nil).

Reconciliation between accounting loss and income tax expense at applicable tax rate is as follows:

	2017 A\$	2016 A\$
Loss before income tax	(22,602)	(39,019)
Tax at Hong Kong profits tax rate of 16.5% (2016: 16.5%)	(3,729)	(6,438)
Tax effect of non-taxable revenue	(1,036)	-
Tax effect of non-deductible expenses	4,765	6,438
Income tax expense	-	-

No deferred tax has been provided in the financial statements as there are no material temporary differences existed at the reporting date.

9. DIRECTORS' EMOLUMENT

Directors' emoluments, disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

	2017 A\$	2016 A\$
Fees	-	-
Other emoluments in connection with the management of the affairs of the Company and its subsidiary undertakings	620,000	620,000

10. INTERESTS IN SUBSIDIARIES

	2017 A\$	2016 A\$
Unlisted shares, at cost	168,409,704	168,409,704

Particulars of the Company's principal subsidiaries as at 30 June 2017 are as follows:

Name of company	Country of incorporation and operation	Particulars of paid-up capital	Percentage of registered capital held by the Company	Principal activities
<i>Shares held directly:</i>				
Astron Limited	Australia	A\$30,061,919	100%	Investments holding
Astron Senegal Holdings Pty Limited	Hong Kong	HKD10	100%	Dormant
<i>Shares held indirectly:</i>				
Zirtanium Pty Limited	Australia	A\$2,080,467	100%	Dormant
Sovereign Gold NL	Australia	A\$1,800,031	100%	Dormant
Yingkou Aston Mineral Resources Co Ltd	China	A\$11,574,000	100%	Trading mineral sands
Astron Titanium (Yingkou) Co Ltd	China	A\$32,538,271	100%	Trading mineral sands

11. AMOUNT DUE TO A SUBSIDIARY

The amount due is unsecured, interest-free and repayable on demand. The carrying value of the amount due approximated to its fair value.

12. SHARE CAPITAL

	2017 A\$	2016 A\$
Issued and fully paid: 122,479,784 ordinary shares	73,307,874	73,307,874

13. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Company is exposed to financial risk through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risk includes credit risk and liquidity risk.

The Company actively and regularly reviews and manages its financial risk and takes actions to mitigate such risk. The Company adopts conservative strategies on its risk management and seeks to limit the Company's exposure to these risks to a minimum. The directors review and agree policies for managing each of these risks.

13.1 Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities:

	2017 A\$	2016 A\$
Financial assets		
Loans and receivables		
- Cash at bank	2,351	2,444
Financial liabilities		
Financial liabilities at amortised costs		
- Amount due to a subsidiary	175,891	150,334
- Accrued expenses	-	1,044
	175,891	151,378

13.2 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Company. The Company's exposure to credit risk is primarily attributable to cash at bank.

Bank balances are placed at financial institution that has sound credit rating and the directors consider the credit risk to be insignificant.

13.3 Liquidity risk

Liquidity risk relates to the risk that the Company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company is exposed to liquidity risk in respect of settlement of its financing obligations, and also in respect of its cash flow management. The Company's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

13. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

13.3 Liquidity risk (Continued)

Analysed below is the Company's remaining contractual maturities for its non-derivative financial liabilities as at the reporting date. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Company can be required to pay. The contractual maturity analysis below is based on the undiscounted cash flows of the financial liabilities.

	Within 1 year or on demand A\$	Carrying amount A\$
As at 30 June 2017		
Amount due to a subsidiary	175,891	175,891
As at 30 June 2016		
Amount due to a subsidiary	150,334	150,334
Accrued expenses	1,044	1,044
	151,378	151,378

13.4 Fair value measurements

All financial instruments are carried at amounts not materially different from their fair values as at the reporting date.

14. CAPITAL MANAGEMENT

The Company considers its capital to comprise its ordinary share capital, reserves, accumulated retained earnings and net debt.

In managing its capital, the Company's primary objective is to ensure its continued ability to provide a consistent return for its owners through a combination of capital growth and dividends. In order to achieve this objective, the Company has made decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or share buy backs, the Company considers not only its short-term position but also its long term operational and strategic objectives.

There have been no significant changes to the Company's capital management objectives, policies and processes in the year nor has there been any change in what the Company considers to be its capital.