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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

QUARTERLY ANNOUNCEMENT

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 “**SEHK**”) 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, 16 April 2019 and 17 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

The Company has engaged SHINEWING Risk Services Limited (“**Shinewing**”) to enlarge the scope of the internal control review to cover the now suspended trading and distribution of iron ore, coal and steel products business of the Group (the “**Trading & Distribution Business**”) and the findings as disclosed in the final review report dated 19 January 2018 issued by PricewaterhouseCoopers Consulting (Singapore) Pte. Ltd. (“**PwC’s Findings**”).

Shinewing conducted its review on the Group’s internal controls regarding the Trading & Distribution Business and PwC’s Findings in March 2019. On 16 April 2019, Shinewing issued an updated report regarding the Group’s internal control review which also covers the Trading & Distribution Business and PwC’s Findings (the “**Updated IC Report**”). Shinewing noted that the Group has adopted internal control measures/actions to remedy the previously identified internal control issues. A summary of Shinewing’s review on the Group’s internal controls in relation to the Trading & Distribution Business and PwC’s Findings have been disclosed in the Company’s announcement dated 16 April 2019 entitled “Updates on Recent Development”.

2. Publish outstanding financial results and address audit qualifications

(a) Publish outstanding financial results

The FY2018 final results, originally due by 31 July 2018, was published on 16 April 2019. The Company will release first quarterly results for the period ended 31 July 2018 (“**1QFY2019**”) on 6 May 2019. The Company has started to prepare the interim results for the six months ended 31 October 2018 (“**1H-FY2019**”), which is originally due by 31 December 2018, and expects to publish the 1H-FY2019 results in or around mid-May 2019. The third quarterly results for the period ended 31 October 2018 (“**3QFY2019**”) will also be released in or around mid-May. The Company is committed to publish the annual results for the year ended 30 April 2019 (“**FY2019**”) on or before 31 July 2019 in compliance with Rule 13.49(1) of the Listing Rules.

(b) Address audit qualifications

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 persisted in the financial years ended 30 April 2015 (disclaimer of opinion), 2016, 2017 no longer exist for the current financial year ended 30 April 2018 (“**FY2018**”).

During FY2018, the Group’s management has recognised the following impairment losses 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 was unable to determine whether any adjustments might be necessary to the profit or loss for the current year and opening accumulated losses of the current year 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 on pages 36 to 37 in the Company's announcement dated 16 April 2019 entitled "Final Results Announcement for the year ended 30 April 2018".

3. Demonstrate adequate internal control systems

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. The Updated IC Report issued by Shinewing was issued on 16 April 2019. Please refer to the Company's announcement dated 16 April 2019 entitled "Updates on Recent Development" for further details.

4. Inform the market of all material information

The annual report for the financial year ended 30 April 2018 will be published on 3 May 2019. A circular dated 24 April 2019 in connection with proposed re-election of retiring directors, proposed granting of general mandate to issue new shares and notice of annual general meeting ("AGM") has been despatched to shareholders. The AGM will be convened at 11:00 am on 28 May 2019 in the Republic of Singapore.

For the purpose of the resumption of trading of the shares of the Company, the Company appointed Veda Capital Limited ("**Veda**"), a corporation licensed for Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as financial adviser of the Company on 2 May 2019. Veda will advise on the comprehensive resumption plan for the Company.

5. Demonstrate sufficient operations/assets

(a) *Sufficient operations*

The Group continues to secure sales orders for its tinplate manufacturing business (“**Taizhou Plant**”). The Group has been increasing its shipment to customers. In April 2019, over 6,000 tonnes of tinplate products were shipped, representing a record high since the resumption of production in May 2018.

Tinplate products are widely used in packaging material such as processed food and beverage, paints, aerosols, cooking oil and cover/lid/shell of different types of containers. Tinplate products are non-toxic, highly resistance to corrosion, able to preserve food better by blocking light as oxidant and also with high recyclability. The stringent environmental rules in mainland China have forced the closure of unqualified factories since 2018 which has significantly lowered the supply and export of tinplate products in PRC. Since the inception of revitalisation, 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 enable 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.

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 for (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 executive Chairman, executive Director and the controlling shareholder of the Company, Mr. Zhu Jun, the Company considers its tinplate manufacturing business having enormous growth potential and becoming the key revenue driver of the Group.

Led by Mr. Lei Yonghua (“**Mr. Lei**”), the newly appointed executive Director, a comprehensive business plan for the Taizhou Plant has been drawn up to enhance the growth of the tinplate manufacturing business. The business plan was under review by the Board of Directors.

(b) Sufficient assets

The Group recorded net liabilities of US\$9.6 million 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. On 15 April 2019, Mr. Zhu Jun, the executive Chairman and executive Director, and also the controlling shareholder of the Company, through his wholly-owned company took up two of the inactive, loss-making and capital deficit subsidiaries so as to help the Group to improve the overall financial position and to help streamlining the group structure. After completion of the transactions on 15 April 2019 and 26 April 2019 respectively, 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 FY2019.

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.

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

(a) Key Persons for the Group's Operations

Mr. Lei was appointed 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 is responsible for overseeing the Group's tinplate business.

The key management of Taizhou Plant are experienced, energetic and highly-motivated. They contributed to the revitalization of the Taizhou Plant since mid-2017. Biography of the key management responsible for sales and marketing, production, finance, administration and human resources, legal and technical quality can be found on page 21 "Key Management Personnel" of the Company's FY2018 annual report to be published on 3 May 2019.

(b) Key Persons Responsible for the Group's Corporate Governance and Internal Controls

Mrs. Fung Lui Kit Har, Keziah ("**Mrs. Fung**") was appointed as chief financial officer ("**CFO**") and company secretary respectively on 2 August 2018 and 1 March 2019. Mrs. Fung has over 30 years of experience in Finance for listed and various multinational giant corporations. Supported by the financial controllers in Taizhou and Hong Kong, she has embarked the deployment of her expertise in finance and internal controls to support the Board and lead the Company to the highest standard of corporate governance benchmarkable to multinational companies.

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 nominating committee of the Board is reviewing the Board composition and is targeting to improve its diversity, independency and the quality of the Board. The Board is considering the appointment of additional independent non-executive Directors. The Board expects to finalise 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 organise more trainings to the current 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 CFO 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 organise more trainings to the current 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 SEHK 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, 2 May 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*