YORKSHINE HOLDINGS LIMITED
煜新控股有限公司*

(Company Registration No. 198902648H)
(Incorporated in Singapore with limited liability)

Hong Kong Stock Code: 1048
Singapore Stock Code: MR8

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2017

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Yorkshine Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 31 October 2017 with comparative figures as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
For the six months ended 31 October 2017

		Unaudited	
		Six months ended 31 October	
		2017	2016
	Notes	***US$'000***	*US$'000*
Continuing operations			
Revenue	*4*	**–**	48,748
Cost of sales		**–**	(48,092)
Gross profit		**–**	656
Other income	*6*	**1,225**	4,441
Distribution and selling expenses	*7*	**–**	(411)
Administrative expenses		**(4,119)**	(3,858)
Other operating expenses		**(58)**	(86)
Finance costs	*8*	**(659)**	(410)
Profit/(loss) before tax	*9*	**(3,611)**	332
Income tax (expenses)/credit	*10*	**(7)**	3

* *For identification purpose only*

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (CONT'D)
For the six months ended 31 October 2017

		Unaudited	
		Six months ended 31 October	
		2017	2016
	Notes	***US$'000***	*US$'000*
Profit/(loss) from continuing operations, net of tax		**(3,618)**	335
Discontinued operations			
Profit from discontinued operations, net of tax		**–**	178
Profit/(loss) for the period		**(3,618)**	513
Profit/(loss) for the period attributable to:			
Equity holders of the Company		**(3,492)**	488
Non-controlling interests		**(126)**	25
Profit/(loss) for the period		**(3,618)**	513
Earnings/(loss) per share (in US cents)			
From continuing and discontinued operations	*11*		
Basic and Diluted		**(1.87)**	0.27
From continuing operations			
Basic and Diluted		**(1.87)**	0.22
From discontinued operations			
Basic and Diluted		**–**	0.05

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 October 2017

	Unaudited	
	Six months ended 31 October	
	2017	2016
	US$'000	*US$'000*
Profit/(loss) for the period	**(3,618)**	513
Other comprehensive income/(loss) for the period, net of tax:		
Acquisition of subsidiaries	**869**	–
Currency translation differences arising on consolidation	**926**	(2,441)
Total comprehensive loss for the period	**(1,823)**	(1,928)
Attributable to:		
Equity holders of the Company	**(2,378)**	(1,771)
Non-controlling interests	**555**	(157)
Total comprehensive loss for the period	**(1,823)**	(1,928)

No dividend was declared by the Board for the six months ended 31 October 2017 and 31 October 2016.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 October 2017

	Notes	**Unaudited As at 31 October 2017 US$'000**	Audited As at 30 April 2017 US$'000
Non-current assets			
Property, plant and equipment	*13*	**55,297**	54,163
Land use rights		**2,657**	2,585
Goodwill arising on business combinations		**136**	4
Total non-current assets		**58,090**	56,752
Current assets			
Inventories		**79**	–
Trade and other receivables	*14*	**7,710**	5,535
Cash and cash equivalents		**5,237**	6,888
		13,026	12,423
Land use rights		**–**	507
Total current assets		**13,026**	12,930
Total assets		**71,116**	69,682

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (CONT'D)

As at 31 October 2017

	Notes	Unaudited As at 31 October 2017 US$'000	Audited As at 30 April 2017 US$'000
Non-current liabilities			
Borrowings	*16*	**1,838**	33,301
		1,838	33,301
Current liabilities			
Trade and other payables	*15*	**19,072**	15,946
Borrowings	*16*	**51,204**	19,392
Deferred income		**66**	284
Total current liabilities		**70,342**	35,622
Total liabilities		**72,180**	68,923
Net assets/(liabilities)		**(1,064)**	759
Equity			
Share capital		**38,390**	38,390
Accumulated losses		**(46,397)**	(42,905)
Foreign currency translation reserve		**1,509**	483
Statutory reserve		**33**	33
Other reserves		**3,184**	3,096
Total equity attributable to:			
Equity holders of the Company		**(3,281)**	(903)
Non-controlling interests		**2,217**	1,662
Total equity		**(1,064)**	759

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 October 2017

	Share capital	Accumulated losses	Foreign currency translation reserve	Statutory reserve	Other reserves	Reserve of disposal group classified as held-for-sale	Total equity attributable to equity holders of the Company	Non-controlling interests	Total equity
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Balance at 1 May 2016 (Audited)	32,239	(38,770)	4,444	33	2,957	342	1,245	834	2,079
Prior year adjustments	–	5,278	(4,207)	–	–	–	1,071	–	1,071
As restated	32,239	(33,492)	237	33	2,957	342	2,316	834	3,150
Placing shares	6,151	–	–	–	–	–	6,151	–	6,151
Total comprehensive income/ (loss) for the period	–	488	(2,259)	–	–	–	(1,771)	(157)	(1,928)
Reserve attribute to disposal group classified as held-for-sale	–	–	–	–	–	3	3	–	3
Changes in ownership interests in subsidiaries without change of control	–	–	–	–	–	–	–	1,731	1,731
Balance at 31 October 2016	38,390	(33,004)	(2,022)	33	2,957	345	6,699	2,408	9,107
Balance at 1 May 2017 (Audited)	38,390	(42,905)	483	33	3,096	–	(903)	1,662	759
Acquisition of subsidiaries	–	–	–	–	280	–	280	589	869
Loss for the period	–	(3,492)	–	–	–	–	(3,492)	(126)	(3,618)
Currency translation differences arising on consolidation	–	–	1,026	–	(192)	–	834	92	926
Total comprehensive income/ (loss) for the period	–	(3,492)	1,026	–	88	–	(2,378)	555	(1,823)
Balance at 31 October 2017	38,390	(46,397)	1,509	33	3,184	–	(3,281)	2,217	(1,064)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 31 October 2017

	Unaudited	
	Six months ended 31 October	
	2017	2016
	US$'000	*US$'000*
Net cash used in operating activities	**(1,326)**	(1,050)
Net cash generated from investing activities	**–**	9,243
Net cash used in financing activities	**(325)**	(1,628)
Net (decrease)/increase in cash and cash equivalents	**(1,651)**	6,565
Cash and cash equivalents at beginning of the period	**6,888**	9,824
Effect of currency translation on cash and cash equivalents	**–**	1,043
Cash and cash equivalents at end of the period	**5,237**	17,432

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

	Unaudited	
	Six months ended 31 October	
	2017	2016
	US$'000	*US$'000*
Cash and cash equivalents		
– Continuing operations	**5,237**	6,564
– Discontinued operations	**–**	10,868
Cash and cash equivalents per condensed consolidated interim statement of cash flows	**5,237**	17,432

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 October 2017

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 the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") since 28 April 2008 and dual-listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**HKEx**") since 6 December 2010.

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

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

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 at Room Nos. 1102-04, 11th Floor, Empire Centre, 68 Mody Road, Kowloon, Hong Kong ("**HK**").

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are principally engaged in manufacturing and trading of tinning line products, including tinplate, tin-free steel and scraps.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with Singapore Financial Reporting Standard 34 "Interim Financial Reporting" issued by the Singapore Accounting Standards Council.

The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 30 April 2017.

The unaudited condensed consolidated interim financial statements are presented in United States dollars ("**US$**") which is also the functional currency of the Company, rounded to the nearest thousand US$ ("**US$'000**"), unless otherwise stated.

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost basis, except for the derivative financial instruments which are stated at their fair values.

The financial information relating to the year ended 30 April 2017 has been included in the condensed consolidated interim financial information for the six months ended 31 October 2017 as comparative information. However, the Company's independent auditor ("**Auditor**") expressed a qualified opinion ("**Qualified Opinion**") and had drawn attention to a matter by way of emphasis on those financial statements for the year ended 30 April 2017 in their report dated 1 August 2018, which is reproduced as below:

"(i) During the course of audit for the financial year ended 30 April 2017 ("**FY2017**") auditor raised concerns to management on certain documents relating to the Group's sales and purchases agreements pertaining to the same underlying transactions. Arising from auditor's 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. Due to the 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 purchase of commodities transacted through an agent appointed by the Group recorded in the consolidated financial statements of the Group for the year ended 30 April 2017 of US$101,167,143 and US$100,009,615 respectively.

This matter is qualified because of the above-mentioned events and circumstances surrounding these sales and purchases transactions. In addition, the Company's independent auditors was unable to obtain sufficient appropriate audit evidence to satisfy themselves on the completeness of the Group's sales and purchases. Consequently, the Company's independent auditor are unable to determine whether any adjustments 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 US$895,106 as recorded under trade and other payables as at 30 April 2017.

(ii) The Company's independent auditor was unable to obtain sufficient appropriate audit evidence to satisfy themselves 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 which was stated at US$54,163,550 as at 30 April 2017. Therefore, they were 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 were necessary.

(iii) The Group completed the disposal of its 50% equity interest in TIANJIN SHIFA NOVO TECHNOLOGY DEVELOPMENT LIMITED* ("**TIANJIN SHIFA**") on 27 March 2017, the date on which it ceased to be a subsidiary of the Group. Subsequent to the disposal, management represented that the Group was unable to obtain the audited financial statements of TIANJIN SHIFA for the financial period from 1 May 2016 to 27 March 2017. Accordingly, the unaudited management accounts of TIANJIN SHIFA as at 31 March 2017 were used to prepare the consolidated financial statements of the Group for the financial year ended 30 April 2017. The 11 months' financial performance and gain on disposal of TIANJIN SHIFA included in the consolidated income statement of the Group for the financial year ended 30 April 2017 amounted to US$415,543 and US$1,152,523 respectively. The Company's independent auditor was unable to obtain sufficient information and explanations to enable them 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 the consolidated financial statements of the Group. Therefore they were unable to determine whether any adjustments might be necessary.

(iv) The Company's investments in subsidiaries and amounts due from subsidiaries were carried at cost amounting to US$79,481,229 and US$31,496,647 respectively. The Company's independent auditor was 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.

(v) The Company's independent auditor issued an emphasis of matter on contingent liabilities that the Group faces claims and litigations from several contractors, suppliers, employees, bank and strategic partner.

(vi) During the financial year ended 30 April 2017, the Group incurred a net loss from continuing operations of US$11,076,003 and the Company incurred a net loss of US$1,741,510. As at 30 April 2017, the Group's current liabilities exceeded the current assets by US$22,691,922.

A subsidiary within the tinplate manufacturing segment who suspended its operations since the prior financial year ended 30 April 2015 has only resumed its operations in May 2018. The Group also breached the covenants clauses of certain borrowings and defaulted on the repayment of instalments of certain borrowings on their respective due dates during the financial year. On 18 August 2017, the Group successfully entered into a deed of assignment of loan and securities with the bank and Real Shine Capital Limited for the loans amounting to US$14,200,925 as at 30 April 2017. Pursuant to a letter dated 11 July 2018, New Page Investments Limited ("**New Page**") demanded the Group repay a total sum of US$33,248,140 on or before 1 August 2018. The Group also have several on-going litigations as at 30 April 2017.

These factors indicate the existence of material uncertainties that may cast significant doubt about the Group's and the Company's ability to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business. Nevertheless, the Directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 30 April 2017 is appropriate after taking into consideration the following factors:

(i) The immediate and ultimate holding company agrees to unconditionally provide continuous financial assistance to the Group in order to meet their obligations and to carry on their business for a period of not less than twelve months from the date of the letter of financial assistance, i.e. 10 July 2018;

(ii) The Group entered into a Subscription and Shareholders' Agreement with a Target Company to invest in the first brewery of additive-free beer in Hong Kong. The Directors believe this is a viable investment opportunity;

(iii) The banking facilities from their bankers for their working capital requirements for the next twelve months will be available as and when required; and

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

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

For these reasons, the financial statements for the six months ended 31 October 2017 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."

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those used in the most recently audited financial statements for the year ended 30 April 2017, except for the adoption of new/revised Financial Reporting Standards ("**FRS**") and interpretations of FRS ("**INT FRS**") applicable to the Group for the financial period beginning on or after 1 May 2017.

The adoption of new/revised FRS and INT FRS have no material financial impact on the financial statements for the current and prior reporting periods.

4. REVENUE

	Unaudited	
	Six months ended 31 October	
	2017	2016
	US\$'000	*US\$'000*
Sales of goods		
Sales of iron ore, steel products and coal	–	48,748
	–	48,748

There was no revenue recorded during the period ended 31 October 2017 due to (a) the Trading & Distribution business of the Group has been suspended; and (b) the Tinplate Manufacturing business which was suspended during the financial year ended 30 April 2015 has been undergoing the process of revitalization.

As at the date of this announcement ("**Announcement**"), the Tinplate Manufacturing business has resumed its operations in May 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.

5. SEGMENT INFORMATION

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

(i) Business segments

The Group has two (for the six months ended 31 October 2016: three) reportable segments as follows:

Continued operations

Trading and distribution business ("Trading & Distribution business")

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

Tinplate manufacturing business ("Manufacturing business")

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

Discontinued operations

Tinplate processing

Processing, distribution and sales of tinplate products through various types of processing (such as slitting, cutting and printing). Since 28 April 2016, the Group discontinued its tinplate processing business. As announced on 3 April 2017, the Group completed the disposal of equity in the tinplate processing segment on 27 March 2017.

5. **SEGMENT INFORMATION (CONT'D)**

(i) **Business segment (cont'd)**

For the six months ended 31 October 2017

	Continuing operations Unaudited			
	Trading & Distribution *US$'000*	Tinplate Manufacturing *US$'000*	Eliminations *US$'000*	Total *US$'000*
Segment revenue to				
– sales to external customers	–	–	–	–
– intersegment sales	–	–	–	–
	–	–	–	–
Segment results	–	–	–	–
Other income	223	1,002	–	1,225
Other costs	(2,781)	(1,396)	–	(4,177)
Finance costs	(176)	(483)	–	(659)
Loss before tax	(2,734)	(877)	–	(3,611)
Income tax credit	(7)	–	–	(7)
Loss for the period	(2,741)	(877)	–	(3,618)
As at 31 October 2017				
Assets and liabilities				
Segment assets	130,983	75,114	(134,981)	71,116
Total assets	130,983	75,114	(134,981)	71,116
Segment liabilities	42,293	85,194	(55,307)	72,180
Total liabilities	42,293	85,194	(55,307)	72,180
For the six months ended 31 October 2017				
Other segment information				
Capital expenditure	171	294	–	465
Depreciation and amortisation	63	1,028	–	1,091
Non-cash item other than depreciation and amortisation	–	(426)	–	(426)

5. SEGMENT INFORMATION (CONT'D)

(i) Business segment (cont'd)

For the six months ended 31 October 2016

	Unaudited				
	Continuing operations		Discontinued operations		
	Trading & Distribution	Tinplate Manufacturing	Tinplate processing	Eliminations	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Segment revenue to					
– sales to external customers	48,748	–	16,521	–	65,269
– intersegment sales	–	–	–	–	–
	48,748	–	16,521	–	65,269
Segment results	656	–	(42)	–	614
Other income	8,820	171	1,081	(4,804)	5,268
Other costs	(2,680)	(6,225)	(244)	4,804	(4,345)
Finance costs	(110)	(300)	(617)	–	(1,027)
Profit/(loss) before tax	6,686	(6,354)	178	–	510
Income tax credit	3	–	–	–	3
Profit/(loss) for the period	6,689	(6,354)	178	–	513
As at 31 October 2016					
Assets and liabilities					
Segment assets	178,729	90,842	31,823	(178,029)	123,365
Total assets	178,729	90,842	31,823	(178,029)	123,365
Segment liabilities	59,002	127,008	32,212	(98,685)	119,537
Total liabilities	59,002	127,008	32,212	(98,685)	119,537
For the six months ended 31 October 2016					
Other segment information					
Capital expenditure	–	12	207	–	219
Depreciation and amortisation	67	1,013	136	–	1,216
Non-cash item other than depreciation and amortisation	(4,159)	(160)	–	–	(4,319)

(ii) Geographical information

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

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

	Sales to external customers		**Non-current assets**	
	Six months ended 31 October		**As at**	
			31 October	30 April
	2017	2016	**2017**	2017
	US$'000	*US$'000*	***US$'000***	*US$'000*
	Unaudited	Unaudited	**Unaudited**	Audited
Continuing operations				
The Peoples Republic of China (the "**PRC**") (including Hong Kong)	**–**	34,994	**58,090**	56,752
Philippines	**–**	114	**–**	–
Singapore	**–**	13,640	**–**	–
	–	48,748	**58,090**	56,752
Discontinued operations				
PRC (including Hong Kong)	**–**	16,521	**–**	–
	–	65,269	**52,743**	56,752

6. OTHER INCOME

	Unaudited	
	Six months ended 31 October	
	2017	2016
	US$'000	*US$'000*
Amortisation of deferred income	**224**	160
Distribution agency income	**169**	–
Sundry income	**34**	120
Gain on disposal of property	**–**	4,159
Net foreign exchange gain	**796**	–
	1,223	4,439
Finance income		
– bank interest income	**2**	2
Total	**1,225**	4,441

7. DISTRIBUTION AND SELLING EXPENSES

	Unaudited Six months ended 31 October **2017** ***US$'000***	 2016 *US$'000*
Distribution agency fee	**–**	402
Freight charges	**–**	5
Freight insurance	**–**	4
	–	411

8. FINANCE COSTS

	Unaudited Six months ended 31 October **2017** ***US$'000***	 2016 *US$'000*
Bank charges	**6**	53
Interest on borrowings	**653**	357
	659	410

9. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before tax is stated after charging the followings:

	Unaudited Six months ended 31 October **2017** ***US$'000***	 2016 *US$'000*
Amortisation of land use rights	**1**	50
Depreciation of property, plant and equipment	**1,090**	1,080
Material costs recognised as an expense in cost of sales	**–**	48,092
Rental expenses	**383**	358
Staff costs (including directors' emoluments)	**1,579**	1,351
Net foreign exchange (gains)/losses	**(796)**	85
Written off of property, plant and equipment	**46**	–

10. INCOME TAX

	Unaudited	
	Six months ended 31 October	
	2017	2016
	US$'000	*US$'000*
Income tax expenses/(credit) attributable to loss is made up of:		
Under/(over) provision of current income tax in respect of previous financial years:		
– Singapore	**7**	(3)
	7	(3)

(a) Tax on profits assessable in Singapore has been calculated at 17% for the six months ended 31 October 2017 (six months ended 31 October 2016: 17%).

(b) No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived in Hong Kong for the six months ended 31 October 2017 and 2016. The Hong Kong profit tax rate is 16.5% (six months ended 31 October 2016: 16.5%).

(c) No provision for the PRC enterprise income tax has been made as the Group had no assessable profit derived in the PRC for the six months ended 31 October 2017. The PRC enterprise income tax rate is 25% (six months ended 31 October 2016: 25%).

(d) Pursuant to the rules and regulations of the British Virgin Islands and Dubai United Arab Emirates, the Group is not subject to any income tax in these jurisdictions.

11. EARNINGS/(LOSS) PER SHARE

From continuing and discontinued operations

Basic and diluted earnings/(loss) per share are calculated based on the Group's profit/(loss) for the period attributable to the equity holders of the Company divided by the weighted average number of ordinary shares outstanding during the end of reporting periods.

	Unaudited Six months ended 31 October	
	2017	2016
	US$'000	*US$'000*
Profit/(loss) for the period attributable to equity holders of the Company	**(3,492)**	488

	Unaudited Number of ordinary shares	
	'000	*'000*
Weighted average number of ordinary shares	**186,272**	181,144

There were no potentially dilutive ordinary shares in existence during the six months ended 31 October 2017 and 2016 and therefore the diluted earnings/(loss) per share amounts for those periods were the same as the basic earnings/(loss) per share amounts.

From continuing operations

The calculation of the basic and diluted earnings/(loss) per share from continuing operations attributable to equity holders of the Company is based on the following data.

	Unaudited Six months ended 31 October	
	2017	2016
	US$'000	*US$'000*
Profit/(loss) for the period attributable to equity holders of the Company	**(3,492)**	488
Less: Profit for the period from discontinued operations attributable to equity holders of the company	**–**	89
Profit/(loss) for the purpose of basic earnings/(loss) per share from continuing operations attributable to equity holders of the Company	**(3,492)**	399

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

From discontinued operations

As announced on 3 April 2017, the Group had completed the disposal of 50% of the equity interest in the discontinued operating segment on 27 March 2017.

Basic and diluted earnings per share for the discontinued operations is based on the profit for the six months ended 31 October 2016 from the discontinued operations attributable to equity holders of the Company of US$89,244 and the denominators detailed above for both basic and diluted earnings per share.

12. DIVIDEND

No interim dividend was declared by the Directors for the six months ended 31 October 2017 and 2016.

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 October 2017, the Group acquired approximately US$197,000 (2016: US$12,000) of property, plant and equipment.

The Auditor expressed Qualified Opinion on the value of the Group's property, plant and equipment as at 30 April 2017 in their report to the members of the Company dated 1 August 2018.

The Auditor was unable to obtain sufficient appropriate audit evidence to satisfy themselves 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 which was stated at US$54,163,000 as at 30 April 2017. Therefore, they were 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 were necessary.

14. TRADE AND OTHER RECEIVABLES

	Unaudited As at 31 October 2017 *US$'000*	Audited As at 30 April 2017 *US$'000*
Advance payment to suppliers	**–**	2
Trade and bills receivables	**115**	111
	115	113
Deposits	**604**	254
Prepayments	**618**	744
Value-add tax and other receivables	**6,373**	4,424
	7,595	5,422
Total gross receivables	**7,710**	5,535
Less: allowance for impairment of other receivables	**–**	–
	7,710	5,535

As at 31 October 2017, trade and bills receivables which amounted to US$115,000 (amount same as at 30 April 2017 (audited): approximately US$111,000) were pledged as securities for banking facilities granted to the Group.

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

The ageing analysis of trade and bills receivables and other receivables based on delivery date is as follows:

	Unaudited As at 31 October 2017	Audited As at 30 April 2017
	US$'000	*US$'000*
Not past due and not impaired	**823**	822
Past due but not impaired:		
0 to 1 months	–	–
More than 1 month to 3 months	**29**	29
More than 3 months to 12 months	**–**	82
More than 12 months	**85**	64
Amount past due but not impaired	**114**	175
	937	997

15. TRADE AND OTHER PAYABLES

	Unaudited As at 31 October 2017 ***US$'000***	Audited As at 30 April 2017 *US$'000*
Trade and bills payables	**296**	250
Sales deposits received	**12**	410
Accrued operating expenses	**4,820**	4,437
Other payables	**5,127**	4,417
Other payables for property, plant and equipment	**2,476**	2,427
Amounts due to immediate and ultimate holding company *(Note)*	**2,731**	2,673
Amounts due to a director *(Note)*	**3,606**	1,328
Amounts due to a related party *(Note)*	**4**	4
	19,072	15,946

Note: The amounts payable to immediate and ultimate holding company and a director and related party are unsecured, interest free and repayable on demand.

The ageing analysis of trade and bills payables to banks, based on invoice date, is as follows:

	Unaudited As at 31 October 2017 ***US$'000***	Audited As at 30 April 2017 *US$'000*
0 to 3 months	**–**	–
More than 3 months to 6 months	**–**	–
More than 6 months to 12 months	**–**	–
More than 12 months	**296**	250
	296	250

16. BORROWINGS

	Unaudited As at 31 October 2017 *US$'000*	Audited As at 30 April 2017 *US$'000*
Non-current liabilities		
Loans from a related party	**–**	150
Loans from former immediate and ultimate holding company	**–**	29,513
Other borrowings	**1,838**	3,638
	1,838	33,301
Current liabilities		
Bank loan	**14,201**	14,201
Revolving credit facility	**2,406**	2,321
Loans from a director	**458**	331
Loans from a related party	**150**	–
Loans from former immediate and ultimate holding company	**30,389**	739
Other borrowings	**3,600**	1,800
	51,204	19,392
Total	**53,042**	52,693

The borrowings classified under current liabilities as at 31 October 2017 and 30 April 2017 are repayable within one financial year from the end of the reporting period.

The Group's bank loan granted to one of the subsidiaries in the PRC is secured by way of:

(i) Legal pledge of equity interest agreement, escrow account agreement, insurance agreement and receivables agreements;

(ii) Legal pledge of land use right, construction in progress, building and plant and machinery;

(iii) Share charge on a subsidiary; and

(iv) Floating mortgage.

The revolving credit facility is secured by legal mortgages over the leasehold buildings of certain PRC subsidiaries. Subsequent to the reporting period, the bank has extended the repayment term of the outstanding amount of the revolving credit facility to 20 February 2019.

Loans from a director are unsecured, interest-free and repayable within one financial year from the end of the reporting period (as at 30 April 2017: repayable within one financial year from the end of the reporting period).

Loans from a related party are unsecured and repayable on 1 August 2018 (as at 30 April 2017: 1 August 2018).

Loans from former immediate and ultimate holding company are unsecured and interest-free. The non-current loans are repayable on 1 August 2018 (as at 30 April 2017: 1 August 2018). The current loans are repayable within one financial year from the end of the reporting period.

Other borrowings comprise import and export credit facility from a strategic partner to facilitate the working capital requirement of the Group. On 18 March 2016, the strategic partner filed a claim against Novo Commodities Limited, a wholly-owned subsidiary of the Company for the breach of a repayment agreement signed in June 2015 specifying that the borrowings were to be repaid in full by 20 December 2015. On 27 April 2017, the High Court in Hong Kong issued a consent order for both parties to settle the legal dispute according to a deed of settlement dated 4 February 2017. The settlement schedule of the other borrowings are as follows:

(i) US$2,700,000 to be paid by 3 equal half-yearly instalments on or before 30 June 2017, 31 December 2017 and 30 June 2018, respectively;

(ii) US$1,800,000 to be paid by 2 equal half-yearly instalments on or before 31 December 2018 and 30 June 2019, respectively; and

(iii) US$940,000 to be paid on or before 31 December 2019, respectively.

Default and breaches

(i) Bank loan

During the financial year, the Group has breached certain covenants clauses in the loan agreement, including but not limited to the financial condition, financial testing, financial covenants and etc. In addition, the Group has failed to make payments of certain instalments of the bank loan on their respective due dates.

On 27 March 2017, the Group received a notice from the Intermediate People's Court of Taizhou City, Jiangsu province, the PRC informing Novowell ETP Limited* ("**NWETP**") a PRC subsidiary that an application had been received to wind up the PRC subsidiary due to its inability to settle the outstanding bank loan due to China Citic Bank International Limited (the "**Bank**"). The total bank loan outstanding amounting to US$14,201,000 (30 April 2017: US$14,201,000,000) is presented as current liabilities as at 31 October 2017. As at the date of this Announcement, the Group has not made any repayment of the outstanding bank loan and management is in negotiations with the bank on the refinancing of the bank loan.

On 18 August 2017, the Bank, Real Shine Capital Limited ("**RSCL**") and the Group entered into a deed of assignment of loan and securities, pursuant to which the Bank agreed to assign to RSCL and RSCL agreed to accept the assignment of the aggregate principal amount and interest thereon owing by the Group to the Bank from time to time under the banking facilities and all securities (the "**Loan**") provided to the Bank pursuant thereto.

On 18 August 2017, the Company was informed by RSCL that the Bank has made an application to the Intermediate People's Court of Taizhou City to withdraw to winding-up petition and/or application against the Group. Subsequently the Intermediate People' Court of Taizhou City has approved the withdrawal pursuant to an order made on 5 September 2017.

Please see more details in Notes 20 and 22 to the condensed consolidated interim financial statements of this Announcement.

(ii) Loans 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**") 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 USD33,248,000, 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**").

As at the date of this Announcement, the Group is in the course of seeking professional advices in relation to the matters mentioned in the Letter and further announcements will be made as and when appropriate by the Company.

17. SHARE CAPITAL

	Number of shares	Amount
		US$
Authorised, issued and fully paid share capital		
At 1 May 2016	170,804,269	32,238,531
Issuance of new shares pursuant to share placement	20,680,000	6,151,209
At 30 April 2017 (Audited) and 31 October 2017 (Unaudited)	191,484,269	38,389,740

On 1 August 2016, the Company issued and allotted 20,680,000 ordinary shares of HK$2.32 per ordinary share for total consideration of HK$47,977,600 or US$6,151,209. The newly issued shares rank pari passu in all respects with existing ordinary shares of the Company.

All issued shares are fully paid ordinary shares with no par value.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

18. PLEDGE OF ASSETS

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

	Unaudited As at 31 October 2017	Audited As at 30 April 2017
	US$'000	*US$'000*
Leasehold land and buildings	**5,406**	5,321
Construction work in progress	**3,180**	2,987
Plant and machinery	**44,335**	43,631
Furniture, fixture and computer equipment	**102**	99
Motor vehicles	**6**	6
Land use rights	**2,658**	2,584
Trade and bills receivables	**115**	111
Others*	**22,466**	21,118
	78,268	75,857

* Others consist of a floating charge over the remaining units of a subsidiary.

19. CAPITAL COMMITMENTS

(a) Capital commitments

Capital commitments not provided for in the financial statements:

	Unaudited	Audited
	As at	As at
	31 October	30 April
	2017	2017
	US$'000	*US$'000*
Expenditure for property, plant and equipment contracted for	**9.911**	7,844

(b) Operating lease commitments

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

	Unaudited	Audited
	As at	As at
	31 October	30 April
	2017	2017
	US$'000	*US$'000*
Not later than one financial year	**793**	283
Later than one financial year but not later than five financial years	**507**	69
	1,300	352

20. CONTINGENT LIABILITIES

Contingent liabilities of which the probability of settlement is not remote at the end of the reporting period, are as follows:

(i) Several contractors/suppliers/employees had made claims against NWETP for outstanding payable sum (including legal fees) totalling RMB25.13 million (approximately US$3.65 million). The total claims (including legal fees) were adequately accrued for under trade and other payables. At 30 April 2016, inventories with net carrying amount of US$188,536 was frozen by the People's Court of Xinghua City. A deposit of US$928,980 was also set aside as guarantee deposit by the People's Court of Xinghua City and Xinghua City Municipal Finance Bureau.

During FY2017, the guarantee deposit was fully utilised to settle the Group's debts owing to several contractors/suppliers/employees. During the current financial period, the above inventories and certain land use rights of the Group have been disposed of by the People's Court of Xinghua City. The proceeds from disposal were kept by the People's Court of Xinghua City. In January 2018, the proceeds has been distributed to certain contractors/suppliers/employees.

Subsequent to period end, NWETP entered into settlement agreements with 47 contractors/suppliers/employees, which reduced the claim against NWETP from RMB25.13 million to RMB17.40 million. Approximately RMB14.78 million would be paid to contractors/suppliers/employees. A gain of approximately RMB7.5 million from the settlement of the litigations and would be recognized in second half of FY2018.

(ii) On 18 March 2016, Novo Commodities Limited ("**NCL**") has received a Writ of Summons under an action commenced in the High Court of Hong Kong with respect to the outstanding other borrowings of US$10,940,000 (2017 and 2016: US$10,940,000) provided by a strategic partner. The strategic partner claimed against NCL for the breach of a repayment agreement signed in June 2015, in which the outstanding other borrowings were not repaid in full by 20 December 2015. Accordingly, the strategic partner demanded for the repayment of the outstanding other borrowings of US$10,940,000 together with the accrued interests. The accrued interests has been accrued for under accrued operating expenses as at the end of the reporting period.

On 27 April 2017, the High Court of Hong Kong ordered that all further proceedings in respect of the other borrowings be stayed upon the terms set out in a settlement agreement entered into between NCL and the strategic partner dated 4 February 2017 ("**Deed of Settlement**"). Pursuant to the Deed of Settlement, the strategic partner agreed to accept the sum of US$10,940,000 as full and final settlement of its claim against NCL. NCL has paid to the strategic partner a total amount of US$5,500,000 during the financial year ended 30 April 2017. Under the Deed of Settlement, NCL shall settle the remaining balance of US$5,440,000 in six equal half-yearly instalments with the first and the last instalments payable on or before 30 June 2017 and 31 December 2019, respectively. Interest shall accrue and be payable on US$5,440,000 at the rate of 6% per annum from 1 January 2017.

Subsequent to the end of the reporting period, the Group has not made payment of the principal repayments totaling US$2,700,000 in their respective due dates which is due on or before 30 June 2018.

As at the date when these financial statements were approved for issue by the Board of Directors, the management is in negotiations with the strategic partner on the revised repayment terms of the outstanding other borrowings at 31 October 2017.

(iii) On 6 September 2016, China CITIC Bank International Limited (the "**Bank**") through its solicitor, issued a demand letter to NWETP claiming for immediate repayment for an aggregate amount of US$14,308,992, which includes the outstanding principal and accrued interests, in respect of the banking facilities granted by the Bank to NWETP. The Bank's legal advisers on 25 November 2016, informed the Group that an application has been submitted to the Intermediate People's Court of Taizhou City, Jiangsu Province, the PRC to wind up NWETP and to repay and settle all outstanding liabilities under the banking facilities in accordance with the applicable laws. The total outstanding bank loan was recorded US$14,201,000 (30 April 2017: US$14,201,000) under borrowings (Note 16).

On 18 August 2017, the Bank, Real Shine Capital Limited ("**RSCL**") and NWETP entered into a deed of assignment of loan and securities (the "**Assignment**"), pursuant to which the Bank agreed to assign to RSCL and RSCL agreed to accept the assignment of the aggregate principal amount and interest thereon owing by NWETP 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 NWETP, and upon making such application, the Bank shall notify RSCL in writing and provide a copy of the relevant application documents to RSCL. The Company was informed by RSCL on 18 August 2017 that such application for withdrawal has been delivered by the Bank to the Intermediate People's Court of Taizhou City on 14 August 2017. Subsequently, the Intermediate People's Court of Taizhou City has approved the withdrawal pursuant to an order made 5 September 2017.

On 13 November 2017, RSCL and the Group entered into a deed of settlement, pursuant to which RSCL agreed with the Group to settle the outstanding bank loan in the following manner.

(i) NWETP shall pay to RSCL a sum of HK$21,200,000 (approximately US$3.1 million) within seven days after the date of the Deed of Settlement; and

(ii) NWETP shall pay to RSCL the balance of HK$15,000,000 (approximately US$2.2 million) in four instalments of HK$3,750,000 (approximately US$0.55 million) 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 (approximately US$0.65 million), HK$3,890,625 (approximately US$0.56 million), HK$3,843,750 (approximately US$0.56 million and HK$3,796,875 (approximately US$0.55 million), respectively.

Upon full payment of the Indebtedness made by NWETP in accordance with Deed of Settlement, RSCL shall irrevocably, unconditionally and absolutely releases and discharges NWETP 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.

(iv) On 27 March 2017, the Group completed the disposal of TIANJIN SHIFA, the date which TIANJIN SHIFA ceased to be a subsidiary of the Group. However, a contractor is making claim of overdue construction costs amounting to US$246,868 or RMB1,701,684 against TIANJIN SHIFA and initiated a legal action in the People's Court of Tianjin on 30 March 2017. Pursuant to the addendum to the equity transfer agreement signed, the Group has agreed to set aside and deposited an amount of US$246,868 or RMB1,701,684 out of the total proceeds from the disposal into a notary account under custody of Tianjin City He Xi Notaries.

The legal adviser advised that there are reasonable grounds of defence but subject to decision by the People's Court of Tianjin.

The management is of the view that no further provision is necessary for any of the legal cases described above having considered the status of the legal cases and the opinions obtained from the legal advisers.

21. RELATED PARTY TRANSACTIONS

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

		Unaudited Six months ended 31 October	
		2017	2016
	Note	***US$'000***	*US$'000*
Sales of goods to a related party	*(i)*	**–**	15,246
Loan interest paid/payable to a related party	*(ii)*	**6**	22
Loan interest paid to former immediate and ultimate holding company	*(ii)*	**–**	349
Waiver of loan from former immediate and ultimate holding company		**–**	641

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

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

For the six months ended 31 October 2017, the Company's subsidiaries entered into sales agency agreements and a LC agency agreement with Novostal Limited ("**NSL**") for certain sales and purchase transactions relating to the conduct of the Group's sale of commodities (the "**Transactions**"). NSL entered into these Transactions as sales and LC financing agent on behalf of the Company's subsidiaries. NSL is a company incorporated in Hong Kong, in which Mr. Yu Wing Keung, a former director of the Company is the ultimate beneficial owner.

Note:

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

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

	Unaudited Six months ended 31 October	
	2017	2016
	US$'000	*US$'000*
Directors' fees	**49**	165
Salaries and bonuses	**163**	229
Contributions to defined contribution plans	**2**	5
	214	399

22. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

(i) On 13 November 2017, RSCL and the Group entered into a deed of settlement, pursuant to which RSCL agreed with the Group to settle the outstanding bank loan in the following manner.

– NWETP shall pay to RSCL a sum of HK$21,200,000 (approximately US$3.1 million) within seven days after the date of the Deed of Settlement; and

– NWETP shall pay to RSCL the balance of HK$15,000,000 (approximately US$2.2 million) in four instalments of HK$3,750,000 (approximately US$0.55 million) 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 (approximately US$0.65 million), HK$3,890,625 (approximately US$0.56 million), HK$3,843,750 (approximately US$0.56 million and HK$3,796,875 (approximately US$0.55 million), respectively.

Upon full payment of the Indebtedness made by NWETP in accordance with Deed of Settlement, RSCL shall irrevocably, unconditionally and absolutely releases and discharges NWETP 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.

The implication of the above arrangement will result in a de-recognition of bank loan in the balance sheet of the Group with a gain of approximately US$9 million in the second half of FY2018.

(ii) On 6 February 2018, the Company filed a report with Hong Kong Police, as certain books and records of the Group are missing, destroyed and cannot be located. In the meantime, the Company will not be in a position to accurately ascertain nor evaluate the potential impact of loss until Hong Kong Police has investigated and ascertained the facts surrounding the books and records which are missing, destroyed and cannot be located.

(iii) 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) a total sum of US$33,248,130, being the aggregate outstanding amount due from the Relevant Subsidiaries to New Page pursuant to various loan agreements entered into between each of the Relevant Subsidiaries and New Page between 2015 and 2016 (and as extended by various extension letters in 2017) (the "**Loan Agreements**").

The Group is in the course of seeking professional advices in relation to the matters mentioned in the Letter.

23. RECONCILIATION BETWEEN SFRSs AND INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

For the six months ended 31 October 2017, there were no material differences between the consolidated financial statements of the Group prepared under SFRSs and IFRSs (which include all IFRS, International Accounting Standards and Interpretations).

INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 31 October 2017 and 31 October 2016.

BUSINESS REVIEW

For the six months ended 31 October 2017 (the "**1HFY2018**"), the Group was principally engaged in:-

(a) trading of iron ore, coal and steel products across the globe ("**Trading segment**"); and

(b) tinplate manufacturing ("**Manufacturing segment**").

FINANCIAL REVIEW

Revenue and gross profit

There was no revenue recorded during the period ended 31 October 2017 ("**1HFY2018**") due to (a) the Trading & Distribution business of the Group has been suspended; and (b) the Tinplate Manufacturing business which was suspended during the financial year ended 30 April 2015 has been undergoing the process of revitalization.

As at the date of this Announcement, the tinplate manufacturing business has resumed its operations is May 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 period was US$1.2 million, comprised of exchange gain approximately of US$0.8 million and amortization of deferred income of US$0.2 million.

Distribution and selling expenses

There was no distribution and selling expenses for the period incurred as a result of the suspension of the Group's trading business.

Administrative expenses

Administrative expenses for 1HFY2018 and 1HFY2017 remained stable. Due to the nature of the expenses, most of spending could not be decreased in proportion to the decrease in revenue.

Finance costs

Finance costs increased by US$249,000 for 1FY2018 compared to 1HFY2017. The increase was due to the interest accrual of US$190,000 for a long-term borrowing pursuant to a deed of settlement entered by the Group and the strategic partner on 4 February 2017.

Review of financial position and cash flow

In the face of the cash flow shortage, the Group has adopted a conservative and prudent approach to manage its business. During the year ended 30 April 2017 (the "**FY2017**"), the Group has repaid most of its bank loans to reduce borrowing interest burden while going on running the core business efficiently. The amount of total borrowings increased slightly from US$52.7 million to US$53.0 million for the period ended 30 October 2017.

Trade and other receivables

Trade and other receivables increased to US$7.7 million as at 31 October 2017 from approximately US$5.5 million as at 30 April 2017, an increase of US$2.2 million by approximately 39%. The increase in receivables was due to (a) a 4% appreciation of RMB to USD as at 31 October 2017 compared to 30 April 2017; (b) approximately US$640,000 deposits for purchasing of plant and machinery and (c) receivable for the VAT refund.

Trade and other payables

Trade and other payables increased to US$19.1 million as at 31 October 2017 from approximately US$15.9 million as at 30 April 2017, an increase of US$3.2 million by approximately 20%. The increase in payables was mainly due to (a) a 4% appreciation of RMB to USD as at 31 October 2017 compared to 30 April 2017; and (b) increase in advances from a director.

Borrowings

The loans from a former immediate and ultimate holding company, as brought forward items, are unsecured and interest-free. The loans were supposed to be repayable by 1 August 2018 and thus have been reclassified from non-current to current liabilities during the period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's total borrowings increased slightly from US$52.7 million as at 30 April 2017 to US$53.2 million as at 31 October 2017. The Group was at net liabilities situation and has been relying on the financial support from the Golden Star and Mr. Zhu Jun, the ultimate controlling party of the Group.

FUTURE PROSPECTS

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

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. As at the date of this Announcement, the Tinplate Manufacturing business has resumed production in May 2018.

In spite of the temporarily suspension of operation of the Taizhou Factory, 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 and Distribution business, which is under suspension, should market and economic conditions prevail.

The Group announced on 20 July 2017 the investment in Organic Beer Hong Kong Limited ("**OB**") by subscribing new issued shares of OB with a cash consideration of HK$8 million (approximately US$1.0 million) for 60% rights. The subscription was completed on 8 September 2017. OB is preparing to be the first brewery of additive-free beer in Hong Kong. The Group is fostering this viable start-up investment for potential new source of revenue and profit in future.

The Group will actively explore and identify more meaningful investment and other business opportunities.

EMPLOYEES AND REMUNERATION POLICIES

The Group had employed approximately 147 employees in Hong Kong and the PRC as at 31 October 2017. Employee costs, excluding directors' emoluments, were approximately US$1,365,000 million for the six months ended 31 October 2017 (six months ended 31 October 2016: US$952,000). 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 operates a defined contribution mandatory provident fund retirement benefits scheme for its employees in Hong Kong. The Group did not experience any significant labour disputes that led to any disruption of its normal business operations.

MAJOR CORPORATE EVENTS

Continued suspension of trading

Trading in the shares of the Company on HKEx 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 HKEx.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 October 2017.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to fulfilling its responsibility to its shareholders and protecting and enhancing shareholder value through solid corporate governance. During the six months ended 31 October 2017, the Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the HK Listing Rules.

During the period ended 30 October, 2017, 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. The Company is currently identifying a suitable candidate as the new CEO and will provide update, as appropriate.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has established written guidelines on terms no less exacting than the requirements under the Main Board rules of the listing manual of the SGX-ST and the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the HK Listing Rules as the code of conduct regarding Directors' securities transactions. Following specific enquiries by the Company, all the Directors have confirmed that they complied with the required standard set out in the Model Code and its code of conduct regarding Directors' securities transactions during the six months ended 31 October 2017.

REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements has not been reviewed by the Company's independent auditor.

The audit committee of the Company has reviewed the Group's unaudited consolidated interim results for the six months ended 31 October 2017, including the accounting principles and practices adopted by the Group, and has discussed and reviewed the financial reporting matters.

PUBLICATION OF THE RESULTS ANNOUNCEMENT

This Announcement will be published on the websites of the Company (www.yorkshinegroup.com), SEHK (www.hkex.com.hk) and SGX–ST (www.sgx.com).

INTERIM REPORT

The interim report of the Company for the six months ended 31 October 2017 will be despatched to the shareholders of the Company and available on the respective websites of the SEHK, SGX–ST and the Company in due course.

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

Hong Kong, 4 October 2018

As at the date of this announcement, the Board comprises two executive Directors, being Mr. Zhu Jun (Executive Chairman) and Ms. Wang Jianqiao; 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.