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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 RECENT DEVELOPMENT – STREAMLINING OF GROUP STRUCTURE: DISPOSAL OF SUBSIDIARIES**

This 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).

The board of directors (the “**Board**”) of the Company wishes to inform shareholders of the Company (the “**Shareholders**”) that on 20 June 2019, the Company and Diamond Talent Holdings Limited (“**DTHL**”), a special purpose vehicle incorporated in the British Virgin Islands which is wholly-owned by Mr. Zhu Jun, the executive chairman, executive director and controlling shareholder of the Company, have executed share transfer documents (the “**Share Transfer Documents**”), pursuant to which, the Company has agreed to sell, and DTHL has agreed to acquire, the entire share capital of two of its wholly-owned subsidiaries, being Novo Management Services Limited (“**NMSL**”) and Novo Commodities Pte. Ltd. (“**NCPL**”, together with NMSL, the “**Target Subsidiaries**”), which are in a net liability position, for a consideration (the “**Consideration**”) of US\$100 (the “**Disposals**”).

The Disposals are collectively expected to have a positive effect on the financial position of the Group as the liabilities of the Target Subsidiaries would not be consolidated into the accounts of the Group after completion of the Disposals. As such, it is expected that approximately US\$6.5 million net liabilities will be taken out from the Group’s consolidated financial statements upon completion of the Disposals and the Group’s financial position and gearing ratio will be further improved for the financial year ending 30 April 2020 (“**FY2020**”).

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.

#### **Details for the Disposals:**

**Date of Share Transfer** 20 June 2019.

**Documents:**

**Transferor:** The Company.

**Transferee:** DTHL, a special purpose vehicle incorporated in the British Virgin Islands which is wholly-owned by Mr. Zhu.

**Disposals:** The entire share capital of the Target Subsidiaries which are wholly-owned by the Company.

**Target Subsidiaries:**

- NCPL, a company incorporated in Singapore with limited liability, had been involved in the trading and distribution of iron ore, coal and steel products (the “**Trading & Distribution Business**”) until the end of the financial year ended 30 April 2017 (“**FY2017**”). After FY2017, NCPL has not conducted any business activities as the Group has suspended its Trading & Distribution Business; and
- NMSL, a company which is incorporated in Hong Kong with limited liability, was the cost center of the Group’s Trading & Distribution Business and has been dormant since the financial year ended 30 April 2018 (“**FY2018**”). NMSL has one wholly-owned subsidiary, namely, Novo Commodities (HK) Limited (“**NCL (Seychelles)**”), which is incorporated in the Seychelles. NMSL and NCL (Seychelles) are currently dormant.

**Financial information about the Target Subsidiaries:**

- Based on the unaudited consolidated interim financial statements of the Group for the financial period ended 30 October 2018 (“**FY2019 Interim**”), the book value and the net tangible liability of the Target Subsidiaries was approximately US\$6.3 million. As at the date of this announcement, the book value of the shares in NMSL and NCPL to be transferred pursuant to the Disposals (the “**Disposal Shares**”) is a capital deficit of US\$6.5 million. The Disposals are expected to result in an excess over the book value of the Disposal Shares of US\$6.5 million.
- The net loss before tax as at the date of this announcement which is attributable to the Target Subsidiaries was US\$0.2 million.

**Consideration and Use of Proceeds:** US\$100 which will be satisfied in cash by DTHL.

The Consideration was arrived at on a willing-buyer willing-seller basis, taking into consideration the net liability position of the Target Subsidiaries and that the Target Subsidiaries currently do not engage in any business operations.

The proceeds arising from the Disposals would be US\$100 and will be utilized by the Group for working capital

purposes.

**Financial Implication:** Approximately US\$6.5 million net liabilities will be taken out from the Group's financial statements with a corresponding gain on disposal is expected which will be recorded in FY2020. The Group's financial position and the gearing ratio will be further improved.

**Approval by Directors:** The members of the audit committee of the Company, comprising the three independent non-executive Directors, are of the opinion that the Disposals are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The Directors (save for Mr. Zhu who has abstained in view of his involvement in the Disposals) are of the opinion that the Disposals are in the best interests and to the benefit of the Company and the Shareholders of the Company as a whole as the Target Subsidiaries are heavily in debt and the Disposals would enable the Group to improve its net assets value.

**Reporting Requirement:** DTHL is a company wholly-owned by Mr. Zhu, the executive chairman, executive director and controlling shareholder of the Company. As such, DTHL is a connected person of the Company and the Disposals constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Reference is made to the Company's announcement dated 16 April 2019 entitled "Updates on Recent Development – (A) Internal Control Report; and (B) Streamlining of Group Structure: Disposal of Subsidiaries" whereby the Company has announced that the Company has disposed of Novo Commodities Limited and Novo Overseas Holdings Pte. Ltd. to DTHL (the "**Previous Disposals**") in April 2019. Since the transferee of the Previous Disposals is also DTHL and the Previous Disposals and the Disposals have been entered into within a 12-month period, the Previous Disposals and the Disposals are aggregated for the purpose of Chapter 14A of the Listing Rules. Since all applicable percentage ratios in respect of (a) the Disposals on a standalone basis; and (b) the Previous Disposals and the Disposals on an aggregated basis, are less than 5% and the total consideration is less than HK\$3,000,000, the Disposals are fully exempted from the reporting, announcement and independent shareholders'

approval requirements pursuant to Rule 14A.76 of the Listing Rules.

The Group made this announcement pursuant to Rules 13.09 and 13.24A of the Listing Rules on 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).

## **CONTINUED SUSPENSION OF TRADING**

Trading in the shares of the Company on the Stock Exchange has been suspended and will continue to suspend until further notice.

The Company will use its best endeavours to satisfy the resumption conditions imposed by the Stock Exchange 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, 20 June 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*