

NOVO GROUP LTD.

(Incorporated in Singapore)

(Co. Reg. No. 198902648H)

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE YEAR ENDED 30 APRIL 2014****PART I INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

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

Consolidated Income Statement for the year ended 30 April 2014

	The Group					
	3 months period ended			Year ended		
	30 April	30 April	Increase/	30 April	30 April	Increase/
	2014	2013	(Decrease)	2014	2013	(Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	74,044	70,002	5.8%	272,998	284,203	-3.9%
Cost of sales	(75,008)	(67,664)	10.9%	(268,304)	(270,726)	-0.9%
Gross (loss)/profit	(964)	2,338	NM	4,694	13,477	-65.2%
Other income	(340)	478	NM	3,327	2,509	32.6%
Distribution and selling expenses	(816)	(2,675)	-69.5%	(6,143)	(11,326)	-45.8%
Administrative expenses	(2,118)	(1,973)	7.3%	(9,029)	(7,461)	21.0%
Other operating expenses	(1,766)	(1,284)	37.5%	(1,962)	(2,612)	-24.9%
Finance costs	(1,720)	(436)	294.5%	(5,292)	(923)	473.3%
Loss before tax	(7,724)	(3,552)	117.5%	(14,405)	(6,336)	127.4%
Income tax expenses	(5)	-	NM	(45)	(21)	114.3%
Loss for the period	<u>(7,729)</u>	<u>(3,552)</u>	<u>117.6%</u>	<u>(14,450)</u>	<u>(6,357)</u>	<u>127.3%</u>
Attributable to:						
Owners of the Company	(6,519)	(3,471)		(13,213)	(5,578)	
Non-controlling interests	(1,210)	(81)		(1,237)	(779)	
	<u>(7,729)</u>	<u>(3,552)</u>		<u>(14,450)</u>	<u>(6,357)</u>	

NM – not meaningful

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Consolidated Statement of Comprehensive Income

	The Group					
	3 months period ended			Year ended		
	30 April	30 April	Increase/	30 April	30 April	Increase/
	2014	2013	(Decrease)	2014	2013	(Decrease)
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Loss for the period	(7,729)	(3,552)	117.6%	(14,450)	(6,357)	127.3%
Other comprehensive (expense)/income:						
Exchange differences on translation of the Group's overseas operations, net of nil tax	<u>(40)</u>	<u>241</u>	NM	<u>272</u>	<u>295</u>	129.8%
Total comprehensive expenses for the period	<u>(7,769)</u>	<u>(3,311)</u>	134.6%	<u>(14,178)</u>	<u>(6,062)</u>	127.2%
Attributable to:						
Owners of the Company	(6,941)	(3,247)		(13,050)	(5,314)	
Non-controlling interests	<u>(828)</u>	<u>(64)</u>		<u>(1,128)</u>	<u>(748)</u>	
	<u>(7,769)</u>	<u>(3,311)</u>		<u>(14,178)</u>	<u>(6,062)</u>	

NM – not meaningful

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

	The Group			
	3 months period ended		Year ended	
	30 April	30 April	30 April	30 April
	2014	2013	2014	2013
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Loss for the period is stated after charging/(crediting):				
Amortisation of deferred income	(172)	(1)	(175)	(4)
Amortisation of land use right	89	17	89	155
Depreciation of property, plant and equipment	1,171	129	1,678	427
Fair value losses on derivative financial instruments	22	–	37	7
Reclassification/(recognition) of Government grants	1,095	(310)	(1,192)	(554)
Impairment of receivables	314	–	314	835
Interest expense	1,540	323	4,731	574
Interest income	(77)	(47)	(396)	(318)
Loss on disposal of an associated company	–	–	–	98
(Gains)/losses on disposal of property, plant and equipment	–	(39)	–	217
Net exchange losses/(gains)	366	(303)	(68)	(471)
Net realised losses on derivative financial instruments	9	–	196	172
Written off of amount due from associated companies	–	1,759	–	1,759
Written off of property, plant and equipment	–	41	–	41
Written off of inventories	278	–	278	–
Written down of inventories	616	–	616	–
Written off of goodwill	94	–	94	–

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

	The Group			The Company	
	As at 30 April 2014	As at 30 April 2013	As at 1 May 2012	As at 30 April 2014	As at 30 April 2013
	US\$'000	US\$'000 (restated)	US\$'000 (restated)	US\$'000	US\$'000
Non-current assets					
Property, plant and equipment	73,269	46,558	16,648	—	—
Land use right	6,133	3,091	3,129	—	—
Goodwill	4	98	—	—	—
Investment in associated companies	—	—	589	—	—
Investments in subsidiaries	—	—	—	79,460	79,588
	79,406	49,747	20,366	79,460	79,588
Current assets					
Inventories	16,571	24,831	13,665	—	—
Derivative financial instruments	—	—	261	—	—
Trade and other receivables	40,004	54,988	41,918	41,271	34,467
Tax recoverable	—	6	45	—	—
Pledged bank deposits	34,041	9,178	12,252	—	—
Cash and cash equivalents	12,780	9,972	15,303	115	68
	103,396	98,975	83,444	41,386	34,535
Total assets	182,802	148,722	103,810	120,846	114,123
Non-current liabilities					
Borrowings, secured	22,750	18,650	5,000	—	—
Deferred income	1,311	184	186	—	—
	24,061	18,834	5,186	—	—
Current liabilities					
Trade and other payables	71,730	32,628	28,424	8,911	302
Deferred income	294	4	4	—	—
Derivative financial instruments	37	—	254	—	—
Borrowings, secured	45,730	45,492	11,551	—	—
Tax payable	33	6	7	—	—
	117,824	78,130	40,240	8,911	302
Total liabilities	141,885	96,964	45,426	8,911	302
Net assets	40,917	51,758	58,384	111,935	113,821

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	The Group			The Company	
	As at	As at	As at	As at	As at
	30 April	30 April	1 May	30 April	30 April
	2014	2013	2012	2014	2013
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
		(restated)	(restated)		
Equity					
Share capital	32,239	32,239	32,239	108,740	108,740
(Accumulated losses)/retained earnings	(191)	14,307	21,307	594	2,480
Foreign currency translation reserve	1,259	1,036	772	–	–
Statutory reserve	33	33	–	–	–
Other reserve	2,680	2,601	2,601	2,601	2,601
Total equity attributable to owners of the Company	36,020	50,216	56,919	111,935	113,821
Non-controlling interests	4,897	1,542	1,465	–	–
Total equity	40,917	51,758	58,384	111,935	113,821

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

	The Group			
	As at 30 April 2014		As at 30 April 2013	
	Secured	Unsecured	Secured	Unsecured
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Amount repayable in one year or less	45,730	–	45,492	–
Amount repayable after one year	22,750	–	18,650	–

Details of any collateral:

The Group's borrowings for trading operations are secured by way of:

- legal pledge on the Group's leasehold land and buildings;
- legal pledge on the Group's deposits and cash margin;
- 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 borrowings for the project loan and working capital loan granted to one of the subsidiaries are secured by way of:

- legal pledge of equity interest agreement, escrow account agreement, insurance agreement and receivables agreements;
- legal pledge of leasehold land, construction in progress, plant and equipment;
- share charge on a subsidiary;
- floating mortgage; and
- corporate guarantees of the Company.

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

	The Group			
	3 months period ended		Year ended	
	30 April	30 April	30 April	30 April
	2014	2013	2014	2013
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Cash flows from operating activities				
Loss before tax	(7,724)	(3,552)	(14,405)	(6,336)
Adjustments for:				
Amortisation of deferred income	(172)	(1)	(175)	(4)
Amortisation of land use right	89	17	89	155
Depreciation of property, plant and equipment	1,171	129	1,678	427
Fair value losses on derivative financial instruments	22	–	37	7
Impairment of receivables	314	–	314	835
Written off of goodwill	94	–	94	–
Interest expense	1,540	323	4,731	574
Interest income	(77)	(47)	(396)	(318)
Loss on disposal of an associated company	–	–	–	98
(Gain)/losses on disposal of property, plant and equipment	–	(39)	–	217
Net realised losses on derivative financial instruments	9	–	196	172
Written off of amount due from associated companies	–	1,759	–	1,759
Written off of property, plant and equipment	–	41	–	41
Operating cash flow before movements in working capital	(4,734)	(1,370)	(7,837)	(2,373)
Inventories	(12)	(18,895)	8,260	(11,166)
Trade and other receivables	21,979	26,642	14,670	(15,614)
Trade and other payables	1,578	(42,790)	40,338	4,239
Currency translation differences	460	(205)	729	(235)
Cash generated/(used in) from operations	19,271	(36,618)	56,160	(25,149)
Income tax paid/(credit), net	2	4	(9)	16
Interest income received	77	47	396	318
Net cash generated/(used in) from operating activities	19,350	(36,567)	56,547	(24,815)

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	The Group			
	3 months period ended		Year ended	
	30 April	30 April	30 April	30 April
	2014	2013	2014	2013
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	25	19	53	191
Proceeds from disposal of intangible assets	–	–	–	19
Purchase of intangible assets	–	–	–	(20)
Purchase of land use right	(3,105)	–	(3,105)	–
Purchase of property, plant and equipment	(15,896)	6,841	(27,425)	(29,007)
Acquisition of subsidiaries, net of cash acquired	–	–	–	338
Proceeds from disposal of an associated company	–	–	–	490
Net cash received/(paid) from realised derivative financial instrument	204	(66)	(196)	(172)
Net cash (used in)/generated from investing activities	(18,772)	6,794	(30,673)	(28,161)
Cash flows from financing activities				
Increase/(decrease) in fixed deposits and cash pledged	(3,095)	3,064	(24,863)	3,074
Net proceed from short term borrowings	8,934	26,679	936	36,051
Drawdown of bank borrowings	(1,254)	–	6,056	14,445
Repayments of bank borrowings	(22)	(15)	(2,840)	(3,015)
Interest expense paid	(1,575)	(1,506)	(5,702)	(1,757)
Capital injection by a non-controlling shareholder	–	–	4,692	200
Dividend paid	–	–	(1,354)	(1,389)
Net cash generated from/(used in) financing activities	2,986	28,222	(23,075)	47,609
Net increase/(decrease) in cash and cash equivalents	3,564	(1,551)	2,799	(5,367)
Cash and cash equivalents at beginning of the period/year	9,177	11,484	9,972	15,303
Effect of currency translation on cash and cash equivalents	39	39	9	36
Cash and cash equivalents at end of the period/year	12,780	9,972	12,780	9,972
Cash and cash equivalents are represented by:				
Cash and bank balances	46,821	19,150	46,821	19,150
Less: Fixed deposits and cash subjected to restriction	(34,041)	(9,178)	(34,041)	(9,178)
	12,780	9,972	12,780	9,972

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

Statement of Changes in Equity

Group	Share capital US\$'000	Retained earnings/ (Accumulated losses) US\$'000	Foreign currency translation reserve US\$'000	Statutory reserve US\$'000	Other Reserve US\$'000	Equity attributable to owners of the Company US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance at 1 May 2012	32,239	21,307	772	–	2,601	56,919	1,465	58,384
Acquisition of interest in subsidiaries	–	–	–	–	–	–	625	625
Dividend paid	–	(1,389)	–	–	–	(1,389)	–	(1,389)
Capital injection by a non-controlling shareholder	–	–	–	–	–	–	200	200
Transfer to statutory reserve	–	(33)	–	33	–	–	–	–
Total comprehensive (expenses)/income for the year	–	(5,578)	264	–	–	(5,314)	(748)	(6,062)
Balance at 30 April 2013	32,239	14,307	1,036	33	2,601	50,216	1,542	51,758
Balance at 1 May 2013	32,239	14,307	1,036	33	2,601	50,216	1,542	51,758
Changes in ownership interest in a subsidiary that do not result in loss of control	–	208	–	–	–	208	4,483	4,691
Dividend paid	–	(1,354)	–	–	–	(1,354)	–	(1,354)
Transfer to statutory reserve	–	(79)	–	–	79	–	–	–
Total comprehensive (expenses)/income for the year	–	(13,273)	223	–	–	(13,050)	(1,128)	(14,178)
Balance at 30 April 2014	32,239	(191)	1,259	33	2,680	36,020	4,897	40,917

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Statement of Changes in Equity

Company	Share capital <i>US\$ '000</i>	Retained earnings <i>US\$ '000</i>	Other reserve <i>US\$ '000</i>	Total equity <i>US\$ '000</i>
Balance at 1 May 2012	108,740	2,791	2,601	114,132
Dividend paid	–	(1,389)	–	(1,389)
Total comprehensive income for the year	–	1,078	–	1,078
Balance at 30 April 2013	<u>108,740</u>	<u>2,480</u>	<u>2,601</u>	<u>113,821</u>
Balance at 1 May 2013	108,740	2,480	2,601	113,821
Dividend paid	–	(1,354)	–	(1,354)
Total comprehensive expenses for the year	–	(532)	–	(532)
Balance at 30 April 2014	<u>108,740</u>	<u>594</u>	<u>2,601</u>	<u>111,935</u>

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

There was no change in the company's share capital since the end of the previous period reported on. As at 30 April 2014 and 31 January 2014, the Company's issued and fully paid-up shares were 170,804,269 ordinary shares with voting rights.

There were no outstanding convertibles as at 30 April 2014 and 30 April 2013.

There were neither treasury shares nor share option outstanding as at 30 April 2014 and 30 April 2013.

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

	The Company	
	As at 30 April 2014	As at 30 April 2013
Total number of issued shares, excluding treasury shares	170,804,269	170,804,269

There were no any treasury shares as at 30 April 2013 and 30 April 2014.

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

Not applicable.

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

The figures have not been audited or reviewed by the Company's auditor.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those used in the most recently audited financial statements for the year ended 30 April 2013, except for the adoption of new/revised Financial Reporting Standards ("FRS") and interpretations of FRS ("INT FRS") applicable to the Group for the financial period beginning on or after 1 May 2013.

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

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

Please refer to Item 4 above.

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

	The Group			
	3 months period ended		Year ended	
	30 April	30 April	30 April	30 April
	2014	2013	2014	2013
	<i>(in US Cents)</i>	<i>(in US Cents)</i>	<i>(in US Cents)</i>	<i>(in US Cents)</i>
Loss per ordinary share:				
(a) Based on weighted average number of ordinary shares in issued; and	(3.82)	(2.03)	(7.74)	(3.27)
(b) On a fully diluted basis	(3.82)	(2.03)	(7.74)	(3.27)
Details:				
Loss attributable to shareholders (stated in US\$'000)	(6,519)	(3,471)	(13,213)	(5,578)

	Number of shares (stated in '000)			
	3 months period ended		Year ended	
	30 April	30 April	30 April	30 April
	2014	2013	2014	2013
Weight average number of ordinary shares	170,804	170,804	170,804	170,804

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**(a) Current financial period reported on; and****(b) Immediately preceding financial year**

	The Group		The Company	
	As at	As at	As at	As at
	30 April	30 April	30 April	30 April
	2014	2013	2014	2013
	<i>(in US cents)</i>	<i>(in US cents)</i>	<i>(in US cents)</i>	<i>(in US cents)</i>
Net assets value per ordinary share based on issued share capital of the issuer	21.1	29.4	65.5	66.6
Number of shares in issue as at end of period ('000)	170,804	170,804	170,804	170,804

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

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Review of Performance

Revenue

The Group's revenue was approximately US\$273.0 million for the year ended 30 April 2014 ("FY2014"), representing a decrease of approximately 3.9% as compared with approximately US\$284.2 million for the year ended 30 April 2013 ("FY2013").

Revenue from international steel trade business, major business segment, accounted for approximately 64.5% or US\$176.0 million and 71.9% or US\$204.5 million of the Group's total revenue in FY2014 and FY2013, respectively. Revenue from tinplate manufacturing contributed approximately 16.2% or US\$44.2 million in FY2014 while revenue from tinplate processing contributed approximately 11.8% or US\$32.1 million in FY2014. Domestic trade business accounted for approximately 3.5% and 5.3% in FY2014 and FY2013, representing approximately US\$9.8 million and US\$15.0 million in FY2014 and FY2013, respectively. Resulted from the fall of coal products price and soft demand, revenue from the coal segment was approximately US\$10.9 million and US\$12.0 million in FY2014 and FY2013, where accounted for approximately 4.0% and 4.2% of the Group's total revenue in FY2014 and FY2013, respectively.

In terms of geographical contribution, North Asia market remains the Group's main market, and accounted for approximately US\$248.0 million of the Group's total revenue in FY2014, compared to approximately US\$180.5 million in FY2013. North Asia market contributed approximately 90.8% and 63.5% of total revenue in FY2014 and FY2013 respectively. Revenue derived from South East Asia market decreased from approximately US\$103.6 million in FY2013 to approximately US\$11.9 million in FY2014. The South East Asia market accounted for approximately 4.4% and 36.5% of Group's total revenue in FY2014 and FY2013, respectively. Other regions contributed approximately US\$13.1 million revenue, representing approximately 4.8% of the Group's total revenue in FY2014.

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Gross Profit

The Group's gross profit for FY2014 amounted to approximately US\$4.7 million, representing a decrease of approximately 65.2% as compared with approximately US\$13.5 million in FY2013. The Group's gross profit margin decreased from approximately 4.7% in FY2013 to approximately 1.7% in FY2014. The decrease was primarily due to the fluctuation of raw materials costs and pilot production costs incurred by the new Jiangsu tinplate manufacturing plant were recognised in the current reported period.

Other income

Other income increased from approximately US\$2.5 million in FY2013 to approximately US\$3.3 million in FY2014. Such an increase was mainly arising from increase in approximately US\$0.6 million of government grant and subsidies recorded in FY2014.

Distribution and selling expenses

The Group's distribution and selling expenses decreased by approximately 45.8% from approximately US\$11.3 million in FY2013 to approximately US\$6.1 million in FY2014, such a decrease was mainly due to the changes of the trading terms in the international trading business, caused by the reciprocal change in gross profit. Freight charges was decreased by approximately 43.0% from approximately US\$7.2 million in FY2013 to approximately US\$4.1 million in FY2014.

Administrative expenses

Administration expenses increased from approximately US\$7.5 million in FY2013 to approximately US\$9.0 million in FY2014. Such an increase was primarily due to the increase in staff costs as a result of new projects being developed, namely tinplate manufacturing project in Jiangsu and tinplate processing in Tianjin, as well as the expanded management team.

Finance costs

The finance costs were up from US\$0.9 million in FY2013 to approximately US\$5.3 million in FY2014, which was primarily due to increase in working capital of Jiangsu tinplate manufacturing and Tianjin tinplate processing businesses.

Review of Financial Position

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

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Property, plant and equipment

Property, plant and equipment increased by approximately US\$26.7 million from approximately US\$46.6 million as at 30 April 2013 to approximately US\$73.3 million as at 30 April 2014. The increase was mainly due to property, plant and equipment and construction in progress related to the Group's tinplate manufacturing plant in Jiangsu, China increased by US\$22.1 million in the current reporting period.

Inventories

With implementation of strict inventory control policy to maintain high liquidity of the Group's working capital, inventories held by the Group decreased significantly by approximately US\$8.2 million from approximately US\$24.8 million as at 30 April 2013 to approximately US\$16.6 million as at 30 April 2014.

Trade and other receivables

Trade and other receivables decreased from approximately US\$55.0 million as at 30 April 2013 to approximately US\$40.0 million as at 30 April 2014. Distribution of trade receivables and other receivables were approximately 36.3% (approximately US\$14.5 million) and 63.7% (approximately US\$25.5 million) of total receivables as at 30 April 2014, compared to approximately 16.6% (approximately US\$9.1 million) and 83.4% (approximately US\$45.9 million) of total receivables as at 30 April 2013. The increase of trade and bills receivables as at 30 April 2014 was resulted from higher revenue was recorded near to the end of the reported date.

Trade and other payables

Trade and other payables increased from approximately US\$32.6 million as at 30 April 2013 to approximately US\$71.7 million as at 30 April 2014. Distribution of trade payables and other payables were approximately 80.6% (approximately US\$57.8 million) and 19.4% (approximately US\$13.9 million) of total payables as at 30 April 2014 compared to approximately 44.8% (approximately US\$14.6 million) and 55.2% (US\$18.0 million) of total payables as at 30 April 2013. The increase of trade and other payables was mainly due to the increase of trade and bills payables.

Liquidity and financial resources

The Group's borrowings increased by approximately US\$4.4 million from approximately US\$64.1 million as at 30 April 2013 to approximately US\$68.5 million as at 30 April 2014. Borrowings related to the Jiangsu manufacturing plant increased by approximately US\$5.1 million from approximately US\$43.7 million as at 30 April 2013 to approximately US\$48.8 million as at 30 April 2014, representing approximately 68.2% and 71.2% of total borrowings as at 30 April 2013 and 2014 respectively.

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An aggregate of cash and cash equivalents and pledged bank deposits increased by approximately US\$27.6 million from approximately US\$19.2 million as at 30 April 2013 to approximately US\$46.8 million as at 30 April 2014.

Total cash and bank balance represents approximately 114.4% of the Group's net assets value as at 30 April 2014 (30 April 2013: approximately 37.0%).

Subsequent Event

Subsequent to 30 April 2014, the Company successfully obtained a long-term credit facility of up to US\$12 million from its strategic partner to facilitate the working capital requirement of the Group and the strategic partner will not demand repayment of this US\$12 million within 12 months from the year end date. The full amount had been received by the Company in June 2014.

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

The results reported for the full year was in line with the profit warning announcement made on 3 June 2014.

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

FUTURE PROSPECTS

Looking forward, the Group anticipates an improved, though very mixed, operating environment in the financial year ending 2015 ("FY2015"). In order to response to the market, we have adjusted our business strategy in accordance with the current state of operation. We aim to maintain our competitive edge through astute expansion, careful strategic planning and vigilant cost control. We have full confidence in the prospects of the Group in the middle term. In the future, the Group will remain focused on its core business. While preparing for market rebound through enhancing the Group's competitiveness, the Group will be staying close with the market and firmly grasp the enormous opportunities brought by burgeoning food and beverage sector to continuously develop the metal packaging operations.

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BUSINESS UPDATE

Trading business

With the Europe's fundamental economic problems remain unresolved, economy of United States ("US") is still overshadowed by a considerable uncertainty as well as the concerns of ongoing slowdown in Mainland China's economic growth, the Group will continue to expect challenges in the first half of FY2015. Nevertheless, there are positive signs that the recovery of the global economy is underway at a modest pace. Europe is emerging from recession steadily, US economy continues its recovery which has a stabilising effect on exports in China, the Group believes these may provide opportunities to steel and raw materials trading business in global market. In the past few months, China's traders and power plants have been trying best to reduce their inventories. The Group believes that after such heavy destocking, the demand of steel and coal products are likely to improve modestly in the first half of FY2015 and range-bound steel and commodity prices are expected. The Group is staying close to the market on such changes and will react positively to capture any lead advantage opportunities.

Tinplate manufacturing business

The tinplate manufacturing project in Jiangsu, the key development focus on the Group's agenda, continues to progressing on track. Noting that quality is the lifeblood of the corporate's future success, the Group is strongly committed to provide quality tinplate to our customers in food and beverage and premium packaging industry. The Group's commitment to quality has established a positive reputation among metal packaging suppliers. The repeat and continuous orders from major players in the industry are the best testimony to our credentials. The Group has successfully widened the business base to include food and beverage corporations in China and Asia. Meanwhile, we have broadened our customer base to include world-renowned packaging corporations in Europe, Middle East, South East Asia, South America and North America. The Group will continue to place considerable emphasis on developing business opportunities in these regions, which are expected to experience huge future growth.

In the meantime, the Group continues to see good opportunities stemming from the metal packaging industry resulting in the prosperity in the food and beverage sector in the global market. In order to build a higher competitive edge, in the coming months, the Group will continue to focus on implementing cost reduction program and adjusting product profile in order to keep evolving along with the market. With these strategic objectives, the Group is fully confident that the tinplate manufacturing business will be able to boost higher profit margins and further increase the percentage of revenue contribution so as generating sustainable profitable growth for the Group.

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Lamination metal project

Over the last few months, the Group has been making continuous progress. The capital injection of the Group's subsidiary, Novowell Lamination Technology (Taizhou) Limited ("Novowell Lamination"), was completed in February 2014. The Group and the Japanese joint venture partner are holding 90.1% and 9.9% equity interests in Novowell Lamination respectively.

The Group is applying official licenses from various government authorities and once all approval obtained, the construction of project will commence. Meanwhile, planning and design of new plant and equipment are underway. The Group is working tightly with local authorities, construction designers and joint venture partner to ensure the new project will be binding with local environmental regulations and best fitted to market demand. The Group anticipates that the commencement of construction will start soon, with the aim to sustain business growth and become a new profit driver for the Group.

Tinplate processing business

Tianjin Shifa Novo Technology Development Limited (formerly known as Novo Development (Tianjin) Limited) has been progressing well since commencement in the first half of the financial year ended 2014. With the core focus market in Northern China, the plant is primarily focusing on serving various food and beverage packaging industry in pursuits of stringent food content requirements. The opportunities in Northern China, like Shandong province and Tianjin, are particularly attractive as these regions are the manufacturing base for food and beverage in China, where the demand for tinplate processing is expected to grow strongly. The key customer groups are can-makers and food and beverage manufacturers. The Group has customers engaged in long term contract that has a regular demand for quality food and beverage products and services. Those customers include renowned canned tomato puree producers and leading metal can-makers in China. Novo understands the importance of quality products, flexibility and promptness delivery. The Group's marketing team is constantly in-touch with the customers while engineers and technical specialists offer professional advice and engineering solutions. The Group's in-depth product knowledge, service engineering expertise and years of tinplate processing experience, enable the Group to respond quickly and accurately to the needs of our customers.

With a view to capture the lucrative business opportunity in the Northern China, the Group is currently evaluating the development of the second phase and expansion of the processing facilities in Tianjin during FY2015. It is expected that the expansion of the processing facilities will feature new slitting lines and state-of-the-art metal printing lines that serves the premium metal packaging market with complex requirements. The Group is optimistic for the value added services provided by the new printing lines as it builds up competence close to metal packaging end users while carries higher margins. Through such expansion, the Group will be able to fulfill market demands with a broader range of products and services which will help attract more customers and in turn enhance the market share and profit margins.

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11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	:	Final 1-tier tax exempt dividend
Dividend Type	:	Cash
Dividend per Share (in cents)	:	1.0 Singapore cent
Tax Rate	:	Nil

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared for the year ended 30 April 2014.

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Primary reporting format – business segments

Business segments

The Group has three reportable segments as follows:

Trading

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

- i) Iron ore;
- ii) Coal; and

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

Tinplate manufacturing

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

Tinplate processing

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

The Group has reclassified its business units to trading, tinplate manufacturing and tinplate processing in order to better reflect the development of the Group. Corresponding segment information has been restated accordingly. The change has no impact on total reported revenue and profit.

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For the year ended 30 April 2014

	Trading US\$'000	Tinplate manufacturing US\$'000	Tinplate processing US\$'000	Eliminations US\$'000	Total US\$'000
Segment revenue to					
– sales to external customers	196,770	44,151	32,077	–	272,998
– intersegment sales	35,527	32,729	10,049	(78,305)	–
	<u>232,297</u>	<u>76,880</u>	<u>42,126</u>	<u>(78,305)</u>	<u>272,998</u>
Segment results	<u>1,259</u>	<u>(1,946)</u>	<u>(182)</u>	<u>–</u>	<u>(869)</u>
Other income	872	2,416	39	–	3,327
Other costs	(7,580)	(3,085)	(906)	–	(11,571)
Financial costs	<u>(1,227)</u>	<u>(3,014)</u>	<u>(1,051)</u>	<u>–</u>	<u>(5,292)</u>
Loss before taxation	(6,676)	(5,629)	(2,100)	–	(14,405)
Income tax credit/(expenses)	<u>3</u>	<u>(48)</u>	<u>–</u>	<u>–</u>	<u>(45)</u>
Net loss for the financial year	<u><u>(6,673)</u></u>	<u><u>(5,677)</u></u>	<u><u>(2,100)</u></u>	<u><u>–</u></u>	<u><u>(14,450)</u></u>

As at 30 April 2014

Assets and liabilities					
Segment assets	<u>147,412</u>	<u>142,281</u>	<u>45,010</u>	<u>(151,901)</u>	<u>182,802</u>
Total assets	<u><u>147,412</u></u>	<u><u>142,281</u></u>	<u><u>45,010</u></u>	<u><u>(151,901)</u></u>	<u><u>182,802</u></u>
Segment liabilities	<u>54,164</u>	<u>146,107</u>	<u>43,568</u>	<u>(101,954)</u>	<u>141,885</u>
Total liabilities	<u><u>54,164</u></u>	<u><u>146,107</u></u>	<u><u>43,568</u></u>	<u><u>(101,954)</u></u>	<u><u>141,885</u></u>
Other segment information					
Capital expenditure	205	24,968	1,907	–	27,080
Depreciation	411	1,181	175	–	1,767
Non-cash items other than depreciation	<u>366</u>	<u>(222)</u>	<u>339</u>	<u>–</u>	<u>483</u>

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For the year ended 30 April 2013

	Trading US\$ '000	Tinplate manufacturing US\$ '000	Tinplate processing US\$ '000	Eliminations US\$ '000	Total US\$ '000
Segment revenue to					
– sales to external customers	274,451	9,752	–	–	284,203
– intersegment sales	10,187	4,807	–	(14,994)	–
	<u>284,638</u>	<u>14,559</u>	<u>–</u>	<u>(14,994)</u>	<u>284,203</u>
Segment results	<u>4,184</u>	<u>74</u>	<u>–</u>	<u>(544)</u>	<u>3,714</u>
Other income	1,599	906	4	–	2,509
Other costs	(10,052)	(1,158)	(426)	–	(11,636)
Financial costs	<u>(670)</u>	<u>(253)</u>	<u>–</u>	<u>–</u>	<u>(923)</u>
Loss before taxation	(4,939)	(431)	(422)	(544)	(6,336)
Income tax expenses	<u>(13)</u>	<u>(8)</u>	<u>–</u>	<u>–</u>	<u>(21)</u>
Net loss for the financial year	<u><u>(4,952)</u></u>	<u><u>(439)</u></u>	<u><u>(422)</u></u>	<u><u>(544)</u></u>	<u><u>(6,357)</u></u>

As at 30 April 2013**Assets and liabilities**

Segment assets	<u>166,173</u>	<u>97,122</u>	<u>4,654</u>	<u>(119,227)</u>	<u>148,722</u>
Total assets	<u><u>166,173</u></u>	<u><u>97,122</u></u>	<u><u>4,654</u></u>	<u><u>(119,227)</u></u>	<u><u>148,722</u></u>
Segment liabilities	<u>36,417</u>	<u>95,867</u>	<u>5,440</u>	<u>(40,760)</u>	<u>96,964</u>
Total liabilities	<u><u>36,417</u></u>	<u><u>95,867</u></u>	<u><u>5,440</u></u>	<u><u>(40,760)</u></u>	<u><u>96,964</u></u>
Other segment information					
Capital expenditure	2	30,177	13	–	30,192
Depreciation	425	128	29	–	582
Non-cash items other than depreciation	<u>2,699</u>	<u>(551)</u>	<u>210</u>	<u>–</u>	<u>2,358</u>

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Secondary reporting format – geographical segments

The turnover by geographical segments are based on the location of customers regardless of where the goods are produced.

The Group's operations are located in three main geographical areas. The following summary provides an analysis of the Group's sales by geographical markets and non-current assets by geographical markets, irrespective of the origin of the goods and services.

Sales revenue by geographical markets:

	The Group	
	Year ended	
	30 April 2014	30 April 2013
	<i>US\$'000</i>	<i>US\$'000</i>
North Asia (<i>Note i</i>)	247,963	180,539
South East Asia (<i>Note ii</i>)	11,932	103,576
Others (<i>Note iii</i>)	13,103	88
	272,998	284,203

Non-current assets by geographical markets:

	The Group	
	As at	As at
	30 April 2014	30 April 2013
	<i>US\$'000</i>	<i>US\$'000</i>
North Asia (<i>Note i</i>)	79,367	49,644
South East Asia (<i>Note ii</i>)	35	5
	79,402	49,649
Goodwill	4	98
	79,406	49,747

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Notes:

- (i) Included the PRC, Hong Kong and Macau, where approximately 90.8% (2013: approximately 57.8%) of the Group's revenue derived from the PRC.
- (ii) Included Philippines, Singapore, Thailand, Indonesia, Vietnam and Malaysia, where approximately 4.4% (2013: approximately 28.0%) of the Group's revenue derived from Thailand.
- (iii) Included Costa Rica, Italy and Mozambique etc.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to item 8.

15. Breakdown of sales

	2014	2013	%
	<i>US\$'000</i>	<i>US\$'000</i>	<i>Changes</i>
Total income reported for first half year	115,677	96,991	19%
Loss after tax for first half year	(3,924)	(2,844)	38%
Total income reported for second half year	157,321	187,212	-16%
Loss after tax for second half year	(10,526)	(3,513)	200%

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

	The Group	
	year ended	
	30 April 2014	30 April 2013
	<i>US\$'000</i>	<i>US\$'000</i>
Ordinary	1,354	1,389

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

The Company does not have any general mandate from shareholders pursuant to Rule 920.

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

As at 30 April 2014, there are no appointment of any relative of any Director/Chief Executive Officer/Substantial Shareholder of the Company who are holding a managerial position in the Company or any of its principal subsidiaries.

By order of the Board

Yu Wing Keung Dicky

Executive Chairman

24 June 2014