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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

FURTHER ANNOUNCEMENT ON APPOINTMENT OF INDEPENDENT PROFESSIONAL ADVISER

This announcement is made by YORKSHINE HOLDINGS LIMITED (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 31 July 2017, 14 August 2017 and 24 August 2017 (the “**Announcements**”), regarding, among others, the appointment of PricewaterhouseCoopers Consulting (Singapore) Pte Ltd (“**PwC**”) to conduct an independent review into the facts and circumstances surrounding certain sales and purchases agreements, their veracity and impact on the Group’s financial statements (the “**Review**”). Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Company would like to inform its Shareholders that it is currently expected that the Review to be conducted by PwC would take approximately three weeks to complete. Set out below is a summary of the scope of the Review:

PHASE 1 – DOCUMENTS REVIEW OF TRADING OPERATIONS AND INTERVIEW

1. (a) Obtain an understanding of the Group’s processes in relation to its trading operations and its established internal controls procedures surrounding the sales, contracting and use of financing agent(s).

- (b) Review the two sets of sales and purchase agreements provided by the Company to the Auditor and establish the facts and circumstances surrounding these contracts.
- (c) Review the underlying contracts and supporting documents in relation to the agreement and trace all such transactions to determine if these are properly supported.
- (d) Conduct interviews with the Auditor, senior management of the Company and other employees, the agent(s), suppliers as well as the end customers, as necessary.
- (e) Identify any failures in governance and internal controls processes and recommend remediation actions, where applicable.
- (f) Highlight any potential breaches to listing rules, where applicable.
- (g) Attend update meetings with the audit committee of the Company (the “**Audit Committee**”) or the Singapore Exchange Securities Trading Limited (the “**SGX**”) or The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), if necessary.

2. Perform electronic email reviews for selected individuals, if necessary.

PHASE 2 – ADDITIONAL FOLLOW UP WORK

Based on PwC’s findings in Phase 1, the Company may require PwC to perform additional work as agreed with the Audit Committee or directed by the SGX or the Hong Kong Stock Exchange. Such additional work may include:

- (i) further interviews with identified person(s) involved; and
- (ii) assessing impact and financial implication of any other transactions involving the identified person(s).

Further announcement(s) will be made by the Company as and when appropriate.

Trading of the shares of the Company on the Hong Kong Stock Exchange will remain suspended until further notice.

By order of the Board
YORKSHINE HOLDINGS LIMITED
Zhu Jun
Executive Chairman and Executive Director

Hong Kong, 28 August 2017

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

* *For identification purpose only*