

YORKSHINE HOLDINGS LIMITED

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

AUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 APRIL 2019

The board of directors (the “**Board**”) of Yorkshine Holdings Limited (the “**Company**”) together with its subsidiaries (collectively, the “**Group**”) announce the following audited consolidated results of the Group for the year ended 30 April 2019 (“**FY2019**”, the “**Year**”).

PART I INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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 Statement of Profit or Loss for the Fourth Quarter/Year ended 30 April 2019

	Group					
	3 months period ended			Year ended		
	30 April 2019 <i>US\$'000</i>	30 April 2018 <i>US\$'000</i>	Increase/ (Decrease) %	30 April 2019 <i>US\$'000</i>	30 April 2018 <i>US\$'000</i>	Increase/ (Decrease) %
Revenue	6,159	–	NM	16,420	–	NM
Cost of sales	(6,951)	–	NM	(20,481)	–	NM
Gross loss	(792)	–	NM	(4,061)	–	NM
Other income	36,296	53	>100%	37,704	12,065	>100%
Distribution costs	(40)	–	NM	(40)	–	NM
Administrative expenses	(2,133)	(2,126)	0%	(6,496)	(8,291)	(22%)
Impairment loss on property, plant and equipment	(375)	(11,720)	(97%)	(375)	(11,720)	(97%)
Other expenses	(915)	(1,614)	(43%)	(1,483)	(1,675)	(11%)
Finance costs	(293)	(2,943)	(90%)	(1,377)	(3,762)	(63%)
Profit/(loss) before income tax	31,748	(18,350)	NM	23,872	(13,383)	NM
Income tax expense	–	–		(9)	–	NM
Profit/(loss) for the period/year	31,748	(18,350)	NM	23,863	(13,383)	NM
Profit/(loss) for the period/year attributable to:						
Equity holders of the Company	32,756	(16,881)	NM	24,498	(12,223)	NM
Non-controlling interests	(1,008)	(1,469)	(31%)	(635)	(1,160)	(45%)
	31,749	(18,350)	NM	23,863	(13,383)	NM

NM – Not Meaningful

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Consolidated Statement of Comprehensive Income for the Fourth Quarter/Year ended 30 April 2019

	3 months period ended			Year ended		
	30 April	30 April	Increase/ (Decrease)	30 April	30 April	Increase/ (Decrease)
	2019	2018	%	2019	2018	%
	<i>US\$'000</i>	<i>US\$'000</i>	<i>%</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>%</i>
Profit/(loss) for the period/year	31,748	(18,350)	NM	23,863	(13,383)	NM
Other comprehensive income/ (loss) for the period/year, net of tax:						
<i>Items that are or may be reclassified subsequently to profit or loss:</i>						
Currency translation differences arising on consolidation	<u>2,042</u>	<u>(1,650)</u>	NM	<u>(1,451)</u>	<u>2,470</u>	NM
Total comprehensive income/ (loss) for the period/year	<u>33,790</u>	<u>(20,000)</u>	NM	<u>22,412</u>	<u>(10,913)</u>	NM
Total comprehensive income/ (loss) for the period/year attributable to:						
Equity holders of the Company	<u>33,497</u>	<u>(17,917)</u>	NM	<u>23,171</u>	<u>(9,958)</u>	NM
Non-controlling interests	<u>293</u>	<u>(2,083)</u>	NM	<u>(759)</u>	<u>(955)</u>	(21%)
	<u>33,790</u>	<u>(20,000)</u>	NM	<u>22,412</u>	<u>(10,913)</u>	NM

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

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

	The Group			
	3 months period ended		Year ended	
	30 April	30 April	30 April	30 April
	2019	2018	2019	2018
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Audit fees paid to:				
– auditor of the Company				
– current year	131	146	131	146
– under provision in prior year	247	–	247	–
– other auditors*	73	58	73	58
Non-audit fees paid to:				
– auditor of the Company	16	–	16	–
– other auditors*	46	–	46	–
Amortisation of land use rights	95	72	95	73
Allowance for impairment on trade and other receivables	424	–	424	–
Bad debts written off	10	283	10	283
Depreciation of investment property	72	–	72	–
Depreciation of property, plant and equipment	925	1,374	2,453	3,024
Impairment loss of goodwill	–	79	–	79
Impairment loss on property, plant and equipment	375	11,720	375	11,720
Loss on disposal of land use rights	–	–	–	16
(Gain)/loss on disposal of property, plant and equipment	(12)	–	33	5
Material costs recognised as an expense in cost of sales	5,328	–	15,214	–
Net loss/(gain) on foreign exchange	642	1,450	1,162	(1,343)
Professional and consultancy fee	675	549	675	949
Property, plant and equipment written off	–	530	–	530
Rental expenses	191	–	676	837
Staff costs	440	134	2,224	2,870
Written down of inventories	228	–	228	338

* Include independent member firms of the Baker Tilly International network.

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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		
	30 April 2019	30 April 2018	1 May 2017	30 April 2019	30 April 2018	1 May 2017
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS						
Non-current assets						
Property, plant and equipment	41,326	45,165	54,163	–	–	–
Investment property	906	1,046	–	–	–	–
Land use rights	2,491	2,781	2,585	–	–	–
Goodwill arising on business combinations	–	–	4	–	–	–
Investments in subsidiaries	–	–	–	21	21	110,978
Total non-current assets	44,723	48,992	56,752	21	21	110,978
Current assets						
Inventories	2,173	652	–	–	–	–
Trade and other receivables	4,559	7,971	5,535	4,833	5,846	1,029
Cash and cash equivalents	503	1,262	6,888	36	66	5,116
	7,235	9,885	12,423	4,869	5,912	6,145
Land use rights	–	–	507	–	–	–
Total current assets	7,235	9,885	12,930	4,869	5,912	6,145
Total assets	51,958	58,877	69,682	4,890	5,933	117,123

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Statements of Financial Position (cont'd)

	Group			Company		
	30 April 2019 <i>US\$'000</i>	30 April 2018 <i>US\$'000</i>	1 May 2017 <i>US\$'000</i>	30 April 2019 <i>US\$'000</i>	30 April 2018 <i>US\$'000</i>	1 May 2017 <i>US\$'000</i>
	LIABILITIES					
Non-current liability						
Borrowings	–	960	33,301	–	–	–
Current liabilities						
Trade and other payables	16,380	16,329	15,536	5,366	4,061	2,792
Contract liabilities	624	12	410	–	–	–
Borrowings	22,464	51,072	19,392	–	–	–
Deferred income	63	67	284	–	–	–
Total current liabilities	<u>39,531</u>	<u>67,480</u>	<u>35,622</u>	<u>5,366</u>	<u>4,061</u>	<u>2,792</u>
Total liabilities	<u>39,531</u>	<u>68,440</u>	<u>68,923</u>	<u>5,366</u>	<u>4,061</u>	<u>2,792</u>
Net assets/(liabilities)	<u>12,427</u>	<u>(9,563)</u>	<u>759</u>	<u>(476)</u>	<u>1,872</u>	<u>114,331</u>
EQUITY						
Share capital	38,390	38,390	38,390	114,891	114,891	114,891
Accumulated losses	(31,848)	(56,879)	(42,905)	(117,968)	(115,620)	(3,161)
Foreign currency translation reserve	1,372	2,748	483	–	–	–
Statutory reserve	33	33	33	–	–	–
Other reserves	<u>2,601</u>	<u>3,134</u>	<u>3,096</u>	<u>2,601</u>	<u>2,601</u>	<u>2,601</u>
Equity/(equity deficit) attributable to equity holders of the Company	<u>10,548</u>	<u>(12,574)</u>	<u>(903)</u>	<u>(476)</u>	<u>1,872</u>	<u>114,331</u>
Non-controlling interests	<u>1,879</u>	<u>3,011</u>	<u>1,662</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total equity/(equity deficit)	<u>12,427</u>	<u>(9,563)</u>	<u>759</u>	<u>(476)</u>	<u>1,872</u>	<u>114,331</u>

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

	As at 30 April 2019		As at 30 April 2018		As at 1 May 2017	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in one year or less	4,419	18,045	3,495	47,577	16,522	2,870
Amount repayable after one year	-	-	960	-	-	33,301

Details of any collaterals

Loans from Real Shine Capital Limited (“RSCL”) which were granted to YNMT one of the PRC subsidiaries 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, building and plant and machinery; and
- Floating charge over the remaining assets of YNMT.

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

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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 for the Fourth Quarter/Year ended 30 April 2019

	3 months period ended		Year ended	
	30 April	30 April	30 April	30 April
	2019	2018	2019	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Profit/(loss) before income tax	31,748	(18,350)	23,872	(13,383)
<i>Adjustments for:</i>				
Allowance for impairment on trade and other receivables	424	–	424	–
Amortisation of deferred income	–	3	–	(224)
Amortisation of land use rights	95	72	95	73
Bad debts written off	10	283	10	283
Depreciation of investment property	72	–	72	–
Depreciation of property, plant and equipment	814	1,374	2,453	3,024
Gain on assignment of loan obligations	–	(1,615)	–	(10,414)
Gain on disposal of subsidiaries	(36,983)	–	(37,087)	–
Impairment loss on goodwill	–	79	–	79
Impairment loss on property, plant and equipment	375	11,720	375	11,720
Interest expense	564	2,940	1,366	3,751
Interest income	(3)	1	(3)	(1)
Loss on disposal of land use rights	–	16	–	16
Loss on disposal of property, plant and equipment	33	5	33	5
Property, plant and equipment written off	–	285	–	530
Reversal of provision on litigation settlements	–	(1,289)	–	(1,289)
Unrealised gain on foreign exchange	–	(1,724)	–	(1,724)
Write back of long outstanding other payable	(274)	–	(274)	–
Written down of inventories	228	338	228	338

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***Consolidated Statement of Cash Flows for the Fourth Quarter/Year ended 30 April 2019
(cont'd)***

	3 months period ended		Year ended	
	30 April 2019 US\$'000	30 April 2018 US\$'000	30 April 2019 US\$'000	30 April 2018 US\$'000
Operating cash flows before movements in working capital	(2,897)	(5,862)	(8,436)	(7,216)
(Increase)/decrease in inventories	395	(895)	(1,749)	(990)
(Increase)/decrease in trade and other receivables	(86)	2,159	1,663	(1,234)
Increase/(decrease) in trade and other payables	(923)	(4,578)	1,714	1,233
Increase in contract liability	624	–	624	–
Currency translation differences	982	410	1,562	(403)
Cash used in operations	(1,905)	(8,766)	(4,622)	(8,610)
Income tax paid, net	–	–	(9)	–
Interest income received	3	(1)	3	1
Net cash used in operating activities	(1,902)	(8,767)	(4,628)	(8,609)
Cash flows from investing activities				
Acquisition of a subsidiary	–	(898)	–	(1,030)
Net cash inflow from disposal of subsidiaries	622	–	622	–
Proceeds from disposal of property, plant and equipment	–	1,671	–	7
Proceeds from disposal of property held-for-sale	–	(507)	–	–
Purchase of property, plant and equipment	(3,399)	(1,126)	(4,512)	(2,468)
Net cash used in investing activities	(2,777)	(860)	(3,890)	(3,491)

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***Consolidated Statement of Cash Flows for the Fourth Quarter/Year ended 30 April 2019
(cont'd)***

	3 months period ended		Year ended	
	30 April 2019 US\$'000	30 April 2018 US\$'000	30 April 2019 US\$'000	30 April 2018 US\$'000
Cash flows from financing activities				
Advances/loans from directors (net of repayments)	1,970	7,365	4,589	7,365
Advances/loans from related parties (net of repayments)	3,292	1,622	3,503	1,622
Loans from a former director (net of repayments)	–	86	–	86
Advances from immediate and ultimate holding company	(2)	58	254	58
Drawdown of loans from former immediate and ultimate holding company	–	136	–	136
Capital injection by non-controlling interests	–	(641)	–	–
Interest expense paid	(603)	811	(603)	(93)
Net settlement of short-term borrowings and bills payables	–	(2,718)	–	–
Repayment of long-term bank loan, other borrowings and loans from Real Shine Capital Limited	–	2,718	–	(2,718)
Net cash generated from financing activities	4,657	9,437	7,743	6,456
Net decrease in cash and cash equivalents	(22)	(190)	(775)	(5,644)
Cash and cash equivalents at beginning of the period/year	509	1,434	1,262	6,888
Effect of currency translation on cash and cash equivalents	16	18	16	18
Cash and cash equivalents at end of the period/year	503	1,262	503	1,262

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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 Statements of Changes in Equity for the Year ended 30 April 2019

	Share capital <i>US\$'000</i>	Accumulated losses <i>US\$'000</i>	Foreign currency translation reserve <i>US\$'000</i>	Statutory reserve <i>US\$'000</i>	Other reserves <i>US\$'000</i>	Total equity attributable to equity holders of the Company <i>US\$'000</i>	Non-controlling interests <i>US\$'000</i>	Total equity/ (equity deficit) <i>US\$'000</i>
Group								
Balance at 1 May 2017	38,390	(42,905)	483	33	3,096	(903)	1,662	759
Transfer to other reserves	-	(38)	-	-	38	-	-	-
Loss for the year	-	(12,223)	-	-	-	(12,223)	(1,160)	(13,383)
<i>Other comprehensive income:</i>								
Currency translation differences arising on consolidation	-	-	2,265	-	-	2,265	205	2,470
Total comprehensive income/(loss) for the year	-	(12,223)	2,265	-	-	(9,958)	(955)	(10,913)
Incorporation of a subsidiary	-	-	-	-	-	-	591	591
Increase in non-controlling interests resulted from waiver of debts within the Group's subsidiaries	-	(1,713)	-	-	-	(1,713)	1,713	-
Balance at 30 April 2018	<u>38,390</u>	<u>(56,879)</u>	<u>2,748</u>	<u>33</u>	<u>3,134</u>	<u>(12,574)</u>	<u>3,011</u>	<u>(9,563)</u>

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***Consolidated Statements of Changes in Equity for the Year ended 30 April 2019
(cont'd)***

	Share capital <i>US\$'000</i>	Accumulated losses <i>US\$'000</i>	Foreign currency translation reserve <i>US\$'000</i>	Statutory reserve <i>US\$'000</i>	Other reserves <i>US\$'000</i>	Total equity attributable to equity holders of the Company <i>US\$'000</i>	Non- controlling interests <i>US\$'000</i>	Total equity/ (equity deficit) <i>US\$'000</i>
Group								
Balance at 1 May 2018	38,390	(56,879)	2,748	33	3,134	(12,574)	3,011	(9,563)
Profit for the year	-	24,448	-	-	-	24,498	(635)	23,863
<i>Other comprehensive loss:</i>								
Currency translation differences arising on consolidation	-	-	(1,327)	-	-	(1,327)	(124)	(1,451)
Total comprehensive income/(loss) for the year	-	24,498	(1,327)	-	-	23,171	(759)	22,412
Transfer of other reserves upon disposal of subsidiaries	-	533	-	-	(533)	-	-	-
Disposal of subsidiaries	-	-	(49)	-	-	(49)	(373)	(422)
Balance at 30 April 2019	38,390	(31,848)	1,372	33	2,601	10,548	1,879	12,427

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Statements of Changes in Equity for the Year ended 30 April 2019

	Share capital	Accumulated losses	Other reserves	Total equity
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Company				
Balance at 1 May 2017	114,891	(3,161)	2,601	114,331
Loss and total comprehensive loss for the year	—	(112,459)	—	(112,459)
Balance at 30 April 2018 and 1 May 2018	114,891	(115,620)	2,601	1,872
Loss and total comprehensive loss for the year	—	(2,348)	—	(2,348)
Balance at 30 April 2019	<u>114,891</u>	<u>(117,968)</u>	<u>2,601</u>	<u>(476)</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 at 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 January 2019. As at 30 April 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 30 April 2019, 30 April 2018 and 1 May 2017.

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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**

	Company		
	30 April 2019	30 April 2018	1 May 2017
Total number of issued shares, excluding treasury shares ('000)	191,484	191,484	191,484
Share capital (US\$'000)	38,390	38,390	38,390

There were no treasury shares as at 30 April 2019, 30 April 2018 and 1 May 2017.

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

Not applicable.

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

Not applicable.

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

The figures have been audited by the Company's independent auditor, in accordance with Singapore Standards on Auditing.

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

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

Qualified Opinion

We have audited the accompanying financial statements of Yorkshire Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages [•] to [•], which comprise the statements of financial position of the Group and the Company as at 30 April 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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In our opinion, except for the possible effect on the comparability of figures as described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 April 2019, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Qualified Opinion

Comparability of figures

In the previous financial year ended 30 April 2018, the Group recognised an impairment loss on property, plant and equipment amounting to US\$11,720,000 and the Company recognised impairment losses on 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.

We expressed a qualified opinion on the financial statements of the Group and the Company for the financial year ended 30 April 2018 as we were unable to determine how much of the impairment losses on the property, plant and equipment, investments in subsidiaries and amount due from subsidiary, if any, relates to the profit or loss in years prior to the financial year ended 30 April 2018. Consequently, we were unable to determine whether any adjustments might be necessary to the profit or loss for the previous financial year ended 30 April 2018 and opening accumulated losses as at 1 May 2017 of the Group and the Company.

Our opinion on the current financial year’s financial statements is modified because of the possible effect of the above matters on the comparability of the current year’s figures and the corresponding figures.

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We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 to the financial statements with respect to the Group’s and the Company’s ability to continue as going concerns. The Group reported a net cash used in operating activities for the financial year of US\$4,628,000 (2018: US\$8,609,000). As at 30 April 2019, the Group’s current liabilities exceeded the current assets by US\$32,296,000 (2018: US\$57,595,000) and the Company’s current liabilities exceeded the current assets by US\$497,000.

These factors indicate the existence of material uncertainties that may cast significant doubt about the Group’s and the Company’s ability to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business. Nevertheless, for the reasons disclosed in Note 3 to the financial statements, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 30 April 2019 is appropriate. Our opinion is not further modified in respect of this matter.

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MANAGEMENT'S RESPONSE TO CERTAIN QUALIFIED AUDIT OPINION

The Directors would like to stress that the qualification arises because of the potential effect the past year's audit qualification may have on the comparability of the figures in the FY2019 financial statements against the figures in the FY2018 financial statements, and not because the Company has not resolved past audit issues.

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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and method of computation in the financial statements for the current period as those of the audited financial statements as of 30 April 2018.

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

The Group adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 May 2018. The financial statements for the financial year ended 30 April 2019 are the first set of the financial statements of the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 30 April 2018 were prepared in accordance with Singapore Financial Reporting Standards.

In adopting SFRS(I) on 1 May 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I). The Group has also presented statement of financial position as at 1 May 2017, which is the flow date of transition to SFRS(I).

The Group has performed a detailed analysis of the transition options and other requirements of SFRS(I) and has determined that there are no significant change to the Group's current accounting policies under the financial reporting standards in Singapore or material adjustment on the initial transition of the new framework.

Other than the adoption of the new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect in the current financial year, the Group has applied the same accounting policies and methods of computation as in the most recently audited financial statement for the financial year ended 30 April 2018. The adoption of the new financial statement framework, new SFRS(I)s amendments and interpretations of SFRS(I)s has no material impact on the financial performance and financial position of the Group.

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6. Earnings 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		Year ended	
	30 April 2019	30 April 2018	30 April 2019	30 April 2018
Earning/(loss) per share for the period/year attributable to equity holders of the Company (in US cents)				
Basic and Diluted	17.10	(8.82)	12.79	(6.38)
Details:				
Profit/(loss) for the period/year attributable to equity holders of the Company (US\$'000)	32,756	(16,881)	24,498	(12,223)
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 the issuer at the end of the:

(a) Current financial period reported on; and

(b) Immediately preceding financial year

	Group			Company		
	30 April 2019	30 April 2018	1 May 2017	30 April 2019	30 April 2018	1 May 2017
Net assets/(liabilities) value per ordinary share based on issued share capital of the issuer (in US cents)	6.49	(4.99)	0.40	(0.25)	0.98	59.71
Number of shares in issue ('000)	191,484	191,484	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 30 April 2019.

Performance of the Group

For the year ended 30 April 2019, the Group was principally engaged in manufacturing, sales and distribution of tinsplate and related products for metal packaging industry (“**Tinsplate Manufacturing business**”) in the People’s Republic of China (“**PRC**”) while the trading and distribution business has been suspended since the beginning of the financial year ended 30 April 2018 (“**FY2018**”).

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Revenue and Gross Loss

The Tinsplate Manufacturing business was suspended during the financial year ended 30 April 2015. It has undergone revitalization and has resumed its operation in May 2018 and generated approximately US\$16.4 million (FY2018: Nil) sales revenue for the Year. The gross loss of US\$4.1 million, representing 24.7% to the sales revenue was due to the Tinsplate Manufacturing business was at the early resumed stage. The plant and machinery has been going through trial testing. The sales volume is coping up to the breakeven point stage by stage.

Other Income

Other income for the Year was US\$37.7 million (FY2018: US\$12.1 million), mainly comprised of a one-time gain of US\$37.1 million from the disposal of subsidiaries during FY2019. The Group will continue to streamline its corporate structure to enhance the financial position for the interests of the shareholders. Other income for FY2018 comprised of (i) a one-time gain of US\$10.4 million resulted from the assignment of a loan obligation and (ii) the reversal of provision on litigation settlement no longer necessary of US\$1.3 million.

Administrative Expenses

Administrative expenses for the Year was US\$6.5 million (FY2018: US\$8.3 million), a reduction of US\$1.8 million.

The Group has been cautious in keeping the administrative expenses stable and under control. Upon the resumption of Tinsplate Manufacturing business, expenses incurred in manufacturing process were included in cost of sales, i.e. depreciation of PPE and salaries, resulted a reduction in administrative expenses.

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Other Expenses

Other expenses for the Year remained steady at US\$1.5 million (FY2018: US\$1.7 million).

Finance Costs

Finance costs for the Year was US\$1.4 million (FY2018: US\$3.8 million), US\$0.8 million deemed interest expenses on interest-free loans due to the former immediate and ultimate holding company was fully amortised during the Year (FY2018: US\$2.9 million).

Profit for the Year

The Group has made a net profit of US\$23.9 million (FY2018: loss US\$13.4 million) mainly due to the one-time gain of US\$37.1 million from the disposal of subsidiaries during FY2019.

Cashflow, Working Capital, Assets or Liabilities

Cash & Cash Equivalents

Total cash and cash equivalents of the Group were US\$0.5 million as at 30 April 2019 (FY2018: US\$1.3 million), a change of US\$0.8 million.

Cash used in operating activities

Net cash of US\$4.6 million (FY2018: US\$8.6 million) has been used in operating activities, including a net increase of US\$2.3 million (FY2018: US\$1.0 million) in working capital covering increase in inventory (cash outflow), decrease in trade and other receivables (cash inflow) and increase in trade and other payables (cash outflow) and increase in contract liability (cash inflow).

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Working Capital

Inventories

Inventories as at 30 April 2019 was US\$2.2 million (FY2018: US\$0.7 million), increased by approximately US\$1.5 million due to the resumption of Tinline Manufacturing business in May 2018.

Trade and Other Receivables

Total trade and other receivables as at 30 April 2019 was US\$4.6 million (FY2018: US\$8.0 million), decreased by US\$3.4 million. It was mainly due to decrease in PRC value-added tax receivable of US\$3.6 million. Aging of the Group's trade and other receivables amounted to US\$1.2 million (FY2018: US\$0.9 million) are being monitored, and no further allowance for impairment of trade and other receivables as at 30 April 2019 was necessary as there was no recent history of significant default in respect of these trade and other receivables.

Trade and Other Payables

Trade and other payables remained steady of US\$16.4 million as at 30 April 2019 (FY2018: US\$16.3 million).

Cash used in investing activities and financing activities

During the Year, the Group has used US\$0.8 million cash, US\$4.5 million related to acquisition of PPE. Additional cash advances totalling of US\$8.3 million from a director, related parties and the immediate and ultimate holding company to support the operations of the Group. The Group has been relying on the financial support from Golden Star Group Limited and Mr. Zhu Jun, the ultimate controlling party of the Group.

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Borrowings

Total borrowings as at 30 April 2019 amounted to US\$22.5 million (FY2018: US\$52.0 million).

Total liabilities was US\$39.7 million (FY2018: US\$68.4 million), of which US\$20.9 million (FY2018: US\$13.2 million) contributed from the support from the Golden Star Group Limited, Mr. Zhu Jun, the ultimate controlling party of the Group and related parties.

The significant reduction in total borrowings was attributed to the disposal of two inactive subsidiaries with net liabilities position of US\$37.0 million.

Assets pledged

As at 30 April 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 efficiency, broadening customer basis, capturing sales and market opportunities.

During the Year, 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 payables for the Year.

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

Capital Expenditure and Contingent Liabilities

During the Year, capital expenditure of the Group was US\$2.3 million (FY2018: US\$2.3 million).

As at 30 April 2019, the Group had no material capital commitment nor contingent liability (FY2018: Nil).

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Further Streamlining of Group Structure

On 20 June 2019, the Group disposed two subsidiaries, Novo Commodities Pte. Ltd. (“NCPL”) and Novo Management Services Limited and its subsidiary (“NMSL”) to a company wholly-owned by Mr. Zhu Jun, the Executive Director and controlling shareholder of the Company for a consideration of HK\$780 (equivalent to approximately US\$100) (the “Disposal”). Given that 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 disposal (together with the consideration) is 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 Disposal, each of NCPL and NMSL will cease to be subsidiaries of the Company, approximately US\$6.5 million net liabilities will be derecognised from the Group.

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

Not applicable.

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

The Group has engaged in the Tinsplate Manufacturing business since 2012. Located in Jiangsu, the Tinsplate Manufacturing segment with its Taizhou plant (“**Taizhou Plant**”) principally engages in manufacturing, sales and distribution of tinsplate 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\$16.4 million revenue for the Year.

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Outlook

The Group is fully dedicated to the manufacturing of metal packaging material, tinplate, and related businesses, i.e. the Tinplate Manufacturing business. The Group aims to be a leading supplier of tinplate products in the PRC and eventually globally.

Tin is a non-toxic element widely used in coating of steel sheet products, i.e. food cans, to increase the preservation of nutrition and flavour of food, and to reduce oxidation of food. Tin also has a metallic lustre that provides an aesthetic look for tinplate containers. It also has excellent properties in corrosion resistivity and high weldability. Tinplate products can also be easily recycled and hence demand has been growing to replace non-degradable packaging products. Tinplate's special characteristics have made it the premier product of choice for the metal packaging industry.

The stringent environmental rules in Mainland China have forced unqualified factories to close 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.

Tinplate is currently used for making all types of containers such as food cans, beverage cans, 18-liter cans and artistic cans. Its applications are not limited to containers. Recently, tinplate has also been used for making electrical machinery parts and many other products. The Group is also developing new potential product lines and continually optimizing existing product lines to satisfy the unique needs of various existing and potential customers. Can manufacturing and the laminated steel production line are currently under construction and are yet to be put into production.

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 (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, 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 will 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. Furthermore, the Group will continue to streamline the corporate structure of the Group to enhance the financial position for the interests of the shareholders.

On 2 May 2019, the Company submitted an application to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) to seek its consent to extend the respective deadlines for the Company (i) to submit a resumption of trading proposal from 1 August 2018 to 31 July 2019; and (ii) to exit the Watch-List (the “**Waivers**”).

On 22 May 2019, the Company received a letter from SGX-ST dated 21 May 2019 informing the Company that the Waivers have been rejected and that as it has failed to comply with the financial exit criteria set out under the SG Listing Rules for removal from the Watch-List, the SGX-ST will proceed to delist the Company (the “**SGX Decision**”).

The Company made an appeal to SGX-ST in writing on 27 May 2019 on the SGX Decision. The reasons for the Application were, inter alia, that the Group is currently focusing 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 Company submitted a resumption proposal to SEHK on 3 July 2019. The Board will update shareholders through further announcements in relation to the outcome of the Application in due course.

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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.

(c) Date payable

Not applicable.

(d) 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 year ended 30 April 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 Rule 920(1)(a) (ii) of the 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. 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.

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15. Segment Information

During the Year, the Group is principally engaged in the manufacturing, sales and distribution of tinplate and related products for metal packaging industry in the PRC while the trading and distribution business has been suspended since the beginning of FY2018. The Group organised into business units based on its business segments purposes. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment. The reportable segments are (a) Tinplate Manufacturing and (b) Trading & Distribution and Others.

The reportable information for segments is as follows:

	Tinplate Manufacturing <i>US\$'000</i>	Trading & Distribution and Others <i>US\$'000</i>	Total <i>US\$'000</i>
For the year ended 30 April 2019			
Segment revenue:			
– sales to external customers	16,420	–	16,420
Segment results	(4,061)	–	(4,061)
Other income	554	37,150	37,704
Other costs	(3,447)	(4,947)	(8,394)
Finance costs	(345)	(1,032)	(1,377)
Profit/(loss) before income tax	(7,299)	31,171	23,872
Income tax expense	–	(9)	(9)
Profit/(loss) for the year	(7,299)	31,162	23,863
<u>Other segment information</u>			
Capital expenditure	2,213	63	2,276
Depreciation and amortisation	2,396	224	2,620
Non-cash items other than depreciation and amortisation	(31)	(36,782)	(36,813)
Impairment loss on property, plant and equipment	–	375	375
Balance at 30 April 2019			
<u>Assets and liabilities</u>			
Segment assets	50,342	1,616	51,958
Segment liabilities	23,815	15,716	39,531

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	Tinplate Manufacturing <i>US\$'000</i>	Trading & Distribution and Others <i>US\$'000</i>	Total <i>US\$'000</i>
For the year ended 30 April 2018			
Segment revenue:			
– sales to external customers	–	–	–
Segment results	–	–	–
Other income	11,960	105	12,065
Other costs	(16,788)	(4,898)	(21,686)
Finance costs	(2,013)	(1,749)	(3,762)
Loss before income tax	(6,841)	(6,542)	(13,383)
Income tax credit	–	–	–
Loss for the year	(6,841)	(6,542)	(13,383)
<u>Other segment information</u>			
Capital expenditure	1,799	478	2,277
Depreciation and amortisation	2,924	173	3,097
Non-cash items other than depreciation and amortisation	(10,799)	3,037	(7,762)
Impairment loss on property, plant and equipment	11,720	–	11,720
Balance at 30 April 2018			
<u>Assets and liabilities</u>			
Segment assets	55,362	3,515	58,877
Segment liabilities	36,734	31,706	68,440
Balance at 1 May 2017			
<u>Assets and liabilities</u>			
Segment assets	61,249	8,433	69,682
Segment liabilities	25,515	43,408	68,923

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Geographical Information

The Group's operations are located in one (FY2018: one) main geographical area. The turnover by geographical segments are based on the location of customers regardless of where the goods are produced. The following table provides an analysis of the Group's revenue and non-current assets by geographical markets, irrespective of the origin of the goods and services.

	Sales to external customers		Non-current assets		
	Year ended		As at		
	30 April 2019 US\$'000	30 April 2018 US\$'000	30 April 2019 US\$'000	30 April 2018 US\$'000	1 May 2017 US\$'000
PRC	<u>16,420</u>	<u>–</u>	<u>44,723</u>	<u>48,992</u>	<u>56,752</u>

Non-current assets information presented above are non-current assets as presented on the statements of financial position.

Information about Major Customer

Revenue of approximately US\$3.6 million during the financial year ended 30 April 2019 was derived from 1 major external customer who individually contributed 10% or more of the Group's revenue and is attributable to the Tinsplate Manufacturing segment.

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16. A breakdown of revenue and profit or loss

	2019	2018	Increase/ (Decrease)
	<i>US\$'000</i>	<i>US\$'000</i>	<i>%</i>
Total revenue reported for first half year	5,596	–	NM
Loss after income tax for first half year	6,826	3,618	89%
Total revenue reported for second half year	10,824	–	NM
Profit/(loss) after income tax for second half year	30,689	(9,765)	NM

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

No dividend has been recommended or declared for the years ended 30 April 2019 and 30 April 2018.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

As at 30 April 2019, there are no appointment of any relatives of any Director/Chief Executive Officer/Substantial Shareholder of the Company who are holding a managerial position in the Company or any of its principal subsidiaries.

On behalf of the Board

YORKSHINE HOLDINGS LIMITED

Zhu Jun

Executive Chairman and Executive Director

10 July 2019