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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**

### **UPDATE ON CONTINGENT LIABILITIES**

Reference is made to the annual report of YORKSHINE HOLDINGS LIMITED (the “**Company**”, and together with its subsidiaries, the “**Group**”) for the financial year ended 30 April 2016 published on 30 August 2016 (the “**2016 Annual Report**”).

The board of directors (“**Board**”) of the Company wishes to provide an update on the Group’s contingent liabilities arising from litigation matters concerning the Group.

It was disclosed in Note 30(C) of the Company’s 2016 Annual Report that the contingent liabilities of the Group for the financial year ended 30 April 2016 (“**FY2016**”) included:

- (a) Claims by several contractors, suppliers and employees for alleged outstanding sums payable, totaling approximately RMB12.39 million or US\$1.92 million, which were accrued for in FY2016 under trade and other payables;
- (b) Inventories with net carrying amount of US\$188,536 was frozen by 興化市人民法院 (the People’s Court of Xinghua City, Jiangsu Province, the People’s Republic of China\*);
- (c) Deposit of US\$928,980 was set aside as a guarantee deposit by 興化市人民法院 (the People’s Court of Xinghua City, Jiangsu Province, the People’s Republic of China\*) (“**Deposit**”); and
- (d) Claim by Minmetals, Inc for the alleged outstanding amount under a repayment agreement dated 3 June 2015, totaling US\$10,938,453 (“**Minmetals Case**”), which was also announced by the Company on 21 March 2016.

With regard to paragraph (a) above, a land use right which was pledged by the Group as part of a guarantee for certain legal proceedings against it was auctioned off at approximately RMB3.33 million or US\$0.51 million, pursuant to a court order by 興化市人民法院 (the People's Court of Xinghua City, Jiangsu Province, the People's Republic of China\*).

With regard to paragraph (b) above, the inventories which were frozen by 興化市人民法院 (the People's Court of Xinghua City, Jiangsu Province, the People's Republic of China\*) in connection with certain legal proceedings were sold in January 2017 at the court's direction at approximately RMB1.90 million or US\$0.29 million, and the proceeds from the sale of these inventories are kept by the court and have yet to be distributed.

With regard to paragraph (c) above, the Deposit has been fully distributed to 18 creditors as at the date of this announcement.

With regard to paragraph (d) above, the Company had released a further announcement on 27 April 2017 updating its shareholders that parties had entered into a settlement agreement as full settlement of the claim by Minmetals, Inc against the Group, and the Court of First Instance, High Court of Hong Kong had ordered all further proceedings in respect of the Minmetals Case to be stayed.

Subsequent to the publication of the Company's 2016 Annual Report, additional parties have made further claims against the Group. Hitherto, the Group has also entered into settlement arrangements or otherwise resolved by way of litigation proceedings certain claims made against the Group.

The Board wishes to update its shareholders that, as at the date of this announcement, the total value of claims from ongoing legal proceedings commenced against the Group, which have not been recognized in the audited financial statements for FY2016, is currently estimated to be approximately RMB4.40 million or US\$0.67 million. These claims represent contingent liabilities of which the probability of settlement is not remote.

Shareholders of the Company are advised to exercise caution when dealing in the shares of the Company.

The Company will make further announcements, as may be appropriate, when there are material developments in the matter.

*In this announcement, amounts denominated in RMB have been converted to US\$ at the rate of US\$1 = RMB0.15210. Such exchange rate is for illustration purpose only and does not constitute representations that any amount in RMB or US\$ has been, could have been or may be converted at such rate.*

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

Hong Kong, 22 September 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*