NOVO GROUP LTD.
新源控股有限公司*

(Incorporated in Singapore with limited liability)
(Company Registration No. 198902648H)
Hong Kong Stock Code: 1048
Singapore Stock Code: MR8

Annual Report **2015**





For identification purpose only

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Vision

To be the best producer for the food and beverage packaging industry and the top-in-class value chain supplier for the coal and iron & steel industries.

Mission

To attain excellence for all our stakeholders: product performance for customers, financial performance for shareholders and job dynamism for all staff members.

Corporate Spirit

"Novo" is novelty, initiative, creativity, and future. We believe success of our business lies in the people we have: the skill, professionalism and energy to push the Group to the next level in the spirit of bringing Trust, Value, Partnership and Returns to our stakeholders and business partners.

Milestone

2005
Novo Group Founded

2008
Listed in Stock Exchange of Singapore (Singapore Stock Code: MR8)

2009
Awarded ISO9001:2008 Certificates

- Quality Management of Import and Export Trading of Scrap Steel
- Stockholding and Supply of Reinforcement Steel Bars

2010
- Invested in Tianjin Tinplate Processing Project
- Listed in Stock Exchange of Hong Kong (Hong Kong Stock Code: 1048)

2011
Invested in Jiangsu Tinplate Manufacturing Project

2012
- Commenced Operation of Tinplate Manufacturing Project
- Signed Letter of Interest for Phase 2 Tinplate Manufacturing Project
- Signed Joint Venture Agreement for Tianjin Tinplate Processing Project
- Awarded "Singapore International Top 100" Ranking

2013
- Invested in Laminated Metal Project
- Commenced Operation of Tianjin Tinplate Processing Plant

Corporate Profile

Founded in 2005 and headquartered in Hong Kong, Novo Group Ltd. (SEHK: 1048; SGX: MR8) (the "**Company**", and, together with its subsidiaries, "**Novo**" or the "**Group**") is a leading corporation which focusing on bulk commodities trading (iron ore, coal and steel products), tinplate manufacturing and downstream operations of metal packaging industry.

Led by an experienced senior management team with proven track record in the steel and coal industries, Novo has not only expanded its capabilities horizontally in the steel industry value chain but has also grown its market presence to more than 30 countries globally since the establishment. We are distinguished from our competitors by our powerful blend of deep industry knowledge, modernised management and marketing capabilities, we maintain the flexibility to adapt to changes in market conditions while take pride in serving our customers with unparalleled services and quality products.

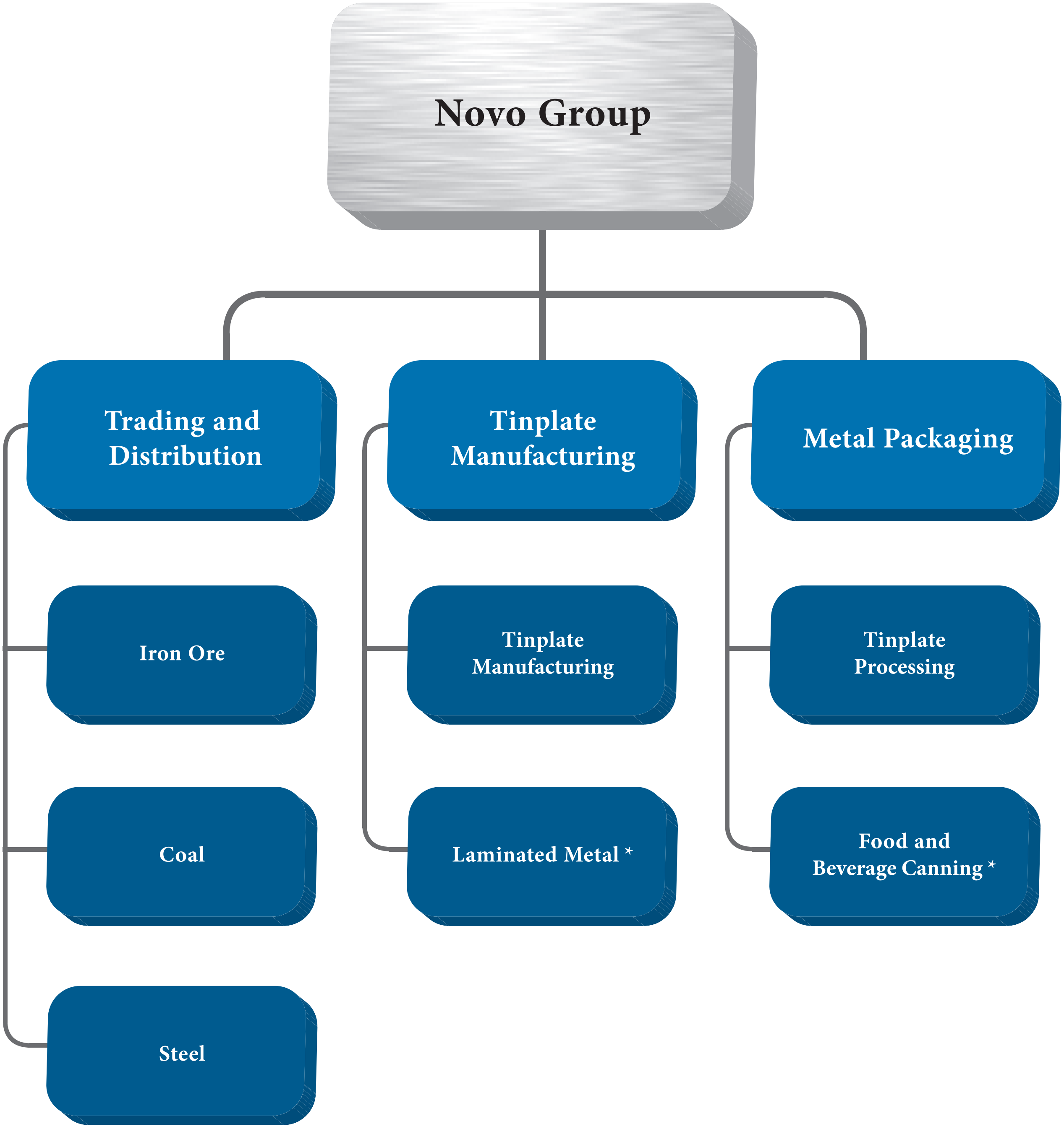
There are three business divisions under the Group, namely:

(a) Trading and distribution;

(b) Tinplate manufacturing; and

(c) Metal packaging.

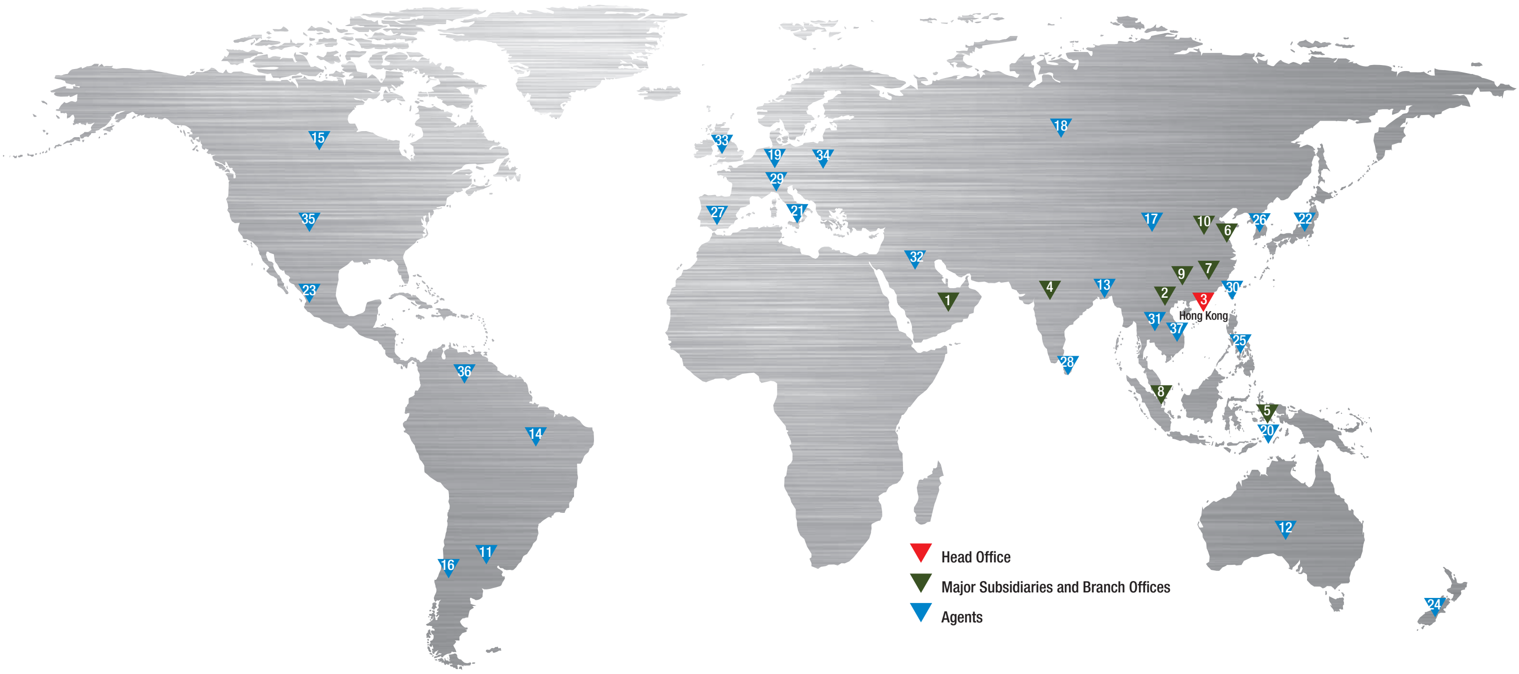
Business Segments



* Future development plan

Extensive Geographic Coverage

Head Office: Hong Kong



Major Subsidiaries and Branch Offices

1. Dubai
2. Guangzhou
3. Hong Kong
4. India
5. Indonesia
6. Qingdao
7. Shanghai
8. Singapore
9. Taizhou
10. Tianjin

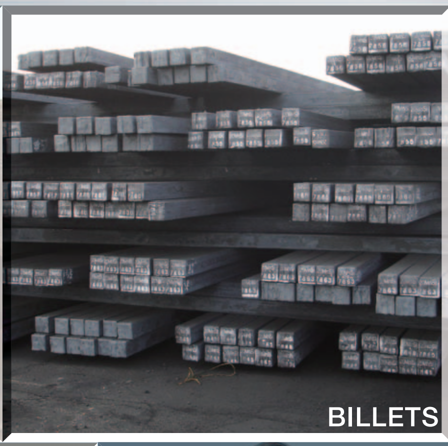
Agents

11. Argentina
12. Australia
13. Bangladesh
14. Brazil
15. Canada
16. Chile
17. China
18. Commonwealth of Independent States
19. Germany
20. Indonesia
21. Italy
22. Japan
23. Mexico
24. New Zealand
25. Philippines
26. South Korea
27. Spain
28. Sri Lanka
29. Switzerland
30. Taiwan
31. Thailand
32. Turkey
33. United Kingdom
34. Ukraine
35. United States of America
36. Venezuela
37. Vietnam

Trading and Distribution


TINPLATE


HOT ROLLED COILS


BILLETS


COAL


WIRE RODS


IRON ORE


SLABS


STEEL SCRAP


COLD ROLLED COIL

This division is involved in the trading and distribution of iron ore, coal and steel products across the global. In respect of iron ore and steel product trading, the Group has secured strong relationship with over half of the world's top steel manufacturing companies. With our capability to directly source and procure in bulk from major steel mills around the world, we are able to supply a diverse range of steel products to end-users, while assist these steel mills in sourcing for raw materials efficiently and cost effectively. In respect of coal trading, the Group has started coal trading since 2009, we source quality Indonesian coal from reliable and trusted sources, while cater to various industries like power, cement and steel industries at competent prices.

Tianjin

(1) Tinplate Processing Project
Scope: Tinplate and tin free steel processing, including coil cutting, slitting, printing and packing

(2) Food and Beverage Canning Project*
Scope: Food and beverage packing, canning and distribution

Production Facilities in China

Jiangsu

(1) Tinplate Manufacturing Project
Scope: Tinplate manufacturing

(2) Laminated Metal Project*
Scope: Laminated tinplate and aluminium manufacturing

* Future development plan

Tinplate Manufacturing

The tinplate manufacturing is a new segment of the Group's business since 2012. Located in Jiangsu, the tinplate manufacturing operation is principally engaged in manufacturing, sales and distribution of tinplate products which is generally used in the food and beverage metal containers. This tinplate business is backed by a team of technical experts who bring a wealth of industry experience in the areas of research and development and production of tinplate. With strong technological and manufacturing capabilities, we are uniquely positioned to take advantage of the growth potential in China's booming food and beverage metal packaging sector.

Business in China

Manufacturing Process

Laminated Metal

The goal of the project is to develop a market leading laminates metal business in China. The initial scope of the project will cover the manufacturing, selling and distributing of laminated tinplate and aluminum sheets for food and beverage metal packaging in China.

Tinplate Processing

Located in Tianjin, China, the tinplate processing plant is a downstream succession of the Jiangsu tinplate manufacturing plant. The tinplate processing plant will procure tinplate as feedstock from its affiliate company and other qualified tinplate manufacturing mills. It will principally engage in slitting, cutting, printing per customer orders as well as sales and distribution in China.

Food and Beverage Canning

The project will focus on the food and beverage packaging industry and engage in packing, canning and distribution of high quality canned food and beverage products in China, which allow us to capture the enormous long term synergy benefits resulting from the downstream expansion.

The prime objective behind establishing these two Tianjin projects is to support the Group's objective to add value to its Jiangsu tinplate manufacturing by extending to downstream operations into rapid-growing metal packaging industry.

Human Capital

Novo recognises human resource as the Group's greatest assets and sees employee development as the cornerstone of the enterprise. Good talented staff naturally wants to advance, and in return sound employee development programs increase both loyalty and productivity. In past years, Novo has implemented various training programs and spent unaccountable resources to enhance employees' capabilities and fill in the need of its employees. To promote greater rapport and team spirit among colleagues, various social and recreation activities were undertaken. To foster quality family life and recognise the important role that both parents play when there is a new birth in the family, male employees are also entitled to paid paternity leave.

As a combination of its employees, Novo will continue to nurture the human spirit and maximise the potential of our members. In return, the people of Novo will form a dynamic workforce and lead the enterprise towards success.

Chairman's Statement

Dear Shareholders,

On behalf of the Board (the "**Board**") of Directors (the "**Directors**") of NOVO GROUP LTD. (the "**Company**", and, together with its subsidiaries, "**Novo**" or the "**Group**"), I am pleased to present to you the annual report of the Group for the year ended 30 April 2015 (the "**Year**").

Yu Wing Keung, Dicky
Executive Chairman

During the Year, global economic growth has slowed down modestly in 2014 and 2015 compared to the previous year. Iron Ore led drops among other metals due to oversupply while demand remains weak. Weakening Chinese import demand is expected following the government's direction to reduce volumes, introduce import tax and impose restrictions on trace elements of import coals. Global supply and demand for steel will largely follow economic growth and recovery around the world.

Although we are seeing a temporary downturn, we are confident that our financial performance was just held back by momentary global factors, which we do not anticipate a prolonged situation. These challenging backdrops will not deter our relentless focus on the business operations, but will merely spur us on to achieve even more.

Looking forward, we remain confident about our recovery potential on trading business, we have nimble and resilient management team with clear visions and roadmap for our sustainable strategies, which has and will continue to be implemented judiciously, decisively and rigorously. While maintaining an unwavering focus on to the sustainability of corporate development, Novo is well positioned to glide into success on the next phase of the journey. During the Year, the operations at the tinplate manufacturing plant in the Jiangsu PRC has been suspended for the purposes of obtaining additional funding as well as to consolidate our products mix for the metal packaging assembly line. We will endeavor to continually optimise our tinplate manufacturing business. In order to keep pace with the development of the food and beverage packaging industry, the Group has undergone re-structuring of equipments and products to target for South East Asian markets. Through such efforts, the Group has built up a credible reputation as a provider of quality tinplate product, developed a foothold among high-end can-makers across the globe. We will continue to invest in research and development in tinplate manufacturing segment, focusing our new products on improving quality. Meanwhile, we will continue to maintain rigorous cost management. The prices of tinplate's raw material, specifically hot rolled coils, have declined substantially and will work in favor of our efforts to contain costs. The Group has started to streamline all aspects of our production workflow and optimise to make best use of the available resources, so to ensure that our operation is efficient and prepared to weather the challenging times.

Chairman's Statement

As we head into the new financial year, we will strive to achieve disciplined growth while deliver greater value for shareholders. In order to chart a path towards these goals, we are gearing our efforts to four strategic directions:

1. Adopting a disciplined capital allocation – Prudent approach to capital allocation is critical. We will constantly review capital expenditure plans thoroughly so to manage a balanced project portfolio to mitigate risks and optimise profitability for all existing projects.

2. Intensifying rigorous cost management and improving operational performance – We will continue to focusing on cost reduction while exploring all the opportunities to increase the sales volume of trading business and tinplate products, so to achieve operational efficiency by fully utilise the capacity of the tinplate manufacturing plant.

3. Extending customer base and solidifying customer relationship – We aim to concentrate customers base with a focus on high growth potential markets in food and beverage sector, such as Indonesia, Thailand, Malaysia and Philippines. We intend to strengthen customer relationship by providing quality products and services and engineering solutions to our customers.

4. Enhancing Research and Development capabilities – We intend to enhance the Research and Development capabilities with the aims to expand our expertise in tinplate production, improving tinplate quality and bolster our manufacturing capabilities by adding high-margin products to the product portfolio. We believe that this could lead to a further improvement in the gross margin and enhance core competence of the Group.

Corporate Social Responsibility

The Group considers environmental protection is crucial to all aspects of lives, therefore the Group encourages corporate initiatives, activities and practices which have minimal adverse impact on the environment, and where possible, are geared towards conservation and preservation of the environment.

The Group ensures a workplace is free from gender discrimination and harassment based on race, colour, gender, national origin, marital status, religion as required under the relevant laws.

The occupational safety and health guidelines are effectively developed, implemented and continuously improved in our factory in China. To provide a rewarding and supporting working environment, the Group continues to invest in our people and provide professional training to employees through various training programmes, workshops and seminars.

To support a work-life balance management, the Group encourages the reduction of over-time work in non-peak seasons. The Group encourages social interaction amongst employees through various social events and sports activities. More activities shall be arranged relating to business, culture, literature, education, religion, health and social care for the employees.

Chairman's Statement

Prospects

At the same time, the Group anticipates an improved, though very mixed, operating environment for the year ending 30 April 2016. In order to response to the market, we have adjusted our business strategy in accordance with the current state of operation. We aim to maintain our competitive edge through careful strategic planning and vigilant cost control. We have full confidence in the prospects of the Group in the middle term. In the future, the Group will remain focus on its core business. While preparing for market rebound through enhancing the Group's competitiveness, the Group will be staying close with the market and firmly grasp any opportunities to come in the near future.

Appreciation

On behalf of the Board of Directors, I wish to convey my sincere appreciation to all shareholders, customers, suppliers and business partners for their steadfast support and confidence in the Group. The appreciation also extends to my fellow directors and staffs for their hard work and contribution in the past year, I trust all of them will continue to give us their unstinting support to the Group going forward. Thank you.

Yu Wing Keung, Dicky
Executive Chairman

CEO's Review of Operations

Chow Kin Wa
Executive Director and CEO

Dear Shareholders,

On behalf of the Board (the "**Board**") of Directors (the "**Directors**") of NOVO GROUP LTD. (the "**Company**", and, together with its subsidiaries, "**Novo**" or the "**Group**"), I am pleased to present to you the annual report of the Group for the year ended 30 April 2015 ("**FY2015**").

Review of Performance

Revenue

The Group's revenue was approximately US$249.0 million for FY2015, representing a decrease of approximately 9% as compared with approximately US$273.0 million for the year ended 30 April 2014 ("**FY2014**").

Revenue from international steel trade business, major business segment, accounted for approximately 77.7% or US$193.1 million and 72% or US$196.8 million of the Group's total revenue in FY2015 and FY2014, respectively. Revenue from tinplate manufacturing contributed approximately 13.20% or US$32.8 million in FY2015 while revenue from tinplate processing contributed approximately 9.1% or US$22.7 million in FY2015. Domestic trade business increased to approximately 6.5% and 3.5% in FY2015 and FY2014, respectively, representing approximately US$16.2 million and US$9.8 million in FY2015 and FY2014, respectively. The increase is mainly due to expansion of mainland inter-market demand. Revenue from the coal segment remained constant and was approximately US$11.3 million and US$10.9 million in FY2015 and FY2014, which accounted for approximately 4.5% and 4.0% of the Group's total revenue in FY2015 and FY2014, respectively.

In terms of geographical contribution, North Asia market remains the Group's main market, and accounted for approximately US$216.2 million of the Group's total revenue in FY2015, compared to approximately US$248 million in FY2014. North Asia market contributed approximately 87.0% and 90.8% of total revenue in FY2015 and FY2014 respectively. Revenue derived from South East Asia market increased from approximately US$11.9 million in FY2014 to approximately US$18.1 million in FY2015. The South East Asia market accounted for approximately 7.3% and 4.4% of Group's total revenue in FY2015 and FY2014, respectively. Other regions contributed approximately US$14.2 million revenue, representing approximately 5.7% of the Group's total revenue in FY2015.

Gross Profit

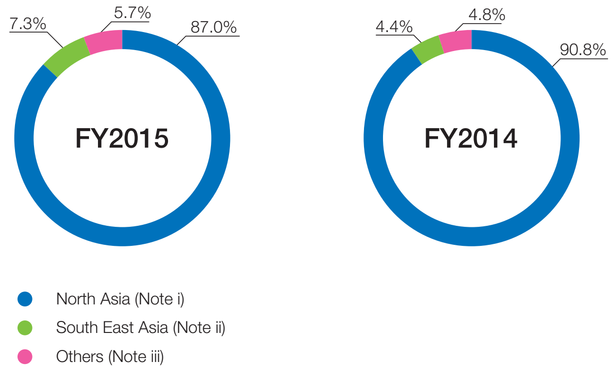
The Group's gross loss for FY2015 was US$3.2 million, representing a decrease of approximately 168.2% as compared with the Group's gross profit approximately US$4.7 million in FY2014. The Group's gross profit margin decreased from approximately 1.7% in FY2014 to approximately negative (1.3%) in FY2015. In addition, sales in international trading and mainland tinplate manufacturing during the year are below cost in order to clear out inventories and maintain market share in overseas and the PRC markets.

Other income

Other income decreased from approximately US$3.3 million in FY2014 to approximately US$2.2 million in FY2015 mainly due to a decrease in government grant and subsidies by approximately US$0.8 million, which is the balance payment in FY2015.

CEO's Review of Operations

Sales Revenue by Geographical Locations (%)



Notes:

(i) Included China, Hong Kong and Macau and Korea.

(ii) Included Indonesia, Thailand, Vietnam, Malaysia, Philippines and Singapore.

(iii) Included America, Austraila, Belgium Ethiopia, Italy – Mozambique, Salvador and Ukraine.

Distribution and selling expenses

The Group's distribution and selling expenses decreased by approximately 32.1% from approximately US$6.1 million in FY2014 to approximately US$4.2 million in FY2015, such a decrease was mainly due to the substantial fall of freight charges by approximately 38.6% from US$4.1 million in FY2014 to approximately US$2.5 million in FY2015.

Administrative expenses

Administration expenses kept constant at approximately US$8.9 million in FY2015 and approximately US$9.0 million in FY2014.

Finance costs

The finance costs were up from approximately US$5.3 million in FY2014 to approximately US$7.3 million in FY2015, which was primarily due to increase in bank loan interest expense to support Jiangsu tinplate manufacturing and Tianjin tinplate processing businesses.

Review of Financial Position

Under the challenging market conditions, the Group has adopted a conservative and prudent approach to manage its businesses, in order to improve operating efficiency, maintain a sound financial and liquidity position, the Group continuing effective cost control and rigorous inventory control policy.

Property, plant and equipment

Property, plant and equipment was US$73.1 million as a 30 April 2015 and kept constant with that of 30 April 2014 US$73.3 million, because the development of property, plant and equipment is comparatively stable at present.

Inventories

Inventories held by the Group dropped significantly by approximately US$12.7 million from approximately US$16.6 million as at 30 April 2014 to approximately US$3.9 million as at 30 April 2015, mainly resulting from an impairment made for inventories held at US$1.2 million in Tianjin tinplate processing business and we sold and cleared most of the stocks during the year.

Trade and other receivables

Trade and other receivables increased from approximately US$40.0 million as at 30 April 2014 to approximately US$42.4 million as at 30 April 2015. Distribution of trade receivables and other receivables were approximately 34.9% (approximately US$14.8 million) and 65.1% (approximately US$27.6 million) of total receivables as at 30 April 2015, compared to approximately 36.3% (approximately US$14.5 million) and 63.7% (approximately US$25.5 million) of total receivables as at 30 April 2014. The increase of trade and bills receivables as at 30 April 2015 was resulted from increased bills receivables and other receivables to the end of the reporting year.

CEO's Review of Operations

Trade and other payables

Trade and other payables decreased from approximately US$71.7 million as at 30 April 2014 to approximately US$63.5 million as at 30 April 2015. Distribution of trade payables and other payables were approximately 76.9% (approximately US$48.8 million) and 23.1% (approximately US$14.7 million) of total payables as at 30 April 2015 compared to approximately 80.6% (approximately US$57.8 million) and 19.4% (approximately US$13.9 million) of total payables as at 30 April 2014. The decrease of trade and other payables was mainly due to the decrease of trade and bills payables.

Liquidity and financial resources

The Group's borrowings increased by approximately US$8.8 million from approximately US$68.5 million as at 30 April 2014 to approximately US$77.3 million as at 30 April 2015. The Group increased long term and short term loan to support the operations.

An aggregate of cash and cash equivalents and pledged bank deposits decreased by approximately US$13.3 million from approximately US$46.8 million as at 30 April 2014 to approximately US$33.5 million as at 30 April 2015.

Total cash and cash equivalents represents approximately 202.4% of the Group's net assets value as at 30 April 2015 (30 April 2014: approximately 114.4%).

The Group suffered a tight cash flow from beginning of year 2015, mainly due to returning back the short term loan of RMB20 million due to China Pufa bank under urgent request without any refresh. Because of sudden break of operational working capital and cutting cost need to take time at length, we get support from our Director and other available resources to match our short term cash shortage from demand of production in plant and payment to suppliers.

The Group is negotiating actively with our banks and seeking for additional bridging loan to fund the operating project, and based on current cash flow forecast, and by speeding the receivable collection, the Directors believe that the Group's negative working capital as at 30 April 2015 and negative cash flow from operating activities during the fourth quarter ended 30 April 2015 can be solved and short term obligations can be met as and when they fall due.

Business Update

Trading business

Iron ore led declines among other metals this year due to oversupply while demand remains weak. The Group expects the iron ore prices will remain at low level. Given the aforesaid factor, the Group will make use of all viable procurement and marketing opportunities while utilising of different marketing platforms and operating prudently to achieve better results.

CEO's Review of Operations

Weakening Chinese import demand is expected following the government's direction to reduce volumes, introduce import tax and imposed restrictions on trace elements of import coals. However, the Group considers coal price is expected to be stable in a global perspective as coal remains one of the most affordable fuel for power generation in many countries.

The Group expects steel export from China will continue to be profitable accompanied with growing international demands and stabilised markets. If urbanisation project continues, accompanied by a strong growing economy and a growing middle class, the demand for steel is expected to stimulate in the coming year. Global supply and demand for steel will largely follow economic growth recovery around the world.

While the new initiative of "Belt and Road" and the establishment of "The Asian Infrastructure Investment Bank" are widely anticipated to provide mass opportunities to steel and raw materials trading business in Asia, in particular, great potential of raw material consumption on growth in Asian countries outside China, the Group will strive to increase sales orders, boost sales volume and raise gross profit per ton in order to maximise profits, and stay close to the market on such changes for lead advantage opportunities.

Tinplate manufacturing business

The tinplate manufacturing project in Jiangsu continues to concentrate on export markets, directly to end-users in canning sectors. During the Year, the operations at the tinplate manufacturing plant in the Jiangsu PRC has been suspended for the purposes of obtaining additional funding as well as to consolidate our products mix for the metal packaging assembly line. We will endeavor to continually optimise our tinplate manufacturing business.

CEO's Review of Operations

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries or Associated Companies

Save for those disclosed in this annual report, there were no significant investments held as at 30 April 2015, nor were there material acquisitions and disposal of subsidiaries during FY2015.

Pledge of Assets

Certain assets of the Group have been pledged to secure the bank borrowings of the Group. For details, please refer to Note 23 to the financial statements.

Foreign Exchange Exposure

Sales and purchases of the Group were transacted in USD, HKD and RMB. Most of the Group's monetary assets and liabilities were denominated in these currencies. The Directors were aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between these currencies and will continue to evaluate the Group's foreign currency exposure and take actions as appropriate.

Contingent Liabilities

The Group's contingent liabilities as at 30 April 2015 are shown in Note 31 to the financial statements.

Liquidity and Financial Resources

As at 30 April 2015, the Group had total cash and cash equivalents of approximately US$33.5 million (30 April 2014: US$46.8 million). The gearing ratio, calculated as a percentage of net debt to equity, was 88% (30 April 2014: 72%) as at 30 April 2015. In the opinion of the Directors, the Group will have sufficient working capital to meet its financial obligations in full as they fall due in the foreseeable future.

Employees and Remuneration Policies

As at 30 April 2015, the Group had a total of 321 (2014: 418) full-time employees. The Group determines its staff's remuneration based on factors such as qualifications, years of experience, market conditions and performance of the individual employees. The Company does not have share option scheme for its employees.

Appreciation

I, on behalf of the Board, would like to take this opportunity to express my gratitude to all shareholders, customers and business partners for their unfailing support and to the management and staff for their professionalism and dedication.

Chow Kin Wa
Executive Director and Chief Executive Officer

Board of Directors

Executive Directors

Yu Wing Keung, Dicky, aged 52, is the co-founder of the Group, Executive Chairman and executive Director appointed on 10 March 2008. He is responsible for formulating the Group's strategic directions, expansion and overall business development plans. He is also a director and controlling shareholder of New Page Investments Limited, which is a controlling shareholder of the Company. From 1998 to 2005, he was an executive director of a company listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**SEHK**"). From 2001 to 2005, he was an executive director of a company listed on the Growth Enterprise Market of the SEHK. Mr. Yu started his own business in steel trading and investment by co-founding the Group in 2005. Mr. Yu has over 20 years of experience in multinational steel manufacturing, investment and trading business and has established extensive global business networks. Mr. Yu holds a Master of Business Administration degree from the University of Durham, United Kingdom and was a member of Chartered Institute of Marketing, United Kingdom.

Chow Kin Wa, aged 48, is the co-founder of the Group, executive Director and Chief Executive Officer appointed on 10 March 2008. He is responsible for the business development and trading activities of the Group. He also assists Mr. Yu Wing Keung, Dicky in overseeing the overall management, operations and the setting of corporate directions and strategies of the Group. He is also a director and controlling shareholder of New Page Investments Limited, which is a controlling shareholder of the Company. Mr. Chow has over 20 years of experience in multinational steel trading and manufacturing business. Mr. Chow holds a Bachelor of Science degree from the University of Hong Kong and a Master of Science degree in Information Systems from Hawaii Pacific University, United States of America. He is the younger brother of Mr. Chow Kin San, an executive Director.

Chow Kin San, aged 51, is an executive Director appointed on 1 June 2010. He is responsible for the Group's corporate finance, corporate strategy and development, investment, investor relations and information technology. He joined the Group as a non-executive Director on 10 March 2008. He is the co-founder and a director of Focus Capital Investment Inc., and a non-executive chairman of Strategic Alliance Limited. He has over 20 years of experience in operations, finance, management and investment in trading and manufacturing environment in Asia and the United States of America. He graduated from the Faculty of Engineering of the University of Hong Kong and holds a Master of Business Administration degree from the University of South Australia. He is currently a fellow member of Association of International Accountants, United Kingdom and Institute of Public Accountants, Australia, as well as a member of Australasian Institute of Mining and Metallurgy, and founding vice chairman of its Hong Kong Branch. He is the elder brother of Mr. Chow Kin Wa, an executive Director and Chief Executive Officer.

Independent non-executive Directors

Tang Chi Loong, aged 46, is an independent non-executive Director appointed on 1 July 2009. He graduated from the Law faculty of the National University of Singapore and is an advocate and solicitor of the Supreme Court of Singapore. Mr. Tang has been a practising lawyer for more than 15 years with experience in diverse areas of the law. He is currently a partner of a law firm, Hin Tat Augustine and Partners overseeing the insurance law department of the firm. Mr. Tang sits on the board of Sinjia Land Limited (formerly known as HLN Technologies Limited), a company listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Since 1 July 2009, he has been the Chairman of the Remuneration Committee and the Nominating Committee and a member of the Audit Committee.

Foo Teck Leong, aged 50, is an independent non-executive Director appointed on 1 April 2010. Mr. Foo graduated from the National University of Singapore with a degree of Accountancy in 1989 and obtained a Master of Business Administration degree from The University of Manchester, United Kingdom in 2004. Mr. Foo is a member of the Institute of Singapore Chartered Accountants since 1994. Mr. Foo currently manages a business consultancy firm, Red Dot Consult Pte Ltd and holds directorship in several privately held companies. He is the Chairman of the Audit Committee since 19 November 2010, and a member of the Remuneration Committee and the Nominating Committee since 1 April 2010.

Tse To Chung, Lawrence, aged 47, is an independent non-executive Director appointed on 19 November 2010. Mr. Tse graduated from the Faculty of Law of the University of Hong Kong in 1990. In 1996, he received a Master of Arts degree (major in Economics) from the University of Oklahoma in United States of America. Mr. Tse was admitted as a solicitor in the High Court of Hong Kong in 1993. Mr. Tse is a partner of Joyce Chan & Co, a law firm in Hong Kong. Mr. Tse has more than 20 years of legal practice experience. He is a member of the Audit Committee, the Remuneration Committee and the Nominating Committee since 19 November 2010.

Senior Management

Kwan Yee Mui, Tonette, aged 49, Treasurer of the Group, joined the Group since 2006 and is responsible for the overall finance and risk management of the Group. Prior to joining the Group, she had over 20 years of corporate banking experience and was the regional head of the commodity finance divisions for several top tier foreign banks for over 12 years. Ms. Kwan is well experienced with the metal and steel industries, and commodity trade finance. She holds a Bachelor of Arts degree from the University of Hong Kong.

Ma Yiu Ming, aged 53, Head of Operations of the Group, joined the Group since 2006 and is responsible for the Group's business coordination and integration of various functional developments such as operations, shipping, insurance and legal. He has over 25 years of experience in the international traffic and logistics business, particularly in shipping, insurance, cargo inspection, arbitration and legal consulting. Prior to joining the Group, he held several managerial positions in various shipping and chartering companies and has been involved in their ships' operations and chartering functions. He holds a Bachelor degree and a Master degree of Business Administration from the Open University of Hong Kong. He is currently a fellow member of the Institute of Chartered Shipbrokers.

Chu Wai Lim, aged 46, Trade Finance Manager of the Group, joined the Group since 2005 and is responsible for the overall bills operations and trade finance of the Group. With over 15 years of experience in several major commodity banks and trading companies, he has extensive knowledge in the documentation of letters of credit and trade finance.

Ji Na Xin, aged 46, General Manager of the People's Republic of China (the "**PRC**") Division, joined the Group since 2008 and is responsible for the overall management, strategic planning and business development of the Group's operations in the PRC. Backed by over 20 years of experience in multinational steel trading and manufacturing groups, he has established extensive business networks in the PRC.

Tam Hin Shi, aged 35, Deputy General Manager of the PRC Division, joined the Group since 2008 and is responsible for promoting the business development activities of the Group's PRC division. He has over 10 years of experience in steel related business in the PRC and has built up wide and deep connections with steel operators and manufacturers in various countries.

Corporate Governance Report

The Board (the "**Board**") of Directors (the "**Directors**") of NOVO GROUP LTD. (the "**Company**", together with its subsidiaries (collectively referred to as the "**Group**")) are pleased to present this Corporate Governance Report in the Group's annual report for the year ended 30 April 2015 (the "**Year**").

Corporate Governance Practices of the Company

The Group is committed to maintaining a high standard of corporate governance to safeguard the interests of shareholders and to enhance corporate values and accountability.

During the Year, the Company has adopted, for corporate governance purposes, the code provisions of the Corporate Governance Code (the "**HK CG Code**") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**SEHK**") (collectively, the "**HK Listing Rules**"), in addition to the Singapore Code of Corporate Governance 2012 (the "**Singapore CG Code**"). In the event of any conflict between the Singapore CG Code and the HK CG Code, the Company will comply with the more onerous code provisions.

The Company has substantially complied with the principles and guidelines and recommendations in the Singapore CG Code when they are applicable, during the Year.

The Company has complied with the HK CG Code (to the extent that such provisions are applicable) except for below deviations from code provisions A.4.1, A.6.7 and D.1.4 of the HK CG Code which are explained in the relevant paragraphs of this report.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its businesses and to review such practices from time to time to ensure that they comply with the Singapore CG Code and the HK CG Code.

The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with management to achieve this objective and the management remains accountable to the Board.

Responsibilities

The primary role of the Board is to lead and control the Company's operations and affairs and to protect and enhance long-term shareholders' value. The Board oversees the management of the businesses and affairs of the Group and is responsible for the overall performance of the Group. The Board provides entrepreneurial leadership, sets the overall strategy for the Group and ensures that the necessary financial and human resources are in place for the Company to meet its objectives.

The Board is also responsible for:

- providing guidance and leadership for corporate and strategic directions of the Group;
- reviewing the financial performance of the Group;
- providing guidance to overall management of the businesses and affairs of the Group;
- setting up broad's policies and financial objectives of the Company;

Corporate Governance Report

- overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- approving the nominations of Directors and appointments of key personnel;
- reviewing and approving of investments, mergers and acquisition and disposal transactions;
- approving annual budgets and major funding proposals;
- assuming responsibility for corporate governance; and
- reviewing the performance of management.

To facilitate effective management, certain functions have been delegated to various Board committees, namely Nominating Committee, Remuneration Committee and Audit Committee, each of which has its own written terms of reference and whose actions are reported to and monitored by the Board. The effectiveness of each committee is also constantly monitored.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

The Board members comprise businessmen and professionals with legal and financial background and business/management experience, all of whom as a group, provides the Board with the necessary experience and expertise to direct and lead the Group. In addition, the Board considers its independent non-executive Directors to be of sufficient calibre.

Independent non-executive Directors exercise no management functions in the Group. Although all Directors have equal responsibility for the performance of the Group, the role of the independent non-executive Directors is particularly important in ensuring that the strategies proposed by the executive management are fully discussed and rigorously examined and take account of the long-term interest, not only of the shareholders but also of other stakeholders.

Independent non-executive Directors contribute to the Board process by monitoring and reviewing senior management's performance against goals and objectives. Their views and opinions provide alternative perspectives to the Group's businesses. When challenging senior management's proposals or decisions, they bring independent judgment on business activities and transactions involving conflicts of interest and other complexities.

Corporate Governance Report

Delegation by the Board

The Board reserves for its decision on all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Responsibility relating to implementing the Board's decision, directing, co-ordinating and managing daily operation are delegated to the management.

The delegated functions and responsibilities to the Chief Executive Officer (the "**CEO**") and the senior management are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the aforesaid officers.

The Board has established three committees, namely, the Nominating Committee, the Remuneration Committee and the Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company with defined written terms of reference which are available at the website of the Company and that of the SEHK.

The Board also has the full support of the CEO and the senior management for the discharge of its responsibilities.

Board Meetings

The Board has scheduled to meet at least four times a year. In addition, the Board holds meetings at such other time as may be necessary to address any specific significant matters that may arise. Some important matters concerning the Group are also put to the Board for its decision by way of written resolutions. The Company's Articles of Association allows the meetings of Directors to be conducted by means of telephone conference or video conference or other similar communications. The Board conducts an annual review of its processes to ensure that it is able to carry out its functions in the most effective manner.

Board meeting schedules and draft agenda of each meeting are normally made available to Directors in advance.

Notice of regular Board meetings is served to all Directors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is generally given.

The meetings' agendas are prepared in consultation with the Executive Chairman. Board papers together with all appropriate, complete and reliable information are sent to all Directors at least 3 days before each Board meeting or committee meeting to keep Directors abreast of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management where necessary.

The CEO and company secretaries (the "**Company Secretaries**") attend all regular Board meetings and where necessary, other Board and committee meetings, to advise on business developments, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company. Senior management of the Group is invited to attend Board meetings to provide updates on operational matters where appropriate.

The Company's Articles of Association contains provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Corporate Governance Report

Directors' Attendance Records

During the Year, 4 regular Board meetings were held at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

The attendance records of each Director at the meetings of the Board, the Audit Committee, the Nominating Committee and the Remuneration Committee during the Year are set out below:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
Number of Meeting held during the Year	**4**	**4**	**1**	**1**
Executive Directors				
Yu Wing Keung, Dicky	3	–	–	–
Chow Kin Wa	4	–	–	–
Chow Kin San	3	–	–	–
Independent non-executive Directors				
Tang Chi Loong	4	4	1	1
Foo Teck Leong	4	4	1	1
Tse To Chung, Lawrence	4	4	1	1

Training and Continuing Development

The Directors have been responsible for their own training needs and report to the Company whereas the Company provides suitable training course for the Directors at the Company's expenses. The newly appointed Director shall receive appropriate induction training and coaching to develop individual skills as required. The Group provides extensive background information about its history, mission and values to the Directors. During the Year, all Directors have complied with code provision A.6.5 of the HK CG Code to participate in continuous professional development to develop and refresh their knowledge and skills.

Each newly appointed Director receives formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the businesses and operations of the Company and full awareness of Director's responsibilities and obligations under the relevant rules and statutory requirements.

Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. During the Year, the Company has provided to all Directors with updates on the changes and developments in the relevant laws and regulations applicable to the Directors.

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Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board currently comprises six members, consisting of three executive Directors and three independent non-executive Directors:

Executive Directors:

Mr. Yu Wing Keung, Dicky *(Executive Chairman)*
Mr. Chow Kin Wa *(CEO)*
Mr. Chow Kin San

Independent non-executive Directors:

Mr. Foo Teck Leong *(Chairman of the Audit Committee and member of the Nominating Committee and the Remuneration Committee)*
Mr. Tang Chi Loong *(Chairman of the Nominating Committee and the Remuneration Committee and member of the Audit Committee)*
Mr. Tse To Chung, Lawrence *(member of the Audit Committee, the Nominating Committee and the Remuneration Committee)*

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the HK Listing Rules from time to time.

Mr. Chow Kin Wa, the CEO and executive Director, is the younger brother of Mr. Chow Kin San, executive Director. Save as disclosed, there is no other financial, business, family or material/relevant relationship among members of the Board.

During the Year, the Board at all times met the requirements of Rules 3.10(1) and (2) of the HK Listing Rules and Guideline 2.2 of Singapore CG Code relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise and independent non-executive Directors are made up at least half of the Board.

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The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the HK Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the HK Listing Rules and the Singapore CG Code.

All Directors have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The Board considers the views of the independent non-executive Directors be of sufficient weight that no individual or small group can dominate the Board's decision-making processes.

Executive Chairman and the CEO

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Executive Chairman of the Group is Mr. Yu Wing Keung, Dicky and the CEO of the Group is Mr. Chow Kin Wa. The positions of Executive Chairman and the CEO are held by separate individuals in order to preserve independence and a balance of views and judgement.

The Executive Chairman is, amongst others, responsible for:

- leading the Board to ensure its effectiveness on all aspects of its role and set its agenda;
- scheduling meetings that enable the Board to perform its duties responsibly while not interfering with the flow of the Company's operations;
- reviewing key proposals before they are presented to the Board for consideration;
- ensuring effective communications with shareholders of the Company;
- exercising control over quality, quantity and timeliness of the flow of information among the Board members and between management and the Board; and
- ensuring compliance with and promoting high standards of corporate governance.

The CEO is responsible for the day-to-day operations, business development and trading activities of the Group. He also assists the Executive Chairman in overseeing the overall management, operations and the setting of corporate directions and strategies of the Group. He has assisted in overseeing the financial and compliance matters of the Group for the Year. Under the leadership of the CEO, the management is responsible for the day-to day operations of the Group.

There is no relationship between the Executive Chairman and the CEO.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The Company adopts a formal and transparent process of appointing new Directors to the Board and ensure that all Directors submit themselves for re-nomination and re-election at regular intervals and at least once every 3 years. In accordance with the Company's Articles of Association, Mr. Chow Kin Wa and Mr. Foo Teck Leong shall retire by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting ("**AGM**").

The Nominating Committee had recommended to the Board the nomination of the above-named Directors for re-election as Directors at the forthcoming AGM. The Board had accepted the recommendation of the Nominating Committee.

The Company's circular dated 31 July 2015 contains detailed information of the Directors standing for re-election. Other key information regarding the Directors is set out under "Board of Directors" of this annual report.

The table of date of appointment and last re-election of Directors, together with his directorship (if any) in other listed companies both present and those held over the preceding three years are set out below:

Name of Directors	Nature of appointment to the Company	Date of first appointment to the Company	Date of last re-election as Director of the Company	Directorship in other listed companies
Yu Wing Keung, Dicky	Executive Chairman	10/03/2008	26/08/2013	–
Chow Kin Wa	Executive Director and CEO	10/03/2008	27/08/2012	–
Chow Kin San	Executive Director	10/03/2008	29/08/2014	–
Tang Chi Loong	Independent non-executive Director	01/07/2009	29/08/2014	Sinjia Land Limited
Foo Teck Leong	Independent non-executive Director	01/04/2010	27/08/2012	–
Tse To Cheung, Lawrence	Independent non-executive Director	19/11/2010	26/08/2013	–

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When a vacancy arises under any circumstance, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Nominating Committee, in consultation with the Board, will determine the selection criteria and select candidates with the appropriate expertise and experience for the position in such circumstance. Candidates may be suggested by directors or management or sourced from external sources. The candidates to be assessed based on objective criteria approved by the Board such as integrity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and effort to carry out his responsibilities, good decision making track record, relevant experience and financial literacy.

The Nominating Committee comprises three members, namely, Mr. Tang Chi Loong (Chairman), Mr. Foo Teck Leong and Mr. Tse To Chung, Lawrence, all of them are independent non-executive Directors.

The Chairman of the Nominating Committee is not associated with the substantial shareholder of the Company.

The Nominating Committee is regulated by a set of written terms of reference and its key functions include:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and to make recommendations on any proposed changes to the Board to compliment the Company's corporate strategy;

- making recommendations to the Board on the appointments and re-appointments of Directors, having regard to each individual Director's contribution and performance;

- determining the criteria for identifying candidates and reviewing nominations for new appointments;

- reviewing and determining on an annual basis the independence of each Director;

- determining/proposing the objective performance criteria for the Board's approval and reviewing the Board's performance in terms of the performance criteria; and

- conducting a formal assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board, particularly when a Director serves on multiple Boards.

In assessing the optimum composition of the Board, the Nominating Committee would take into account various aspects set out in its terms of references and the board diversity policy of the Company, including but not limited to skills, experience, knowledge, expertise, culture, independence, age and gender, the existing and future strategic needs of the Company. The Nominating Committee would review the measurable objectives under the Board diversity policy and the progress of attainment, so as to ensure effective implementation. The Nominating Committee is satisfied that the current board composition has achieved a diversity and would enhance the quality of performance of the Company.

Each of the executive Directors has entered into a service agreement with the Company setting out the key terms and conditions of their appointment. Such term is subject to his re-election by the Company at an AGM upon retirement.

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In accordance with the Company's Articles of Association, any Director appointed by the Board as an additional Director or to fill a casual vacancy shall hold office until the next general meeting of shareholders after his/her appointment and be subject to re-election at such meeting. At each AGM, one-third of the Directors for the time being (or, if their numbers is not a multiple of three, the number nearest one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall retire at least once every three years and being eligible offer themselves for re-election.

Code provision A.4.1 of the HK CG Code stipulates that non-executive Directors shall be appointed for a specific term, subject to re-election. Although all independent non-executive Directors of the Company are not appointed for a specific term, all Directors of the Company (including independent non-executive Directors) are subject to retirement by rotation at least once every three years and any new Director appointed as an additional Director or to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after his/her appointment pursuant to the Company's Articles of Association.

Code provision D.1.4 of the HK CG Code stipulates that issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. There is no formal letter of appointment setting out the key terms and conditions of the appointment of the Company's independent non-executive Directors. However, the terms of references have set out the work scope of the Board committees and delegation were made by the Board in respect of the responsibilities of the independent non-executive Directors in such Board committees, details of which are published in the Company's website.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The Nominating Committee has formulated a process to evaluate and assess the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board. The Nominating Committee has considered the effectiveness of the Board as a whole and its board committees in addition to the contribution by the chairman and each individual director to the effectiveness of the Board on an annual basis. The performance evaluation criteria include an evaluation of the structure, composition and size of the Board, the Board's access to complete, adequate and timely information, Board's procedures and accountability. The Nominating Committee has reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.

The Nominating Committee will ensure that Directors appointed to the Board possess the relevant background, experience and knowledge to enable balanced and well-considered decisions to be made. The performance criteria that the Nominating Committee will consider in relation to an individual Director include the Director's industry knowledge and/or expertise, time and effort dedicated to the Group's business and affairs, work commitments, attendance and participation at the Board and Board committee meetings. Each member of the Nominating Committee shall abstain from voting on any resolutions and making recommendation and/or participating in respect of the matters in which he is interested.

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The Board and the Nominating Committee will endeavour to ensure that Directors appointed to the Board possess the experience, knowledge and skills critical to the Group's business, so as to enable the Board to make sound and well-considered decisions.

The Nominating Committee met once during the Year. The independence of each Director is reviewed annually by the Nominating Committee with reference to the guidelines set out in the Singapore CG Code. In addition, the independence of the Company's independent non-executive Directors meets the requirements set out in Rule 3.13 of the HK Listing Rules. The Nominating Committee has assessed the independence of the independent non-executive Directors and is satisfied that there are no relationships which would deem any of the independent non-executive Directors not to be independent.

With three out of six Directors are independent, the Board is able to exercise independent judgment on corporate affairs and provide the management with a diverse and objective perspective on issues.

The Nominating Committee is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group, and there is presently no need to implement internal guidelines to address their competing time commitments.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Board is furnished with detailed information concerning the Group from time to time, to enable them to fulfill its responsibilities and to be fully cognisant of the decisions and actions of the Group's executive management. All Directors have unrestricted access to the Company's records and information. Board papers are prepared for each meeting of the Board and include sufficient information from senior management on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at Board meetings. The independent non-executive Directors have access to all levels of senior executives in the Group and are encouraged to speak to other employees to seek additional information if they so require.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretaries, with a view to ensuring that Board procedures and all applicable laws and regulations are followed.

Should the Directors, whether as a group or individually, need independent professional advice, the Company will, upon direction by the Board, appoint a professional advisor selected by the group or the individual to render the advice. The Company will, if necessary, organise briefing sessions or circulate memoranda to the Directors to enable them to keep pace with regulatory changes.

Corporate Governance Report

Remuneration Matters

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The Company has established a formal and transparent procedure for formulating policies on remuneration of senior management of the Group.

The Remuneration Committee comprises three members, namely, Mr. Tang Chi Loong (Chairman), Mr. Foo Teck Leong and Mr. Tse To Chung, Lawrence, all of them are independent non-executive Directors.

The Remuneration Committee is regulated by a set of written terms of reference. Its key functions include:

- reviewing and recommending to the Board the Company's policies and structure for all Directors and senior management remuneration as are competitive and appropriate to attract, retain and motivate Directors and senior management of the required quality to run the Company successfully and on the establishment of a formal and transparent procedure for developing remuneration policy;

- reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives;

- either determining (with delegated responsibility) or making recommendations to the Board on the remuneration packages of individual executive Directors and senior management;

- reviewing and approving compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

- reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and

- reviewing and recommending to the Board on the implementation of any appropriate long term incentive schemes for the Directors and employees of the Group, including the share option scheme (if any).

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The principal function of the Remuneration Committee is to ensure that a formal and transparent set of policies and procedures are in place for determining executive remuneration and for fixing the remuneration packages of individual Directors and that no Director should be involved in deciding his own remuneration.

The Remuneration Committee covers all aspects of emoluments, including but not limited to Directors' fees, salaries, allowances, bonuses, options, benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. In setting remuneration packages, the Remuneration Committee takes into consideration the pay and employment conditions within the industry and in comparable companies, as well as the Group's relative performance and their individual performance. The Remuneration Committee will seek expert advice on remuneration of all Directors as and when necessary.

The Remuneration Committee's recommendations are submitted for the endorsement by the entire Board.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The Remuneration Committee ensures that the performance-related elements of remuneration be designed to align interests of executive Directors with those of shareholders and link rewards to corporate and individual performance and promote the long-term success of the Company. The Remuneration Committee has access to expert advice within and outside the Company when the need arises.

Independent non-executive Directors have no service agreements with the Company. The Board recommends the quantum of Directors' fees to be paid to the independent non-executive Directors based on their contributions, taking into account factors such as frequency of meetings, effort and time spent as well as responsibilities. Directors' fees are subject to the approval of the shareholders at the forthcoming AGM.

The Remuneration Committee met once during the Year and had recommended to the Board a maximum amount not exceeding S$130,000 as Directors' fees for the year ending 30 April 2016. The Remuneration Committee made recommendations to the Board on the remuneration packages of individual executive Directors and senior management. The Board will propose Directors' fees for the year ending 30 April 2016 at the forthcoming AGM for shareholders' approval.

Executive Directors do not receive Directors' fees. The remuneration of executive Directors comprises a basic salary and variable components which is the annual bonus, based on the performance of the Group as a whole and their individual performance. The Company has in place service agreements with all executive Directors, Mr. Yu Wing Keung, Dicky, Mr. Chow Kin Wa and Mr. Chow Kin San for a period of 3 years. The service agreements provide for termination by either party, upon giving not less than 6 months' notice in writing.

For the Year, the Remuneration Committee has reviewed the remuneration policy and structure of the Company, and the remuneration packages of the executive Directors and the senior management.

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Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Emoluments of Directors

A breakdown, showing the level and mix of each individual Director's total emoluments payable during the Year is set out in the following table:

	Salary and bonus S$	Fees S$	Share option S$	Allowances and other benefits S$	Total S$
S$250,000 – S$500,000					
Yu Wing Keung, Dicky	423,336	–	–	3,011	426,347
Chow Kin Wa	338,669	–	–	3,011	341,680
Chow Kin San	325,969	–	–	3,011	328,980
Below S$250,000					
Tang Chi Loong	–	43,000	–	–	43,000
Foo Teck Leong	–	45,000	–	–	45,000
Tse To Chung, Lawrence	–	31,707	–	–	31,707

Emoluments of Senior Management and top five key executives who are not Directors

For the Year, the Group had the following Senior Management and the top five executives of the Group (who are not Directors) whose emoluments are set out below:

	Salary and bonus %	Share option %	Allowances and other benefits %	Total %
Below S$250,000				
Chong Wai Man (resigned on 1 July 2014)	100	–	–	100
Kwan Yee Mui, Tonette	100	–	–	100
Ma Yiu Ming	100	–	–	100
Tam Hin Shi	100	–	–	100
Ji Na Xin	100	–	–	100
Chu Wai Lim	100	–	–	100

The aggregate total remuneration paid to or accrued to key executives (who are not Directors or CEO) amounted to S$740,880.

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The Company has adopted a remuneration policy for staff comprising a fixed component (in the form of a base salary) and a variable component, which is in the form of discretionary bonus that is linked to the Company's and the individual's performance. Other element of the variable component is the grant of share options and awards to staff under the incentive schemes (if any). For the Year, the Company neither have any employee option scheme nor other long term employee incentive scheme. In addition, there is no termination, retirement or any post-employment benefits to Directors and key executives.

Further particulars regarding Directors' emoluments and the 5 highest paid employees are disclosed in Note 10 to the financial statements.

Immediate Family Member of the Director or the CEO

For the Year, no employees in the Group were immediate family members of a Director or the CEO and whose remuneration exceeded S$50,000.

Accountability and Audit

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the Year.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the HK Listing Rules and other applicable statutory and regulatory requirements.

In preparing the financial statement for the Year, the Directors have selected appropriate accounting policies and applied them consistently, and have prepared the financial statements on a going concern basis.

In presenting the quarterly, interim and annual financial statements and announcement to shareholders, it is the aim of the Board to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects. The management currently provides the Board with monthly update on the Group's performance, position and prospects.

The senior management of the Group has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

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Risk Management and Internal Control

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board recognises its responsibility for maintaining an adequate internal control system to safeguard the assets of the Group and the interests of shareholders and consider the governance of risk. Annual review on the adequacy and the effectiveness of the internal control and risk management systems of the Group has been conducted by the management and reviewed by the Board. The Audit Committee is satisfied that nothing has come to its attention to cause the Audit Committee to believe that the internal control system is inadequate. Periodic review will be made to monitor the adequacy and the effectiveness of the risk management and the internal control system of the Group.

The Board with the concurrence of the Audit Committee is of the opinion that the Group's internal control was adequate and effective to address the financial, operational and compliance, information technology control and risk management systems to meet the needs of the Group in its current business environment. The said opinions were based on:

- the internal controls established and maintained by the Group;
- confirmation by the CEO, who has assisted in overseeing the financial and compliance matter of the Group for the Year;
- reports issued by the internal and external auditors; and
- annual reviews performed by the management, the Audit Committee and the Board.

The Board has received assurance from the CEO that (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (ii) regarding the effectiveness of the Group's risk management and internal control systems.

The management reviews the Group's business and operational activities to identify areas of significant business risks and consider measures to mitigate these risks and report to the Board where necessary.

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Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee comprises three members, namely, Mr. Foo Teck Leong (Chairman), Mr. Tang Chi Loong and Mr. Tse To Chung, Lawrence (including one independent non-executive Director who possesses the appropriate professional qualifications or accounting or related financial management expertise), all of them are independent non-executive Directors. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The Audit Committee is regulated by a set of written terms of reference. Its key functions include:

- reviewing the audit plans and results of the external auditor of the Company and the internal auditor's evaluation of the adequacy of the Company's system of internal controls, the audit reports and management letters issued by the external auditor and the co-operation given by the Company's management to the external auditor;

- making recommendations to the Board on the appointment, re-appointment and removal of external auditor and internal auditor, and to review the remuneration and terms of engagement of the external auditor;

- reviewing the nature and extent of non-audit services provided by the external auditor;

- reviewing cost effectiveness and the independence and objectivity of the external auditor;

- reviewing the significant financial reports so as to ensure the integrity of the financial statements of the Company and focus in particular on the changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit and compliance with financial reporting standards;

- reviewing quarterly, interim and annual financial statements and announcements before submission to the Board for approval;

- reviewing effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management and reviews the findings of the internal auditor of the Company;

- reviewing interested person transactions in accordance with the requirements as defined in the Listing Manual and the HK Listing Rules and ensures that the transactions were on normal commercial terms and not prejudicial to the interests of the shareholders of the Company;

- meeting with the external auditor and internal auditor, in separate executive sessions without the presence of the management of the Company (if applicable), to discuss any matters that the auditor believes should be discussed privately with the Audit Committee;

- reviewing the framework for staff to raise concerns about possible improprieties in matters of financial reporting or other matters in confidence, and that there is independent investigation of such matters and appropriate follow-up action; and

- undertaking such other functions, duties, reviews and projects as may be requested by the Board or as may be required by statute or the Listing Manual.

Corporate Governance Report

The Audit Committee has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the senior management of the Company and full discretion to invite any Director or executive officer of the Company to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The Audit Committee also examines any other aspects of the Company's affairs, as it deems necessary where such matters relate to exposures or risks of regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations.

The Board is of the view that the members of the Audit Committee are appropriately qualified in that they have sufficient accounting or related financial management expertise and experience to discharge the Audit Committee's function.

The Audit Committee will assist the Board with regard to discharging its responsibility to safeguard the Company's assets, maintaining adequate accounting records, and developing and maintaining effective system of internal controls with an overall objective to ensure that the management has created and maintained an effective control environment in the Company, and that the management demonstrates and stimulates the necessary aspect of the Group's internal control structure among all parties. The Audit Committee will report to the Board on any material issues, and makes recommendations to the Board.

External Auditor and Auditor's Remuneration

The statement of the external auditor of the Company about its reporting responsibilities for the financial statements is set out in the "Independent Auditor's Report" on pages 54 to 56 of this annual report.

During the Year, the remuneration paid/payable to the Company's external auditor, Messrs Baker Tilly TFW LLP, is set out below:

Service Category	Fees Paid/Payable US$
Audit Services	83,474
Tax Advisory Services	8,560
Total	90,034

The Audit Committee has undertaken a review of all non-audit services provided by the external auditor for the Year and is satisfied that such services are not significant and would not, in the Audit Committee's opinion, affect the independence of the external auditor. The Audit Committee met, at least twice a year, with the Group's external auditor Messrs Baker Tilly TFW LLP to review accounting, auditing and financial reporting matters so as to ensure that an effective control environment is maintained in the Group. Having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the Audit Committee has recommended the re-appointment of Messrs Baker Tilly TFW LLP as the external auditor at the forthcoming AGM. The Company has complied with Rule 712 and Rule 715 of the Listing Manual in relation to its auditing firms.

Corporate Governance Report

During the Year, the Audit Committee has convened four meetings and reviewed the Group's quarterly/interim/annual results and interim report/annual report, the financial reporting and compliance procedures, the internal control reports, and the re-appointment of the external auditor. The external auditor presents to the Audit Committee the audit plan and also relevant updates relating to any change of accounting standards which have a direct impact on financial statements before an audit commences. The Audit Committee met with the external auditor and reviewed the adequacy of audit arrangement, with emphasis on the scope and quality of their audit, the independence, objectivity and observations of the auditor.

Whistle-blowing Policy

The Company has in place a whistle-blowing policy to deal with staff for any financial improprieties or management involving the Company. Staff may wish to approach the Executive Chairman or the CEO directly for any complaint or concerns about any suspected fraud or irregularity and possible improprieties in matters of financial reporting or management against any other employees of the Group. The Executive Chairman or the CEO shall then cause a record of all complaints received and report to the Audit Committee on the outcome of any investigations undertaken by them. If the need arises, the Audit Committee will then step in and ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow up action.

Employees who wish to report any possible improprieties against the executive Directors and Executive Officers (including any employees related to them) are encouraged to approach the chairman of the Audit Committee directly, whether by fax or email communication, who will within 7 days determine if the report falls within the scope of improper acts targeted by the whistle-blowing arrangement or not.

The written and circulated whistle-blowing policy and procedures also sets out the procedures for raising concerns or making complaints, and the process of investigation.

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company has outsourced its internal audit function to an independent accounting firm. The Board and the Audit Committee have reviewed the reports of the internal auditor and the internal controls in place, and are satisfied that there are adequate internal controls in the Company.

Shareholders' Rights, Responsibilities, Communication with Shareholders, and Conduct of Shareholders' Meetings

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Corporate Governance Report

Principle 15: Companies should actively engage their shareholders and put in place an investor relationship policy to promote regular, effective and fair communication with shareholders.

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters effecting the company.

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

Details of Directors' attendance records of the AGM held on 29 August 2014 ("**AGM 2014**") was as follows:–

Members of the Board	AGM 2014 Attendance
Executive Directors	
Yu Wing Keung, Dicky	1/1
Chow Kin Wa	0/1
Chow Kin San	0/1
Independent non-executive Directors	
Tang Chi Loong	1/1
Foo Teck Leong	1/1
Tse To Chung, Lawrence	0/1

During the Year, the Directors attended the AGM 2014 and were available to answer questions. The chairman of the meeting explained (though the representatives of the scrutineer) the details procedures for conducting the poll at the AGM 2014. The Company's external auditor had attended the AGM 2014.

Code provision A.6.7 of the HK CG Code stipulates that independent non-executive Director should attend general meetings, Mr. Tse To Chung, Lawrence, an independent non-executive Director of the Company could not attend the AGM 2014. However, at the AGM 2014, there were executive Directors and all other independent non-executive Directors present to enable the Board to develop a balanced understanding of the views of the shareholders.

The Company established different communication channels with shareholders and investors, including (i) printed copies of corporate communications (including but not limited to annual reports, interim reports, notices of meetings, circulars and proxy forms) required under the HK Listing Rules and the Listing Manual; (ii) the general meetings of the Company provide a forum for communication between the Board and the shareholders. The Executive Chairman of the Group as well as the respective chairman of the Nominating Committee, the Remuneration Committee and the Audit Committee or, in their absence, other members of the respective committees are available to answer questions for shareholders and stakeholders at the general meetings; (iii) regular media activities in various locations to update project development of the Group; (iv) the Company's registrars deal with shareholders for share registration and related matters; and (v) the Investor Relationship Department of the Company handles enquiries from shareholders and investors generally.

Corporate Governance Report

The Company does not have a dividend policy. However, the Company will work towards maintaining balance between meeting shareholders' expectations and prudent capital management. Given the financial position of the Group and the cautious view on the Group's prospects, no dividend has been declared or recommended in respect of the Year.

The notices of the general meetings will be despatched to shareholders, together with explanatory notes or a circular on items of special business before such meeting. Each item of special business included in the notice of such meeting will be accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed at the general meetings on each substantially separate issue, including the election of individual directors. Shareholders are encouraged to attend the general meeting to ensure a high level of accountability and to stay informed of the Group's strategy and goals.

All resolutions in general meetings have been voted by poll pursuant to the HK Listing Rules and the Articles of Association of the Company. The detailed results showing the number of votes cast for and against each resolution and the respective percentages have been communicated to the shareholders via an announcement at the SGXNET and the SEHK's website, and posted on the Company's website accordingly.

To promote effective communication, the Company maintains a website at www.novogroupltd.com, where up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

The Board has established a shareholders communication policy and has made it available on the Company's website. The policy is subject to review on a regular basis to ensure its effectiveness.

Shareholders' Rights

Currently the Company has only one class of shares, all shares have the same voting rights and are entitled to the dividends declared.

Poll results will be announced on the SGXNET and the SEHK's website and posted on the website of the Company after each general meeting. All current/previous announcements being put on the Company's website on timely basis, any interested parties can assess to such information easily.

Pursuant to Article 88 of the Company's Articles of Association, the shareholder(s) may by Ordinary Resolution appoint any person to be a Director either as an additional Director or to fill a casual vacancy.

There is no change in the Company's constitutional documents during the Year.

Shareholder(s) hold(s) not less than 10% of the Company's paid-up capital may request the Board to convene an extraordinary general meeting ("**EGM**"). The objects of the general meeting must be stated in the related requisition deposited at the Company's registered office.

Shareholders and other stakeholders may send their enquiries and concerns to the Board by addressing them to Investor Relationship Department for onward transmission of the communications relating to matters within the Board's purview to designated Directors, communications relating to matters within Board committees' area of responsibility will be sent to the chairman of the appropriate committee, and communications relating to ordinary business matters, such as suggestions inquiries and consumer complaints will be sent to the appropriate Company's executive.

Corporate Governance Report

For putting forward proposals at the general meeting, the shareholders should submit a written notice with detailed contact information to the Company's registered office.

The notice period to be given to all shareholders for consideration of the proposal raised by the shareholders concerned at the general meeting varies according to the nature of the proposal, as follows:

- At least 14 clear business days' notice (the notice period must include 10 business days) in writing if the proposal constitutes an ordinary resolution of the Company in an EGM.

- At least 21 clear business days' notice (the notice period must include 20 business days) in writing if the proposal constitutes a special resolution of the Company in an EGM or any resolution of the Company in an AGM.

Company Secretaries

The Company Secretaries have provided the Board with regular updates on the requirements of the Companies Act (Chapter 50) of Singapore (the "**Companies Act**"), the Listing Manual, the HK Listing Rules and other rules and regulations where applicable. The Company Secretaries also attend all Board meetings and assist the Executive Chairman in ensuring that Board procedures, and all applicable law, rules and regulations, are followed. The Company Secretaries play an essential role in the relationship between the Company and its shareholders, including to assist the Board in discharging its obligations to shareholders.

The Company Secretaries, Mr. Lee Hock Heng is an external service provider to act as secretary in compliance with the Companies Act, while Ms. Lau Jeanie is an employee and the primary contact person of the Company.

Dealings in the Company's Securities

The Company has established written guidelines on terms no less exacting the requirements under the Listing Manual and the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the HK Listing Rules. The Group adopted the required standards in the Model Code and prohibits the Directors and relevant officers to trade in the Company's securities, during the period beginning 60 and 30 days immediately before the date of the announcement of the full year or quarterly results respectively (or if shorter, the period from the end of the relevant financial year/financial period) and ending on the date of the announcement of the relevant results.

Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the Model Code throughout the Year for securities transactions.

Directors, officers and/or relevant employees of the Group are also prohibited from dealing in the Company's securities on short term considerations or when they are in possession of unpublished inside information of the Group. The Company issues regular notice to remind Directors, officers and/or relevant employees of the Group on the abovementioned prohibitions.

Corporate Governance Report

Interested Person Transactions

The Company has adopted an internal policy governing procedures for the identification, approval and monitoring of interested person transactions.

All interested person transactions will be documented and submitted periodically to the Audit Committee for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the Company.

Details of the interested person transactions ("**IPT**") entered into by the Group for FY2015 as required to be disclosed pursuant to Rule 1207(17) of the Listing Manual of the SGX-ST are set out as below:–

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Yu Wing Keung, Dicky	155,766.00	Nil
Yu Wing Keung, Dicky and Chow Kin Wa	3,982.01	Nil
Chow Kin Wa	12,240.77	Nil
New Page Investments Limited	91,233.20	Nil

Material Contracts and Loans

Save as disclosed in note 4 to the financial statements, there were no material contracts and loans of the Company, or any of its subsidiaries involving the interests of the CEO or any Directors or controlling shareholders, during the Year, either still subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

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Directors' Report

The board (the "**Board**") of directors (the "**Directors**") of NOVO GROUP LTD. (the "**Company**") hereby presents their report to the shareholders together with the audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 April 2015 (the "**Year**").

Principal Activities

During the Year, the Company acted as an investment holding company and its subsidiaries were principally engaged in (1) trading and distribution of iron ore, coal and steel products; and (2) manufacturing, sales and distribution of electrolytic tinplate and related products for metal packaging industry. The Group has been continuously expanding its businesses into value-added downstream segments, including but not limited to the growing and high potential food and beverage packaging and canning market.

Subsidiaries and Associated Company

Particulars of the Company's principal subsidiaries and associated company as at 30 April 2015 are set out in Notes 18 and 17 to the financial statements.

Results and Appropriations

The financial performance of the Group for the Year and the financial position of the Company and the Group at that date are set out on pages 57 to 138 of this annual report.

The Directors did not recommend the payment of a final dividend for the Year.

Summary of financial information

A summary of the results and assets and liabilities and non-controlling interests of the Group for the last five years ended 30 April, as extracted from the published audited financial statements is set out on page 139 of this annual report.

Property, Plant and Equipment and Land Use Rights

Details of movements in the property, plant and equipment and land use rights of the Company and the Group during the Year are set out in Notes 14 and 15 to the financial statements.

Share Capital

Details of movements in the share capital of the Company and the Group during the Year are set out in Note 26 to the financial statements.

Reserves

Details of movements in the reserves of the Company and the Group during the Year are set out in the statements of changes in equity.

As at 30 April 2015, the Company's reserves available for distribution amounted to US$Nil (2014: US$594,253).

Directors' Report

Purchase, Sale or Redemption of the Company's Listed Securities

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

Major Customers and Suppliers

During the Year, sales to the Group's five largest customers accounted for 56% (2014: 38%) of the Group's total sales, purchases from the Group's five largest suppliers accounted for 58% (2014: 50%) of the Group's total purchases and purchases from the largest supplier included therein amounted to 16% (2014: 14%).

None of the Directors and their associates, or, so far as the Directors were aware, shareholders who owned more than 5% of the Company's issued share capital had any interest in any of the five largest customers and the five largest suppliers of the Group.

Directors

The Directors in office during the Year and up to the date of this report are:

Executive Directors

Yu Wing Keung, Dicky *(Executive Chairman)*
Chow Kin Wa *(Chief Executive Officer)*
Chow Kin San

Independent non-executive Directors

Tang Chi Loong
Foo Teck Leong
Tse To Chung, Lawrence

In accordance with Article 89 of the Articles of Association of the Company, Mr. Chow Kin Wa and Mr. Foo Teck Leong shall retire and, being eligible, will offer themselves for re-election at the forthcoming Annual General Meeting (the "**AGM**").

The Company has received annual confirmations of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**SEHK**") (the "**HK Listing Rules**") and considers all of the independent non-executive Directors to be independent.

Directors' Service Contracts

Each of the Executive Directors has entered into a service agreement with the Company. Each of the service agreements of Mr. Yu Wing Keung, Dicky and Mr. Chow Kin Wa has a term of three years commencing on 1 May 2008 and that of Mr. Chow Kin San has a term of three years commencing from 1 June 2010, all renewable automatically upon expiry of such three-year period unless terminated by either party with not less than six months' notice in writing to each other and thereafter for such period as the Board may so decide. The Company has neither entered into a service agreement nor issued an appointment letter with each of the independent non-executive Directors.

Directors' Report

Directors' Service Contracts (Continued)

No Directors proposed for re-election at the forthcoming AGM has an unexpired service contract which is not determinable by the Group within one year without payment of compensation, other than normal statutory obligations.

Arrangements to enable Directors to acquire Shares and Debentures

Neither at the end of nor at any time during the Year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Remuneration

The Directors' remuneration is subject to approval by the Remuneration Committee with reference to Directors' responsibilities and performance and the financial performance of the Group. Details of which are set out in Note 10 to the financial statements.

Directors' Interests in Shares and Debentures

(a) Disclosure under Singapore Law

(i) The following Directors, who held office at the end of the Year, had according to the register of Directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act (Chapter 50) (the "**Companies Act**"), an interest in the shares of the Company and related corporations (other than wholly-owned subsidiaries) as set out below:

	Number of ordinary shares			
	Shareholdings registered in name of Director		Shareholdings in which a Director is deemed to have an interest	
	At 30.4.2015	At 1.5.2014	**At 30.4.2015**	At 1.5.2014
The Company				
Yu Wing Keung, Dicky	**5,759,031**	5,759,031	**85,496,250**	119,656,250
Chow Kin Wa	**2,468,156**	2,468,156	**82,983,750**	117,143,750
Foo Teck Leong	**17,500**	17,500	**–**	–
Holding company				
New Page Investments Limited				
Yu Wing Keung, Dicky	**7**	7	**–**	–
Chow Kin Wa	**3**	3	**–**	–

(ii) By virtue of Section 7(4) of the Companies Act, the Directors, Mr. Yu Wing Keung, Dicky and Mr. Chow Kin Wa, being entitled to control the exercise of not less than 20% of the votes attached to voting shares in the Company as recorded in the register of Directors' shareholdings, are each deemed to have an interest in the Company and all the related corporations of the Company.

(iii) There was no change in any of the above-mentioned interests between the end of the Year and 21 May 2015.

Directors' Report

Directors' Interests in Shares and Debentures (Continued)

(b) Disclosure under Hong Kong Law

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or its Associated Corporations

As at 30 April 2015, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571) of the Laws of Hong Kong (the "**SFO**")), which were required to be notified to the Company and the SEHK, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the HK Listing Rules or which were required to be entered in the register required to be kept under Section 352 of the SFO were as follows:

Name of Directors	Long/Short position	Capacity	Number of ordinary shares Personal interest	Family interest	Corporate interest	Other interest	Total	Approximate percentage of the issued share capital of the Company (Note 1)
Yu Wing Keung, Dicky	Long	Interest in a controlled corporation	8,271,531	–	82,983,750 (Note 2)	–	91,255,281	53.42
Chow Kin Wa	Long	Beneficial owner	2,468,156	–	–	–	2,468,156	1.45
Foo Teck Leong	Long	Beneficial owner	17,500	–	–	–	17,500	0.01

Note 1: As at 30 April 2015, the Company had 170,804,269 ordinary shares in issue.

Note 2: The 82,983,750 ordinary shares are held by New Page Investments Limited ("**New Page**"), a holding company of the Company, which is held as to 70% by Mr. Yu Wing Keung, Dicky and as to 30% by Mr. Chow Kin Wa. By virtue of Part XV of the SFO, Mr. Yu Wing Keung, Dicky is deemed to be interested in all the shares held by New Page. During the Year, New Page had disposed an aggregate of 34,160,000 ordinary shares to an independent third party and thus its shareholdings in the Company had reduced from 117,143,750 ordinary shares to 82,983,750 ordinary shares.

Save as disclosed above, as at 30 April 2015, none of the Company's Directors and chief executives had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the SEHK pursuant to the Model Code or which were required to be entered in the register required to be kept under Section 352 of the SFO.

Directors' Report

Interests and Short Positions of Substantial Shareholders and Other Persons in the Shares and Underlying Shares of the Company

As at 30 April 2015, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Long/Short position	Capacity	Number of ordinary shares	Approximate percentage of the issued share capital of the Company
New Page	Long	Beneficial owner	82,983,750	48.58

Save as disclosed above, as at 30 April 2015, no person other than the Directors and chief executives of the Company whose interests are set out in the section "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or its Associated Corporations" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Directors' Interests in Competing Business

During the year 2012, New Page (i.e. a holding company of the Company, which is held as to 70% by Mr. Yu Wing Keung, Dicky and as to 30% by Mr. Chow Kin Wa) has executed an agreement (the "**Agreement**") with independent third parties (the "**Parties**") whereby New Page be granted by the Parties with a right to acquire 50% of all the iron ore produced by the parties for a period of four years subject to the terms and conditions of the Agreement. Up to the date of this report, New Page has not yet exercised the said right. Save as disclosed above, none of the Directors has any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.

Directors' Interests in Contracts and Directors' Contractual Benefits

Details of the related party transactions are set out in Note 4 to the financial statements.

Save as disclosed in the financial statements, no contracts of significance in relation to the Group's business to which the Company, its holding company or any of its subsidiaries was a party and in which a 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.

Save for the above, since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related company with the Director or with a firm of which he is a shareholder or with a company in which he has a substantial financial interest.

Directors' Report

Management contracts

During the Year, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed.

Pre-emptive Rights

The exercise of pre-emptive rights is subject to certain provision under the Company's Articles of Association.

Share Option

The Group has no share option scheme as at the date of this report.

Audit Committee

The Audit Committee consists of three members, all are independent non-executive Directors. During the Year and at the date of this report, the Audit Committee comprises the following members:

Foo Teck Leong *(Chairman)*
Tang Chi Loong
Tse To Chung, Lawrence

The Audit Committee carries out its functions in accordance with Section 201B(5) of the Companies Act, the Code on Corporate Governance 2012 under the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") and the HK Listing Rules, including the following:

(i) reviews the audit plans of the internal and external auditors of the Company, and reviews the internal auditor's evaluation of the adequacy of the Company's and the Group's system of internal accounting controls and the assistance given by the Company's management to the external and internal auditors;

(ii) reviews the annual financial statements of the Company and of the Group before their submission to the Directors of the Company and the external auditor's report thereon;

(iii) reviews the quarterly or half year results announcements as well as the related press release on the financial performance and financial position of the Group before their submission to the Board;

(iv) makes recommendations to the Board on the appointment of external and internal auditors;

(v) reviews interested person transactions as defined in Chapter 9 of the Listing Manual and ensures that the transactions were on normal commercial terms and not prejudicial to the interests of the members of the Company; and

(vi) meets with the external auditor, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee.

Directors' Report

Audit Committee (Continued)

The Audit Committee convened four meetings during the Year with full attendance from all members. The Audit Committee has also met with the Company's external auditor, without the presence of the Company's management, at least once a year.

The Audit Committee has recommended to the Board the nomination of Messrs Baker Tilly TFW LLP, for re-appointment as independent auditor of the Company at the forthcoming AGM.

Related Party Transactions

The Group has entered into certain related party transactions as disclosed in Note 4 to the financial statements. These related party transactions constitute exempt connected transactions under Rule 14A of the HK Listing Rules which will be exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the HK Listing Rules.

Internal Controls

The Company is committed to maintaining a sound system of internal controls.

Independent Auditor

The independent auditor, Messrs Baker Tilly TFW LLP has expressed its willingness to accept re-appointment as independent auditor of the Company.

Sufficient Public Float

Based on information that is publicly available to the Company and with the knowledge of the Directors, the Company had maintained sufficient public float of at least 25% of the Company's total issued share capital as at 30 April 2015.

On behalf of the Board

Yu Wing Keung, Dicky
Director

Chow Kin Wa
Director

31 July 2015

Statement by Directors

In the opinion of the Directors:

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 57 to 138 are properly drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 30 April 2015 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and

(ii) at the date of this statement, after considering the measures taken by the Group with respect to the Group's ability to continue as a going concern as described in Note 2(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board

Yu Wing Keung, Dicky
Director

Chow Kin Wa
Director

31 July 2015

Independent Auditor's Report

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of NOVO GROUP LTD. (the "**Company**") and its subsidiaries (the "**Group**") as set out on pages 57 to 138, which comprise the statements of financial position of the Group and the Company as at 30 April 2015, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "**Act**") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with Singapore Standards on Auditing. Because of the matters described in the Basis for Disclaimer of Opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1. Going concern

As disclosed in Note 2(a) to the financial statements, the Group incurred a net loss of US$24,746,742 (2014: US$14,450,402) and reported net cash outflows from operating activities of US$6,653,336 (2014: net cash inflows of US$4,658,321) during the financial year ended 30 April 2015. As at that date, the Group's current liabilities exceeded its current assets by US$42,895,080 (2014: US$37,178,442).

As disclosed in Note 23 to the financial statements, the Group breached the financial covenants of certain borrowings during the financial year. In addition, the Group also defaulted on the repayment of working capital loans amounting to US$7,854,000 on the respective due dates and the balances of these defaulted working capital loans remaining outstanding as at 30 April 2015 amounted to US$6,542,683.

As disclosed in Note 14 to the financial statements, a subsidiary within the tinplate manufacturing segment has suspended its operations during the financial year and yet to resume its operations as of the date of this report.

Independent Auditor's Report

Report on the Financial Statements (Continued)

Basis for Disclaimer of Opinion (Continued)

1. Going concern (Continued)

These factors indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

The financial statements have been prepared on a going concern basis and did not include any adjustments that may result in the event that the Group is unable to continue as a going concern. The validity of the going concern basis on which the financial statements are prepared depends on management's assessment of the Group's ability to operate as a going concern as set forth in Note 2(a) to the financial statements. This assumption is premised on future events, the outcome of which is inherently uncertain.

In the event that the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ from the amounts at which they are currently recorded in the statement of financial position. In addition, the Group may have to provide for further liabilities which may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. No such adjustments have been made to these financial statements.

Due to the matters described in the above paragraphs, we are unable to conclude as to the appropriateness of the use of the going concern assumption in the preparation of these financial statements. Consequently, we are unable to determine whether any adjustments in respect of the Group's financial statements for the financial year ended 30 April 2015 are necessary.

2. Property, plant and equipment

As disclosed in Note 14 to the financial statements, the Group's property, plant and equipment as at 30 April 2015 amounted to US$73,131,079 (2014: US$73,268,248). Management determined that there is no impairment to the property, plant and equipment as their recoverable amounts exceed the net carrying values as at 30 April 2015.

Based on the information available to us, we are unable to obtain sufficient appropriate audit evidence about the recoverable amounts of the property, plant and equipment. Consequently, we are unable to determine whether any adjustments in respect of the net carrying values of property, plant and equipment as at 30 April 2015 are necessary.

Independent Auditor's Report

Report on the Financial Statements (Continued)

Basis for Disclaimer of Opinion (Continued)

3. Investments in subsidiaries and amounts due from subsidiaries

As disclosed in Note 18 to the financial statements, the Company's investments in subsidiaries and amounts due from subsidiaries are carried at cost amounted to US$79,460,123 and US$43,968,458 respectively. Management determined that there is no impairment to the Company's investments in subsidiaries and amounts due from subsidiaries as their recoverable amounts exceed the net carrying values as at 30 April 2015.

Based on the information available to us, we are unable to obtain sufficient appropriate audit evidence about the recoverable amounts of the Company's investments in subsidiaries and amounts due from subsidiaries as at 30 April 2015. Consequently, we are unable to determine whether any adjustments in respect of the net carrying values of the Company's investments in subsidiaries and amounts due from subsidiaries as at 30 April 2015 are necessary.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the independent auditor, have been properly kept in accordance with the provisions of the Act.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

31 July 2015

Consolidated Income Statement

For the Financial Year ended 30 April 2015

	Note	Group 2015 US$	Group 2014 US$
Revenue	5	**248,562,084**	272,998,225
Cost of sales		**(251,762,403)**	(268,303,735)
Gross (loss)/profit		**(3,200,319)**	4,694,490
Other income	6	**2,222,481**	3,326,690
Distribution and selling expenses	7	**(4,169,076)**	(6,143,437)
Administrative expenses		**(8,936,328)**	(9,029,257)
Other expenses		**(3,199,755)**	(1,962,269)
Finance costs	8	**(7,332,795)**	(5,291,924)
Loss before tax	9	**(24,615,792)**	(14,405,707)
Income tax expenses	11	**(130,950)**	(44,695)
Loss for the financial year		**(24,746,742)**	(14,450,402)
Attributable to:			
Owners of the Company	12	**(22,103,599)**	(13,273,331)
Non-controlling interests		**(2,643,143)**	(1,177,071)
		(24,746,742)	(14,450,402)
Loss per share (in US cents)			
Basic	13	**(12.94)**	(7.77)
Diluted	13	**(12.94)**	(7.77)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the Financial Year ended 30 April 2015

	Group	
	2015	2014
	US$	US$
Loss for the financial year	**(24,746,742)**	(14,450,402)
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of the Group's foreign operations, net of tax	**208,431**	271,149
Other comprehensive income for the financial year, net of tax	**208,431**	271,149
Total comprehensive loss for the financial year	**(24,538,311)**	(14,179,253)
Attributable to:		
Owners of the Company	**(21,922,044)**	(13,051,458)
Non-controlling interests	**(2,616,267)**	(1,127,795)
	(24,538,311)	(14,179,253)

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

As at 30 April 2015

		Group		Company	
	Note	2015 US$	2014 US$	2015 US$	2014 US$
Non-current assets					
Property, plant and equipment	14	**73,131,079**	73,268,248	**–**	–
Land use rights	15	**5,700,716**	6,133,301	**–**	–
Goodwill arising on business combinations	16	**3,971**	3,971	**–**	–
Investment in an associated company	17	**–**	–	**–**	–
Investments in subsidiaries	18	**–**	–	**123,428,581**	79,460,123
		78,835,766	79,405,520	**123,428,581**	79,460,123
Current assets					
Inventories	19	**3,919,925**	16,570,819	**–**	–
Derivative financial instruments	20	**10,878**	–	**–**	–
Trade and other receivables	21	**42,373,639**	40,003,823	**23,066**	41,270,813
Cash and cash equivalents	22	**33,457,736**	46,821,487	**41,109**	114,939
		79,762,178	103,396,129	**64,175**	41,385,752
Total assets		**158,597,944**	182,801,649	**123,492,756**	120,845,875
Non-current liabilities					
Borrowings	23	**18,444,863**	–	**–**	–
Deferred income	24	**963,660**	1,310,604	**–**	–
		19,408,523	1,310,604	**–**	–
Current liabilities					
Trade and other payables	25	**63,450,792**	71,729,511	**12,368,502**	8,911,210
Derivative financial instruments	20	**–**	37,028	**–**	–
Borrowings	23	**58,820,965**	68,480,285	**–**	–
Deferred income	24	**309,738**	294,386	**–**	–
Tax payable		**75,763**	33,361	**–**	–
		122,657,258	140,574,571	**12,368,502**	8,911,210
Total liabilities		**142,065,781**	141,885,175	**12,368,502**	8,911,210
Net assets		**16,532,163**	40,916,474	**111,124,254**	111,934,665
Equity					
Share capital	26	**32,238,531**	32,238,531	**108,739,451**	108,739,451
(Accumulated losses)/retained earnings		**(22,445,708)**	(190,481)	**(216,158)**	594,253
Foreign currency translation reserve		**1,439,086**	1,257,531	**–**	–
Statutory reserve	27	**33,481**	33,481	**–**	–
Other reserves	28	**2,831,906**	2,680,278	**2,600,961**	2,600,961
Total equity attributable to owners of the Company		**14,097,296**	36,019,340	**111,124,254**	111,934,665
Non-controlling interests		**2,434,867**	4,897,134	**–**	–
Total equity		**16,532,163**	40,916,474	**111,124,254**	111,934,665

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the Financial Year ended 30 April 2015

Group	Note	Share capital US$	Retained earnings/ (Accumulated losses) US$	Foreign currency translation reserve US$	Statutory reserve US$	Other reserves US$	Total equity attributable to owners of the Company US$	Non-controlling interests US$	Total equity US$
Balance at 1 May 2013		32,238,531	14,306,837	1,035,658	33,481	2,600,961	50,215,468	1,541,796	51,757,264
Transfer to other reserves		–	(79,317)	–	–	79,317	–	–	–
Loss for the financial year		–	(13,273,331)	–	–	–	(13,273,331)	(1,177,071)	(14,450,402)
Other comprehensive income:									
Exchange differences on translation of the Group's foreign operations, net of tax		–	–	221,873	–	–	221,873	49,276	271,149
Other comprehensive income for the financial year, net of tax		–	–	221,873	–	–	221,873	49,276	271,149
Total comprehensive (loss)/ income for the financial year		–	(13,273,331)	221,873	–	–	(13,051,458)	(1,127,795)	(14,179,253)
Distributions to owners of the Company									
Dividend paid	29	–	(1,352,590)	–	–	–	(1,352,590)	–	(1,352,590)
Total distributions to owners of the Company		–	(1,352,590)	–	–	–	(1,352,590)	–	(1,352,590)
Changes in ownership interests in subsidiaries									
Changes in ownership interests in subsidiaries that do not result in loss of control		–	207,920	–	–	–	207,920	4,483,133	4,691,053
Total changes in ownership interests in subsidiaries		–	207,920	–	–	–	207,920	4,483,133	4,691,053
Total transactions with owners of the Company recognised directly in equity		–	(1,144,670)	–	–	–	(1,144,670)	4,483,133	3,338,463
Balance at 30 April 2014		32,238,531	(190,481)	1,257,531	33,481	2,680,278	36,019,340	4,897,134	40,916,474

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity (cont'd)

For the Financial Year ended 30 April 2015

Group	Share capital US$	Retained earnings/ (Accumulated losses) US$	Foreign currency translation reserve US$	Statutory reserve US$	Other reserves US$	Total equity attributable to owners of the Company US$	Non-controlling interests US$	Total equity US$
Balance at 1 May 2014	32,238,531	(190,481)	1,257,531	33,481	2,680,278	36,019,340	4,897,134	40,916,474
Transfer to other reserves	–	(151,628)	–	–	151,628	–	–	–
Loss for the financial year	–	(22,103,599)	–	–	–	(22,103,599)	(2,643,143)	(24,746,742)
Other comprehensive income:								
Exchange differences on translation of the Group's foreign operations, net of tax	–	–	181,555	–	–	181,555	26,876	208,431
Other comprehensive income for the financial year, net of tax	–	–	181,555	–	–	181,555	26,876	208,431
Total comprehensive (loss)/ income for the financial year	–	(22,103,599)	181,555	–	–	(21,922,044)	(2,616,267)	(24,538,311)
Contribution from a non-controlling interest								
Capital injection by a non-controlling interest	–	–	–	–	–	–	154,000	154,000
Balance at 30 April 2015	**32,238,531**	**(22,445,708)**	**1,439,086**	**33,481**	**2,831,906**	**14,097,296**	**2,434,867**	**16,532,163**

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity (cont'd)

For the Financial Year ended 30 April 2015

Company	Note	Share capital US$	Retained earnings/ (Accumulated losses) US$	Other reserve US$	Total equity US$
Balance at 1 May 2013		108,739,451	2,479,897	2,600,961	113,820,309
Loss and total comprehensive loss for the financial year		–	(533,054)	–	(533,054)
Distributions to owners of the Company					
Dividend paid	29	–	(1,352,590)	–	(1,352,590)
Total distributions to owners of the Company		–	(1,352,590)	–	(1,352,590)
Total transactions with owners of the Company recognised directly in equity		–	(1,352,590)	–	(1,352,590)
Balance at 30 April 2014		108,739,451	594,253	2,600,961	111,934,665
Loss and total comprehensive loss for the financial year		–	(810,411)	–	(810,411)
Balance at 30 April 2015		**108,739,451**	**(216,158)**	**2,600,961**	**111,124,254**

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the Financial Year ended 30 April 2015

		Group	
	Note	**2015** **US$**	2014 US$ (Restated)
Cash flows from operating activities			
Loss before tax		**(24,615,792)**	(14,405,707)
Adjustments for:			
Allowance for impairment of other receivables	9	**2,505,985**	–
Amortisation of deferred income	6	**(308,133)**	(174,707)
Amortisation of land use rights	9	**133,053**	89,335
Depreciation of property, plant and equipment	9	**3,746,311**	1,521,052
Fair value (gain)/loss on derivative financial instruments	9	**(10,878)**	37,028
Impairment of goodwill	9	**–**	94,155
Interest expenses		**6,735,627**	4,730,909
Interest income	6	**(728,358)**	(396,420)
Loss on disposal and written off of property, plant and equipment	9	**99,113**	51
Net realised (gain)/loss on derivative financial instruments	9	**(139,394)**	195,850
Written down of inventories	9	**1,209,067**	616,432
Written off of inventories	9	**–**	277,136
Written off of receivables	9	**81,353**	313,733
Operating cash flows before movements in working capital		**(11,292,046)**	(7,101,153)
Inventories		**11,441,827**	7,366,543
Trade and other receivables		**(3,725,234)**	(6,725,627)
Trade and other payables		**(3,551,101)**	10,727,843
Currency translation differences		**(222,650)**	3,172
Cash (used in)/generated from operations		**(7,349,204)**	4,270,778
Income tax paid, net		**(32,490)**	(8,877)
Interest income received		**728,358**	396,420
Net cash (used in)/generated from operating activities		**(6,653,336)**	4,658,321

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows (cont'd)

For the Financial Year ended 30 April 2015

	Note	Group 2015 US$	Group 2014 US$ (Restated)
Cash flows from investing activities			
Acquisition of land use rights	15	–	(3,070,952)
Net cash received/(paid) for realised derivative financial instruments		102,366	(195,850)
Proceeds from disposal of property, plant and equipment		2,386	53,462
Purchase of property, plant and equipment	A	(8,515,339)	(10,624,261)
Reduction of purchases price for land use rights	15	346,314	–
Net cash used in investing activities		(8,064,273)	(13,837,601)
Cash flows from financing activities			
Capital injection by non-controlling interests		154,000	4,691,053
Dividend paid	29	–	(1,352,590)
Drawdown of long-term borrowings		18,444,863	1,960,000
Decrease/(increase) in pledged deposits		1,657,714	(24,863,491)
Interest expenses paid		(6,735,627)	(5,702,316)
Net (settlement)/proceeds from short term borrowings and bills payable		(9,187,260)	40,079,756
Repayment of long-term borrowings		(1,320,038)	(2,834,382)
Net cash generated from financing activities		3,013,652	11,978,030
Net (decrease)/increase in cash and cash equivalents		(11,703,957)	2,798,750
Cash and cash equivalents at beginning of the financial year		12,780,247	9,972,225
Effect of currency translation on cash and cash equivalents		(2,080)	9,272
Cash and cash equivalents at end of the financial year	22	1,074,210	12,780,247
Note A – Purchase of property, plant and equipment ("PPE")			
Aggregate cost of PPE acquired	14	3,202,137	27,906,822
Less: Finance costs capitalised	8	–	(971,407)
		3,202,137	26,935,415
Less: Advance payment for PPE at 1 May	21	(1,310,913)	(22,706,738)
Add: Advance payment for PPE at 30 April	21	2,542,833	1,310,913
Add: Payables for PPE at 1 May	25	5,724,174	10,808,845
Less: Payables for PPE at 30 April	25	(1,642,892)	(5,724,174)
Net cash outflow for purchase of PPE		8,515,339	10,624,261

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the Financial Year ended 30 April 2015

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General

NOVO GROUP LTD. (the "**Company**") is a limited liability company incorporated in Singapore ("**SG**") on 29 June 1989 under the Singapore Companies Act (Chapter 50) (the "**Companies Act**") and its shares have been listed on the Main Board of the Singapore Exchange Securities Trading Limited since 28 April 2008 and dual-listed on the Main Board of The Stock Exchange of Hong Kong Limited since 6 December 2010. The immediate and ultimate holding company is New Page Investments Limited, a company incorporated in the British Virgin Islands ("**BVI**").

The registered office of the Company is at 20 Malacca Street, #06-00 Malacca Centre, Singapore 048979. The headquarter and principal place of business of the Group is at Rooms 1109-1111, 11th Floor, China Merchants Tower, Shun Tak Centre, 168 Connaught Road Central, Hong Kong ("**HK**").

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 18.

2 Summary of significant accounting policies

(a) Going concern

The Group incurred a net loss of US$24,746,742 (2014: US$14,450,402) and reported net cash outflows from operating activities of US$6,653,336 (2014: net cash inflows of US$4,658,321) during the financial year ended 30 April 2015. As at that date, the Group's current liabilities exceeded its current assets by US$42,895,080 (2014: $37,178,442).

As disclosed in Note 23, the Group breached the financial covenants of certain borrowings during the financial year. In addition, the Group has also defaulted on the repayment of working capital loans amounting to US$7,854,000 on the respective due dates and the balances of these defaulted working capital loans remaining outstanding as at 30 April 2015 amounted to US$6,542,683.

As disclosed in Note 14, a subsidiary within the tinplate manufacturing segment has suspended its operations during the financial year and yet to resume its operations as of the date of this report.

These factors indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

The financial statements have been prepared on a going concern basis as the Directors are satisfied that:

(i) The continuing financial support from the immediate and ultimate holding company to procure the necessary finance and support for a period of not less than twelve months from the end of the reporting period;

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

2 Summary of significant accounting policies (Continued)

(a) Going concern (Continued)

(ii) The banking facilities from its bankers for its working capital requirements for the next twelve months will be available as and when required; and

(iii) The Group is able to generate sufficient cash flows from its operations to meet its current and future obligations.

Management has taken the following measures to improve the Group's operational performance and financial position:

(i) Adopting a disciplined capital allocation and constantly review capital expenditure plans thoroughly as to manage a balanced project portfolio to mitigate risks and optimise profitability for all existing projects;

(ii) Strengthening current customers' base with a focus on high growth potential markets in food and beverage sector, and strengthen customer relationship by providing quality products and services and engineering solutions to customers;

(iii) Continuously seeking improvements in the production efficiency of the Group's production facilities through technological enhancements and system re-engineering in order to further reduce the costs of production;

(iv) Focusing on cost reduction while exploring all the opportunities to increase the sales volume of trading business and tinplate products, as to achieve operational efficiency by fully utilise the capacity of the tinplate manufacturing plant; and

(v) Enhancing the research and development capabilities with the aims to expand the expertise in tinplate production, improving tinplate quality and bolster manufacturing capabilities by adding high-margin products to the product portfolio.

After considering the measures taken described above, the Group believes that it has adequate resources and can cut cost to continue its operations as a going concern. For these reasons, the Group continues to adopt the going concern assumption in the preparation of the financial statements.

The financial statements did not include any adjustments that may result in the event that the Group is unable to continue as a going concern. In the event that the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

2 Summary of significant accounting policies (Continued)

(b) Basis of preparation

The financial statements are presented in United States Dollar ("USD" or "US$") which is the Company's functional currency, have been prepared in accordance with the provisions of the Companies Act and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgment in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables and borrowings approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

In the current financial year, the Group has adopted all the new and revised FRS and Interpretations of FRS ("**INT FRS**") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new and revised FRS and INT FRS did not have any material effect on the financial performance or position of the Group and the Company except as disclosed below:

FRS 112 Disclosures of Interests in Other Entities

The Group adopted FRS 112 on 1 May 2014. The amendment is applicable for annual periods beginning on or after 1 January 2014. It sets out the required disclosures for entities reporting under the new FRS 110 *Consolidated Financial Statements* and FRS 111 *Joint Arrangements*, and replaces the disclosure requirements previously found in FRS 27 (revised 2011) *Separate Financial Statements* and FRS 28 (revised 2011) *Investments in Associates and Joint Ventures*.

The Group has incorporated the additional required disclosures of FRS 112 into the financial statements.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

2 Summary of significant accounting policies (Continued)

(b) Basis of preparation (Continued)

FRS 110 Consolidated Financial Statements

As a result of FRS 110 *Consolidated Financial Statements*, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. FRS 110 introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. This change had no significant impact on the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company.

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 30 April 2015 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company except as disclosed below:

FRS 109 Financial Instruments

FRS 109 includes guidance on the classification and measurement of financial assets and financial liabilities and de-recognition of financial instruments. FRS 109, when effective will replace FRS 39 *Financial Instruments: Recognition and Measurement*. This standard is effective for annual periods beginning on or after 1 January 2018. The Group will review the requirements of FRS 109 and re-assess the classification and measurement of its financial assets and financial liabilities in accordance with this standard.

(c) Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of sales related taxes, rebates and discounts, and after eliminating sales within the Group. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and related cost can be reliably measured.

Sales of goods

Revenue from sales of goods is recognised when a Group entity has delivered the products to the customer and significant risks and rewards of ownership of the goods have been passed to the customer.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

2 Summary of significant accounting policies (Continued)

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, 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.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(e) Associated companies

An associated company is an entity over which the Group has significant influence but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more but not exceeding 50% of the voting power of another entity.

Investment in an associated company is accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investment in an associated company is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Subsequent to initial recognition, the Group's share of its associated company's post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from associated company are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associated company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Where a group entity transacts with an associated company of the Group, profit and losses are eliminated to the extent of the Group's interest in the relevant associated company.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

2 Summary of significant accounting policies (Continued)

(e) Associated companies (Continued)

Upon loss of significant influence over the associated company, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the associated company upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

If the Group's ownership interest in an associated company is reduced, but the Group continues to apply the equity method, the Group shall reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(f) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2(g). In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

2 Summary of significant accounting policies (Continued)

(f) Basis of consolidation (Continued)

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners) and therefore, no gain or loss is recognised in profit or loss.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific FRS.

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

(g) Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

2 Summary of significant accounting policies (Continued)

(g) Goodwill (Continued)

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

(h) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value. The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation

Depreciation is calculated on a straight-line basis to write off the cost of the property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	No. of years
Leasehold land and buildings	20 to 50
Plant and machinery	5 to 35
Furniture, fixtures and computer equipment	3 to 20
Motor vehicles	5
Renovation	5

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

2 Summary of significant accounting policies (Continued)

(h) Property, plant and equipment (Continued)

Depreciation (Continued)

Fully depreciated assets are retained in the financial statements until they are no longer in use.

Construction work-in-progress in the course of construction for production, or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss until construction or development is completed. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policies. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

(i) Land use rights

Land use rights are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses, if any. Land use rights are amortised on a straight line basis over the remaining years of rights allocated to use the land of 46 to 50 years.

The amortisation period and amortisation method of land use rights are reviewed at least at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

(j) Impairment of non-financial assets excluding goodwill

At the end of each reporting period, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

2 Summary of significant accounting policies (Continued)

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

– Raw materials: purchase cost on weighted average basis.

– Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excludes borrowing costs. These costs are assigned on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

(l) Operating leases

(i) When a Group entity is the lessee

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(ii) When a Group entity is the lessor

Leases where the Group entity retains substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Rental income (net of any incentives given to lessee) is recognised on a straight-line basis over the lease term.

(m) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous years.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

2 Summary of significant accounting policies (Continued)

(m) Income taxes (Continued)

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated company except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

Deferred income tax is charged or credited to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

(n) Financial assets

Classification

The Group classifies its financial assets according to the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The Group's only financial assets are fair value through profit or loss and loans and receivables.

Financial assets, at fair value through profit or loss

This category has two sub-categories: "financial assets held for trading", and those designated upon initial recognition at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at initial recognition are those that are managed and their performance are evaluated on a fair value basis, in accordance with a documented Group's investment strategy. Derivatives are also categorised as "held for trading" unless they are designated as effective hedging instruments. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months after the end of the reporting period.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

2 Summary of significant accounting policies (Continued)

(n) Financial assets (Continued)

Classification (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are presented as "trade and other receivables (excluding prepayments and advance payments)" and "cash and cash equivalents" on the statement of financial position.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss.

Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised as expenses.

Subsequent measurement

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss, including effects of currency translation, are recognised in profit or loss in the financial year in which the changes in fair values arise.

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

2 Summary of significant accounting policies (Continued)

(n) Financial assets (Continued)

Impairment (Continued)

Loans and receivables (Continued)

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in profit or loss.

If in subsequent periods, the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversed date.

(o) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, unsecured demand deposits and fixed deposits which are subject to an insignificant risk of changes in value and excludes pledged cash at bank and fixed deposits.

(p) Financial liabilities

Financial liabilities include trade and other payables (excluding sales deposits received), borrowings and derivative financial instruments.

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for the financial guarantees) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences. A financial liability is derecognised when the obligation under the liability is extinguished.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

2 Summary of significant accounting policies (Continued)

(q) Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at their fair values plus transaction cost. Financial guarantees are classified as financial liabilities.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the expected amount payable to the holder. Financial guarantees contracts are amortised in profit or loss over the period of the guarantee.

(r) Derivative financial instruments

Derivative financial instruments are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in profit or loss as they arise.

(s) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(t) Provisions for liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

2 Summary of significant accounting policies (Continued)

(u) Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statements of financial position of the Group and the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

(v) Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in the profit or loss using the effective interest method.

(w) Employee benefits

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

2 Summary of significant accounting policies (Continued)

(w) Employee benefits (Continued)

Defined contribution plans

The Group participates in a defined contribution Mandatory Provident Fund retirement benefits scheme (the "**MPF Scheme**") for its employees in Hong Kong who are eligible to participate in the MPF Scheme, in accordance with the Mandatory Provident Fund Schemes Ordinance. Contributions are made based on percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

For employees in Singapore, defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

The employees in the People's Republic of China (the "**PRC**") are members of the retirement benefit scheme organised by the government in the PRC. The Group is required to contribute, based on a certain percentage of payrolls, to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme. Contributions to this retirement benefit scheme are recognised as an expense in profit or loss as incurred.

End of service benefit liability

For employees in the United Arab Emirates ("**UAE**"), the Group computes the provision for liability on employees' end of service benefits assuming that all employees were to leave as of the end of the reporting period. These provisions are computed pursuant to the UAE Federal Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of the reporting period.

(x) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The financial statements of the Group and the Company are presented in USD, which is the Company's functional currency.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

2 Summary of significant accounting policies (Continued)

(x) Foreign currencies (Continued)

Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities are translated at the closing rates at the end of the reporting period;

(b) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(c) All resulting exchange differences are taken to the foreign currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

(y) Dividend

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

2 Summary of significant accounting policies (Continued)

(z) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the expense that it is intended to compensate.

(aa) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of operating segments.

3 Critical accounting judgments and key sources of estimation uncertainty

Estimates and assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgments in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgments that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations).

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

3 Critical accounting judgments and key sources of estimation uncertainty (Continued)

Critical judgments in applying the Group's accounting policies (Continued)

Functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required by management to determine the primary economic environment in which the entities operate, the entities' process of determining sales prices and the currency of the country whose competitive forces and regulations mainly influences the prices of its goods and services. Management has assessed that sales prices and the entities' cost base are mainly denominated and settled in the respective local currency of the entities of the Group except for certain entities incorporated in Singapore and Hong Kong which are mainly denominated and settled in the United States Dollar. Therefore, management concluded that the functional currency of the entities of the Group is their respective local currency, other than those entities incorporated in Singapore and Hong Kong, whose functional currency is United States Dollar.

Investment in subsidiary

Management has assessed and concluded that the Group has control over TIANJIN SHIFA NOVO TECHNOLOGY DEVELOPMENT LIMITED ("**TIANJIN SHIFA**"), although the Group owns 50% of the voting rights in TIANJIN SHIFA. This is because the Group hold majority representative of the board of directors of TIANJIN SHIFA, that provides the Group the current ability to direct the relevant activities of TIANJIN SHIFA. Accordingly, the Group has accounted for this investment as its subsidiary and consolidated the subsidiary's financial statements in the Group.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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:

Property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account their estimated residual values.

The Group reviews the useful lives and residual values of property, plant and equipment at the end of each reporting period in accordance with the accounting policy in Note 2(h). The estimation of the useful lives and residual values involves assumptions concerning the future and estimations of the assets common life expectancies and expected level of usage.

Any changes in the expected useful lives of these assets would affect the carrying amount of property, plant and equipment, and the depreciation charge for the financial year.

The carrying amount of property, plant and equipment at 30 April 2015 and the depreciation charge for the financial year ended 30 April 2015 are disclosed in Note 14.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

3 Critical accounting judgments and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty (Continued)

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for property, plant and equipment and land use rights in accordance with the accounting policy in Note 2(j). An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. These value-in-use calculations require the use of considerable judgments, estimates and assumptions. Changes in these assumptions and estimates could have a material effect on the determination of the recoverable amount of the property, plant and equipment and land use rights.

Based on management's assessment, no allowance for impairment loss on property, plant and equipment and land use rights is necessary at the end of the reporting period.

The net carrying values of the Group's property, plant and equipment and land use rights at the end of the reporting period are disclosed in Notes 14 and 15 respectively.

Impairment of investments in subsidiaries

Determining whether investments in subsidiaries are impaired requires an estimation of the value-in-use of those investments. The value-in-use calculation requires the Company to estimate the future cash flows expected from these investments and an appropriate discount rate in order to calculate the present value of the future cash flows. The value-in-use calculation requires the use of considerable judgments, estimates and assumptions. Changes in these assumptions and estimates could have a material effect on the determination of the recoverable amount of investments in subsidiaries.

Based on management's assessment, no allowance for impairment loss on investments in subsidiaries is necessary at the end of the reporting period.

The carrying amount of the Company's investments in subsidiaries at the end of the reporting period is disclosed in Note 18.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

3 Critical accounting judgments and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty (Continued)

Allowance for doubtful receivables for trade and other receivables

The Group assesses the recoverability of trade and other receivables at the end of each reporting period. Allowance for doubtful debts are required when there are events or changes in circumstances which indicate that the trade and other receivables balances may not be collectible. The identification of doubtful debts requires the use of estimations in assessing the recoverability of the debts based on the past collection trends from each debtor and the ageing of the past due amounts. The Group assessed that there is significant doubt in its ability to collect certain long outstanding debts and accordingly, an allowance for doubtful debts was made on these balances.

Since the Group cannot predict with certainty the collection of the long outstanding debts from the debtors, where the expectation is different from the original estimate, such difference will impact the carrying value of trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

An impairment loss of US$2,505,985 on the Group's other receivables has been recognised in the Group's profit or loss during the financial year.

The carrying amounts of the Group's and Company's trade and other receivables at the end of the reporting period and allowance for doubtful receivables charged to profit or loss during the financial year are disclosed in Note 21.

Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, the amount and timing of future taxable income and deductibility of certain expenditure. Accordingly, there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on reasonable estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's tax payable as at 30 April 2015 was US$75,763 (2014: US$33,361).

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

4 Related party transactions

(a) In addition to information disclosed elsewhere in the financial statements, the following related party transactions took place between the Group and related parties during the financial year on terms agreed by the parties concerned:

		Group	
		2015	2014
	Note	**US$**	US$
Office rental expenses paid to a related party	(i)	**117,231**	117,231
Sales of goods to a related party	(ii)	**16,305,629**	10,937,496
Purchases of goods from a related party	(ii)	**–**	207,477
Loan interest paid to a director	(iii)	**5,159**	–
Loan interest paid to a related party	(iii)	**3,150**	–
Loan interest paid to ultimate holding company	(iii)	**75,708**	–

(i) Office rental expenses paid to a related party, Jackful Investment Limited, on a fixed fee mutually agreed and charged on monthly basis since 2007. Mr. Yu Wing Keung, Dicky (a director of the Company) has a substantial interest in the issued share capital of Jackful Investment Limited.

(ii) Sales and purchases of goods to and from a related party related to the trading of tinplate products. The related party refers to a company controlled by an entity having a significant influence on a subsidiary.

(iii) Loan interest paid to a director, a related party and ultimate holding company are made at normal commercial terms. The related party refers to a company controlled by the controlling shareholders of the ultimate holding company.

Note: Intra-group transactions that have been eliminated in the consolidated financial statements are not disclosed as related party transactions above.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

4 Related party transactions (Continued)

(b) Compensation of directors and key management personnel of the Group:

	Group	
	2015	2014
	US$	US$
Directors' fees	**91,226**	92,873
Salaries and bonuses	**1,359,383**	1,466,543
Contributions to defined contribution plans	**29,876**	28,294
	1,480,485	1,587,710
Comprise amounts paid to:		
– Directors of the Company	**920,454**	921,042
– Other key management personnel	**560,031**	666,668
	1,480,485	1,587,710

Further details of the directors' remuneration are included in Note 10.

5 Revenue

	Group	
	2015	2014
	US$	US$
Sales of goods:		
– Sales of iron ore, coal and steel products	**193,105,499**	196,770,397
– Tinplate manufacturing	**32,751,054**	44,151,295
– Tinplate processing	**22,705,531**	32,076,533
	248,562,084	272,998,225

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

6 Other income

	Group	
	2015	2014
	US$	US$
Amortisation of deferred income (Note 24)	**308,133**	174,707
Interest income	**728,358**	396,420
Demurrage income	**131,801**	389,391
Freight income	**272,928**	542,642
Government grants	**401,417**	1,191,787
Net compensation received	**145,401**	380,888
Sundry income	**234,443**	250,855
	2,222,481	3,326,690

7 Distribution and selling expenses

	Group	
	2015	2014
	US$	US$
Distribution agency fees	**1,426,161**	1,495,182
Freight charges	**2,489,012**	4,056,910
Port handling charges	**43,377**	250,299
Others	**210,526**	341,046
	4,169,076	6,143,437

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

8 Finance costs

	Group	
	2015	2014
	US$	US$
Bank charges	**597,168**	561,015
Interest on bank borrowings	**6,651,610**	5,702,316
Interest on other borrowings	**84,017**	–
	7,332,795	6,263,331
Less: Finance costs capitalised into construction work-in-progress (Note 14)	**–**	(971,407)
	7,332,795	5,291,924

9 Loss before tax

Loss before tax is determined after charging/(crediting):

	Group	
	2015	2014
	US$	US$
Audit fees paid to:		
– auditor of the Company	**83,474**	87,802
– other auditors *	**133,020**	104,860
Non-audit fees paid to:		
– auditor of the Company	**8,560**	7,300
– other auditors *	**3,628**	52
Allowance for impairment of other receivables (Note 21)	**2,505,985**	–
Amortisation of land use rights (Note 15)	**133,053**	89,335
Depreciation of property, plant and equipment (Note 14)	**3,746,311**	1,521,052
Fair value (gain)/loss on derivative financial instruments	**(10,878)**	37,028
Impairment of goodwill (Note 16)	**–**	94,155
Loss on disposal and written off of property, plant and equipment	**99,113**	51
Material costs recognised as an expense in cost of sales	**237,109,498**	259,366,997
Net foreign exchange gains	**(365,025)**	(67,983)
Net realised (gain)/loss on derivative financial instruments	**(139,394)**	195,850
Rental expenses	**253,441**	303,574
Staff costs (Note 10)	**6,956,711**	7,279,939
Written down of inventories	**1,209,067**	616,432
Written off of inventories	**–**	277,136
Written off of receivables	**81,353**	313,733

* Includes independent member firms of the Baker Tilly International network.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

10 Staff costs

	Group	
	2015	2014
	US$	US$
Staff costs (including directors' remuneration)		
– Salaries, wages and other benefits	**6,437,666**	**6,681,406**
– Contributions to defined contribution plans	**519,045**	**598,533**
	6,956,711	**7,279,939**

(a) Fees paid to independent non-executive Directors during the financial year were as follows:

	Group	
	2015	2014
	US$	US$
Tang Chi Loong	**33,300**	34,105
Foo Teck Leong	**34,849**	35,691
Tse To Chung, Lawrence	**23,077**	23,077
	91,226	92,873

There were no other emoluments payable to the independent non-executive Directors during the financial years ended 30 April 2015 and 2014.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

10 Staff costs (Continued)

(b) Remuneration of executive Directors

	Fees US$	Salaries and benefits in-kind US$	Defined contribution plans US$	Total remuneration US$
Group				
2015				
Yu Wing Keung, Dicky	**–**	**320,000**	**2,276**	**322,276**
Chow Kin Wa	**–**	**256,000**	**2,276**	**258,276**
Chow Kin San	**–**	**246,400**	**2,276**	**248,676**
	–	**822,400**	**6,828**	**829,228**
2014				
Yu Wing Keung, Dicky	–	320,000	1,923	321,923
Chow Kin Wa	–	256,000	1,923	257,923
Chow Kin San	–	246,400	1,923	248,323
	–	822,400	5,769	828,169

There were no arrangements under which a Director waived or agreed to waive any remuneration during the financial years ended 30 April 2015 and 2014.

During the financial years ended 30 April 2015 and 2014, no remuneration was paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

10 Staff costs (Continued)

(c) Five highest paid employees

The five highest paid employees in the Group for the financial year included three (2014: three) Directors, details of whose remuneration are set out in Note 10(b) above. Details of the remaining two (2014: two) non-directors highest paid employees for the financial year are as follows:

	Group	
	2015	2014
	US$	US$
Salaries and bonus	**312,491**	440,310
Contributions to defined contribution plans	**12,438**	11,734
	324,929	452,044

The numbers of non-director, highest paid employees whose remuneration fell within the following bands are as follows:

	Group	
	2015	2014
Over HKD2,000,000	**–**	1
HKD1,500,001 to below HKD2,000,000	**1**	1
HKD1,000,001 to below HKD1,500,000	**1**	–
HKD500,001 to below HKD1,000,000	**–**	–
	2	2

During the financial years ended 30 April 2015 and 2014, no remuneration was paid by the Group to the five individuals with the highest remuneration in the Group as an inducement to join or upon joining the Group or as a compensation for loss of office.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

11 Income tax expenses

Income tax expenses attributable to loss is made up of:

	Group	
	2015	2014
	US$	US$
Current tax – SG		
Under/(over) provision in prior years	**15,583**	(3,942)
Current tax – HK		
Under provision in prior years	**9,589**	–
Current tax – PRC		
Provision for the financial year	**–**	48,953
Under/(over) provision in prior years	**105,778**	(316)
	130,950	44,695

The income tax expenses on the results of the financial year differs from the amount of income tax determined by applying the applicable corporate income tax rate due to the following factors:

	Group	
	2015	2014
	US$	US$
Loss before tax	**(24,615,792)**	(14,405,707)
Tax at the domestic rates applicable to profits/(losses) in the countries where the Group operates	**(5,496,234)**	(2,311,680)
Expenses not deductible for tax purpose	**603,005**	129,723
Income not subject to tax	**(284,489)**	(266,604)
Deferred tax assets not recognised	**5,196,569**	2,492,700
Under/(over) provision of tax in prior years	**130,950**	(4,258)
Utilisation of previously unrecognised tax losses	**(17,495)**	–
Others	**(1,356)**	4,814
Income tax expenses	**130,950**	44,695

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

11 Income tax expenses (Continued)

No provision for Singapore income tax has been made as the Group has no assessable profits for the financial years ended 30 April 2015 and 2014.

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits for the financial years ended 30 April 2015 and 2014.

Taxes on profits assessable in the PRC has been calculated at 25% (2014: 25%) for the financial years ended 30 April 2015 and 2014.

Pursuant to the rules and regulations of the BVI and Dubai United Arab Emirates, the Group is not subject to any income tax in these jurisdictions.

Unrecognised deferred tax assets

At the end of the reporting period, the Group has unrecognised tax losses of US$39,561,000 (2014: US$18,478,000) that are available for carry forward to offset against future taxable income of the companies in which the tax losses arose, subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. Deferred tax asset of US$8,934,000 (2014: US$3,814,000) has not been recognised in respect of these tax losses as it is not probable that future taxable profits/income in these companies will be available and sufficient to allow the related tax benefits to be realised in the foreseeable future.

12 Loss attributable to owners of the Company

The Group's loss attributable to owners of the Company for the financial year ended 30 April 2015 includes the Company's loss of US$810,411 (2014: US$533,054) which has been dealt with in the financial information of the Company.

13 Loss per share

Basic and diluted loss per share is calculated based on the Group's loss for the financial year attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding during the financial years ended 30 April 2015 and 2014.

	Group	
	2015	2014
	US$	US$
Loss attributable to owners of the Company	**(22,103,599)**	(13,273,331)

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

13 Loss per share (Continued)

	Number of ordinary shares	
	2015	2014
	'000	'000
Weighted average number of ordinary shares	170,804	170,804

There were no potentially dilutive ordinary shares in existence during the financial years ended 30 April 2015 and 2014 and therefore the diluted loss per share amounts for those years were the same as the basic loss per share.

14 Property, plant and equipment

Group	Leasehold land and buildings US$	Plant and machinery US$	Furniture, fixtures and computer equipment US$	Motor vehicles US$	Renovation US$	Construction work-in-progress US$	Total US$
2015							
Cost							
At 1.5.2014	18,146,000	52,204,719	449,090	1,083,085	164,296	4,011,519	76,058,709
Additions	671,844	1,192,458	6,858	–	–	1,330,977	3,202,137
Disposals/written off	–	–	(23,123)	–	(17,717)	(72,074)	(112,914)
Reclassification	(2,388,507)	2,879,353	273,898	–	–	(764,744)	–
Exchange realignment	78,608	437,625	5,696	5,649	224	12,097	539,899
At 30.4.2015	16,507,945	56,714,155	712,419	1,088,734	146,803	4,517,775	79,687,831
Accumulated depreciation							
At 1.5.2014	1,153,318	686,720	242,065	602,161	106,197	–	2,790,461
Charge for the financial year	612,172	2,698,265	201,049	212,508	22,317	–	3,746,311
Disposals/written off	–	–	(8,058)	–	(3,357)	–	(11,415)
Exchange realignment	4,990	17,011	5,208	4,052	134	–	31,395
At 30.4.2015	1,770,480	3,401,996	440,264	818,721	125,291	–	6,556,752
Net carrying value							
At 30.4.2015	14,737,465	53,312,159	272,155	270,013	21,512	4,517,775	73,131,079

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

14 Property, plant and equipment (Continued)

Group	Leasehold land and buildings US$	Plant and machinery US$	Furniture, fixtures and computer equipment US$	Motor vehicles US$	Renovation US$	Construction work-in-progress US$	Total US$
2014							
Cost							
At 1.5.2013	7,420,604	–	339,637	1,078,509	150,329	39,047,662	48,036,741
Additions	–	291,472	103,086	262,939	18,075	27,231,250	27,906,822
Disposals/written off	–	–	–	(265,282)	(4,419)	–	(269,701)
Reclassification	10,708,949	51,892,351	–	–	–	(62,601,300)	–
Exchange realignment	16,447	20,896	6,367	6,919	311	333,907	384,847
At 30.4.2014	18,146,000	52,204,719	449,090	1,083,085	164,296	4,011,519	76,058,709
Accumulated depreciation							
At 1.5.2013	674,761	–	145,373	573,211	85,531	–	1,478,876
Charge for the financial year	477,387	688,005	96,375	234,268	25,017	–	1,521,052
Disposals/written off	–	–	–	(211,769)	(4,419)	–	(216,188)
Exchange realignment	1,170	(1,285)	317	6,451	68	–	6,721
At 30.4.2014	1,153,318	686,720	242,065	602,161	106,197	–	2,790,461
Net carrying value							
At 30.4.2014	16,992,682	51,517,999	207,025	480,924	58,099	4,011,519	73,268,248

The Group's construction work-in-progress included finance costs arising from bank loan borrowed specifically for the purpose of the construction of tinplate manufacturing plant in Jiangsu, the PRC. During the financial year ended 30 April 2014, the finance costs capitalised as cost of construction work-in-progress amounted to US$971,407. The interest rate used to determine the amount of finance costs eligible for capitalisation were ranged from 5.2% to 5.3% per annum, which were the effective interest rate of the specific borrowings. There is no finance costs capitalised for the financial year ended 30 April 2015.

During the financial year, a subsidiary within the tinplate manufacturing segment has suspended its operations and yet to resume its operations as of the date of this report. The property, plant and equipment relating to this subsidiary amounted to US$58,527,696.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

14 Property, plant and equipment (Continued)

At the end of the reporting period, property, plant and equipment with the following net carrying values are pledged to certain banks for banking facilities granted (Note 23):

	Group	
	2015	2014
	US$	US$
Leasehold land and buildings	**11,410,942**	13,279,716
Construction work-in-progress	**1,839,285**	439,549
Plant and machinery	**52,987,816**	51,244,662
	66,238,043	64,963,927

The analysis of net carrying value of leasehold land and buildings is as follows:

	Group	
	2015	2014
	US$	US$
Long leasehold land and building in HK	**5,019,408**	5,150,078
Long leasehold land and building in Shanghai, the PRC	**1,326,477**	1,398,483
Long leasehold buildings in Jiangsu, the PRC	**5,065,057**	6,731,155
Long leasehold building in Tianjin, the PRC	**3,326,523**	3,712,966
	14,737,465	16,992,682

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

15 Land use rights

	Group	
	2015	2014
	US$	US$
Cost		
At 1 May	**6,378,751**	3,245,667
Additions during the financial year	**–**	3,070,952
Reduction of purchase price	**(346,314)**	–
Exchange realignment	**49,111**	62,132
At 30 April	**6,081,548**	6,378,751
Accumulated amortisation		
At 1 May	**245,450**	154,819
Amortisation for the financial year (Note 9)	**133,053**	89,335
Exchange realignment	**2,329**	1,296
At 30 April	**380,832**	245,450
Net carrying value		
At 30 April	**5,700,716**	6,133,301
Amount to be amortised		
– Not later than one financial year	**133,054**	104,191
– Later than one financial year but not later than five financial years	**532,216**	416,763
– Later than five financial years	**5,035,446**	5,612,347
	5,700,716	6,133,301

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

15 Land use rights (Continued)

The details of the land use rights at 30 April 2015 are as follows:

Location	Lease period	Land area (square metres)
Tianjin, the PRC	November 2009 to September 2059	25,000.00
Xinghua City, Jiangsu, the PRC	July 2011 to February 2058	26,669.60
Xinghua City, Jiangsu, the PRC	August 2011 to February 2058	23,288.00
Xinghua City, Jiangsu, the PRC	January 2012 to January 2062	10,019.70
Xinghua City, Jiangsu, the PRC	January 2012 to January 2062	15,655.60
Xinghua City, Jiangsu, the PRC	April 2013 to January 2063	21,673.60
Xinghua City, Jiangsu, the PRC	January 2014 to June 2063	21,677.60
Xinghua City, Jiangsu, the PRC	January 2014 to June 2063	22,534.00
Xinghua City, Jiangsu, the PRC	April 2014 to June 2063	7,998.40
Xinghua City, Jiangsu, the PRC	April 2014 to February 2058	19,632.50

At the end of the reporting period, land use rights with net carrying value of US$3,393,502 (2014: US$2,708,901) are pledged to certain banks for banking facilities granted (Note 23).

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

16 Goodwill arising on business combinations

	Group	
	2015	2014
	US$	US$
Balance at beginning of financial year	**3,971**	98,126
Impairment loss charged to profit or loss (Note 9)	**–**	(94,155)
Balance at end of financial year	**3,971**	3,971

During the financial year ended 30 April 2014, the Group impaired goodwill of US$94,155 relating to a subsidiary in the PRC whom principal activities are wholesale, import/export of steel products and coal because of unfavourable business performance of this subsidiary. The impairment charged was included within "Administrative Expenses" in the consolidated income statement for the financial year ended 30 April 2014.

17 Investment in an associated company – Group

Details of the associated company are as follows:

Name of company	Place of incorporation	Particulars of issued and paid-up capital	Principal activities	Percentage of effective equity interest held by the Group	
				2015	2014
				%	%
Held by GLOBAL WEALTH TRADING LIMITED					
RICO GROUP LIMITED[#(a)]	BVI	US$100	Investment holding	**–**	30

[#] not required to be audited in the country of incorporation

[(a)] struck off from the register during the financial year

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

18 Investments in subsidiaries

	Company	
	2015	2014
	US$	US$
Unquoted equity shares, at cost		
Cost		
Balance at beginning of financial year	**79,460,123**	79,588,337
Acquisition of a new subsidiary	**–**	1
Written off during the financial year	**–**	(128,215)
Balance at end of financial year	**79,460,123**	79,460,123
Amounts due from subsidiaries	**43,968,458**	–
	123,428,581	79,460,123

At the end of the reporting period, management considered that total receivables from subsidiaries amounting to US$43,968,458 are quasi-equity loans, and reclassified them from trade and other receivables (Note 21) and included in investments in subsidiaries. The quasi-equity loans have no repayment terms and are repayable only when cash flows of the subsidiaries permit. Accordingly, the amounts are stated at cost.

(a) Details of subsidiaries are as follows:

Name of company	Place of incorporation	Particulars of issued and paid-up capital	Principal activities	Percentage of effective equity interest held by the Group	
				2015	2014
				%	%
Held by the Company					
NOVO COMMODITIES LIMITED**	HK	HKD8,000,000	Trading and investment	**100**	100
NOVA MARITIME (B.V.I.) LIMITED#	BVI	US$10	Shipping brokerage	**100**	100
NOVO OVERSEAS HOLDINGS PTE. LTD.*	SG	SGD200,000	Investment holding	**100**	100
NOVO COMMODITIES PTE. LTD.*	SG	SGD200,000	Trading and investment	**100**	100
GLOBAL WEALTH TRADING LIMITED#	BVI	US$10	Investment holding	**100**	100

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

18 Investments in subsidiaries (Continued)

(a) Details of subsidiaries are as follows (Continued):

Name of company	Place of incorporation	Particulars of issued and paid-up capital	Principal activities	Percentage of effective equity interest held by the Group 2015 %	2014 %
Held by the Company (Continued)					
Novo Development Limited#	BVI	US$10	Investment holding	**100**	100
Iron Shipping Limited#(b)	BVI	US$10	Shipping brokerage	**–**	100
Novo Management Services Limited**	HK	HKD1	Investment holding and provision of management services	**100**	100
NOVO COAL PTE. LTD.*	SG	SGD1	Investment holding	**100**	100
EAST OASIS TRADING LIMITED@@	HK	HKD10	Trading	**100**	100
Held by NOVO COMMODITIES LIMITED (HK)					
NOVO COMMODITIES PRIVATE LIMITED@	India	Rupee10,00,000	Trading and investment	**100**	100
Held by GLOBAL WEALTH TRADING LIMITED					
Qiang Hua Trading Limited@@	HK	HKD10	Trading and investment	**100**	100
Held by Novo Development Limited (BVI)					
Novo Development Limited@@	HK	HKD10	Investment holding	**100**	100
Held by Qiang Hua Trading Limited					
Qiang Hua (Shanghai) Trading Limited***^^Δ	The PRC	RMB20,000,000	Trading and investment	**80**	80
Held by Novo Development Limited (HK) & Qiang Hua Trading Limited (HK) (in trust of Novo Development Limited (HK))					
TIANJIN SHIFA NOVO TECHNOLOGY DEVELOPMENT LIMITED@^^	The PRC	US$8,570,000	Process and sales of steel and metal products	**50**	50

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

18 Investments in subsidiaries (Continued)

(a) Details of subsidiaries are as follows (Continued):

Name of company	Place of incorporation	Particulars of issued and paid-up capital	Principal activities	Percentage of effective equity interest held by the Group 2015 %	2014 %
Held by NOVO OVERSEAS HOLDINGS PTE. LTD.					
Novosteel DMCC****	United Arab Emirates	AED200,000	Trading	**100**	100
Novo Commodities PTE Ltd#	BVI	US$10	Investment holding	**100**	100
Novo Steel Limited#	BVI	US$10	Investment holding	**100**	100
Novo Shipping Ltd#	BVI	US$10	Investment holding	**100**	100
Novo Investment Limited#	BVI	US$10	Investment holding	**100**	100
Novo ETP Limited#	BVI	US$10	Investment holding	**100**	100
Novo Power Limited@@	HK	HKD10	Investment holding	**100**	100
Held by NOVO OVERSEAS HOLDINGS PTE. LTD. & NOVO COAL PTE. LTD.					
PT. NOVO COAL@	Indonesia	US$500,000	Trading	**100**	100
Held by Novo Investment Limited (BVI)					
NOVO INVESTMENT LIMITED**	HK	HKD10,000	Investment holding	**100**	100
Held by NOVO INVESTMENT LIMITED (HK)					
Qingdao Novo Port Investment Logistic Limited@^Δ	The PRC	RMB6,348,200	Warehousing and wholesaling	**100**	100
Held by Novo Steel Limited (BVI)					
Novo Steel (HK) Limited**	HK	HKD1,000,000	Trading and investment	**51**	51
Held by Novo Shipping Ltd (BVI)					
EASTERN BULK PTE. LTD.(a)	SG	SGD1,000,000	Shipping brokerage	**(c)**	(c)
Held by Qiang Hua (Shanghai) Trading LimitedΔ					
Hua Qiang (Shanghai) Trading Limited***^^^Δ	The PRC	RMB5,000,000	Trading and investment	**80**	80

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

18 Investments in subsidiaries (Continued)

(a) Details of subsidiaries are as follows (Continued):

Name of company	Place of incorporation	Particulars of issued and paid-up capital	Principal activities	Percentage of effective equity interest held by the Group 2015 %	2014 %
Held by Hua Qiang (Shanghai) Trading LimitedΔ					
Taizhou Hua Yong Trading Limited***^^^Δ(d)	The PRC	RMB5,000,000	Trading	**80**	80
Held by Novo ETP Limited (BVI)					
Novo ETP Limited@@	HK	HKD10	Investment holding	**100**	100
Novo Investment and Development Limited@@	HK	HKD10	Investment holding	**100**	100
Novo Lamination Limited@@	HK	HKD10	Investment holding	**100**	100
Wah Shun Storage Limited@@	HK	HKD10	Investment holding	**100**	100
Held by Novo ETP Limited (HK)					
Novowell ETP Limited***^^Δ	The PRC	US$20,580,000	Manufacturing, distribution, import and export, technology consultancy and development	**95**	95
Novowell International Trading (Shanghai) Company Limited***^	The PRC	US$1,000,000	Wholesale, import and export	**100**	100
Held by Wah Shun Storage Limited (HK)					
Xing Hua City Daduo Sewage Treatment Co., Ltd***^^^Δ(e)	The PRC	RMB7,000,000	Sewage Treatment	**57**	57
Wah Shun Storage (Taizhou) Limited***^	The PRC	US$199,990	General storage, property service and corporate management consultancy	**100**	100
Held by Wah Shun Storage (Taizhou) Limited					
Taizhou Hua Yong Storage Limited***^Δ	The PRC	RMB40,000,000	General storage, property service and corporate management consultancy	**100**	100

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

18 Investments in subsidiaries (Continued)

(a) Details of subsidiaries are as follows (Continued):

Name of company	Place of incorporation	Particulars of issued and paid-up capital	Principal activities	Percentage of effective equity interest held by the Group	
				2015 %	2014 %
Held by Novo Management Services Limited (HK)					
Novo Commodities Limited[#]	Republic of Seychelles	US$1	Investment holding	**100**	100
Nova Maritime Limited[#(a)]	Republic of Seychelles	US$1	Shipping brokerage	**100**	100
Held by Novo Power Limited (HK)					
Guang Dong Yong Peng Import and Export Trading Co., Ltd[^^Δ]	The PRC	RMB10,000,000	Wholesale, import and export	**51**	51
Held by Novo Lamination Limited (HK)					
Novowell Lamination Technology (Taizhou) Limited[***^^^^]	The PRC	US$4,100,000	Manufacturing, sales and distribution	**90.1**	90.1

* audited by Baker Tilly TFW LLP
** audited by Baker Tilly Hong Kong Limited
*** audited by Baker Tilly China
**** audited by Baker Tilly JFC
@ audited by other Certified Public Accountants
@@ audited by Y.K. Yu & Co
# not required to be audited in the country of incorporation
^ registered as a wholly-owned foreign enterprise under the PRC laws
^^ registered as a sino-foreign joint venture under the PRC laws
^^^ registered as a local enterprise under the PRC laws
^^^^ registered as a partially-owned foreign enterprise under the PRC laws
Δ unofficial English translation
(a) in the process of striking off from the register
(b) struck off from the register during the financial year
(c) Oscar Maritime International Ltd., 30% shareholder of EASTERN BULK PTE. LTD. was struck off from the register (the "**Struck Off**") on 1 January 2014. Before the Struck Off, Novo Shipping Ltd. was 70% shareholder of EASTERN BULK PTE. LTD.
(d) during the financial year, investment in Taizhou Hua Yong Trading Limited was transferred to Taizhou Hua Yong Storage Limited, which is held in trust for Hua Qiang (Shanghai) Trading Limited
(e) during the financial year, investment in Xing Hua City Daduo Sewage Treatment Co., Ltd was transferred from Taizhou Hua Yong Trading Limited to Taizhou Hua Yong Storage Limited, which is held as to 57% in trust for Wah Shun Storage Limited and 3% in trust for a third party.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

18 Investments in subsidiaries (Continued)

(b) Significant restrictions

Cash and cash equivalents of US$32,713,599 (2014: US$23,482,784) are held in the People's Republic of China and are subject to local exchange control regulations. These regulations place restrictions on the amount of currency being exported from the country, other than through dividends.

(c) Summarised financial information of subsidiaries with material non-controlling interest ("NCI")

The Group has the following subsidiaries that have NCI that are considered by management to be material to the Group:

Name of company	Principal place of business/ Place of incorporation	Ownership interests held by NCI	
		2015	2014
		%	%
Novowell ETP Limited ("**NWETP**")	The PRC	**5**	5
TIANJIN SHIFA NOVO TECHNOLOGY DEVELOPMENT LIMITED ("**TSNTD**")	The PRC	**50**	50
XING HUA CITY DADUO SEWAGE TREATMENT CO., LTD. ("**XHDD**")	The PRC	**43**	43

The following are the summarised financial information of each of the Group's subsidiaries with NCI that are considered by management to be material to the Group. These financial information include consolidation adjustments but before inter-company eliminations.

Summarised Statement of Financial Position

	NWETP		TSNTD		XHDD	
	2015	2014	**2015**	2014	**2015**	2014
	US$	US$	**US$**	US$	**US$**	US$
Non-current assets	**61,195,046**	61,527,117	**5,295,244**	5,669,373	**2,286,674**	992,251
Current assets	**44,693,591**	80,254,730	**36,951,387**	39,338,377	**1,887,256**	1,858,162
Non-current liabilities	**(4,203,000)**	(5,000,000)	**(237,614)**	(269,167)	**(579,364)**	(575,195)
Current liabilities	**(96,186,419)**	(122,017,792)	**(40,229,842)**	(38,576,756)	**(984,488)**	(270,371)
Net assets	**5,499,218**	14,764,055	**1,779,175**	6,161,827	**2,610,078**	2,004,847
Net assets attributable to NCI	**274,961**	738,203	**889,588**	3,080,914	**1,122,333**	862,084

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

18 Investments in subsidiaries (Continued)

(c) Summarised financial information of subsidiaries with material non-controlling interest ("NCI") (Continued)

Summarised Income Statement and Statement of Comprehensive Income

	NWETP		TSNTD		XHDD	
	2015	2014	**2015**	2014	**2015**	2014
	US$	US$	**US$**	US$	**US$**	US$
Revenue	**70,771,015**	73,754,943	**22,705,531**	42,125,351	**–**	–
(Loss)/profit before tax	**(12,462,751)**	(2,906,361)	**(4,408,561)**	(2,035,909)	**586,498**	721,910
Income tax credit/(expenses)	**118**	(49,766)	**–**	–	**–**	1,852
(Loss)/profit for the financial year	**(12,462,633)**	(2,956,127)	**(4,408,561)**	(2,035,909)	**586,498**	723,762
Other comprehensive income	**117,796**	189,429	**25,909**	43,577	**18,733**	16,151
Total comprehensive (loss)/ income	**(12,344,837)**	(2,766,698)	**(4,382,652)**	(1,992,332)	**605,231**	739,913
(Loss)/profit allocated to NCI	**(617,242)**	(138,335)	**(2,191,326)**	(996,166)	**260,249**	318,163
Dividends paid to NCI	**–**	–	**–**	–	**–**	–

Summarised Statement of Cash Flows

	NWETP		TSNTD		XHDD	
	2015	2014	**2015**	2014	**2015**	2014
	US$	US$	**US$**	US$	**US$**	US$
Cash flows generated from/(used in) operating activities	**13,222,582**	(5,218,653)	**(5,598,380)**	(13,152,410)	**1,296,451**	609,477
Cash flows used in investing activities	**(6,315,273)**	(6,649,380)	**(1,235,437)**	(2,264,984)	**(1,303,456)**	(1,515,274)
Cash flows (used in)/generated from financing activities	**(10,259,958)**	12,634,614	**3,213,703**	18,900,100	**–**	–
Net (decrease)/increase in cash and cash equivalents	**(3,352,649)**	766,581	**(3,620,114)**	3,482,706	**(7,005)**	(905,797)

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

19 Inventories

	Group	
	2015	2014
	US$	US$
Raw materials	**47,652**	2,291,431
Work-in-progress	**360,558**	2,714,179
Finished goods	**3,511,715**	11,565,209
	3,919,925	16,570,819

The inventories with carrying amounts of US$1,050,791 (2014: US$8,580,383) have been pledged as securities for banking facilities granted to the Group (Note 23).

Raw materials, consumables and changes in finished goods and work-in-progress included as cost of sales amounted to US$237,109,498 (2014: US$259,366,997).

20 Derivative financial instruments

Foreign currency time option contracts

	Group			
	2015		2014	
	Assets	**Liabilities**	Assets	Liabilities
	US$'000	**US$'000**	US$'000	US$'000
Foreign currency time option contracts	**10,878**	**–**	–	37,028

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

20 Derivative financial instruments (Continued)

Foreign currency time option contracts (Continued)

At the end of the reporting period, the Group has the following foreign currency time option contracts denominated in EURO ("**EUR**"). The Group is obligated to convert any amount up to the notional amount at the contracted exchange rate before the maturity date. The major terms of these contracts were as follows:

Notional amount	Maturity date	Conversion to USD with contracted exchange rate
2015		
EUR446,000	7 August 2015	1.2300
2014		
EUR170,000	4 August 2014	1.3435
EUR138,000	27 August 2014	1.3820
EUR235,950	5 September 2014	1.3600
EUR373,800	3 October 2014	1.3780
EUR603,050	17 October 2014	1.3693
EUR76,500	24 October 2014	1.3670
EUR1,312,000	3 November 2014	1.3770
EUR37,500	24 November 2014	1.3575
EUR168,500	1 December 2014	1.3551
EUR138,000	3 December 2014	1.3690

The fair values of foreign currency time option contracts at the end of the reporting period are referenced to the bank statements provided by the counterparty banks. All fair value changes were recognised in profit or loss.

Commodity futures contracts

There is no open commodity futures contracts as at 30 April 2015. The open commodity futures contracts at 30 April 2014 were as follows:

	Long exposure		Short exposure	
	Notional amount US$	Number of contracts	Notional amount US$	Number of contracts
Commodity futures contracts	948,910	180	790,027	150

The fair values change for these commodity futures contracts were not significant at the end of the reporting period.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

21 Trade and other receivables

	Group		Company	
	2015	2014	**2015**	2014
	US$	US$	**US$**	US$
Advance payment to suppliers	**10,329,791**	11,421,686	**–**	–
Trade and bills receivables	**14,789,745**	14,569,053	**–**	–
	25,119,536	25,990,739	**–**	–
Deposits	**567,783**	740,792	**–**	–
Advance payment for property, plant and equipment	**2,542,833**	1,310,913	**–**	–
Prepayments	**1,484,178**	1,618,419	**21,736**	22,263
Other receivables	**11,893,954**	10,261,765	**1,330**	–
Amounts due from				
– subsidiaries (Note 18)	**–**	–	**–**	41,248,550
– a non-controlling shareholder	**–**	81,195	**–**	–
– a related party	**3,271,340**	–	**–**	–
	19,760,088	14,013,084	**23,066**	41,270,813
Total gross receivables at 30 April	**44,879,624**	40,003,823	**23,066**	41,270,813
Less allowance for impairment of other receivables (Note 9) during the year and balance at 30 April	**(2,505,985)**	–	**–**	–
	42,373,639	40,003,823	**23,066**	41,270,813

Included in trade and bills receivables is amount of US$6,945,009 (2014: US$3,396,727) due from a related party.

The receivables from subsidiaries and a non-controlling shareholder and a related party are unsecured, interest-free and repayable on demand.

The related party above refers a company controlled by an entity having a significant influence on a subsidiary.

Trade and bills receivables of US$2,344,551 (2014: US$2,924,791) are pledged to banks for banking facilities granted (Note 23).

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

21 Trade and other receivables (Continued)

The ageing analysis of trade and bills receivables is as follows:

	Group	
	2015	2014
	US$	US$
Current	8,529,141	10,344,094
Less than 1 month past due	5,361	2,761,643
1 to 3 months past due	1,946,160	1,155,697
3 to 12 months past due	3,514,471	307,619
More than 12 months past due	794,612	–
Amount past due but not impaired	6,260,604	4,224,959
	14,789,745	14,569,053

The Group conducts settlement by letter of credit and in advance for most international trading and the PRC domestic trading and distribution. Other than that the Group has a policy of allowing customers for domestic trading and distribution in HK with credit terms of normally 30 days after the date of delivery.

The Directors are of the opinion that no allowance for impairment of trade and bills receivables for the above debts which are past due but not impaired is necessary as there was no recent history of significant default in respect of these trade and bills receivables. Trade and bills receivables that were neither past due nor impaired related to a wide range of customers that have a good track record of credit with the Group. In general, the Group does not hold any collateral or other credit enhancements over these balances.

Trade and other receivables denominated in currencies other than the functional currencies of the respective entities are as follows:

	Group		Company	
	2015	2014	2015	2014
	US$	US$	US$	US$
Chinese Renminbi ("**RMB**")	10,550	66,934	–	–
EUR	81,168	377,638	–	–
Hong Kong Dollars ("**HKD**")	19,005	19,190	–	16,826
Indonesian Rupiah ("**IDR**")	269	14,077	–	–
Singapore Dollars ("**SGD**")	160,160	8,788	1,329	5,438
UAE Dirham ("**AED**")	2,178	2,178	–	–
	273,330	488,805	1,329	22,264

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

22 Cash and cash equivalents

	Group		Company	
	2015	2014	2015	2014
	US$	US$	US$	US$
Cash on hand and at bank (unpledged portion)	991,768	12,480,595	41,109	114,939
Cash at margin accounts (non-restricted)	82,442	299,652	–	–
Fixed deposits (pledged portion)	32,383,526	34,041,240	–	–
Cash and cash equivalents on the statements of financial position	33,457,736	46,821,487	41,109	114,939
Less: Pledged fixed deposits	(32,383,526)	(34,041,240)		
Cash and cash equivalents as per consolidated statement of cash flows	1,074,210	12,780,247		

The cash at bank at the end of the reporting period generally earns interest at rate of 0.001% to 3.25% per annum (2014: 0.001% to 3.25% per annum).

Cash at margin accounts are deposited with brokerage companies for future derivative contracts and are non-restricted in use at the end of the reporting period.

At the end of the reporting period, fixed deposits mature within 88 to 205 days (2014: 1 to 154 days) from the end of the reporting period, and have effective interest rates of 2.8% to 3.3% per annum (2014: 0.01% to 3.08% per annum).

The Group has pledged its fixed deposits to banks for banking facilities granted (Note 23).

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

22 Cash and cash equivalents (Continued)

Cash and cash equivalents denominated in currencies other than the functional currencies of the respective entities are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	US$	US$	**US$**	US$
Australian Dollars	**251**	290	**–**	–
Sterling Pound	**77**	84	**–**	–
RMB	**2,164**	3,386	**–**	–
EUR	**593**	1,890	**–**	–
HKD	**64,283**	110,078	**4,110**	2,890
IDR	**8,955**	4,675	**–**	–
SGD	**92,634**	1,687,954	**27,146**	109,688
Philippine Peso ("**PHP**")	**385**	59	**–**	–
AED	**–**	361	**–**	–
USD	**11,798,564**	6,714,128	**–**	–
	11,967,906	8,522,905	**31,256**	112,578

23 Borrowings

	Group	
	2015	2014
	US$	US$
Non-current liabilities		
Loans from a director	**364,776**	–
Loans from a related party	**150,000**	–
Loans from ultimate holding company	**4,905,125**	–
Other borrowings	**13,024,962**	–
	18,444,863	–
Current liabilities		
Bank loan	**22,750,000**	24,000,000
Working capital loans	**35,512,762**	43,856,206
Mortgage loan	**558,203**	624,079
	58,820,965	68,480,285
	77,265,828	68,480,285

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

23 Borrowings (Continued)

Borrowings denominated in currencies other than the functional currencies of the respective entities are as follows:

	Group	
	2015	2014
	US$	US$
USD	**22,750,000**	24,000,000
HKD	**5,269,901**	–
	28,019,901	24,000,000

Other borrowings comprise import and export credit facility from a strategic partner to facilitate the working capital requirement of the Group. The loans from a director, a related party, ultimate holding company and other borrowings are unsecured and not repayable within one year.

The Group's working capital loans, mortgage loan and bills payable (Note 25) are secured by way of:

– Legal pledge on the Group's leasehold land and buildings (Note 14);
– Legal pledge on the Group's fixed deposits (Note 22);
– Pledge of assets (cargo and related proceeds) underlying the financed transactions (Notes 19 and 21);
– Corporate cross guarantees between joint borrowers when appropriate; and
– Corporate guarantees of the Company.

The Group's bank loan granted to one of the subsidiaries are secured by way of:

– Legal pledge of equity interest agreement, escrow account agreement, insurance agreement and receivables agreements;
– Legal pledge of land use rights, construction work-in-progress, building and plant and machinery (Notes 14 and 15);
– Share charge on a subsidiary;
– Floating mortgage; and
– Corporate guarantees of the Company.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

23 Borrowings (Continued)

Pledge of assets

At the end of the reporting period, the Group has pledged the following assets to banks as securities against banking facilities granted to the Group:

	Group	
	2015	2014
	US$	US$
Leasehold land and buildings (Note 14)	**11,410,942**	13,279,716
Construction work-in-progress (Note 14)	**1,839,285**	439,549
Plant and machinery (Note 14)	**52,987,816**	51,244,662
Land use rights (Note 15)	**3,393,502**	2,708,901
Inventories (Note 19)	**1,050,791**	8,580,383
Trade and bills receivables (Note 21)	**2,344,551**	2,924,791
Fixed deposits (Note 22)	**32,383,526**	34,041,240
Others[#]	**28,543,063**	50,616,319
	133,953,476	163,835,561

[#] Others consist of a floating charge over the remaining assets of a subsidiary.

The weighted average interest rates at the end of the reporting period are as follows:

	Group	
	2015	2014
	%	%
Bank loan	**5.05**	5.05
Working capital loans	**6.53**	5.40
Mortgage loan	**6.38**	6.55
Loans from a director	**8.40**	–
Loans from a related party	**8.40**	–
Loans from ultimate holding company	**8.40**	–
Other borrowings	**7.32**	–

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

23 Borrowings (Continued)

The borrowings classified under current liabilities as at 30 April 2015 are repayable within 1 financial year from the end of the reporting period except as follows:

– Bank loan was repayable in 24 months from December 2014. At the end of the reporting period, the Group has breached certain financial covenants as described in the subsequent paragraphs. Accordingly, the bank loan is classified under current liabilities.

– Mortgage loan was repayable in 120 monthly instalments of US$8,942 (2014: US$8,967) each. The first instalment commenced in August 2011. Notwithstanding to this, the mortgage loan is callable loan therefore, the mortgage loan is classified under current liabilities.

Based on the discounted cash flows method using a discount rate based on market lending rates for similar borrowings which the management expect would be available to the Group at the end of the reporting period, the fair value of the fixed rate non-current borrowings at the end of the reporting period approximate their carrying values as there are no significant changes in the interest rates available to the Group. This fair value measurement for disclosures purposes is categorised in Level 3 of the fair value hierarchy.

Breached of loan covenants

(i) Bank loan

The Group's bank loan is subject to covenant clauses, whereby the Group is required to meet certain key financial ratios. The Group breached the financial covenants to maintain the required minimum consolidated net worth and minimum consolidated current assets to current liabilities ratio.

At the end of the reporting period, total bank loan outstanding amounting to US$22,750,000 (2014: US$24,000,000).

Due to these breaches of the covenants clauses, the bank is contractually entitled to request for immediate repayment of the outstanding loans. The outstanding loans are presented as current liabilities as at 30 April 2015.

Subsequent to the end of the reporting period, the Group obtained the bank's waiver letter in relation to the breach of financial covenants for the financial year ended 30 April 2015. The bank has also agreed not to demand immediate payment as a consequence of these breaches of covenant clauses.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

23 Borrowings (Continued)

Breached of loan covenants (Continued)

(ii) Working capital loans

The Group's certain working capital loans are also subject to covenant clauses, whereby the Group is required to meet certain key financial ratios. A subsidiary breached the financial covenants to maintain the required minimum sales target requirement and maximum Debt-Asset ratio of the said subsidiary.

In addition, the Group also defaulted on the repayment of working capital loans amounting to US$7,854,000 on the respective due dates. The balances of these defaulted working capital loans remaining outstanding as at 30 April 2015 amounted to US$6,542,683 and are presented as current liabilities as at 30 April 2015. Subsequent to the end of the reporting period, working capital loans of US$3,271,342 has been repaid and the remaining balance of US$3,271,341 are still outstanding as at the date of this report.

24 Deferred income

	Group	
	2015 US$	2014 US$
Grants-related to assets		
Balance at beginning of the financial year	**1,792,425**	200,939
Grants received during the financial year	**–**	1,595,476
Grant refunded during the financial year	**(33,169)**	–
Exchange realignment	**12,616**	(3,990)
Balance at end of the financial year	**1,771,872**	1,792,425
Less: Accumulated amortisation		
Balance at beginning of the financial year	**187,435**	13,149
Amortisation for the financial year (Note 6)	**308,133**	174,707
Exchange realignment	**2,906**	(421)
Balance at end of the financial year	**498,474**	187,435
Net carrying value at end of the financial year	**1,273,398**	1,604,990
Represented by:		
Current liability	**309,738**	294,386
Non-current liability	**963,660**	1,310,604
	1,273,398	1,604,990

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

24 Deferred income (Continued)

Deferred grants represent:

– infrastructure development grant received from Tianjin Economic Technological Development Area ("**TEDA**") Construction Development Bureau to subsidies the set-up costs of a steel processing centre in Tianjin, the PRC;

– government grant received from Xinghua City Municipal Finance Bureau and Xinghua City Environmental Protection Bureau for financing a water pollution prevention project in Jiangsu, the PRC;

– cash incentive received from Xinghua City Municipal Finance Bureau for financing the purchase of a piece of land in Jiangsu, the PRC; and

– government grant received from Tianjin Economic and Information Technology Commission and Tianjin Finance Bureau to encourage the technology innovation project in Tianjin, the PRC.

These grants are amortised over the useful lives of the property, plant and equipment and land use rights which it is subsidising (Notes 14 and 15).

25 Trade and other payables

	Group		Company	
	2015	2014	**2015**	2014
	US$	US$	**US$**	US$
Trade and bills payables	**4,034,970**	12,357,909	**–**	–
Bills payables to banks	**44,763,277**	45,436,793	**–**	–
Sales deposits received	**2,531,122**	1,463,820	**–**	–
Accrued operating expenses	**4,405,488**	4,069,019	**120,044**	142,540
Other payables	**5,758,941**	2,363,694	**95**	3,824
Other payables for property, plant and equipment	**1,642,892**	5,724,174	**–**	–
Amounts due to subsidiaries	**–**	–	**12,248,363**	8,764,846
Amounts due to a non-controlling shareholder	**314,102**	314,102	**–**	–
	63,450,792	71,729,511	**12,368,502**	8,911,210

The securities for bills payables to banks are disclosed in Note 23.

The amounts payable to subsidiaries and a non-controlling shareholder are unsecured, interest-free and repayable on demand.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

25 Trade and other payables (Continued)

The ageing analysis of the trade and bills payables and bills payables to banks at the end of the reporting period based on the invoice date is as follows:

	Group	
	2015	2014
	US$	US$
0 to 3 months	**8,634,767**	44,803,502
3 to 6 months	**2,707,252**	12,991,200
6 to 12 months	**29,564,617**	–
More than 12 months	**7,891,611**	–
	48,798,247	57,794,702

Trade and other payables denominated in currencies other than the functional currencies of the respective entities are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	US$	US$	**US$**	US$
RMB	**46,197**	401,241	**32,562**	24,359
HKD	**253,025**	274,754	**–**	29,388
IDR	**10,366**	11,882	**–**	–
SGD	**112,446**	131,842	**72,310**	92,618
AED	**8,169**	4,520	**–**	–
USD	**150**	–	**–**	–
	430,353	824,239	**104,872**	146,365

26 Share capital

	Group		Company	
	No. of ordinary shares	**US$**	**No. of ordinary shares**	**US$**
Balance at beginning and end of the financial year	**170,804,269**	**32,238,531**	**170,804,269**	**108,739,451**

All issued shares are fully paid ordinary shares with no par value.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

27 Statutory reserve

The PRC subsidiaries are required to transfer no less than 10% of its net profit to the general reserve fund each year until the reserve reaches 50% of its registered capital. The transfer to this fund must be made before the payment of dividends to shareholders. In the event that the PRC subsidiaries incur accumulated losses, the transfer of this fund can only be made after the PRC subsidiaries' accumulated losses are fully set off against current year net profit.

The general reserve fund can only be used to set off against accumulated losses or to increase the registered capital of the PRC subsidiaries, subject to approval from the relevant PRC authorities.

28 Other reserves-non-distributable

	Group		Company	
	2015	2014	**2015**	2014
	US$	US$	**US$**	US$
Net gain on disposal of treasury shares	**2,600,961**	2,600,961	**2,600,961**	2,600,961
Capital reserve *	**230,945**	79,317	**–**	–
	2,831,906	2,680,278	**2,600,961**	2,600,961

* A subsidiary in the PRC received government grant from Xinghua City Municipal Finance Bureau and Xinghua City Environmental Protection Bureau for financing a water pollution prevention project in Jiangsu, the PRC. The government grant received is part of the PRC government's efforts to support the development of economic and social fields and shall be accounted under the "Provisional Measures for Fiscal and Financial Administration of Subsidy Fund for Fixed Assets Investment in the Central Budget (No. 355 [2005] of the Ministry of Finance, the PRC)". The grant received is non-distributable. The amount transferred to capital reserve is based on the deferred grant attributable to owners of the Company that was amortised to profit or loss during the financial year.

29 Dividend paid

	Group	
	2015	2014
	US$	US$
Final tax exempt (one-tier) dividend of Nil (2014: 1.0) Singapore cents per share paid in respect of the previous financial year	**–**	1,352,590

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

30 Commitments

(a) Capital commitments

Capital commitments not provided for in the financial statements:

	Group	
	2015	2014
	US$	US$
Expenditure for property, plant and equipment contracted for	**13,348,971**	15,437,678

(b) Operating lease commitments

The future aggregate minimum lease payments for office premises under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2015	2014
	US$	US$
Not later than one financial year	**57,814**	185,856
Later than one financial year but not later than five financial years	**332**	21,309
	58,146	207,165

31 Contingent liabilities

Contingent liabilities not provided for in the financial statements at the end of the reporting period are as follows:

(a) Bills discounted with recourse

	Group	
	2015	2014
	US$	US$
Discounted bills with recourse supported by letter of credit	**3,944,907**	4,880,928

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

31 Contingent liabilities (Continued)

(b) Guarantees

	Company	
	2015	2014
	US$	US$
Corporate guarantees issued by the Company to banks in respect of banking facilities of subsidiaries	**326,201,202**	356,221,400
Amounts utilised by subsidiaries	**66,737,639**	84,062,799

The Company has issued corporate guarantees to banks for banking facilities granted to its subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the term of the facilities drawn.

As disclosed in Note 23, a subsidiary has defaulted the repayment of certain working capital loans with a bank. Total corporate guarantee issued by the Company in respect of this facility amounted to US$8,178,350 and the amount outstanding as at 30 April 2015 and at the date of this report amounted to US$6,542,683 and US$3,271,341 respectively. The Group is currently negotiating a revised repayment plan with the bank and the management is confident that a favourable repayment plan will be granted to the subsidiary.

The financial guarantee contracts have not been recognised in the financial statements of the Company, because the Company does not expect to incur material losses under these corporate guarantees.

(c) In July 2014, a supplier had filed a claim against a subsidiary for non-performance of a contract. According to legal advice given by the subsidiary's legal consultant, the subsidiary has good grounds to dispute liability for the claim, therefore, the management is of the opinion that there will be no material adverse effect on the financial performance or financial position of the subsidiary as a result of this claim.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

32 Fair value of assets and liabilities

(a) Fair value hierarchy

The table below analyses the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

(a) Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and

(c) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Fair value measurements of liabilities that are measured at fair value

The following table presents the level of fair value hierarchy for assets and liabilities measured at fair value at the end of the reporting period:

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Recurring fair value measurements				
2015				
Group				
Financial assets				
Derivative financial instruments				
– Foreign currency time option contracts	**–**	**10,878**	**–**	**10,878**
2014				
Group				
Financial liabilities				
Derivative financial instruments				
– Foreign currency time option contracts	–	37,028	–	37,028

The fair values of foreign currency time option contracts at the end of the reporting period are referenced to the bank statements provided by the counterparty banks.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

32 Fair value of assets and liabilities (Continued)

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of these financial assets and financial liabilities are reasonable approximation of their respective fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

33 Financial instruments

(a) Categories of financial instruments

Financial instruments at their carrying amounts at the end of the reporting period are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	US$	US$	**US$**	US$
Financial assets				
Loans and receivables				
Trade and other receivables	**28,016,837**	25,652,805	**1,330**	41,248,550
Cash and cash equivalents	**33,457,736**	46,821,487	**41,109**	114,939
Total loans and receivables	**61,474,573**	72,474,292	**42,439**	41,363,489
Financial assets at fair value through profit or loss				
Derivative financial instruments	**10,878**	–	**–**	–
Financial liabilities				
Financial liabilities at amortised cost				
Trade and other payables	**60,919,670**	70,265,691	**12,368,502**	8,911,210
Borrowings	**77,265,828**	68,480,285	**–**	–
Total financial liabilities at amortised cost	**138,185,498**	138,745,976	**12,368,502**	8,911,210
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	**–**	37,028	**–**	–

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

33 Financial instruments (Continued)

(b) Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Directors review and agree policies and procedures for the management of these risks, which are executed by the Group Treasury. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing with counterparties with appropriate credit history.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of loans and receivables recognised in the statements of financial position and the amount of US$66,737,639 (2014: US$84,062,799) relating to corporate guarantees given by the Company to banks for the subsidiaries' bank borrowings, respectively (Note 31(b)).

Based on expectations at the end of the reporting period and subject to the successful negotiation of repayment plan with a bank, the Company considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty which are guaranteed suffer credit losses.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

33 Financial instruments (Continued)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Exposure to credit risk (Continued)

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with reputable financial institutions which are regulated and with good credit ratings.

At the end of the reporting period, approximately 85.8% (2014: 88.3%) of the Group's trade and bills receivables were due from 5 major trade receivables.

Analysis of trade and other receivables at the end of reporting period:

Not past due and not impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Non-trade balances due from subsidiaries, a non-controlling shareholder and a related party are generally repayable on demand and no impairment loss is anticipated. Cash and cash equivalents that are neither past due nor impaired are placed with reputable financial institutions or companies which are regulated and with good credit ratings.

Past due but not impaired

The aged analysis of trade and bills receivables that are past due but not impaired are disclosed in Note 21.

Past due and impaired

There are no financial assets that are past due and impaired at the end of the reporting period except for other receivables amounting to US$2,505,985 (2014: US$Nil) which are past due more than one year and impaired as disclosed in Note 21.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group adopts prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by keeping committed credit lines available.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

33 Financial instruments (Continued)

(b) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

The Group seeks to maintain sufficient liquid financial assets and stand-by credit facilities to manage its liquidity risks.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted payments.

	2015				2014			
	Less than 1 year US$	1 to 5 years US$	More than 5 years US$	Total US$	Less than 1 year US$	1 to 5 years US$	More than 5 years US$	Total US$
Group								
Trade and other payables	60,919,670	–	–	60,919,670	70,265,691	–	–	70,265,691
Borrowings	43,452,781	36,426,085	–	79,878,866	47,508,777	24,598,195	244,593	72,351,565
	104,372,451	36,426,085	–	140,798,536	117,774,468	24,598,195	244,593	142,617,256
Company								
Trade and other payables	12,368,502	–	–	12,368,502	8,911,210	–	–	8,911,210
Financial guarantee contracts (Note 31(b))	66,737,639	–	–	66,737,639	84,062,799	–	–	84,062,799
	79,106,141	–	–	79,106,141	92,974,009	–	–	92,974,009

At the end of the reporting period, subject to the successful negotiation of repayment plan with a bank, the Company does not consider it is probable that a claim will be made against the Company under the intra-group financial guarantee.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

33 Financial instruments (Continued)

(b) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

The table below analyses the Group's derivative financial instruments for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groups based on the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows:

	Group Less than 1 year	
	2015	2014
	US$	US$
Unutilised foreign currency time option contracts		
– Receipts	**105,355**	4,124,349
– Payments	**(94,477)**	(4,161,377)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group obtains financing through bank loans, trade financing facilities and loans from a director, a related party ultimate holding company and a strategic partner. The Group's policy is to obtain the most favourable interest rates available without increasing its interest risk exposure.

At the end of the reporting period, the profile of the Group's interest-bearing financial instruments are as follows:

	Group	
	2015	2014
	US$	US$
Fixed rate instruments		
Financial assets	**32,383,658**	34,013,904
Financial liabilities	**48,294,674**	34,083,576
Variable rate instruments		
Financial assets	**800,946**	12,030,516
Financial liabilities	**28,971,154**	34,396,709

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

33 Financial instruments (Continued)

(b) Financial risk management (Continued)

(iii) Interest rate risk (Continued)

Sensitivity analysis on interest rate risk for financial assets and financial liabilities at variable rate is not presented as a reasonably possible increase/decrease of 50 basis points in interest rates will have no significant impact on the net loss.

The financial assets and financial liabilities of the Company are non-interest bearing.

(iv) Foreign currency risk

Foreign currency risk arises from transactions denominated in currencies other than the respective functional currencies of the entities in the Group. Exposure to foreign currency risk is monitored on an on-going basis and management seeks to keep the net exposure to an acceptable level.

To minimise foreign currency risk, the Group conducts the majority of both its purchase and sale transactions in the same currency.

During the financial year, the Group entered into foreign currency contracts with a number of banks to reduce its exposure to currency fluctuations risk. These derivatives are not accounted for under hedge accounting as the Group currently does not have a formal currency hedging policy. However, the management monitors foreign exchange exposure from time to time and will further consider hedging significant foreign currency exposure should the need arise. One (2014: Ten) foreign currency time option contracts were outstanding as at 30 April 2015.

The Group has foreign currency exposure arising mainly from cash and cash equivalents, trade and other receivables, trade and other payables and borrowings. At the end of the reporting period, US$11,967,906 (2014: US$8,522,905) of the Group's cash and cash equivalents, US$273,330 (2014: US$488,805) of the Group's trade and other receivables, US$430,353 (2014: US$824,239) of the Group's trade and other payables and US$28,019,901 (2014: US$24,000,000) of the Group's borrowings are denominated in non-functional currencies.

At the end of the reporting period, US$31,256 (2014: US$112,578) of the Company's cash and cash equivalents, US$1,329 (2014: US$22,264) of the Company's trade and other receivables and US$104,872 (2014: US$146,365) of the Company's trade and other payables are denominated in non-functional currencies.

Sensitivity analysis of the Group's and the Company's foreign currency risk exposure are not presented as a reasonably possible change of 5% in the foreign currencies exchange rates against the respective functional currencies of the Group entities, with all other variables held constant will have no significant impact on the Group's and the Company's net loss.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

33 Financial instruments (Continued)

(c) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

The Group discounts bills receivables with recourse to banks and these amounts are presented on net basis on the statements of financial position. The bills receivables are supported by the customers' letters of credits and the Group considered the risk of default by the issuing banks are remote. These amounts are disclosed as contingent liabilities (Note 31(a)).

The Group's receivables and liabilities that are offset are as follows:

Description	Gross carrying amounts US$	Gross amounts offset on the statement of financial position US$	Net amounts on the statement of financial position US$
Group			
2015			
Trade and other receivables	**46,318,546**	**(3,944,907)**	**42,373,639**
Borrowings – current liabilities	**(62,765,872)**	**3,944,907**	**(58,820,965)**
2014			
Trade and other receivables	44,884,751	(4,880,928)	40,003,823
Borrowings – current liabilities	(73,361,213)	4,880,928	(68,480,285)

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

34 Capital management

The objective of the Group in managing its capital is to ensure the Group's ability to continue as a going concern and to maximise shareholders' values.

The Group reviews the capital structure from time to time and may make adjustments in light of the changing economic conditions, by adjusting the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowing or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial years ended 30 April 2015 and 2014.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, borrowings, trade and other payables, less cash and cash equivalents. Capital represents total equity attributable to owners of the Company.

	Group	
	2015	2014
	US$	US$
Borrowings	**77,265,828**	68,480,285
Trade and other payables	**63,450,792**	71,729,511
	140,716,620	140,209,796
Less: Cash and cash equivalents	**(33,457,736)**	(46,821,487)
Net debt	**107,258,884**	93,388,309
Total equity attributable to owners of the Company	**14,097,296**	36,019,340
Capital and net debt	**121,356,180**	129,407,649

	2015	2014
	%	%
Gearing ratio	**88**	72

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 April 2015 and 30 April 2014 except for breached of loan covenants as disclosed in Note 23.

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

35 Segment information

The Group is organised into business units based on its business segments purposes. The reportable segments are trading, tinplate manufacturing and tinplate processing which are described below. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

Trading

Trading and distribution of a comprehensive product portfolio in the areas of:

(i) iron ore;

(ii) coal; and

(iii) steel products which include semi-finished steel products (such as billets and slabs used for producing deformed steel bars), finished steel products (including long products: such as deformed bars, wire rods, tube, section, angle channels; flat products: such as hot rolled coils and cold rolled coils) and others (such as galvanised steel coils and pre-painted galvanised steel coils).

Tinplate manufacturing

Manufacturing and trading of tinning line products, including tinplate, tin-free steel and scraps.

Tinplate processing

Processing, distribution and sales of tinplate products through variety types of processing (such as slitting, cutting and printing).

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

35 Segment information (Continued)

The segment information provided to management for the reportable segments are as follows:

	Trading US$	Tinplate manufacturing US$	Tinplate processing US$	Eliminations US$	Total US$
2015					
Segment revenue to					
– sales to external customers	193,105,499	32,751,054	22,705,531	–	248,562,084
– intersegment sales	56,189,082	38,371,477	–	(94,560,559)	–
	249,294,581	71,122,531	22,705,531	(94,560,559)	248,562,084
Segment results	1,385,471	(5,812,244)	(375,473)	–	(4,802,246)
Other income	906,552	1,275,638	40,291	–	2,222,481
Other costs	(8,039,305)	(4,250,264)	(2,413,663)	–	(14,703,232)
Finance costs	(2,549,906)	(3,121,601)	(1,661,288)	–	(7,332,795)
Loss before tax	(8,297,188)	(11,908,471)	(4,410,133)	–	(24,615,792)
Income tax expenses	(43,493)	(87,457)	–	–	(130,950)
Loss for the financial year	(8,340,681)	(11,995,928)	(4,410,133)	–	(24,746,742)
Assets and liabilities					
Segment assets	185,443,681	113,692,746	42,251,442	(182,789,925)	158,597,944
Segment liabilities	70,458,855	129,200,146	45,192,786	(102,786,006)	142,065,781
Other segment information					
Capital expenditure	1,919	3,200,218	–	–	3,202,137
Depreciation and amortisation	367,014	3,094,542	417,808	–	3,879,364
Non-cash items other than depreciation and amortisation	1,881,120	129,182	1,566,204	–	3,576,506

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

35 Segment information (Continued)

The segment information provided to management for the reportable segments are as follows (Continued):

	Trading US$	Tinplate manufacturing US$	Tinplate processing US$	Eliminations US$	Total US$
2014					
Segment revenue to					
– sales to external customers	196,770,397	44,151,295	32,076,533	–	272,998,225
– intersegment sales	35,527,918	32,728,787	10,048,817	(78,305,522)	–
	232,298,315	76,880,082	42,125,350	(78,305,522)	272,998,225
Segment results	1,258,980	(1,945,945)	(181,917)	–	(868,882)
Other income	872,013	2,415,758	38,919	–	3,326,690
Other costs	(7,580,167)	(3,085,825)	(905,599)	–	(11,571,591)
Finance costs	(1,227,171)	(3,013,351)	(1,051,402)	–	(5,291,924)
Loss before tax	(6,676,345)	(5,629,363)	(2,099,999)	–	(14,405,707)
Income tax credit/(expenses)	3,219	(47,914)	–	–	(44,695)
Loss for the financial year	(6,673,126)	(5,677,277)	(2,099,999)	–	(14,450,402)
Assets and liabilities					
Segment assets	147,411,398	142,281,345	45,010,081	(151,901,175)	182,801,649
Segment liabilities	54,164,515	146,107,441	43,567,693	(101,954,474)	141,885,175
Other segment information					
Capital expenditure	161,755	28,556,272	2,259,747	–	30,977,774
Depreciation and amortisation	412,476	1,022,974	174,937	–	1,610,387
Non-cash items other than depreciation and amortisation	350,760	378,682	340,180	–	1,069,622

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

35 Segment information (Continued)

Geographical information

The Group's operations are located in three main geographical areas. The turnover by geographical segments are based on the location of customers regardless of where the goods are produced. The following table provides an analysis of the Group's revenue and non-current assets by geographical markets, irrespective of the origin of the goods and services.

		Sales to external customers		Non-current assets	
		2015	2014	**2015**	2014
	Note	**US$**	US$	**US$**	US$
North Asia	(i)	**216,236,060**	247,962,846	**78,833,126**	79,370,734
South East Asia	(ii)	**18,105,234**	11,932,225	**2,640**	34,786
Others	(iii)	**14,220,790**	13,103,154	**–**	–
		248,562,084	272,998,225	**78,835,766**	79,405,520

Note:

(i) Included the PRC, Hong Kong, Korea and Macau, where US$216,025,725 (2014: US$247,896,507) of the Group's revenue derived from the PRC.

(ii) Included Indonesia, Thailand, Vietnam, Malaysia, Philippines and Singapore, where US$7,989,172 (2014: US$7,497,691) of the Group's revenue derived from Thailand.

(iii) Included America, Australia, Ethiopia, Italy and Salvador, etc.

Information about major customer

Revenue of approximately US$107,051,604 (2014: US$30,978,000) are derived from 3 (2014: 1) major external customers who individually contributed 10% or more of the Group's revenue, and are attributable to the trading segment (2014: trading segment).

	Group
2015	**US$**
Customer 1	**38,441,371**
Customer 2	**38,349,296**
Customer 3	**30,260,937**
	107,051,604
2014	
Customer 4	30,978,000

Notes to the Financial Statements (cont'd)

For the Financial Year ended 30 April 2015

36 Reconciliation between FRSs and International Financial Reporting Standards ("IFRSs")

For the financial years ended 30 April 2015 and 2014, there were no material differences between statements of financial position and statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group prepared under FRSs and IFRSs.

37 Comparative figures

The following reclassification has been made to the prior year's consolidated statement of cash flows to enhance comparability with current year's presentation:

	As previously reported US$	Amount reclassified US$	As reclassified US$
Group			
For the financial year ended 30 April 2014			
Net cash generated from operating activities	39,711,594	(35,053,273)	4,658,321
Net cash (used in)/generated from financing activities	(23,075,243)	35,053,273	11,978,030

38 Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 April 2015 were authorised for issue in accordance with a resolution of the Board of Directors dated 31 July 2015.

Five-Year Summary

A summary of the results, assets and liabilities and non-controlling interests of the Group for the last five years ended 30 April, as extracted from the published audited financial statements is set out below.

Results

	2011 US$'000	2012 US$'000	2013 US$'000	2014 US$'000	**2015** **US$'000**
Revenue	501,606	327,819	284,203	272,998	**248,562**
Profit/(loss) attributable to owners of the Company	4,521	(1,876)	(5,578)	(13,273)	**(22,104)**
Earnings/(loss) per share (in US cents) (Restated)	2.65	(1.10)	(3.27)	(7.77)	**(12.94)**

Assets and Liabilities

	2011 US$'000	2012 US$'000	2013 US$'000	2014 US$'000	**2015** **US$'000**
Non-current assets	10,328	20,366	49,747	79,405	**78,836**
Current assets	90,786	83,445	98,975	103,396	**79,762**
Total assets	101,114	103,811	148,722	182,801	**158,598**
Total liabilities	(38,809)	(45,427)	(96,964)	(141,885)	**(142,066)**
Non-controlling interests	(1,151)	(1,465)	(1,542)	(4,897)	**(2,435)**
Total equity attributable to owners of the Company	61,154	56,919	50,216	36,019	**14,097**

Statistics of Shareholding

Shareholding Statistics as at 3 July 2015

Issued and fully paid	:	S$154,908,683
Number of shares with voting rights	:	170,804,269
Number of Treasury Shares held	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per share

Shareholdings Held in Hands of Public

Based on information available to the Company as at 3 July 2015, 45.12% of the issued ordinary shares (“**Shares**”) of the Company is held by the public and therefore Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited and Rule 8.08 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited were complied with.

Distribution of Shareholdings as at 3 July 2015

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	1,530	54.76	22,502	0.01
100 – 1,000	313	11.20	100,279	0.06
1,001 – 10,000	559	20.01	2,847,074	1.67
10,001 – 1,000,000	388	13.89	19,986,177	11.70
1,000,001 and above	4	0.14	147,848,237	86.56
TOTAL:	2,794	100.00	170,804,269	100.00

Statistics of Shareholding

Twenty Largest Shareholders as at 3 July 2015

No.	Name	No. of Shares	%
1	NEW PAGE INVESTMENTS LIMITED	78,156,250	45.76
2	HKSCC NOMINEES LIMITED	61,464,800	35.99
3	YU WING KEUNG DICKY	5,759,031	3.37
4	CHOW KIN WA	2,468,156	1.45
5	LAM YEE PAN	802,900	0.47
6	UOB KAY HIAN PRIVATE LIMITED	662,092	0.39
7	LIM CHOON THYE	525,750	0.31
8	HG METAL INVESTMENTS PTE. LTD.	500,000	0.29
9	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	418,377	0.24
10	SURINDER VIR SINGH	417,000	0.24
11	SIM SUAY HWA	375,000	0.22
12	CIMB SECURITIES (SINGAPORE) PTE. LTD.	367,512	0.22
13	CHAN SIEW HONG	350,000	0.20
14	WONG POON THYE	345,000	0.20
15	MAYBANK KIM ENG SECURITIES PTE. LTD.	320,742	0.19
16	HO YU JIN CHRISTOPHER	288,800	0.17
17	RAFFLES NOMINEES (PTE) LIMITED	280,063	0.16
18	SOON LI HENG CIVIL ENGINEERING PTE LTD	260,875	0.15
19	CHUA POH KENG	256,000	0.15
20	DBS NOMINEES (PRIVATE) LIMITED	252,431	0.15
	TOTAL:	154,270,779	90.32

Substantial Shareholders as at 3 July 2015

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Yu Wing Keung, Dicky (1)	5,759,031	3.37	85,496,250	48.58
Chow Kin Wa (2)	2,468,156	1.45	82,983,750	48.58
New Page Investments Limited (3)	78,156,250	45.76	4,827,500	2.83

Notes:

(1) Yu Wing Keung, Dicky is deemed to be interested in (i) 82,983,750 Shares held by New Page Investments Limited as he holds a 70% shareholding interest in New Page Investments Limited; and (ii) 2,512,500 Shares registered in the name of HKSCC Nominees Limited.

(2) Chow Kin Wa is deemed to be interested in 82,983,750 Shares held by New Page Investments Limited as he holds a 30% shareholding interest in New Page Investments Limited.

(3) 4,827,500 Shares are registered in the name of HKSCC Nominees Limited, where New Page Investments Limited has beneficial interest.

Corporate Information

Board of Directors

Executive Directors
Yu Wing Keung, Dicky *(Executive Chairman)*
Chow Kin Wa *(Chief Executive Officer)*
Chow Kin San

Independent non-executive Directors
Tang Chi Loong
Foo Teck Leong
Tse To Chung, Lawrence

Audit Committee

Foo Teck Leong *(Chairman)*
Tang Chi Loong
Tse To Chung, Lawrence

Nominating Committee

Tang Chi Loong *(Chairman)*
Foo Teck Leong
Tse To Chung, Lawrence

Remuneration Committee

Tang Chi Loong *(Chairman)*
Foo Teck Leong
Tse To Chung, Lawrence

Company Secretaries

Lee Hock Heng
Lau Jeanie

Authorised Representatives

Yu Wing Keung, Dicky
Chow Kin San

Stock Codes

Hong Kong Stock Code: 1048
Singapore Stock Code: MR8

Company's Website

www.novogroupltd.com

Registered Office

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Singapore 048979
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Rooms 1109-1111, 11th Floor
China Merchants Tower, Shun Tak Centre
168 Connaught Road Central
Hong Kong
Tel: (852) 2517 7989
Fax: (852) 2915 5122

Principal Share Registrar and Transfer Office in Singapore

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Branch Share Registrar and Transfer Office in Hong Kong

Boardroom Share Registrars (HK) Limited
31/F., 148 Electric Road, North Point, Hong Kong

Independent Auditor

Baker Tilly TFW LLP
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778
Partner-in-Charge: Lim Kok Heng
(Appointed since the year ended 30 April 2014)

Principal Bankers

(Listed in alphabetical order)
ABN AMRO Bank N.V., Hong Kong Branch
BNP Paribas, Hong Kong Branch
Bank of China Ltd., Xinghua Sub-Branch
China CITIC Bank Corporation Limited, Taizhou Branch
China CITIC Bank Corporation Limited, Xinghua Sub-Branch
China CITIC Bank International Limited
DBS Bank (Hong Kong) Limited
Jiangsu Xinghua Rural Commercial Bank Co. Ltd., Daduo Sub-Branch
Shanghai Commercial Bank Limited, Shenzhen Branch
Shanghai Pudong Development Bank Co. Ltd., Taizhou Branch
Shanghai Pudong Development Bank Co. Ltd., Tianjin Branch
Wei Hai City Commercial Bank, Tianjin He Xi Sub-Branch

NOVO GROUP LTD.
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*For identification purpose only

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