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

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 APRIL 2018

FINANCIAL HIGHLIGHTS

- No revenue was recorded for the year ended 30 April 2018 (2017: US$101.8 million)
- Other income was US$12.1 million (2017: US$7.6 million)
- Net loss attributable to equity holders of the Company was US$12.2 million (2017: US$9.3 million)
- Total borrowings amounted to US$52.0 million (2017: US$52.7 million)
- The Board of Directors resolved not to propose any final dividend for the year ended 30 April 2018 (2017: Nil)

* *For identification purpose only*

The board (the "Board") of directors (the "Directors") of Yorkshine Holdings Limited (the "Company") announces the Company and its subsidiaries' (collectively referred to as the "Group") consolidated results for the year ended 30 April 2018 ("FY2018", the "Year") together with the comparative figures for the corresponding year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 April 2018

	Note	**2018**	2017
		US$'000	*US$'000*
Continuing operations			
Revenue	*3*	–	101,826
Cost of sales		–	(100,645)
Gross profit		–	1,181
Other income	*5*	**12,065**	7,643
Distribution and selling expenses	*6*	–	(796)
Administrative expenses		**(20,011)**	(8,702)
Other expenses		**(1,675)**	(5,927)
Finance costs	*7*	**(3,762)**	(4,479)
Loss before tax	*8*	**(13,383)**	(11,080)
Income tax credit	*9*	–	4
Loss from continuing operations, net of tax		**(13,383)**	(11,076)
Discontinued operations			
Profit from discontinued operations, net of tax		–	1,568
Loss for the year		**(13,383)**	(9,508)
Loss for the year attributable to:			
Equity holders of the Company		**(12,223)**	(9,274)
Non-controlling interests		**(1,160)**	(234)
Loss for the year		**(13,383)**	(9,508)
Profit/(loss) for the year attributable to equity holders of the Company relates to:			
Loss from continuing operations		**(12,223)**	(10,634)
Profit from discontinued operations		–	1,360
		(12,223)	(9,274)
Earnings/(loss) per share for profit/(loss) for the year attributable to equity holders of the Company (in US cents per share)	*10*		
Basic and Diluted			
– From continuing and discontinued operations		**(6.38)**	(4.98)
– From continuing operations		**(6.38)**	(5.71)
– From discontinued operations		–	0.73

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 April 2018

	2018	2017
	US$'000	*US$'000*
Loss for the year	**(13,383)**	(9,508)
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss:		
Currency translation differences arising on consolidation	**2,470**	196
Other comprehensive income for the year, net of tax	**2,470**	196
Total comprehensive loss for the year	**(10,913)**	(9,312)
Total comprehensive loss for the year attributable to:		
Equity holders of the Company	**(9,958)**	(9,024)
Non-controlling interests	**(955)**	(288)
Total comprehensive loss for the year	**(10,913)**	(9,312)

Details of the dividend for the year are disclosed in note 11.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2018

	Note	**2018** **US$'000**	2017 US$'000
Assets			
Non-current assets			
Property, plant and equipment		**45,165**	54,163
Investment property		**1,046**	–
Land use rights		**2,781**	2,585
Goodwill arising on business combinations		**–**	4
Total non-current assets		**48,992**	56,752
Current assets			
Inventories		**652**	–
Trade and other receivables	*12*	**7,971**	5,535
Cash and cash equivalents		**1,262**	6,888
		9,885	12,423
Land use rights		**–**	507
Total current assets		**9,885**	12,930
Total assets		**58,877**	69,682
Liabilities			
Non-current liability			
Borrowings	*14*	**960**	33,301
Total non-current liability		**960**	33,301
Current liabilities			
Trade and other payables	*13*	**16,341**	15,946
Borrowings	*14*	**51,072**	19,392
Deferred income		**67**	284
Total current liabilities		**67,480**	35,622
Total liabilities		**68,440**	68,923
Net assets/(liabilities)		**(9,563)**	759
Equity			
Share capital		**38,390**	38,390
Accumulated losses		**(56,879)**	(42,905)
Foreign currency translation reserve		**2,748**	483
Statutory reserve		**33**	33
Other reserves		**3,134**	3,096
Total equity attributable to equity holders of the Company		**(12,574)**	(903)
Non-controlling interests		**3,011**	1,662
Total equity		**(9,563)**	759

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 April 2018

1. CORPORATE INFORMATION

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 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 ("SEHK") 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.

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 subsidiaries of the Company are principally engaged in manufacturing, sales and distribution of tinplate and related products for metal packaging industry ("Tinplate Manufacturing business") in the People's Republic of China (the "PRC") and trading of iron ore, coal and steel products across the globe ("Trading & Distribution business"). The Trading & Distribution business has been temporarily suspended during the Year.

2. 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.

(a) Use of Estimates and Judgements

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.

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.

(b) New and Revised Standards

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. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

From 1 January 2017, as a result of the amendments to FRS 7 Statement of Cash Flows (Disclosure Initiative), the Group has provided additional disclosure in relation to changes in liabilities from financing activities 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 2018 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:

(c) Convergence with International Financial Reporting Standards (IFRS)

The Accounting Standards Council ("ASC") announced that Singapore incorporated companies listed on the SGX-ST or are in the process of issuing equity or debt instruments for trading on SGX, will apply a new financial reporting framework identical to the International Financial Reporting Standards (IFRS Convergence), known as Singapore Financial Reporting Standards (International) ("SFRS(I)"), with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the year ending 30 April 2019 will be prepared in accordance with SFRS(I) issued by ASC. These financial statements will be the last set of financial statements prepared under the current FRSs.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. In addition to the adoption of the new framework, the Group will be adopting other new SFRS(I), amendments to standards and interpretations of SFRS(I) which are effective from the same date.

The Group does not expect the application of the new standards, amendments to standards and interpretations, and the IFRS Convergence to have significant impact on the financial statements except as set out below:

Application of SFRS(I) 1 and IFRS Convergence

When the Group adopts SFRS(I) in its 2019 financial statements, the Group will apply SFRS(I) 1 with 1 May 2017 as the date of transition for the Group and the Company.

SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, subject to certain mandatory exceptions and optional exemptions under SFRS(I) 1. The Group does not expect the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 to have any significant impact on the financial statements.

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 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. SFRS (I) 15 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 SFRS(I) 15 by applying a 5-step approach.

Under SFRS(I) 15, 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. SFRS(I) 15 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.

The Group plans to adopt the new standard when it becomes effective in financial year ending 30 April 2019 using the full retrospective approach. As a result, the Group will apply the changes in the accounting policies retrospectively to each reporting year presented.

Based on the existing sources of revenue as at 30 April 2018, management does not anticipate that the application of SFRS(I) 15 will have a material impact on the Group's financial statements. Further evaluation will be undertaken should the source of revenue change in the year when SFRS(I) 15 becomes effective.

SFRS(I) 9 Financial Instruments

SFRS(I) 9 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 SFRS (I) 9 are based on an expected credit loss model and replace FRS 39 incurred loss model.

The Group plans to apply the changes in the accounting policies retrospectively to each reporting year presented using the modified retrospective approach.

(i) Classification and measurement

The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under SFRS(I) 9. Loans and receivables that are currently accounted for at amortised cost will continue to be accounted using amortised cost model under SFRS(I) 9.

(ii) Impairment

SFRS(I) 9 requires the Group to record expected credit losses on all of its loans and trade 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 will need to perform a more detailed analysis, which considers all reasonable and supportable information, including forward-looking elements to determine the extent of impact.

The Group will adopt SFRS(I) 9 when it becomes effective in financial year ending 30 April 2019. The Group is currently finalising the computation of the impact and the quantum of the final transition adjustments, which may be different upon finalisation.

SFRS(I) 16 Leases

SFRS(I) 16 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 statement 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. In addition, the nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability. 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$1,069,000 (2017: US$352,000) as lessee. The Group anticipates that the adoption of SFRS(I) 16 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. It is not practicable to provide a reasonable estimate of the impact of SFRS(I) 16 until the Group performs a detailed assessment. The Group is in the process of performing a detailed assessment of the impact and plans to adopt the standard on the required effective date.

(d) Going Concern Assumptions

During the financial year ended 30 April 2018, the Group incurred a net loss from continuing operations of US$13,383,000 (2017: US$11,076,000) and the Company incurred net loss of US$112,459,000 (2017: US$1,742,000). As at 30 April 2018, the Group's current liabilities exceeded the current assets by US$57,595,000 (2017: US$22,692,000) and the Group's total liabilities exceeded the total assets by US$9,563,000 (2017: Net assets of US$759,000) respectively.

During the Year, the Group has not made payments of principal repayments at their respective due dates of other borrowings owing to a strategic partner. Other borrowings due to a strategic partner totalled US$5,438,000 as at 30 April 2018. The Group also received a letter dated 11 July 2018 from New Page Investments Limited ("New Page") demanding a total sum of US$33,248,000 to be repaid on or before 1 August 2018. However, no further demand has been received from a strategic partner nor from New Page as at the date of this Announcement.

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 2018 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 its obligations and to carry on its business for a period of not less than twelve months from the date of the deed of financial assistance, i.e. 11 April 2019;

(ii) A subsidiary within the tinplate manufacturing segment that suspended its operations since financial year ended 30 April 2015 has resumed its operations in May 2018 with revenue generation commencing June 2018;

(iii) On 18 August 2017, the Group successfully entered into a deed of assignment of loan with China CITIC Bank International Limited and Real Shine Capital Limited ("RSCL") for the bank loan of US$15,051,000 and the Group and RSCL entered into a variation to the Deed of Settlement and revised the payment schedule on 5 December 2018 as disclosed in Note 14;

(iv) The Group and the Company are able to obtain banking facilities for their working capital requirements for the next twelve months as and when required; and

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

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

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

(i) Adopting a disciplined capital allocation - prudent approach to capital allocation is critical. Management shall constantly review capital expenditure and investment plans so as to manage a balanced business portfolio to optimise profitability;

(ii) Intensifying rigorous cost management and improving operational performance - focus on cost reduction and operation efficiency while exploring all the opportunities to the effective use of the capacity of the tinplate manufacturing plant with speed and quality; and

(iii) Opening up financing channels and asset allocation - allocate resources to potentially growth business in order to create a balanced and growth portfolio. Management shall invest in new business with profitable and stable income.

There are several subsidiaries within the Group which have been inactive for more than a year, some of which are also in a net liability position. In order to streamline the group structure and improve the overall financial position of the Group, the Group has transferred two subsidiaries Novo Commodities Limited ("NCL") and Novo Overseas Holdings Pte. Ltd. ("NOHPL") to a company wholly-owned by Mr. Zhu Jun, the executive Director and controlling shareholder of the Company at a consideration of HK$780 (equivalent to approximately US$100) on 15 Apirl 2019 (the "Disposal"). Given the two disposed subsidiaries have been inactive with no business operations for more than a year and are still in net liability position as at the date of disposal, the Directors are of the view that the foregoing disposal (together with the consideration) is fair and reasonable and in the interests of the Company and its shareholders as a whole. The Board will continue to review and assess the group structure and the overall financial position of the Group and carry out further restructurings as and when appropriate. Upon completion of the Disposals, each of NCL and NOHPL will cease to be a subsidiary of the Company, approximately US$36.8 million net liabilities will be taken out from the Group and the Group's financial position will turn back to net assets.

After considering the measures taken described above, the Group and the Company believe that they have adequate resources 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. REVENUE

	2018	2017
	US$'000	*US$'000*
Sales of goods:		
Sales of commodities	**–**	101,167
Tinplate manufacturing	**–**	659
	–	101,826

There was no revenue recorded during FY2018 due to (a) the Tinplate Manufacturing business which was suspended during the year ended 30 April 2015 has been undergoing the process of revitalisation. The Tinplate Manufacturing business resumed its operations in May 2018 and (b) the Trading & Distribution business of the Group has been temporarily suspended.

Full details about the suspension of the Trading & Distribution business have been announced on 14 August 2017, 24 August 2017, 28 August 2017, 18 September 2017, 4 October 2017, 31 October 2017, 31 December 2017 and 19 January 2018.

The revenue for previous financial year ended 30 April 2017 was qualified by auditor. More information should be referred to Appendix II to this Announcement and 2017 Annual Report.

Management and one Board of Directors have taken appropriate actions to address the concerns including the engagement of an Independent Reviewer to conduct an independent review and followed up the issues identified. The Company further engaged a professional to review and enhance the overall control of the Group. The CEO was removed and Trading and Distribution business has been temporarily suspended.

4. SEGMENT INFORMATION

The Group is organised into business units based on its business segments purposes. Management monitors the operating results of its businesses units separately for making decisions about allocation of resources and assessment of performances of each segment. The reportable segments for the FY2018 and FY2017 are:

(i) Tinplate manufacturing

Manufacturing, sales and distribution of tinplate and related products for metal packaging industry.

(ii) Trading & distribution

Trading & distribution of a comprehensive product portfolio in the areas of iron ore, coal and steel products across the globe.

(iii) 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			
	Trading & distribution *US$'000*	**Tinplate manufacturing** *US$'000*	**Eliminations** *US$'000*	**Total** *US$'000*
2018				
Segment revenue to:				
– sales to external customers	**–**	**–**	**–**	**–**
Segment results	**–**	**–**	**–**	**–**
Other income	**105**	**11,960**	**–**	**12,065**
Other costs	**(4,898)**	**(16,788)**	**–**	**(21,686)**
Finance costs	**(1,749)**	**(2,013)**	**–**	**(3,762)**
Loss before tax	**(6,542)**	**(6,841)**	**–**	**(13,383)**
Income tax	**–**	**–**	**–**	**–**
Loss for the year	**(6,542)**	**(6,841)**	**–**	**(13,383)**
Assets and liabilities				
Segment assets	**3,515**	**55,362**	**–**	**58,877**
Segment liabilities	**31,706**	**36,734**	**–**	**68,440**
Other segment information				
Capital expenditure	**478**	**1,799**	**–**	**2,277**
Depreciation and amortisation	**173**	**2,924**	**–**	**3,097**
Non-cash items other than depreciation and amortisation	**3,037**	**(10,799)**	**–**	**(7,762)**
Impairment loss on property, plant and equipment	**–**	**11,720**	**–**	**11,720**

	Continuing operations		Discontinued operations		
	Trading & distribution	Tinplate manufacturing	Tinplate processing	Elimination	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
2017					
Segment revenue to:					
– sales to external customers	101,167	659	28,393	–	130,219
Segment results	380	5	(368)	–	17
Other income	6,696	947	1,542	–	9,185
Other costs	(5,762)	(8,867)	1,053	–	(13,576)
Finance costs	(3,579)	(900)	(659)	–	(5,138)
Profit/(loss) before tax	(2,265)	(8,815)	1,568	–	(9,512)
Income tax credit	4	–	–	–	4
Profit/(loss) for the year	(2,261)	(8,815)	1,568	–	(9,508)
Assets and liabilities					
Segment assets	8,433	61,249	–	–	69,682
Segment liabilities	43,408	25,515	–	–	68,923
Other segment information					
Capital expenditure	17	1,143	601	–	1,761
Depreciation and amortisation	131	2,091	528	–	2,750
Non-cash items other than depreciation and amortisation	1,552	1,681	(1,201)	–	2,032

Geographical information

The Group's operations are located in one (2017: one) main geographical area. 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**	
	Year ended 30 April		**As at 30 April**	
	30 April 2018	30 April 2017	**2018**	2017
	US$'000	*US$'000*	***US$'000***	*US$'000*
PRC	**–**	130,105	**48,992**	56,752
Philippines	**–**	114	**–**	–
	–	130,219	**48,992**	56,752

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

Information about major customer

There was no revenue recorded during the year ended 30 April 2018.

Revenue of approximately US$71,274,000 during the year ended 30 April 2017 was derived from 5 major external customers who individually contributed 10% or more of the Group's revenue and are attributable to the Trading & Distribution segment.

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

5. OTHER INCOME

	2018	2017
	US$'000	*US$'000*
Amortisation of deferred income	**224**	426
Freight income	**–**	150
Gain on assignment of loan obligations *(Note 14)*	**10,414**	–
Gain on disposal of property held-for-sale	**–**	4,159
Gain on fair value adjustments on non-current loans due to former immediate and ultimate holding company	**–**	2,701
Interest income	**1**	3
Rental income	**59**	44
Reversal of provision on litigation settlements	**1,289**	–
Sundry income	**78**	160
	12,065	7,643

6. DISTRIBUTION AND SELLING EXPENSES

	2018	2017
	US$'000	*US$'000*
Distribution agency fees	**–**	751
Freight charges	**–**	24
Port handling charges	**–**	8
Others	**–**	13
	–	796

7. FINANCE COSTS

	2018	2017
	US$'000	*US$'000*
Bank charges	**11**	14
Interest on bank borrowings	**451**	1,041
Interest on other borrowings:		
– current year	**389**	121
– over-accrued in respect of previous financial year	**(23)**	(941)
Deemed interest expense on interest-free loans due to former immediate and ultimate holding company	**2,934**	4,244
	3,762	4,479

8. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

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

	2018	2017
	US$'000	*US$'000*
Audit fees paid to:		
– auditor of the Company	**146**	209
– other auditors*	**58**	93
Non-audit fees paid to:		
– auditor of the Company	**–**	3
– other auditors*	**–**	13
Amortisation of land use rights	**73**	95
Bad debts written off	**283**	2,021
Depreciation of property, plant and equipment	**3,024**	2,127
Impairment loss of goodwill	**79**	–
Impairment loss on property, plant and equipment	**11,720**	–
Loss on disposal of land use right	**16**	59
Loss on disposal of property, plant and equipment	**5**	35
Material costs recognised as an expense in cost of sales	**–**	100,579
Net (gain)/loss on foreign exchange	**(1,343)**	3,811
Professional and consultancy fee	**949**	–
Property, plant and equipment written off	**530**	–
Rental expenses	**837**	725
Staff costs	**2,870**	2,643
Written down of inventories	**338**	95

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

9. INCOME TAX

	2018	2017
	US$'000	*US$'000*
Income tax credit is recorded attributable to loss is made up of:		
From continuing operations		
Over provision of current income tax in respect of previous financial years:	**–**	(4)

10. LOSS PER SHARE

From continuing and discontinued operations

Basic and diluted loss per share is calculated based on the Group's loss for the year attributable to equity holders of the Company divided by the weighted average number of ordinary shares outstanding during the years ended 30 April 2018 and 30 April 2017.

	2018	2017
	US$'000	*US$'000*
Loss for the year attributable to equity holders of the Company	**(12,223)**	(9,274)

	Number of ordinary shares	
	2018	2017
Weighted average number of ordinary shares for basic and diluted loss per share	**191,484,269**	186,271,776

There were no potentially dilutive ordinary shares in existence during the years ended 30 April 2018 and 30 April 2017 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.

	2018	2017
	US$'000	*US$'000*
Loss for the year attributable to equity holders of the Company	**(12,223)**	(9,274)
Profit for the year from discontinued operations	**–**	(1,360)
Loss for the purpose of basic loss per share from continuing operations	**(12,223)**	(10,634)

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

From discontinued operations

In 2017, basic and diluted earnings per share for the discontinued operations were based on the Group's profit for the year from discontinued operations of US$1,360,000 and the denominators detailed above for both basic and diluted earnings per share.

11. DIVIDEND

The Board has resolved not to recommend any final dividend for the year ended 30 April 2018 (30 April 2017: Nil).

12. TRADE AND OTHER RECEIVABLES

	2018	2017
	US$'000	*US$'000*
Advance payment to suppliers	**1,158**	2
Trade and bills receivables	**245**	111
	1,403	113
Amounts due from non-controlling shareholder of the subsidiary *(Note)*	**397**	–
Deposits	**297**	254
Other receivables	**624**	886
Prepayments	**801**	744
Value-added tax receivables	**4,449**	3,538
	6,568	5,422
	7,971	5,535

Note: The amounts due from non-controlling shareholder of the subsidiary 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 bills receivables and other receivables is as follows:

	2018	2017
	US$'000	*US$'000*
Not past due and not impaired	**848**	822
Past due but not impaired:		
– 0 to 1 month	**–**	–
– More than 1 month to 3 months	**–**	29
– More than 3 months to 12 months	**–**	82
– More than 12 months	**21**	64
	21	175
	869	997

13. TRADE AND OTHER PAYABLES

	2018	2017
	US$'000	*US$'000*
Trade and bills payables	**273**	250
Sales deposits received	**12**	410
Accrued operating expenses	**4,853**	4,437
Other payables	**4,154**	4,417
Other payables for property, plant and equipment	**2,236**	2,427
Amounts due to a director *(Note)*	**2,040**	1,328
Amounts due to related parties *(Note)*	**42**	4
Amount due to immediate and ultimate holding company *(Note)*	**2,731**	2,673
	16,341	15,946

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

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

	2018	2017
	US$'000	*US$'000*
0 to 3 months	**–**	–
More than 3 months to 6 months	**–**	–
More than 6 months to 12 months	**–**	–
More than 12 months	**273**	250
	273	250

14. BORROWINGS

	2018	2017
	US$'000	*US$'000*
Non-current liabilities		
Loan from a related party	**–**	150
Loans from former immediate and ultimate holding company	**–**	29,513
Loans from Real Shine Capital Limited ("RSCL")	**960**	–
Other borrowings	**–**	3,638
	960	33,301
Current liabilities		
Bank loan	**–**	14,201
Loans from a director	**6,653**	–
Loans from a former director	**417**	331
Loans from related parties *(Note)*	**1,734**	–
Loans from former immediate and ultimate holding company	**33,335**	739
Loans from RSCL	**960**	–
Revolving credit facility	**2,535**	2,321
Other borrowings	**5,438**	1,800
	51,072	19,392
	52,032	52,693

Note: Related parties companies mainly companies which the executive chairman or former directors have substantial financial interests.

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

	2018	2017
	US$'000	*US$'000*
USD	**–**	14,201
HKD	**23,654**	22,427
	23,654	36,628

The Group's bank loan and loan from RSCL are 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, investment property, building and plant and machinery; and
– Floating mortgage.

The revolving credit facility is secured by legal mortgage over the investment property, land use rights and plant and machinery of a PRC subsidiary.

On 18 August 2017, China Citic Bank International (the "Bank"), RSCL and Yorkshine New Material (Taizhou) Limited ("**YNMT**") entered into a deed of assignment of loan and securities (the "Assignment"), pursuant to 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 as lender and YNMT as borrower entered into a deed of settlement (the "Deed of Settlement"), pursuant to which the RSCL agreed with YNMT to settle the outstanding aggregate principal amount of the Loan and interest accrued thereon of HK$37,231,000 (approximately US$4,770,000) as of the date of the Deed of Settlement (the "Indebtedness") in the following manner:

(i) YNMT shall pay to RSCL a sum of HK$21,200,000 (approximately US$2.7 million) within seven days after the date of the Deed of Settlement; and

(ii) YNMT shall pay to RSCL the balance of HK$15,000,000 (approximately US$1.92 million) in four instalments of HK$3,750,000 (approximately US$480,000) 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 HK$4,500,000 (US$576,000), HK$3,890,000 (US$498,000), HK$3,844,000 (US$492,000) and HK$3,797,000 (US$488,000), respectively.

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

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

Based on the above-mentioned Assignment and Deed of Settlement, YNMT recorded a gain on derecognition of liabilities approximately US$10,414,000 (Note 5) resulting from the settlement of the bank loan at favourable term.

On 5 December 2018, the Company announced that YNMT and RSCL entered into variation to the Deed of Settlement and revised the payment schedule. The first, second and third instalment are repayable on 5 August 2019 and fourth instalment is repayable on 3 December 2019.

At the end of the reporting period, the Group has pledged the following assets to banks and RSCL as securities against borrowings granted to the Group:

	2018	2017
	US$'000	*US$'000*
Leasehold land and buildings	**6,856**	5,321
Construction work-in-progress	**1,736**	2,987
Plant and machinery	**35,555**	43,631
Furniture, fixtures and computer equipment	**80**	99
Motor vehicles	**7**	7
Investment property	**1,046**	–
Land use rights	**2,781**	2,585
Inventories	**622**	–
Trade and bills receivables	**245**	111
Others[#]	**24,409**	21,117
	73,337	75,858

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

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

	2018	2017
	%	*%*
Bank loan	**–**	5.28
Revolving credit facility	**6.60 to 9.90**	6.60 to 9.90
Loans from related parties	**1.00 to 8.40**	8.40
Loans from RSCL	**5.00**	–
Other borrowings	**6.00**	6.00

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

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

Loans from related parties are unsecured, interest-free and repayable on demand.

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

Other borrowings comprise of 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, a subsidiary of the Company for the breach of a repayment agreement signed in June 2015. In accordance with the repayment agreement, other borrowings were to be repaid in full by 20 December 2015.

On 27 April 2017, the High Court of 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 Group has not made payment of the principal repayments, totalling US$1,800,000 on their respective due dates during the year ended 30 April 2018. Therefore, other borrowings were classified under current liabilities as at 30 April 2018.

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:

	2018	2017
	%	*%*
Loans from a related party	**8.40**	8.40
Loans from former immediate and ultimate holding company	**10.00**	10.00
Loans from RSCL	**5.00**	–
Other borrowings	**6.00**	6.00

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

Default and breaches

(i) Other borrowings

The Group has not made payment of the principal repayments of the other borrowings due to a strategic partner totalling US$3,600,000 on their respective due dates which is due on or before 31 December 2018. No assets nor collateral from the Group have been used to secure the Loan.

The management is intended to negotiate revised repayment terms of the outstanding other borrowings on 30 April 2018. As at the date of this announcement was approved for issue by the Board of Directors, no demand for settlement has ever been received from the strategic partner.

(ii) Loan from former immediate and ultimate holding company

Pursuant to a letter dated 11 July 2018 (the "Letter") addressed to the Company and five of its subsidiaries (the "Relevant Subsidiaries"), New Page Investments Limited ("New Page"), a former immediate and ultimate holding company demanded the Company and the Relevant Subsidiaries to repay on or before 1 August 2018 (being the maturity date of the Loan Agreements) a total sum of USD33,248,000 (the "Alleged Loans"), being the aggregate outstanding amount due from the Relevant Subsidiaries to New Page pursuant to the 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 Company has demanded supporting documents in particular the remittance and transactions to substantiate the validity of the Alleged Loans. The Company will make payment when concrete evidence of the existence of the Alleged Loan can be satisfied. As at the date of this announcement was approved for issue by the Board of Directors, neither demand for settlement nor reply for information has ever been received from New Page.

15. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

(i) 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 2017 (and as extended by various extension letters in 2018) (the "Loan Agreements").

The Company has demanded supporting documents in particular the remittance and transactions to substantiate the validity of the Alleged Loans. The Company will make payments when concrete evidence of the existence of the Alleged Loans can be satisfied.

(ii) As announced on 26 October 2018, Wah Shun Storage Limited ("WSSL") (The Vendor) an indirect wholly-owned subsidiary of the Company and Xinghua City Xingjin Waste and Waste Recycling Station (the "Purchaser") entered into the agreement of disposing of 60% equity interest in Xing Hua City Daduo Sewage Treatment Co., Ltd. ("XHDD") (the "Disposal") at a total consideration of RMB4.2 million (approximately US$605,000) on 21 September 2018. A portion of the consideration of approximately RMB1.06 million shall be offset against the outstanding debts owed by YNMT to the Purchaser. Upon completion of the Disposal, the Vendor shall cease to be a subsidiary of the Company and the results of XHDD shall no longer be consolidated into the consolidated financial statements of the Group. Effects of the disposal of XHDD to the Group's profit or loss and cash flows for the year ended 30 April 2019 are not disclosed as accounting for the disposal is still incomplete at the time this announcement was approved for issue by the Board of Directors.

(iii) On 5 December 2018, YNMT and RSCL entered into a variation to the Deed of Settlement (the "2018 Variation Deed") to vary the payment due dates for the borrowing disclosed in Note 14. Pursuant to the Variation Deed:

– YNMT shall pay the interest accrued of the first instalment totalling HK$750,000 or US$96,154 by 12 December 2018; and

– The revised payment schedule shall be as follows:

	Original sum due under the Deed of Settlement (including interest accrued)	**Additional interest**	**Sums to be paid**	**Payment due date**
	US$'000	*US$'000*	*US$'000*	
First instalment	480	–	480	By 5 August 2019
Second instalment	498	–	498	By 5 August 2019
Third instalment	492	60	552	By 5 August 2019
Fourth instalment	486	6	492	By 3 December 2019

(iv) On 15 April 2019, the Group transferred two subsidiaries NCL and NOHPL to a company wholly-owned by Mr. Zhu Jun, the executive Director and controlling shareholder of the Company at a consideration of HK$780 (equivalent to approximately US$100) (the "Disposal"). Given the two disposed subsidiaries have been inactive with no business operations for more than a year and are still in net liability position as at the date of disposal, the Directors are of the view that the foregoing disposal (together with the consideration) is fair and reasonable and in the interests of the Company and its shareholders as a whole. The Board will continue to review and assess the group structure and the overall financial position of the Group and carry out further restructurings as and when appropriate. Upon completion of the Disposal, each of NCL and NOHPL will cease to be a subsidiary of the Company, approximately US$36.8 million net liabilities will be taken out from the Group and the Group's financial position will turn back to net assets.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 30 April 2018 ("FY2018", the "Year"), the Group was principally engaged in manufacturing, sales and distribution of tinplate and related products for metal packaging industry in the People's Republic of China (the "PRC"). The trading and distribution business has been temporarily suspended during the Year while the tinplate processing business was disentangled at the end of FY2017.

The business segments for the FY2018 and FY2017 were summarized as below:

Business Segments		Remarks
(a)	tinplate manufacturing ("Tinplate Manufacturing business")	Started revitalization in late FY2015. Resumed production in May 2018, beginning of FY2019.
(b)	trading of iron ore, coal and steel products across the globe ("Trading & Distribution business")	Temporarily suspended the trades throughout FY2018.
(c)	tinplate processing ("Tinplate Processing business")	Disentangled the segment by disposing of equity interests on 27 March 2017, late FY2017.

MANAGEMENT'S RESPONSE TO CERTAIN QUALIFIED AUDIT OPINION

The audit qualified opinion in connection with the balances for both (a) property, plant and equipment; and (b) investments in subsidiaries and amount due from subsidiary are no longer exist as at 30 April 2018.

During the current financial year, the following impairment losses have been recognised on:

(i) property, plant and equipment amounting to US$11,720,000 in the Group's profit or loss

(ii) investments in subsidiaries and amount due from subsidiary amounting to US$79,460,000 and US$31,497,000 respectively in the Company's profit or loss.

The opening balances of current year (i.e. as at 1 May 2017) and the comparative figures disclosed in these consolidated financial statements are based on the consolidated financial statements of the Group for the previous financial year ended 30 April 2017, on which the independent auditor has expressed a qualified opinion in the independent auditor's report dated 1 August 2018 (Appendix II to this Announcement). Consequently, the independent auditor are unable to determine whether any adjustments might be necessary to the profit or loss for the current year and opening accumulated losses as at 1 May 2017 of the Group and the Company. The opinion of the independent auditor on the current financial year's financial statements is also modified because of the possible effect of the above matters as well as the other matters as described in the basis for qualified opinion on the financial statements for the financial year ended 30 April 2017 on the comparability of the current year's figures and the corresponding figures.

FINANCIAL REVIEW

(A) Results of the Year

Revenue and Gross Profit

There was no revenue recorded during the Year due to (a) the Tinplate Manufacturing business which was suspended during the financial year ended 30 April 2015 has been undergoing the process of revitalisation; and (b) the Trading & Distribution business of the Group has been temporarily suspended.

The Tinplate Manufacturing business has resumed its operations in May 2018 and generating revenue since June 2018.

Full details about the suspension of the Trading & Distribution business have been announced on 14 August 2017, 24 August 2017, 28 August 2017, 18 September 2017, 4 October 2017, 31 October 2017, 31 December 2017 and 19 January 2018.

Other Income

Other income for the Year was US$12.1 million (2017: US$7.6 million), mainly comprised of (i) a one-time gain of US$10.4 million resulted from the assignment of a loan obligation and (ii) the reversal of provision on litigation settlement no longer necessary of US$1.3 million.

Distribution and Selling Expenses

There was no distribution and selling expenses for the Year incurred as a result of the suspension of the Group's Trading & Distribution business.

Administrative Expenses

Administrative expenses for the Year was US$20.0 million (2017: US$8.7 million), with a net increase of US$11.3 million. The Group has been cautious in keeping the administrative expenses stable and under control. The year-on-year increases were mainly due to a $12.6 million impact in deprecation and a non-recurring provision for impairment related to property, plant and equipment ("PPE") as described below:

The Group has conducted a review of its plant and machinery against the industry benchmark in terms of technology change, deterioration, utilization, limitations on usage, etc. and have decided to revise the useful life of certain plant and machinery from 30 years to 20 years. The revision of the estimated useful life applied on a prospective basis from the beginning of the financial year, i.e. 1 May 2017. Accordingly, an increase in depreciation of PPE of US$0.9 million was recorded.

During the Year, a review of the recoverable amounts of the PPE of the Group as at 30 April 2018 was carried out. An impairment loss totaling US$11,720,000 was recognised in the Group's profit or loss under administrative expenses line items for the financial year ended 30 April 2018. The recoverable amount of the PPE relating to YNMT, the major operating subsidiary, was determined based on its value-in-use and the pre-tax rate used was 14%. When comparing with the net carrying value of YNMT's PPE US$52,644,000, an impairment loss of US$9,920,000 was required. Another impairment loss of US$1,800,000 was recognised in respect of the disposal of equity interest of XHDD in September 2018, event after the reporting period with details under Note 15.

Other Expenses

Other expenses for the Year was US$1.7 million (2017: US$5.9 million). The fluctuation was mainly due to foreign exchange gain of US$1.3 million in FY2018 versus a corresponding loss of US$3.8 million in FY2017.

Finance Costs

Finance costs for the Year was US$3.8 million (2017: US$4.5 million), of which US$2.9 million (2017: US$4.2 million) was the deemed interest expenses on interest-free loans due to the former immediate and ultimate holding company.

Loss for the Year

In the absence of revenue generation and together with the impairment loss of US$11,720,000 on PPE during the Year, the Group has incurred a net loss of US$13.4 million (2017: US$9.5 million).

(B) Liquidity and Financial Resources

Cash & Cash Equivalents

Total cash and cash equivalents of the Group were US$1.3 million as at 30 April 2018, a reduction of US$5.6 million, compared to US$6.9 million as at 30 April 2017.

Cash Flows

(a) Cash used in operating activities

Net cash of US$8.6 million has been used in operating activities, including a net increase of US$1.0 million in working capital covering increase in inventory (cash outflow), increase in trade and other receivables (cash outflow) and increase in trade and other payables (cash inflow).

(b) Cash used in investing activities and financing activities

During the Year, the Group has used US$3.5 million cash in investing PPE and a new subsidiary. Additional cash advances totally US$9.0 million from a director, related parties and the immediate and ultimate holding company to support the operations of the Group. Total equity attributable to equity holders of the Company was at deficit of US$12.6 million and has been relying on the financial support from the Golden Star Group Limited and Mr. Zhu Jun, the ultimate controlling party of the Group.

Borrowings

During the previous financial year in FY2017, the Group has repaid part of its interest bearing loans and in FY2018, the Group has made arrangement to assign a loan to reduce borrowing interest burden while going on running the core business efficiently. Total borrowings amounted to US$52.0 million (US$52.7 million). Total liabilities was US$68.4 million (2017: US$68.9 million), of which US$13.2 million (2017: US$4.2 million) contributed from the support from the Golden Star Group Limited, Mr. Zhu Jun, the ultimate controlling party of the Group and related parties.

The Group will continue to allocate funds for development of product portfolio, enhancement of capacity efficiency, broadening customer basis, capturing sales and market opportunities.

During the Year, the Group had not used any derivative instruments to hedge against foreign currency exposure in operation as the Board considered this exposure to be insignificant with the limited trade receivables and payables for the Year.

The Group closely monitors the movement of foreign exchange rates and constantly seeks to obtain favorable exchange rates for currencies exchange (if necessary) in paying local operating expenses.

(C) Capital Expenditure and Contingent Liabilities

During the Year, capital expenditure of the Group was US$2.5 million (2017: US$1.1 million).

As at 30 April 2018, the Group had no material capital commitment or contingent liability (2017: US$7.8 million).

BUSINESS REVIEW AND OUTLOOK

Businesses Review

The Group has engaged in the Tinplate Manufacturing business since 2012. Located in Jiangsu, the Tinplate Manufacturing segment with its Taizhou plant ("Taizhou Plant") 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 successfully strived the resumption of the operations of the factory in Taizhou in May 2018.

Outlook

Tinplate products are widely used in packaging material such as processed food and beverage, paints, aerosols, cooking oil and cover/lid/shell of different types of containers. Tinplate products are non-toxic, highly resistance to corrosion, able to preserve food better by blocking light as oxidant and also with high recyclability. The stringent environmental rules in mainland China have forced unqualified factories closure since 2018 which has significantly lowered the supply of tinplate products in PRC and export. Since the inception of revitalization, the Taizhou plant has been designed with the proper consideration on environmental protection. A 3-year sewage disposal license was granted on 18 December 2018 by the Taizhou City Environmental Protection Bureau which enable the Taizhou plant to expand its value chain on a critical process – the "pickling" for the raw steel. Taizhou plant is highly recognised by the Government of Xinhua City, Taizhou in Jiangsu province.

Demand has also been growing with the increasing use of tinplate to replace the non-degradable packages and also as substitutes to overcome the current dis-advantages in using PET material for (e.g. for cooking oil). Furthermore, the increasing consumption of canned food together with the growth of e-commerce purchases on canned food all over the world compounded the growth in demand of tinplate products.

With the support of our Executive Chairman, Mr. Zhu Jun, the Company considers its Tinplate Manufactory business having enormous growth potential and becoming the key revenue driver of the Group.

In spite of the suspension of operation of the Taizhou Plant, the Group has laid down strong foundations throughout the chain of steel product manufacturing and has established a strong presence and will continue to have a strong influence in the steel industry. The Company will consider to resume the Trading & Distribution business, which is under suspension, should market and economic conditions prevail.

The Group will actively explore and identify more meaningful investment and other business opportunities riding on the "One Belt; One Road", the construction of Da Wan District and the high growth in Mainland China.

HUMAN RESOURCES

The Group had employed approximately 117 employees (2017: 147) in Hong Kong and the PRC as at 30 April 2018. Employee costs, excluding directors' emoluments, were approximately US$2.5 million (2017: US$2.2 million). Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and contribution to the Group. The Group did not experience any significant labor disputes that led to any disruption of its normal business operations.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the year ended 30 April 2018.

STREAMLINING OF GROUP STRUCTURE

There are several subsidiaries within the Group which have been inactive for more than a year, some of which are also in a net liability position. In order to streamline the group structure and improve the overall financial position of the Group, the Group has transferred two subsidiaries to a company wholly-owned by Mr. Zhu Jun, the executive Director and controlling shareholder of the Company at a consideration of HK$780 (equivalent to approximately US$100) on 15 April 2019. Given the two disposed subsidiaries have been inactive with no business operations for more than a year and are still in net liability position as at the date of disposal, the Directors are of the view that the foregoing disposal (together with the consideration) is fair and reasonable and in the interests of the Company and its shareholders as a whole. The Board will continue to review and assess the group structure and the overall financial position of the Group and carry out further restructurings as and when appropriate. Please refer to Note 15(iv) to the consolidated financial statements for further details on the foregoing disposal.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

For the year ended 30 April 2018, the Company has complied with all the applicable Code Provisions ("CP") in the Corporate Governance Code ("HK CG Code") as set out in Appendix 14 of the Listing Rules. To maintain high standards of corporate governance, the Company has adopted the recommended best practices in Appendix 14 where appropriate.

CP A.2.1 – The roles of chairman and chief executive should be separate

During FY2018, 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). 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. As announced on 21 March 2019, Mr. Lei Yong Hua has appointed as an executive of the Company with immediate effective. The Company is currently identifying a suitable candidate as the new CEO and will provide update, as appropriate.

CP C.1.2 – Management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects.

During the Year, the management led by the ex-CEO has not been able to provide the Board timely updates after the results announcement for the third quarter ended 31 January 2017 made on 15 March 2017. The Company also announced on 31 July 2017 that the Company was unable to publish the annual results for the year ended 30 April 2017 ("FY2017") by 31 July 2017 pursuant to Rules 13.49(1) and 13.46(2)(a) of the HK Listing Rules. The final results for FY2017 was published on 1 August 2018.

The Company further announced on 9 August 2018 that the Company was unable to publish the annual results for the year ended 30 April 2018 ("FY2018") by 31 July 2018 pursuant to Rules 13.49(1) and 13.46(2)(a) of the HK Listing Rules. Other quarterly results for the periods ended (a) 31 July 2017 "Q1FY2018"; (b) 31 October 2017 ("Q2FY2018" or "Interim FY2018"); and (c) 31 January 2018 ("Q3FY2018") on 4 October 2018. The final results for FY2018 was approved for publication on 16 April 2019.

With the publication and dispatch of the outstanding financial statements, the management team is committed to provide the Board with timely management accounts and key financial metrics.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has established written guidelines on terms no less exacting than the requirements under the Listing Manual of the SGX-ST and the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules (the "Model Code") as the code of conduct regarding Directors' securities transactions. Following specific enquiries made by the Company with them, all the Directors have confirmed that they had complied with the required standard set out in the Model Code and its code of conduct regarding Directors' securities transactions during FY2018.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The audit committee of the Company has reviewed the consolidated results of the Group for the year ended 30 April 2018. The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 30 April 2018 as set out in the preliminary announcement ("Announcement") have been compared and agreed by the Group's independent auditor, Baker Tilly TFW LLP ("BT-SG") to the amounts set out in the Group's consolidated financial statements for the Year. The independent auditor issued a qualified opinion in the independent auditor's report on the consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 30 April 2018 under Appendix I annexed to this Announcement.

The work performed by BTSG in this respect did not constitute an audit, a review or an assurance engagement made in accordance with Singapore Standards on Auditing, Singapore Standards on Review Engagements or Singapore Standards on Assurance Engagements issued by Institute of Singapore Chartered Accountants and consequently no assurance has been expressed by BT-SG on the Announcement.

FINAL DIVIDEND

The Board resolved not to propose any final dividend for the year ended 30 April 2018.

PUBLICATION OF FINAL RESULTS ON THE STOCK EXCHANGE'S WEBSITE AND THE COMPANY'S WEBSITE

All the annual financial and other related information of the Company required by the Listing Rules has been published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.yorkshinegroup.com) on 16 April 2019. A copy of this Announcement has also been published in the SGX-ST (www.sgx.com)

SUSPENSION OF TRADING

Trading in the shares of the Company on SEHK and the SGX-ST has been suspended since 1 August 2017 and will continue to suspend until further notice. The Company has dedicated effort to resume the Listing Status on the SEHK and SGX-ST.

On behalf of the Board
YORKSHINE HOLDINGS LIMITED
Zhu Jun
Executive Chairman and Executive Director

Hong Kong, 16 April 2019

As at the date of this announcement, the Board comprises three executive Directors, being Mr. Zhu Jun (Executive Chairman), Ms. Wang Jianqiao and Mr. Lei Yonghua; one non-executive Director, being Dr. Ouyang Qian; and three independent non-executive Directors, being Mr. Tang Chi Loong, Mr. Foo Teck Leong and Mr. William Robert Majcher.

APPENDIX I
Qualified Opinion
by Independent Auditor in respect of
Financial Statements for Financial Year Ended 30 April 2018
(EXTRACT)

Qualified Opinion

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 2018, 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

Corresponding figures and impairment loss

The opening balances as at 1 May 2017 and the comparative figures disclosed in these consolidated financial statements are based on the consolidated financial statements of the Group for the previous financial year ended 30 April 2017, on which we expressed a qualified opinion in our independent auditor's report dated 1 August 2018. Our basis for qualified opinion on the consolidated financial statements of the Group for the previous financial year ended 30 April 2017 are disclosed in Note 36 to the financial statements.

During the current financial year, the following impairment losses have been recognised:

(i) the Group recognised an impairment loss on property, plant and equipment amounting to US$11,720,000 in the Group's profit and loss as disclosed in Note 15 to the financial statements.

(ii) the Company recognised impairment losses on investments in subsidiaries and amount due from subsidiary amounting to US$79,460,000 and US$31,497,000 respectively in the Company's profit or loss as disclosed in Note 19 to the financial statements.

However, we are unable to determine how much of the impairment losses on the property, plant and equipment, investments in subsidiaries and amount due from subsidiary, if any, relates to the profit or loss in prior years. Consequently, we are unable to determine whether any adjustments might be necessary to the profit or loss for the financial year ended 30 April 2018 and opening accumulated losses as at 1 May 2017 of the Group and the Company.

Our opinion on the current financial year's financial statements is also modified because of the possible effect of the above matters as well as the other matters as described in Note 36 to the financial statements 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 2018, the Group incurred a net loss from continuing operations of US$13,383,000 (2017: US$11,076,000) and the Company incurred a net loss of US$112,459,000 (2017: US$1,742,000). As at 30 April 2018, the Group's current liabilities exceeded the current assets by US$57,595,000 (2017: US$22,692,000) and the Group's total liabilities exceeded the total assets by US$9,563,000 (2017: Net assets of US$759,000) respectively. As disclosed in Note 23 to the financial statements, the Group has not made payments of principal repayments at their respective due dates of other borrowings owing to a strategic partner. Other borrowings due to a strategic partner totalled US$5,438,000 as at 30 April 2018. The Group also received a letter dated 11 July 2018 from New Page Investments Limited demanding a total sum of US$33,248,000 to be repaid on or before 1 August 2018.

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 2018 is appropriate. Our opinion is not further modified in respect of this matter.

APPENDIX II
Qualified Opinion and Emphasis of Matters
by Independent Auditor in respect of
Financial Statements for Financial Year Ended 30 April 2017
(EXTRACT)

Qualified Opinion

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") totaling US$101,167,143 and US$100,009,615 respectively. The sales amounting to US$100,748,521 were transacted through an agent ("Agent") appointed by the Group.

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

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

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

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

2. Property, plant and equipment

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

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

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

3. Profit from discontinued operations of TIANJlN SHIFA NOVO TECHNOLOGY DEVELOPMENT LIMITED ("TIANJlN 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 TIANJlN SHIFA for the financial period from 1 May 2016 to 27 March 2017. Accordingly, the unaudited management accounts of TIANJIN SHIFA as at 31 March 2017 were used to prepare the consolidated financial statements of the Group for the financial year ended 30 April 2017.

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

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

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

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

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

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

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

4. Investments in subsidiaries and amounts due from subsidiaries

As disclosed in Note 18 to the financial statements, the Company's investments in subsidiaries and amounts due from subsidiaries are carried at cost amounting to US$79,481,229 (2016: US$79,463,169) and US$31,496,647 (2016: US$31,496,647) respectively. Management determined that no impairment is required on the Company's investments in subsidiaries and amounts due from subsidiaries as their recoverable amounts exceeded the net carrying values as at 30 April 2017.

In view of the fact that most of the Company's subsidiaries incurred a net loss during the current year and also Company are in capital deficiency position as at 30 April 2017, there are significant uncertainty over the recoverability of amounts due from subsidiaries and investments in subsidiaries recorded by the Company. Based on the information available to us, we are unable to obtain sufficient appropriate audit evidence about the recoverable amounts of the Company's investments in subsidiaries and amounts due from subsidiaries as at 30 April 2017. Consequently, we are unable to determine whether any adjustments in respect of the net carrying values of the Company's investments in subsidiaries and amounts due from subsidiaries as at 30 April 2017 are necessary.

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

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

Material Uncertainty Related to Going Concern

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

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

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.