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 2019

HIGHLIGHTS

- Sales revenue was US$16.4 million
- Other income was US$37.7 million, up US$25.6 million from the corresponding year ended 30 April 2018 owing to a one-time gain on disposal of two inactive, loss-making and capital deficit subsidiaries in April 2019
- Net profit was US$23.9 million, turned from a loss of US$13.4 million in previous financial year due to the additional other income recognised
- Total borrowings amounted to US$22.5 million (FY2018: US$52.0 million), amount significantly reduced as a result of disposal of two inactive, loss-making and capital deficit subsidiaries in April 2019
- Earnings per share was 12.79 US cents
- The Board of Directors resolved not to propose any final dividend for the year ended 30 April 2019

* *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 2019 ("**FY2019**", the "**Year**") together with the comparative figures for the corresponding year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 April 2019

	Note	**2019** ***US$'000***	2018 *US$'000*
Revenue	*3*	**16,420**	—
Cost of sales		**(20,481)**	—
Gross loss		**(4,061)**	—
Other income	*5*	**37,704**	12,065
Distribution costs		**(40)**	—
Administrative expenses		**(6,496)**	(8,291)
Impairment loss on property, plant and equipment		**(375)**	(11,720)
Other expenses		**(1,483)**	(1,675)
Finance costs	*6*	**(1,377)**	(3,762)
Profit/(loss) before income tax	*7*	**23,872**	(13,383)
Income tax expense	*8*	**(9)**	—
Profit/(loss) for the year		**23,863**	(13,383)
Profit/(loss) attributable to:			
Equity holders of the Company	*9*	**24,498**	(12,223)
Non-controlling interests		**(635)**	(1,160)
		23,863	(13,383)
Earnings/(loss) per share attributed to the equity holders of the Company			
Basic and diluted (in US cents)	*9*	**12.79**	(6.38)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 April 2019

	2019	2018
	US$'000	*US$'000*
Profit/(loss) for the year	**23,863**	(13,383)
Other comprehensive income/(loss) for the year, net of tax:		
Items that are or may be reclassified subsequently to profit or loss:		
Currency translation differences arising on consolidation	**(1,451)**	2,470
Total comprehensive income/(loss) for the year	**22,412**	(10,913)
Total comprehensive income/(loss) attributable to:		
Equity holders of the Company	**23,171**	(9,958)
Non-controlling interests	**(759)**	(955)
	22,412	(10,913)

Details of the dividend for the year are disclosed in Note 10.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 30 April 2019

	Note	**30 April 2019 US$'000**	30 April 2018 US$'000	1 May 2017 US$'000
Assets				
Non-current assets				
Property, plant and equipment		**41,326**	45,165	54,163
Investment property		**906**	1,046	—
Land use rights		**2,491**	2,781	2,585
Goodwill arising on business combinations		**—**	—	4
Total non-current assets		**44,723**	48,992	56,752
Current assets				
Inventories		**2,173**	652	—
Trade and other receivables	*11*	**4,559**	7,971	5,535
Cash and cash equivalents		**503**	1,262	6,888
		7,235	9,885	12,423
Land use rights		**—**	—	507
Total current assets		**7,235**	9,885	12,930
Total assets		**51,958**	58,877	69,682
Liabilities				
Non-current liability				
Borrowings	*13*	**—**	960	33,301
Current liabilities				
Trade and other payables	*12*	**16,380**	16,329	15,536
Contract liabilities		**624**	12	410
Borrowings	*13*	**22,464**	51,072	19,392
Deferred income		**63**	67	284
Total current liabilities		**39,531**	67,480	35,622
Total liabilities		**39,531**	68,440	68,923
Net assets/(liabilities)		**12,427**	(9,563)	759
Equity				
Share capital		**38,390**	38,390	38,390
Accumulated losses		**(31,848)**	(56,879)	(42,905)
Foreign currency translation reserve		**1,372**	2,748	483
Statutory reserve		**33**	33	33
Other reserves		**2,601**	3,134	3,096
Equity/(equity deficit) attributable to equity holders of the Company		**10,548**	(12,574)	(903)
Non-controlling interests		**1,879**	3,011	1,662
Total equity/(equity deficit)		**12,427**	(9,563)	759

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2019

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 "**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 048621. 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 and its subsidiary corporations were principally engaged in the manufacturing, sales and distribution of tinplate and related products for metal packaging industry (the "**Tinplate Manufacturing business**") in the People's Republic of China (the "**PRC**") while the trading and distribution business has been suspended since the beginning of the financial year ended 30 April 2018 ("**FY2018**").

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the provisions of the Act and Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

With effect from 1 May 2018, the Company changed its functional currency from United States Dollar ("**USD**") to Hong Kong Dollar ("**HKD**") due to changes in funding and financing arrangement which changes the currency in which the funds are generated.

The financial statements are presented in United States Dollar ("**USD**" or "**US$**") and all financial information presented in USD are rounded to the nearest thousand (US$'000) except when otherwise indicated.

The preparation of financial statements in conformity with SFRS(I) 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 and 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 are discussed in detail under Note 3 to the financial statements of the annual report to be published in due course. Critical judgments have been applied in going concern assumption and functional currency. Key sources of estimation uncertainty may exist, inter alias, in the area of property, plant and equipment and impairment on non-financial assets.

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 December 2017, the Accounting Standards Council ("**ASC**") issued the SFRS(I). SFRS(I) comprises the standards and interpretations that are identical to the International Financial Reporting Standards. As required by the listing rules of SGX-ST, the Group has adopted SFRS(I) on 1 May 2018. These financial statements for the financial year ended 30 April 2019 are the first set of financial statements of the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 30 April 2018 were prepared in accordance with Singapore Financial Reporting Standards ("**SFRS**").

In adopting SFRS(I) on 1 May 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of SFRS(I).*

Under SFRS(I), these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 30 April 2019. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group has also presented statement of financial position as at 1 May 2017, which is the date of transition to SFRS(I).

In addition to the adoption of the new framework, the Group also concurrently applied all new and revised SFRS(I) and SFRS(I) Interpretations ("**SFRS(I) INT**") that are effective for the current financial year. The application of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or financial position of the Group and the Company.

A. First time adoption of SFRS(I)

In adopting SFRS(I) in 2019, the Group has applied the transition requirements in SFRS(I) with 1 May 2017 as the date of transition. 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 application and transition to SFRS(I) did not have any significant impact on these financial statements and statements of financial position of the Group and the Company as at 30 April 2018 and 1 May 2017.

B. 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 entity is required to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model; to contracts with their customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted SFRS(I) 15 using the full retrospective approach. The Group has elected the practical expedient to apply the standard to contracts that are not completed at the date of initial application. Updates to the Group's accounting policy have been made as required.

The impact upon the adoption of SFRS(I) 15, are described below.

Presentation of contract liabilities

Upon adoption of SFRS(I) 15, the Group has changed the presentation of advance payments from customers. Advance payments from customers classified as sales deposits received under trade and other payables of US$12,000 as at 30 April 2018 and US$410,000 as at 1 May 2017 were reclassified to contract liabilities.

C. SFRS(I) 9 Financial Instruments

SFRS(I) 9 replaces FRS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 May 2018. It 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 expected credit loss model and replace FRS 39 incurred loss model.

The Group and the Company applied SFRS(I) 9 using a modified retrospective approach, with date of initial application on 1 May 2018. The Group and the Company have not restated the comparative information, which continues to be reported under FRS 39. Differences arising from the adoption of SFRS(I) 9 have been recognised directly in accumulated losses and other components of equity as at 1 May 2018.

The impact upon adoption of SFRS(I) 9 as at 1 May 2018 was as follows:

(i) *Classification and measurement*

Under SFRS(I) 9, the Group and the Company classify their financial assets based on entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The assessment of the Group's and the Company's business model was made as of the date of initial application on 1 May 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Loans and receivables (including trade and other receivables (excluding prepayments, advance payment to suppliers and value-added tax receivables) and cash and cash equivalents) as at 30 April 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost beginning 1 May 2018.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's and the Company's financial liabilities.

The following summaries the Group and the Company's required or elected reclassifications as at 1 May 2018 upon adoption on SFRS(I) 9:

		SFRS(I) 9 measurement category		
	Original carrying amount	**Fair value through profit or loss**	**Amortised cost**	**Fair value through other comprehensive income**
	US$'000	*US$'000*	*US$'000*	*US$'000*
FRS 39 measurement category				
Loans and receivables				
Group				
Trade and other receivables	1,563	—	1,563	—
Cash and cash equivalents	1,262	—	1,262	—
Company				
Trade and other receivables	5,846	—	5,846	—
Cash and cash equivalents	66	—	66	—

(ii) *Impairment*

SFRS(I) 9 requires the Group and the Company to record expected credit losses on all of its financial assets at amortised cost either on 12-month or lifetime basis.

At the date of initial application, the Group and the Company have assessed that the adoption of SFRS(I) 9 does not have any material impact to the financial position and results of the Group and the Company.

(c) New revised/amendments to SFRS(I)s issued by the ASC up to 31 December 2019 which are effective for annual reporting periods beginning after 1 January 2019

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 2019 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:

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 statements of financial position to reflect their rights to use leased assets (a "**right-of-use**" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. 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 May 2019. The Group does not expect the adoption of SFRS(I) 16 to have significant impact on its financial position and financial results for the financial year ended 30 April 2020.

(d) Going concern assumption

The Group reported a net cash used in operating activities for the financial year of US$4,628,000 (FY2018: US$8,609,000). As at 30 April 2019, the Group's current liabilities exceeded the current assets by US$32,296,000 (FY2018: US$57,595,000) and the Company's current liabilities exceeded the current assets by US$497,000.

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 2019 is appropriate after taking into consideration the following factors:

(i) The immediate and ultimate holding company and ultimate controlling party of the Group agree 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 letter of financial assistance, i.e. 10 July 2019. The amounts owing to immediate and ultimate holding company and ultimate controlling party of the Group amounted to US$20,853,000;

(ii) The 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; and

(iii) 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.

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 and prudent approach to capital allocation. Management shall constantly review capital expenditure and investment plans so as to manage a balanced business portfolio to optimise profitability;

(ii) Improving operational performance by focusing on cost reduction and operation efficiency while exploring all the opportunities to increase the use of the capacity of the tinplate manufacturing plant; and

(iii) Opening up financing channels and 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.

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

	2019	2018
	US$'000	*US$'000*
Sales of goods:		
— Tinplate manufacturing	**16,420**	—

The Tinplate Manufacturing business which was suspended during the financial year ended 30 April 2015 has been undergoing the process of revitalisation. The Tinplate Manufacturing business resumed its operation in May 2018 and has been generating revenue since June 2018.

All revenue is recognised at a point in time.

4. SEGMENT INFORMATION

During the Year, the Group is principally engaged in the manufacturing, sales and distribution of tinplate and related products for metal packaging industry (the "**Tinplate Manufacturing business**") in the PRC while the trading and distribution business has been suspended since the beginning of FY2018. The Group organised into business units based on its business segments purposes. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment. The reportable segments for the Year are (a) Tinplate Manufacturing and (b) Trading & Distribution and Others.

	Tinplate Manufacturing *US$'000*	Trading & Distribution and Others *US$'000*	Total *US$'000*
For the year ended 30 April 2019			
Segment revenue			
Sales to external customers	**16,420**	**—**	**16,420**
Segment results	**(4,061)**	**—**	**(4,061)**
Other income	**554**	**37,150**	**37,704**
Other costs	**(3,447)**	**(4,947)**	**(8,394)**
Finance costs	**(345)**	**(1,032)**	**(1,377)**
Profit/(loss) before income tax	**(7,299)**	**31,171**	**23,872**
Income tax expense	**—**	**(9)**	**(9)**
Profit/(loss) for the year	**(7,299)**	**31,162**	**23,863**
Other segment information			
Capital expenditure	**2,213**	**63**	**2,276**
Depreciation and amortisation	**2,396**	**224**	**2,620**
Non-cash items other than depreciation and amortisation	**(31)**	**(36,782)**	**(36,813)**
Impairment loss on property, plant and equipment	**—**	**375**	**375**
As at 30 April 2019			
Assets and liabilities			
Segment assets	**50,342**	**1,616**	**51,958**
Segment liabilities	**23,815**	**15,716**	**39,531**

	Tinplate Manufacturing *US$'000*	Trading & Distribution and Others *US$'000*	Total *US$'000*
For the year end 30 April 2018			
Segment revenue			
Sales to external customers	—	—	—
Segment results	—	—	—
Other income	11,960	105	12,065
Other costs	(16,788)	(4,898)	(21,686)
Finance costs	(2,013)	(1,749)	(3,762)
Loss before tax	(6,841)	(6,542)	(13,383)
Income tax expense	—	—	—
Loss for the year	(6,841)	(6,542)	(13,383)
Other segment information			
Capital expenditure	1,799	478	2,277
Depreciation and amortisation	2,924	173	3,097
Non-cash items other than depreciation and amortisation	(10,799)	3,037	(7,762)
Impairment loss on property, plant and equipment	11,720	—	11,720
As at 30 April 2018			
Assets and liabilities			
Segment assets	55,362	3,515	58,877
Segment liabilities	36,734	31,706	68,440
As at 1 May 2017			
Assets and liabilities			
Segment assets	61,249	8,433	69,682
Segment liabilities	25,515	43,408	68,923

Geographical information

The Group's operations are located in one (FY2018: 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**		
			30 April	30 April	1 May
	2019	2018	**2019**	2018	2017
	US$'000	*US$'000*	***US$'000***	*US$'000*	*US$'000*
PRC	**16,420**	—	**44,723**	48,992	56,752

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

Information about major customer

Revenue of approximately US$3,638,000 during the financial year ended 30 April 2019 was derived from one major external customer who individually contributed 10% or more of the Group's revenue and is attributable to the Tinplate Manufacturing segment.

There was no revenue during the previous financial year.

5. OTHER INCOME

	2019	2018
	US$'000	*US$'000*
Amortisation of deferred income	**—**	224
Gain on assignment of loan obligations	**—**	10,414
Gain on disposal of subsidiaries *(Note (i))*	**37,087**	—
Government grant and land use rights tax refund	**231**	—
Reversal of provision on litigation settlements	**—**	1,289
Sundry income	**112**	138
Writeback of long outstanding other payables	**274**	—
	37,704	12,065

Note (i):

On 21 September 2018, the Group disposed of its entire 60% of the equity interest of Xing Hua City Daduo Sewage Treatment Co., Ltd. ("**XHDD**") for a consideration of RMB4.2 million (approximately US$624,000).

On 15 April 2019, the Group disposed of its equity interest in two subsidiaries: Novo Commodities Limited ("**NCL**") and Novo Overseas Holdings Pte. Ltd. ("**NOHPL**") for considerations of US$50 (approximately HK$390) and US$50 (approximately HK$390) respectively.

6. FINANCE COSTS

	2019	2018
	US$'000	*US$'000*
Bank charges	**11**	11
Bill receipts interest	**40**	—
Interest on bank borrowings	**126**	451
Interest on other borrowings:		
— current year	**398**	389
— over-accrued in respect of previous financial year	**—**	(23)
Deemed interest expense on interest-free loans due to former immediate and ultimate holding company	**802**	2,934
	1,377	3,762

7. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax from operations is determined after charging/(crediting):

	2019	2018
	US$'000	*US$'000*
Audit fees paid to:		
— auditor of the Company		
— Current year	**131**	146
— Under provision in prior year	**247**	—
— other auditors*	**73**	58
Non-audit fees paid to:		
— auditor of the Company	**16**	—
— other auditors*	**46**	—
Amortisation of land use rights	**95**	73
Allowance for impairment on trade and other receivables	**424**	—
Bad debts written off	**10**	283
Depreciation of property, plant and equipment	**2,453**	3,024
Depreciation of investment property	**72**	—
Impairment loss of goodwill	**—**	79
Impairment loss on property, plant and equipment	**375**	11,720
Loss on disposal of land use rights	**—**	16
Loss on disposal of property, plant and equipment	**33**	5
Material costs recognised as an expense in cost of sales	**15,214**	—
Net loss/(gain) on foreign exchange	**1,162**	(1,343)
Professional and consultancy fee	**675**	949
Property, plant and equipment written off	**—**	530
Rental expenses	**676**	837
Staff costs	**2,224**	2,870
Write down of inventories	**228**	338

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

8. INCOME TAX EXPENSE

	2019	2018
	US$'000	*US$'000*
Income tax attributable to the profit/(loss) is made up of:		
Under provision of current income tax in respect of previous financial years	**9**	—

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

	2019	2018
	US$'000	*US$'000*
Profit/(loss) before income tax	**23,872**	(13,383)
Tax at the domestic rates applicable to profit/(loss) in the countries where the Group operates	**3,594**	(3,076)
Expenses not deductible for tax purposes	**693**	941
Income not subject to tax	**(6,491)**	—
Deferred tax assets not recognised	**2,132**	2,153
Under provision of current income tax in respect of previous financial years	**9**	—
Utilisation of previously unrecognised tax losses	**—**	(18)
	9	—

9. EARNINGS/(LOSS) PER SHARE

Basic and diluted earnings/(loss) per share is calculated based on the Group's profit/(loss) for the financial year attributable to equity holders of the Company divided by the weighted average number of ordinary shares outstanding during the financial years ended 30 April 2019 and 30 April 2018.

	2019	2018
	US$'000	*US$'000*
Profit/(loss) for the financial year attributable to equity holders of the Company	**24,498**	(12,223)

	Number of ordinary shares	
	2019	2018
Weighted average number of ordinary shares for basic and diluted earnings/(loss) per share	**191,484,269**	191,484,269

There were no potentially dilutive ordinary shares in existence during the financial years ended 30 April 2019 and 30 April 2018 and therefore the diluted earnings/(loss) per share amounts for those years were the same as the basic earnings/(loss) per share.

10. DIVIDEND

The Board has resolved not to recommend any final dividend for the year ended 30 April 2019.

11. TRADE AND OTHER RECEIVABLES

	30 April 2019	30 April 2018	1 May 2017
	US$'000	*US$'000*	*US$'000*
Trade and bill receivables	**169**	245	111
Other receivables	**1,005**	624	886
	1,174	869	997
Less: allowance for impairment	**(39)**	—	—
	1,135	869	997
Advance payment to suppliers	**1,979**	1,158	2
Amounts due from non-controlling shareholder of the subsidiary	**385**	397	—
Deposits	**185**	297	254
Prepayments	**499**	801	744
Value-added tax receivables	**761**	4,449	3,538
	3,809	7,102	4,538
Less: allowance for impairment	**(385)**	—	—
	3,424	7,102	4,538
	4,559	7,971	5,535

Credit loss allowance on trade receivables and amounts due from non-controlling shareholder of the subsidiary recognised as expenses amounted to US$39,000 (FY2018: US$Nil) and US$385,000 (FY2018: US$Nil) in the Group respectively.

As at 30 April 2019, trade and bill receivables amounted to US$169,000 (FY2018: US$245,000) were pledged to Real Shine Capital Limited ("**RSCL**") for borrowings (Note 13) after the completion of the loan assignment between China Citic Bank and RSCL.

At the end of the reporting period, the Group endorsed certain bills receivables in the PRC (the "**Derecognised Bills**") with a carrying amount in aggregate of US$2,493,000 (FY2018: US$Nil) to certain of its suppliers in order to settle the trade and other payables due to such suppliers. The Derecognised Bills have a maturity period of one to twelve months at the end of the reporting period. In accordance with the laws in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default. In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, the Group has derecognised the full carrying amounts of the Derecognised Bills and the associated trade and other payables. The maximum exposure to loss from the continuing involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's continuing involvement in the Derecognised Bills are not significant to the financial statements taken as a whole.

The amounts due from non-controlling shareholder of the subsidiary are non-trade in nature, unsecured, interest-free and repayable on demand.

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

	30 April 2019 *US$'000*	30 April 2018 *US$'000*	1 May 2017 *US$'000*
Not past due and not impaired	**918**	848	822
Past due but not impaired:			
— 0 to 1 month	**123**	—	—
— More than 1 month to 3 months	**—**	—	29
— More than 3 months to 12 months	**—**	—	82
— More than 12 months	**94**	21	64
	217	21	175
Past due and impaired	**39**	—	—
	1,174	869	997

12. TRADE AND OTHER PAYABLES

	30 April 2019 *US$'000*	30 April 2018 *US$'000*	1 May 2017 *US$'000*
Trade and bill payables	**457**	273	250
Accrued operating expenses	**3,120**	4,853	4,437
Other payables	**4,927**	4,154	4,417
Other payables for property, plant and equipment	**—**	2,236	2,427
Amount due to director	**4,885**	2,040	1,328
Amounts due to related parties	**2**	42	4
Amount due to immediate and ultimate holding company	**2,989**	2,731	2,673
	16,380	16,329	15,536

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

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

	30 April 2019 *US$'000*	30 April 2018 *US$'000*	1 May 2017 *US$'000*
0 to 3 months	**164**	—	—
More than 3 months to 6 months	**—**	—	—
More than 6 months to 12 months	**—**	—	—
More than 12 months	**293**	273	250
	457	273	250

13. BORROWINGS

	30 April 2019 *US$'000*	30 April 2018 *US$'000*	1 May 2017 *US$'000*
Non-current liabilities			
Loans from related parties	**—**	—	150
Loans from former immediate and ultimate holding company	**—**	—	29,153
Loans from RSCL	**—**	960	—
Other borrowings	**—**	—	3,638
	—	960	32,941
Current liabilities			
Bank loan	**—**	—	14,201
Loan from a director	**7,987**	6,653	—
Loan from a former director	**350**	417	331
Loans from related parties	**4,990**	1,734	—
Loans from former immediate and ultimate holding company	**4,718**	33,335	739
Loans from RSCL	**2,041**	960	—
Revolving credit facility	**2,378**	2,535	2,321
Other borrowings	**—**	5,438	1,800
	22,464	51,072	19,392
	22,464	52,032	52,333

Related parties comprise mainly companies which the Executive Chairman or the former director has substantial financial interests.

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

	30 April 2019	30 April 2018	1 May 2017
	US$'000	*US$'000*	*US$'000*
USD	**91**	—	14,201
HKD	**5,503**	23,654	22,427
	5,594	23,654	36,628

(a) Terms and conditions

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

(ii) Loans from related parties are unsecured, interest-free and repayable on demand except for US$4,990,000 (FY2018: Nil) which bear an interest rate at 1% per annum (FY2018: Nil).

(iii) The revolving credit facility is secured, interest at 4.73% and repayable in November 2019.

(iv) Loans from former immediate and ultimate holding company are unsecured, interest-free and repayable on 1 August 2018.

Pursuant to a letter dated 11 July 2018 (the "**2018 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 that 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 US$33,248,000 (the "**New Page Loans**"), being the aggregate outstanding amount due from the Relevant Subsidiaries to New Page pursuant to various loan agreements entered into between each of the Relevant Subsidiaries and New Page between 2015 and 2016 (and as extended by various extension letters in 2017) (the "**Loan Agreements**").

By a letter dated 15 May 2019, New Page again demanded the Company to pay the sum of US$33,248,000 within the next 7 days from the date of the letter.

The Company has demanded supporting documents in particular the remittance and transaction to substantiate the validity of the New Page Loans. As at the date when these financial statements were approved for issue by the Board of Directors, neither legal demand for settlement nor reply for information requested has been received from New Page.

The Relevant Subsidiaries are in net liabilities position and have been inactive with no business operations for more than a year. On 15 April 2019, the Group disposed of two of the Relevant Subsidiaries (the "**Disposal Transaction**") to a company wholly-owned by Mr. Zhu Jun, the Executive Chairman, the executive Director and controlling shareholder of the Company for a consideration of US$100. The Disposal Transaction was completed in April 2019. Upon completion, the two Relevant Subsidiaries are no longer consolidated to the Group. The Board of Directors are of the view that with the Disposal Transaction, the Group is no longer liable to New Page for the loans of US$29,408,000. The amount due to the former immediate and ultimate holding company was reduced to US$4,718,000 as at 30 April 2019.

(v) Loans from RSCL, including accrued interest are due as follows:

	US$'000
On 5 August 2019	1,531
On 5 December 2019	510
	2,041

(vi) Other borrowings comprise import and export credit facility from a strategic partner to one of the Relevant Subsidiaries under the Disposal Transaction mentioned under item (iv) above with the original intent to facilitate the working capital requirement of the Group for a total principal sum of US$5,438,000, of which US$3,600,000 have been due on or before 31 December 2018 whilst US$1,838,000 shall be due by 31 December 2019. Upon completion of the Disposal Transaction in April 2019, the amount due to the strategic partner as at 30 April 2019 was derecognised from the Group. The Board of Directors are of the view that the Group is no longer liable for this liability.

(b) Securities pledged as collaterals

Loans from RSCL which were granted to YNMT, one of the PRC subsidiaries, are secured by way of:

— Legal pledge of equity interest agreement, escrow account agreement, insurance agreement and receivables agreements;

— Legal pledge of land use rights, construction work-in-progress, building and plant and machinery; and

— Floating charge over the remaining assets of YNMT.

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

(c) Interest rates

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

	30 April 2019	30 April 2018	1 May 2017
	%	%	%
Bank loan	**—**	—	5.28
Revolving credit facility	**4.73**	4.79	9.90
Loans from related parties	**1.00**	8.40	8.40
Loans from Real Shine Capital Limited	**5.00**	5.00	—
Other borrowings	**—**	6.00	6.00

14. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 20 June 2019, the Group disposed of two subsidiaries Novo Commodities Pte. Ltd. ("**NCPL**") and Novo Management Services Limited and its subsidiary ("**NMSL**") to a company wholly-owned by Mr. Zhu Jun, the Executive Chairman, the executive Director and controlling shareholder of the Company for a consideration of US$100 (the "**Disposal**"). Given that 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 NCPL and NMSL will cease to be subsidiaries of the Company, approximately US$6.5 million net liabilities will be derecognised from the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 30 April 2019 ("**FY2019**", the "**Year**"), the Group was principally engaged in manufacturing, sales and distribution of tinplate and related products for metal packaging industry ("**Tinplate Manufacturing business**") in the PRC while the trading and distribution business has been suspended since the beginning of the financial year ended 30 April 2018 ("**FY2018**").

FINANCIAL REVIEW

Performance

Revenue and Gross Loss

The Tinplate Manufacturing business was suspended during the financial year ended 30 April 2015. It has undergone revitalization and has resumed its operation in May 2018 and generated approximately US$16.4 million (FY2018: Nil) sales revenue for the Year. The gross loss of US$4.1 million, representing 24.7% of the sales revenue was due to the Tinplate Manufacturing business was at the early resumed stage. The plant and machinery has been going through trial testing. The sales volume is coping up to the breakeven point stage by stage.

Other Income

Other income for the Year was US$37.7 million (FY2018: US$12.1 million), mainly comprised of a one-time gain of US$37.1 million from the disposal of subsidiaries during FY2019. The Group will continue to streamline its corporate structure to enhance the financial position for the interests of the shareholders. Other income for FY2018 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 which was no longer necessary of US$1.3 million.

Administrative Expenses

Administrative expenses for the Year was US$6.5 million (FY2018: US$8.3 million), a reduction of US$1.8 million.

The Group has been cautious in keeping the administrative expenses stable and under control. Upon the resumption of Tinplate Manufacturing business, expenses incurred in manufacturing process were included in cost of sales, i.e. depreciation of property, plant and equipment ("**PPE**") and salaries, resulting in a reduction in administrative expenses.

Other Expenses

Other expenses for the Year was US$1.5 million (FY2018: US$1.7 million).

Finance Costs

Finance costs for the Year was US$1.4 million (FY2018: US$3.8 million). US$0.8 million deemed interest expenses was fully amortised on interest-free loans due to the former immediate and ultimate holding company in the Year (FY2018: US$2.9 million).

Profit for the Year

The Group's net profit of US$23.9 million (FY2018: loss US$13.4 million) was mainly due to the one-time gain of US$37.1 million from the disposal of subsidiaries during FY2019.

Liquidity and Financial Resources

Cash & Cash Equivalents

Total cash and cash equivalents of the Group were US$0.5 million as at 30 April 2019 (FY2018: US$1.3 million), a decrease of US$0.8 million.

Cash Flows

Net cash of US$4.6 million (FY2018: US$8.6 million) has been used in operating activities during the Year, the Group has used US$0.8 million cash, US$4.5 million for the purchase of PPE. Additional cash advances totalling US$8.3 million were advanced by a director, related parties and the immediate and ultimate holding company to support the operations of the Group. The Group 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

Total borrowings as at 30 April 2019 amounted to US$22.5 million (FY2018: US$52.0 million).

Total liabilities was US$39.7 million (FY2018: US$68.4 million), of which US$20.9 million (FY2018: US$13.2 million) was the support from the Golden Star Group Limited and Mr. Zhu Jun, the ultimate controlling party of the Group and related parties.

The significant reduction in total borrowings was attributed to the disposal of two inactive subsidiaries in net liabilities position of US$37.0 million.

Capital Expenditure and Contingent Liabilities

During the Year, capital expenditure of the Group was US$2.3 million (FY2018: US$2.3 million).

As at 30 April 2019, the Group had no material capital commitment or contingent liability (FY2018: Nil).

BUSINESS 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**") principally engages in manufacturing, sales and distribution of tinplate products. With a strong team of competent and experienced personnel, coupled with a progressive technology, high-quality-level products as well as comparatively new machine and equipment, the Group has successfully strived for the resumption of the operations of the factory in Taizhou in May 2018 and generated US$16.4 million revenue for the Year.

OUTLOOK

The Group is fully dedicated to the manufacturing of metal packaging material, tinplate, and related businesses, i.e. the Tinplate Manufacturing business. The Group aims to be a leading supplier of tinplate products in the PRC and eventually globally.

Tin is a non-toxic element widely used in coating of steel sheet products, i.e. food cans, to increase the preservation of nutrition and flavour of food, and to reduce oxidation of food. Tin also has a metallic lustre that provides an aesthetic look for tinplate containers. It also has excellent properties in corrosion resistivity and high weldability. Tinplate products can also be easily recycled and hence demand has been growing to replace non-degradable packaging products. Tinplate's special characteristics have made it the premier product of choice for the metal packaging industry.

The stringent environmental rules in Mainland China have forced unqualified factories to close down since 2018 which has significantly lowered the supply of tinplate products in the 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 enables 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 Xinghua City, Taizhou in Jiangsu province.

Tinplate is currently used for making all types of containers such as food cans, beverage cans, 18-liter cans and artistic cans. Its applications are not limited to containers. Recently, tinplate has also been used for making electrical machinery parts and many other products. The Group is also developing new potential product lines and continually optimizing existing product lines to satisfy the unique needs of various existing and potential customers. Can manufacturing and the laminated steel production line are currently under construction and are yet to be put into production.

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 disadvantages in using PET material (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 the Company's Executive Chairman, Mr. Zhu Jun, the Company considers its Tinplate Manufacturing business having enormous growth potential and becoming the key revenue driver for 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 Greater Bay Area and the high growth in Mainland China. Furthermore, the Group will continue to streamline the corporate structure of the Group to enhance the financial position for the interests of the shareholders.

HUMAN RESOURCES

The Group had employed approximately 178 employees (FY2018: 117) in Hong Kong and the PRC as at 30 April 2019. Employee costs, excluding directors' emoluments, were approximately US$2.2 million (FY2018: US$2.9 million). Staff remuneration packages are determined in consideration of market conditions and 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 2019.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board and the management of the Group are committed to achieving and maintaining high standards of corporate governance, which the Group considers as critical in safeguarding the integrity of its business operations and maintaining investors' trust in the Company.

Saved as disclosed below, 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 to the Rules Governing the Listing of Securities on the SEHK ("**HK Listing Rules**") throughout the Year:

- Certain functions of CEO have been undertaken by Mr. Zhu Jun, the Executive Chairman, since the removal of the CEO in January 2018. The Company has deviated from the CP A.2.1 of the HK CG Code since 19 January 2018. The Company is identifying a suitable candidate as the new CEO and will provide updates, as appropriate.

- The Company has recompiled with CP C.1.2 of the HK CG Code commencing from September 2018 by providing members of the Board with monthly update.

- Pursuant to CP A.6.7 of the HK CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

  — Mr. Zhu Jun, the Executive Chairman together with all the three independent non-executive directors namely Messrs. Tang Chi Loong, William Robert Majcher and Foo Teck Leong attended the annual general meeting which was held on 14 September 2018. Dr. Ouyang Qian, the non-executive Director and Ms. Wang Jianqiao, the executive Director have tendered their apologies of absence due to prior business engagement.

  — Mr. Zhu Jun, the Executive Chairman together with the two independent non-executive directors namely Messrs. Tang Chi Loong and Foo Teck Leong attended the annual general meeting which was held on 28 May 2019 while Dr. Ouyang Qian, the non-executive Director has tendered his apologies of absence due to prior business engagement. Messrs. William Robert Majcher and Lei Yonghua, and Ms. Wang Jianqiao attended the meeting through teleconference.

- During the period from 14 January 2019 to 28 February 2019, there was no appointment of a company secretary who is in possession of the requisite qualifications for a company secretary under Rules 3.28 and 8.17 of the HK Listing Rules. Mrs. Fung Lui Kit Har, Keziah was appointed as a company secretary of the Company in Hong Kong under Rule 3.28 of the HK Listing Rules effective from 1 March 2019 so that the Company has at least one company secretary who fulfils the Rules 3.28 and 8.17 of the HK Listing Rules.

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 HK 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 standards set out in the Model Code and its code of conduct regarding Directors' securities transactions during FY2019.

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 2019. 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 2019 as set out in the preliminary 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 for the financial year ended 30 April 2019 under Appendix I annexed to this Announcement.

The work performed by BT-SG 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 this Announcement.

The Directors would like to stress that the qualification arises because of the potential effect the past year's audit qualification may have on the comparability of the figures in the FY2019 financial statements against the figures in the FY2018 financial statements, and not because the Company has not resolved past audit issues.

FINAL DIVIDEND

The Board resolved not to propose any final dividend for the year ended 30 April 2019.

PUBLICATION OF FINAL RESULTS ON THE SEHK'S WEBSITE, THE COMPANY'S WEBSITE AND THE SGX-ST'S WEBSITE

All the annual financial and other related information of the Company required by the HK Listing Rules has been published on the SEHK's website (www.hkexnews.hk) and the Company's website (www.yorkshinegroup.com) on 10 July 2019. A copy of this Announcement has also been published on the SGX-ST's website (www.sgx.com).

RESUMPTION OF TRADING

On 3 July 2019, the Company has submitted a resumption proposal (the "**Resumption Proposal**") to SEHK, setting out actions taken and proposed to be taken by the Company to fulfill the resumption conditions on 3 July 2019. The Company will provide further updates on the Resumption Proposal as and when appropriate.

Trading of the shares of the Company on the SEHK and SGX-ST will remain suspended until further notice. The Company will use its best endeavours to resume trading in both SEHK and SGX-ST as soon as practicable.

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

Hong Kong, 10 July 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 2019
(EXTRACT)

Qualified Opinion

We have audited the accompanying financial statements of Yorkshine Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") as set out on pages [•] to [•], which comprise the statements of financial position of the Group and the Company as at 30 April 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect on the comparability of figures as 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 Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 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 2019, 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

Comparability of figures

In the previous financial year ended 30 April 2018, the Group recognised an impairment loss on property, plant and equipment amounting to US$11,720,000 and 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.

We expressed a qualified opinion on the financial statements of the Group and the Company for the financial year ended 30 April 2018 as we were 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 years prior to the financial year ended 30 April 2018. Consequently, we were unable to determine whether any adjustments might be necessary to the profit or loss for the previous 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 modified because of the possible effect of the above matters 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. The Group reported a net cash used in operating activities for the financial year of US$4,628,000 (2018: US$8,609,000). As at 30 April 2019, the Group's current liabilities exceeded the current assets by US$32,296,000 (2018: US$57,595,000) and the Company's current liabilities exceeded the current assets by US$497,000.

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 2019 is appropriate. Our opinion is not further modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2019 but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Because of the possible effects of the matter described in the Basis for Qualified Opinion section of our report, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for Qualified Opinion* section and *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Impairment review of the Group's property, plant and equipment

As disclosed in Note [12] to the financial statements, the Group's property, plant and equipment as at 30 April 2019 amounted to US$41,326,000 after deducting accumulated impairment losses of US$10,295,000. This represents approximately 80% of the Group's total assets as at 30 April 2019.

As disclosed in Note [3] to the financial statements, management has performed impairment assessment on property, plant and equipment and determined the recoverable amount of the assets based on value-in-use using discounted cash flow method.

Impairment review of the Group's property, plant and equipment is considered a key audit matter due to the significance of this amount to the Group's consolidated financial position. In addition, there are significant judgement and estimations involved in the calculation of the recoverable amounts, in particular relating to forecasted cash flows and the discount rate applied to the value-in-use calculation.

Our procedures to address the key audit matter

In the course of our Group audit, we have evaluated the independence, objectivity, capabilities and competence of the component auditor of the subsidiary companies. We also engaged in continuous communications with the component auditor throughout the audit and reviewed the reply to audit instructions by the component auditor to satisfy our group audit requirements.

We have evaluated the sufficiency and appropriateness of the audit work performed and evidence obtained by the component auditor in their audit of management's impairment assessment of the property, plant and equipment of the subsidiary companies. We also evaluated independently the value-in-use calculation and assessed reasonableness of the key assumptions and inputs applied in the computation of the recoverable amounts of the Group's property, plant and equipment.

We have also assessed the adequacy and appropriateness of the disclosures made in the financial statements.