

NOVO GROUP LTD.

(Incorporated in Singapore)

(Co. Reg. No. 198902648H)

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE YEAR ENDED 30 APRIL 2015****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 2015

	The Group					
	3 months period ended			Year ended		
	30 April 2015	30 April 2014	Increase/ (Decrease) %	30 April 2015	30 April 2014	Increase/ (Decrease) %
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Revenue	22,272	74,044	-69.9%	248,978	272,998	-8.8%
Cost of sales	(26,893)	(75,008)	-64%	(250,472)	(268,304)	-6.6%
Gross (loss)/profit	(4,621)	(964)	NM	(1,494)	4,694	NM
Other income	(234)	(340)	-31.2%	2,222	3,327	-33.2%
Distribution and selling expenses	(497)	(816)	-39.1%	(4,169)	(6,143)	-32.1%
Administrative expenses	(2,112)	(2,118)	-0.3%	(8,645)	(9,029)	-4.3%
Other operating expenses	(3,583)	(1,766)	NM	(3,650)	(1,962)	86.0%
Finance costs	(1,885)	(1,720)	9.6%	(7,308)	(5,292)	38.1%
Loss before tax	(12,932)	(7,724)	67.49%	(23,044)	(14,405)	60.0%
Income tax expenses	(67)	(5)	NM	(131)	(45)	NM
Loss for the period	<u>(12,999)</u>	<u>(7,729)</u>	<u>68.2%</u>	<u>(23,175)</u>	<u>(14,450)</u>	<u>60.1%</u>
Attributable to:						
Owners of the Company	(11,320)	(6,519)		(20,581)	(13,273)	
Non-controlling interests	(1,679)	(1,210)		(2,594)	(1,177)	
	<u>(12,999)</u>	<u>(7,729)</u>		<u>(23,175)</u>	<u>(14,450)</u>	

NM – not meaningful

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Consolidated Statement of Comprehensive Income

	The Group					
	3 months period ended			Year ended		
	30 April 2015	30 April 2014	Increase/ (Decrease)	30 April 2015	30 April 2014	Increase/ (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	(12,999)	(7,729)	NM	(23,175)	(14,450)	60.4%
Other comprehensive (loss)/income:						
Exchange differences on translation of the Group's overseas operations, net of nil tax	<u>176</u>	<u>40</u>	NM	<u>400</u>	<u>272</u>	47.1%
Total comprehensive loss for the period	<u>(13,175)</u>	<u>(7,769)</u>	69.6%	<u>(22,775)</u>	<u>(14,178)</u>	60.6%
Attributable to:						
Owners of the Company	(11,501)	(6,941)		(20,183)	(13,050)	
Non-controlling interests	<u>(1,674)</u>	<u>(828)</u>		<u>(2,592)</u>	<u>(1,128)</u>	
	<u>(13,175)</u>	<u>(7,769)</u>		<u>(22,775)</u>	<u>(14,178)</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
	2015	2014	2015	2014
	<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	(77)	(172)	(308)	(175)
Amortisation of land use right	27	89	133	89
Depreciation of property, plant and equipment	1,206	1,171	1,769	1,521
Fair value losses/(gains) on derivative financial instruments	32	22	(11)	37
Government grants	(38)	1,095	(401)	(1,192)
Impairment of receivables	2,450	314	2,450	314
Interest expense	1,700	1,540	6,711	4,731
Interest income	(281)	(77)	(728)	(396)
Loss on disposal of property, plant & equipment	26	–	26	–
Net foreign exchange (gains)/losses	(376)	366	(365)	(68)
Net realised (gains)/losses on derivative financial instruments	(238)	9	(139)	196
Written off of inventories	–	278	–	278
Written down of inventories	1,715	616	1,715	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 2015	As at 30 April 2014	As at 30 April 2015	As at 30 April 2014
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Non-current assets				
Property, plant and equipment	76,173	73,269	–	–
Land use right	6,083	6,133	–	–
Goodwill	4	4	–	–
Investment in subsidiaries	–	–	79,460	79,460
	82,260	79,406	79,460	79,460
Current assets				
Inventories	3,526	16,571	–	–
Trade and other receivables	42,359	40,004	43,992	41,271
Pledged bank deposits	32,384	34,041	–	–
Cash and cash equivalents	1,074	12,780	41	115
	79,343	103,396	44,033	41,386
Total assets	161,603	182,802	123,493	120,846
Non-current liabilities				
Borrowings	18,445	–	–	–
Deferred income	964	1,311	–	–
	19,409	1,311	–	–
Current liabilities				
Trade and other payables	64,845	71,730	12,369	8,911
Deferred income	310	294	–	–
Derivative financial instruments	–	37	–	–
Borrowings, secured	58,821	68,480	–	–
Tax payable	76	33	–	–
	124,052	140,574	12,369	8,911
Total liabilities	143,461	141,885	12,369	8,911
Net assets	18,142	40,917	111,124	111,935

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	The Group		The Company	
	As at 30 April 2015	As at 30 April 2014	As at 30 April 2015	As at 30 April 2014
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Equity				
Share capital	32,239	32,239	108,740	108,740
(Accumulated losses)/retained earnings	(20,772)	(191)	(217)	594
Foreign currency translation reserve	1,657	1,259	–	–
Statutory reserve	33	33	–	–
Other reserves	2,680	2,680	2,601	2,601
Total equity attributable to owners of the Company	15,837	36,020	111,124	111,935
Non-controlling interests	2,305	4,897	–	–
Total equity	18,142	40,917	111,124	111,935

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

	The Group			
	As at 30 April 2015		As at 30 April 2014	
	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	58,821	–	68,480	–
Amount repayable after one year	–	18,445	–	–

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
	2015	2014	2015	2014
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Cash flows from operating activities				
Loss before tax	(12,932)	(7,724)	(23,044)	(14,405)
Adjustments for:				
Amortisation of deferred income	(77)	(172)	(308)	(175)
Amortisation of land use right	27	89	133	89
Depreciation of property, plant and equipment	1,206	1,171	1,769	1,521
Fair value losses/(gains) on derivative financial instruments	32	22	(11)	37
Impairment of receivables	2,450	314	2,450	314
Written off of goodwill	–	94	–	94
Interest expense	1,700	1,540	6,711	4,731
Interest income	(281)	(77)	(728)	(396)
Written off of inventories	–	278	–	278
Written down of inventories	1,715	616	1,715	616
Losses on disposal of property, plant and equipment	26	–	26	–
Net realised (gains)/losses on derivative financial instruments	(238)	9	(139)	196
Provision for long term service	12	–	12	–
Operating cash flows before movements in working capital	(6,360)	(3,840)	(11,414)	(7,100)
Inventories	1,518	(12)	12,318	7,366
Trade and other receivables	(3,617)	21,083	(6,607)	(6,726)
Trade and other payables	(1,690)	1,578	(6,935)	45,781
Currency translation differences	(194)	460	(176)	3
Cash (used in)/generated from operations	(10,343)	19,269	(12,814)	39,324
Income tax (paid)/refund, net	(90)	2	(80)	(9)
Interest income received	281	77	728	396
Net cash (used in)/generated from operating activities	(10,152)	19,348	(12,166)	39,711

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	The Group			
	3 months period ended		Year ended	
	30 April	30 April	30 April	30 April
	2015	2014	2015	2014
	<u><i>US\$'000</i></u>	<u><i>US\$'000</i></u>	<u><i>US\$'000</i></u>	<u><i>US\$'000</i></u>
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	2	25	2	53
Purchase of land use right	(36)	(3,105)	(36)	(3,070)
Purchase of property, plant and equipment	(2,803)	(15,896)	(3,201)	(10,624)
Net cash received/(paid) from realised derivative financial instruments	238	204	139	(196)
Net cash (used in) investing activities	(2,599)	(18,772)	(3,096)	(13,837)
Cash flows from financing activities				
(Increase)/decrease in fixed deposits and cash pledged	(2,209)	(3,095)	1,658	(24,863)
Net proceed from short term borrowings	(4,084)	8,934	(4,084)	5,026
Drawdown of bank borrowings	36,368	1,254	47,353	1,960
Repayments of bank borrowings	(27,328)	(17,798)	(34,658)	(2,834)
Interest expense paid	(1,700)	(1,575)	(6,711)	(5,702)
Capital injection by a non-controlling shareholder	-	-	-	4,692
Dividend paid	-	-	-	(1,354)
Net cash generated from/(used in) financing activities	1,047	2,988	3,558	(23,075)
Net (decrease)/increase in cash and cash equivalents	(11,704)	3,564	(11,704)	2,799
Cash and cash equivalents at beginning of the period/year	12,780	9,177	12,780	9,972
Effect of currency translation on cash and cash equivalents	(2)	39	(2)	9
Cash and cash equivalents at end of the period/year	1,074	12,780	1,074	12,780
Cash and cash equivalents are represented by:				
Cash and bank balances	33,458	46,821	33,458	46,821
Less: Fixed deposits and cash subjected to restriction	(32,384)	(34,041)	(32,384)	(34,041)
	1,074	12,780	1,074	12,780

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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	Retained earnings/ (Accumulated losses)	Foreign currency translation reserve	Statutory reserve	Other Reserves	Equity attributable to owners of the Company	Non- controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
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 (loss)/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
Balance at 1 May 2014	32,239	(191)	1,259	33	2,680	36,020	4,897	40,917
Total comprehensive (loss)/income for the year	-	(20,581)	398	-	-	(20,183)	(2,592)	(22,775)
Balance at 30 April 2015	32,239	(20,772)	1,657	33	2,680	15,837	2,305	18,142

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Statement of Changes in Equity

Company	Share capital <i>US\$'000</i>	Retained earnings/ (Accumulated losses) <i>US\$'000</i>	Other reserve <i>US\$'000</i>	Total equity <i>US\$'000</i>
Balance at 1 May 2013	108,740	2,480	2,601	113,821
Dividend paid	–	(1,354)	–	(1,354)
Total comprehensive loss 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>
Balance at 1 May 2014	108,740	594	2,601	111,935
Total comprehensive loss for the year	–	(811)	–	(811)
Balance at 30 April 2015	<u>108,740</u>	<u>(217)</u>	<u>2,601</u>	<u>111,124</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 2015 and 31 January 2015, 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 2015 and 30 April 2014.

There were neither treasury shares nor share option outstanding as at 30 April 2015 and 30 April 2014.

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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 2015	As at 30 April 2014
Total number of issued shares, excluding treasury shares	170,804,269	170,804,269

There were no any treasury shares as at 30 April 2014 and 30 April 2015.

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 2014, 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 2014.

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
	2015	2014	2015	2014
	<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	(6.62)	(3.82)	(12.05)	(7.77)
(b) On a fully diluted basis	(6.62)	(3.82)	(12.05)	(7.77)
Details:				
Loss attributable to shareholders (stated in US\$'000)	(11,320)	(6,519)	(20,581)	(13,273)

	Number of shares (stated in '000)			
	3 months period ended		Year ended	
	30 April	30 April	30 April	30 April
	2015	2014	2015	2014
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
	2015	2014	2015	2014
	<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	10.62	23.96	65.06	65.53
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\$249.0 million for the year ended 30 April 2015 ("FY2015"), representing a decrease of approximately 8.8% as compared with approximately US\$273.0 million for the year ended 30 April 2014 ("FY2014").

Revenue from international steel trade business, major business segment, accounted for approximately 63.8% or US\$158.9 million and 64.5% or US\$176.0 million of the Group's total revenue in FY2015 and FY2014, respectively. Revenue from tinplate manufacturing contributed approximately 14.5% or US\$36.0 million in FY2015 while revenue from tinplate processing contributed approximately 9.1% or US\$22.5 million in FY2015. Domestic trade business increased to approximately 8.1% and 3.5% in FY2015 and FY2014, representing approximately US\$20.2 million and US\$9.8 million in FY2015 and FY2014, respectively, the increase is mainly due to expansion of mainland inter market demand. Revenue from the coal segment remained constant and was approximately US\$11.3 million and US\$10.9 million in FY2015 and FY2014, where accounted for approximately 4.5% and 4.0% of the Group's total revenue in FY2015 and FY2014, respectively.

In terms of geographical contribution, North Asia market remains the Group's main market, and accounted for approximately US\$215.7 million of the Group's total revenue in FY2015, compared to approximately US\$248 million in FY2014. North Asia market contributed approximately 86.6% and 90.8% of total revenue in FY2015 and FY2014 respectively. Revenue derived from South East Asia market increased from approximately US\$11.9 million in FY2014 to approximately US\$18.1 million in FY2015. The South East Asia market accounted for approximately 7.3% and 4.4% of Group's total revenue in FY2015 and FY2014, respectively. Other regions contributed approximately US\$15.2 million revenue, representing approximately 6.1% of the Group's total revenue in FY2015.

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Gross Profit

The Group's gross profit for FY2015 declined sharply to negative figure around US\$1.5 million, representing a decrease of approximately 185.11% as compared with the Group's gross profit approximately US\$4.7 million in FY2014. The Group's gross profit margin decreased from approximately 1.7% in FY2014 to approximately negative (0.6%) in FY2015. In addition, sales in international trading and mainland tinplate manufacturing during the year are below cost in order to clear out inventories and maintain market share in overseas and the PRC markets.

Other income

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

Distribution and selling expenses

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

Administrative expenses

Administration expenses kept instant at approximately US\$8.6 million in FY2015 and approximately US\$9.0 million in FY2014.

Finance costs

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

Review of Financial Position

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

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Property, plant and equipment

Property, plant and equipment increased by approximately US\$2.9 million from approximately US\$73.3 million as at 30 April 2014 to approximately US\$76.2 million as at 30 April 2015. The increase was coming from property, plant and equipment and construction in progress related to the Group's tinsplate manufacturing plant in Jiangsu, China.

Inventories

Inventories held by the Group dropped significantly by approximately US\$13.1 million from approximately US\$16.6 million as at 30 April 2014 to approximately US\$3.5 million as at 30 April 2015, mainly resulting from making an impairment for inventories held at US\$1.5 million in Tianjin tinsplate processing business and we sold and cleared most of the stocks during the year.

Trade and other receivables

Trade and other receivables increased from approximately US\$40.0 million as at 30 April 2014 to approximately US\$42.4 million as at 30 April 2015. Distribution of trade receivables and other receivables were approximately 28.3% (approximately US\$12 million) and 71.7% (approximately US\$30.4 million) of total receivables as at 30 April 2015, compared to approximately 36.3% (approximately US\$14.5 million) and 63.7% (approximately US\$25.5 million) of total receivables as at 30 April 2014. The increase of trade and bills receivables as at 30 April 2015 was resulted from increased bills receivable and other receivable to the end of the reporting date.

Trade and other payables

Trade and other payables decreased from approximately US\$71.7 million as at 30 April 2014 to approximately US\$64.8 million as at 30 April 2015. Distribution of trade payables and other payables were approximately 75.3% (approximately US\$48.8 million) and 24.7% (approximately US\$16.0 million) of total payables as at 30 April 2015 compared to approximately 80.6% (approximately US\$57.8 million) and 19.4% (US\$13.9 million) of total payables as at 30 April 2014. The decrease of trade and other payables was mainly due to the decrease of trade and bills payables.

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Liquidity and financial resources

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

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

Total cash and bank balance represents approximately 184.4% of the Group's net assets value as at 30 April 2015 (30 April 2014: approximately 114.4%).

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

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

Subsequent Event

Novowell ETP Limited has successfully awarded exemption on anti-dumping tax and premium quality certificate from Malaysia. The tinplate production has been suspended temporarily to consolidate and restructure the core product items in order to tailor for key targeted markets in South East Asia, especially Malaysia, Thailand and Philippines.

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 19 June 2015.

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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 2016 (“FY2016”). In order to response to the market, we have adjusted our business strategy in accordance with the current state of operation. We aim to develop the two main drivers in our group, namely international trading business and tinplate manufacturing by expansion of our core business and vigilant cost control. We have full confidence in the prospects of the Group in the middle term. The Group will keep eyes on the vase development opportunities in mainland China market for our future rebound.

FUTURE PROSPECTS

Trading Business

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

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

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

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

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Tinplate Manufacturing Project

The tinplate manufacturing project in Jiangsu continues to concentrate on export markets, directly to end-users in canning sectors. 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 response among metal packaging suppliers.

The Group will continue to place considerable emphasis on developing business opportunities.

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	:	Nil
Dividend Type	:	Nil
Dividend per Share (in cents)	:	Nil
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 2015.

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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
- 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).

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For the year ended 30 April 2015

	Trading US\$'000	Tinplate manufacturing US\$'000	Tinplate processing US\$'000	Eliminations US\$'000	Total US\$'000
Segment revenue to					
– sales to external customers	190,475	36,031	22,472	–	248,978
– intersegment sales	59,216	35,622	234	(95,072)	–
	<u>249,691</u>	<u>71,653</u>	<u>22,706</u>	<u>(95,072)</u>	<u>248,978</u>
Segment results	<u>5,077</u>	<u>(5,316)</u>	<u>(225)</u>	<u>(1,030)</u>	<u>(1,494)</u>
Other income	906	1,276	40	–	2,222
Other costs	(11,050)	(2,850)	(2,564)	–	(16,464)
Financial costs	(2,550)	(3,097)	(1,661)	–	(7,308)
Loss before taxation	(7,617)	(9,987)	(4,410)	(1,030)	(23,044)
Income tax expenses	(43)	(88)	–	–	(131)
Net loss for the financial year	<u>(7,660)</u>	<u>(10,075)</u>	<u>(4,410)</u>	<u>(1,030)</u>	<u>(23,175)</u>
<i>As at 30 April 2015</i>					
Assets and liabilities					
Segment assets	<u>228,631</u>	<u>114,985</u>	<u>43,062</u>	<u>(225,075)</u>	<u>161,603</u>
Total assets	<u>228,631</u>	<u>114,985</u>	<u>43,062</u>	<u>(225,075)</u>	<u>161,603</u>
Segment liabilities	<u>113,036</u>	<u>128,926</u>	<u>46,003</u>	<u>(144,504)</u>	<u>143,461</u>
Total liabilities	<u>113,036</u>	<u>128,926</u>	<u>46,003</u>	<u>(144,504)</u>	<u>143,461</u>
Other segment information					
Capital expenditure	–	–	13	–	13
Depreciation	368	517	884	–	1,769
Non-cash items other than depreciation	<u>175</u>	<u>275</u>	<u>33</u>	<u>–</u>	<u>483</u>

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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	(78,306)	272,998
– intersegment sales	35,528	32,729	10,049	–	–
	<u>232,298</u>	<u>76,880</u>	<u>42,126</u>	<u>(78,306)</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	(1,227)	(3,014)	(1,051)	–	(5,292)
Loss before taxation	(6,676)	(5,629)	(2,100)	–	(14,405)
Income tax credit/(expenses)	3	(48)	–	–	(45)
Net loss for the financial year	<u>(6,673)</u>	<u>(5,677)</u>	<u>(2,100)</u>	<u>–</u>	<u>(14,450)</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	162	28,556	2,260	–	30,978
Depreciation and amortisation	412	1,023	175	–	1,610
Non-cash items other than depreciation	351	379	340	–	1,070

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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 2015	30 April 2014
	<i>US\$'000</i>	<i>US\$'000</i>
North Asia (<i>Note i</i>)	215,698	247,963
South East Asia (<i>Note ii</i>)	18,105	11,932
Others (<i>Note iii</i>)	15,175	13,103
	<u>248,978</u>	<u>272,998</u>

Non-current assets by geographical markets:

	As at	As at
	30 April 2015	30 April 2014
	<i>US\$'000</i>	<i>US\$'000</i>
North Asia (<i>Note i</i>)	82,225	79,371
South East Asia (<i>Note ii</i>)	35	35
	<u>82,260</u>	<u>79,406</u>

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Notes:

- (i) Included the PRC, Hong Kong and Macau, where approximately 86.6% (2014: approximately 90.8%) of the Group's revenue derived from the PRC.
- (ii) Included Philippines, Singapore, Thailand, Indonesia, Vietnam and Malaysia, where approximately 7.3% (2014: approximately 4.4%) 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

	2015	2014	%
	<i>US\$'000</i>	<i>US\$'000</i>	<i>Changes</i>
Total income reported for first half year	158,518	115,677	37%
Loss after tax for first half year	(10,028)	(3,924)	155%
Total income reported for second half year	90,460	157,321	-42.5%
Loss after tax for second half year	(13,147)	(10,526)	24.9%

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 2015	30 April 2014
	<i>US\$'000</i>	<i>US\$'000</i>
Ordinary	–	1,354

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 2015, 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

29 June 2015