YORKSHINE HOLDINGS LIMITED
(Incorporated in Singapore)
(Co. Reg. No. 198902648H)

AUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 APRIL 2017

PART I INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

1. (a)(i) An income statement and statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Income Statement for the year ended 30 April 2017

	The Group					
	3 months period ended			Year ended		
	30 April 2017	(Restated) 30 April 2016	Increase/ (Decrease)	**30 April 2017**	(Restated) 30 April 2016	Increase/ (Decrease)
	US$'000	*US$'000*	*%*	***US$'000***	*US$'000*	*%*
Continuing operations						
Revenue	**1,096**	6,636	-83%	**101,826**	102,221	0%
Cost of sales	**(1,002)**	(6,067)	-83%	**(100,645)**	(100,510)	0%
Gross profit	**94**	569	-83%	**1,181**	1,711	-31%
Other income	**3,141**	6,513	-52%	**7,643**	7,478	2%
Distribution and selling expenses	**(13)**	(210)	-94%	**(796)**	(1,342)	-41%
Administrative expenses	**(2,602)**	(2,525)	3%	**(8,702)**	(10,222)	-15%
Other expenses	**(5,681)**	(1,507)	>100%	**(5,927)**	(2,941)	>100%
Finance costs	**(3,961)**	(2,548)	55%	**(4,479)**	(5,477)	-18%
(Loss)/profit before tax	**(9,022)**	292	N/A	**(11,080)**	(10,793)	3%
Income tax credit	**1**	77	-99%	**4**	52	-92%
Loss for the period/year from continuing operations, net of tax	**(9,021)**	369	N/A	**(11,076)**	(10,741)	3%
Discontinued operations						
Profit/(loss) from discontinued operations, net of tax	**887**	(538)	N/A	**1,568**	(1,512)	N/A
Loss for the period/year	**(8,134)**	(169)	>100%	**(9,508)**	(12,253)	-22%

	The Group			
	3 months period ended		Year ended	
	30 April 2017	(Restated) 30 April 2016	**30 April 2017**	(Restated) 30 April 2016
	US$'000	*US$'000*	***US$'000***	*US$'000*
(Loss)/profit for the financial year attributable to:				
Equity holders of the Company	**(7,717)**	371	**(9,274)**	(10,895)
Non-controlling interests	**(417)**	(540)	**(234)**	(1,358)
Loss for the financial year	**(8,184)**	(169)	**(9,508)**	(12,253)
Loss/(profit) for the period/year attributable to equity holders of the Company relates to:				
Loss from continuing operations	**(8,736)**	640	**(10,634)**	(10,139)
Profit/(loss) from discontinued operations	**1,019**	(269)	**1,360**	(756)
	(7,717)	371	**(9,274)**	(10,895)

Consolidated Statement of Comprehensive Income for the financial year ended 30 April 2017

	The Group					
	3 months period ended			Year ended		
	30 April 2017	(Restated) 30 April 2016	Increase/ (Decrease)	**(Restated) 30 April 2017**	(Restated) 30 April 2016	Increase/ (Decrease)
	US$'000	*US$'000*	*%*	***US$'000***	*US$'000*	*%*
Loss for the period/year	**(8,134)**	(169)	>100%	**(9,508)**	(12,253)	-22%
Other comprehensive income/(loss)						
Items that are or may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation	**3,357**	(3,356)	N/A	**196**	(975)	N/A
Total comprehensive loss for the period/year	**(4,777)**	(3,525)		**(9,312)**	(13,228)	
Total comprehensive loss for the period/year attributable to:						
Equity holders of the Company	**(4,544)**	(2,707)		**(9,024)**	(11,755)	
Non-controlling interests	**(233)**	(818)		**(288)**	(1,473)	
Total comprehensive loss for the period/year	**(4,777)**	(3,525)		**(9,312)**	(13,228)	

1. (a)(ii) Notes to the Income Statement and Statement of Comprehensive Income

	The Group			
	3 months period ended		Year ended	
	30 April 2017	30 April 2016	**30 April 2017**	30 April 2016
	US$'000	*US$'000*	***US$'000***	*US$'000*
Loss before tax from continuing operations for the period/year is stated after charging/(crediting):				
Audit fees paid to:				
– auditor of the Company	**209**	2	**209**	82
– other auditors*	**93**	76	**93**	76
Non-audit fees paid to:				
– auditor of the Company	**3**	18	**3**	18
– other auditors*	**13**	14	**13**	14
Amortisation of deferred income	**(241)**	(66)	**(426)**	(266)
Amortisation of land use rights	**21**	23	**95**	103
Bad debts written off	**2,019**	109	**2,021**	109
Depreciation of property, plant and equipment	**529**	(598)	**2,127**	2,559
Fair value loss on derivative financial instruments	**–**	–	**–**	11
Interest expense	**4,030**	2,364	**4,465**	5,085
Interest income	**–**	282	**(3)**	(48)
Loss on disposal of land use rights	**59**	–	**59**	–
Gain on disposal of property held-for-sale	**–**	–	**(4,159)**	–
Loss on disposal of property, plant and equipment	**35**	5	**35**	5
Material costs recognised as an expense in cost of sales	**25,144**	24,950	**100,579**	99,800
Net loss on foreign exchange	**3,701**	1,065	**3,811**	2,499
Net realised gain on derivative financial instruments	**–**	–	**–**	(11)
Rental expenses	**181**	357	**725**	357
Staff costs	**660**	895	**2,643**	4,196
Written down/(Reversal of written down) of inventories	**95**	(480)	**95**	–

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

1. (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Statements of Financial Position as at 30 April 2017

	The Group		The Company	
		(Restated)		
	As at 30 April 2017	As at 30 April 2016	**As at 30 April 2017**	As at 30 April 2016
	US$'000	*US$'000* *(Note A)*	***US$'000***	*US$'000*
Non-current assets				
Property, plant and equipment	**54,163**	58,947	–	–
Land use rights	**2,585**	4,196	–	–
Goodwill arising on business combinations	**4**	4	–	–
Investments in subsidiaries	–	–	**110,978**	110,960
Total non-current assets	**56,752**	63,147	**110,978**	110,960
Current assets				
Inventories	–	874	–	–
Trade and other receivables	**5,535**	23,359	**1,029**	13
Tax recoverable	–	77	–	–
Cash and cash equivalents	**6,888**	9,778	**5,116**	21
	12,423	34,088	**6,145**	34
Land use rights	**507**	–	–	–
Property held-for-sale	–	4,889	–	–
Disposal group assets classified as held-for-sale	–	44,371	–	–
Total current assets	**12,930**	83,348	**6,145**	34
Total assets	**69,682**	146,495	**117,123**	110,994
Non-current liabilities				
Borrowings	**33,301**	36,073	–	–
Deferred income	–	426	–	–
Total non-current liabilities	**33,301**	36,499	–	–

	The Group		The Company	
		(Restated)		
	As at 30 April 2017	As at 30 April 2016	**As at 30 April 2017**	As at 30 April 2016
	US$'000	*US$'000* *(Note A)*	***US$'000***	*US$'000*
Current liabilities				
Trade and other payables	**15,946**	14,634	**2,792**	1,072
Borrowings	**19,392**	47,659	**–**	–
Deferred income	**284**	328	**–**	–
	35,622	62,621	**2,792**	1,072
Liabilities directly associated with disposal group classified as held-for-sale	**–**	44,225	**–**	–
Total current liabilities	**35,622**	106,846	**2,792**	1,072
Total liabilities	**68,923**	143,345	**2,792**	1,072
Net assets	**759**	3,150	**114,331**	109,922
Equity				
Share capital	**38,390**	32,239	**114,891**	108,740
Accumulated losses	**(42,905)**	(33,492)	**(3,161)**	(1,419)
Foreign currency translation reserve	**483**	237	**–**	–
Statutory reserve	**33**	33	**–**	–
Other reserves	**3,096**	2,957	**2,601**	2,601
Reserve of disposal group classified as held-for-sale	**–**	342	**–**	–
Total equity attributable to equity holders of the Company	**(903)**	2,316	**114,331**	109,922
Non-controlling interests	**1,662**	834	**–**	–
Total equity	**759**	3,150	**114,331**	109,922

Note A:

Please refer to paragraph 4 of this announcement for the details of the restatement.

1. (b)(ii) Aggregate amount of group's borrowings and debt securities

	The Group			
	As at 30 April 2017		As at 30 April 2016 (Restated)	
	Secured	**Unsecured**	Secured	Unsecured
	US$'000	***US$'000***	*US$'000*	*US$'000*
Amount repayable in one year or less	**16,522**	**2,870**	36,458	11,201
Amount repayable after one year	**–**	**33,301**	–	36,073

Details of any collaterals

As at 30 April 2017, the Group's bank loan granted to one of the PRC 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;
- Share charge on a subsidiary; and
- Floating mortgage.

1. (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Cash Flows

	The Group			
	3 months period ended		Year ended	
	30 April 2017	(Restated) 30 April 2016	**30 April 2017**	(Restated) 30 April 2016
	US$'000	*US$'000*	***US$'000***	*US$'000*
Cash flows from operating activities				
(Loss)/profit before tax from continuing operations	**(9,022)**	292	**(11,080)**	(10,793)
Profit/(loss) before tax from discontinued operations	**887**	(537)	**1,568**	(1,512)
Adjustments for:				
Amortisation of deferred income	**(241)**	(73)	**(426)**	(298)
Amortisation of land use rights	**29**	48	**182**	128
Bad debts written off	**2,019**	109	**2,021**	109
Depreciation of property, plant and equipment	**529**	(317)	**2,568**	2,840
Fair value loss on derivative financial instruments	**–**	–	**–**	11
Gain on disposal of a subsidiary	**(1,153)**	–	**(1,153)**	–
Gain on fair value adjustments on non-current loans due to former immediate and ultimate holding company	**(2,701)**	(5,820)	**(2,701)**	(5,820)
Gain on disposal of property held-for-sale	**(4,159)**	–	**(4,159)**	–
Interest expense	**4,073**	2,592	**5,066**	6,162
Interest income	**63**	(61)	**(178)**	(391)
Loss on disposal of land use rights	**59**	–	**59**	–
Loss on disposal of property, plant and equipment	**4,195**	5	**35**	5
Net realised gain on derivative financial instruments	**–**	–	**–**	(11)
Unrealised loss on foreign exchange	**1,802**	1,960	**1,802**	1,960
Written off of receivables	**–**	(84)	**–**	–
Waiver of loan from former immediate and ultimate holding company	**–**	(642)	**–**	(642)
Written down of inventories	**(38)**	–	**95**	–
Operating cash flows before movements in working capital	**(3,658)**	(2,528)	**(6,301)**	(8,252)

	The Group			
	3 months period ended		**Year ended**	
	30 April 2017	(Restated) 30 April 2016	**30 April 2017**	(Restated) 30 April 2016
	US$'000	*US$'000*	***US$'000***	*US$'000*
Inventories	**402**	859	**910**	1,546
Trade and other receivables	**998**	2,994	**9,189**	4,401
Trade and other payables	**(3,044)**	(2,711)	**(5,168)**	(2,885)
Currency translation differences	**1,642**	495	**2,227**	882
Cash (used in)/generated from operations	**(3,660)**	(891)	**857**	(4,308)
Income tax refunded/(paid), net	**82**	(70)	**56**	(77)
Interest income received	**(62)**	61	**179**	391
Net cash (used in)/generated from operating activities	**(3,640)**	(900)	**1,092**	(3,994)
Cash flows from investing activities				
Net cash received from realised derivative financial instruments	**–**	–	**–**	11
Net cash inflow from disposal of a subsidiary	**1,058**	–	**1,058**	–
Proceeds from disposal of property held-for-sale	**9,048**	–	**9,048**	–
Purchase of property, plant and equipment	**(1,085)**	(1,303)	**(1,100)**	(1,808)
Proceeds from disposal of land use rights	**451**	–	**451**	–
Proceeds from disposal of property, plant and equipment	**(9,233)**	10	**22**	10
Net cash generated from/(used in) investing activities	**239**	(1,293)	**9,479**	(1,787)

	The Group			
	3 months period ended		Year ended	
	30 April 2017	(Restated) 30 April 2016	**30 April 2017**	(Restated) 30 April 2016
	US$'000	*US$'000*	***US$'000***	*US$'000*
Cash flows from financing activities				
Advances/loans from directors (net of repayments)	**905**	389	**905**	389
Advances from immediate and ultimate holding company	**1,749**	924	**1,749**	924
Drawdown of loans from former immediate and ultimate holding company	**5,579**	37,157	**5,579**	37,157
Repayment of loans from former immediate and ultimate holding company	**(343)**	(70)	**(343)**	(70)
Capital injection by non-controlling interests	**1,436**	251	**1,436**	251
Drawdown of long-term bank loan and other borrowings	**2,406**	–	**2,406**	–
(Increase)/decrease in pledged deposits	**(13,900)**	(7,492)	**7,821**	7,168
Interest expense paid	**171**	(827)	**(822)**	(4,397)
Net settlement short-term borrowings and bills payable	**(32,970)**	(51,232)	**(32,970)**	(17,548)
Proceeds from issuance of ordinary shares	**–**	–	**6,151**	–
Repayment of long-term bank loan and other borrowings	**24,666**	24,567	**(5,500)**	(9,337)
Net cash (used in)/generated from financing activities	**(10,301)**	3,667	**(13,588)**	14,537
Net (decrease)/increase in cash and cash equivalents	**(13,702)**	1,474	**(3,017)**	8,756
Cash and cash equivalents at beginning of the period/year	**21,857**	8,356	**9,823**	1,074
Effect of currency translation on cash and cash equivalents	**(1,267)**	(7)	**82**	(7)
Cash and cash equivalents at end of the period/year	**6,888**	9,823	**6,888**	9,823
Cash and cash equivalents are represented by				
Cash and bank balances				
– Continuing operations	**6,888**	9,778	**6,888**	9,778
– Discontinued operations	**–**	23,114	**–**	23,114
	6,888	32,892	**6,888**	32,892
Less: Pledged fixed deposits				
– Discontinued operations	**–**	(23,069)	**–**	(23,069)
Cash and cash equivalents per consolidated statement of cash flows	**6,888**	9,823	**6,888**	9,823

1. (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Changes in Equity

Group	Share capital *US$'000*	Accumulated losses *US$'000*	Foreign currency translation reserve *US$'000*	Statutory reserve *US$'000*	Other reserves *US$'000*	Reserve of disposal group classified as held-for-sale *US$'000*	Total equity attributable to equity holders of the Company *US$'000*	Non-controlling interests *US$'000*	Total equity *US$'000*
Balance at 1 May 2015 (Audited)	32,239	(22,446)	1,439	33	2,832	–	14,097	2,435	16,532
Transfer to other reserve	–	(125)	–	–	125	–	–	–	–
Loss for the financial year	–	(10,895)	–	–	–	–	(10,895)	(1,358)	(12,253)
Other comprehensive loss									
Currency translation differences arising form consolidation (Restated)	–	–	(860)	–	–	–	(860)	(115)	(975)
Other comprehensive loss for the financial year, net of tax (Restated)	–	–	(860)	–	–	–	(860)	(115)	(975)
Total comprehensive loss for the financial year	–	(10,895)	(860)	–	–	–	(11,755)	(1,473)	(13,228)
Changes in ownership interests in a subsidiary that do not result in loss of control	–	(26)	–	–	–	–	(26)	(379)	(405)
Capital injection by a non-controlling interest	–	–	–	–	–	–	–	251	251
Reserve attributable to disposal group classified as held-for-sale	–	–	(342)	–	–	342	–	–	–
Balance at 30 April 2016 (Restated)	32,239	(33,492)	237	33	2,957	342	2,316	834	3,150

Group	**Share capital** *US$'000*	**Accumulated losses** *US$'000*	**Foreign currency translation reserve** *US$'000*	**Statutory reserve** *US$'000*	**Other reserves** *US$'000*	**Reserve of disposal group classified as held-for-sale** *US$'000*	**Total equity attributable to equity holders of the Company** *US$'000*	**Non-controlling interests** *US$'000*	**Total equity** *US$'000*
Balance at 1 May 2016									
– As previously reported	32,239	(38,770)	4,444	33	2,957	342	1,245	834	2,079
– Prior year adjustments	–	5,278	(4,207)	–	–	–	1,071	–	1,071
– As restated	32,239	(33,492)	237	33	2,957	342	2,316	834	3,150
Transfer to other reserves	–	(139)	–	–	139	–	–	–	–
Loss for the financial year	–	(9,274)	–	–	–	–	(9,274)	(234)	(9,508)
Other comprehensive income/(loss):									
Currency translation differences arising on consolidation	–	–	246	–	–	4	250	(54)	196
Other comprehensive income/(loss) for the financial year, net of tax	–	–	246	–	–	4	250	(54)	196
Total comprehensive (loss)/income for the financial year	–	(9,274)	246	–	–	4	(9,024)	(288)	(9,312)
Issuance of ordinary shares	6,151	–	–	–	–	–	6,151	–	6,151
Incorporation of a subsidiary	–	–	–	–	–	–	–	1,436	1,436
Disposal of a subsidiary	–	–	–	–	–	(346)	(346)	(320)	(666)
Balance at 30 April 2017	38,390	(42,905)	483	33	3,096	–	(903)	1,662	759

Statement of Changes in Equity

Company	**Share capital** *US$'000*	**Accumulated losses** *US$'000*	**Other reserve** *US$'000*	**Total equity** *US$'000*
Balance at 1 May 2015 (Audited)	108,740	(216)	2,601	111,125
Loss and total comprehensive loss for the financial year	–	(1,203)	–	(1,203)
Balance at 30 April 2016	108,740	(1,419)	2,601	109,922
Balance at 1 May 2016 (Audited)	108,740	(1,419)	2,601	109,922
Issuance of ordinary shares *(Note B)*	6,151	–	–	6,151
Loss and total comprehensive loss for the financial year	–	(1,742)	–	(1,742)
Balance at 30 April 2017	114,891	(3,161)	2,601	114,331

Note B:

Please refer to Paragraph 1(d)(ii) of this announcement for details of placing of shares during the period.

1. (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end at the corresponding period of the immediately preceding financial year.

	2017		2016	
	No. of ordinary shares	**US$**	No. of ordinary shares	US$
Group				
At beginning of the financial year	**170,804,269**	**32,238,531**	170,804,269	32,238,531
Issuance of new shares pursuant to share placement	**20,680,000**	**6,151,209**	–	–
At end of the financial year	**191,484,269**	**38,389,740**	170,804,269	32,238,531
Company				
At beginning of the financial year	**170,804,269**	**108,739,451**	170,804,269	108,739,451
Issuance of new shares pursuant to share placement	**20,680,000**	**6,151,209**	–	–
At end of the financial year	**191,484,269**	**114,890,660**	170,804,269	108,739,451

On 1 August 2016, the Company issued and allotted 20,680,000 ordinary shares of HK$2.32 per ordinary share for total consideration of HK$47,977,600 or US$6,151,209 (the "share placement"), which will be utilised for the purpose of funding potential business expansion or development when opportunities arise. Alternatively, the Company may use the net proceeds from the share placement for general working capital purposes. The newly issued shares rank pari passu in all respects with existing ordinary shares of the Company.

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.

There were no outstanding convertibles, treasury shares or share option as at 30 April 2017 and 30 April 2016.

1. (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	The Company	
	As at 30 April 2017	As at 30 April 2016
Total number of issued shares, excluding treasury shares	**191,484,269**	170,804,269

There were no treasury shares as at 30 April 2017 and 30 April 2016.

1. (d)(iv) A statement showing all sales, transfers and cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

1. (d)(v) A statement showing all sales, transfers and cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures has been audited or reviewed, and in accordance with which auditing standard or practice

The figures have been audited by the Company's auditor, in accordance with Singapore Standards on Auditing.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter)

Extract From Independent Auditor's Report

The independent auditor issued a qualified opinion in the independent auditor's report on the consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 30 April 2017. The details of which are extracted as follows:

"In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 April 2017, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Qualified Opinion:

1. Sales and Purchases transactions relating to sales of commodities

Included in the consolidated financial statements of the Group are sales and purchases transactions relating to the conduct of the Group's trading and distribution of iron ore, coal and steel products ("sales and purchases of commodities") totalling US$101,167,143 and US$100,009,615 respectively. The sales amounting to US$100,748,521 were transacted through an agent ("Agent") appointed by the Group.

During the course of our audit for the financial year ended 30 April 2017 ("FY2017"), we raised concerns to management on certain documents relating to the Group's sales and purchases of commodities and in particular, our discovery of two sets of sale and purchase agreements pertaining to the same underlying transactions. Arising from our findings, the Board of Directors of the Company had appointed an Independent Reviewer to conduct an independent review into the facts and circumstances surrounding the two sets of agreements, their veracity and impact to the consolidated financial statements of the Group.

As disclosed in Note 5 to the financial statements, the Company announced the key findings of the Independent Review and published the executive summary of the Review Report on 19 January 2018. We noted from the key findings of the Independent Review that there were contracts presented for our audit purposes which were not contemporaneously prepared during the transactions but instead were only prepared· for the purposes of the audit. There were also observations of inconsistencies in the authorised signatories of the contracts, and there were contracts which did not reflect the substance of the underlying transactions. These contracts were subsequently voided. Due to limitations on the scope of work of the Independent Reviewer, the Independent Review was not able to establish the completeness of the Group's sales and purchases of commodities as recorded in the consolidated financial statements of the Group.

The Board of Directors' considerations and conclusion with respect to the Group's sales and purchases of commodities are disclosed in Note 5 to the financial statements.

This matter is qualified because of the above-mentioned events and circumstances surrounding these sales and purchases transactions. In addition, we are unable to obtain sufficient appropriate audit evidence to satisfy ourselves on the completeness of the Group's sales and purchases of commodities as recorded in the consolidated financial statements of the Group. Consequently, we are unable to determine whether any adjustment was required in respect of the Group's revenue, cost of sales and net loss for the year as recorded in the consolidated income statement of the Group for the financial year ended 30 April 2017, and the amount due to the Agent of US$895,106 as recorded under trade and other payables as at 30 April 2017.

2. Property, plant and equipment

As disclosed in Note 16 to the financial statements, the Group's property, plant and equipment as at 30 April 2017 amounted to US$54,163,550 (2016: US$58,946,713). Management determined that no impairment is required on the Group's property, plant and equipment as their recoverable amounts exceeded the net carrying values as at 30 April 2017.

Based on the information available to us, we are unable to obtain sufficient appropriate audit evidence to satisfy ourselves on the reasonableness of the key assumptions and inputs used in the determination of the recoverable amounts of the Group's property, plant and equipment. Consequently, we are unable to determine whether any adjustments in respect of the net carrying values of the Group's property, plant and equipment as at 30 April 2017 are necessary.

This matter was similarly included in the *Basis for Qualified Opinion* section of our independent auditor's report on the financial statements for the financial year ended 30 April 2016. Our opinion on the current year's financial statements of the Group is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

3. Profit from discontinued operations of TIANJIN SHIFA NOVO TECHNOLOGY DEVELOPMENT LIMITED ("TIANJIN SHIFA")

As disclosed in Note 13 to the financial statements, the Group completed the disposal of its 50% equity interest in TIANJIN SHIFA on 27 March 2017, the date on which it ceased to be a subsidiary of the Group. Subsequent to the disposal, management represented that the Group was unable to obtain the audited financial statements of TIANJIN SHIFA for the financial period from 1 May 2016 to 27 March 2017. Accordingly, the unaudited management accounts of TIANJIN SHIFA as at 31 March 2017 were used to prepare the consolidated financial statements of the Group for the financial year ended 30 April 2017.

The 11 months' financial performance and gain on disposal of TIANJIN SHIFA included in the consolidated income statement of the Group for the financial year ended 30 April 2017 amounted to US$415,543 and US$1,152,523 respectively.

We are unable to obtain sufficient information and explanations to enable us to form an opinion as to whether the unaudited management accounts of TIANJIN SHIFA used in the preparation of the consolidated financial statements of the Group, were prepared in accordance with Financial Reporting Standards in Singapore and in form and content appropriate and proper for the purpose of preparation of the consolidated financial statements of the Group, in particular, the determination of the respective line items in the analysis of the profit from discontinued operations of the Group. Consequently, we are unable to determine whether any adjustments might be necessary in respect of the following:

(i) the profit after tax of TIANJIN SHIFA from 1 May 2016 to 31 March 2017 and gain on disposal of TIANJIN SHIFA amounting to US$415,543 and US$1,152,523 respectively included in the profit from discontinued operations, and related information as disclosed in Note 13 to the financial statements;

(ii) the basic and diluted earnings per share attributable to equity holders of the Company for profit from discontinued operations as disclosed in Note 15 to the financial statements;

(iii) the effects of assets and liabilities disposed of and related classification of the line items of TIANJIN SHIFA on the consolidated statement of cash flows of the Group as disclosed in Note 13 to the financial statements;

(iv) the disclosure of related party information relating to TIANJIN SHIFA; and

(v) the disclosure of segment information relating to TIANJIN SHIFA.

4. 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 amounting to US$79,481,229 (2016: US$79,463,169) and US$31,496,647 (2016: US$31,496,647) respectively. Management determined that no impairment is required on the Company's investments in subsidiaries and amounts due from subsidiaries as their recoverable amounts exceeded the net carrying values as at 30 April 2017.

In view of the fact that most of the Company's subsidiaries incurred a net loss during the current year and also are in capital deficiency position as at 30 April 2017, there are significant uncertainty over the recoverability of amounts due from subsidiaries and investments in subsidiaries recorded by the Company. 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 2017. 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 2017 are necessary.

This matter was similarly included in the *Basis for Qualified Opinion* section of our independent auditor's report on the financial statements for the financial year ended 30 April 2016. Our opinion on the current year's financial statements of the Company is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 to the financial statements with respect to the Group's and the Company's ability to continue as going concerns. During the financial year ended 30 April 2017, the Group incurred a net loss from continuing operations of US$11,076,003 (2016: US$10,740,563) and the Company incurred a net loss of US$1,741,510 (2016: US$1,202,737). As at 30 April 2017, the Group's current liabilities exceeded the current assets by US$22,691,922 (2016: US$23,498,828). Other events and conditions that may cast significant doubt about the Group's and the Company's ability to continue as going concerns are further disclosed in Note 3 to the financial statements.

These factors indicate the existence of material uncertainties that may cast significant doubt about the Group's and the Company's ability to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business. Nevertheless, for the reasons disclosed in Note 3 to the financial statements, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 30 April 2017 is appropriate. Our opinion is not further modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors' Statement as set out on pages 1 to 14, which we obtained prior to the date of this auditor's report, and the information included in the Annual Report 2017 (but does not include the financial statements and our auditor's report thereon) which is expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section of our report, we are unable to satisfy ourselves as to the completeness of the Group's sales and purchases of commodities as recorded in the consolidated financial statements of the Group, the recoverable amounts of the Group's property, plant and equipment, profit from discontinued operations of TIANJIN SHIFA, the impairment assessment of the Company's investments in subsidiaries and amounts due from subsidiaries. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

When we read the Annual Report 2017, if we conclude that there is a misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Emphasis of Matter – Contingent liabilities

We draw attention to Note 29(c) to the financial statements, which describes that the Group faces claims and litigations from several contractors, suppliers, employees, bank and strategic partner. The Board of Directors has assessed and satisfied with the adequacy and appropriateness of the accruals for claims and litigations made in the financial statements. Our opinion is not further modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matters described in the *Basis for Qualified Opinion* section and *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matter to communicate in our report."

* Notes in relate to the qualified opinion are separately disclosed in APPENDIX I of this announcement.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those used in the most recently audited financial statements for the year ended 30 April 2016, except for the adoption of new/revised Financial Reporting Standards in Singapore ("FRS") and interpretations of FRS ("INT FRS") that are relevant to the Group for the financial period beginning on or after 1 May 2016.

The adoption of these new/revised FRS and INT FRS have no material financial impact on the financial statements.

Comparative figures

During the financial year, the Group raised prior year adjustments for correction of the below errors made in the financial statements for the financial year ended 30 April 2016:

(i) In 2016, the Group did not translate a PRC subsidiary's property, plant and equipment at 30 April 2016 into the Group's presentation currency using the closing rate at 30 April 2016 as required by FRS 21 *The Effects of Changes in Foreign Exchange Rates*.

(ii) In 2016, the interest-free loans from former immediate and ultimate holding company were recorded at cost upon initial recognition instead of fair value as required by FRS 39 *Financial Instruments: Recognition and Measurement*. The changes in fair values of the interest-free loans in relation to the changes in time to maturity were also not properly accounted for in the financial statements for the financial year ended 30 April 2016.

(iii) In 2016, the net loss on foreign exchange in relation to the borrowings amounting to US$1,959,613 was not adjusted from the loss before tax and presented as an "adjustment for non-cash item" in the consolidated statement of cash flows.

Accordingly, the comparative figures were restated as follows:

	As previously reported *US$'000*	**Prior year adjustment** *US$'000*	**As restated** *US$'000*
Group			
Statements of financial position as at 30 April 2016			
Property, plant and equipment	63,154	(4,207)	58,947
Borrowings	41,351	(5,278)	36,073
Accumulated losses	(38,770)	5,278	(33,492)
Foreign currency translation reserve	4,444	(4,207)	237
Total equity attributable to equity holders of the Company	1,245	1,071	2,316
Net assets and total equity	2,079	1,071	3,150
Consolidated income statement for the financial year ended 30 April 2016			
Other income	1,658	5,820	7,478
Finance costs	(4,936)	(541)	(5,477)
Loss before tax	(16,072)	5,279	(10,793)
Loss for the financial year	(17,532)	5,279	(12,253)
Consolidated statement of comprehensive income for the financial year ended 30 April 2016			
Loss for the financial year	(17,533)	5,279	(12,253)
Other comprehensive loss for the financial year, net of tax			
– currency translation differences arising on consolidation	3,233	(4,208)	(975)
Total comprehensive loss for the financial year	(14,299)	1,071	(13,228)
Consolidated statement of cash flows for the financial year ended 30 April 2016			
Net cash used in operating activities	(5,953)	1,960	(3,993)
Net cash generated from financing activities	16,497	(1,960)	14,537

The prior year adjustments have no impact on the financial statements of the Group and the Company at the beginning of the earliest comparative period, therefore statements of financial position as at 1 May 2015 are not presented.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Please refer to Item 4 above.

6. Loss per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

	The Group			
	3 months period ended		Year ended	
	30 April 2017	(Restated) 30 April 2016	**30 April 2017**	(Restated) 30 April 2016
From continuing and discontinued operations				
(Loss)/profit per ordinary shares: (in US cents per share)				
(a) Based on weighted average number of ordinary shares on issued; and	**(4.14)**	0.2	**(4.98)**	(6.38)
(b) On a fully diluted basis	**(4.14)**	0.2	**(4.98)**	(6.38)
Details				
(Loss)/profit attributable to shareholders (stated in US$'000)	**(7,717)**	371	**(9,274)**	(10,895)
Weighted average number of ordinary shares ('000)	**186,272**	170,804	**186,272**	170,804
From continuing operations				
(Loss)/profit per ordinary shares: (in US cents per share)				
(c) Based on weighted average number of ordinary shares on issued; and	**(4.69)**	0.37	**(5.71)**	(5.94)
(d) On a fully diluted basis	**(4.69)**	0.37	**(5.71)**	(5.94)
Details				
(Loss)/profit attributable to shareholders (stated in US$'000)	**(8,736)**	640	**(10,634)**	(10,139)

From discontinued operations

Basic and diluted earning/(loss) per share for the discontinued operations is based on the profit for the year ended 30 April 2017 from the discontinued operations of US$1,360,000 (loss for the year ended 30 April 2016: US$756,000) and the denominators detailed above for both basic and diluted earnings/(loss) per share.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) Current financial period reported on; and

(b) Immediately preceding financial year

	The Group		The Company	
	As at 30 April 2017	As at 30 April 2016	**As at 30 April 2017**	As at 30 April 2016
	(in US cents)	*(in US cents) (Restated) (Note A)*	***(in US cents)***	*(in US cents)*
Net assets value per ordinary share based on issued share capital of the issuer	**0.40**	1.84	**59.7**	64.36
Number of shares in issue as at the end of the period ('000)	**191,484**	170,804	**191,484**	170,804

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of Performance

During the year ended 30 April 2017 ("FY2017"), the Group is principally engaged in:

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 (Discontinued operations)

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

Review of Performance

Revenue from continuing operations

The Group's revenue from continuing operations was approximately US$101.8 million for the year ended 30 April 2017 ("FY2017"), representing a decrease of approximately 0.4% as compared with approximately US$102.2 million for the year ended 30 April 2016 ("FY2016").

Revenue from international steel trade business, major business segment, accounted for approximately 99.4% or US$101.2 million and 98.3% or US$100.5 million of the Group's total revenue in FY2017 and FY2016, respectively. Revenue from tinplate manufacturing contributed approximately 0.6% or US$0.6 million in FY2017. During the year under review, the Group completed the disposal transaction of the tinplate processing business.

In terms of geographical contribution, North Asia market remained as the Group's main market, and accounted for approximately US$101.7 million of the Group's total revenue from its continuing operations in FY2017, compared to approximately US$91.3 million in FY2016. North Asia market contributed approximately 99.9% and 89.3% of total revenue from the Group's continuing operations in FY2017 and FY2016, respectively. Revenue derived from South East Asia market decreased from approximately US$1.7 million in FY2016 to US$0.1 million in FY2017. The South East Asia market accounted for 0.1% and 1.7% of the Group's total revenue from its continuing operations in FY2017 and FY2016, respectively. Other regions contributed approximately US$9.1 million revenue, representing approximately 9.0% to the Group's total revenue in FY2016, which diminished to nil in FY2017.

Gross Profit

The Group's gross profit decreased by 31.0% from US$1.7 million in FY2016 to US$1.2 million in FY2017. The gross profit margin was arrived at 1.2% and 1.7% for FY2017 and FY2016 respectively. The change in the gross profit margin was mainly due to market fluctuation and keen competition during these two reporting years.

Other income

Other income slightly increased from US$7.5 million for FY2016 to US$7.6 million for FY2017. During the year under review, the Group recorded a gain on disposal of property held for-sale of US$4.2 million, and recognised a gain on fair value adjustments on non-current borrowings of US$2.7 million.

Distribution and selling expenses

The distribution and selling expenses decreased from US$1.3 million in FY2016 to approximately US$0.8 million in FY2017. The decrease was mainly due to the fact that the management had taken a more stringent cost control on the trading segment and the freight charges had dropped substantially.

Administrative expenses

Administrative expenses decreased from US$10.2 million in FY2016 to US$8.7 million in FY2017. The decrease in administrative expenses were due to cost control adopted by management including the shrink in salaries and related cost of US$1.5 million.

Finance costs

The finance costs decreased by 18% from US$5.5 million in FY2016 to approximately US$4.5 million in FY2017, which was mainly due to repayment of certain bank loans during the year under review.

Review of financial position and cash flow

In the face of the cash flow shortage, the Group has adopted a conservative and prudent approach to manage its business. During FY2017, the Group has repaid most of its bank loans with the proceeds from the disposal of certain of the Group's land use rights as described below to reduce borrowing interest burden while going on running the core business efficiently.

Property, plant and equipment and land use rights

Property, plant and equipment and construction in progress decreased by approximately 8.1% from US$58.9 million in FY2016 to US$54.2 million in FY2017 resulting from depreciation charge of US$2.1 million and loss on currency translation for those property, plant and equipment denominated in foreign currency of US$3.8 million and offset by addition of US$1.2 million.

The Group disposed of one of the land use rights in Taizhou, Jiangsu, China during the year under review and the proceeds were used for repayment of certain loans. Another land use rights was being sold in May 2017 subsequent to the end of FY2017, and it was reclassified under current assets. Both resulted in a 38.4% decrease in non-current land use rights from US$4.2 million as at 30 April 2016 to US$2.6 million as at 30 April 2017.

Inventories

Since trading business is with short stock turnover days and the temporary suspension of manufacturing business, no inventory was held by the Group as at 31 April 2017. The residual inventories in FY2016 were sold during the year under review.

Trade and other receivables

During the year under review, the Group assigned US$12.6 million of long outstanding receivables to New Page on a dollar-to-dollar basis to offset and deduct the amount from the loan from New Page, which resulted in a significant decrease of 76.3% in trade and other receivables from US$23.4 million as at 30 April 2016 to US$5.5 million as at 30 April 2017.

Non-current asset held-for-sale and disposal group assets classified as held-for-sale

The Group completed the disposal of TIANJIN SHIFA on 27 March 2017, the date on which TIANJIN SHIFA ceased to be a subsidiary of the Group. Subsequent to the disposal, the Group was unable to obtain the audited financial statements of TIANJIN SHIFA for the financial period from 1 May 2016 to 27 March 2017. Accordingly, the unaudited management accounts of TIANJIN SHIFA as at 31 March 2017 were used to prepare the consolidated financial statements of the Group and for the determination of the profit from the discontinued operations of the Group for FY2017.

Trade and other payables

Trade and other payables increased by approximately US$1.3 million from US$14.6 million as at 30 April 2016 to US$15.9 million as at 30 April 2017. The increment was mainly due to the net-off impact from increase in advance from certain Directors and ultimate holding company of the Company for approximately US$2.5 million, the balance of which are unsecured, interest free and repayable on demand.

During the year under review, the Group has repaid the interest-bearing working capital loans, leaving a great portion of non-interest bearing borrowings.

Dividend

The Board has resolved not to recommend the payment of a final dividend for the year ended 30 April 2017 (30 April 2016: Nil).

Liquidity and financial resources

The Group's total borrowings decreased by approximately US$31.0 million from US$83.7 million as at 30 April 2016 to US$52.7 million in FY2017. This was mainly due to repayment of bank loans of approximately US$32.99 million and repayment of approximately US$5.5 million to Minmetals, Inc. for settlement of litigation involving a subsidiary of the Company.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, and variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

BUSINESS UPDATE

Tinplate Manufacturing Project

Considering that the Group has a strong team of competent and experienced personnel, coupled with an indisputable power technology, high-quality-level products as well as comparatively new machine and equipment, the Group intends to fully resume the operations at the factory in Taizhou, Jiangsu, the PRC which is managed by Novowell ETP Limited, in the middle of 2018. With the financial support from Golden Star and stronger monitoring of the daily management and operation, the Group expects that the cash flow of this operation will gradually improve.

Subsequent event

On 20 July 2017, the Company announced that on the same date, STAR PROMISE INVESTMENTS LIMITED (the "Subscriber"), a wholly-owned subsidiary of the Company, Mr. Sun Bao Gang, Ms. Wu Ching Man and ORGANIC BEER HONG KONG LIMITED (the "Target Company") entered into a Subscription and Shareholders' Agreement, pursuant to which the Subscriber had conditionally agreed to subscribe, and the Target Company has conditionally agreed to issue and allot to the Subscriber, subject to fulfillment of certain conditions, new ordinary shares in the Target Company (representing 60% of the issued share capital of the Target Company immediately after the subscription) at the subscription price of US$1.03 million or HK$8 million (the "Proposed Subscription"), which was determined based on various factors including the costs of acquisition or leasing of machinery and equipment necessary for the operation of the business and as general working capital for the operation of the business to the Target Company.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared or recommended, a statement to that effect

The Directors do not declare or recommend any dividend for the year ended 30 April 2017.

13. If the Group has obtained a general mandate from shareholders for interested person transaction, the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual of the Singapore Exchange Securities Trading Limited. If no interested person transaction mandate has been obtained, a statement to that effect

The Company has not obtained any general mandate from shareholders pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

Yes.

15. 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. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

(i) Business segments

The Group has three reportable segments detailed as follows:

Continuing operations

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 (Discontinued operations)

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

For the year ended 30 April 2017

	Continuing operations		Discontinued operations		
	Trading *US$'000*	**Tinplate manufacturing** *US$'000*	**Tinplate processing** *US$'000*	**Elimination** *US$'000*	**Group Total** **US$'000**
Segment revenue to					
– Sales to external customers	101,167	659	28,393	–	130,219
Segment results	380	5	(368)	–	17
Other income	6,696	947	1,542	–	9,185
Other costs	(5,762)	(8,867)	1,053	–	(13,576)
Finance costs	(3,579)	(900)	(659)	–	(5,138)
(Loss)/profit before tax	(2,265)	(8,815)	1,568	–	(9,512)
Income tax credit	4	–	–	–	4
(Loss)/profit for the financial year	(2,261)	(8,815)	1,568	–	(9,508)
Assets and liabilities					
Segment assets	8,433	61,249	–	–	69,682
Segment liabilities	43,408	25,515	–	–	68,923
Other segment information					
Capital expenditure	17	1,143	601	–	1,761
Depreciation and amortisation	131	2,091	528	–	2,750
Non-cash items other than depreciation and amortisation	1,552	1,681	(1,201)	–	2,032

For the year ended 30 April 2016 (Restated)

	Continuing operations		Discontinued operations		
	Trading	Tinplate manufacturing	Tinplate processing	Eliminations	Group total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Segment revenue to					
– sales to external customers	100,512	1,709	23,258	–	125,479
– intersegment sales	3,000	1,022	–	(4,022)	–
	103,512	2,731	23,258	(4,022)	125,479
Segment results	1,276	(907)	(580)	–	(211)
Other income	7,166	312	581	–	8,059
Other costs	(7,942)	(5,221)	(400)	–	(13,563)
Finance costs	(2,468)	(3,009)	(1,113)	–	(6,590)
Loss before tax	(1,968)	(8,825)	(1,512)	–	(12,305)
Income tax credit/(expense)	114	(62)	–	–	52
Loss for the financial year	(1,854)	(8,887)	(1,512)	–	(12,253)
Assets and liabilities					
Segment assets	28,729	73,395	44,371	–	146,495
Segment liabilities	59,151	39,969	44,225	–	143,345
Other segment information					
Capital expenditure	90	915	1,487	–	2,492
Depreciation and amortisation	336	2,327	305	–	2,968
Non-cash items other than depreciation and amortisation	(5,246)	(185)	(32)	–	(5,463)

(ii) Geographical Information

The Group's operation are located in one (2016: 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**	
	2017 ***US$'000***	2016 *US$'000*	**2017** ***US$'000***	2016 US$'000 (Restated)
The People's Republic of China (the "PRC")	**130,105**	114,629	**56,752**	63,146
Thailand	**–**	1,092	**–**	–
Brazil	**–**	9,054	**–**	–
Philippines	**114**	360	**–**	–
Malaysia	**–**	202	**–**	–
Singapore	**–**	32	**–**	–
Others	**–**	110	**–**	1
	130,219	125,479	**56,752**	63,147

Non-current assets information presented above are non-current assets as presented on the statements of financial position.

Information About Major Customer

Revenue of approximately US$71,274,000 (2016: US$56,134,000) are derived from 5 (2016: 4) major external customers who individually contributed 10% or more of the Group's revenue, and are attributable to the trading segment (2016: trading segment).

	Group
	US$'000
For the year ended 2017	
Customer 1	17,587
Customer 2	15,257
Customer 3	15,156
Customer 4	12,912
Customer 5	10,362
	71,274

	Group
	US$'000
For the year ended 2016	
Customer 1	19,698
Customer 2	13,848
Customer 3	12,210
Customer 4	10,378
	56,134

16. A breakdown of sales

	2017	2016	%
	US$'000	*US$'000*	*Changes*
Continuing operations			
Total income reported for first half year	**48,748**	56,401	(13.6%)
Profit/(loss) after tax for first half year	**335**	(7,558)	N/A
Total income reported for second half year	**53,078**	45,820	15.8%
Loss after tax for second half year	**(11,411)**	(3,183)	(8.90%)

	2017	2016	%
	US$'000	*US$'000*	*Changes*
Discontinued operations			
Total income reported for first half year	**16,521**	11,948	38.3%
Profit/(loss) after tax for first half year	**178**	(798)	N/A
Total income reported for second half year	**11,872**	11,310	5.0%
Profit/(loss) after tax for second half year	**1,390**	(714)	N/A

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

No dividend has been recommended or declared for the years ended 30 April 2017 and 30 April 2016.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

As at 30 April 2017, there are no appointment of any relative of any Director/Chief Executive Officer/Substantial Shareholder of the Company who are holding a managerial position in the Company or any of its principal subsidiaries.

By order of the Board

Zhu Jun
Executive Chairman and Executive Director

1 August 2018

APPENDIX I

NOTES EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS

"3. Critical accounting judgements and key sources of estimation uncertainty

Going concern assumption

During the financial year ended 30 April 2017, the Group incurred a net loss from continuing operations of US$11,076,003 (2016: US$10,740,563) and the Company incurred net loss of US$1,741,510 (2016: US$1,202,737). At 30 April 2017, the Group's current liabilities exceeded the current assets by US$22,691,922 (2016: US$23,498,828).

As disclosed in Note 16, a subsidiary within the tinplate manufacturing segment who suspended its operations since the prior financial year ended 30 April 2015 has only resumed its operations in May 2018. The Group also breached the covenants clauses of certain borrowings and defaulted on the repayment of instalments of certain borrowings on their respective due dates during the financial year as disclosed in Note 22. On 18 August 2017, the Group successfully entered into a deed of assignment of loan and securities with the bank and Real Shine Capital Limited for the loans amounting to US$14,200,925 as at 30 April 2017 (2016: US$15,500,000) as disclosed in Note 22. Pursuant to a letter dated 11 July 2018, New Page Investments Limited ("New Page") demanded the Group to repay a total sum of US$33,248,140 on or before 1 August 2018 as disclosed in Notes 22 and 36(vi). The Group also has several on-going litigations as at 30 April 2017 as disclosed in Note 29(c).

These factors indicate the existence of material uncertainties that may cast significant doubt about the Group's and the Company's ability to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business. Nevertheless, the Directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 30 April 2017 is appropriate after taking into consideration the following factors:

(i) The immediate and ultimate holding company agrees to unconditionally provide continuous financial assistance to the Group in order to meet their obligations and to carry on their business for a period of not less than twelve months from the date of the letter of financial assistance, i.e. 10 July 2018;

(ii) As disclosed in Note 36, the Group entered into a Subscription and Shareholders' Agreement with a Target Company to invest in the first brewery of additive-free beer in Hong Kong. The Directors believe this is a viable investment opportunity;

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

(iv) The Group and the Company are able to generate sufficient cash flows from their operations to meet their current and future obligations.

The Directors of the Company are of the view that the continuing financial support from the immediate and ultimate holding company is a key factor for the Group and the Company to continue their operations as going concerns. The Directors have assessed and are satisfied with the willingness and financial ability of the immediate and ultimate holding company to provide such financial support to the Group and the Company to meet their working capital requirements and obligations as and when they fall due.

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 so 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, so 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 and the Company believe that they have adequate resources and can cut cost to continue their operations as going concerns.

For these reasons, the financial statements have been prepared on the assumptions that the Group and the Company will continue as going concerns. If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal 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 normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

5 Revenue

In the course of the audit of the Group for the financial year ended 30 April 2017 ("FY2017"), the auditors discovered that there were two sets of sales and purchases contracts (the "contracts") pertaining to the same underlying transactions for certain of the Group's sale of commodities. The first set of contracts ("void contracts") were supposedly signed by the Company's subsidiaries directly with the respective customers and suppliers. For the second set of contracts, the sales contracts were all signed by Novostal Limited ("NSL") as an agent on behalf of the Company's subsidiaries with respective customers. As such, the auditors have raised concerns as to which set of contracts reflects the Group's business operations.

In view of the above, the Board of Directors of the Company had appointed Independent Reviewer to conduct an independent review into facts and circumstances surrounding the two sets of contracts, their veracity and impact to the consolidated financial statements of the Group.

On 19 January 2018, the Company announced the key findings of the Independent Review and published the executive summary of the Review Report. The key findings include the following:

(i) During FY2017, the Company's subsidiaries entered into sales agency agreements and a letter of credit ("LC") agency agreement with NSL for 14 back-to-back sales and purchases transactions (the "Transactions"). NSL entered into these Transactions as sales and LC financing agent on behalf of the Company's subsidiaries. NSL is a company incorporated in Hong Kong, in which Mr. Yu Wing Keung, a former director of the Company is the ultimate beneficial owner.

(ii) The void contracts were not intended to be released to the auditors but due to miscommunication among the staff, the void contracts were provided to the auditor.

(iii) There were no original contracts kept by the Group as these trading activities were conducted through electronic communication and signed contracts were returned via email.

(iv) Given that the auditor requested for the full set of the original contracts, the management prepared a new set of contracts ("revised contracts") and sent these to their customers and suppliers for them to sign and return to replace the voided contracts in July 2017.

(v) For trades in which the Group acted as principal, there are letters of credit and sales agency agreements signed with NSL as agent, and for trades in which the Group acted as agent, there are purchase agency agreements signed by the Company's subsidiaries as agents with NSL. The letter of credit agency agreement covers the financial year ended 30 April 2017 and was dated 1 May 2016.

(vi) Due to limitations on the scope of work of the Independent Reviewer, the Independent Review was not able to establish the completeness of the Group's sales and purchases of commodities as recorded in the consolidated financial statements of the Group.

The Board of Directors notes that while the Review Report has identified management and staff who had prepared the void contracts in their misguided haste to "simplify the audit process" for FY2017, no fraudulent conduct was identified for the sales and purchases transactions in the course of the independent review. The Board of Directors is not aware of any material impact to the consolidated financial statements of the Group or financial loss to the Group due to these arrangements. The subject transactions have been completed, the letters of credit have been paid in full and the issuing banks and beneficiaries have not alleged any losses or damages. As at 30 April 2017, the Group recorded an amount due to NSL of US$895,106 under trade and other payables (Note 24). The independent legal advice also assured the Board of Directors that the relevant documentation is not inconsistent with the position that the Company's subsidiaries are the principals of the subject transactions, and bear the risks and are entitled to the profits of the subject transactions. In addition, the Board of Directors also received the statutory declaration of NSL which stated that all the documents related to the sales and purchases transactions were true and correct. Accordingly, the Board of Directors has no reason to believe that the sales and purchases transactions are not genuine.

13 Discontinued operations and disposal group classified as held-for-sale

On 28 April 2016, the Group entered into an equity transfer agreement to sell its 50% equity interest in TIANJIN SHIFA (which previously contributed to the tinplate processing segment of the Group). The entire assets and liabilities relating to TIANJIN SHIFA have been presented as disposal group classified as held-for-sale in the consolidated statement of financial position of the Group at 30 April 2016, and the entire financial performance of TIANJIN SHIFA were presented in a single amount separately on the consolidated income statement of the Group as "Discontinued Operations".

The Group completed the disposal of TIANJIN SHIFA on 27 March 2017, the date which TIANJIN SHIFA ceased to be a subsidiary of the Group. Subsequent to the disposal, the Group was unable to obtain the audited financial statements of TIANJIN SHIFA for the financial period from 1 May 2016 to 27 March 2017. Accordingly, the unaudited management accounts of TIANJIN SHIFA as at 31 March 2017 were used to prepare the consolidated financial statements of the Group and for the determination of the profit from the discontinued operations of the Group for the financial year ended 30 April 2017.

(i) The analysis of the profit/(loss) from discontinued operations are as follows:

	Group	
	2017	2016
	US$	*US$*
Revenue	**28,393,739**	23,257,881
Cost of sales	**(28,752,357)**	(23,632,997)
Gross loss	**(358,618)**	(375,116)
Other income	**389,658**	581,273
Distribution and selling expenses	**(9,720)**	(204,583)
Administrative expenses	**1,053,144**	(400,460)
Finance costs	**(658,921)**	(1,113,447)
Profit/(loss) before tax from discontinued operations	**415,543**	(1,512,333)
Income tax expense	**–**	–
Profit/(loss) after tax from discontinued operations	**415,543**	(1,512,333)
Gain on disposal of TIANJIN SHIFA *(Note 13(vi))*	**1,152,523**	–
Total profit/(loss) from discontinued operations, net of tax	**1,568,066**	(1,512,333)

(a) Revenue

	Group	
	2017	2016
	US$	*US$*
Sales of goods		
– Tinplate processing	**28,393,739**	23,257,881

(b) Other income

	Group	
	2017	2016
	US$	*US$*
Amortisation of deferred income	**–**	32,263
Interest income	**175,867**	342,618
Government grants	**–**	4,718
Sundry income	**213,791**	201,674
	389,658	581,273

(c) Distribution and selling expenses

	Group	
	2017	2016
	US$	*US$*
Freight charges	**9,720**	204,583

(d) Finance costs

	Group	
	2017	2016
	US$	*US$*
Bank charges	**58,166**	36,383
Interest on bank borrowings	**600,755**	1,077,064
	658,921	1,113,447

(e) Profit/(loss) before tax from discontinued operations

	Group 2017 US$	2016 US$
Profit/(loss) before tax from discontinued operations is determined after charging/ (crediting):		
Audit fees paid to other auditors*	–	31,332
Amortisation of land use rights	**87,142**	24,629
Depreciation of property, plant and equipment	**440,821**	280,671
Material costs recognised as an expense in cost of sales	**28,752,357**	23,632,997
Net loss on foreign exchange	–	424
Staff costs	**362,012**	301,727
Write-back of impairment loss on assets	**(845,388)**	–
Write-back of inventories written down	**(355,288)**	–

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

(ii) The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group 2017 US$	2016 US$
Operating cash flows	**4,048,234**	2,622,317
Investing cash flows	**(600,823)**	(1,125,837)
Financing cash flows	**(3,492,752)**	(2,520,952)
Total cash flows	**(45,341)**	(1,024,472)

(iii) Details of disposal group classified as held-for-sale are as follows:

	Group	
	2017	2016
	US$	*US$*
Property, plant and equipment	–	5,164,715
Land use rights	–	1,052,808
Inventories	–	1,499,414
Trade and other receivables	–	13,539,991
Cash and cash equivalents	–	23,114,266
	–	44,371,194

(a) Included in property, plant and equipment at 30 April 2016 was a long leasehold building in Tianjin, the PRC, with net carrying amount of US$2,928,907.

(b) The details of the land use rights at 30 April 2016 were as follows:

Location	**Lease period**	**Land area** *(square metres)*
Tianjin, the PRC	November 2009 to September 2059	25,000.00

(c) Included in trade and other receivables at 30 April 2016 were trade and non-trade amount owing by a related party amounted to US$5,070,112 and US$5,601,568 respectively. TIANJIN SHIFA made an interest-free advance of US$10,222,938 to and also made payment on behalf of US$8,044,225 for a related party during the financial year ended 30 April 2016. The interest-free advance and payment on behalf remained outstanding at 30 April 2016 amounted to US$5,601,568. The related party refers to a company controlled by an entity having a significant influence on TIANJIN SHIFA.

(d) Included in cash and cash equivalents at 30 April 2016 were fixed deposits of US$23,068,925 which have been pledged to banks for bills payable granted.

(iv) Details of liabilities directly associated with disposal group classified as held-for-sale are as follows:

	Group	
	2017	2016
	US$	*US$*
Trade and other payables	–	43,958,737
Deferred income	–	238,910
Tax payable	–	27,218
	–	44,224,865

(v) Details of reserve of disposal group classified as held-for-sale are as follows:

	Group	
	2017	2016
	US$	*US$*
Foreign currency translation reserve	–	341,957

(vi) The effects of the disposal of TIANJIN SHIFA on the cash flows of the Group are as follows:

	2017
	US$
Carrying amounts of assets and liabilities disposed of:	
Property, plant and equipment	**5,324,717**
Land use rights	**965,666**
Inventories	**1,368,460**
Trade and other receivables	**7,768,414**
Cash and cash equivalents (pledged to banks for bills payable granted)	**15,248,281**
Trade and other payables (including bills payable to banks)	**(29,863,193)**
Deferred income	**(238,910)**
Tax payable	**(2,501)**
	570,934
Less: non-controlling interests	**(319,414)**
Identified net assets disposed of	**251,520**
Reclassification from currency translation reserve	**(346,488)**
Gain on disposal of TIANJIN SHIFA	**1,152,523**
Total cash consideration received	**1,057,555**
Less: cash and cash equivalents in TIANJIN SHIFA	**–**
Net cash inflow from disposal of a subsidiary	**1,057,555**

15 Loss per share

From continuing and discontinued operations

Basic and diluted loss per share is calculated based on the Group's loss for the financial year attributable to equity holders of the Company divided by the weighted average number of ordinary shares outstanding during the financial years ended 30 April 2017 and 30 April 2016.

	Group	
		(Restated)
	2017	2016
	US$	*US$*
Loss for the financial year attributable to equity holders of the Company	**(9,273,614)**	(10,894,542)

	Number of ordinary shares	
	2017	2016
Weighted average number of ordinary shares for basic and diluted loss per share	**186,271,776**	170,804,269

There were no potentially dilutive ordinary shares in existence during the financial years ended 30 April 2017 and 2016 and therefore the diluted loss per share amounts for those years were the same as the basic loss per share.

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to equity holders of the Company is based on the following data.

	Group	
		(Restated)
	2017	2016
	US$	*US$*
Loss for the financial year attributable to equity holders of the Company	**(9,273,614)**	(10,894,542)
(Profit)/loss for the financial year from discontinued operations	**(1,360,294)**	756,167
Loss for the purpose of basic loss per share from continuing operations	**(10,633,908)**	(10,138,375)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

From discontinued operations

Basic and diluted earnings/(loss) per share for the discontinued operations is based on the profit for the financial year from the discontinued operations of US$1,360,294 (2016: loss of US$756,167) and the denominators detailed above for both basic and diluted earnings/(loss) per share.

16 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$*
2017							
Cost							
At 1.5.2016							
– As previously reported	6,597,600	57,911,056	692,778	764,078	190,329	4,262,902	70,418,743
– Prior year adjustment *(Note 35)*	–	(4,207,500)	–	–	–	–	(4,207,500)
As restated	6,597,600	53,703,556	692,778	764,078	190,329	4,262,902	66,211,243
Additions	–	–	17,143	–	–	1,142,755	1,159,898
Disposals	–	(74,519)	–	–	–	–	(74,519)
Currency translation differences	(415,564)	(3,383,222)	(35,170)	(66,731)	(1,852)	(402,888)	(4,305,427)
At 30.4.2017	6,182,036	50,245,815	674,751	697,347	188,477	5,002,769	62,991,195
Accumulated depreciation							
At 1.5.2016	752,651	5,124,235	526,797	718,911	141,936	–	7,264,530
Depreciation charge	218,332	1,787,406	82,688	23,777	14,964	–	2,127,167
Disposals	–	(17,885)	–	–	–	–	(17,885)
Currency translation differences	(110,252)	(279,144)	(81,984)	(73,133)	(1,654)	–	(546,167)
At 30.4.2017	860,731	6,614,612	527,501	669,555	155,246	–	8,827,645
Net carrying value							
At 30.4.2017	5,321,305	43,631,203	147,250	27,792	33,231	5,002,769	54,163,550

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$*
2016							
Cost							
At 1.5.2015	16,507,945	56,714,155	712,419	1,088,734	146,803	4,517,775	79,687,831
Additions	28,318	408,941	46,743	–	45,186	1,962,844	2,492,032
Disposals	–	–	(181)	(143,692)	–	–	(143,873)
Reclassified as property held-for-sale	(5,807,561)	–	–	–	–	–	(5,807,561)
Reclassified as disposal group classified as held-for-sale	(3,559,209)	(366,152)	(36,122)	(142,078)	–	(1,869,299)	(5,972,860)
Currency translation differences (Restated)	(571,893)	(3,053,388)	(30,081)	(38,886)	(1,660)	(348,418)	(4,044,326)
At 30.4.2016 (Restated)	6,597,600	53,703,556	692,778	764,078	190,329	4,262,902	66,211,243
Accumulated depreciation							
At 1.5.2015	1,770,480	3,401,996	440,264	818,721	125,291	–	6,556,752
Depreciation charge	584,658	1,970,925	120,650	145,676	17,826	–	2,839,735
Disposals	–	–	(86)	(128,923)	–	–	(129,009)
Reclassified as property held-for-sale	(918,823)	–	–	–	–	–	(918,823)
Reclassified as disposal group classified as held-for-sale	(630,303)	(77,517)	(18,884)	(81,441)	–	–	(808,145)
Currency translation differences	(53,361)	(171,169)	(15,147)	(35,122)	(1,181)	–	(275,980)
At 30.4.2016	752,651	5,124,235	526,797	718,911	141,936	–	7,264,530
Net carrying value							
At 30.4.2016 (Restated)	5,844,949	48,579,321	165,981	45,167	48,393	4,262,902	58,946,713

Novowell ETP Limited ("NWETP"), a PRC subsidiary within the tinplate manufacturing segment who suspended its operations since the prior financial year ended 30 April 2015 has only resumed its operations in May 2018. The property, plant and equipment relating to NWETP amounted to US$49,594,610 (2016: US$53,847,914).

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 22):

	Group	
		(Restated)
	2017	2016
	US$	*US$*
Leasehold land and buildings	**5,321,305**	4,667,119
Plant and machinery	**43,631,204**	48,579,321
Furniture, fixtures and computer equipment	**98,839**	110,426
Motor vehicles	**6,415**	5,214
Construction work-in-progress	**2,986,838**	2,111,457
	52,044,601	55,473,537

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

	Group	
	2017	2016
	US$	*US$*
Long leasehold land and building in Shanghai, the PRC	**1,030,788**	1,177,830
Long leasehold buildings in Jiangsu province, the PRC	**4,290,517**	4,667,119
	5,321,305	5,844,949

17 Land use rights

	Group 2017	2016
	US$	US$
Cost		
At beginning of the financial year	**4,525,643**	6,081,548
Disposals	**(782,550)**	–
Reclassified to disposal group assets classified as held-for-sale	–	(1,210,426)
Currency translation differences	**(306,558)**	(345,479)
At end of the financial year	**3,436,535**	4,525,643
Accumulated amortisation		
At beginning of the financial year	**329,322**	380,832
Amortisation charge	**94,891**	128,385
Disposals	**(56,946)**	–
Reclassified to disposal group assets classified as held-for-sale	–	(157,618)
Currency translation differences	**(22,311)**	(22,277)
At end of the financial year	**344,956**	329,322
Net carrying value		
At end of the financial year	**3,091,579**	4,196,321
Amount to be amortised or disposed of:		
– Not later than one financial year	**576,846**	103,756
– Later than one financial year but not later than five financial years	**279,247**	415,023
– Later than five financial years	**2,235,486**	3,677,542
	3,091,579	4,196,321

The Group's land use rights are classified in the statements of financial position as follows:

	Group	
	2017	2016
	US$	*US$*
Current	**507,034**	–
Non-current	**2,584,545**	4,196,321
	3,091,579	4,196,321

The details of the land use rights at 30 April 2017 are as follows:

Location	**Lease period**	**Land area** *(square metres)*
Xinghua City, Jiangsu province, the PRC	July 2011 to February 2058	26,669.60
Xinghua City, Jiangsu province, the PRC	August 2011 to February 2058	23,288.00
Xinghua City, Jiangsu province, the PRC	January 2012 to January 2062	15,655.60
Xinghua City, Jiangsu province, the PRC	April 2013 to January 2063	21,673.60
Xinghua City, Jiangsu province, the PRC	April 2014 to June 2063	7,998.40
Xinghua City, Jiangsu province, the PRC	April 2014 to February 2058	19,632.50

During the current financial year, land use rights with net carrying amount of US$725,604 were disposed off by the People's Court of Xinghua City on behalf of the PRC subsidiary at total consideration of US$666,347. Out of the total proceeds, US$451,281 was received by the PRC subsidiaries and the remaining proceed is kept by the People's Court of Xinghua City and will be used to settle the Group's outstanding debts owing to certain contractors/suppliers/employees in respect of the on-going litigations as disclosed in Note 29(c)(i). In January 2018, proceeds have been used to settle the Group's outstanding debts owing to a contractor/supplier.

At the end of the reporting period, land use rights with net carrying value of US$2,584,545 (2016: US$3,112,064) are pledged to certain banks for banking facilities granted (Note 22).

At the end of the reporting period, land use rights with net carrying value of US$507,034 (2016: US$552,630) are pledged as security in respect of a litigation as disclosed in Note 29(c)(i).

As disclosed in Note 36(ii), the land use rights of Novowell Lamination Technology (Taizhou) Limited ("Novowell Lamination"), an indirect wholly-owned subsidiary of the Company which were pledged as security in respect of a litigation as disclosed in Note 29(c)(i) were placed under the auction by the People's Court of Xinghua City in May 2017. The land use rights were disposed at a consideration of US$484,000 or RMB3,334,500 (the "Proceed") in May 2017. The Proceed is kept by the People's Court of Xinghua City and will be used to settle the Group's outstanding debts owing to a contractor.

18 Investments in subsidiaries

	Company	
	2017	2016
	US$	*US$*
Unquoted equity shares, at cost		
Balance at beginning of financial year	**79,463,169**	79,460,123
Incorporation/acquisition of new subsidiaries	**18,060**	3,046
Balance at end of financial year	**79,481,229**	79,463,169
Amounts due from subsidiaries	**31,496,647**	31,496,647
	110,977,876	110,959,816

Management determined that owing to the nature of the activities of the subsidiaries, the amounts due from subsidiaries are quasi-equity in nature, non-interest bearing and are therefore included in the investments in subsidiaries. The quasi-equity loans have no repayment terms and accordingly, the amounts are stated at cost.

22 Borrowings

Default and breaches

(i) Bank loan

During the financial year, NWETP has breached certain covenants clauses in the loan agreement, including but not limited to the financial condition, financial testing, financial covenants and etc. In addition, NWETP has failed to make payments of certain instalments of the bank loan on their respective due dates.

On 27 March 2017, the Group received a notice from the Intermediate People's Court of Taizhou City, Jiangsu province, the PRC (the "Intermediate People's Court of Taizhou City") informing NWETP that an application had been received to wind up NWETP due to its inability to settle the outstanding bank loan as disclosed in Note 29(c)(iii).

At the end of the reporting period, the total bank loan outstanding amounting to US$14,200,925 (2016: US$15,500,000) is presented as current liabilities as at 30 April 2017.

On 18 August 2017, China CITIC Bank International Limited (the "Bank"), Real Shine Capital Limited ("RSCL") and NWETP entered into a deed of assignment of loan and securities, pursuant to which the Bank agreed to assign to RSCL and RSCL agreed to accept the assignment of the aggregate principal amount and interest thereon owing by NWETP to the Bank from time to time under the banking facilities and all securities provided to the Bank pursuant thereto.

On 18 August 2017, the Company was informed by RSCL that the Bank has made an application to the Intermediate People's Court of Taizhou City to withdraw the winding-up petition and/or application against NWETP. Subsequently, the Intermediate People's Court of Taizhou City has approved the withdrawal pursuant to an order made on 5 September 2017.

On 13 November 2017, RSCL and NWETP entered into a deed of settlement, pursuant to which RSCL agrees with NWETP to settle the outstanding bank loan in the manner as disclosed in Note 29(c)(iii).

(ii) Revolving credit facility

During the financial year, the Group has failed to make payments of certain interest of the revolving credit facility on their respective due dates. The interest of the revolving credit facility was adequately accrued for under accrued operating expenses (Note 24) at the end of the reporting period.

At the end of the reporting period, the revolving credit facility outstanding amounting to US$2,321,168 (2016: US$Nil) is presented as current liabilities as at 30 April 2017.

Subsequent to the end of the reporting period, the bank has extended the repayment term of the outstanding amount of the revolving credit facility to 20 February 2019.

(iii) Other borrowings

Subsequent to the end of the reporting period, the Group has failed to make payment of the principal repayments totalling US$2,700,000 on their respective due dates which is due on or before 30 June 2018.

As at the date when these financial statements were approved for issue by the Board of Directors, the management is in negotiations with the strategic partner on the revised repayment terms of the outstanding other borrowings at 30 April 2017.

24 Trade and other payables

	Group		Company	
	2017	2016	**2017**	2016
	US$	*US$*	***US$***	*US$*
Trade and bill payables	**250,258**	1,816,720	–	–
Sales deposits received	**410,114**	813,961	–	–
Accrued operating expenses	**4,436,723**	3,782,444	**546,563**	614,117
Other payables	**4,417,032**	4,889,930	**90**	90
Other payables for property, plant and equipment	**2,426,453**	1,766,200	–	–
Amount due to director	**1,328,366**	641,246	–	–
Amount due to related party	**3,412**	–	–	–
Amount due to subsidiaries	–	–	**1,718,133**	433,823
Amount due to immediate and ultimate holding company	**2,673,110**	923,656	**526,873**	24,101
	15,945,468	14,634,157	**2,791,659**	1,072,131

The amounts due to immediate and ultimate holding company, subsidiaries, director and related party are non-trade in nature, unsecured, interest-free and repayable on demand.

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

	Group	
	2017	2016
	US$	*US$*
0 to 3 months	–	127,221
More than 3 months to 6 months	–	–
More than 6 months to 12 months	–	–
More than 12 months	**250,258**	1,689,499
	250,258	1,816,720

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

	Group		**Company**	
	2017	2016	**2017**	2016
	US$	*US$*	***US$***	*US$*
RMB	**284,370**	58,232	**142,693**	38,706
HKD	**508,257**	695,987	**1,413,895**	220,274
IDR	–	16,407	–	–
SGD	**538,004**	462,868	**616,558**	354,503
AED	–	4,083	–	–
USD	**84,130**	50	–	–
EUR	–	1,953	–	–
INR	–	949	–	–
	1,414,761	1,240,529	**2,173,146**	613,483

29 Contingent liabilities

(c) Contingent liabilities

Contingent liabilities of which the probability of settlement is not remote at the end of the reporting period, are as follows:

Group

(i) Several contractors/suppliers/employees are making claims against NWETP for outstanding payable sum (including legal fees) totalling approximately US$3.65 million or RMB25.13 million. The total claims (including legal fees) were adequately accrued for under trade and other payables (Note 24). At 30 April 2016, inventories with net carrying amount of US$188,536 was frozen by the People's Court of Xinghua City. In addition, a deposit of US$928,980 was set aside as guarantee deposit by the People's Court of Xinghua City and Xinghua City Municipal Finance Bureau.

During the current financial year, the above inventories and certain land use rights of the Group have been disposed of by the People's Court of Xinghua City. The proceeds from disposal were kept by the People's Court of Xinghua City and will be used to settle the Group's outstanding debts owing to several contractors/suppliers/employees. Besides, the guarantee deposit was also fully utilised to settle the Group's outstanding debts owing to several contractors/suppliers/employees. In January 2018, the proceeds has been distributed to certain contractors/suppliers/employees.

Subsequent to year end, NWETP entered into settlement agreements with 47 contractors/suppliers/employees, which reduced the claim against NWETP from RMB25.13 million to RMB17.40 million and recorded a gain of approximately RMB7.5 million from the settlement of the litigations and approximately RMB14.78 million has been paid to contractors/suppliers/employees.

(ii) On 18 March 2016, Novo Commodities Limited ("NCL") has received a Writ of Summons under an action commenced in the High Court of Hong Kong with respect to the outstanding other borrowings of US$10,940,000 (2016: US$10,938,453) provided by a strategic partner as disclosed in Note 22. The strategic partner claimed against NCL for the breach of a repayment agreement signed in June 2015, in which the outstanding other borrowings were not repaid in full by 20 December 2015. Accordingly, the strategic partner demand for the repayment of the outstanding other borrowings of US$10,940,000 together with the accrued interests. The accrued interests has been accrued for under accrued operating expenses (Note 24) as at the end of the reporting period.

On 27 April 2017, the High Court of Hong Kong ordered that all further proceedings in respect of the other borrowings be stayed upon the terms set out in a settlement agreement entered into between NCL and the strategic partner dated 4 February 2017 ("Deed of Settlement"). Pursuant to the Deed of Settlement, the strategic partner has agreed to accept the sum of US$10,940,000 as full and final settlement of its claim against NCL. NCL has paid to the strategic partner a total amount of US$5,500,000 during the current financial year. Under the Deed of Settlement, NCL shall settle the remaining balance of US$5,440,000 in six equal half-yearly instalments with the first and the last instalments payable on or before 30 June 2017 and 31 December 2019, respectively. Interest shall accrue and be payable on US$5,440,000 at the rate of 6% per annum from 1 January 2017.

Subsequent to the end of the reporting period, the Group has failed to make payment of the principal repayments totaling US$2,700,000 in their respective due dates which is due on or before 30 June 2018.

As at the date when these financial statements were approved for issue by the Board of Directors, the management is in negotiations with the strategic partner on the revised repayment terms of the outstanding other borrowings at 30 April 2017.

(iii) On 6 September 2016, China CITIC Bank International Limited (the "Bank") through its solicitor, issued a demand letter to NWETP claiming for immediate repayment for an aggregate amount of US$14,308,992, which includes the outstanding principal and accrued interests, in respect of the banking facilities granted by the Bank to NWETP. The Bank's legal advisers on 25 November 2016, informing the Group that an application has been submitted to the Intermediate People's Court of Taizhou City, Jiangsu Province, the PRC (the "Court") to wind up NWETP and to repay and settle all outstanding liabilities under the banking facilities in accordance with the applicable laws. The total outstanding bank loan was recorded under borrowings (Note 22).

On 18 August 2017, the Bank, Real Shine Capital Limited ("RSCL") and NWETP entered into a deed of assignment of loan and securities (the "Assignment"), pursuant to which the Bank agreed to assign to RSCL and RSCL agreed to accept the assignment of the aggregate principal amount and interest thereon owing by NWETP to the Bank from time to time under the banking facilities and all securities (the "Loan") provided to the Bank pursuant thereto.

Pursuant to the Assignment, within three business days from the date of the Assignment and the making of the prescribed payment by RSCL to the Bank upon the execution of the Assignment, the Bank shall be obliged to deliver to the Intermediate People's Court of Taizhou City its application to withdraw the winding-up petition and/or application against NWETP, and upon making such application, the Bank shall notify RSCL in writing and provide a copy of the relevant application documents to RSCL. The Company was informed by RSCL on 18 August 2017 that such application for withdrawal has been delivered by the Bank to the Intermediate People's Court of Taizhou City on 14 August 2017. Subsequently, the Intermediate People's Court of Taizhou City has approved the withdrawal pursuant to an order made 5 September 2017.

On 13 November 2017, RSCL and NWETP entered into a deed of settlement (the "Deed of Settlement"), pursuant to which RSCL agrees with NWETP to settle the outstanding aggregate principal amount of the Loan and interest accrued thereon of US$5,401,249 (HK$37,231,250) as of the date of the Deed of Settlement (the "Indebtedness") in the following manner:

(i) NWETP shall pay to RSCL a sum of US$3,075,548 (HK$21,200,000) within seven days after the date of the Deed of Settlement; and

(ii) NWETP shall pay to RSCL the balance of US$2,176,095 (HK$15,000,000) in four instalments of US$544,024 (HK$3,750,000) each, together with the interest on the total outstanding balance at an interest rate of 5% per annum, of which the first instalment shall be paid on the date falling the first business day after 12 calendar months from the date of the Deed of Settlement, and the second, third and fourth instalments shall be paid on the first business day of every consecutive four calendar months thereafter.

The aggregate amount for each of the first, second, third and fourth instalment (including the interest accrued) shall be US$652,829 (HK$4,500,000), US$564,425 (HK$3,890,625), US$557,624 (HK$3,843,750) and US$550,824 (HK$3,796,875), respectively.

Upon full payment of the Indebtedness made by NWETP in accordance with Deed of Settlement, RSCL shall irrevocably, unconditionally and absolutely releases and discharges NWETP from all or any obligations, liabilities, undertakings or claims in respect of the Indebtedness.

Pursuant to the Deed of Settlement, RSCL agreed to release each of the securities being assigned and/or transferred to it pursuant to the Assignment immediately upon it is legally and validly assigned and transferred to it by the Bank.

(iv) As disclosed in Note 13, the Group completed the disposal of TIANJIN SHIFA on 27 March 2017, the date which TIANJIN SHIFA ceased to be a subsidiary of the Group. However, a contractor is making claim of overdue construction costs amounting to US$246,868 or RMB1,701,684 against TIANJIN SHIFA and initiated a legal action in the People's Court of Tianjin on 30 March 2017. Pursuant to the addendum to the equity transfer agreement signed, the Group has agreed to set aside and deposited an amount of US$246,868 or RMB1,701,684 out of the total proceeds from the disposal into a notary account under custody of Tianjin City He Xi Notaries.

The legal adviser advised that there are reasonable grounds of defence but subject to decision by the People's Court of Tianjin.

The management is of the view that no further provision is necessary for any of the legal cases described above having considered the status of the legal cases and the opinions obtained from the legal advisers.

31 Financial instruments

Categories of financial Instruments

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

	Group		Company	
		(Restated)		
	2017	2016	**2017**	2016
	US$	*US$*	***US$***	*US$*
Financial assets				
Loans and receivables				
Trade and other receivables	**1,250,922**	7,066,983	**1,024,727**	–
Cash and cash equivalents	**6,888,251**	9,778,425	**5,115,800**	20,802
Total loans and receivables	**8,139,173**	16,845,408	**6,140,527**	20,802
Financial liabilities				
Financial liabilities at amortised cost				
Trade and other payables	**15,535,354**	13,820,196	**2,791,659**	1,072,131
Borrowings	**52,692,624**	83,732,207	**–**	–
Total financial liabilities at amortised cost	**68,227,978**	97,552,403	**2,791,659**	1,072,131

36 Significant events after the reporting period

(i) On 20 July 2017, the Company announced that Star Promise Investments Limited (the "Subscriber"), a wholly-owned subsidiary of the Company, Mr. Sun Bao Gang, Ms. Wu Ching Man and Organic Beer Hong Kong Limited (the "Target Company") entered into a Subscription and Shareholders' Agreement (the "Subscription Agreement"), pursuant to which the Subscriber had conditionally agreed to subscribe, and the Target Company had conditionally agreed to issue and allot to the Subscriber, subject to fulfillment of certain conditions (the "Conditions Precedent"), new ordinary shares in the Target Company (representing 60% of the issued share capital of the Target Company immediately after the subscription) at the subscription price of US$1,025,640 or HK$8,000,000 (the "Proposed Subscription"), which was determined based on various factors including the costs of acquisition or leasing of machinery and equipment necessary for the operation of the business and as general working capital for the operation of the business to the Target Company.

The Target Company would be the first brewery of additive-free beer in Hong Kong. The Board believe that this would be a viable investment opportunity and was of the view that the Proposed Subscription would be in the best interests of the Company and its shareholders.

The Proposed Subscription was completed on 8 September 2017. The Target Company will be consolidated with effect from 8 September 2017. Details of the assets acquired, liabilities assumed, non-controlling interest that will be recognised, acquisition costs and effects on the Group's profit or loss and cash flows for the financial year ended 30 April 2018 are not disclosed as accounting for the business combination is still incomplete at the time these financial statements are authorised for issue.

(ii) In May 2017, the land use rights of Novowell Lamination which were pledged as security in respect of a litigation as disclosed in Note 29(c)(i) were placed under the auction by the People's Court of Xinghua City. The land use rights were disposed of at a consideration of US$484,000 or RMB3,334,500 in May 2017.

(iii) As disclosed in Note 29(c)(iii), on 18 August 2017, the Bank, RSCL and NWETP entered into a deed of assignment of loan and securities (the "Assignment"), pursuant to which the Bank agreed to assign to RSCL and RSCL agreed to accept the assignment of the aggregate principal amount and interest thereon owing by NWETP to the Bank from time to time under the banking facilities and all securities (the "Loan") provided to the Bank pursuant thereto. Pursuant to the Assignment, within three business days from the date of the Assignment and the making of the prescribed payment by RSCL to the Bank upon the execution of the Assignment, the Bank shall be obliged to deliver to the Intermediate People's Court of Taizhou City its application to withdraw the winding-up petition and/or application against NWETP, and upon making such application, the Bank shall notify RSCL in writing and provide a copy of the relevant application documents to RSCL. The Company was informed by RSCL on 18 August 2017 that such application for withdrawal has been delivered by the Bank to the Intermediate People's Court of Taizhou City on 14 August 2017. Subsequently, the Intermediate People's Court of Taizhou City approved the withdrawal pursuant to an order made 5 September 2017.

On 13 November 2017, RSCL and NWETP entered into a deed of settlement, pursuant to which RSCL agreed with NWETP to settle the outstanding bank loan in the manner as disclosed in Note 29(c)(iii).

(iv) On 5 June 2017, the Company incorporated an indirect wholly-owned subsidiary, Yorkshine Trading (Guangzhou) Limited with registered and fully-paid capital of HK$350,000.

(v) On 6 February 2018, the Company filed a report with the Hong Kong Police, as certain books and records of the Group are missing, destroyed and cannot be located. In the meantime, the Company will not be in a position to accurately ascertain nor evaluate the potential impact of loss until the Hong Kong Police has investigated and ascertained the facts surrounding the books and records which are missing, destroyed and cannot be located.

(vi) Pursuant to a letter dated 11 July 2018 (the "Letter") addressed to the Company and five of its subsidiaries (the "Relevant Subsidiaries"), New Page demanded the Company and the Relevant Subsidiaries to repay on or before 1 August 2018 (being the maturity date of the Loan Agreements (as defined below)) a total sum of US$33,248,130, being the aggregate outstanding amount due from the Relevant Subsidiaries to New Page pursuant to various loan agreements entered into between each of the Relevant Subsidiaries and New Page between 2015 and 2016 (and as extended by various extension letters in 2017) (the "Loan Agreements").

The Group is in the course of seeking professional advices in relation to the matters mentioned in the Letter."