YORKSHINE HOLDINGS LIMITED
煜新控股有限公司*

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

ANNUAL REPORT 2017

For identification purpose only

CONTENTS

Corporate Profile

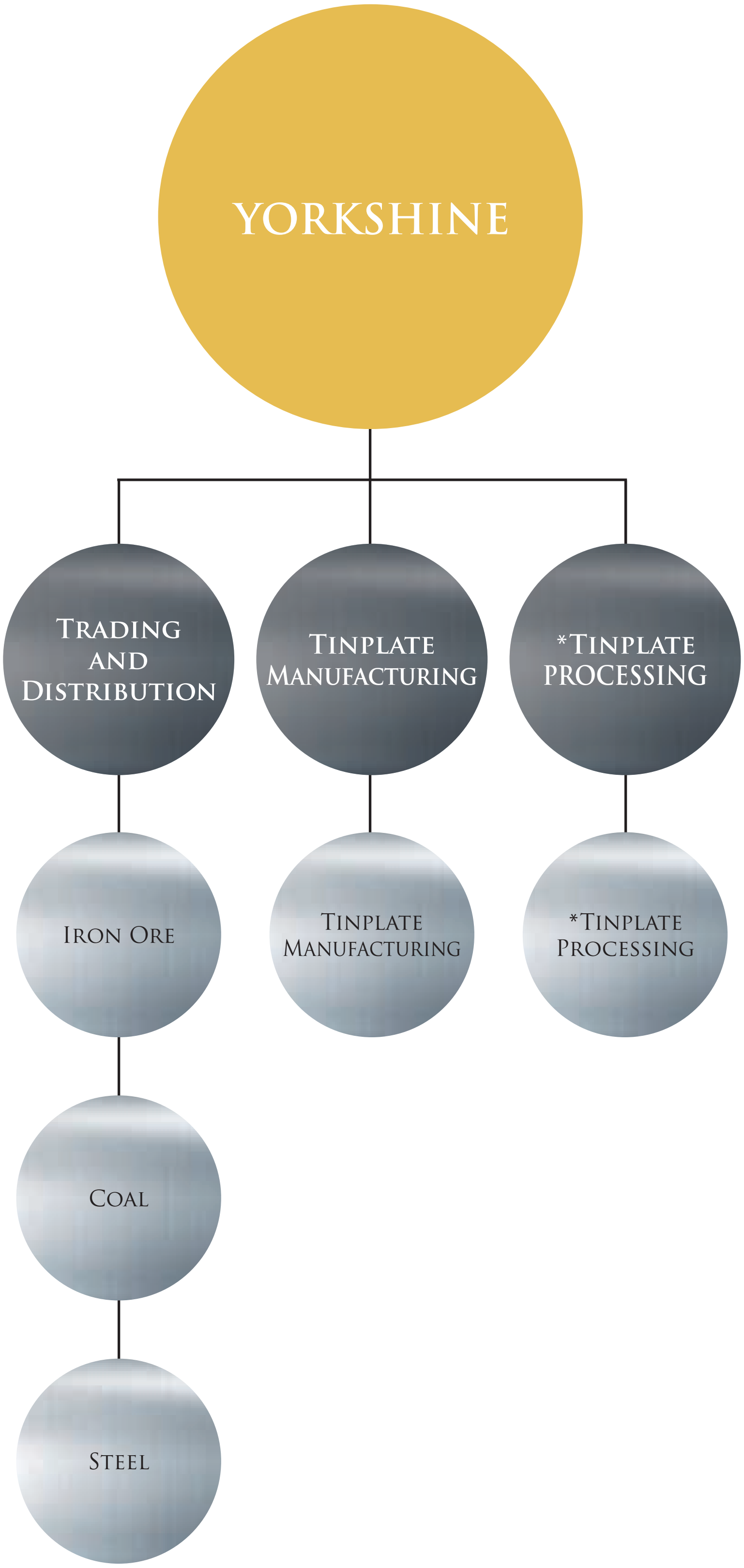
YORKSHINE HOLDINGS LIMITED (SEHK: 1048; SGX: MR8) (the "**Company**", and, together with its subsidiaries, "**Yorkshine**" or the "**Group**") is a limited liability company incorporated in Singapore on 29 June 1989 under the Singapore Companies Act (Chapter 50) and its issued shares have been listed on the Main Board of the Singapore Exchange Securities Trading Limited since 28 April 2008 and dual-listed on the Main Board of The Stock Exchange of Hong Kong Limited since 6 December 2010. Yorkshine focused on bulk commodities trading (iron ore, coal and steel products) and tinplate manufacturing during the year ended 30 April 2017 (the "**Year**"). Following the close of the mandatory unconditional cash offer by Golden Star Group Limited on 27 November 2015 and the consequent change in ownership in the Company, the Group has officially started a new chapter.

The tinplate products of the Group are generally used in food and beverage packaging including but not limited to the food and beverage metal containers. The tinplate manufacturing business is equipped with a team of technical experts having extensive industry experience in the areas of research and development and production of tinplate.

With the support of our executive chairman, Mr. Zhu Jun (the "**Executive Chairman**"), the Company considers its tinplate manufactory business having enormous growth potential and becoming the key revenue driver of the Group.

Through restructuring, the financial scale of the Group will be strengthened and the business scope will soon be more diversified. The Group will actively explore and identify any investment and other business opportunities.

Business Segments

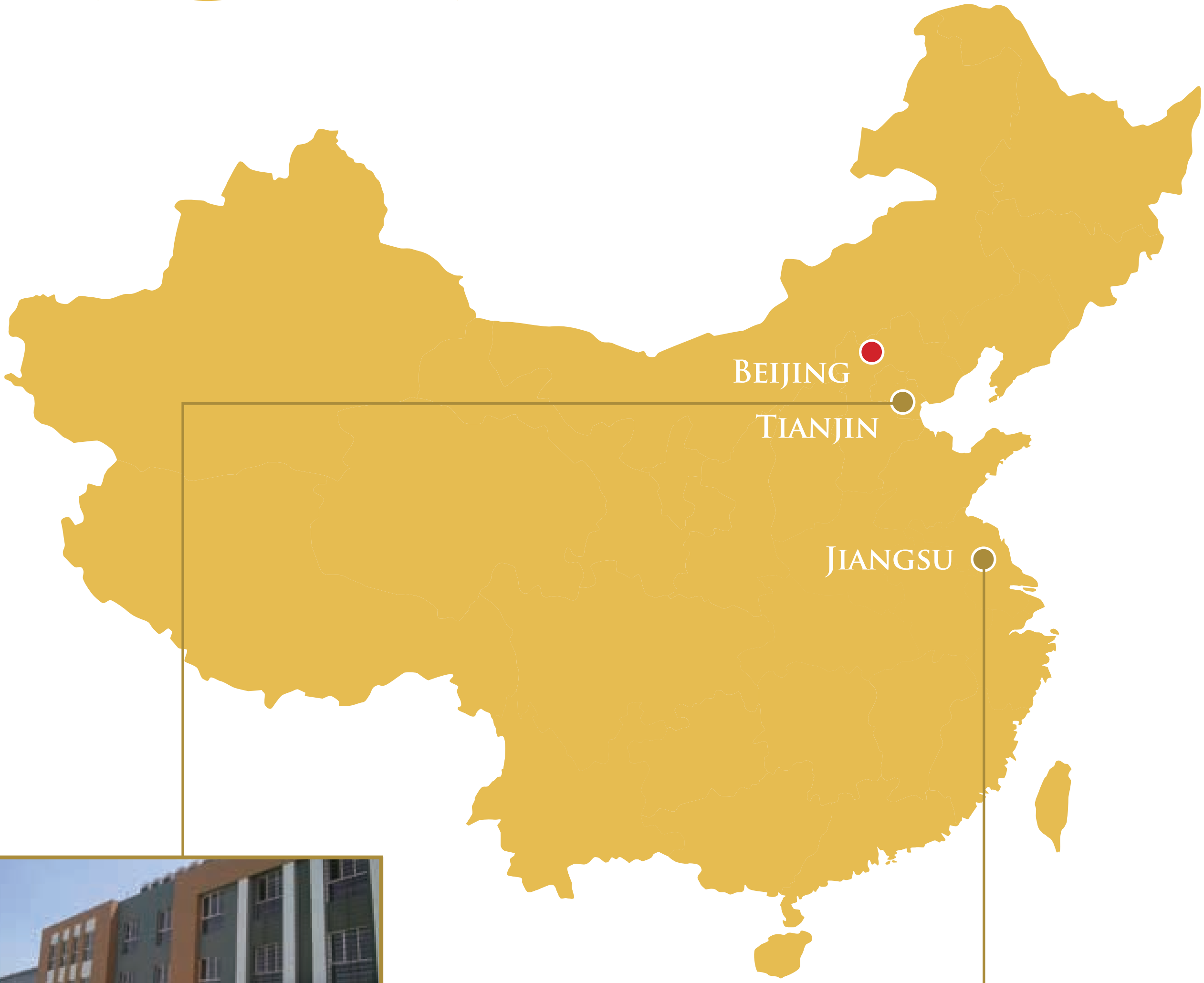


* Disposed of during the financial year ended 30 April 2017

Trading and Distribution

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

BUSINESS IN CHINA



TIANJIN

Tinplate Processing Project

(Disposed of on 27 March 2017)

Scope: Tinplate and tin free steel processing, including coil cutting, slitting, printing and packing

JIANGSU

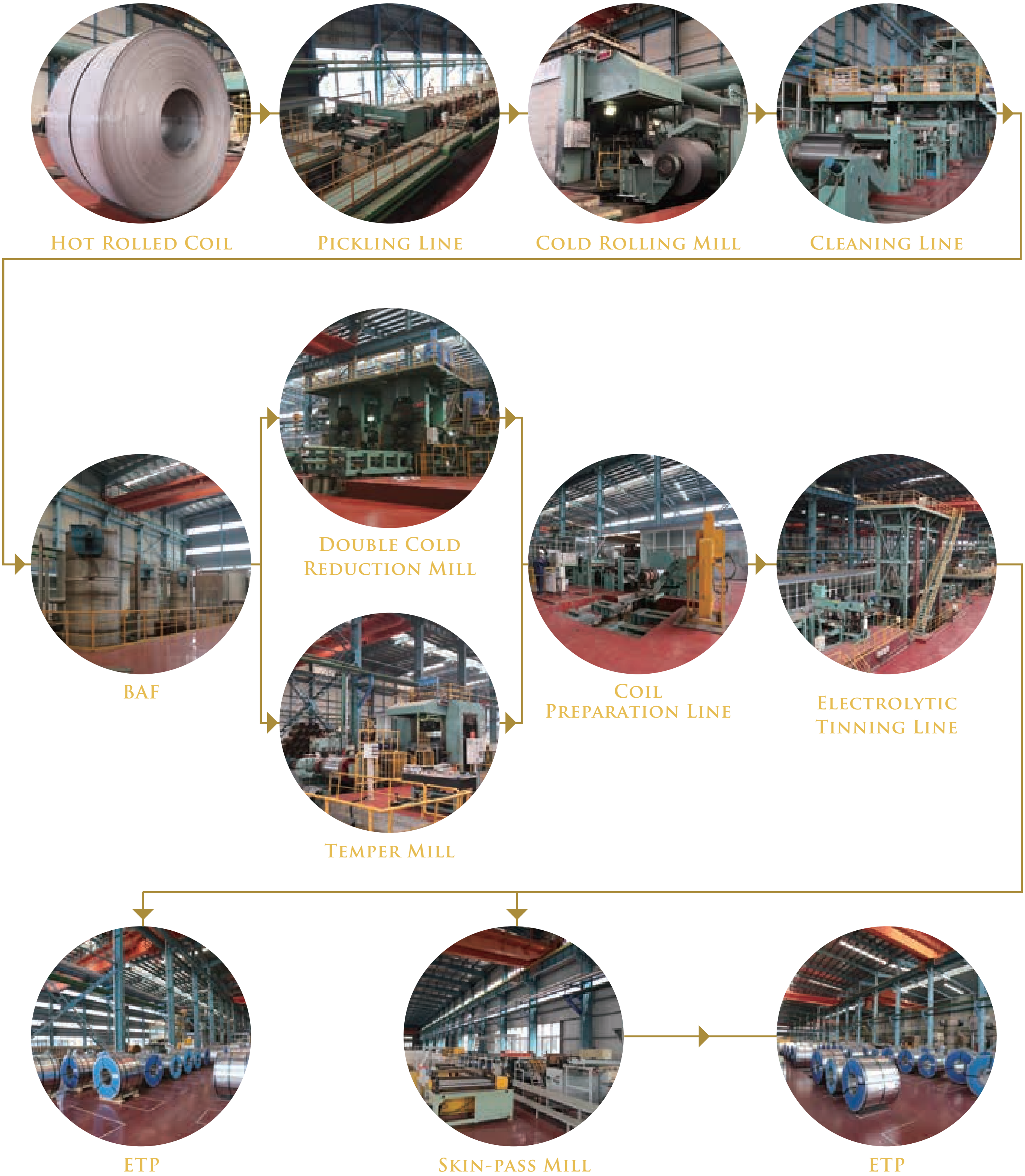
Tinplate Manufacturing Project

Scope: Tinplate manufacturing

Tinplate Manufacturing

The Group has engaged in the tinplate manufacturing segment since 2012. Located in Jiangsu, the tinplate manufacturing operation is principally engaged in manufacturing, sales and distribution of tinplate products. With a strong team of competent and experienced personnel, coupled with an indisputable technology, high-quality-level products as well as comparatively new machine and equipment, the Group has strived to resume the operations of the factory in Taizhou.

MANUFACTURING PROCESS



Human Capital and Business Strategy

Human Capital

Yorkshine recognises human resource as the Group's greatest assets and sees employee development as the cornerstone of the enterprise. Good talented staff naturally wants to advance, and in return sound employee development programs increase both loyalty and productivity. In past years, Yorkshine has implemented various training programs and spent unaccountable resources to enhance employees' capabilities and fill in the need of its employees. To promote greater rapport and team spirit among colleagues, various social and recreation activities have been undertaken.

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

Business Strategy

We shall strive to achieve a disciplined growth while delivering greater value for shareholders. In order to chart a path towards these goals, we are gearing our efforts to four strategic directions:

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

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

3. Extending customer base and solidifying customer relationship – We aim to concentrate customers' base with a focus on high growth international markets. We intend to strengthen customer relationship by providing quality products and services and engineering solutions to our customers.

4. Opening up financing channels and asset allocation – We shall allocate resources to potentially growth business in order to create a balanced and growth portfolio. We shall invest in new business with profitable and stable income. The Group will constantly open up financing channels and continue to boost its business development and maintain its healthy operating status.

The Group will continue to refine its strategic plan based on the Group's needs and global market conditions.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

On behalf of the Board (the "**Board**") of Directors (the "**Directors**") of YORKSHINE HOLDINGS LIMITED (the "**Company**", and, together with its subsidiaries, "**Yorkshine**" or the "**Group**"), I am pleased to present to you the annual report of the Group for the year ended 30 April 2017 (the "**Year**").

PERFORMANCE

2017 was a volatile year. The global economy has struggled with a disorderly market in the doldrums suffering from the economic slowdown of leading trading nations and the uncertainty or even deterioration of international market conditions arising from the US-China trade war and other factors. Affected by the global macroeconomic environment and regional geopolitics, the Group's revenue decreased.

In response of the above, we have actively taken measures at the group level generally. We took this opportunity to lay a solid foundation for the forthcoming annual results. For details, please refer to the Management Discussion and Analysis of this annual report.

In 2017, the Group conducted a substantial restructure on the factories of Yorkshine New Material (Taizhou) Limited* (formerly known as Novowell ETP Limited under the Group). I have visited the factories on-site to solve problems therein from the beginning of 2017 for over 13 months without any single day of rest and resumed their systems by standardising and refining the internal control and formulating an innovative "policy and procedure".

During the period, the team substantially renovated and expanded the plants, and performed an overall technological reform and upgrade for all the production equipment. It commenced mass production in May 2018. It is expected that the annual production volume can attain 130,000-150,000 tonnes, with a value of HK$1billion by December 2019.

Zhu Jun

Executive Chairman and Executive Director

For the purpose of the sustainable development of the Company, a complete environmental rectification program was launched for the factories and recognised by the local government. We compilated and reassessed of our "Environmental Assessment Report" and obtained the approval of the local government and Environmental Protection Bureau respectively. Expert review is now underway. A garden styled plant of a certain scale with development prospect has been evolved accordingly.

Currently, the Group has strengthened the administration and management team, financial and internal management team, sales and purchase team and special environmental protection and safety production. We have formulated and standardised the requirements on information such as "financial evidences" and "Contracts" and set up a dedicated filing room.

The Group believes, we have overcome the most of the hard times now. We embrace new opportunities and landscape for the business development. With the huge support of the peoples' government of Daxing, Taizhou, the Board will actively capitalise on the new trend to further enhance the competitiveness and sustainability of the Group.

Our internal management is subject to further improvement. A senior management has not accounted for the way of access to certain account ledgers and records of certain subsidiaries of the Company in which he/she held office as a director. In view of this, the Board of the Company had suspended, dismissed and terminated his related positions. The Group has found certain books and records missing, destroyed and could not be located. On 6 February 2018, the Company filed a report with the Hong Kong Police accordingly. Taking this lesson, we will make every endeavour to improve the disciplines of and governance over the senior management and necessary file management.

Prospects

As the year-end date of the Group is 30 April 2017, the operating environment of the coming year will still be mixed. Despite that the financial performance will hit the bottom, the overall fundamental will substantially be improved. In order to build up a healthy operation environment and strengthen our financial performance, we will create a stable and balanced business portfolio with a dedicated management team and staff. We aim to maintain our competitive edge through careful strategic planning and vigilant cost control. We have full confidence in the prospects of the Group. In the future, apart from focusing on its core business, the Group will also develop new and diversified business portfolio.

Looking ahead, the Company expects to investigate new business opportunities, reduce debts and streamline the organisation to reposition and rebuild the operation business of the Group.

To achieve potential financial growth, while preparing for market rebound through enhancing the Group's competitiveness, the Group will be staying close with the market and firmly grasp any opportunities to come in the near future.

Sincere Appreciation

I wish to convey my sincere appreciation to the Board, the management team and all staffs for their valuable opinions, hard work and contribution to the Group. I also take this opportunity to express my gratitude to all shareholders, customers, business partners and associates for their loyal support. The Group values and look forward to your continuous trust and support in order to embrace the new challenges and opportunities together.

Zhu Jun
Executive Chairman and Executive Director

* *For identification purpose only*

Management Discussion and Analysis

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 0.01% 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% of the Group's total revenue in FY2016, which diminished to nil in FY2017.

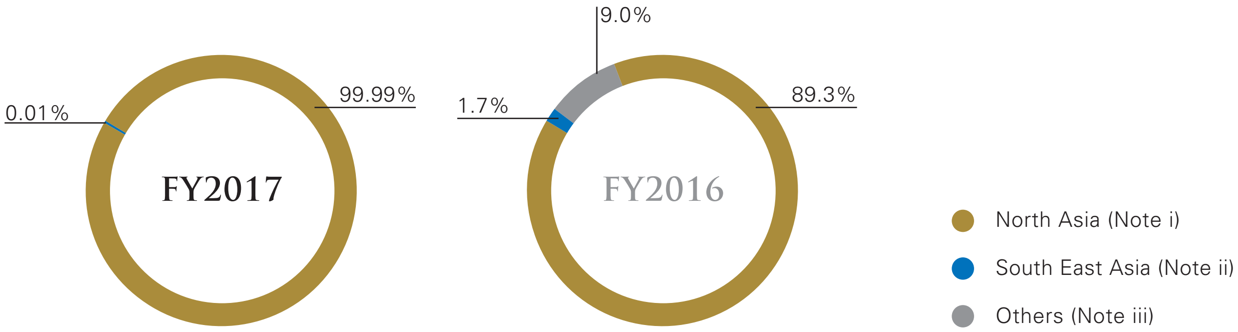
Discontinued Tinplate Processing Operations

On 27 March 2017, a transaction involving the disposal of 50% equity interest in Tianjin Shifa Novo Technology Development Limited ("**TIANJIN SHIFA**") by two indirect subsidiaries of the Company for a total cash consideration of RMB9 million (approximately HK$10.76 million or US$1.38 million) was completed (the "**Completion**"). Following the Completion, TIANJIN SHIFA has ceased to be a subsidiary of the Group and the Group has discontinued its tinplate processing operations.

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.

SALES REVENUE BY GEOGRAPHICAL LOCATIONS (%)



Notes:

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

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

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

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 costs 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 these property, plant and equipment denominated in foreign currency of US$3.8 million and offset by addition of property, plant and equipment 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 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 that the manufacturing business was temporarily suspended, no inventory was held by the Group as at 30 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 Investments Limited ("**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 ASSETS 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 the 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.

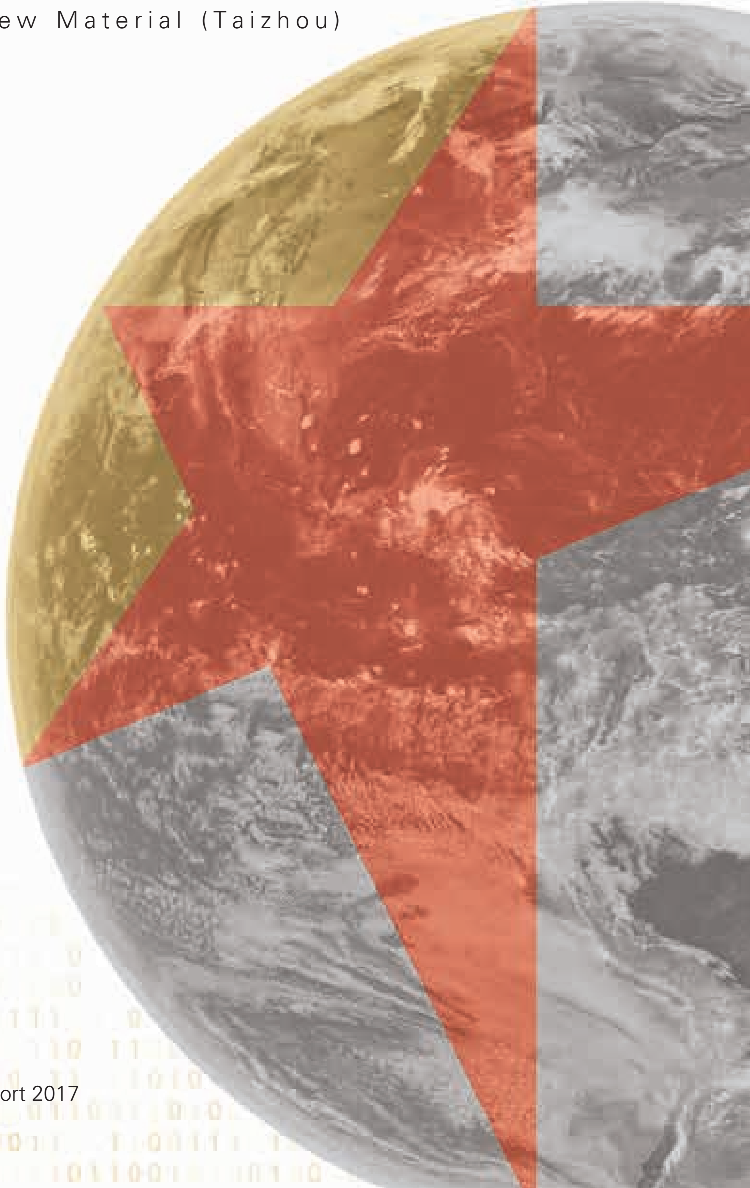
LIQUIDITY AND FINANCIAL RESOURCES

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 as at 30 April 2017. This was mainly due to repayment of bank loans of approximately US$33.0 million and repayment of approximately US$5.5 million to Minmetals, Inc. for settlement of litigation involving a subsidiary of the Company.

BUSINESS UPDATE

TINPLATE MANUFACTURING PROJECT

Considering that the Group has a strong team of competent and experienced personnel, coupled with an indisputable 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 People's Republic of China which is managed by Yorkshine New Material (Taizhou)



Limited, in the middle of the 2018. With the financial support from Golden Star Group Limited and stronger monitoring of the daily management and operation, the Group expects that the cash flow of this operation will gradually improve.

ORGANIC BEER PROJECT

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 had 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 HK$8 million (approximately US$1.03 million), 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 subscription price has been satisfied in cash and by internal resources.

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

Save for those disclosed in this annual report, there were no significant investments held as at 30 April 2017, nor were there material acquisitions and disposal of subsidiaries during FY2017.

Pledge of Assets

Certain assets of the Group have been pledged to secure the bank borrowings of the Group. For details, please refer to Note 22 to the financial statements.

Foreign Exchange Exposure

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

Contingent Liabilities

The Group's contingent liabilities as at 30 April 2017 are shown in Note 29 to the financial statements.

Liquidity and Financial Resources

As at 30 April 2017, the Group had total cash and bank balances of approximately US$6.9 million (30 April 2016: US$9.8 million). The gearing ratio, calculated as a percentage of total liabilities to total assets, was 98.9% as at 30 April 2017 (30 April 2016: 97.8%). In the opinion of the Directors, the Group will have sufficient working capital to meet its financial obligations in full as they fall due in the foreseeable future.

Employees and Remuneration Policies

As at 30 April 2017, the Group had a total of 147 (30 April 2016: 255) full-time employees. The Group determines its staff's remuneration based on factors such as qualifications, years of experience, market conditions and performance of the individual employees. The Company does not have any share option scheme for its employees.

Board of Directors

Executive Directors

The updated information relating to the directors (the "**Directors**") of Yorkshine Holdings Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") is set out below. Save as disclosed below, there is no financial, business, family or other material/relevant relationship among the Directors. The change of Directors' information pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**SEHK**" and the "**HK Listing Rules**", respectively) since the Company's last published interim report is set out in the paragraph headed "Change of Information relating to Directors" in the middle of this section:

Mr. Zhu Jun ("Mr. Zhu"), aged 58, the executive Chairman and an executive Director, was appointed on 30 October 2015. Mr. Zhu also holds directorships in most of the subsidiaries of the Company. He is responsible for formulating the strategic directions, expansion and overall business development plans of the Group. He is also a director and the sole shareholder of Golden Star Group Limited, which is the controlling shareholder of the Company. Mr. Zhu has been a World Fellow of The Duke of Edinburgh's International Award since 2014. He holds a bachelor's degree from the Beijing Agricultural Engineering University and studied at Guangdong Academy of Social Sciences from 1988 to 1990. Since 30 October 2015, he has been the chairman of the nominating committee (the "**Nominating Committee**") and a member of the remuneration committee (the "**Remuneration Committee**") of the Company.

Ms. Wang Jianqiao ("Ms. Wang"), aged 30, an executive Director, was appointed on 30 October 2015. Ms. Wang holds directorships in certain subsidiaries of the Company. She is a director of Golden Star Group Limited, which is the controlling shareholder of the Company. She had worked for large enterprises including the Finance Shared Service Center of the Baosteel Group in 2012 and Ping An Bank between 2013 and 2015. Ms. Wang served as a vice president of Xinxing Investment Group in 2014 and was appointed as a director for its group companies. She holds a bachelor's degree in Management from the Shanghai Finance University. She holds (i) an Executive Master of Business Administration program of Shanghai Jiao Tong University; and (ii) an Executive Master of Business Administration of KEDGE Business School. She has also been awarded 2017 outstanding graduate of Antai College of Economics and Management of Shanghai Jiao Tong University.

Non-executive Director

Dr. Ouyang Qian ("Dr. Ouyang"), aged 62, the non-executive Director, was appointed on 13 February 2017. He has been nominated by State-owned Assets Supervision and Administration Commission of the State Council as an independent director of China National Cereals, Oils and Foodstuffs Corporation. Before that, he served as the chairman of supervisory board of China CITIC Bank Corporation Limited ("**China CITIC Bank**") from August 2013 till October 2015. He held various positions in China CITIC Bank during the period from 1988 to 2015. Dr. Ouyang graduated from Tsinghua University, Beijing in 1982, with a bachelor of science degree majoring in engineering. He obtained a doctor of philosophy degree at University of Manchester, England in 1988. During his tenure with China CITIC Bank, he was responsible for research and design of its internal risk control system, foreign exchange transactions, bond transactions, gold trading and management of asset portfolio investment. Dr. Ouyang is also a member of the risk committee of Darby Asian Mezzanine Fund. He has been a member of the Remuneration Committee since 13 February 2017.

Independent non-executive Directors (the "INEDs")

Mr. Tang Chi Loong ("Mr. Tang"), aged 49, was appointed as an INED on 1 July 2009. He graduated from the Law faculty of the National University of Singapore and is an advocate and solicitor of the Supreme Court of Singapore. Mr. Tang has been a practising lawyer for more than 20 years with experience in diverse areas of the law. He is currently a partner of a law firm, Hin Tat Augustine and Partners, overseeing the insurance law department of the firm. Since 29 April 2016, Mr. Tang has ceased to act as a director of Sinjia Land Limited (formerly known as HLN Technologies Limited), a company listed on Singapore Exchange Securities Trading Limited. Since 1 July 2009, he has been the chairman of the Remuneration Committee and a member of the audit committee of the Company (the "**Audit Committee**"). He was re-designated from the chairman to a member of the Nominating Committee on 30 October 2015.

Mr. Foo Teck Leong ("Mr. Foo"), aged 53, was appointed as an INED on 1 April 2010. Mr. Foo graduated from the National University of Singapore with a degree of Accountancy in 1989 and obtained a Master of Business Administration degree from The University of Manchester, the United Kingdom in 2004. Mr. Foo has been a member of the Institute of Singapore Chartered Accountants since 1994. Mr. Foo currently manages a business consultancy firm Red Dot Consult Pte. Ltd. and holds directorship in several privately held companies. He has been the chairman of the Audit Committee since 19 November 2010, and a member of the Remuneration Committee and the Nominating Committee since 1 April 2010.

Mr. William Robert Majcher ("Mr. Majcher"), aged 55, was appointed as an INED on 27 November 2015. Mr. Majcher holds a bachelor's degree in Commerce from St. Mary's University, Halifax, Nova Scotia, Canada. With over 25 years of experience in public service, international finance and capital markets, he is recognised as an expert on money laundering in the United States Federal Court for the Southern District of Florida and the Supreme Court of British Columbia and the Ontario Superior Court of Justice in Canada. Mr. Majcher is currently an independent non-executive director of (i) Evolving Gold Corporation (a company listed on both the Canadian Stock Exchange with stock code: EVG and the Frankfurt Stock Exchange with stock code: EV7), and (ii) VBG International Holdings Limited (a company listed on GEM of the SEHK with stock code: 8365). Mr. Majcher has resigned as (i) an independent non-executive director of Unitas Holdings Limited (formerly known as Chanceton Financial Group Limited) (a company listed on GEM of the SEHK with stock code: 8020) with effect from 31 May 2018; and (ii) an independent non-executive director of CCT Land Holdings Limited (a company listed on the Main Board of the SEHK with stock code: 261) with effect from 29 February 2016. Since 27 November 2015, he has been a member of each of the Audit Committee, Remuneration Committee and Nominating Committee.

Change of Information relating to Directors

Changes in Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the HK Listing Rules, are set out below:

Name of Directors	Details of change
Mr. Chow Kin Wa	• Removed as the chief executive officer of the Company (the "**CEO**") on 19 January 2018 and resigned as an executive Director on 2 February 2018.
Mr. Foo	• On 1 February 2018, the Company has renewed the letter of appointment with Mr. Foo for a term of two years commencing on 1 February 2018 under the same terms and conditions upon expiration of the letter of appointment on 31 January 2018.
Dr. Ouyang	• Appointed as a non-executive Director on 13 February 2017.
	• Appointed as a member of the Remuneration Committee on 13 February 2017.
	• Entered into a letter of appointment with the Company for a term of three years commencing on 13 February 2017. Dr. Ouyang is entitled to receive a director's fee of HK$12 per annum, which is determined by the Board upon the Remuneration Committee's recommendation by reference to his duties and responsibilities with the Company.
Mr. Majcher	• On 1 March 2018, the Company has renewed the letter of appointment with Mr. Majcher for a term of two years commencing on 1 March 2018 under the same terms and conditions upon expiration of the letter of appointment on 28 February 2018.
	• Appointed as an independent non-executive director of VBG International Holdings Limited (a company listed on GEM of the SEHK with stock code: 8365), with effect from 4 May 2017.
	• Resigned as an independent non-executive director of Unitas Holdings Limited (formerly known as Chanceton Financial Group Limited) (a company listed on GEM of the SEHK with stock code: 8020) with effect from 31 May 2018.
Mr. Tang	• On 1 February 2018, the Company has renewed the letter of appointment with Mr. Tang for a term of two years commencing on 1 February 2018 under the same terms and conditions upon expiration of the letter of appointment on 31 January 2018.

Upon specific enquiries made by the Company on the current Directors and their confirmations, save as otherwise set out in this annual report, there are no other changes in the directors' information required to be disclosed pursuant to Rule 13.51B(1) of the HK Listing Rules since the Company's last published interim report.

Training and Continuing Development of Directors

The Directors responsible for their own training needs which reported to the Company whereas the Company provides suitable training materials for the Directors at the Company's expenses. The newly appointed Directors will receive appropriate induction training and coaching to develop individual skills as required. The Group provides extensive background information about its history, mission and values to the Directors. During the year ended 30 April 2017, all Directors have complied with code provision A.6.5 of the HK CG Code to participate in continuous professional development to develop and refresh their knowledge and skills by attending seminars, in-house briefings or reading materials on the following topics:

	Topics of training covered Note
Executive Directors	
Mr. Zhu Jun	1, 2, 4
Mr. Chow Kin Wa (removed as the CEO on 19 January 2018 and resigned as an executive Director on 2 February 2018)	1, 2, 4
Ms. Wang Jianqiao	1, 2, 4
Non-executive Director	
Dr. Ouyang Qian	1, 2, 4
INEDs	
Mr. Foo Teck Leong	1, 2, 3
Mr. Tang Chi Loong	1, 2, 5
Mr. William Robert Majcher	1, 5, 6

Note:

(1) Corporate governance
(2) Regulatory updates
(3) Finance and accounting
(4) Industry updates
(5) Legal
(6) Money Laundering

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

Directors are continually updated on developments in the statutory and regulatory regimes and the business environment to facilitate the discharge of their responsibilities.

Key Management Personnel

Mr. Chung Man Wai, aged 48, the Chief Financial Officer of the Company for the period from 24 January 2018 to 1 August 2018. Mr. Chung holds a Bachelor of Business Administration Degree from the University of Hong Kong and a Master of Science Degree in Financial Management from the University of London. Mr. Chung is also a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

Mr. Chiu Tun Steven, aged 30, General Manager of Investment Department since October 2016. He oversees the investment team and provides strategic and investment planning for the Group. Before joining the Group, Mr. Chiu worked in the Investment Banking Division at Jefferies Hong Kong and Goldman Sachs Asia. Mr. Chiu holds a bachelor's degree in Economics and Finance from Muhlenberg College at Pennsylvania, the United States.

Mr. Zhang Qiyan, aged 41, Deputy General Manager of Yorkshine New Material (Taizhou) Limited* since September 2017. Mr. Zhang is responsible for the production line of the Group's operation in the People's Republic of China (the "**PRC**"). He graduated from Industry School of Huaibei with over 21 years of related work experience.

Mr. Jiang Yongxiang, aged 54, Financial Controller of Yorkshine New Material (Taizhou) Limited* since August 2017. He graduated from Jiangnan University with an Accounting and Audit Profession. Mr. Jiang is qualified as a Certified Public Accountant and Auditor in the PRC. Mr. Jiang has over 34 years of experience in accounting industry.

Mr. Lei Yonghua, aged 40, Sales Controller of Yorkshine New Material (Taizhou) Limited* since March 2018. Mr. Lei graduated from Jiaozuo Institute of Technology (Former name: Henan Polytechnic University) with 15 years of experience in tinplate industry, He had been a production controller, technology controller, chief engineer, sales controller, deputy general manager of a number of sizeable entities. Mr. Lei has in-depth knowledge of sales team development and market channel development.

* *For identification purpose only*

Corporate Governance Report

The board (the "**Board**") of directors (the "**Directors**") of YORKSHINE HOLDINGS LIMITED (the "**Company**", together with its subsidiaries (collectively referred to as the "**Group**")) is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 30 April 2017 (the "**Year**").

Corporate Governance Practices of the Company

The Group is committed to maintaining a high standard of corporate governance to safeguard the interests of shareholders of the Company (the "**Shareholders**") and to enhance corporate values and accountability.

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

The Company has complied with the applicable principles and guidelines in the Singapore CG Code during the Year and deviations from the Singapore CG Code, if any, have been explained.

The Company has complied with the code provisions of the HK CG Code (to the extent that such provisions are applicable) during the Year.

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

The Board's Conduct of its Affairs

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

Responsibilities

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

The Board is also responsible for:

- providing guidance and leadership for corporate and strategic directions of the Group;
- reviewing the financial performance of the Group;
- providing guidance to overall management of the businesses and affairs of the Group;

- setting up broad policies and financial objectives of the Company;
- overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- approving the nominations of Directors and appointments of key personnel;
- reviewing and approving investments, mergers and acquisition and disposal transactions;
- approving annual budgets and major funding proposals;
- assuming the responsibility for corporate governance as set out in the code provision D.3.1 of the HK CG Code and the Singapore CG Code;
- reviewing the performance of management;
- identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation;
- setting the Company's values and standards (including ethical standards), and ensuring that obligations to Shareholders and other stakeholders are understood and met; and
- considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

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

Delegation by the Board

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

Independent non-executive Directors exercise non-management functions in the Group. Although all Directors have equal responsibility for the performance of the Group, the role of the independent non-executive Directors is particularly important in ensuring that the strategies proposed by the executive management are fully discussed and rigorously examined and take account of the long-term interest, not only of the Shareholders but also of other stakeholders.

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

Matters Reserved for the Board's Decision

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

Board and Board Committee Meetings

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

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

Notice of regular Board meetings is served to all Directors at least fourteen days before the meeting. For the meetings of the Board committees, notice is served to the members of the respective committees at least seven days before the meeting or such shorter notice as may be agreed by the members.

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

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

The Constitution contains provisions requiring the Directors to abstain from voting and not to be counted in the quorum at meetings for approving contracts or arrangements or other proposals in which such Directors have any direct or indirect interest.

Directors' Attendance Records

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

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

Number of Meetings held during the Year	Board 4	Audit Committee 5	Nominating Committee 1	Remuneration Committee 1
Executive Directors				
Zhu Jun	3/4	–	1/1	1/1
Chow Kin Wa (Note 1)	4/4	–	–	–
Wang Jianqiao	4/4	–	–	–
Non-executive Director				
Ouyang Qian (Note 2)	1/1	–	–	–
Independent Non-executive Directors				
Tang Chi Loong	4/4	5/5	1/1	1/1
Foo Teck Leong	4/4	5/5	1/1	1/1
William Robert Majcher	4/4	5/5	1/1	1/1

Note:

(1): Mr. Chow Kin Wa was removed as the CEO on 19 January 2018 and resigned as an executive Director on 2 February 2018.

(2): Dr. Ouyang Qian was appointed as non-executive Director and a member of the Remuneration Committee on 13 February 2017.

Training and Continuing Development

Information relating to training and continuing development of Directors are set out on page 20 of this annual report.

All newly appointed Directors will undergo an orientation program to obtain background information of the Group and industry-specific knowledge. During the Year, the newly appointed non-executive Director, Dr. Ouyang Qian attended the orientation program and was briefed by the management on the background of the Group.

The abovementioned orientation program, training and continuing development program will be funded by the Company.

Board Composition and Guidance

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

Board Composition

The current Board comprises six members, consisting of two executive Directors, one non-executive Director and three independent non-executive Directors:

Executive Directors (Note 1):

Mr. Zhu Jun	*(Executive Chairman, Chairman of the Nominating Committee and member of the Remuneration Committee)*
Ms. Wang Jianqiao	

Non-executive Director:

Dr. Ouyang Qian	*(member of the Remuneration Committee)*

Independent non-executive Directors:

Mr. Foo Teck Leong	*(Chairman of the Audit Committee and members of the Nominating Committee and the Remuneration Committee)*
Mr. Tang Chi Loong	*(Chairman of the Remuneration Committee and members of the Audit Committee and the Nominating Committee)*
Mr. William Robert Majcher	*(members of the Audit Committee, the Nominating Committee and the Remuneration Committee)*

(Note 1): During the Year, the Board consisted of three executive Directors, namely Mr. Zhu Jun, Mr. Chow Kin Wa and Ms. Wang Jianqiao, Mr. Chow Kin Wa was also the CEO, up till 19 January 2018. He also resigned as an executive Director on 2 February 2018.

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

Independence

During the Year, the Board at all times met the requirements of Rules 3.10(1) and (2) of the HK Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise. The Board also at all times met the requirements of Guideline 2.1 of the Singapore CG Code to maintain a strong and independent element of the Board with the independent non-executive Directors making up at least one-third of the Board.

As the Executive Chairman is part of the management and is not an independent non-executive Director, the independent non-executive Directors should make up at least half of the Board in accordance with Guideline 2.2 of the Singapore CG Code. Based on the current Board structure, there are three out of six Board members who are independent non-executive Directors. The Company had complied with Guideline 2.2 of the Singapore CG Code. During the Year, there were only three out of seven Board members who are independent non-executive Directors. Although the number of independent non-executive Directors does not make up at least half of the Board, there was still a strong and independent element, as all major decisions are discussed and reviewed by the Board and the Board believes that there are adequate safeguards in place. The Board will ensure that the process of decision-making by the Board is independent and based on collective decision without any concentration of power of influence.

During the Year, the non-executive Directors (including the independent non-executive Directors) had met the Executive Chairman once in the absence of executive Directors and management.

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the HK Listing Rules and the listing manual of Singapore Exchange Securities Trading Limited (the "**Listing Manual**"). The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the HK Listing Rules and the Singapore CG Code.

Mr. Tang Chi Loong has served on the Board for more than nine years. The Nominating Committee had conducted a rigorous review of his independence by way of self-assessment and peer-review. As a result of the rigorous review, the Nominating Committee is of the view that his independence cannot be arbitrarily determined merely on the basis of a set period of time and has taken into consideration the following factors in assessing his independence:-

(a) demonstrated strong independence in discharging his duties and responsibilities with the utmost commitment in upholding the interests of the non-controlling shareholders;

(b) engaged the Board in constructive discussions;

(c) expressed individual viewpoints, debated issues and objectively scrutinised and challenged management;

(d) sought clarifications as he deemed necessary; and

(e) developed significant insights in the Group's businesses and operations.

Size and Diversity of the Board

The Board and the Nominating Committee regularly examine the Board's size and, with a view to determine the impact of the number upon effectiveness, decide on an appropriate size of the Board, taking into account the scope and nature of the Group's operations. The Nominating Committee has reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.

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

All Directors have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The Nominating Committee is satisfied that the Board has the appropriate mix of expertise to lead and govern the Group effectively and provide a balance of views at both the Board and the Board committees.

The Company has entered into a formal appointment letter with each of the non-executive Directors (including independent non-executive Directors) for a specific term. During the Year, the Company had also entered into a formal appointment letter with Dr. Ouyang Qian for his appointment as non-executive Director.

Executive Chairman and the CEO

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

During the Year, the Executive Chairman was Mr. Zhu Jun and the CEO was Mr. Chow Kin Wa (removed as the CEO on 19 January 2018 and resigned as an executive Director on 2 February 2018). During the Year, the positions of the Executive Chairman and the CEO were held by separate individuals in order to preserve independence and a balance of views and judgement. Since the removal of Mr. Chow Kin Wa as the CEO on 19 January 2018, certain roles of CEO have been overseen by Mr. Zhu Jun, the Executive Chairman, which the Board considered it as a transitional arrangement to cater for a smooth handover. The Company is currently identifying a suitable candidate as the new CEO and will provide update, as appropriate.

In this transitional period, the Board believes that vesting the roles of both Executive Chairman and part of the CEO in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies.

The Executive Chairman is, amongst others, responsible for:

- leading the Board to ensure its effectiveness on all aspects of its role and set its agenda;
- scheduling meetings that enable the Board to perform its duties responsibly while not interfering with the flow of the Company's operations;
- reviewing key proposals before they are presented to the Board for consideration;
- ensuring effective communications with Shareholders and that their views are communicated to the Board as a whole;
- exercising control over quality, quantity and timeliness of the flow of information among the Board members and between management and the Board;
- ensuring compliance with and promoting high standards of corporate governance practices and procedures;
- promoting a culture of openness and debate at the Board;
- ensuring that the Directors receive complete, adequate and timely information; and
- facilitating the effective contribution of non-executive Directors.

The CEO is responsible for the day-to-day operations, business development and trading activities of the Group. The management team assists the Executive Chairman in overseeing the overall management, operations and the setting of corporate directions and strategies of the Group.

There is no relationship (including financial, business, family or other material/relevant relationships) between Board members and in particular, between the Executive Chairman and the CEO.

Although the Executive Chairman is part of the management team and is not an independent non-executive Director, the Company did not appoint a lead independent non-executive Director, as the Board has consistently demonstrated that it is able to exercise independent decision-making and the Board is of the view that there is a balance of power and authority with the various Board committees.

Although there was no lead independent non-executive Director being appointed, the independent non-executive Directors also met up in the Year without the presence of the management and executive Directors.

Board Membership

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

The Company adopts a formal and transparent process of appointing new Directors to the Board and ensures that all Directors submit themselves for re-nomination and re-election at regular intervals and at least once every 3 years. In accordance with Regulation 89 of the Constitution, Ms. Wang Jianqiao and Mr. Foo Teck Leong will retire by rotation at the forthcoming annual general meeting (the "**AGM**"). In addition, Dr. Ouyang Qian (who was appointed on 13 February 2017) will retire at the AGM pursuant to Regulation 88 of the Constitution. All the above retiring Directors, being eligible, will offer themselves for re-election at the AGM.

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

Please refer to the section headed "Corporate Information" of this annual report for change of Directors' information for the Year.

The Company's circular dated 15 August 2018 contains detailed information of the Directors standing for re-election. Other key information regarding the Directors is set out under the section headed "Board of Directors" of this annual report.

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

Name of Directors	Nature of appointment to the Company	Date of first appointment to the Company	Date of last re-election as Director of the Company	Directorship in other listed companies and principal commitments
Zhu Jun	Executive Chairman and Executive Director	30/10/2015	17/10/2016	–
Wang Jianqiao	Executive Director	30/10/2015	17/10/2016	–
Ouyang Qian	Non-executive Director	13/02/2017	–	–
Tang Chi Loong	Independent non-executive Director	01/07/2009	17/10/2016	Sinjia Land Limited (resigned on 29 April 2016)
Foo Teck Leong	Independent non-executive Director	01/04/2010	31/08/2015	–
William Robert Majcher	Independent non-executive Director	27/11/2015	17/10/2016	Evolving Gold Corporation Unitas Holdings Limited (formerly known as "Chanceton Financial Group Limited") (resigned with effect from 31 May 2018) VBG International Holdings Limited (appointed on 4 May 2017) CCT Land Holdings Limited (resigned with effect from 29 February 2016)

Further details of the Directors (including academic/professional qualifications) can be found under the section headed "Board of Directors" as set out on pages 17 to 20 of this annual report.

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

The Nominating Committee comprises four members, namely Mr. Zhu Jun (Chairman), Mr. Tang Chi Loong, Mr. Foo Teck Leong and Mr. William Robert Majcher, the majority of them being independent non-executive Directors.

The Board is of the view that with Mr. Zhu Jun's understanding of the Group's operations, he is in an appropriate position to advise and recommend to the Board on the matters relating to the Nominating Committee. However, independence is not compromised, as the other three members of the Nominating Committee, who constitute a majority, are independent.

The Nominating Committee is regulated by a set of written terms of reference which was revised on 28 October 2016. Its key functions include:

- reviewing the structure, size, composition and diversity (including but not limited to the gender, age, cultural and education background, professional experience, skills and knowledge) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- making recommendations to the Board on the appointments and re-appointments of Directors, having regard to each individual Director's contribution and performance;
- determining the criteria for identifying candidates and reviewing nominations for new appointments;
- reviewing and determining on an annual basis the independence of each independent non-executive Director;
- determining/proposing the objective performance criteria for the Board's approval and reviewing the Board's performance in terms of the performance criteria;
- conducting a formal assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board, particularly when a Director serves on multiple boards;
- reviewing the succession plans for the Board, in particular the chairman and the chief executive; and
- reviewing training and professional development programs for the Board.

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

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

The Nominating Committee conducts an annual review of the independent non-executive Directors' independence based on the guidelines set forth in the Singapore CG Code and the HK Listing Rules and is of the view that Mr. Foo Teck Leong, Mr. Tang Chi Loong and Mr. William Robert Majcher are independent.

Notwithstanding that some of the Directors have multiple board representations, the Nominating Committee and the Board are satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group, and there is presently no need to implement internal guidelines to address their competing time commitments. As such, the Nominating Committee and the Board do not propose to set the maximum number of listed company board representations which Directors may hold until such need arises.

The Company does not have any alternate Directors.

Board Performance

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

The Nominating Committee has formulated a process to evaluate and assess the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board. The Nominating Committee has considered the effectiveness of the Board as a whole and the Board committees in addition to the contribution by the chairman and each individual Director to the effectiveness of the Board on an annual basis. No external facilitator was engaged by the Company in the Year.

The performance evaluation criteria include an evaluation of the structure, composition and size of the Board, the Board's access to complete, adequate and timely information as well as the Board's procedures and accountability. The performance evaluation criteria do not change from year to year. All Directors have completed the Board and Board committee evaluation forms and a summary of all the evaluation forms was circulated to the Nominating Committee for review.

The Nominating Committee is satisfied that the Board as a whole and the Board committees have each met its performance objectives for the Year.

The Nominating Committee will ensure that Directors appointed to the Board possess the relevant background, experience and knowledge to enable balanced and well-considered decisions to be made. The performance criteria that the Nominating Committee will consider in relation to an individual Director include the Director's industry knowledge and/or expertise, time and effort dedicated to the Group's business and affairs as well as work commitments, attendance and participation at the Board and Board committee meetings. All Directors have completed the individual Directors' self-assessment forms and a summary of all the self-assessment forms was circulated to the Nominating Committee for review.

Each member of the Nominating Committee shall abstain from voting on any resolutions, making recommendation and/or participating in respect of the matters in which he is interested.

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

The Nominating Committee met once during the Year. The independence of each Director is reviewed annually by the Nominating Committee by reference to the guidelines set out in the Singapore CG Code. In addition, the independence of the Company's independent non-executive Directors meets the requirements set out in Rule 3.13 of the HK Listing Rules. The Nominating Committee has assessed the independence of the independent non-executive Directors and is satisfied that there are no relationships which would deem any of the independent non-executive Directors not to be independent. During the Year, the Nominating Committee had recommended re-election of the retiring Directors after assessing their contribution and performance, and has reviewed the structure, size and composition of the Board in accordance with Rule 3.10A of the HK Listing Rules. It has also considered and nominated an individual to the Board for appointment as a Director during the Year.

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

Access to Information

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

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

The management provides the Board with quarterly management accounts, as well as summary data comparing key financial metrics relative to the budget and results from prior periods. In respect of budgets and financial results, any material variance between the projections and actual results are disclosed and explained.

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

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

The appointment and the removal of the Company Secretary is a matter for the Board as a whole.

Remuneration Matters

Procedures for Developing Remuneration Policies

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

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

The Remuneration Committee comprises five members, namely Mr. Tang Chi Loong (Chairman), Mr. Foo Teck Leong and Mr. William Robert Majcher, Mr. Zhu Jun and Dr. Ouyang Qian, the majority of them being independent non-executive Directors. The Remuneration Committee met once during the Year.

The Board is of the view that with Mr. Zhu Jun's understanding of the Group's operations, he is in an appropriate position to advise and recommend to the Board on the remuneration packages for the rest of the key management personnel of the Group. However, independence is not compromised as the majority of the members of the Remuneration Committee are independent non-executive Directors.

The Remuneration Committee is regulated by a set of written terms of reference which was revised on 28 October 2016. Its key functions include:

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

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

- making recommendations to the Board on the remuneration packages of individual executive Directors and key management personnel;

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

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

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

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

The Remuneration Committee covers all aspects of emoluments, including but not limited to Directors' fees, salaries, allowances, bonuses, options, benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. In setting remuneration packages, the Remuneration Committee takes into consideration the pay and employment conditions within the industry and in comparable companies, the Group's relative performance and the individual performance of the Directors and the key management personnel. The Remuneration Committee will seek expert advice on remuneration of all Directors as and when necessary. During the Year, the Remuneration Committee and the Board are of the view that the Company does not need to engage remuneration consultants as the remuneration for the executive Directors and the key management personnel are based on their respective existing service agreements. The Remuneration Committee's recommendations are submitted for the endorsement by the entire Board.

The Remuneration Committee also reviews the Company's obligations arising from termination clauses and termination processes in relation to the service contracts of the executive Directors and key management personnel to ensure that such clauses and processes are fair and reasonable.

Level and Mix of Remuneration

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

The Remuneration Committee ensures that the performance-related elements of remuneration are designed to align the interests of the executive Directors with those of Shareholders and link rewards to corporate and individual performance and promote the long-term success of the Company. The Remuneration Committee considers the executive Directors' and key management personnels' responsibilities, skills, expertise and contribution to the Group's performance when designing their respective remuneration packages.

The Board recommends the quantum of Directors' fees to be paid to the independent non-executive Directors and non-executive Director based on their contributions, taking into account factors such as frequency of meetings, effort and time spent as well as responsibilities. Directors' fees are subject to the approval of the Shareholders at the forthcoming AGM.

The Remuneration Committee had recommended to the Board a maximum amount not exceeding S$140,000 as Directors' fees for the year ended 30 April 2018. The Remuneration Committee made recommendations to the Board on the remuneration packages of individual executive Directors and key management personnel. The Board will propose Directors' fees for the year ended 30 April 2018 at the forthcoming AGM for Shareholders' approval.

Executive Directors do not receive Directors' fees. The remuneration of executive Directors comprises a basic salary and variable components which include an annual bonus, based on the performance of the Group as a whole and their individual performance.

During the Year, the Remuneration Committee had reviewed the remuneration policy and structure of the Company, and the remuneration packages of the executive Directors, and it has agreed the terms, in particular, the remuneration package of the letters of appointment of Mr. William Robert Majcher, Mr. Foo Teck Leong, Mr. Tang Chi Loong and Dr. Ouyang Qian and of the service agreements of Mr. Zhu Jun and Ms. Wang Jianqiao.

The Company had no long-term incentive scheme during the Year.

The Board will seek to get back the incentive or any related payments from the parties involved pursuant to the applicable laws of the relevant jurisdictions, should there be any misstatements of financial results, or of misconduct resulting in a financial loss to the Group. In the future, the Board will include contractual provision to govern employees' misconduct behavior.

Disclosure on Remuneration

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

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

Emoluments of Directors

	Salary S$	Bonus S$	Fees S$	Share option S$	Allowances and other benefits S$	Total S$
S$250,000 – S$500,000						
Wang Jianqiao	322,271	–	–	–	–	322,271
Below S$250,000						
Zhu Jun	3	–	–	–	–	3
Chow Kin Wa (Note 1)	134,059	–	–	–	3,223	137,282
Ouyang Qian (Note 2)	–	–	1	–	–	1
Tang Chi Loong	–	–	43,000	–	–	43,000
Foo Teck Leong	–	–	45,000	–	–	45,000
William Robert Majcher	–	–	47,359	–	–	47,359

(Note 1): Mr. Chow Kin Wa was removed as the CEO on 19 January 2018 and resigned as an executive Director on 2 February 2018.

(Note 2): Dr. Ouyang Qian was appointed as non-executive Director and a member of the Remuneration Committee on 13 February 2017.

Emoluments of key management personnel and top five key management personnel who are not Directors

For the Year, the Group had the following key management personnel and the top five key management personnel of the Group (who are not Directors) whose emoluments are set out below:

	Salary %	Bonus %	Share option %	Allowances and other benefits %	Total %
Below S$250,000					
Kan Lap Hung Don (Note 1)	100	–	–	–	100
Chiu Tun Steven (Note 2)	100	–	–	–	100
Ma Yiu Ming (Note 3)	100	–	–	–	100
Tam Hin Shi (Note 4)	100	–	–	–	100
Ji Na Xin (Note 5)	100	–	–	–	100

(Note 1): Mr. Kan served for the period from 24 October 2016 to 6 April 2017.
(Note 2): Mr. Chiu was appointed on 24 October 2016.
(Note 3): Mr. Ma resigned on 31 December 2017.
(Note 4): Mr. Tam resigned on 31 October 2017.
(Note 5): Mr. Ji resigned on 31 October 2017.

The aggregate total remuneration paid to or accrued to key management personnel (who are not Directors or CEO) for the Year amounted to S$831,246.

The Board believes that it is for the benefit of the Company and the Group that the remuneration of key management personnel (who are not Directors or CEO) be kept confidential, due to its sensitive nature and concerns of poaching. Additionally, such disclosures would be disadvantageous to the Company in relation to its competitors and may adversely affect the cohesion and spirit of team work prevailing amongst the employees of the Company.

The Company has adopted a remuneration policy for staff comprising a fixed component (in the form of a base salary) and variable components which include a discretionary bonus that is linked to the Company's and the individual's performance. The other variable component is the grant of share options and awards to staff under the incentive schemes (if any). For the Year, the Company did not have any employee option scheme or other long term employee incentive scheme.

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

The remuneration of the executive Directors and the key management personnel comprises a basic salary component and a variable component. The variable component comprises a variable bonus linking to the Company's and individual performance.

Immediate Family Member of the Director or the CEO

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

Accountability and Audit

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

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

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Manual, the HK Listing Rules and other applicable statutory and regulatory requirements.

In preparing the financial statements for the Year, the Board reviewed and selected the appropriate accounting policies, and ensured that the management had applied them consistently and prepared the financial statements on a going concern basis. The Board reviews compliance issues, if any, with the management on a quarterly basis and as and when required.

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

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

Based on the monthly updates, explanation and information provided by the management, the Board can make a balanced and an informed assessment of the Company's performance, positions and prospects. The Board also provides a negative assurance statement to the Shareholders in respect of the interim financial statements.

Risk Management and Internal Control

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

The Board recognises its responsibility for maintaining an adequate internal control system to safeguard the assets of the Group and the interests of Shareholders and consider the governance of risk. An annual review on the adequacy and the effectiveness of the internal control and risk management systems of the Group has been conducted by the management and reviewed by the Board.

The Company will determine the level of risk tolerance and risk policy. The management reviews the Group's business and operational activities to identify areas of significant business risks and considers measures to mitigate these risks and reports to the Board where necessary. Such process comprises the following stages:

- Risk identification: identify potential risks.
- Risk assessment and prioritisation: assess the risks in terms of impact and vulnerability.
- Risk response and monitoring: consider the risk responses and monitor the effectiveness of the remediation plan on a periodic basis.

The Company has in place an internal control system which is compatible with the Committee of Sponsoring Organisations of the Treadway Commission 2013 framework. The framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

The components of the framework are shown as follows:

- Control Environment: A set of standards, processes and structures that provide the basis for carrying out internal control across the Group.
- Risk Assessment: A dynamic and iterative process for identifying and analysing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
- Control Activities: Action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- Information and Communication: Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- Monitoring: Ongoing and separate evaluations to ascertain whether each component of internal control is present and functioning.

The Group has complied with code provision C.2 of the HK CG Code by establishing appropriate risk management and internal control systems. Key risks and internal controls for selected processes are assessed by the internal control department.

As disclosed in the Company's announcement dated 14 August 2017, the external auditor noted and raised concerns on certain documents relating to the conduct of the Group's trading and distribution of iron ore, coal and steel products. In particular, in the course of the field audit of the annual financial results for the Year, certain sales and purchases agreements signed by two wholly-owned subsidiaries of the Company with their respective customers and suppliers were provided to the external auditor. Subsequently, the external auditor was provided with another set of sales and purchases agreements signed by a contract agent on behalf of these two subsidiaries. As such, the external auditor had raised concerns as to which set of sales and purchases agreements truly reflects the Group's business operations.

On 24 August 2017, an independent professional adviser PricewaterhouseCoopers Consulting (Singapore) Pte Ltd ("**PwC**") has been appointed to conduct a review into the facts and circumstances surrounding the aforementioned agreements, their veracity and impact on the Group's financial statements for the Year raised out by the external auditor in the course of audit for the Year (the "**Review**"). The Board has authorised the Audit Committee of the Company, comprising all of the independent non-executive Directors, to supervise and oversee the Review. Reference is made to the announcements published by the Company on 14 August 2017, 24 August 2017, 28 August 2017, 18 September 2017, 4 October 2017, 31 October 2017, 12 December 2017 and 19 January 2018.

The Review was concluded in January 2018. Having considered the review report issued by PwC (the "**Review Report**"), the Audit Committee acknowledges and accepts the observations concerning the Group's internal controls. In light of the findings of the independent review from PwC, the Audit Committee made the recommendations to the Board. A Board meeting was convened to consider the Review Report and the Board has adopted the recommendations of the Audit Committee.

The Audit Committee assesses the adequacy, effectiveness, efficiency and reliability of internal control procedures over financial, operational and compliance activities of the Company on an annual basis. The results of the independent reviews together with the recommended remedial actions, in the form of internal audit reports, are submitted to the Audit Committee and management on a regular basis. A review will be made at least annually to monitor the adequacy and the effectiveness of the risk management and the internal control systems of the Group.

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

- the internal controls established and maintained by the Group;
- the reports issued by the internal and external auditors;
- the annual reviews performed by the management, the Audit Committee and the Board; and
- the confirmation by the Board to adopt the recommendations of the Audit Committee for the key findings of the review report issued by PwC.

For the Year, the Board has not been able to receive assurance from the CEO and the chief financial officer of the Company (the "**CFO**") that (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (ii) the Groups' risk management and internal control systems are effective, as the CEO was removed on 19 January 2018 and there was no CFO appointed from 1 July 2017 to 23 January 2018.

The Board has received the confirmation by Mr. Chung Man Wai, CFO appointed during the period from 24 January 2018 to 1 August 2018, that he has assisted in his best effort in overseeing the financial and compliance matters of the Group for the Year. A new CFO has been identified and will be appointed on 2 August 2018.

Disclosure of Inside Information

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong and the HK Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirements under the HK Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;

- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;

- the Group has strictly prohibited an unauthorised use of confidential or inside information; and

- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the executive Directors, Company Secretaries and investor relations officers are authorised to communicate with parties outside the Group.

The Company manages risks under an overall strategy determined by the Board and supported by the Audit Committee, the Nominating Committee and the Remuneration Committee.

Audit Committee

Principle 12: The board should establish an audit committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee comprises three members, namely Mr. Foo Teck Leong (Chairman), Mr. Tang Chi Loong and Mr. William Robert Majcher, all of them being independent non-executive Directors. Mr. Foo Teck Leong possesses the appropriate professional qualifications or accounting or related financial management expertise. The Board considers that Mr. Tang Chi Loong and Mr. William Robert Majcher have sufficient financial knowledge and experience to discharge their responsibilities as members of the Audit Committee by reference to their experience. Mr. Tang Chi Loong has been a practising lawyer for more than 20 years and has sound corporate knowledge. Mr. William Robert Majcher has over 25 years of experience in public service, international finance and capital markets, he is recognised as an expert on money laundering in the United States Federal Court for the Southern District of Florida and the Supreme Court of British Columbia and the Ontario Superior Court of Justice in Canada. There is a good mix of expertise among the members who can handle financial as well as commercial issues relating to the Group's business. None of the members of the Audit Committee is a former partner of the Company's existing external auditor or has any financial interest in such auditor. In view of this, the Audit Committee has sufficient accounting or related financial management expertise and experience to discharge the Audit Committee's functions.

The Audit Committee adopted its new terms of reference during the Year, which are applicable to the Company's accounting periods. Its key functions include:

- reviewing the audit plans and results of the external audit of the Company and the internal auditor's evaluation of the adequacy of the Company's system of internal controls, the audit reports and management letters issued by the external auditor and the co-operation given by the Company's management to the external auditor;
- making recommendations to the Board on the appointment, re-appointment and removal of external auditor, and approving the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- reviewing the nature and extent of non-audit services provided by the external auditor;
- reviewing the scope and results of the external audit and its cost effectiveness as well as the independence and objectivity of the external auditor;
- reviewing the significant financial reports so as to ensure the integrity of the financial statements of the Company and focus in particular on the changes in accounting policies and practices, major judgemental areas, significant adjustments resulting from the audit and compliance with financial reporting standards;
- reviewing quarterly, interim and annual financial statements and announcements before submission to the Board for approval;
- reviewing the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management and the findings of the internal auditor of the Company;
- reviewing interested person transactions (the "**IPTs**") and connected transactions (the "**CTs**") in accordance with the requirements as defined in the Listing Manual and the HK Listing Rules, respectively and ensuring that the transactions were on normal commercial terms and not prejudicial to the interests of the Shareholders;
- meeting with the external auditor and internal auditor, in separate executive sessions without the presence of the management of the Company (if applicable), to discuss any matters that the auditor believes should be discussed privately with the Audit Committee;
- reviewing the framework for staff to raise concerns about possible improprieties in matters of financial reporting or other matters in confidence, and that there is an independent investigation of such matters and appropriate follow-up action;
- reviewing the effectiveness of the Company's internal audit function; and
- undertaking such other functions, duties, reviews and projects as may be requested by the Board or as may be required by statute, the HK Listing Rules or the Listing Manual.

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

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

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

External Auditor and Auditor's Remuneration

The statement of the external auditor of the Company about its reporting responsibilities for the Group's consolidated financial statements for the Year is set out in the "Independent Auditor's Report" on pages 65 to 71 of this annual report.

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

Service Category	**Fees Paid/Payable S$**
Audit Services	365,500
Tax Compliance Services and Agreed-upon Procedures on Preliminary announcement of Annual Results	17,200
Total	382,700

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

The Audit Committee has met with the external auditor in the Year without the presence of management.

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

Whistle-blowing Policy

The Company has in place a whistle-blowing policy as implemented pursuant to the best practices as recommended by the Singapore CG Code to allow staff to raise concerns in confidence on any financial improprieties or management involving the Company. Staff will approach the chairman of the Audit Committee directly for any complaint or concerns about any suspected fraud or irregularity and possible improprieties in matters of financial reporting or management against any other employees of the Group. He will ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.

The written and circulated whistle-blowing policy and procedures also set out the procedures for raising concerns or making complaints, and the process of investigation. The Company circulates the whistle-blowing policy and procedures by email on a regular basis. Any suspicious activities that may involve dishonesty or fraud will be investigated and addressed to the chairman of the Audit Committee. The Company did not receive any whistle-blowing report during the Year.

Internal Audit

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

The Audit Committee, in consultation with management, approves the hiring, removal, evaluation and remuneration of the internal auditors. The internal auditor reports directly to the chairman of the Audit Committee and administratively to the executive Directors. The internal audit function is established internally and headed by the internal audit manager. The internal audit manager has been a certified public accountant (Practising) of the Hong Kong Institute of Certified Public Accountants, with relevant experience in financial accounting and auditing. The Audit Committee considers the internal audit function is staffed with persons with relevant qualifications and experience. The Audit Committee also considers that the internal auditor has carried out its function according to appropriate professional standards.

The internal auditor conducts independent review on risk management and internal control systems of the Company. The internal auditor has unrestricted access to documents, records, properties and personnel of the Group except for certain books and records of certain subsidiaries of the Group, as explained in the Company's announcement released on 19 January 2018. On 19 January 2018, the Company suspended Mr. Chow's duties as Executive Director and removed him from the office of CEO. In addition, the Company also appointed Shinewing to conduct a review on the Group internal control systems, which is currently ongoing. The Audit Committee will review the internal audit function on an annual basis to ensure that it is adequately resourced.

The internal audit team and PwC had completed the review on internal control for the Year and had presented a report on the review results to the Audit Committee for the Year. The review results and proposed recommendations are communicated to senior management and the Audit Committee. The Board, through the Audit Committee, has reviewed the results of the reports. In response to any material internal control defects identified, PwC and internal auditor provided recommendations for major observations of control weaknesses. Management will take suggestions raised by PwC to further enhance its risk management and internal control systems.

In order to enhance the effectiveness of the Company's risk management and internal control systems, the Executive Chairman together with the Audit Committee has (i) set up the internal audit department headed by the internal audit manager since January 2017; (ii) appointed PwC to conduct the Review in August 2017 and the recommendations have been made to the Board on 19 January 2018; and (iii) engaged SHINEWING Risk Services Limited ("**Shinewing**") as its internal control reviewer to conduct a review of the Group's internal control systems on 15 May 2018, including but not limited to the Group's financial close reporting process, revenue and receipts, cost of services, expenditures and payments, inventory management, bank and cash flow management, fixed assets management, human resources and payroll management, review on information technology systems as well as compliance procedures of relevant rules and regulations (the "**Internal Control Review**"), and to make recommendations to the Company for this purpose. The Internal Control Review is currently in the process of being completed and an implementation plan has been formulated which is under execution.

The Internal Control Review is currently in the process. The Audit Committee considers that the internal audit function is adequately resourced and has appropriate standing in the Company.

The Audit Committee has met, at least annually, to review the adequacy and effectiveness of the internal audit function. In view of the above, the Board and the Audit Committee considered the Company is under the executive plan to strengthen the internal control mechanism.

SHAREHOLDERS' RIGHTS, RESPONSIBILITIES, COMMUNICATION WITH SHAREHOLDERS, AND CONDUCT OF SHAREHOLDERS' MEETINGS

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

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

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

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

In line with the Group's disclosure obligations pursuant to the Listing Manual and the HK Listing Rules, the Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner for all developments that have a material effect on the Group via SGXNET and the SEHK's website on an immediate basis.

At the general meetings, Shareholders will be given the opportunity to raise questions to the Directors and the management relating to the Group's business and performance. The Directors, respective chairmen of the Board committees, as well as external auditor, are present to address any relevant queries raised by Shareholders.

Details of Directors' attendance records of the AGM held on 17 October 2016 (the "**AGM 2016**") and the extraordinary general meetings held on 12 December 2016 and 28 April 2017 during the Year (the "**EGMs**") were as follows:–

Members of the Board	**EGMs Attendance**	**AGM 2016 Attendance**
Executive Directors		
Zhu Jun	0/2	1/1
Chow Kin Wa (Note 1)	0/2	1/1
Wang Jianqiao	0/2	0/1
Non-executive Director		
Ouyang Qian (Note 2)	0/1	–
Independent Non-executive Directors		
Tang Chi Loong	2/2	1/1
Foo Teck Leong	2/2	1/1
William Robert Majcher	0/2	1/1

(Note 1): Mr. Chow Kin Wa was removed as the CEO on 19 January 2018 and resigned as an executive Director on 2 February 2018.

(Note 2): Dr. Ouyang Qian was appointed as non-executive Director and a member of the Remuneration Committee on 13 February 2017.

During the Year, except for Ms. Wang Jianqiao, all the then Directors attended the AGM 2016 and were available to answer questions. The chairman of the meeting explained (through the representatives of the scrutineer) in detail the procedures for conducting a poll at the AGM 2016. The Company's external auditor had attended the AGM 2016.

The Company does not practise selective disclosure of material information and makes all necessary disclosures to the Shareholders and the public via SGXNET and the SEHK's website. Any investors may send their enquiries to the Company by email.

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

The Company does not have a dividend policy. However, the Company will work towards maintaining a balance between meeting Shareholders' expectations and prudent capital management. The issue of payment of dividends is deliberated by the Board annually, having regard to various factors (e.g. Company's profit, cash flow, capital requirements for investment and growth, general business conditions and other factors as the Board deems appropriate). Given the financial position of the Group and the cautious view on the Group's prospects, no dividend has been declared or recommended by the Board in respect of the Year.

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

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

The Company prepares minutes of general meetings, which have recorded comments and queries from the Shareholders thereat and responses from the Board and management. These minutes are made available upon request by the Shareholders.

To promote effective communication, the Company maintains a website at www.yorkshinegroup.com, where up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. The Company will consider the use of other forums such as analyst briefing as and when required.

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

SHAREHOLDERS' RIGHTS

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

Poll results will be published on the SGXNET and the respective websites of SEHK and the Company after each general meeting. All current/previous announcements are/were put on the Company's website on a timely basis, and any interested parties can have access to such information easily.

Pursuant to Regulation 93 of the Constitution, no person other than a Director retiring at a general meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at the general meeting unless not less than eleven clear days before the date appointed for the general meeting there shall have been lodged at the registered office of the Company a notice in writing signed by the Shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting for which such notice is given of his/her intention to propose such person for election and also a notice in writing signed by the person to be proposed of his/her willingness to be elected, provided that such notice shall be lodged during the period commencing on the day after the despatch of the notice of the general meeting appointed for such election and ending no later than eleven clear days prior to the date of such general meeting.

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

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

Shareholders and other stakeholders may send their enquiries and concerns to the Board by addressing them to the Investor Relationship Department of the Group by email to ir@yorkshinegroup.com for onward transmission of the communications relating to (i) matters within the Board's purview to designated Directors, (ii) matters within Board committees' area of responsibility sent to the chairman of the appropriate committee, and (iii) ordinary business matters, such as suggestions, inquiries and consumer complaints to the appropriate Company's executive.

For putting forward proposals at the general meeting, Shareholders should submit a written notice with detailed contact information to the Company's registered office which is set out in the section headed "Corporate Information" of this annual report to request an EGM to be called by the Board for the transaction of any business specified in such requisition and such EGM shall be held within two months after the deposit of such requisition.

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

- At least 14 clear business days' notice in writing if the proposal constitutes an ordinary resolution of the Company.
- At least 21 clear business days' notice in writing if the proposal constitutes a special resolution of the Company.
- At least 20 clear business days' notice in writing to be sent for the AGM.

Accompanying the notice of AGM and EGM is a proxy form so that (i) Shareholders who are individuals may appoint up to 2 proxies; and (ii) Shareholders which are intermediaries (such as banks and capital markets services licence holders) providing custodial services may appoint more than 2 proxies to attend on their behalf, should Shareholders be unable to personally attend the meetings.

Voting in absentia, which is currently not permitted, may only be possible following a careful study to ensure that the integrity of information and authentication of the identity of Shareholders through the web are not compromised, and legislative changes are effected to recognise remote voting.

Company Secretaries

The Company Secretaries have provided the Board with regular updates on the requirements of the Companies Act (Chapter 50) of Singapore (the "**Companies Act**"), the Listing Manual, the HK Listing Rules and other rules and regulations where applicable. At least one of the Company Secretaries (or their representative(s)) also attends each Board meeting and assists the Executive Chairman in ensuring that Board procedures, and all applicable laws, rules and regulations, are followed. The Company Secretaries play an essential role in the relationship between the Company and Shareholders, including to assist the Board in discharging its obligations to Shareholders.

During the Year, the Company Secretaries were Mr, Srikanth Rayaprolu ("**Mr. Rayaprolu**"), Ms. Lau Jeanie ("**Ms. Lau**") and Mr. Kwok Siu Man ("**Mr. Kwok**").

Mr. Rayaprolu and Mr. Kwok are nominees of the external professional service providers appointed to act as the Company Secretaries in compliance with the Companies Act, the Listing Manual and the HK Listing Rules respectively.

Mr. Kwok was appointed by the Board as a Company Secretary with effect from 1 November 2016 and he resigned as a Company Secretary with effect from 7 August 2018. Ms. Lau resigned as a Company Secretary on 31 October 2016 and was re-appointed by the Board as a Company Secretary on 7 August 2018.

The appointment of Mr. Kwok as a Company Secretary has been nominated by Boardroom Corporate Services (HK) Limited ("**Boardroom**") under an engagement letter made between the Company and Boardroom. As Mr. Kwok was first appointed as the company secretary of a Hong Kong Hang Seng Index constituent stock company in 1991 and has been acting in such capacity for a number of other reputable companies listed on the SEHK for a substantial amount of time since then, he was not required to have at least 15 hours of relevant continuous professional development training for each of the five consecutive years from 2012 (including the first eight months of the Year). However, despite the above exemption. Mr. Kwok had delivered and attended over 15 hours' relevant seminars during the Year pursuant to Rule 3.29 of the HK Listing Rules.

During the Year, the primary person at the Company with whom Mr. Kwok had been contacting in respect of company secretarial matters was Mr. Keith Tsang ("**Mr. Tsang**"), Company Secretarial Officer. Ms. Lau is an employee and has been the primary contact person of the Company after Mr. Tsang left the Group in July 2018.

Dealings in the Company's Securities

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

Having been specifically enquired by the Company, all Directors have confirmed that they had complied with the required standard of dealings set out in the Model Code and its code of conduct throughout the Year for securities transactions.

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

Corporate Governance Functions

The Board is responsible for performing the corporate governance functions set out in code provision D.3.1 of the HK CG Code. During the Year, the Board has considered the corporate governance policy and practices, reviewed the Company's internal codes for securities dealing, the whistle-blowing policy and IPTs and CTs entered into by the Group for the Year as required under the applicable requirements of the Listing Manual and the HK Listing Rules.

Interested Person Transactions

The Company has adopted an internal policy governing procedures for the identification, approval and monitoring of IPTs and CTs.

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

There was no transaction with interested person during the Year that exceeded the stipulated thresholds as specified in Chapter 9 of the Listing Manual.

Material Contracts and Loans

Save for the service agreements between the Directors and the Company, and as disclosed in the Group's consolidated financial statements for the Year, there were no material contracts and loans of the Company, or any of its subsidiaries involving the interests of the CEO or any Directors or controlling Shareholders, during the Year, either still subsisting at the end of the Year or if not then subsisting, which were entered into since the end of the previous financial year.

Proceeds from the Placing

The Company raised net proceeds of approximately HK$46.86 million (approximately S$8.28 million) from the placing of 20,680,000 ordinary shares of the Company at a placing price of HK$2.32 (equivalent to approximately S$0.401) each placing share, which was completed on 1 August 2016 (the "**Placing**"). Such proceeds were expected to be utilised for the purpose of funding potential business expansion or development when opportunities arise or for general working capital purpose.

Details of the use of the proceeds were set out in the Company's announcement dated 8 September 2017.

As at the date of this annual report, there is no new update on the use of the proceeds following the Company's announcement dated 8 September 2017.

As at the date of this annual report, the use of proceeds from the Placing is as follows:

Description	**Amount**
Net of Proceeds from the Placing	US$6,008,000 or HK$46,860,000
Use of Proceeds	
(A) General working capital, including:	
To fund the provision of management services	(US$3,346,154 or HK$26,100,000)
(B) Funding potential business expansion or development, including:	
i. Proposed subscription of shares in ORGANIC BEER HONG KONG LIMITED (including legal fees)	(US$961,538 or HK$7,500,000)
ii. To fund the food and beverage trading business	(US$128,205 or HK$1,000,000)
iii. To fund the manufacturing of organic beer	(US$448,718 or HK$3,500,000)
Balance	US$1,123,385 or HK$8,760,000

Management's Response to Certain Qualified Audit Opinion

(I) Property, plant and equipment

The Group assesses whether there are any indicators of impairment for property, plant and equipment and land use rights (together as "PPE") in accordance with the accounting policy in note 2(h) to the financial statements. The recoverable amounts of PPE are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the sales volume, gross profit margin and discount rates. The sales volume and gross profit margin are based on expected developments in the market, whilst discount rates are estimated using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to their industry.

In this regard, the Company has carried out a review of the recoverable amount of the property, plant and equipment and land use rights during the year ended 30 April 2017 and 30 April 2016, with the support of, among other things, a valuation report prepared by an independent professional valuer on the value-in-use of Yorkshine New Material (Taizhou) Limited ("**YNMT**"), the material subsidiary of the Group which holds the PPE, as at 30 April 2017 and 30 April 2016, respectively. According to the results of the valuation report, the value of YNMT as at 30 April 2017 was higher than the carrying value of the PPE as at 30 April 2017 and 30 April 2016.

The major factor for the management to consider that no impairment was necessary on the value of PPE for 30 April 2016 was that based on the then available information and business plan, including then projected revenue and then proposed timetable for revitalization in November/December 2016, the Board did honestly believe and conclude that no impairment was necessary as at 30 April 2016.

As of the date of this annual report, the Group has successfully reactivated its tinplate manufacturing business. YNMT has commenced production and generating revenue, with the employment of 117 workers and staff running a production line of existing production capacity of 60,000 tons tin-plate products per year and will increase to a maximum capacity of 120,000 tons tin-plate products per year by the end of 2018. During roughly 1 month period from mid-April to mid May 2018, the Group has received sales orders for tin-plate products which will generate revenue of in aggregate around RMB15.0 million. In June 2018, the Group has also entered into various sales contracts up to a total maximum of over 60,000 tons tin-plate products to be produced/delivered by the end of 2018.

Having considered the value of certain PPE held by YNMT as at 30 April 2017, respectively and the commencement of operation of the Taizhou Factory Plant and the tinplate manufacturing business, no allowance for impairment loss on PPE is considered necessary by the management as at 30 April 2017.

In addition, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying amounts of property, plant and equipment and land use rights to materially exceed its recoverable amounts.

Giving the production status mentioned above and YNMT is generating revenue, the Board expects that the removal of the qualifications relating PPE could be possible. The Company will continue to adopt similar approach as in the past and in accordance with the existing account policy, such as, to conduct review of the recoverable amount of the PPE with the support of and reference to, among other things, a valuation report prepared by an independent professional valuer on the value-in-use of the PPE.

(II) Profit from discontinued operation of TIANJIN SHIFA NOVO TECHNOLOGY DEVELOPMENT LIMITED ("TIANJIN SHIFA")

The equity transferred of TIANJIN SHIFA was completed during the Year and does not affect financial results in the financial year ended 30 April 2018 and onwards.

(III) Investments in subsidiaries and amounts due from subsidiaries

Giving that the most material subsidiary of Company is YNMT who holds material PPE of the Group, after reviewing the valuation report prepared by an independent professional valuer as stated in (i) above, management concluded that there were no impairment for the investment in subsidiaries and amount due from subsidiaries.

Financial Contents

Directors' Statement

The board (the "**Board**") of directors (the "**Directors**") of YORKSHINE HOLDINGS LIMITED (the "**Company**") hereby presents their statement to the shareholders of the Company (the "**Shareholders**") together with the audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 April 2017 (the "**Year**").

In the opinion of the Directors:

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 72 to 168 of this annual report are properly drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 30 April 2017 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and

(ii) at the date of this statement, after considering the measures taken by the Group and the Company with respect to the Group's and the Company's ability to continue as a going concern as described in Note 3 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Reference to this statement shall include the "Directors' Report" as referred to under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**SEHK**" and the "**HK Listing Rules**" respectively).

Principal Activities

During the Year, the Company acted as an investment holding company and its subsidiary corporations were principally engaged in (1) trading and distribution of iron ore, coal and steel products; (2) manufacturing, sales and distribution of tinplate and related products for metal packaging industry in the People's Republic of China (the "**PRC**"); and (3) downstream operations of tinplate processing segment (discontinued operations as set out in Note 13 to the financial statements).

Results and Appropriations

The financial performance of the Group for the Year and the financial position of the Company and the Group as at that date are set out in the sections headed "Consolidated Income Statement", "Consolidated Statement of Comprehensive Income", "Statements of Financial Position", "Statements of Changes in Equity", "Consolidated Statement of Cash Flows" and "Notes to the Financial Statements" of the annual report.

The Board has resolved not to recommend the payment of a final dividend for the Year (2016: US$Nil).

Business Review

A review of the business of the Group during the Year, which includes an analysis of the Group's performance using financial key performance indicators, a discussion on the Group's future business development are set out in the section headed "Management Discussion and Analysis" of the annual report. The principal risks and uncertainties that the Group may face and a discussion on the relationships of the Group with its key stakeholders are set out on pages 51 to 53 of this statement. Details of discussions on (i) the Group's environmental policies and performance; and (ii) the Company's compliance with the relevant laws and regulations that have a significant impact on the Company are set out on pages 52 and 53 of this statement. Particulars of important events affecting the Group that have occurred since the end of the reporting period are set out in Note 36 to the financial statements. The review forms part of this statement.

Risk Factors

The possible risks and uncertainties together with the corresponding steps undertaken by the Group are set out below:

Potential risks and uncertainties	Actions taken by the Company
The Company has been placed on the watch-list with effect from 3 September 2014 and would have to fulfill the requirements under Rule 1314 of the Listing Manual of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for its removal from the watch-list within 24 months from 3 September 2014.	The Board will continue to review the available options to meet the requirements of Rule 1314(1) of the Listing Manual.
Fluctuations in market demand for trade.	The Group will make use of all viable procurements and marketing opportunities while utilising different marketing platforms and operating prudently to achieve good results. The Group has established good networks with its suppliers and customers.
The development and construction of the Group's projects and the future expansion are subject to regulations of the authorities in the PRC, including building and construction, environmental and safety requirements.	The Group will carefully watch the global regulatory requirements and take appropriate strategic move in response to those changes.

Environmental Policies and Performance

This section covers the environmental policies and performance of the Company during the Year. The Environmental, Social and Corporate Governance Report prepared in accordance with Appendix 27 to the HK Listing Rules will be published on the websites of the Company, the SGX-ST and the SEHK in due course.

Throughout the Year, the Group has strived to operate in compliance with applicable environmental laws as well as to protect the environment by minimising the negative impact of the Group's existing business activities on the environment and supporting natural and environmental protection schemes.

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

To protect the environment and improve air quality within the community, the Group has taken several measures to mitigate environmental pollution, such as:

- supporting material-saving;
- supporting environmental friendly working environment;
- reducing energy consumption;
- enhancing machines and equipment;
- recycling and reducing;
- making double-sided printing and copying; and
- using recycled paper and reducing energy consumption by switching off idle lightings and installing electrical appliances in the offices.

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

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

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

The Group is committed to making a positive contribution to the communities in which it operates at all times. During the Year, the Group continued to support meaningful activities in the community, and to encourage and promote volunteerism throughout the Group.

The principal governance and investor relations issues are set out in the section headed "Corporate Governance Report" of the annual report.

Compliance with the relevant laws and regulations that have a significant impact on the Company

Throughout the Year, to the best knowledge, information and belief of the Directors, the Company was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on the Company.

Key Stakeholder Relationship

The Group has a good relationship with its employees. Details are set out in the section headed "Human Capital and Business Strategy" of the annual report.

In order to control the source of supply of raw materials better, the Group has secured a timely and reliable supply of raw materials by tapping on the Group's network of suppliers and business partners through its integrated supply chain activities.

The Group's established good working relationships with its customers as well as its strong sales and marketing team will put the Group in a good position to act as the conduit for the supply of products. The Group also believes that its comprehensive range of products will enable it to meet the different needs of its customers and remain competitive in the steel industry.

The relationship of the Group with its investors can be found in the Corporate Governance Report of the annual report.

Investment in Subsidiary Corporations

Particulars of the Company's principal subsidiary corporations as at 30 April 2017 are set out in Note 18 to the financial statements.

Summary of Financial Information

A summary of the financial performance, assets and liabilities and non-controlling interests of the Group for the last five years ended 30 April, as extracted from the published audited financial statements is set out in the section headed "Five-Year Summary" in the annual report.

Property, Plant and Equipment and Land Use Rights

Details of movements in the property, plant and equipment and land use rights of the Group during the Year are set out in Notes 16 and 17 to the financial statements.

Share Capital

Details of movements in the share capital of the Company during the Year are set out in Note 25 to the financial statements.

Issue of Shares

On 5 July 2016, the Company and Fortune (HK) Securities Limited (the "**Placing Agent**") entered into a placing agreement (the "**Placing Agreement**"), pursuant to which the Company had appointed the Placing Agent to procure, on a best endeavour basis, placees to subscribe for up to 34,160,000 placing shares (which represented approximately 20% of the then issued shares of the Company) at a placing price of HK$2.32 per placing share (the "**Placing**").

On 25 July 2016, as advised by the Placing Agent, the Placing was under-subscribed by 13,480,000 placing shares. An aggregate of 20,680,000 placing shares were placed to not less than six placees at the placing price of HK$2.32 per placing share on 1 August 2016.

Net proceeds from the Placing after deducting the transaction costs amounted to approximately US$6,008,000 (HK$46,860,000), which were intended to be utilised for funding potential business expansion or development when opportunities arose or for general working capital. For details, please refer to the announcements of the Company dated 5 July, 25 July and 1 August 2016, respectively.

Details of the use of the proceeds were set out in the Company's announcement dated 8 September 2017.

Reserves

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

As at 30 April 2017, no amount of the Company's reserves was available for distribution to the Shareholders (2016: US$Nil).

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

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

Major Customers and Suppliers

During the Year, (i) sales to the Group's five largest customers accounted for 70% (2016: 64%) of the Group's total sales and sales to the largest customer included therein amounted to 17% (2016: 19%), and (ii) purchases from the Group's five largest suppliers accounted for 99% (2016: 99%) of the Group's total purchases and purchases from the largest supplier included therein amounted to 55% (2016: 54%).

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

Permitted Indemnity Provision

The constitution of the Company (the "**Constitution**") provides that subject to the provisions of and so far as may be permitted by the statutes, every Director or chief executive officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him:-

(a) in the execution and discharge of his duties or as an officer or auditor of the Company unless the same arises as a result of any negligence, default, breach of duty or breach of trust on his part in relation to the Company; or

(b) in defending any proceeding, whether civil or criminal (relating to the affairs of the Company) in which judgement is given in his favour or in which he is acquitted or in connection with any application under the Singapore Companies Act, Chapter 50 in which relief is granted to him by the court.

Insurance cover in respect of liabilities against the Directors arising from their offices and execution of their powers, duties and responsibilities has been arranged during the Year.

The relevant provisions in the Constitution and proper Directors' and officers' liability insurance were in force during the Year and as of the date of this report.

Donations

During the Year, the Group had not made any donation (2016: US$Nil).

Directors

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

Executive Directors

Zhu Jun *(Executive Chairman)*
Chow Kin Wa *(Chief Executive Officer)* (Note 1)
Wang Jianqiao

Non-executive Director

Ouyang Qian (Note 2)

Independent non-executive Directors

Foo Teck Leong
Tang Chi Loong
William Robert Majcher

Note 1: Mr. Chow Kin Wa was removed as the chief executive officer of the Company on 19 January 2018 and resigned as an executive Director on 2 February 2018. The reasons for the said removal and resignation were stated in the Company's announcements dated 19 January 2018 and 6 February 2018, respectively.

Note 2: Dr. Ouyang Qian was appointed as a non-executive Director on 13 February 2017.

In accordance with Regulation 89 of the Company's constitution (the "**Constitution**"), Ms. Wang Jianqiao and Mr. Foo Teck Leong shall retire by rotation at the forthcoming annual general meeting of the Company (the "**AGM**"). In addition, Dr. Ouyang Qian (who was appointed on 13 February 2017) will retire at the AGM pursuant to Regulation 88 of the Constitution. All the above retiring Directors, being eligible, shall offer themselves for re-election at the AGM.

The Company has received an annual confirmation of independence from each of the independent non-executive Directors (the "**INEDs**") pursuant to Rule 3.13 of the HK Listing Rules and considers all of the INEDs to be independent.

The biographical details of the Directors are set out in the section headed "Board of Directors" of the annual report.

Directors' Service Contracts

None of the Directors proposed for re-election at the forthcoming AGM has an unexpired service contract with the Company or any of its subsidiary corporations, which is not determinable by the Group within one year without payment of compensation, other than normal statutory obligations.

Arrangements to Enable Directors to Acquire Shares and Debentures

Save as disclosed in this statement, at no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; nor was the Company, its holding company, or any of its subsidiary corporations or fellow subsidiary corporations a party to any arrangement to enable the Directors or their respective spouses or minor children to acquire such rights in any other body corporate.

Directors' Remuneration

The Directors' remuneration is subject to the approval of the Board upon the recommendation of the Remuneration Committee by reference to the Directors' responsibilities and performance and the financial performance of the Group. Details of same for the Year are set out in Note 10 to the financial statements.

Directors' Interests in Shares and Debentures

(A) Disclosure under Singapore Law

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

	Number of ordinary shares			
	Shareholdings registered in the name of Director		**Shareholdings in which a Director is deemed to have an interest**	
	At 30.4.2017	At 1.5.2016	**At 30.4.2017**	At 1.5.2016
The Company				
Zhu Jun	**700,000**	700,000	**126,803,668**	126,803,668
Holding company				
*Golden Star Group Limited ("**GSGL**")*				
Zhu Jun	**50,000**	50,000	**–**	–

(a) By virtue of Section 7(4) of the Companies Act, Mr. Zhu Jun, an executive Director, who is also the legal and beneficial owner of the entire issued and paid up capital in GSGL and a director of GSGL, is deemed to have an interest in the Company and all the related corporations of the Company.

(b) There was no change in any of the above-mentioned interests between the end of the Year and 21 May 2017.

(ii) By virtue of Section 7(4) of the Companies Act, the following Director was deemed to have an interest in the shares held by the Company in its wholly-owned subsidiary corporations, and in the shares held by the Company in the partially-owned subsidiary corporations set out below:

	Ordinary shares/Equity capital					
	Shareholdings registered in the name of Director		Shareholdings/capital in which a Director is deemed to have an interest			
	At 30.4.2017	At 1.5.2016	**At 30.4.2017**		At 1.5.2016	
			Number of shares	**Amount of shares**	Number of shares	Amount of shares
Partially-owned subsidiary corporations						
Novo Steel (HK) Limited (Note 1)						
Zhu Jun	**–**	–	**2,550,000**	**HK$2,550,000**	2,550,000	HK$2,550,000
*Yorkshine New Material (Taizhou) Limited (formerly known as NOVOWELL ETP LIMITED)**						
Zhu Jun	**–**	–	**N/A**	**US$19,551,000**	N/A	US$19,551,000
*Qiang Hua (Shanghai) Trading Limited**						
Zhu Jun	**–**	–	**N/A**	**RMB16,000,000**	N/A	RMB16,000,000
*Hua Qiang (Shanghai) Trading Limited**						
Zhu Jun	**–**	–	**N/A**	**RMB4,000,000**	N/A	RMB4,000,000
*TIANJIN SHIFA NOVO TECHNOLOGY DEVELOPMENT LIMITED** (Note 2)						
Zhu Jun	**–**	–	**–**	**–**	N/A	US$4,285,000
*Guang Dong Yong Peng Import and Export Trading Co., Ltd.**						
Zhu Jun	**–**	–	**N/A**	**RMB5,100,000**	N/A	RMB5,100,000
*Taizhou Hua Yong Trading Limited**						
Zhu Jun	**–**	–	**N/A**	**RMB4,000,000**	N/A	RMB4,000,000
*Xing Hua City Daduo Sewage Treatment Co., Ltd.**						
Zhu Jun	**–**	–	**N/A**	**RMB3,990,000**	N/A	RMB3,990,000
The Payment Cards Global Limited (Note 3)						
Zhu Jun	**–**	–	**16,500,000**	**HK$16,500,000**	10,000	HK$10,000

* Unofficial English translation

N/A Not applicable

(Note 1): Novo Steel (HK) Limited has been struck off from the register subsequent to the end of the reporting period.

(Note 2): TIANJIN SHIFA NOVO TECHNOLOGY DEVELOPMENT LIMITED has been disposed of on 27 March 2017.

(Note 3): The Payment Cards Global Limited increased its issued share capital from HK$10,000 to HK$30,000,000 on 19 September 2016.

(B) Disclosure under Hong Kong Law

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

As at 30 April 2017, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong (the "**SFO**"))), which were required (a) to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the HK Listing Rules (the "**Model Code**"), to be notified to the Company and the SEHK were as follows:

(i) Shares of the Company

Name of Director/ chief executive	Long/short position	Capacity/ Nature of interests	Number of issued ordinary shares held: Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate percentage of interest in the total issued shares of the Company (Note 1)
Zhu Jun	Long	Beneficial owner and interest in a controlled corporation	700,000	–	126,803,668 (Note 2)	–	127,503,668	66.59

(Note 1): The percentage of shareholding was calculated based on the number of the Company's total issued ordinary shares as at 30 April 2017 (i.e. 191,484,269).

(Note 2): The 126,803,668 ordinary shares are held by GSGL, the holding company of the Company, which is wholly owned by Mr. Zhu Jun, an executive Director and the executive Chairman. By virtue of Part XV of the SFO, Mr. Zhu Jun is deemed to be interested in all the shares held by GSGL.

(ii) Long Position in the Ordinary Shares of Associated Corporation

Name of Director/ chief executive	Capacity/Nature of interests	Name of associated corporation	Number of issued ordinary shares held	Percentage of interest in the total issued shares of associated corporation
Zhu Jun	Personal interest	GSGL	50,000	100

Save as disclosed above, as at 30 April 2017, none of the Directors nor the chief executives of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the SEHK.

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

As at 30 April 2017, so far as is known to the Directors, the following corporation, other than the Directors and the chief executives of the Company had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under to Section 336 of the SFO:

Name of substantial shareholder	Long/short position	Capacity/Nature of interests	Number of issued ordinary shares held	Approximate percentage of interest in the total issued shares of the Company
GSGL (Note)	Long	Beneficial owner	126,803,668	66.22

Note: GSGL is wholly-owned by Mr. Zhu Jun, an executive Director and the executive Chairman. By virtue of Part XV of the SFO, Mr. Zhu Jun is deemed to be interested in all the shares held by GSGL.

Save as disclosed above, as at 30 April 2017, so far as is known by or otherwise notified to the Directors, no corporation or person other than a Director or the chief executives of the Company had interests and short positions in the shares and underlying shares of the Company as required to be recorded in the register to be kept by the Company pursuant to Section 336 of the SFO.

Directors' Interests in Competing Business

During the Year, all Directors declared that they did not have any interest in the businesses which competed or was likely to compete, directly or indirectly, with the businesses of the Group pursuant to the HK Listing Rules.

Directors' Interests in Transactions, Arrangements or Contracts and Directors' Contractual Benefits

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

Save as disclosed in the financial statements, no transactions, arrangements or contracts of significance in relation to the Group's businesses to which the Company, or its subsidiaries or fellow subsidiaries, or the holding company of the Company was a party and in which a Director or his/her connected entity(ies) had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

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

Controlling Shareholders' Interests in Contracts

Save as disclosed in Note 4 to the financial statements, there was no contract of significance (whether for the provision of services to the Group or not) in relation to the Group's business to which the Company or any of its subsidiary corporations was a party and in which any controlling Shareholder or any of its subsidiary corporations had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

Connected Transaction

On 26 August 2016, the Company entered into a master agreement with New Page Investments Limited ("**New Page**"), the former immediate and ultimate holding company of the Company (the "**Master Agreement**"), pursuant to which the Company agreed to procure certain of its subsidiaries to assign to New Page and New Page has agreed to accept the relevant subsidiaries' rights, title and benefits in and to and arising from the trade and other receivables in an aggregate amount of US$12,600,521 (equivalent to approximately HK$98,032,053) (the "**Receivables**"), which was the book value of the Receivables based on the Group's unaudited consolidated financial statements for the financial year ended 30 April 2016, on the terms and subject to the conditions set out in the Master Agreement (the "**Proposed Assignment**").

As one or more of the applicable percentage ratios set out under Rule 14.07 of the HK Listing Rules in respect of the Proposed Assignment exceeded 5% but were less than 25%, the Proposed Assignment constituted a disclosable transaction of the Company under Chapter 14 of the HK Listing Rules. New Page was beneficially owned as to 70% by Mr. Yu Wing Keung, Dicky and as to 30% by Mr. Chow Kin Wa. During the year, Mr. Chow Kin Wa was an executive Director and the chief executive officer of the Company (the "**CEO**") and Mr. Yu Wing Keung, Dicky was an executive Director in the last twelve months when the Master Agreement was entered into. Mr. Chow Kin Wa was removed as the CEO on 19 January 2018 and resigned as an executive Director of the Company on 2 February 2018. Mr. Yu Wing Keung, Dicky, Mr. Chow Kin Wa and New Page are connected persons at the issuer level under Rule 14A.06 of the HK Listing Rules. Accordingly, the Proposed Assignment constituted a disclosable and connected transaction of the Company and was therefore subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the HK Listing Rules.

The Proposed Assignment was a major transaction under Rule 1014 of the Listing Manual and subject to the approval of the independent Shareholders at an extraordinary general meeting of the Company (the "**EGM**").

As Mr. Chow Kin Wa is a former executive Director and holds 30% of the shareholding in New Page, New Page is an "interested person" for the purposes of Chapter 9 of the Listing Manual and the Proposed Assignment is an Interested Person Transaction ("**IPT**") as defined under Chapter 9 of the Listing Manual.

Under Rule 906 of the Listing Manual, the approval of the independent Shareholders is required for an IPT of a value equal to, or exceeding, 5% of the Group's latest audited net tangible assets ("**NTA**"). The value of the Proposed Assignment (being the amount at risk to the Company) was the book value of the Receivables of US$12,600,521 (equivalent to approximately HK$98,032,053). When the Master Agreement was entered into, the Group's latest audited NTA as at 30 April 2015 was approximately US$10,827,476 (equivalent to approximately HK$84,237,763). As the value of the Proposed Assignment was more than 5% of the Group's latest audited NTA, the approval of the independent Shareholders had to be obtained at the EGM for the Proposed Assignment.

The Proposed Assignment was approved at the EGM held on 28 April 2017.

Material Acquisition and Disposal

The Proposed Assignment

On 26 August 2016, the Company entered into the Master Agreement with New Page, pursuant to which the Company agreed to procure certain of its subsidiaries to assign to New Page and New Page agreed to accept the relevant subsidiaries' rights, title and benefits in and to and arising from the Receivables which was the book value of the Receivables based on the Group's unaudited consolidated financial statements for the financial year ended 30 April 2016, on the terms and subject to the conditions set out in the Master Agreement. For more details, please refer to the Company's announcements dated 26 August 2016 and 2 March 2017 and circular dated 5 April 2017.

The Proposed Assignment was approved at the EGM held on 28 April 2017.

Disposal of TIANJIN SHIFA NOVO TECHNOLOGY DEVELOPMENT LIMITED

On 28 April 2016, Novo Development Limited and Qiang Hua Trading Limited (indirectly wholly-owned subsidiary corporations of the Company) (the "**Sellers**") entered into an equity transfer agreement with Tianjin Baoyi Metal Manufacturing Co. Ltd.* (the "**Purchaser**"), pursuant to which the Sellers have agreed to sell, and the Purchaser agreed to acquire, 50% of the equity interest in TIANJIN SHIFA NOVO TECHNOLOGY DEVELOPMENT LIMITED* at a total cash consideration of RMB9,000,000 (approximately HK$10,760,000 or US$1,380,000) (the "**Disposal**").

The Disposal was completed on 27 March 2017 and an announcement was released by the Company on 3 April 2017.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Constitution or the laws of Singapore, which would oblige the Company to offer its new shares on a pro-rata basis to the existing Shareholders.

Management contracts

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

Share Option

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

Equity-Linked Agreements

Other than the Placing Agreement as mentioned in the paragraph headed "Issue of Shares" in this statement above, the Company has not entered into any equity-linked agreements during the Year.

* Unofficial English translation

Audit Committee

The Audit Committee consists of three members, all being INEDs. During the Year and as at the date of this statement, the Audit Committee comprises the following members:

Foo Teck Leong *(Chairman)*
Tang Chi Loong
William Robert Majcher

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

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

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

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

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

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

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

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

The Audit Committee has recommended to the Board the nomination of Messrs Baker Tilly TFW LLP for re-appointment as the independent auditor of the Company (the "**Independent Auditor**") at the forthcoming AGM.

Review of Annual Results

The Audit Committee has reviewed with the management the Group's audited consolidated financial statements for the Year and the annual report, including the accounting principles and practices adopted by the Group. It has also considered selected accounting, risk management, internal control and financial reporting matters of the Group, in conjunction with the Company's external auditor.

Related Party Transactions

The Group entered into certain related party transactions during the Year as disclosed in Note 4 to the financial statements above. Save for the transaction disclosed in the section headed "Connected Transaction" of this statement, these related party transactions constituted exempt connected transactions or continuing connected transactions under Chapter 14A of the HK Listing Rules, which had been exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the HK Listing Rules.

The relevant non-exempt connected transactions had complied with the disclosure requirements of the HK Listing Rules.

Internal Controls

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

Corporate Governance

Details of the principal corporate governance practices are set out in the section headed "Corporate Governance Report" of the annual report.

Significant Events After The Reporting Period

Details of the significant events after the reporting period of the Group and up to the date of this statement are set out in Note 36 to the financial statements.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the shares of the Company.

Independent Auditor

Messrs Baker Tilly TFW LLP has expressed its willingness to accept re-appointment as the Independent Auditor. Messrs Baker Tilly TFW LLP will retire and a resolution for their re-appointment as the Independent Auditor will be proposed at the forthcoming AGM.

Sufficient Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float (i.e. at least 25% of the Company's total issued shares are held by the public) during the Year and thereafter up to the date of this statement.

On behalf of the Board

Zhu Jun
Executive Director

Wang Jianqiao
Executive Director

1 August 2018

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Yorkshine Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 72 to 168, which comprise the statements of financial position of the Group and the Company as at 30 April 2017, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

BASIS FOR QUALIFIED OPINION (CONTINUED)

1. Sales and Purchases transactions relating to sales of commodities (Continued)

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.

Report on the Audit of the Financial Statements (Continued)

Basis for Qualified Opinion (Continued)

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

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.

Report on the Audit of the Financial Statements (Continued)

Basis for Qualified Opinion (Continued)

4. Investments in subsidiaries and amounts due from subsidiaries (Continued)

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.

Report on the Audit of the Financial Statements (Continued)

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 50 to 64, 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

The directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

Report on the Audit of the Financial Statements (Continued)

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lim Kok Heng.

Baker Tilly TFW LLP
Public Accountants and Chartered Accountants
Singapore

1 August 2018

Consolidated Income Statement

For the financial year ended 30 April 2017

	Note	Group 2017 US$	(Restated) 2016 US$
Continuing operations			
Revenue	5	**101,825,672**	102,221,367
Cost of sales		**(100,644,879)**	(100,510,077)
Gross profit		**1,180,793**	1,711,290
Other income	6	**7,642,650**	7,477,777
Distribution and selling expenses	7	**(796,249)**	(1,341,816)
Administrative expenses		**(8,701,753)**	(10,222,166)
Other expenses		**(5,926,580)**	(2,940,619)
Finance costs	8	**(4,479,028)**	(5,477,302)
Loss before tax	9	**(11,080,167)**	(10,792,836)
Income tax credit	11	**4,164**	52,273
Loss from continuing operations, net of tax		**(11,076,003)**	(10,740,563)
Discontinued operations			
Profit/(loss) from discontinued operations, net of tax	13	**1,568,066**	(1,512,333)
Loss for the financial year		**(9,507,937)**	(12,252,896)
Loss for the financial year attributable to:			
Equity holders of the Company	14	**(9,273,614)**	(10,894,542)
Non-controlling interests		**(234,323)**	(1,358,354)
Loss for the financial year		**(9,507,937)**	(12,252,896)
Loss/(profit) for the financial year attributable to equity holders of the Company relates to:			
Loss from continuing operations		**(10,633,908)**	(10,138,375)
Profit/(loss) from discontinued operations		**1,360,294**	(756,167)
		(9,273,614)	(10,894,542)

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

Consolidated Statement of Comprehensive Income

For the financial year ended 30 April 2017

	Group	
	2017	(Restated) 2016
	US$	US$
Loss for the financial year	**(9,507,937)**	(12,252,896)
Other comprehensive income/(loss):		
Items that are or may be reclassified subsequently to profit or loss:		
Currency translation differences arising on consolidation	**196,170**	(974,830)
Other comprehensive income/(loss) for the financial year, net of tax	**196,170**	(974,830)
Total comprehensive loss for the financial year	**(9,311,767)**	(13,227,726)
Total comprehensive loss for the financial year attributable to:		
Equity holders of the Company	**(9,023,520)**	(11,754,672)
Non-controlling interests	**(288,247)**	(1,473,054)
Total comprehensive loss for the financial year	**(9,311,767)**	(13,227,726)
(Loss)/earnings per share for (loss)/profit for the financial year attributable to equity holders of the Company (Note 15) (in US cents per share)		
From continuing and discontinued operations		
Basic	**(4.98)**	(6.38)
Diluted	**(4.98)**	(6.38)
From continuing operations		
Basic	**(5.71)**	(5.94)
Diluted	**(5.71)**	(5.94)
From discontinued operations		
Basic	**0.73**	(0.44)
Diluted	**0.73**	(0.44)

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

Statements of Financial Position

As at 30 April 2017

	Note	Group 2017 US$	Group (Restated) 2016 US$	Company 2017 US$	Company 2016 US$
Non-current assets					
Property, plant and equipment	16	**54,163,550**	58,946,713	**–**	–
Land use rights	17	**2,584,545**	4,196,321	**–**	–
Goodwill arising on business combinations		**3,971**	3,971	**–**	–
Investments in subsidiaries	18	**–**	–	**110,977,876**	110,959,816
Total non-current assets		**56,752,066**	63,147,005	**110,977,876**	110,959,816
Current assets					
Inventories	19	**–**	874,381	**–**	–
Trade and other receivables	20	**5,534,473**	23,358,144	**1,029,199**	13,030
Tax recoverable		**–**	76,654	**–**	–
Cash and cash equivalents	21	**6,888,251**	9,778,425	**5,115,800**	20,802
		12,422,724	34,087,604	**6,144,999**	33,832
Land use rights	17	**507,034**	–	**–**	–
Property held-for-sale	12	**–**	4,888,738	**–**	–
Disposal group assets classified as held-for-sale	13	**–**	44,371,194	**–**	–
Total current assets		**12,929,758**	83,347,536	**6,144,999**	33,832
Total assets		**69,681,824**	146,494,541	**117,122,875**	110,993,648
Non-current liabilities					
Borrowings	22	**33,300,889**	36,072,489	**–**	–
Deferred income	23	**–**	425,869	**–**	–
Total non-current liabilities		**33,300,889**	36,498,358	**–**	–
Current liabilities					
Trade and other payables	24	**15,945,468**	14,634,157	**2,791,659**	1,072,131
Borrowings	22	**19,391,735**	47,659,718	**–**	–
Deferred income	23	**284,477**	327,624	**–**	–
		35,621,680	62,621,499	**2,791,659**	1,072,131
Liabilities directly associated with disposal group classified as held-for-sale	13	**–**	44,224,865	**–**	–
Total current liabilities		**35,621,680**	106,846,364	**2,791,659**	1,072,131
Total liabilities		**68,922,569**	143,344,722	**2,791,659**	1,072,131
Net assets		**759,255**	3,149,819	**114,331,216**	109,921,517

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

Statements of Financial Position (Cont'd)

As at 30 April 2017

	Note	Group		Company	
		2017	(Restated) 2016	**2017**	2016
		US$	US$	**US$**	US$
Equity					
Share capital	25	**38,389,740**	32,238,531	**114,890,660**	108,739,451
Accumulated losses		**(42,905,001)**	(33,491,617)	**(3,160,405)**	(1,418,895)
Foreign currency translation reserve		**482,166**	236,603	**–**	–
Statutory reserve	26	**33,481**	33,481	**–**	–
Other reserves	27	**3,096,386**	2,956,616	**2,600,961**	2,600,961
Reserve of disposal group classified as held-for-sale	13	**–**	341,957	**–**	–
Total equity attributable to equity holders of the Company		**(903,228)**	2,315,571	**114,331,216**	109,921,517
Non-controlling interests		**1,662,483**	834,248	**–**	–
Total equity		**759,255**	3,149,819	**114,331,216**	109,921,517

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

Statements of Changes in Equity

For the financial year ended 30 April 2017

Group	Share capital US$	Accumulated losses US$	Foreign currency translation reserve US$	Statutory reserve US$	Other reserves US$	Reserve of disposal group classified as held-for-sale US$	Total equity attributable to equity holders of the Company US$	Non-controlling interests US$	Total equity US$
Balance at 1 May 2015	32,238,531	(22,445,708)	1,439,086	33,481	2,831,906	–	14,097,296	2,434,867	16,532,163
Transfer to other reserves	–	(124,710)	–	–	124,710	–	–	–	–
Loss for the financial year	–	(10,894,542)	–	–	–	–	(10,894,542)	(1,358,354)	(12,252,896)
Other comprehensive loss:									
Currency translation differences arising on consolidation (Restated)	–	–	(860,130)	–	–	–	(860,130)	(114,700)	(974,830)
Other comprehensive loss for the financial year, net of tax (Restated)	–	–	(860,130)	–	–	–	(860,130)	(114,700)	(974,830)
Total comprehensive loss for the financial year (Restated)	–	(10,894,542)	(860,130)	–	–	–	(11,754,672)	(1,473,054)	(13,227,726)
Changes in ownership interests in a subsidiary that do not result in loss of control	–	(26,657)	(396)	–	–	–	(27,053)	(378,847)	(405,900)
Capital injection by a non-controlling interest	–	–	–	–	–	–	–	251,282	251,282
Total transactions with equity holders of the Company	–	(26,657)	(396)	–	–	–	(27,053)	(127,565)	(154,618)
Reserve attributable to disposal group classified as held-for-sale	–	–	(341,957)	–	–	341,957	–	–	–
Balance at 30 April 2016 (Restated)	32,238,531	(33,491,617)	236,603	33,481	2,956,616	341,957	2,315,571	834,248	3,149,819

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

Statements of Changes in Equity (Cont'd)

For the financial year ended 30 April 2017

Group	Share capital US$	Accumulated losses US$	Foreign currency translation reserve US$	Statutory reserve US$	Other reserves US$	Reserve of disposal group classified as held-for-sale US$	Total equity attributable to equity holders of the Company US$	Non-controlling interests US$	Total equity US$
Balance at 1 May 2016									
– As previously reported	32,238,531	(38,770,196)	4,444,103	33,481	2,956,616	341,957	1,244,492	834,248	2,078,740
– Prior year adjustments (Note 35)	–	5,278,579	(4,207,500)	–	–	–	1,071,079	–	1,071,079
– As restated	32,238,531	(33,491,617)	236,603	33,481	2,956,616	341,957	2,315,571	834,248	3,149,819
Transfer to other reserves	–	(139,770)	–	–	139,770	–	–	–	–
Loss for the financial year	–	(9,273,614)	–	–	–	–	(9,273,614)	(234,323)	(9,507,937)
Other comprehensive income/(loss):									
Currency translation differences arising on consolidation	–	–	245,563	–	–	4,531	250,094	(53,924)	196,170
Other comprehensive income/(loss) for the financial year, net of tax	–	–	245,563	–	–	4,531	250,094	(53,924)	196,170
Total comprehensive (loss)/income for the financial year	–	(9,273,614)	245,563	–	–	4,531	(9,023,520)	(288,247)	(9,311,767)
Issuance of ordinary shares (Note 25)	6,151,209	–	–	–	–	–	6,151,209	–	6,151,209
Incorporation of a subsidiary	–	–	–	–	–	–	–	1,435,896	1,435,896
Disposal of a subsidiary (Note 13(vi))	–	–	–	–	–	(346,488)	(346,488)	(319,414)	(665,902)
Balance at 30 April 2017	38,389,740	(42,905,001)	482,166	33,481	3,096,386	–	(903,228)	1,662,483	759,255

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

Statements of Changes in Equity (Cont'd)

For the financial year ended 30 April 2017

Company	Share capital US$	Accumulated losses US$	Other reserve US$	Total equity US$
Balance at 1 May 2015	108,739,451	(216,158)	2,600,961	111,124,254
Loss and total comprehensive loss for the financial year	–	(1,202,737)	–	(1,202,737)
Balance at 30 April 2016	108,739,451	(1,418,895)	2,600,961	109,921,517
Loss and total comprehensive loss for the financial year	–	(1,741,510)	–	(1,741,510)
Issuance of ordinary shares (Note 25)	6,151,209	–	–	6,151,209
Balance at 30 April 2017	**114,890,660**	**(3,160,405)**	**2,600,961**	**114,331,216**

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

Consolidated Statement of Cash Flows

For the financial year ended 30 April 2017

	Note	Group 2017 US$	Group (Restated) 2016 US$
Cash flows from operating activities			
Loss before tax from continuing operations		**(11,080,167)**	(10,792,836)
Profit/(loss) before tax from discontinued operations		**1,568,066**	(1,512,333)
Adjustments for:			
Amortisation of deferred income		**(425,771)**	(297,730)
Amortisation of land use rights		**182,033**	128,385
Bad debts written off		**2,020,465**	108,728
Depreciation of property, plant and equipment		**2,567,988**	2,839,735
Fair value loss on derivative financial instruments		**–**	10,878
Gain on disposal of a subsidiary		**(1,152,523)**	–
Gain on disposal of property held-for-sale		**(4,159,218)**	–
Gain on fair value adjustments on non-current loans due to former immediate and ultimate holding company		**(2,700,811)**	(5,819,544)
Interest expense		**5,066,221**	6,162,102
Interest income		**(178,458)**	(390,572)
Loss on disposal of land use rights		**59,257**	–
Loss on disposal of property, plant and equipment		**34,765**	4,513
Net realised gain on derivative financial instruments		**–**	(10,878)
Unrealised loss on foreign exchange		**1,802,375**	1,959,613
Waiver of loan from former immediate and ultimate holding company		**–**	(641,030)
Written down of inventories		**94,991**	–
Operating cash flows before movements in working capital		**(6,300,787)**	(8,250,969)
Inventories		**910,344**	1,546,130
Trade and other receivables		**9,189,328**	4,400,776
Trade and other payables		**(5,168,419)**	(2,885,302)
Currency translation differences		**2,226,828**	882,296
Cash generated from/(used in) operations		**857,294**	(4,307,069)
Income tax refunded/(paid), net		**56,101**	(76,654)
Interest income received		**178,458**	390,572
Net cash generated from/(used in) operating activities		**1,091,853**	(3,993,151)

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

Consolidated Statement of Cash Flows (cont'd)

For the financial year ended 30 April 2017

	Note	Group 2017 US$	Group (Restated) 2016 US$
Cash flows from investing activities			
Net cash received for realised derivative financial instruments		**–**	10,878
Net cash inflow from disposal of a subsidiary	13(vi)	**1,057,555**	–
Proceeds from disposal of land use rights		**451,281**	–
Proceeds from disposal of property, plant and equipment		**21,869**	10,351
Proceeds from disposal of property held-for-sale		**9,047,956**	–
Purchase of property, plant and equipment	A	**(1,100,468)**	(1,808,624)
Net cash generated from/(used in) investing activities		**9,478,193**	(1,787,395)
Cash flows from financing activities			
Advances/loans from directors (net of repayments)		**905,043**	389,290
Advances from immediate and ultimate holding company		**1,749,454**	923,657
Drawdown of loans from former immediate and ultimate holding company		**5,578,803**	37,156,973
Repayment of loans from former immediate and ultimate holding company		**(342,308)**	(70,000)
Capital injection by non-controlling interests		**1,435,896**	251,282
Drawdown of long-term bank loan and other borrowings		**2,405,616**	–
Decrease in pledged deposits		**7,820,644**	7,168,100
Interest expense paid		**(822,280)**	(4,397,310)
Net settlement of short-term borrowings and bills payable		**(32,970,161)**	(17,548,557)
Proceeds from issuance of ordinary shares		**6,151,209**	–
Repayment of long-term bank loan and other borrowings		**(5,500,258)**	(9,336,509)
Net cash (used in)/generated from financing activities		**(13,588,342)**	14,536,926
Net (decrease)/increase in cash and cash equivalents		**(3,018,296)**	8,756,380
Cash and cash equivalents at beginning of the financial year		**9,823,766**	1,074,210
Effect of currency translation on cash and cash equivalents		**82,781**	(6,824)
Cash and cash equivalents at end of the financial year		**6,888,251**	9,823,766

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

Consolidated Statement of Cash Flows (cont'd)

For the financial year ended 30 April 2017

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

		Group	
			(Restated)
		2017	2016
	Note	**US$**	US$
Cash and cash equivalents			
– Continuing operations	21	**6,888,251**	9,778,425
– Discontinued operations	13	**–**	23,114,266
		6,888,251	32,892,691
Less: Pledged fixed deposits			
– Discontinued operations	13	**–**	(23,068,925)
Cash and cash equivalents per consolidated statement of cash flows		**6,888,251**	9,823,766
Note A – Purchase of property, plant and equipment ("**PPE**")			
Aggregate cost of PPE acquired (continuing operations)	16	**1,159,898**	2,492,032
Aggregate cost of PPE acquired (discontinued operations)	13	**600,823**	–
Less: Advance payment for PPE at 1 May	20	**(1,307,944)**	(1,868,044)
Add: Advance payment for PPE at 30 April	20	**–**	1,307,944
Add: Payables for PPE at 1 May	24	**1,766,200**	1,642,892
Less: Payables for PPE at 30 April	24	**(2,426,453)**	(1,766,200)
Impairment loss on advance payment for PPE and assignment of debts to former immediate and ultimate holding company		**1,307,944**	–
Net cash outflow for purchase of PPE		**1,100,468**	1,808,624

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

Notes to the Financial Statements

For the financial year ended 30 April 2017

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

1 General

YORKSHINE HOLDINGS LIMITED (the "**Company**") is a limited liability company incorporated in Singapore ("**SG**") on 29 June 1989 under the Companies Act, Chapter 50 (the "**Companies Act**") and its shares have been listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") since 28 April 2008 and dual-listed on the Main Board of The Stock Exchange of Hong Kong Limited since 6 December 2010.

The immediate and ultimate holding company of the Company is Golden Star Group Limited ("**Golden Star**"), a company incorporated in the British Virgin Islands ("**BVI**"). The ultimate controlling party of the Group is Mr. Zhu Jun.

On 12 December 2016, the shareholders at the Extraordinary General Meeting approved the change of the English name of the Company from "NOVO GROUP LTD." to "YORKSHINE HOLDINGS LIMITED", and the adoption of "煜新控股有限公司" as its Chinese name to replace "新源控股有限公司".

The registered office of the Company is located at 24 Raffles Place, #10-05 Clifford Centre, Singapore. The headquarters and principal place of business of the Group is located at Room Nos. 1102-04, 11th Floor, Empire Centre, 68 Mody Road, Kowloon, Hong Kong ("**HK**").

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

2 Summary of significant accounting policies

(a) Basis of preparation

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(A) BASIS OF PREPARATION (CONTINUED)

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

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRSs ("**INT FRSs**") that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial performance or position of the Group and the Company.

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 30 April 2017 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company except as disclosed below:

FRS 115 Revenue from Contracts with Customers

FRS 115 replaces FRS 18 'Revenue', FRS 11 'Construction contracts' and other revenue-related interpretations. It applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts. FRS 115 provides a single, principle-based model to be applied to all contracts with customers. An entity recognises revenue in accordance with the core principle in FRS 115 by applying a 5-step approach.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 includes disclosure requirements that will result in disclosure of comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. Management is currently assessing the impact of applying the new standard on the Group's financial statements. At this stage, the Group has not completed its assessment of the impact. The Group plans to adopt the standard when it becomes effective in financial year ending 30 April 2019.

FRS 109 Financial Instruments

FRS 109 which replaces FRS 39, includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace FRS 39 incurred loss model.

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

FRS 109 Financial Instruments (Continued)

(i) Classification and measurement

While the Group has yet to undertake a detailed assessment of the classification and measurement of its financial assets, the Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109. Loans and receivables that are currently accounted for at amortised cost will continue to be accounted using amortised cost model under FRS 109.

(ii) Impairment

FRS 109 requires the Group to record expected credit losses on all of its loans and receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables.

The Group has not undertaken a detailed assessment of the impact of the impairment provisions under FRS 109 but the Group expects that the new expected loss model may result in an earlier recognition of credit losses.

The Group plans to adopt the standard when it becomes effective in financial year ending 30 April 2019.

FRS 116 Leases

FRS 116 replaces the existing FRS 17: Leases. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their statements of financial position to reflect their rights to use leased assets (a "**right-of-use**" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. The accounting for lessors will not change significantly.

The standard is effective for annual periods beginning on or after 1 January 2019. The standard will affect primarily the accounting for the Group's operating leases. At the end of the reporting period, the Group has non-cancellable operating lease commitments of US$352,480 (2016: US$301,670) (Note 28(b)). The Group anticipates that the adoption of FRS 116 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. But, it is not practicable to provide a reasonable estimate of the impact of FRS 116 until the Group performs a detailed assessment. The Group will perform a detailed assessment of the impact and plans to adopt the standard on the required effective date.

Convergence with International Financial Reporting Standards

The Accounting Standards Council ("**ASC**") announced on 29 May 2014 that Singapore incorporated companies listed on the SGX-ST will be required to apply a new financial reporting framework identical to the International Financial Reporting Standards ("**IFRS**") (full IFRS convergence) in 2018. The Group will adopt the new financial reporting framework on 1 May 2018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) REVENUE

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

Sales of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from sale of commodities is initially recorded based on 100% of the provisional sales prices. Until final settlement occurs, adjustments to the provisional sales price are made to take into account commodities' price changes, based upon the month-end spot price and commodities' quantities upon receipt of the final quality and weight certificates, if different from the initial certificates. The Group marks to market its provisional sales based on the forward price for the estimated month of settlement. In the statements of financial position, such mark to market adjustments is included within "accrued income" or "accrued operating expenses".

Rental income

Rental income from operating leases are recognised on a straight-line basis over the lease term.

Interest income

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

(C) SUBSIDIARIES

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

2 Summary of significant accounting policies (Continued)

(d) Basis of consolidation

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

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

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Basis of consolidation (Continued)

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (ie transactions with owners in their capacity as owners). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Company.

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

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

(e) Goodwill

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

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

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

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

2 Summary of significant accounting policies (Continued)

(f) Property, plant and equipment

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

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

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

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

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

	Number of years
Leasehold land and buildings	20 to 50
Plant and machinery	5 to 35
Furniture, fixtures and computer equipment	3 to 20
Motor vehicles	5
Renovation	5

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

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

Construction work-in-progress represents assets in the course of construction for production, or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss until construction or development is completed. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policies (Note 2(t)). Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(G) LAND USE RIGHTS

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

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

(H) IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL

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

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

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

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

(I) INVENTORIES

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

– Raw materials: purchase cost on weighted average basis.

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

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

2 Summary of significant accounting policies (Continued)

(j) Operating leases

(i) When a Group entity is the lessee

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

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

(ii) When a Group entity is the lessor

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

(k) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(L) FINANCIAL ASSETS

Classification

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

Financial assets, at fair value through profit or loss

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are presented as "trade and other receivables (excluding prepayments, advance payments and value-added tax receivables)" and "cash and cash equivalents" on the statements of financial position, except for non-current interest-free receivables from a subsidiary which have been considered to be part of the Company's net investment in subsidiary and accounted in accordance with Note 2(c).

Recognition and derecognition

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

Initial measurement

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

2 Summary of significant accounting policies (Continued)

(l) Financial assets (Continued)

Subsequent measurement

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

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

Impairment

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

Loans and receivables

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

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

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

Offset

Financial assets and liabilities are offset and the net amount presented on the statements of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(m) Cash and cash equivalents

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

2 Summary of significant accounting policies (Continued)

(n) Financial liabilities

Financial liabilities include trade and other payables (excluding sales deposits received), borrowings and derivative financial instruments on the statements of financial position.

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

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

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

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

(o) Financial guarantees

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

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

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

(p) Derivative financial instruments

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

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

(q) Share capital

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Provisions for liabilities

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

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

(s) Contingencies

A contingent liability is:

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

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

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

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

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

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

(t) Borrowing costs

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

2 Summary of significant accounting policies (Continued)

(u) Employee benefits

Employee leave entitlement

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

Defined contribution plans

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

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

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

End of service benefit liability

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

(v) Foreign currencies

Functional and presentation currency

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) FOREIGN CURRENCIES (CONTINUED)

Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are recognised in other comprehensive income and accumulated in the currency translation reserve within equity in the consolidated financial statements. The currency translation reserve is reclassified from equity to profit or loss on disposal of the foreign operation.

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

Translation of Group entities' financial statements

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

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

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

(iii) All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity.

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

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

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

2 Summary of significant accounting policies (Continued)

(w) Dividends

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

(x) Government grants

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

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

(y) Segment reporting

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

(z) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held-for-sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

The assets are not depreciated or amortised while they are classified as held-for-sale.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and

(i) represents a separate major line of business or geographical area of operations; or

(ii) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(iii) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier. When an operation is classified as a discontinued operation, the comparative consolidated income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

3 Critical accounting judgements and key sources of estimation uncertainty

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

Critical judgements in applying the Group's accounting policies

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

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 U$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).

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

Going concern assumption (Continued)

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.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

Going concern assumption (Continued)

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.

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

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

Revenue recognition

As disclosed in Note 5, the Company's subsidiaries entered into sales agency agreements and a letter of credit ("**LC**") agency agreement with Novostal Limited ("**NSL**") for certain sale and purchase transactions relating to the conduct of the Group's sale of commodities (the "**Transactions**") during the financial year ended 30 April 2017. 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.

Management has assessed that the Group is exposed to the significant risks and rewards associated with the Group's sale of commodities as follows:

(i) the Group has the primary responsibility for providing the commodities to the customer or fulfilling the order;

(ii) the Group bears inventory risk during shipment;

(iii) the Group has the latitude in establishing prices with customers and suppliers; and

(iv) the Group bears credit risk for the amount receivable from the customer.

Management has assessed that the Group is acting as a principal for the sale of commodities. Accordingly, revenue and corresponding cost of sales are reported as gross amounts in the financial statements. The Group's revenue from the sale of commodities recognised during the financial year is disclosed in Note 5.

Functional currency

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

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Property, plant and equipment

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

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

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

The carrying amount of property, plant and equipment at 30 April 2017 and the depreciation charge for the financial year ended 30 April 2017 are disclosed in Note 16.

Impairment of non-financial assets

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

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

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 and land use rights relating to this PRC subsidiary amounted to US$51,622,597 (2016: US$56,316,686).

In view of the above, management carried out a review of the recoverable amount of these property, plant and equipment and land use rights during the financial year. The recoverable amounts of property, plant and equipment and land use rights are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the sales volume, gross profit margin and discount rates. The sales volume and gross profit margin are based on past performances and expectations developments in the market. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to their industry.

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

Key sources of estimation uncertainty (Continued)

Impairment of non-financial assets (Continued)

The Group's value-in-use calculations used cash flow forecasts derived from the most recent financial budgets approved by management covering a five year-period. Cash flows beyond the five-year period were extrapolated using estimated growth rate of 3% (2016: 3%), which does not exceed the average long-term growth rate for the relevant industry. The pre-tax rate used to discount the cash flow forecasts is 18.20% (2016: 18.41%).

Based on management's assessment, no allowance for impairment loss on property, plant and equipment and land use rights is necessary at the end of the reporting period. In addition, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying amounts of property, plant and equipment and land use rights to materially exceed its recoverable amounts.

The net carrying values of the Group's property, plant and equipment and land use rights at the end of the reporting period are disclosed in Notes 16 and 17 respectively.

Impairment of investments in subsidiaries

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

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

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

Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at the end of each reporting period. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired.

Significant management's judgement is involved in the determination as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Impairment of loans and receivables (Continued)

Where there is objective evidence of impairment, management assesses as to whether an impairment loss should be recorded as an expense in profit or loss. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

The carrying amounts of the Group's and the Company's loans and receivables at the end of the reporting period are disclosed in Note 31(a). If the present value of estimated future cash flows differ from management's estimates, the allowance for impairment for loans and receivables and the loans and receivables balance at the end of the reporting period will be affected accordingly.

Contingent liabilities arising from claims and litigations

As disclosed in Note 29(c), the Group faces claims and litigations from several contractors, suppliers, employees, bank and strategic partner. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The claims and litigations against the Group often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular claim and litigation, the jurisdiction and the differences in applicable law. In the normal course of business, the Group consults with legal advisors and certain other experts on matters related to claims and litigations.

The Group recognises a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

During the financial year, management has assessed and satisfied with the adequacy and appropriateness of the accruals for claims and litigations made in the financial statements, which were included in trade and other payables (Note 24) and borrowings (Note 22) respectively.

4 RELATED PARTY TRANSACTIONS

(a) In addition to information disclosed elsewhere in the financial statements, the following related party transactions took place between the Group and related parties, who are not members of the Group, during the financial year on terms agreed by the parties concerned:

	Note	Group 2017 US$	Group (Restated) 2016 US$
Office rental expenses paid to a related party	(i)	–	114,674
Advances to a related party	(ii)	–	10,222,938
Payment on behalf for a related party	(ii)	–	8,044,225
Repayment from a related party	(ii)	–	15,620,649
Sales of goods to a related party	(iii)	–	16,362,559
Loan interest paid/payable to a director	(iv)	–	43,691
Loan interest paid to a former director	(iv)	–	3,541
Loan interest paid/payable to a related party	(iv)	**12,600**	12,600
Loan interest paid to former immediate and ultimate holding company	(iv)	–	272,867
Assignment of receivables by off-setting against the outstanding loans due to former immediate and ultimate holding company	(v)	**12,600,521**	–
Waiver of loan from former immediate and ultimate holding company	(vi)	–	641,030
Gain on fair value adjustments on non-current loans due to former immediate and ultimate holding company	(vii)	**2,700,811**	5,819,544
Deemed interest expense on loans due to former immediate and ultimate holding company	(vii)	**4,243,941**	540,965
Loans from former immediate and ultimate holding company (net of repayments)	(vii)	**5,236,495**	37,086,973
Acquisition of subsidiaries from a company ultimately controlled by an executive chairman	(viii)	**13,060**	–

4 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) In addition to information disclosed elsewhere in the financial statements, the following related party transactions took place between the Group and related parties, who are not members of the Group, during the financial year on terms agreed by the parties concerned: (Continued)

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

(ii) The non-trade advances to and payment on behalf for a related party were unsecured and interest-free. The related party refers to a company controlled by an entity having a significant influence on a subsidiary.

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

(iv) Loan interest were paid/payable to director, former director, related party and former immediate and ultimate holding company based on terms agreed by the parties concerned. The related party refers to a company controlled by Mr. Chow Kin Wa (a former director of the Company) and Mr. Yu Wing Keung, Dicky (a former director of the Company).

(v) On 26 August 2016, the Group entered into an assignment of receivables agreement with New Page, the former immediate and ultimate holding company, pursuant to which the Group agreed to procure certain of its subsidiaries to assign to New Page and New Page has agreed to accept the relevant subsidiaries' rights, title and benefits in and to and arising from the trade and other receivables as at 30 April 2016 in the aggregate amount of US$12,600,521 (the "**Assignment of Receivables**"). The Assignment of Receivables mainly in relation for those receivables which are past due more than 12 months. The Assignment of Receivables would in effect eliminate the Group's inherent risk of non-recoverability associated with such amounts and enable the Group to benefit from a better capital structure and reduce its debt obligations. The receivables will be off-set and deducted from the outstanding loan due to New Page and in turn enhance the Group's loan-to-equity ratio. The Assignment of Receivables was approved by shareholders in an Extraordinary General Meeting on 28 April 2017.

(vi) The Group entered into a memorandum of deed of waiver with New Page and New Page agreed to waive an amount of US$641,030. This enable the Group to enhance its financial position and reduce its debt obligations.

(vii) The loans from New Page are unsecured and interest-free. The non-current loans are repayable on 1 August 2018 (2016: 4 October 2017). The fair values of the non-current loans are computed based on cash flows discounted at market borrowing rate of 10.00% (2016: 10.00%). This resulted gain on fair value adjustments of US$2,700,811 (2016: US$5,819,544) and deemed interest expense of US$4,243,941 (2016: US$540,965) recognised in profit or loss during the current financial year.

(viii) During the financial year, the Company acquired 100% of the issued share capital of Red Gold Group Limited, Shining Fire Group Limited and Sunshine Star Group Limited for a total consideration of US$13,060 from a company which is ultimately controlled by an executive chairman.

4 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) In addition to information disclosed elsewhere in the financial statements, the following related party transactions took place between the Group and related parties, who are not members of the Group, during the financial year on terms agreed by the parties concerned: (Continued)

As disclosed in Note 5, the Company's subsidiaries entered into sales agency agreements and a LC agency agreement with NSL for certain sale and purchase transactions relating to the conduct of the Group's sale of commodities (the "**Transactions**") during the financial year ended 30 April 2017. 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.

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

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

	Group	
	2017 **US$**	2016 US$
Directors' fees	**97,882**	207,958
Salaries and bonuses	**911,496**	1,000,711
Contributions to defined contribution plans	**21,828**	26,541
	1,031,206	1,235,210
Comprise amounts paid to:		
– Directors of the Company	**426,970**	702,203
– Other key management personnel	**604,236**	533,007
	1,031,206	1,235,210

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

5 REVENUE

	Group	
	2017 **US$**	2016 US$
Sales of goods:		
– Sale of commodities	**101,167,143**	100,511,885
– Tinplate manufacturing	**658,529**	1,709,482
	101,825,672	102,221,367

5 Revenue (Continued)

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 an 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.

6 Other income

	Group	
		(Restated)
	2017	2016
	US$	US$
Amortisation of deferred income	**425,771**	265,467
Demurrage income	**–**	122,555
Freight income	**150,363**	143,281
Gain on disposal of property held-for-sale	**4,159,218**	–
Gain on fair value adjustments on non-current loans due to former immediate and ultimate holding company	**2,700,811**	5,819,544
Government grants	**–**	3,987
Interest income	**2,591**	47,954
Rental income	**44,027**	–
Sundry income	**159,869**	433,959
Waiver of loan from former immediate and ultimate holding company	**–**	641,030
	7,642,650	7,477,777

7 Distribution and selling expenses

	Group	
	2017	2016
	US$	US$
Distribution agency fees	**751,229**	1,218,897
Freight charges	**24,202**	75,687
Port handling charges	**8,411**	24,258
Others	**12,407**	22,974
	796,249	1,341,816

8 Finance costs

	Group	
		(Restated)
	2017	2016
	US$	US$
Bank charges	**13,562**	392,264
Interest on bank borrowings	**1,041,795**	3,269,739
Interest on other borrowings:		
– current year	**121,364**	1,274,334
– over-accrued in respect of previous financial year	**(941,634)**	–
Deemed interest expense on interest-free loans due to former immediate and ultimate holding company	**4,243,941**	540,965
	4,479,028	5,477,302

9 Loss before tax from continuing operations

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

	Group	
	2017	2016
	US$	US$
Audit fees paid to:		
– auditor of the Company	**209,036**	81,578
– other auditors*	**92,898**	76,201
Non-audit fees paid to:		
– auditor of the Company	**3,019**	17,592
– other auditors*	**12,670**	13,679
Amortisation of land use rights	**94,891**	103,756
Bad debts written off	**2,020,465**	108,728
Depreciation of property, plant and equipment	**2,127,167**	2,559,064
Fair value loss on derivative financial instruments	**–**	10,878
Loss on disposal of land use rights	**59,257**	–
Loss on disposal of property, plant and equipment	**34,765**	4,513
Material costs recognised as an expense in cost of sales	**100,578,755**	99,799,600
Net loss on foreign exchange	**3,811,124**	2,498,899
Net realised gain on derivative financial instruments	**–**	(10,878)
Rental expenses	**725,474**	356,686
Staff costs (Note 10)	**2,642,886**	4,195,520
Written down of inventories	**94,991**	–

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

10 STAFF COSTS

	Group	
	2017	2016
	US$	US$
Staff costs (including directors' remuneration)		
– Salaries, wages and other benefits	**2,329,162**	3,775,689
– Contributions to defined contribution plans	**313,724**	419,831
	2,642,886	4,195,520

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

	Group	
	2017	2016
	US$	US$
Foo Teck Leong	**32,711**	32,489
Tang Chi Loong	**31,257**	31,045
Tse To Chung, Lawrence*	**–**	13,269
William Robert Majcher	**33,914**	14,530
	97,882	91,333

* Mr. Tse To Chung, Lawrence resigned as independent non-executive Director on 27 November 2015.

There were no other emoluments payable to the independent non-executive Directors during the financial years ended 30 April 2017 and 30 April 2016.

10 STAFF COSTS (CONTINUED)

(B) REMUNERATION OF EXECUTIVE DIRECTORS

	Fees US$	Salaries and benefits in-kind US$	Defined contribution plans US$	Total remuneration US$
Group				
2017				
Zhu Jun	**–**	**2**	**–**	**2**
Wang Jianqiao	**–**	**230,778**	**–**	**230,778**
Chow Kin Wa	**–**	**96,000**	**2,308**	**98,308**
	–	**326,780**	**2,308**	**329,088**
2016				
Wang Jianqiao	116,625	–	–	116,625
Yu Wing Keung, Dicky	–	160,000	1,538	161,538
Chow Kin Wa	–	192,000	2,308	194,308
Chow Kin San	–	137,630	769	138,399
	116,625	489,630	4,615	610,870

There were no arrangements under which a Director waived or agreed to waive any remuneration during the financial years ended 30 April 2017 and 30 April 2016.

During the financial years ended 30 April 2017 and 30 April 2016, no remuneration was paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

10 STAFF COSTS (CONTINUED)

(C) FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees in the Group for the financial year included one (2016: three) Directors, details of whose remuneration are set out in Note 10(b) above. Details of the remaining four (2016: two) non-directors highest paid employees for the financial year are as follows:

	Group	
	2017	2016
	US$	US$
Salaries and bonus	**498,941**	312,497
Contributions to defined contribution plans	**16,686**	12,439
	515,627	324,936

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

	Group	
	2017	2016
Over HKD2,000,000	**–**	–
HKD1,500,001 to below HKD2,000,000	**–**	1
HKD1,000,001 to below HKD1,500,000	**1**	1
HKD500,001 to below HKD1,000,000	**3**	–
	4	2

During the financial years ended 30 April 2017 and 30 April 2016, no remuneration was paid by the Group to the five individuals with the highest remuneration in the Group as an inducement to join or upon joining the Group or as a compensation for loss of office.

11 INCOME TAX CREDIT

	Group 2017 US$	Group 2016 US$
Income tax credit attributable to loss is made up of:		
From continuing operations		
(Over)/under provision of current income tax in respect of previous financial years:		
– SG	**(4,164)**	5,778
– PRC	**–**	(58,051)
	(4,164)	(52,273)

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

	Group 2017 US$	Group (Restated) 2016 US$
(Loss)/profit before tax		
– Continuing operations	**(11,080,167)**	(10,792,836)
– Discontinued operations	**1,568,066**	(1,512,333)
	(9,512,101)	(12,305,169)
Tax at the domestic rates applicable to profits/(losses) in the countries where the Group operates	**(2,464,330)**	(2,894,602)
Expenses not deductible for tax purposes	**1,405,654**	560,022
Income not subject to tax	**(1,511,773)**	(1,066,153)
Deferred tax assets not recognised	**2,736,892**	3,400,733
Over provision of current income tax in respect of previous financial years	**(4,164)**	(52,273)
Utilisation of previously unrecognised tax losses	**(166,443)**	–
Income tax credit	**(4,164)**	(52,273)

No provision for Singapore income tax has been made as the Group entities in Singapore have no assessable profits for the financial years ended 30 April 2017 and 30 April 2016. The statutory Singapore income tax rate is 17% (2016: 17%).

No provision for Hong Kong Profits Tax has been made as the Group entities in Hong Kong have no assessable profits for the financial years ended 30 April 2017 and 30 April 2016. The statutory HK income tax rate is 16.50% (2016: 16.50%).

11 Income tax credit (Continued)

No provision for PRC enterprise income tax has been made as the Group entities in PRC have no assessable profits for the financial years ended 30 April 2017 and 30 April 2016. The PRC enterprise income tax rate is 25% (2016: 25%).

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

Unrecognised deferred tax assets

At the end of the reporting period, the Group has unrecognised tax losses of US$54,541,000 (2016: US$51,643,000) that are available for carry forward to offset against future taxable income of the companies in which the tax losses arose, subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. Deferred tax asset of US$12,131,000 (2016: US$11,590,000) has not been recognised in respect of these tax losses as it is not probable that future taxable profits/income in these companies will be available and sufficient to allow the related tax benefits to be realised in the foreseeable future.

The unrecognised tax losses of the PRC subsidiaries amounting to US$36,628,000 (2016: US$35,867,000) are available for carry forward up to five years from the year of loss against future taxable profits/income of the PRC subsidiaries in which the tax losses arose. There was no unrecognised tax losses of the PRC subsidiaries expired during the financial year.

At 30 April 2016, the Group's unrecognised tax losses included an amount of US$8,324,000 relating to TIANJIN SHIFA. During the financial year, TIANJIN SHIFA's unrecognised tax losses ceased upon the completion of the disposal of TIANJIN SHIFA.

12 Property held-for-sale

	Group	
	2017	2016
	US$	US$
Leasehold property	**–**	4,888,738

On 28 April 2016, Novo Commodities Limited, a wholly-owned subsidiary of the Company entered into a preliminary sale and purchase agreement (the "**Preliminary SPA**") to dispose of the property located at Unit 9, 10 and 11 on the 11th Floor, China Merchants Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong (the "**Property**") for a total cash consideration of approximately US$9,047,956. Accordingly, the Property was presented as property held-for-sale in the statements of financial position at 30 April 2016. This disposal transaction was completed on 23 June 2016. At 30 April 2016, the leasehold property was pledged to bank for banking facilities granted (Note 22).

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)

13 DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE (CONTINUED)

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

(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

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

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

(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	2016
	US$	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.

13 DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE (CONTINUED)

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

	Group	
	2017	2016
	US$	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

13 DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE (CONTINUED)

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

(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

13 DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE (CONTINUED)

(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**

14 LOSS FOR THE FINANCIAL YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The Group's loss for the financial year attributable to equity holders of the Company for the financial year ended 30 April 2017 includes the Company's loss of US$1,741,510 (2016: US$1,202,737) which has been dealt with in the financial information of the Company.

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	
	2017	(Restated) 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	
	2017	(Restated) 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

16 Property, plant and equipment (Continued)

Group	Leasehold land and buildings US$	Plant and machinery US$	Furniture, fixtures and computer equipment US$	Motor vehicles US$	Renovation US$	Construction work-in-progress US$	Total US$
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

Yorkshine New Material (Taizhou) Limited ("**YNMT**"), 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 YNMT amounted to US$49,594,610 (2016: US$53,847,914).

16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

17 LAND USE RIGHTS (CONTINUED)

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 subsidiaries 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.

(A) Details of subsidiaries are as follows:

Name of company	Place of incorporation	Particulars of issued and paid-up capital	Principal activities	Percentage of effective equity interest held by the Group	
				2017	2016
				%	%
Held by the Company					
NOVO COMMODITIES LIMITED**	HK	HK$8,000,000	Trading and investment	**100**	100
NOVA MARITIME (B.V.I.) LIMITED#(c)	BVI	US$10	Shipping brokerage	**–**	100
NOVO OVERSEAS HOLDINGS PTE. LTD.@	SG	SG$200,000	Investment holding	**100**	100
NOVO COMMODITIES PTE. LTD.*	SG	SG$200,000	Trading and investment	**100**	100
GLOBAL WEALTH TRADING LIMITED#	BVI	US$10	Investment holding	**100**	100
Novo Development Limited#	BVI	US$10	Investment holding	**100**	100
Novo Management Services Limited**	HK	HK$1	Investment holding and provision of management services	**100**	100
NOVO COAL PTE. LTD.@	SG	SG$1	Investment holding	**100**	100

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Name of company	Place of incorporation	Particulars of issued and paid-up capital	Principal activities	Percentage of effective equity interest held by the Group	
				2017	2016
				%	%
EAST OASIS TRADING LIMITED@(c)	HK	HK$10	Trading	**–**	100
STAR COSMOS DEVELOPMENTS LIMITED#	BVI	US$5,000	Investment holding	**100**	100
STAR PROMISE INVESTMENTS LIMITED#	BVI	US$5,000	Investment holding	**100**	–
Red Gold Group Limited#	BVI	US$5,000	Investment holding	**100**	–
Shining Fire Group Limited#	BVI	US$5,000	Investment holding	**100**	–
Sunshine Star Group Limited#	BVI	US$5,000	Investment holding	**100**	–
Held by NOVO COMMODITIES LIMITED (HK)					
NOVO COMMODITIES PRIVATE LIMITED**(b)(g)	India	Rupee10,000,000	Trading and investment	**100**	100
Held by GLOBAL WEALTH TRADING LIMITED					
Qiang Hua Trading Limited@	HK	HK$10	Trading and investment	**100**	100
Held by Novo Development Limited (BVI)					
Novo Development Limited@	HK	HK$10	Investment holding	**100**	100
Held by Qiang Hua Trading Limited					
Qiang Hua (Shanghai) Trading Limited***^^Δ	The PRC	RMB20,000,000	Trading and investment	**80**	80
Held by Novo Development Limited (HK) & Qiang Hua Trading Limited (HK) (in trust of Novo Development Limited (HK))					
TIANJIN SHIFA NOVO TECHNOLOGY DEVELOPMENT LIMITED##^^	The PRC	US$8,570,000	Process and sales of steel and metal products	**–**	50
Held by STAR COSMOS DEVELOPMENTS LIMITED					
Golden Star (HK) Corporate Management Limited**	HK	HK$1,000	Investment holding and provision of management services	**100**	100
GOLDEN STAR CORPORATE MANAGEMENT PTE. LTD.#	SG	SG$1,000	Business and management consultancy services	**100**	100
GOLDEN STAR (HK) CORPORATE INVESTMENT LIMITED@	HK	HK$1,000	Investment holding	**100**	–

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Name of company	Place of incorporation	Particulars of issued and paid-up capital	Principal activities	Percentage of effective equity interest held by the Group 2017 %	2016 %
Held by Shining Fire Group Limited					
YORKSHINE ASSET MANAGEMENT LIMITED[@]	HK	HK$5,000,000	Investment holding	**100**	–
Held by Red Gold Group Limited					
RED GOLD (HK) LIMITED[@]	HK	HK$10,000	Trading	**100**	–
Held by Sunshine Star Group Limited					
THE PAYMENT CARDS GLOBAL LIMITED[@]	HK	HK$30,000,000	Investment holding	**55**	–
Held by NOVO OVERSEAS HOLDINGS PTE. LTD.					
Novosteel DMCC[(f)]	United Arab Emirates	AED200,000	Trading	**100**	100
Novo Commodities PTE Ltd[#(e)]	BVI	US$10	Investment holding	**100**	100
Novo Steel Limited[#(d)]	BVI	US$10	Investment holding	**100**	100
Novo Shipping Ltd[#(d)]	BVI	US$10	Investment holding	**100**	100
Novo Investment Limited[#]	BVI	US$10	Investment holding	**100**	100
Novo ETP Limited[#]	BVI	US$10	Investment holding	**100**	100
Novo Power Limited[(a)]	HK	HK$10	Investment holding	**100**	100
Held by NOVO OVERSEAS HOLDINGS PTE. LTD. & NOVO COAL PTE. LTD.					
PT. NOVO COAL[(b)]	Indonesia	US$500,000	Trading	**100**	100
Held by Novo Investment Limited (BVI)					
NOVO INVESTMENT LIMITED**	HK	HK$10,000	Investment holding	**100**	100
Held by NOVO INVESTMENT LIMITED (HK)					
Qingdao Novo Port Investment Logistic Limited[^Δ(b)]	The PRC	RMB6,348,200	Warehousing and wholesaling	**100**	100

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Name of company	Place of incorporation	Particulars of issued and paid-up capital	Principal activities	Percentage of effective equity interest held by the Group 2017 %	2016 %
Held by Novo Steel Limited (BVI)					
Novo Steel (HK) Limited**(d)	HK	HK$5,000,000	Trading and investment	**51**	51
Held by Qiang Hua (Shanghai) Trading LimitedΔ					
Hua Qiang (Shanghai) Trading Limited***^^^Δ	The PRC	RMB5,000,000	Trading and investment	**80**	80
Held by Hua Qiang (Shanghai) Trading LimitedΔ					
Taizhou Hua Yong Trading Limited***^^^Δ	The PRC	RMB5,000,000	Trading	**80**	80
Held by Novo ETP Limited (BVI)					
Novo ETP Limited@	HK	HK$10	Investment holding	**100**	100
Novo Investment and Development Limited@(c)	HK	HK$10	Investment holding	**–**	100
Novo Lamination Limited@	HK	HK$10	Investment holding	**100**	100
Wah Shun Storage Limited@	HK	HK$10	Investment holding	**100**	100
Held by Novo ETP Limited (HK)					
Yorkshine New Material (Taizhou) Limited***^^Δ	The PRC	US$20,580,000	Manufacturing, distribution, import and export, technology consultancy and development	**95**	95
Novowell International Trading (Shanghai) Company Limited***^	The PRC	US$1,000,000	Wholesale, import and export	**100**	100
Held by Wah Shun Storage Limited (HK)					
Xing Hua City Daduo Sewage Treatment Co., Ltd.***^^^Δ	The PRC	RMB7,000,000	Sewage Treatment	**57**	57
Wah Shun Storage (Taizhou) Limited***^	The PRC	US$199,990	General storage, property service and corporate management consultancy	**100**	100

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Name of company	Place of incorporation	Particulars of issued and paid-up capital	Principal activities	Percentage of effective equity interest held by the Group 2017 %	2016 %
Held by Novo Management Services Limited (HK)					
Novo Commodities Limited**	Republic of Seychelles	US$1	Investment holding	**100**	100
Held by Novo Power Limited (HK)					
Guang Dong Yong Peng Import and Export Trading Co., Ltd.^^Δ(b)	The PRC	RMB10,000,000	Wholesale, import and export	**51**	51
Held by Novo Lamination Limited (HK)					
Novowell Lamination Technology (Taizhou) Limited***^	The PRC	US$2,030,000	Manufacturing, sales and distribution	**100**	100

* audited by Baker Tilly TFW LLP
** audited by Baker Tilly Hong Kong Limited
*** audited by Baker Tilly China Certified Public Accountants LLP
@ audited by other Certified Public Accountants
# not required to be audited in the country of incorporation
disposed of during the current financial year and audited financial statements are not available as of the date of when these financial statements were approved for issue by the Board of Directors
^ registered as a wholly-owned foreign enterprise under the PRC laws
^^ registered as a sino-foreign joint venture under the PRC laws
^^^ registered as a local enterprise under the PRC laws
Δ unofficial English translation
(a) in the process of striking off from the register
(b) in the process of deregistration
(c) struck off from the register during the financial year ended 30 April 2017
(d) struck off from the register during the financial year ended 30 April 2018
(e) struck off from the register during the financial year ending 30 April 2019
(f) trading license expired on 25 August 2015
(g) Ma Yiu Ming holds 1% of paid-up capital in this company in trust for the Group

(B) SIGNIFICANT RESTRICTIONS

Cash and cash equivalents of US$104,312 (2016: US$25,314,992) are held in The People's Republic of China and are subject to local exchange control regulations. These regulations place restrictions on the amount of currency being exported from the country, other than through dividends.

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(C) SUMMARISED FINANCIAL INFORMATION OF SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTEREST ("NCI")

At 30 April 2017, the Group has the following subsidiaries that have NCI that are considered by management to be material to the Group:

Name of company	Principal place of business/Place of incorporation	Ownership interests held by NCI	
		2017	2016
		%	%
YNMT	The PRC	**5**	5
Xing Hua City Daduo Sewage Treatment Co., Ltd. ("**XHDD**")	The PRC	**43**	43
THE PAYMENT CARDS GLOBAL LIMITED ("**TPCGL**")	HK	**45**	–

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

Summarised Statement of Financial Position

	YNMT		XHDD		TPCGL
		(Restated)			
	2017	2016	**2017**	2016	**2017**
	US$	US$	**US$**	US$	**US$**
Non-current assets	**51,622,597**	56,316,686	**2,016,179**	2,152,345	**–**
Current assets	**21,228,190**	28,127,354	**1,775,453**	1,943,247	**3,179,272**
Non-current liabilities	**(22,323,982)**	(4,546,777)	**–**	(42,185)	**–**
Current liabilities	**(64,098,780)**	(85,412,138)	**(1,070,999)**	(1,353,915)	**(4,011)**
Net (liabilities)/assets	**(13,571,975)**	(5,514,875)	**2,720,633**	2,699,492	**3,175,261**
Net (liabilities)/assets attributable to NCI	**(678,599)**	(275,744)	**1,169,872**	1,160,781	**1,428,867**

18 Investments in subsidiaries (Continued)

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

Summarised Income Statement and Statement of Comprehensive Income

	YNMT		XHDD		TPCGL
	2017 **US$**	(Restated) 2016 US$	**2017** **US$**	2016 US$	**2017** **US$**
Revenue	**658,529**	2,168,237	**–**	–	**–**
(Loss)/profit before tax	**(8,315,870)**	(7,467,676)	**194,952**	232,478	**(15,619)**
Income tax expense	**–**	(20,784)	**–**	–	**–**
(Loss)/profit for the financial year	**(8,315,870)**	(7,488,460)	**194,952**	232,478	**(15,619)**
Other comprehensive income/(loss) for the financial year	**258,770**	(571,478)	**(173,811)**	(143,064)	**–**
Total comprehensive (loss)/ income for the financial year	**(8,057,100)**	(8,059,938)	**21,141**	89,414	**(15,619)**
Total comprehensive (loss)/income for the financial year allocated to NCI	**(402,855)**	(402,997)	**9,091**	38,448	**(7,029)**
Dividends paid to NCI	**–**	–	**–**	–	**–**

Summarised Statement of Cash Flows

	YNMT		XHDD		TPCGL
	2017 **US$**	(Restated) 2016 US$	**2017** **US$**	2016 US$	**2017** **US$**
Cash flows generated from/(used in) operating activities	**7,507**	6,726,594	**2**	16,368	**(256,392)**
Cash flows generated from/(used in) investing activities	**21,869**	(1,788,655)	**–**	(16,023)	**–**
Cash flows (used in)/generated from financing activities	**(29,640)**	(5,152,957)	**–**	–	**1,435,896**
Net (decrease)/increase in cash and cash equivalents	**(264)**	(215,018)	**2**	345	**1,179,504**

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(D) CHANGES IN OWNERSHIP INTERESTS IN A SUBSIDIARY THAT DO NOT RESULT IN LOSS OF CONTROL

In 2016, the Group acquired additional 9.90% equity interest in a subsidiary, Novowell Lamination Technology (Taizhou) Limited ("**Novowell Lamination**") from its non-controlling interest for a consideration of US$405,900 by offsetting the outstanding receivable amount due from this non-controlling interest. Following the acquisition, Novowell Lamination became a wholly-owned subsidiary of the Group. The following summarises the effect of the change in the Group's ownership interest in Novowell Lamination on the equity attributable to equity holders of the Company:

	Group	
	2017	2016
	US$	US$
Consideration paid to a non-controlling interest	**–**	405,900
Carrying amount of non-controlling interest acquired	**–**	(378,847)
Decrease in equity attributable to equity holders of the Company	**–**	27,053

(E) ACQUISITION OF SUBSIDIARIES

During the financial year, the Company acquired 100% of the issued share capital of Red Gold Group Limited, Shining Fire Group Limited and Sunshine Star Group Limited for a total consideration of US$13,060. The net identifiable assets (i.e. cash and cash equivalents) acquired amounted to US$13,060. Therefore, there is no goodwill and net cash in/outflow arising from acquisition of subsidiaries.

19 INVENTORIES

	Group	
	2017	2016
	US$	US$
Raw materials	**–**	412,256
Work-in-progress	**–**	290,811
Finished goods	**–**	171,314
	–	874,381

In 2016, the inventories with net carrying amount of US$188,536 have been pledged as securities for banking facilities granted to the Group (Note 22).

In 2016, the inventories with net carrying amount of US$188,536 was frozen by the People's Court of Xinghua City for the on-going litigations as disclosed in Note 29(c)(i). During the current financial year, the inventories was sold by the People's Court of Xinghua City. 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 certain contractors/suppliers/employees in respect of the on-going litigations as disclosed in Note 29(c)(i).

20 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Advance payment to suppliers	**1,607**	6,876,729	**–**	–
Trade and bill receivables	**110,637**	5,095,102	**–**	–
	112,244	11,971,831	**–**	–
Deposits	**253,980**	1,327,296	**–**	–
Advance payment for property, plant and equipment	**–**	1,307,944	**–**	–
Prepayments	**743,501**	2,147,233	**4,473**	13,030
Other receivables	**886,305**	644,585	**6,130**	–
Value-added tax receivables	**3,538,443**	5,959,255	**–**	–
Amounts due from subsidiaries	**–**	–	**1,018,596**	–
	5,422,229	11,386,313	**1,029,199**	13,030
Total gross receivables at 30 April	**5,534,473**	23,358,144	**1,029,199**	13,030
Less: allowance for impairment of other receivables	**–**	–	**–**	–
	5,534,473	23,358,144	**1,029,199**	13,030

In 2016, trade and bill receivables included an amount of US$98,287 due from a related party. The receivables from a related party were unsecured, interest-free and repayable on demand. The related party above refers to a company controlled by an entity having a significant influence on a subsidiary.

Trade and bill receivables of US$110,637 (2016: US$3,852,230) were pledged to banks for banking facilities granted (Note 22).

In 2016, 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 for the on-going litigations as disclosed in Note 29(c)(i). During the current financial year, the deposit was fully utilised 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).

Other receivables included an amount of US$496,505 (2016: US$Nil) kept by the People's Court of Xinghua City. This amount represents the proceeds from the disposal of land use rights and inventories by the People's Court of Xinghua City on behalf of the Group and the proceeds 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).

20 TRADE AND OTHER RECEIVABLES (CONTINUED)

Other receivables included an amount of US$246,868 (2016: US$Nil) deposited into a notary account under custody of Tianjin City He Xi Notaries in respect of the on-going litigations as disclosed in Note 29(c)(iv).

The amounts due from subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

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

The ageing analysis of trade and bill receivables and other receivables is as follows:

	Group	
		(Restated)
	2017	2016
	US$	US$
Not past due and not impaired	**822,044**	101,565
Past due but not impaired:		
– 0 to 1 month	**–**	–
– More than 1 month to 3 months	**28,337**	131,076
– More than 3 months to 12 months	**82,300**	865,450
– More than 12 months	**64,261**	4,641,596
	174,898	5,638,122
	996,942	5,739,687

The movements in allowance for impairment of other receivables during the financial year are as follows:

	Group	
	2017	2016
	US$	US$
Balance at beginning of the financial year	**–**	2,505,985
Bad debts written off against allowance	**–**	(2,505,985)
Balance at end of the financial year	**–**	–

20 TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables that are individually determined to be impaired at the end of the reporting period relate to receivables that are in significant financial difficulties or have defaulted on payments, or are disputing the amounts due. These receivables are not secured by any collateral or credit enhancements.

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

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

	Group		**Company**	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Chinese Renminbi ("**RMB**")	**251,882**	149,376	**–**	–
Singapore Dollar ("**SGD**")	**69,785**	2,582	**10,603**	637
Hong Kong Dollar ("**HKD**")	**289,268**	98,084	**974,370**	12,393
Indonesian Rupiah ("**IDR**")	**11,147**	269	**–**	–
	622,082	250,311	**984,973**	13,030

21 CASH AND CASH EQUIVALENTS

	Group		**Company**	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Cash on hand and at bank (unpledged portion)	**6,827,187**	9,609,410	**5,115,800**	20,802
Cash at margin accounts (non-restricted)	**61,064**	169,015	**–**	–
	6,888,251	9,778,425	**5,115,800**	20,802

The cash at bank at the end of the reporting period generally earns interest ranging from 0.001% to 3.08% (2016: 0.001% to 3.25%) per annum.

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

21 CASH AND CASH EQUIVALENTS (CONTINUED)

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

	Group		Company	
	2017 US$	2016 US$	**2017 US$**	2016 US$
UAE	**–**	945	**–**	–
Australian Dollars	**235**	240	**–**	–
Sterling Pound	**65**	73	**–**	–
RMB	**1,120**	127,257	**–**	–
Euro ("**EUR**")	**545**	574	**–**	–
HKD	**5,418,033**	7,155,276	**5,085,586**	1,603
IDR	**274**	12,892	**–**	–
SGD	**21,087**	28,228	**20,515**	9,500
Philippine Peso ("**PHP**")	**338**	362	**–**	–
USD	**829**	2,079,096	**–**	–
	5,442,526	9,404,943	**5,106,101**	11,103

22 BORROWINGS

	Group	
	2017 US$	(Restated) 2016 US$
Non-current liabilities		
Loans from a related party	**150,000**	–
Loans from former immediate and ultimate holding company	**29,512,694**	36,072,489
Other borrowings	**3,638,195**	–
	33,300,889	36,072,489
Current liabilities		
Bank loan	**14,200,925**	15,500,000
Working capital loans	**–**	20,958,445
Loans from a director	**330,743**	112,820
Loans from a related party	**–**	150,000
Loans from former immediate and ultimate holding company	**738,899**	–
Revolving credit facility	**2,321,168**	–
Other borrowings	**1,800,000**	10,938,453
	19,391,735	47,659,718
	52,692,624	83,732,207

22 BORROWINGS (CONTINUED)

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

	Group	
		(Restated)
	2017	2016
	US$	US$
USD	**14,200,925**	15,500,000
HKD	**22,427,344**	29,772,444
	36,628,269	45,272,444

At 30 April 2016, the Group's working capital loans were secured by way of:

– Legal pledge on the Group's leasehold land and buildings (Note 16);
– Pledge of assets (cargo and related proceeds) underlying the financed transactions;
– Corporate cross guarantees between joint borrowers when appropriate; and
– Corporate guarantees of the Company.

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 (Notes 16 and 17);
– Share charge on a subsidiary; and
– Floating mortgage.

The revolving credit facility is secured by legal mortgages over the leasehold buildings of certain PRC subsidiaries and also corporate guarantee from certain PRC subsidiaries.

22 BORROWINGS (CONTINUED)

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

	Group	
		(Restated)
	2017	2016
	US$	US$
Leasehold land and buildings (Note 16)	**5,321,305**	4,667,119
Construction work-in-progress (Note 16)	**2,986,838**	2,111,457
Plant and machinery (Note 16)	**43,631,204**	48,579,321
Furniture, fixtures and computer equipment (Note 16)	**98,839**	110,426
Motor vehicles (Note 16)	**6,415**	5,214
Land use rights (Note 17)	**2,584,545**	3,112,064
Inventories (Note 19)	**–**	188,536
Trade and bill receivables (Note 20)	**110,637**	3,852,230
Others#	**21,117,555**	26,466,661
	75,857,338	89,093,028

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

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

	Group	
	2017	2016
	%	%
Bank loan	**5.28**	5.05
Working capital loans	**–**	5.71
Revolving credit facility	**6.60 to 9.90**	–
Loans from a related party	**8.40**	8.40
Other borrowings	**6.00**	8.00

Loans from a director are unsecured, interest-free and repayable within one financial year from the end of the reporting period.

Loans from a related party are unsecured and repayable on 1 August 2018 (2016: repayable within one financial year from the end of the reporting period).

Loans from former immediate and ultimate holding company are unsecured and interest-free. The non-current loans are repayable on 1 August 2018 (2016: 4 October 2017) (Note 36(vi)). The current loans are repayable within one financial year from the end of the reporting period.

22 BORROWINGS (CONTINUED)

Other borrowings comprise import and export credit facility from a strategic partner to facilitate the working capital requirement of the Group. On 18 March 2016, the strategic partner had filed a claim against Novo Commodities Limited for the breach of a repayment agreement signed in June 2015 as disclosed in Note 29(c)(ii). In accordance with the repayment agreement, other borrowings were to be repaid in full by 20 December 2015. Therefore, other borrowings were classified under current liabilities as at 30 April 2016.

On 27 April 2017, the High Court in Hong Kong issued a consent order for both parties to settle the legal dispute according to a deed of settlement dated 4 February 2017. According to the deed of settlement, the other borrowings are repayable as follows:

(i) US$1,800,000 to be paid by 2 equal half-yearly instalments on or before 30 June 2017 and 31 December 2017, respectively;

(ii) US$1,800,000 to be paid by 2 equal half-yearly instalments on or before 30 June 2018 and 31 December 2018, respectively; and

(iii) US$1,840,000 to be paid by 2 equal half-yearly instalments on or before 30 June 2019 and 31 December 2019, respectively.

The borrowings classified under current liabilities as at 30 April 2017 and 30 April 2016 are repayable within one financial year from the end of the reporting period.

Based on the discounted cash flows method using the following discount rates based on market lending rates for similar borrowings which the management expect would be available to the Group at the end of the reporting period, the fair values of the fixed rate non-current borrowings at the end of the reporting period approximate their carrying values as there are no significant changes in the interest rates available to the Group:

	Group	
	2017	2016
	%	%
Loans from a related party	**8.40**	8.40
Loans from former immediate and ultimate holding company	**10.00**	10.00
Other borrowings	**6.00**	8.00

This fair value measurement for disclosures purposes is categorised in Level 3 of the fair value hierarchy.

22 BORROWINGS (CONTINUED)

DEFAULT AND BREACHES

(i) Bank loan

During the financial year, YNMT 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, YNMT 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 YNMT that an application had been received to wind up YNMT 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 YNMT 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 YNMT 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 YNMT. 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 YNMT entered into a deed of settlement, pursuant to which RSCL agrees with YNMT 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.

23 Deferred income

	Group	
	2017	2016
	US$	US$
Grants-related to assets		
Cost		
Balance at beginning of the financial year	**1,410,505**	1,771,872
Grants received	**–**	66,206
Written off upon disposal of land use rights	**(188,690)**	–
Reclassified as held-for-sale	**–**	(351,669)
Currency translation differences	**(88,843)**	(75,904)
Balance at end of the financial year	**1,132,972**	1,410,505
Accumulated amortisation		
Balance at beginning of the financial year	**657,012**	498,474
Amortisation charge	**425,771**	297,730
Written off upon disposal of land use rights	**(188,690)**	–
Reclassified as held-for-sale	**–**	(112,759)
Currency translation differences	**(45,598)**	(26,433)
Balance at end of the financial year	**848,495**	657,012
Net carrying value		
Balance at end of the financial year	**284,477**	753,493
Represented by:		
Non-current liabilities	**–**	425,869
Current liabilities	**284,477**	327,624
	284,477	753,493

23 DEFERRED INCOME (CONTINUED)

At 30 April 2017, deferred grants comprise of:

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

– cash incentive received from Xinghua City Municipal Finance Bureau for financing the purchase of a piece of land in Jiangsu province, the PRC. This deferred grant is related to the land use rights which are disposed of in May 2017 as disclosed in Note 17.

At 30 April 2016, the following deferred grants related to TIANJIN SHIFA reclassified to disposal group classified as held-for-sale (Note 13(iv)) comprise of:

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

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

The disposal of TIANJIN SHIFA was completed during the current financial year.

These grants are amortised over the useful lives of the property, plant and equipment and land use rights which it is subsidising (Notes 16 and 17).

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.

24 TRADE AND OTHER PAYABLES (CONTINUED)

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

25 Share capital

	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.

26 Statutory reserve

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

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

27 Other reserves – non-distributable

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Net gain on disposal of treasury shares	**2,600,961**	2,600,961	**2,600,961**	2,600,961
Capital reserve*	**495,425**	355,655	**–**	–
	3,096,386	2,956,616	**2,600,961**	2,600,961

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

28 Commitments

(a) Capital commitments

Capital commitments not provided for in the financial statements:

	Group	
	2017	2016
	US$	US$
Expenditure for property, plant and equipment contracted for	**7,844,030**	8,371,317

(b) Operating lease commitments

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

	Group	
	2017	2016
	US$	US$
Not later than one financial year	**283,110**	158,744
Later than one financial year but not later than five financial years	**69,370**	142,926
	352,480	301,670

29 Contingent liabilities

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

(a) Bills discounted with recourse

	Group	
	2017	2016
	US$	US$
Discounted bills with recourse supported by letter of credit	–	254,407

(b) Guarantees

	Company	
	2017	2016
	US$	US$
Corporate guarantees issued by the Company to banks in respect of banking facilities of subsidiaries	–	129,726,400
Amounts utilised by subsidiaries	–	20,958,445

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

During the current financial year, those corporate guarantees issued by the Company with outstanding amounts utilised by subsidiaries as at 30 April 2016 have been released by the banks upon repayment of the full/partial of the outstanding amounts utilised.

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

29 CONTINGENT LIABILITIES (CONTINUED)

(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 YNMT 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, YNMT entered into settlement agreements with 47 contractors/suppliers/employees, which reduced the claim against YNMT 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.

29 CONTINGENT LIABILITIES (CONTINUED)

(C) CONTINGENT LIABILITIES (CONTINUED)

Group (Continued)

(iii) On 6 September 2016, China CITIC Bank International Limited (the "**Bank**") through its solicitor, issued a demand letter to YNMT 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 YNMT. 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 to wind up YNMT 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 YNMT 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 YNMT 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 YNMT, 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 YNMT entered into a deed of settlement (the "**Deed of Settlement**"), pursuant to which RSCL agrees with YNMT 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) YNMT 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) YNMT 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 YNMT in accordance with Deed of Settlement, RSCL shall irrevocably, unconditionally and absolutely releases and discharges YNMT from all or any obligations, liabilities, undertakings or claims in respect of the Indebtedness.

29 CONTINGENT LIABILITIES (CONTINUED)

(C) CONTINGENT LIABILITIES (CONTINUED)

Group (Continued)

(iii) 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.

30 FAIR VALUE OF ASSETS AND LIABILITIES

(A) FAIR VALUE HIERARCHY

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

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

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

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

(B) ASSETS AND LIABILITIES NOT CARRIED AT FAIR VALUE BUT WHICH FAIR VALUES ARE DISCLOSED

The carrying amounts of non-current borrowings approximate their fair values at the end of the reporting period, as the market lending rates at the end of the reporting period were not significantly different from either their respective interest rates of the agreements or market lending rate at the initial measurement date.

The basis of determining fair values for disclosure purposes at the end of the reporting period are disclosed in Note 22.

The above does not include financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

31 FINANCIAL INSTRUMENTS

(A) CATEGORIES OF FINANCIAL INSTRUMENTS

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

	Group		Company	
		(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

(B) FINANCIAL RISK MANAGEMENT

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

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

Credit risk

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

31 Financial instruments (Continued)

(b) FINANCIAL risk management (Continued)

Credit risk (Continued)

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

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of loans and receivables recognised in the statements of financial position and the amount of US$Nil (2016: US$20,958,445) relating to corporate guarantees given by the Company to banks for the subsidiaries' bank borrowings, respectively (Note 29(b)).

During the current financial year, those corporate guarantees issued by the Company with outstanding amounts utilised by subsidiaries as at 30 April 2016 have been released by the banks upon repayment of the full/partial of the outstanding amounts utilised.

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

At the end of the reporting period, the Group has no significant concentrations of credit risk. The Company has significant credit risk exposures arising on amounts due from subsidiaries of US$1,018,596 (2016: US$Nil) which represented 99% (2016: Nil) of the trade and other receivables.

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade and other receivables.

Information regarding financial assets that are either past due and/or impaired is disclosed in Note 20.

31 FINANCIAL INSTRUMENTS (CONTINUED)

(B) FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company rely on continuing financial support from its immediate and ultimate holding company to meet their obligations as and when they fall due.

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

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

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

	2017			2016		
	Less than 1 year US$	**1 to 5 years US$**	**Total US$**	Less than 1 year US$	1 to 5 years US$	Total US$
Group						
Trade and other payables	**15,535,354**	**–**	**15,535,354**	13,820,196	–	13,820,196
Borrowings	**19,437,007**	**37,459,897**	**56,896,904**	49,278,550	41,592,963	90,871,513
	34,972,361	**37,459,897**	**72,432,258**	63,098,746	41,592,963	104,691,709
Company						
Trade and other payables	**2,791,659**	**–**	**2,791,659**	1,072,131	–	1,072,131
Financial guarantee contracts (Note 29(b))	**–**	**–**	**–**	20,958,445	–	20,958,445
	2,791,659	**–**	**2,791,659**	22,030,576	–	22,030,576

At the end of the reporting period, the Company does not consider it is probable that a claim will be made against the Company under the intra-group financial guarantee.

31 Financial instruments (Continued)

(b) FINANCIAL risk management (Continued)

Interest rate risk

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

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

	Group	
		(Restated)
	2017	2016
	US$	US$
Fixed rate instruments		
Financial assets	**61,064**	64,448
Financial liabilities	**22,110,288**	40,917,042
Variable rate instruments		
Financial assets	**40,490**	9,078,640
Financial liabilities	**–**	6,629,856

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

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

Foreign currency risk

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

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

The Group entered into foreign currency contracts with a number of banks to reduce its exposure to currency fluctuations risk. These derivatives are not accounted for under hedge accounting as the Group currently does not have a formal currency hedging policy. The management monitors foreign exchange exposure from time to time and will further consider hedging significant foreign currency exposure should the need arise. No foreign currency contracts were outstanding as at 30 April 2017 and 30 April 2016.

31 FINANCIAL INSTRUMENTS (CONTINUED)

(B) FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency risk (Continued)

The Group has foreign currency exposure arising mainly from cash and cash equivalents, trade and other receivables, trade and other payables and borrowings. At the end of the reporting period, US$5,442,526 (2016: US$9,404,943) of the Group's cash and cash equivalents, US$622,082 (2016: US$250,311) of the Group's trade and other receivables, US$1,414,761 (2016: US$1,240,529) of the Group's trade and other payables and US$36,628,269 (2016: US$45,272,444) of the Group's borrowings are denominated in non-functional currencies.

At the end of the reporting period, US$5,106,101 (2016: US$11,103) of the Company's cash and cash equivalents, US$984,973 (2016: US$13,030) of the Company's trade and other receivables and US$2,173,146 (2016: US$613,483) of the Company's trade and other payables are denominated in non-functional currencies.

The following table demonstrates the sensitivity to a 5% increase and decrease in the relevant non-foreign currency against the functional currency of the Group entities. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. With all other variables held constant, the effects will be as follows:

	Increase/(decrease) in loss after tax			
	Group		**Company**	
	2017 US$	2016 US$	**2017 US$**	2016 US$
USD				
– Strengthened	**714,211**	671,048	**–**	–
– Weakened	**(714,211)**	(671,048)	**–**	–
HKD				
– Strengthened	**861,415**	1,160,754	**(232,303)**	10,314
– Weakened	**(861,415)**	(1,160,754)	**232,303**	(10,314)

The sensitivity analysis for other non-functional currencies are not disclosed as the effect on profit or loss and other comprehensive income for the current and previous financial years is considered not significant.

31 FINANCIAL INSTRUMENTS (CONTINUED)

(C) OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

The Group discounts bills receivables with recourse to banks and these amounts are presented on net basis on the statements of financial position. The bills receivables are supported by the customers' letters of credits and the Group considered the risk of default by the issuing banks are remote. These amounts are disclosed as contingent liabilities (Note 29(a)).

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

Description	**Gross carrying amounts US$**	**Gross amounts offset on the statements of financial position US$**	**Net amounts on the statements of financial position US$**
Group			
2017			
Trade and other receivables	**5,534,473**	**–**	**5,534,473**
Borrowings – current liabilities	**19,391,735**	**–**	**19,391,735**
2016			
Trade and other receivables	23,612,551	(254,407)	23,358,144
Borrowings – current liabilities	47,914,125	(254,407)	47,659,718

32 CAPITAL MANAGEMENT

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

The Group reviews the capital structure from time to time and may make adjustments in light of the changing economic conditions, by adjusting the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowing or sell assets to reduce borrowings. The Group and the Company rely on continuing financial support from its immediate and ultimate holding company to meet their obligations as and when they fall due. No changes were made in the objectives, policies or processes during the financial years ended 30 April 2017 and 30 April 2016.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, borrowings, trade and other payables, less cash and cash equivalents. Capital represents total equity attributable to equity holders of the Company. At the end of the reporting period, the Group's gearing ratio is 100% (2016: 98%).

	Group	
		(Restated)
	2017	2016
	US$	US$
Borrowings	**52,692,624**	83,732,207
Trade and other payables	**15,945,468**	14,634,157
	68,638,092	98,366,364
Less: Cash and cash equivalents	**(6,888,251)**	(9,778,425)
Net debt	**61,749,841**	88,587,939
Total equity attributable to equity holders of the Company	**(903,228)**	2,315,571
Capital and net debt	**60,846,613**	90,903,510

	2017	2016
	%	%
Gearing ratio	**100**	98

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 April 2017 and 30 April 2016 except for those default and breaches as disclosed in Note 22.

33 Segment information

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

Trading

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

(i) iron ore;

(ii) coal; and

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

Tinplate manufacturing

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

33 SEGMENT INFORMATION (CONTINUED)

TINPLATE PROCESSING (DISCONTINUED OPERATIONS)

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

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

	Continuing operations		Discontinued operations		
	Trading US$	Tinplate manufacturing US$	Tinplate processing US$	Eliminations US$	Total US$
2017					
Segment revenue to:					
– sales to external customers	101,167,143	658,529	28,393,739	–	130,219,411
Segment results	380,285	4,259	(368,338)	–	16,206
Other income	6,696,253	946,397	1,542,181	–	9,184,831
Other costs	(5,761,833)	(8,866,500)	1,053,144	–	(13,575,189)
Finance costs	(3,579,121)	(899,907)	(658,921)	–	(5,137,949)
(Loss)/profit before tax	(2,264,416)	(8,815,751)	1,568,066	–	(9,512,101)
Income tax credit	4,164	–	–	–	4,164
(Loss)/profit for the financial year	(2,260,252)	(8,815,751)	1,568,066	–	(9,507,937)
Assets and liabilities					
Segment assets	8,433,028	61,248,796	–	–	69,681,824
Segment liabilities	43,407,537	25,515,032	–	–	68,922,569
Other segment information					
Capital expenditure	17,143	1,142,755	600,823	–	1,760,721
Depreciation and amortisation	131,349	2,090,709	527,963	–	2,750,021
Non-cash items other than depreciation and amortisation	1,552,149	1,680,666	(1,200,676)	–	2,032,139

33 Segment information (Continued)

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

	Continuing operations		Discontinued operations		
	Trading US$	Tinplate manufacturing US$	Tinplate processing US$	Eliminations US$	Total US$
2016 (Restated)					
Segment revenue to:					
– sales to external customers	100,511,885	1,709,482	23,257,881	–	125,479,248
– intersegment sales	3,000,568	1,021,346	–	(4,021,914)	–
	103,512,453	2,730,828	23,257,881	(4,021,914)	125,479,248
Segment results	1,276,601	(907,127)	(579,699)	–	(210,225)
Other income	7,165,407	312,370	581,273	–	8,059,050
Other costs	(7,941,973)	(5,220,812)	(400,460)	–	(13,563,245)
Finance costs	(2,468,019)	(3,009,283)	(1,113,447)	–	(6,590,749)
Loss before tax	(1,967,984)	(8,824,852)	(1,512,333)	–	(12,305,169)
Income tax credit/(expense)	114,384	(62,111)	–	–	52,273
Loss for the financial year	(1,853,600)	(8,886,963)	(1,512,333)	–	(12,252,896)
Assets and liabilities					
Segment assets	28,728,448	73,394,899	44,371,194	–	146,494,541
Segment liabilities	59,150,663	39,969,194	44,224,865	–	143,344,722
Other segment information					
Capital expenditure	89,752	915,198	1,487,082	–	2,492,032
Depreciation and amortisation	336,014	2,326,806	305,300	–	2,968,120
Non-cash items other than depreciation and amortisation	(5,245,712)	(185,093)	(32,263)	–	(5,463,068)

33 SEGMENT INFORMATION (CONTINUED)

GEOGRAPHICAL INFORMATION

The Group's operations 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	2016	**2017**	(Restated) 2016
	US$	US$	**US$**	US$
PRC	**130,104,957**	114,629,583	**56,751,867**	63,146,084
Thailand	**–**	1,091,951	**–**	–
Brazil	**–**	9,053,745	**–**	–
Philippines	**114,454**	359,808	**–**	–
Malaysia	**–**	201,686	**–**	–
Singapore	**–**	32,353	**–**	–
Others	**–**	110,122	**199**	921
	130,219,411	125,479,248	**56,752,066**	63,147,005

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

33 SEGMENT INFORMATION (CONTINUED)

INFORMATION ABOUT MAJOR CUSTOMER

Revenue of approximately US$71,274,149 (2016: US$56,133,732) 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$
2017	
Customer 1	**17,587,495**
Customer 2	**15,256,664**
Customer 3	**15,156,318**
Customer 4	**12,911,887**
Customer 5	**10,361,785**
	71,274,149
2016	
Customer 1	19,698,157
Customer 2	13,848,236
Customer 3	12,209,998
Customer 4	10,377,341
	56,133,732

34 RECONCILIATION BETWEEN FRSS AND INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSS")

For the financial years ended 30 April 2017 and 2016, there were no material differences between statements of financial position and statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group prepared under FRSs and IFRSs.

35 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 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.

35 Comparative figures (Continued)

Accordingly, the comparative figures were restated as follows:

	As previously reported	Prior year adjustment	As restated
	US$	US$	US$
Group			
Statements of financial position as at 30 April 2016			
Property, plant and equipment	63,154,213	(4,207,500)	58,946,713
Borrowings	41,351,068	(5,278,579)	36,072,489
Accumulated losses	(38,770,196)	5,278,579	(33,491,617)
Foreign currency translation reserve	4,444,103	(4,207,500)	236,603
Total equity attributable to equity holders of the Company	1,244,492	1,071,079	2,315,571
Net assets and total equity	2,078,740	1,071,079	3,149,819
Consolidated income statement for the financial year ended 30 April 2016			
Other income	1,658,233	5,819,544	7,477,777
Finance costs	(4,936,337)	(540,965)	(5,477,302)
Loss before tax	(16,071,415)	5,278,579	(10,792,836)
Loss for the financial year	(17,531,475)	5,278,579	(12,252,896)
Consolidated statement of comprehensive income for the financial year ended 30 April 2016			
Loss for the financial year	(17,531,475)	5,278,579	(12,252,896)
Other comprehensive income/(loss) for the financial year, net of tax			
– currency translation differences arising on consolidation	3,232,670	(4,207,500)	(974,830)
Total comprehensive loss for the financial year	(14,298,805)	1,071,079	(13,227,726)
Consolidated statement of cash flows for the financial year ended 30 April 2016			
Net cash used in operating activities	(5,952,764)	1,959,613	(3,993,151)
Net cash generated from financing activities	16,496,539	(1,959,613)	14,536,926

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.

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 will be the first brewery of additive-free beer in Hong Kong. The Board of Directors that believed that 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 YNMT 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 YNMT 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 YNMT, 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 YNMT entered into a deed of settlement, pursuant to which RSCL agreed with YNMT to settle the outstanding bank loan in the manner as disclosed in Note 29(c)(iii).

36 Significant events after the reporting period (Continued)

(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 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 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.

37 Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 April 2017 were authorised for issue in accordance with a resolution of the Board of Directors dated 1 August 2018.

Five-Year Summary

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

RESULTS

	2013 US$'000	2014 US$'000	2015 US$'000	(Restated) 2016 US$'000	**2017** **US$'000**
Revenue	284,203	272,998	225,857	102,221	**101,826**
Loss attributable to equity holders of the Company	(5,578)	(13,273)	(22,104)	(10,895)	**(9,274)**
Loss per share (in US cents)	(3.27)	(7.77)	(12.94)	(6.38)	**(4.98)**

ASSETS AND LIABILITIES

	2013 US$'000	2014 US$'000	2015 US$'000	(Restated) 2016 US$'000	**2017** **US$'000**
Non-current assets	49,747	79,405	78,836	63,147	**56,752**
Current assets	98,975	103,396	79,762	83,348	**12,930**
Total assets	148,722	182,801	158,598	146,495	**69,682**
Total liabilities	(96,964)	(141,885)	(142,066)	(143,345)	**(68,923)**
Non-controlling interests	(1,542)	(4,897)	(2,435)	(834)	**(1,662)**
Total equity attributable to equity holders of the Company	50,216	36,019	14,097	2,316	**(903)**

Statistics of Shareholding

SHAREHOLDING STATISTICS AS AT 20 JULY 2018

Issued and fully paid	:	S$163,192,179.92
Number of shares with voting rights	:	191,484,269
Number of Treasury Shares held	:	Nil
Number of Subsidiary Holdings held	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per share

% of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares (excluding treasury share and subsidiary holdings) - 0%

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 20 July 2018, approximately 33.41% of the issued ordinary shares ("**Shares**") of the Company is held by the public and therefore Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited and Rule 8.08 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited were complied with.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	1,132	70.53	15,876	0.01
100 – 1,000	174	10.84	47,646	0.03
1,001 – 10,000	190	11.84	866,016	0.45
10,001 – 1,000,000	107	6.67	4,525,463	2.36
1,000,001 AND ABOVE	2	0.12	186,029,268	97.15
Total	1,605	100.00	191,484,269	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	HKSCC NOMINEES LIMITED	173,942,337	90.84
2	GOLDEN STAR GROUP LIMITED	12,086,931	6.31
3	UOB KAY HIAN PRIVATE LIMITED	373,299	0.19
4	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	335,500	0.18
5	NGAN FAI WONG	300,000	0.16
6	RAFFLES NOMINEES (PTE) LIMITED	285,736	0.15
7	MAYBANK KIM ENG SECURITIES PTE. LTD.	250,062	0.13
8	PHUAY YONG HEN	187,500	0.10
9	LE NGOC MY	173,250	0.09
10	CITIBANK NOMINEES SINGAPORE PTE LTD	152,574	0.08
11	TAY CHIN KONG STEVEN	125,000	0.07
12	SOHN YANG YOUNG	123,750	0.06
13	TAY AH KIANG	116,000	0.06
14	ANG DE YU	87,000	0.05
15	LAU KIT CHING	60,500	0.03
16	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	60,311	0.03
17	TEY SIOK LEE	60,000	0.03
18	DBS NOMINEES (PRIVATE) LIMITED	52,719	0.03
19	ONG SWEE HEE	50,000	0.03
20	TAN TIONG LEI	50,000	0.03
	Total	188,872,469	98.65

SUBSTANTIAL SHAREHOLDERS

	Direct interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Zhu Jun	700,000	0.37	126,803,668	66.22
Golden Star Group Limited	126,803,668	66.22	0	0

Notes:

(1) Zhu Jun is deemed to be interested in 126,803,668 Shares held by Golden Star as he is the legal and beneficial owner of 100% of the issued and paid up capital in Golden Star, and a director of Golden Star. Zhu Jun and Golden Star held their Shares directly and through their nominee securities accounts.

Corporate Information

As at 15 August 2018

Board of Directors

Executive Directors

Mr. Zhu Jun *(executive Chairman)*
Ms. Wang Jianqiao

Non-Executive Director

Dr. Ouyang Qian

Independent non-executive Directors

Mr. Tang Chi Loong
Mr. Foo Teck Leong
Mr. William Robert Majcher

Audit Committee

Mr. Foo Teck Leong *(chairman)*
Mr. Tang Chi Loong
Mr. William Robert Majcher

Nominating Committee

Mr. Zhu Jun *(chairman)*
Mr. Tang Chi Loong
Mr. Foo Teck Leong
Mr. William Robert Majcher

Remuneration Committee

Mr. Tang Chi Loong *(chairman)*
Mr. Zhu Jun
Mr. Foo Teck Leong
Mr. William Robert Majcher
Dr. Ouyang Qian

Company Secretaries

Mr. Srikanth Rayaprolu
Ms. Lau Jeanie

Authorised Representatives

Mr. Zhu Jun
Ms. Lau Jeanie

Stock Code

Hong Kong Stock Code: 1048
Singapore Stock Code: MR8

Company's Website

www.yorkshinegroup.com

Registered Office

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Singapore 048621
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Fax: (65) 6323 2667

Headquarters and Principal Place of Business in Hong Kong

Room Nos. 1102-4, 11/F., Empire Centre
68 Mody Road, Kowloon, Hong Kong
Tel: (852) 3708 1888
Fax: (852) 3708 1899

Principal Share Registrar and Transfer Office in Singapore

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

Branch Share Registrar and Transfer Office in Hong Kong

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F., 148 Electric Road
North Point, Hong Kong

Independent Auditor

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

Principal Bankers

(Listed in alphabetical order)
China CITIC Bank Corporation Limited,
Taizhou Branch
China CITIC Bank Corporation Limited,
Xinghua Sub-Branch
China CITIC Bank International Limited
DBS Bank (Hong Kong) Limited
Jiangsu Xinghua Rural Commercial Bank Co. Ltd.,
Daduo Sub-Branch

YORKSHINE HOLDINGS LIMITED
煜新控股有限公司*

*For identification purpose only

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