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YORKSHINE HOLDINGS LIMITED

煜新控股有限公司*

(incorporated in the Singapore with limited liability)

(Company Registration No. 198902648H)

Hong Kong Stock Code: 1048

Singapore Stock Code: MR8

UPDATES ON THE STATUS OF FULFILLMENT OF RESUMPTION CONDITIONS AND BUSINESS OPERATION

This announcement (“**Announcement**”) is made by Yorkshine Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the Company’s announcements dated 1 August 2017, 30 October 2017, 26 July 2018, 31 July 2018, 18 September 2018, 21 September 2018, 25 October 2018, 9 November 2018, 15 November 2018, 29 November 2018, 30 November 2018, 20 February 2019, 6 March 2019, 21 March 2019 and 16 April 2019 relating to amongst others, the conditions for resumption of trading of the shares of the Company (the “**Resumption Conditions**”) and updates on the Company’s resumption plan and business operations.

UPDATES ON FULFILLMENT OF RESUMPTION CONDITIONS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to update the shareholders of the Company (the “**Shareholders**”) on the current status of the fulfillment of the resumption conditions on the Stock Exchange as set out in the announcements of the Company dated 30 October 2017, 18 September 2018 and 30 November 2018, respectively.

1. Address audit issue and findings of the independent review, publish outstanding financial results and address any audit qualifications

The Company has published the annual results for the year ended 30 April 2018 (“FY2018”) on 16 April 2019.

The audit qualified opinion in connection with the balances for both (a) property, plant and equipment; and (b) investments in subsidiaries and amount due from subsidiary for the current financial year FY2018 are no longer exist.

During FY2018, the following impairment losses have been recognized on:

- (i) property, plant and equipment amounting to US\$11,720,000 in the Group’s profit or loss; and
- (ii) investments in subsidiaries and amount due from subsidiary amounting to US\$79,460,000 and US\$31,497,000 respectively in the Company’s profit or loss.

The opening balances for FY2018 (i.e. as at 1 May 2017) and the comparative figures disclosed in these consolidated financial statements are based on the consolidated financial statements of the Group for the previous financial year ended 30 April 2017, on which the independent auditor has expressed a qualified opinion in the independent auditor’s report dated 1 August 2018. Consequently, the independent auditor is unable to determine whether any adjustments might be necessary to the profit or loss for the current year and opening accumulated losses as at 1 May 2017 of the Group and the Company. The opinion of the independent auditor on the FY2018 financial statements is also modified because of the possible effect of the above matters as well as the other matters as described in the Company’s announcement dated 16 April 2019 entitled “Qualified Opinion by Auditors in respect of Financial Statements for Financial Year Ended 30 April 2018”.

The Company has started to prepare the interim results for the six months ended 31 October 2018 (“1H-FY2019”) and expects to publish the 1H-FY2019 results in or around mid-May 2019. The Company is committed to publish the annual results for the year ending 30 April 2019 (“FY2019”) on or before 31 July 2019 in compliance with Rule 13.49(1) of the Listing Rules.

2. Demonstrate adequate internal control systems

As disclosed in the Company's announcement dated 6 March 2019, the Company and SHINEWING Risk Services Limited ("**Shinewing**") entered into a supplemental letter, pursuant to which the Company engages Shinewing to enlarge the scope of the internal control review to cover the trading and distribution of iron ore, coal and steel products business of the Group (the "**Enlarged Scope**"). The Enlarged Scope (the "**IC Report**") has been made available by Shinewing to the Company by the end of March 2019 and the final IC Report was issued and published on 16 April 2019. Based on Shinewing's review in March 2019, Shinewing noted that the Group has adopted internal control measures/actions to remedy the previously identified internal control issues. Please refer to the Company's announcement dated 16 April 2019 entitled "Updates on Recent Development" for further details.

3. Demonstrate sufficient operations/assets

The Group continues to secure sales orders for its tinplate manufacturing business. As of the date of this announcement, the Group has secured sales orders of at least 8,000 tonnes in an aggregate contract sum of at least RMB40 million from more than 10 customers. The Group expects to deliver such products to its customers within the next three to six months.

As disclosed in the Company's final result announcement for the year ended 30 April 2018 published on 16 April 2019, the Group recorded net liabilities of US\$9,563,000 as at 30 April 2018. There are several subsidiaries within the Group which have been inactive for more than a year, some of which are also in a net liability position. In order to streamline the group structure and improve the overall financial position of the Group, the Group has transferred two subsidiaries to a company which is wholly-owned by Mr. Zhu Jun, the executive Chairman and executive Director, and also the controlling shareholder of the Company, on 15 April 2019 (the "**Disposals**"). The Disposals are collectively expected to have a positive effect on the financial performance of the Group as the liabilities of the two subsidiaries would not be consolidated into the accounts of the Group after completion of the Disposals. Approximately US\$36.8 million net liabilities will be taken out from the Group and the Group's financial position will turn back to net assets for the coming FY2019. Please refer to the Company's announcement dated 16 April 2019 entitled "Updates on Recent Development" for further information.

The Board will continue to review and assess the group structure and the overall financial position of the Group and carry out further restructurings, if necessary.

4. Demonstrate the fulfillment of the duties of skill, care and diligence by directors

In order to enhance Board diversity, the Board has appointed Mr. Lei Yonghua (“**Mr. Lei**”) as an executive Director of the Company with effect from 21 March 2019. Mr. Lei has 15 years of experience in tinplate business, which is the major business of the Group. Mr. Lei will oversee the Group’s tinplate business. Please refer to the announcement of the Company dated 21 March 2019 for further details.

To strengthen the Board and further enhance the corporate governance expertise within the Board, the Board is in the process of identifying a suitable candidate to act as the chief executive officer of the Company. The Board is also considering the appointment of additional independent non-executive Directors. The Board expects to finalize the foregoing appointments by early June 2019.

The Company will be very selective to bring in well-qualified new members to achieve proper board diversity and high level of corporate governance. Candidates should be relevant to industry and in possession of strong corporate governance. Furthermore, the Company will organize more trainings to the existing Directors to develop and refresh their knowledge and skills as a director of a company listed in Hong Kong and Singapore. Most of the Directors including Mr. Lei, the Chief Financial Officer of the Company and the internal audit manager of the Group have attended a condensed refreshment course on Outline of Responsibilities of Directors of Listed Companies conducted by Company’s legal counsel on 3 April 2019. The Company will continue to organize more trainings to the existing Directors to develop and refresh their knowledge and skills as a director of a company listed in Hong Kong and Singapore.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 August 2017 and will continue to suspend until further notice.

The Company will use its best endeavours to satisfy the Resumption Conditions with a view to resume trading as soon as practicable. The Company will make further announcement of any material development on the above matter as and when appropriate.

On behalf of the Board
YORKSHINE HOLDINGS LIMITED
Zhu Jun

Executive Chairman and Executive Director

Hong Kong, 17 April 2019

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

* *For identification purpose only*