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YORKSHINE HOLDINGS LIMITED

煜新控股有限公司*

(Company Registration No. 198902648H)

(Incorporated in Singapore with limited liability)

Hong Kong Stock Code: 1048

Singapore Stock Code: MR8

OVERSEAS REGULATORY ANNOUNCEMENT FY2019 THIRD QUARTERLY RESULTS

This overseas regulatory announcement is a reproduction of the announcement made by Yorkshine Holdings Limited (the “**Company**”), regarding the unaudited quarterly results of the Company and its subsidiaries for the third quarter ended 31 January 2019, for compliance with Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This announcement is prepared in accordance with relevant regulations of the Singapore Exchange Securities Trading Limited. The financial information set out in this announcement has been prepared in accordance with Singapore Financial Reporting Standards and has not been audited nor reviewed by auditor. Shareholders of the Company and public investors should exercise caution when trading in the shares of the Company.

On behalf of the Board

YORKSHINE HOLDINGS LIMITED

Zhu Jun

Executive Chairman and Executive Director

Hong Kong, 16 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*

YORKSHINE HOLDINGS LIMITED

(Incorporated in Singapore)
(Co. Reg. No. 198902648H)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 JANUARY 2019

PART I INFORMATION REQUIRED FOR THIRD QUARTER ANNOUNCEMENT

The board of directors (the “**Board**”) of Yorkshine Holdings Limited (the “**Company**”) together with its subsidiaries, (collectively, the “**Group**”) announce the following unaudited results of the Group for the third quarter ended 31 January 2019 (“**3QFY2019**”).

1. (a)(i) An income statement and statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Income Statement for the Third Quarter ended 31 January 2019

| | Group | | | | | |
|-------------------------------|-----------------------|--------------------|-------------------------|-----------------------|--------------------|-------------------------|
| | 3 months period ended | | | 9 months period ended | | |
| | 31 January 2019 | 31 January 2018 | Increase/ (Decrease) | 31 January 2019 | 31 January 2018 | Increase/ (Decrease) |
| | <i>US\$'000</i> | <i>US\$'000</i> | % | <i>US\$'000</i> | <i>US\$'000</i> | % |
| Revenue | 4,665 | – | NM | 10,261 | – | NM |
| Cost of sales | (5,958) | – | NM | (13,530) | – | NM |
| Gross loss | (1,293) | – | NM | (3,269) | – | NM |
| Other income | 981 | 10,787 | (91%) | 1,408 | 12,012 | (88.3%) |
| Administrative expenses | (1,412) | (1,999) | (29.4%) | (4,363) | (6,165) | (29.2%) |
| Other operating expenses | 778 | (50) | NM | (568) | (61) | >100% |
| Finance costs | (113) | (160) | (29.4%) | (1,084) | (819) | 32.4% |
| Profit/(loss) before tax | (1,059) | 8,578 | NM | (7,876) | 4,967 | NM |
| Income tax credit/(paid) | – | 7 | NM | (9) | – | NM |
| Profit/(loss) for the period | <u>(1,059)</u> | <u>8,585</u> | <u>NM</u> | <u>(7,885)</u> | <u>4,967</u> | <u>NM</u> |
| Attributable to: | | | | | | |
| Equity holders of the Company | (989) | 8,150 | NM | (8,258) | 4,658 | NM |
| Non-controlling interests | (70) | 435 | NM | 373 | 309 | 21% |
| | <u>(1,059)</u> | <u>8,585</u> | <u>NM</u> | <u>(7,885)</u> | <u>4,967</u> | <u>NM</u> |

NM – not meaningful

YORKSHINE HOLDINGS LIMITED

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Consolidated Statement of Comprehensive Income for the Third Quarter ended 31 January 2019

| | Group | | | | | |
|-------------------------------------|-----------------------|-----------------|-------------------------|-----------------------|-----------------|-------------------------|
| | 3 months period ended | | | 9 months period ended | | |
| | 31 January | 31 January | Increase/ (Decrease) | 31 January | 31 January | Increase/ (Decrease) |
| | 2019 | 2018 | (Decrease) | 2019 | 2018 | (Decrease) |
| | <i>US\$'000</i> | <i>US\$'000</i> | % | <i>US\$'000</i> | <i>US\$'000</i> | % |
| Profit/(loss) for the period | (1,059) | 8,585 | NM | (7,885) | 4,967 | NM |
| Other comprehensive | | | | | | |
| income/(loss), net of tax | | | | | | |
| Acquisition/(disposal) | | | | | | |
| of subsidiaries | - | - | NM | (2,353) | 869 | NM |
| Currency translation differences | | | | | | |
| arising on consolidation | (283) | 2,325 | NM | (1,140) | 3,251 | NM |
| Total comprehensive | | | | | | |
| income/(loss) for the period | <u>(1,342)</u> | <u>10,910</u> | NM | <u>(11,378)</u> | <u>9,087</u> | NM |
| Total comprehensive | | | | | | |
| income/(loss) for the period | | | | | | |
| attributable to: | | | | | | |
| Equity holders of the Company | (1,319) | 10,337 | NM | (10,326) | 7,959 | NM |
| Non-controlling interests | (23) | 573 | NM | (1,052) | 1,128 | NM |
| Total comprehensive | | | | | | |
| income/(loss) for the period | <u>(1,342)</u> | <u>10,910</u> | NM | <u>(11,378)</u> | <u>9,087</u> | NM |

NM – not meaningful

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1. (a)(ii) Notes to the Consolidated Income Statement and Statement of Comprehensive Income

Profit/(loss) before tax is stated after charging/(crediting):

| | Group | | | |
|--|-----------------------|------------|-----------------------|------------|
| | 3 months period ended | | 9 months period ended | |
| | 31 January | 31 January | 31 January | 31 January |
| | 2019 | 2018 | 2019 | 2018 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Amortisation of deferred income | - | (3) | - | (227) |
| Amortisation of land use rights | - | - | - | 1 |
| Depreciation of property, plant and equipment (“PPE”) | 38 | 560 | 109 | 1,650 |
| Depreciation of PPE recognised as an expense in cost of sales | 412 | - | 1,419 | - |
| Loss on disposal of PPE | - | - | 45 | 46 |
| Material costs recognised as an expense in cost of sales | 4,101 | - | 9,886 | - |
| Net (gain)/loss on foreign exchange | (750) | (2,044) | 520 | (2,793) |
| Rental expenses | 146 | 190 | 485 | 583 |
| Staff costs | 546 | 835 | 1,784 | 2,156 |

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(Incorporated in Singapore)

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1. (b)(i) **A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

Statements of Financial Position

| | Group | | Company | |
|---------------------------------|-------------------|--------------------|-------------------|--------------------|
| | As at | (Audited) As at | As at | (Audited) As at |
| | 31 January | 30 April | 31 January | 30 April |
| | 2019 | 2018 | 2019 | 2018 |
| | <i>US\$'000</i> | <i>US\$'000</i> | <i>US\$'000</i> | <i>US\$'000</i> |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 40,994 | 45,165 | – | – |
| Investment property | 949 | 1,046 | – | – |
| Land use rights | 2,327 | 2,781 | – | – |
| Investments in subsidiaries | – | – | 21 | 21 |
| | 44,270 | 48,992 | 21 | 21 |
| Total non-current assets | | | | |
| Current assets | | | | |
| Inventories | 2,795 | 652 | – | – |
| Trade and other receivables | 6,220 | 7,971 | 5,887 | 5,846 |
| Cash and cash equivalents | 509 | 1,262 | 38 | 66 |
| | 9,524 | 9,885 | 5,925 | 5,912 |
| Total current assets | | | | |
| | 53,794 | 58,877 | 5,946 | 5,933 |
| Total assets | | | | |

Note: The independent auditor of the Group (the “**Auditor**”) has expressed qualified opinion (“**Qualified Opinion**”) on the value of the Group’s property, plant and equipment as at the year ended 30 April 2018.

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Statements of Financial Position (Cont'd)

| | Group | | Company | |
|---|--|---|--|---|
| | As at 31 January 2019 <i>US\$'000</i> | (Audited) As at 30 April 2018 <i>US\$'000</i> | As at 31 January 2019 <i>US\$'000</i> | (Audited) As at 30 April 2018 <i>US\$'000</i> |
| Liabilities | | | | |
| Non-current liability | | | | |
| Borrowings | 960 | 960 | – | – |
| Total non-current liability | 960 | 960 | – | – |
| Current liabilities | | | | |
| Trade and other payables | 21,919 | 16,341 | 4,981 | 4,061 |
| Borrowings | 51,792 | 51,072 | – | – |
| Deferred income | 64 | 67 | – | – |
| Total current liabilities | 73,775 | 67,480 | 4,981 | 4,061 |
| Total liabilities | 74,735 | 68,440 | 4,981 | 4,061 |
| Net assets/(liabilities) | (20,941) | (9,563) | 965 | 1,872 |
| Equity | | | | |
| Share capital | 38,390 | 38,390 | 114,891 | 114,891 |
| Accumulated losses | (65,137) | (56,879) | (116,527) | (115,620) |
| Foreign currency translation reserve | 1,213 | 2,748 | – | – |
| Statutory reserve | 33 | 33 | – | – |
| Other reserves | 2,601 | 3,134 | 2,601 | 2,601 |
| Total equity attributable to equity holders of the Company | (22,900) | (12,574) | 965 | 1,872 |
| Non-controlling interests | 1,959 | 3,011 | – | – |
| Total equity/(deficit) | (20,941) | (9,563) | 965 | 1,872 |

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1. (b)(ii) Aggregate amount of group's borrowings and debt securities

| | Group | | Group | |
|---------------------------------|-----------------------|-----------------|----------------------------------|-----------------|
| | As at 31 January 2019 | | (Audited) As at 30 April 2018 | |
| | Secured | Unsecured | Secured | Unsecured |
| | <i>US\$'000</i> | <i>US\$'000</i> | <i>US\$'000</i> | <i>US\$'000</i> |
| Amount repayable in one year | | | | |
| or less | 2,387 | 49,405 | 3,495 | 47,577 |
| Amount repayable after one year | 960 | – | 960 | – |

As at 31 January 2019, the Group's bank loan and loan from Real Shine Capital Limited (“**RSCL**”) granted to one of the subsidiaries in the People's Republic of China (the “**PRC**”) are secured by way of:

- Legal pledge of equity interest agreement, escrow account agreement, insurance agreement and receivables agreements;
- Legal pledge of land use rights, construction work-in-progress, investment property, building and plant and machinery; and
- Floating mortgage.

The revolving credit facility is secured by legal mortgage over the investment property, land use rights and plant and machinery of a PRC subsidiary

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1. (c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

Consolidated Statement of Cash Flows

| | Group | | | |
|---|------------------------------|-----------------|------------------------------|-----------------|
| | 3 months period ended | | 9 months period ended | |
| | 31 January | 31 January | 31 January | 31 January |
| | 2019 | 2018 | 2019 | 2018 |
| | <i>US\$'000</i> | <i>US\$'000</i> | <i>US\$'000</i> | <i>US\$'000</i> |
| Cash flows from operating activities | | | | |
| Profit/(loss) before tax | (1,059) | 8,578 | (7,876) | 4,967 |
| Adjustments for: | | | | |
| Gain on assignment of loan obligations | – | (8,799) | – | (8,799) |
| Amortisation of deferred income | – | (3) | – | (227) |
| Amortisation of land use rights | – | – | – | 1 |
| Depreciation of property, plant and equipment (“PPE”) | 563 | 560 | 1,639 | 1,650 |
| Gain on disposal of a subsidiary | – | – | (104) | – |
| Loss on disposal of PPE | – | 199 | – | 199 |
| Interest income | – | (2) | – | (2) |
| Interest expense | – | 158 | 802 | 811 |
| Written off of PPE | – | – | – | 46 |
| Operating cash flows before movements in working capital | (496) | 691 | (5,539) | (1,354) |

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Consolidated Statement of Cash Flows (Cont'd)

| | Group | | | |
|---|-----------------------|------------|-----------------------|------------|
| | 3 months period ended | | 9 months period ended | |
| | 31 January | 31 January | 31 January | 31 January |
| | 2019 | 2018 | 2019 | 2018 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Increase/(decrease) in inventories | 298 | (16) | (2,144) | (95) |
| Decrease/(increase) in trade and other receivables | (48) | (2,123) | 1,749 | (3,393) |
| Increase in trade and other payables | 587 | 2,939 | 2,637 | 6,065 |
| Currency translation differences | (1,670) | (109) | 580 | (1,160) |
| | | | | |
| Cash generated from/(used in) operations | (1,329) | 1,382 | (2,717) | 63 |
| Income tax refunded/(paid) | - | 7 | (9) | - |
| Interested income received | - | 2 | - | 2 |
| | | | | |
| Net cash generated from/(used in) operating activities | (1,329) | 1,391 | (2,726) | 65 |
| Cash flows from investing activities | | | | |
| Acquisition of a subsidiary | - | (111) | - | (132) |
| Purchase of property, plant and equipment | (111) | (1,342) | (164) | (1,342) |
| Additional construction work-in-progress | - | (1,664) | (949) | (1,664) |
| Proceeds from assets held for sale | - | 507 | - | 507 |
| | | | | |
| Net cash (used in)/generated from investing activities | (111) | (2,610) | (1,113) | (2,631) |

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Consolidated Statement of Cash Flows (Cont'd)

| | Group | | | |
|---|-----------------------|------------|-----------------------|------------|
| | 3 months period ended | | 9 months period ended | |
| | 31 January | 31 January | 31 January | 31 January |
| | 2019 | 2018 | 2019 | 2018 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Cash flows from financing activities | | | | |
| Advances from immediate and ultimate holding company | – | – | 256 | – |
| Advances/loans from directors (net of repayments) | 654 | – | 2,619 | – |
| Advances/loans from related parties (net of repayments) | 211 | – | 211 | – |
| Capital injection by a non-controlling interest | – | 641 | – | 641 |
| Repayment of long term bank loan, other borrowings and loans from Real Shine Capital Limited (“RSCL”) | – | (3,067) | – | (2,718) |
| Interest expense paid | – | (158) | – | (811) |
| | 865 | (2,584) | 3,086 | (2,888) |
| Net cash generated from/(used) in financing activities | | | | |
| Net decrease in cash and cash equivalents | (575) | (3,803) | (753) | (5,454) |
| Cash and cash equivalents at beginning of the period | 1,084 | 5,237 | 1,262 | 6,888 |
| Cash and cash equivalents at end of the period | 509 | 1,434 | 509 | 1,434 |

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1. (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Changes in Equity

| | Group | | | | | | | Total equity US\$'000 |
|---|---------------------------|-----------------------------------|---|----------------------------------|-------------------------------|--|--|--------------------------|
| | Share capital US\$'000 | Accumulated losses US\$'000 | Foreign currency translation reserve US\$'000 (Restated) | Statutory reserve US\$'000 | Other reserves US\$'000 | Total equity attributable to equity holders of the Company US\$'000 | Non- controlling interests US\$'000 | |
| As at 1 May 2017 (Audited) | 38,390 | (42,905) | 483 | 33 | 3,096 | (903) | 1,662 | 759 |
| Acquisition of subsidiaries | - | - | - | - | 280 | 280 | 589 | 869 |
| Loss for the period | - | (3,492) | - | - | - | (3,492) | (126) | (3,618) |
| Currency translation differences arising on consolidation | - | - | 1,026 | - | (192) | 834 | 92 | 926 |
| Total comprehensive profit/(loss) for the period | - | (3,492) | 1,026 | - | 88 | (2,378) | 555 | (1,823) |
| As at 31 October 2017 | 38,390 | (46,397) | 1,509 | 33 | 3,184 | (3,281) | 2,217 | (1,064) |
| Transfer to other reserve | - | - | - | - | (44) | (44) | - | (44) |
| Profit for the period | - | 8,150 | - | - | - | 8,150 | 435 | 8,585 |
| Currency translation differences arising on consolidation | - | 2 | 2,187 | - | (2) | 2,187 | 138 | 2,325 |
| Total comprehensive profit/(loss) for the period | - | 8,152 | 2,187 | - | (2) | 10,337 | 573 | 10,910 |
| As at 31 January 2018 | 38,390 | (38,245) | 3,696 | 33 | 3,138 | 7,012 | 2,790 | 9,802 |
| As at 1 May 2018 (Audited) | 38,390 | (56,879) | 2,748 | 33 | 3,134 | (12,574) | 3,011 | (9,563) |
| Profit/(loss) for the period | - | (7,269) | - | - | - | (7,269) | 443 | (6,876) |
| Disposal of a subsidiary | - | - | (456) | - | (521) | (977) | (1,376) | (2,353) |
| Currency translation differences arising on consolidation | - | - | (749) | - | (12) | (761) | (96) | (857) |
| Total comprehensive loss for the period | - | (7,269) | (1,205) | - | (533) | (9,007) | (1,029) | (10,036) |
| As at 31 October 2018 | 38,390 | (64,148) | 1,543 | 33 | 2,601 | (21,581) | 1,982 | (19,599) |
| Loss for the period | - | (989) | - | - | - | (989) | (70) | (1,059) |
| Currency translation differences arising on consolidation | - | - | (330) | - | - | (330) | 47 | (283) |
| Total comprehensive loss for the period | - | (989) | (330) | - | - | (1,319) | (23) | (1,342) |
| As at 31 January 2019 | 38,390 | (65,137) | 1,213 | 33 | 2,601 | (22,900) | 1,959 | (20,941) |

YORKSHINE HOLDINGS LIMITED

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Statement of Changes in Equity

| | Company | | | |
|---|----------------------------------|---------------------------------------|-----------------------------------|---------------------------------|
| | Share capital <i>US\$'000</i> | Accumulated losses <i>US\$'000</i> | Other reserves <i>US\$'000</i> | Total equity <i>US\$'000</i> |
| As at 1 May 2017 (Audited) | 114,891 | (3,161) | 2,601 | 114,331 |
| Loss and total comprehensive loss for the period | <u>–</u> | <u>(605)</u> | <u>–</u> | <u>(605)</u> |
| As at 31 October 2017 | 114,891 | (3,766) | 2,601 | 113,726 |
| Loss and total comprehensive loss for the period | <u>–</u> | <u>(108)</u> | <u>–</u> | <u>(108)</u> |
| As at 31 January 2018 | <u>114,891</u> | <u>(3,874)</u> | <u>2,601</u> | <u>113,618</u> |
| As at 1 May 2018 (Audited) | 114,891 | (115,620) | 2,601 | 1,872 |
| Loss and total comprehensive loss for the period | <u>–</u> | <u>(264)</u> | <u>–</u> | <u>(264)</u> |
| As at 31 October 2018 | 114,891 | (115,884) | 2,601 | 1,608 |
| Loss and total comprehensive loss for the period | <u>–</u> | <u>(643)</u> | <u>–</u> | <u>(643)</u> |
| As at 31 January 2019 | <u>114,891</u> | <u>(116,527)</u> | <u>2,601</u> | <u>965</u> |

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1. (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There was no change in the Company's share capital since the end of the previous period reported on 31 October 2018. As at 31 January 2019, the Company's issued and fully paid-up shares were 191,484,269 ordinary shares with voting rights.

All issued shares are fully paid ordinary shares with no par value.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

There were no outstanding convertibles, treasury shares, subsidiary holdings or share option as at 31 January 2019 and 31 January 2018.

1. (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

| | <u>Company</u> | |
|---|---------------------------|--------------------|
| | | (Audited) |
| | As at | As at |
| | 31 January | 30 April |
| | 2019 | 2018 |
| Total number of issued shares, excluding treasury shares | <u>191,484,269</u> | <u>191,484,269</u> |

There were no treasury shares as at 31 January 2019 and 30 April 2018.

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1. **(d)(iv) A statement showing all sales, transfers, disposal and cancellation and/or use of treasury shares as at the end of the current financial period reported on 31 January 2019**

Not applicable.

1. **(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on 31 January 2019**

Not applicable.

2. **Whether the figures has been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the Company's independent auditor.

3. **Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter)**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has basically adopted the same accounting policies and methods of computation as the most recently audited annual financial statements of the Company have been applied.

The Accounting Standards Council ("ASC") announced that Singapore incorporated companies listed on the Singapore Exchange ("SGX") or are in the process of issuing equity or debt instruments for trading on SGX, will apply a new financial reporting framework identical to the International Financial Reporting Standards (IFRS Convergence), known as Singapore Financial Reporting Standards (International) ("SFRS(I)"), with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the current financial year ending 30 April 2019 is prepared in accordance with SFRS(I) issued by ASC.

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The following are relevant SFRS(I) that have been adopted:

- SFRS(I) 9 “Financial Instruments” which replaced FRS 39;
- SFRS(I) 15 “Revenue from Contracts with Customers” replaced FRS 18 “Revenue”, FRS 11 “Construction contracts” and other revenue-related interpretations; and
- SFRS(I) 16 “Leases” replaced the existing FRS 17 “Leases”.

The application of the IFRS Convergence new standards, amendments to standards and interpretations does not have any significant impact on the financial statements of the Group.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change**

Please refer to Paragraph 4 above.

6. **Earning/(loss) per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

| | Group | | | |
|---|-----------------------|--------------------|-----------------------|--------------------|
| | 3 months period ended | | 9 months period ended | |
| | 31 January 2019 | 31 January 2018 | 31 January 2019 | 31 January 2018 |
| Earnings/(loss) per share for the period attributable to equity holders of the Company (in US cents per share): | | | | |
| (a) Basic | (0.52) | 4.26 | (4.31) | 2.43 |
| (b) Diluted | (0.52) | 4.26 | (4.31) | 2.43 |
| Details: | | | | |
| Earnings/(loss) for the period attributable to equity holders of the Company (stated in US\$'000) | (989) | 8,150 | (8,258) | 4,658 |
| Weighted average number of ordinary shares ('000) | 191,484 | 191,484 | 191,484 | 191,484 |

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7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of issuer at the end of the:

- (a) **Current financial period reported on; and**
- (b) **Immediately preceding financial year**

| | Group | | Company | |
|---|-----------------------------|--|-----------------------------|--|
| | As at 31 January 2019 | (Audited) As at 30 April 2018 | As at 31 January 2019 | (Audited) As at 30 April 2018 |
| Net assets/(liabilities) value per ordinary share based on issued share capital of the issuer (in US cents per share) | (10.94) | (4.99) | 0.50 | 0.98 |
| Number of shares in issue ('000) | 191,484 | 191,484 | 191,484 | 191,484 |

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) **Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on 31 January 2019**

Review of Performance

For the nine months ended 31 January 2019 (the “**Period**” or “**3QFY2019**”), the Group has principally engaged in manufacturing, sales and distribution of tinfoil and related products for metal packaging industry (“**Tinfoil Manufacturing business**”) in the People’s Republic of China (the “**PRC**”) and trading of iron ore, coal and steel products across the globe (“**Trading and Distribution business**”). The Trading and Distribution business is still under temporarily suspension during 3QFY2019.

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(A) Result of the financial period

Revenue and Gross Profit

Tinplate Manufacturing business has resumed its operation in May 2018 and generated revenue of RMB70.3 million in 3QFY2019, approximately equivalent to US\$10.3 million. Given the nature of manufacturing business, it will take some time/buffer from the kick-off to generate profits. The gross loss was due to the Tinplate Manufacturing business was at the early resumed stage. The plant and machinery has been going through trial testing and pilot run. The sales volume is coping up to the breakeven point stage by stage.

The Company will consider resume the Trading & Distribution business, which is under temporarily suspension should market and economic conditions prevail.

Other Income

Other income for 3QFY2019 was US\$1.4 million, decreased by US\$10.6 million compared to the period ended 31 January 2018. It was mainly due to a one-off gain on assignment of loan obligation of US\$10.4 million in the corresponding period last year.

Administrative Expenses

Administrative expenses for 3QFY2019 was US\$4.4 million, decreased by US\$1.8 million compared to the corresponding period last year. It was mainly due to most of the depreciation charge of PPE of US\$1.4 million was grouped under cost of sales in the current financial period, which was categorised in the administrative expenses in 3QFY2018.

Other Expenses

Other expenses for 3QFY2019 was US\$0.6 million increased by US\$0.5 million from US\$61,000 in 3QFY2018. The increase was mainly due to the exchange loss incurred in the current financial period, exchange of Renminbi (“RMB”) to USD decreased by approximately 5.5% in the current reporting period compared to the corresponding period last year.

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Finance Costs

Finance costs for 3QFY2019 was US\$1.1 million (3QFY2018: US\$0.8 million) of which US\$0.8 million was deemed interest expenses on the interest-free loans due to the former immediate and ultimate holding company. The increase in finance costs was due to under-provision of the aforesaid interests in 3QFY2018.

Inventories

Inventories increased by approximately US\$2.1 million from US\$0.7 million as at 30 April 2018 to US\$2.8 million as at the end of the reporting period due to the resumption of Tinplate Manufacturing business in May 2018.

Trade and Trade Receivables

Total trade and trade receivables decreased by US\$1.8 million from US\$8.0 million as at 30 April 2018 to US\$6.2 million as at the end of the reporting period. It was mainly due to decrease in PRC value-added tax receivable. Aging of the Group's trade and other receivables are being monitored, and no further allowance for impairment of trade and other receivables as at 31 January 2019 is necessary as there was no recent history of significant default in respect of these trade and other receivables.

Trade and Other Payables

Total trade and other payables increased by US\$5.6 million from US\$16.3 million as at 30 April 2018 to US\$21.9 million as at the end of the reporting period. The increase was mainly due to additional US\$4.3 million working capital advances obtained from a director and related parties to fund the Group's. Amounts due to a director were non-trade nature and interest-free. Advances from related parties were non-trade nature and carried interest of 1% per annum. Bills payables increased by approximately US\$0.5 million which was in line with the upward sales of the Group.

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(B) Liquidity and Financial Resources

Cash and Cash Equivalents

Total cash and cash equivalents of the Group were US\$509,000 as at 31 January 2019, a decrease of US\$753,000 compared to 30 April 2018.

Cash flows

(a) Cash used in operating activities

In 3QFY2019, net cash of US\$2.7 million has been used in operating activities, including a net decrease of US\$5.5 million in working capital covering the increase in inventory (cash outflow of US\$2.1 million), decrease in trade and other receivables (cash inflow of US\$1.8 million) and increase in trade and other payables (cash inflow of US\$5.6 million).

(b) Cash used in investing activities and financing activities

In 3QFY2019, the Group has used approximately US\$1.1 million cash in investing PPE. Additional cash advances totaling US\$3.1 million from a director, immediate and ultimate holding company and related parties was received to support the operations of the Group. Total equity attributable to equity holders of the Company was at deficit of US\$22.9 million. The Group has been relying on the financial support from the Golden Star Group Limited and Mr. Zhu Jun, the ultimate controlling party of the Group.

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Borrowings

As at 31 January 2019, certain assets of the Group have been pledged to banks and RSCL as securities against borrowings granted to the Group.

The Group will continue to allocate funds for development of product portfolio, enhancement of capacity, broadening customer basis, capturing sales and market opportunities.

In 3QFY2019, the Group had not used any derivative instruments to hedge against foreign currency exposure in operation as the Board considered this exposure to be insignificant with the limited trade receivables and payable for the period.

The Group closely monitors the movement of foreign exchange rates and constantly seeks to obtain favorable exchange rates for currencies exchange (if any) in paying local operating expenses.

On 15 April 2019, the Group transferred two wholly-owned subsidiaries to a company wholly-owned by Mr. Zhu Jun, the executive Chairman, the executive Director and controlling shareholder of the Company at a consideration of HK\$780 (equivalent to approximately US\$100) (the “**Disposals**”). Given the two disposed subsidiaries have been inactive with no business operations for more than a year and are still in net liability position as at the date of disposal, the Directors are of the view that the foregoing Disposals (together with the consideration) are fair and reasonable and in the interests of the Company and its shareholders as a whole. The Board will continue to review and assess the group structure and the overall financial position of the Group and carry out further restructurings as and when appropriate. Upon completion of the Disposals, each of the disposed subsidiary ceased to be a subsidiary of the Company, 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.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, and variance between it and the actual results

Not applicable.

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10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

Business Review and Outlook

Business review

The Group has engaged in the Tinplate Manufacturing business since 2012. Located in Jiangsu, the Tinplate Manufacturing segment with its Taizhou plant (“**Taizhou Plant**”) is principally engaged in manufacturing, sales and distribution of tinplate products. With a strong team of competent and experienced personnel, coupled with a progressive technology, high-quality-level products as well as comparatively new machine and equipment, the Group has successfully strived the resumption of the operations of the factory in Taizhou in May 2018 and generated US\$10.3 million revenue for the nine months ended 31 January 2019.

Outlook

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 unqualified factories closure since 2018 which has significantly lowered the supply of tinplate products in PRC and export. Since the inception of revitalization, 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 Company’s executive Chairman, Mr. Zhu Jun, the Company considers its Tinplate Manufacturing business having enormous growth potential and becoming the key revenue driver for the Group.

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In spite of the suspension of operation of the Taizhou Plant throughout FY2018, the Group has laid down strong foundations throughout the chain of steel product manufacturing and has established a strong presence and will continue to have a strong influence in the steel industry. The Company may consider to resume the Trading & Distribution business, which is under suspension, should market and economic conditions prevail.

The Group will actively explore and identify more meaningful investment and other business opportunities riding on the “One Belt; One Road”, the construction of Greater Bay Area and the high growth in mainland China.

The Group had on 2 May 2019 submitted an application to the SGX-ST (“**Application**”) to seek SGX-ST’s consent to extend the respective deadlines for the Group (i) to submit a resumption of trading proposal from 1 August 2018 to 31 July 2019; and (ii) to exit the Watch-List, and for the financial results of the Group for the financial year ending 30 April 2020 to be assessed for purposes of meeting the financial criteria under Rule 1314(1) of the Listing Manual.

The reasons for the Application were, *inter alia*, that the Group is currently focussing its efforts and resources on fulfilling the six conditions (“**Conditions**”) set by The Stock Exchange of Hong Kong Limited (“**SEHK**”), which must be fulfilled by a deadline of 31 July 2019. Furthermore, the fulfilment of the Conditions is in line with the Group’s restructuring efforts to achieve a resumption of trading in its shares on the SEHK and the SGX-ST.

The Board will update shareholders through further announcements in relation to the outcome of the Application in due course.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

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- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)**

None.

- (d) **Date payable**

Not applicable.

- (e) **Books closure date**

Not applicable.

- 12. If no dividend has been declared or recommended, a statement to that effect and the reason(s) for the decision**

The Directors do not declare or recommend any dividend for the third quarter ended 31 January 2019. The Group will be retaining its cash for expansion purpose.

- 13. If the Group has obtained a general mandate from shareholders for interested person transaction, the aggregate value of such transactions as required under Rules 920(1)(a)(ii) of Listing Manual of the Singapore Exchange Securities Trading Limited. If no interested person transaction mandate has been obtained, a statement to that effect**

The Company has not obtained any general mandate from shareholders pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

- 14. Update on use of proceeds**

Not applicable.

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15. Negative confirmation pursuant to Rule 705(5) of the Listing Manual of the Listing Manual of the Singapore Exchange Securities Trading Limited

On behalf of the Board, Mr. Zhu Jun and Ms. Wang Jianqiao, the executive Directors of the Company, confirm to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements of the Group for the third quarter ended 31 January 2019 to be false or misleading in any material aspect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

Yes.

On behalf of the Board

YORKSHINE HOLDINGS LIMITED

Zhu Jun

Executive Chairman and Executive Director

16 May 2019