

YORKSHINE HOLDINGS LIMITED

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

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2017

PART I INFORMATION REQUIRED FOR SECOND 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 second quarter ended 31 October 2017.

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 Second Quarter ended 31 October 2017

	The Group					
	3 months period ended			6 months period ended		
	31 October 2017 <i>US\$'000</i>	31 October 2016 <i>US\$'000</i>	Increase/ (Decrease) %	31 October 2017 <i>US\$'000</i>	31 October 2016 <i>US\$'000</i>	Increase/ (Decrease) %
Continuing operations						
Revenue	-	26,315	NM	-	48,748	NM
Cost of sales	-	(26,156)	NM	-	(48,092)	NM
Gross profit	-	159	NM	-	656	NM
Other income	419	104	>100%	1,225	4,441	-72%
Distribution and selling expenses	-	(131)	NM	-	(411)	NM
Administrative expenses	(2,373)	(2,094)	13%	(4,119)	(3,858)	8%
Other operating expenses	(10)	(17)	-41%	(58)	(86)	-32%
Finance costs	(331)	(81)	>100%	(659)	(410)	61%
Profit/(loss) before tax	(2,295)	(2,060)	11%	(3,611)	332	<-100%
Income tax (expenses)/credit	(7)	10	<-100%	(7)	3	<-100%
Profit/(loss) for the period from continuing operations, net of tax	(2,302)	(2,050)	12%	(3,618)	335	<-100%

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	The Group					
	3 months period ended			6 months period ended		
	31 October 2017 <i>US\$'000</i>	31 October 2016 <i>US\$'000</i>	Increase/ (Decrease) %	31 October 2017 <i>US\$'000</i>	31 October 2016 <i>US\$'000</i>	Increase/ (Decrease) %
Discontinued operations						
Profit from discontinued operations, net of tax	-	1	NM	-	178	NM
Profit/(loss) for the period	<u>(2,302)</u>	<u>(2,049)</u>	<u>12%</u>	<u>(3,618)</u>	<u>513</u>	<u><-100%</u>
Profit/(loss) for the period attributable to:						
Equity holders of the Company	(2,208)	(2,026)		(3,492)	488	
Non-controlling interest	<u>(94)</u>	<u>(23)</u>		<u>(126)</u>	<u>25</u>	
Profit/(loss) for the period	<u>(2,302)</u>	<u>(2,049)</u>		<u>(3,618)</u>	<u>513</u>	

NM – not meaningful

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Consolidated Statement of Comprehensive Income for the Second Quarter ended 31 October 2017

	The Group					
	3 months period ended			6 months period ended		
	31 October	31 October	Increase/ (Decrease)	31 October	31 October	Increase/ (Decrease)
	2017	2016	(Decrease)	2017	2016	(Decrease)
	<i>US\$'000</i>	<i>US\$'000</i>	%	<i>US\$'000</i>	<i>US\$'000</i>	%
Profit/(loss) for the period	(2,302)	(2,049)	12%	(3,618)	513	<-100%
Other comprehensive						
income/(loss) for the period,						
net of tax						
Acquisition of subsidiaries	869	–	NM	869	–	NM
Exchange differences on translation of the Group's overseas operations	195	(974)	<-100%	925	(2,441)	<-100%
Total comprehensive loss for the period	<u>(1,238)</u>	<u>(3,023)</u>		<u>(1,824)</u>	<u>(1,928)</u>	
Attributable to:						
Equity holders of the Company	(1,799)	(2,927)		(2,380)	(1,771)	
Non-controlling interests	561	(96)		556	(157)	
Total comprehensive loss for the period	<u>(1,238)</u>	<u>(3,023)</u>		<u>(1,824)</u>	<u>(1,928)</u>	

NM – not meaningful

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

	The Group			
	3 months period ended		6 months period ended	
	31 October	31 October	31 October	31 October
	2017	2016	2017	2016
	US\$'000	US\$'000	US\$'000	US\$'000
Loss for the period for the continuing operation is stated after charging/ (crediting):				
Amortisation of deferred income	–	(80)	(224)	(160)
Amortisation of land use rights	–	25	1	50
Depreciation of property, plant and equipment	550	535	1,090	1,080
Interest expenses	328	51	653	358
Interest income	–	–	–	(2)
Net exchange (gain)/loss	(181)	17	(749)	85
Loss/(gain) on disposal of property, plant and equipment	–	–	–	(4,159)
Written off of property, plant and equipment	–	–	46	–

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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

	The Group		The Company	
	As at 31 October 2017 <i>US\$'000</i>	As at 30 April 2017 <i>US\$'000</i> (Audited)	As at 31 October 2017 <i>US\$'000</i>	As at 30 April 2017 <i>US\$'000</i> (Audited)
Non-current assets				
Property, plant and equipment	55,297	54,163 <i>(Note)</i>	-	-
Land use rights	2,657	2,585	-	-
Goodwill	136	4	-	-
Investments in subsidiaries	-	-	110,978	110,978
	58,090	56,752	110,978	110,978
Current assets				
Inventories	79	-	-	-
Trade and other receivables	7,710	5,535	4,933	1,029
Cash and cash equivalents	5,237	6,888	1,212	5,116
	13,026	12,423	6,145	6,145
Land use rights	-	507	-	-
	13,026	12,930	6,145	6,145
Total current assets	13,026	12,930	6,145	6,145
Total assets	71,116	69,682	117,123	117,123

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 2017.

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	The Group		The Company	
	As at 31 October 2017 <i>US\$'000</i>	As at 30 April 2017 <i>US\$'000</i> (Audited)	As at 31 October 2017 <i>US\$'000</i>	As at 30 April 2017 <i>US\$'000</i> (Audited)
Non-current liabilities				
Borrowings	1,988	33,301	–	–
Total non-current liabilities	1,988	33,301	–	–
Current liabilities				
Trade and other payables	19,072	15,946	3,397	2,792
Deferred income	66	284	–	–
Borrowings	51,054	19,392	–	–
Total current liabilities	70,192	35,622	3,397	2,792
Total liabilities	72,180	68,923	3,397	2,792
Net assets/(liabilities)	(1,064)	759	113,726	114,331
Equity				
Share capital	38,390	38,390	114,891	114,891
Accumulated losses	(46,397)	(42,905)	(3,766)	(3,161)
Foreign currency translation reserve	1,509	483	–	–
Statutory reserve	33	33	–	–
Other reserves	3,184	3,096	2,601	2,601
Total equity attributable to:				
Equity holders of the Company	(3,281)	(903)	113,726	114,331
Non-controlling interests	2,217	1,662	–	–
Total equity	(1,064)	759	113,726	114,331

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

	<u>The Group</u>		<u>The Group</u>	
	As at 31 October 2017		As at 30 April 2017	
	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	16,607	34,447	16,522	2,870
Amount repayable after one year	–	1,988	–	33,301

As at 31 October 2017, the Group's bank loan and certain borrowings granted to one of the subsidiaries in the People's Republic of China (the "PRC") are secured by way of:

- Legal pledged of equity interest agreement, escrow account agreement, insurance agreement and receivable agreements;
- Legal pledged of land use rights, construction work-in-progress, building and plant and machinery;
- Share charge on a subsidiary; and
- Floating mortgage.

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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

	The Group			
	3 months period ended		6 months period ended	
	31 October	31 October	31 October	31 October
	2017	2016	2017	2016
	<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 from continuing operations	(2,295)	(2,060)	(3,611)	332
Profit before tax from discontinued operations	–	1	–	178
Adjustments for:				
Amortisation of deferred income	–	(80)	(224)	(160)
Amortisation of land use rights	–	36	1	61
Bad debts written off	–	–	–	2
Depreciation of property, plant and equipment	550	671	1,090	1,216
Written off of property, plant and equipment	–	–	46	–
Gain on disposal of property, plant and equipment	–	–	–	(4,159)
Interest expense	328	630	653	937
Interest income	–	(10)	–	(12)
Written back of inventories	–	(862)	–	(862)
	(1,417)	(1,674)	(2,045)	(2,467)
Operating cash flows before movements in working capital				
Inventories	(49)	531	(79)	531
Trade and other receivables	(1,198)	6,018	(1,270)	(278)
Trade and other payables	2,108	(4,668)	3,126	1,533
Currency translation differences	(289)	(673)	(1,051)	(357)
	(845)	(466)	(1,319)	(1,038)
Cash used in operations				
Income tax paid	(7)	(17)	(7)	(24)
Interest income received	–	10	–	12
	(852)	(473)	(1,326)	(1,050)
Net cash used in operating activities				

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	The Group			
	3 months period ended		6 months period ended	
	31 October	31 October	31 October	31 October
	2017	2016	2017	2016
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	–	207	–	9,255
Purchase of property, plant and equipment	–	(6)	–	(12)
Net cash generated from investing activities	–	201	–	9,243
Cash flows from financing activities				
Acquisition of subsidiaries	(21)	–	(21)	–
Decrease in fixed deposits and cash pledged	–	21,924	–	22,028
Draw down/(repayment) of bank and other borrowings	87	(16,995)	349	(28,870)
Interest expense paid	(328)	(630)	(653)	(937)
Net proceeds from share issued	–	6,151	–	6,151

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	The Group			
	3 months period ended		6 months period ended	
	31 October	31 October	31 October	31 October
	2017	2016	2017	2016
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Net cash (used in)/generated from financing activities	(262)	10,450	(325)	(1,628)
Net (decrease)/increase in cash and cash equivalents	(1,114)	10,178	(1,651)	6,565
Cash and cash equivalents at beginning of period	6,351	6,211	6,888	9,824
Effect of currency translation on cash and cash equivalents	–	1,043	–	1,043
Cash and cash equivalents at end of period	5,237	17,432	5,237	17,432
Cash and cash equivalents are represented by:				
Cash and bank balances				
– Continuing operations	5,237	6,564	5,237	6,564
– Discontinued operations	–	10,868	–	10,868
	5,237	17,432	5,237	17,432

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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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Statement of Changes in Equity

	The Group								
	Share capital	Accumulated losses	Foreign currency translation reserve	Statutory reserve	Other reserves	Reserve of disposal group classified as held-for-sale	Total equity attributable to equity holders of the Company	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 May 2016									
(Audited)	32,239	(38,770)	4,444	33	2,957	342	1,245	834	2,079
Prior year adjustments	-	5,278	(4,207)	-	-	-	1,071	-	1,071
As restated	32,239	(33,492)	237	33	2,957	342	2,316	834	3,150
Placing shares	6,151	-	-	-	-	-	6,151	-	6,151
Total comprehensive income/ (loss) for the period	-	488	(2,259)	-	-	-	(1,771)	(157)	(1,928)
Reserve attribute to disposal group classified as held-for-sale	-	-	-	-	-	3	3	-	3
Changes in ownership interests in subsidiaries without change of control	-	-	-	-	-	-	-	1,731	1,731
Balance at 31 October 2016	38,390	(33,004)	(2,022)	33	2,957	345	6,699	2,408	9,107
Balance 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 on consolidation	-	-	1,026	-	(192)	-	834	92	926
Total comprehensive income/ (loss) for the period	-	(3,492)	1,026	-	88	-	(2,378)	555	(1,823)
Balance at 31 October 2017	38,390	(46,397)	1,509	33	3,184	-	(3,281)	2,217	(1,064)

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	The Company			
	Share capital	Accumulated losses	Other reserves	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 May 2016 (Audited)	108,740	(1,419)	2,601	109,922
Placing of shares	6,151	–	–	6,151
Total comprehensive loss for the period	–	(642)	–	(642)
Balance at 31 October 2016	<u>114,891</u>	<u>(2,061)</u>	<u>2,601</u>	<u>115,431</u>
Balance at 1 May 2017 (Audited)	114,891	(3,161)	2,601	114,331
Total comprehensive loss for the period	–	(605)	–	(605)
Balance at 31 October 2017	<u>114,891</u>	<u>(3,766)</u>	<u>2,601</u>	<u>113,726</u>

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 30 April 2017. As at 31 October 2017 and 31 July 2017, the Company's issued and fully paid-up shares were 191,484,269 ordinary shares with voting rights.

There were no outstanding convertibles, treasury shares or share option as at 31 October 2017 and 31 October 2016.

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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

	The Company	
	As at 31 October 2017	As at 30 April 2017
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 October 2017 and 30 April 2017.

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

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.

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 auditor.

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

Not applicable.

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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 applied the same accounting policies and methods of computation in the financial statements for the current financial period as those used in the most recently audited financial statements for the year ended 30 April 2016, except for the adoption of new/revised Financial Reporting Standards (“**FRS**”) and interpretations of FRS (“**INT FRS**”) applicable to the Group for the financial period beginning on or after 1 May 2017.

The adoption of new/revised FRS and INT FRS have no material financial impact on the financial statements for the current and prior reporting periods.

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.

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6. Earnings/(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:

	The Group			
	3 months period ended		6 months period ended	
	31 October 2017	31 October 2016	31 October 2017	31 October 2016
	<i>(in US Cents)</i>	<i>(in US Cents)</i>	<i>(in US Cents)</i>	<i>(in US Cents)</i>
From continuing and discontinued operations				
Earnings/(loss) per ordinary shares:				
(a) Based on weighted average number of ordinary shares on issued; and	(1.15)	(1.12)	(1.82)	0.27
(b) On a fully diluted basis	(1.15)	(1.12)	(1.82)	0.27
Details:				
Profit/(loss) attributable to shareholders (stated in US\$'000)	(2,208)	(2,026)	(3,492)	488
Weight average number of ordinary shares ('000)	191,484	181,144	191,484	181,144
From continuing operations				
Earnings/(loss) per ordinary shares:				
(c) Based on weighted average number of ordinary shares on issued; and	(1.15)	(1.12)	(1.82)	0.22
(d) On a fully diluted basis	(1.15)	(1.12)	(1.82)	0.22
Details:				
Profit/(loss) attributable to shareholders (stated in US\$'000)	(2,208)	(2,027)	(3,492)	399
From discontinued operations				

Basic and diluted loss per share for the discontinued operation is based on the loss for period from 1 May to 31 October 2017 from the discontinued operations of US\$89,000 and the denominators detailed above for both basic and diluted earnings per share.

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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**

	The Group		The Company	
	As at 31 October 2017 <i>(in US cents)</i>	As at 30 April 2017 <i>(in US cents)</i>	As at 31 October 2017 <i>(in US cents)</i>	As at 30 April 2017 <i>(in US cents)</i>
Net assets/(liabilities) value per ordinary share based on issued share capital of the issuer	(0.56)	0.37	59.39	59.71
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**

Review of Performance

During the three months period ended 31 October 2017 (“**2QFY2018**”). The Group is principally engaged in:

- a) trading of iron ore, coal and steel products across the globes (“**Trading Segment**”); and
- b) tinplate manufacturing (“**Manufacturing Segment**”).

There was no revenue and corresponding cost of sales recorded during the second quarter ended 31 October 2017 (“**2QFY2018**”) due to: (a) the Trading & Distribution business of the Group has been suspended; and (b) the Tinplate Manufacturing business which was suspended during the financial year ended 30 April 2015 has been undergoing the process of revitalization.

Full details about the suspension of the Trading & Distribution business have been announced on 14 August 2017, 24 August 2017, 28 August 2017, 18 September 2017, 4 October 2017, 31 October 2017, 31 December 2017 and 19 January 2018.

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As at the date of this announcement, the Tinsplate Manufacturing business has resumed its operation in May 2018.

Full details about the suspension of the Trading & Distribution business have been announced on 14 August 2017, 24 August 2017, 28 August 2017, 18 September 2017, 4 October 2017, 31 October 2017, 31 December 2017 and 19 January 2018.

Other income

Other income for 2QFY2018 was mainly comprised of exchange gain approximately to US\$0.8 million and amortization of deferred income of US\$224,000.

Distribution and selling expenses

There was no distribution and selling expenses has been incurred as a result of the suspension of the Group's Trading & Distribution business.

Administrative expenses

Administrative expenses for 2QFY2018 and 2QFY2017 remained fixed. The increase in amount was due to the appreciation of RMB to USD..

Other expenses

Other expenses for 2QFY2018 was mainly comprised of written off of certain property, plant and equipment.

Finance costs

Finance costs for 2QFY2018 comprised bank loan interest of approximately US\$0.5 million and interest on long-term borrowing of approximately US\$0.2 million.

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Review of financial position and cash flow

Property, plant and equipment

The Auditor has expressed Qualified Opinion on the value of the Group's property, plant and equipment as at the year-end 30 April 2017.

The Auditor was unable to obtain sufficient appropriate audit evidence to satisfy themselves on the reasonableness of the key assumptions and inputs used in the determination of the recoverable amounts of the Group's property, plant and equipment which was stated at US\$54,163,000 as at 30 April 2017. Therefore, they were unable to determine whether any adjustments in respect of the net carrying values of the Group's property, plant and equipment as at 30 April 2017 were necessary.

Inventories

Inventories as at 31 October 2017 represents certain food products purchases by the Group for selling purpose.

Trade and other receivables

Trade and other receivables increased to US\$7.7 million as at 31 October 2017 from approximately US\$5.5 million as at 30 April 2017. The increase in receivables mainly due to: (a) a 4% appreciation of RMB to USD as at 31 October 2017 compared to 30 April 2017; (b) approximately US\$640,000 deposits for purchasing of plant and machinery and (c) receivable for the VAT refund.

Trade and other payables

Trade and other payables increase to approximately US\$19 million as at 31 October 2017 from approximately US\$16 million as at 30 April 2017. The increase in payables mainly due to: (a) a 4% appreciation of RMB to USD as at 31 October 2017 compared to 30 April 2017; (b) increase in advances from a director, which were interest-free and with no value risk to the Group pursuant to Chapter 9 of the SGX Listing Manual.

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Liquidity and financial resources

Total borrowings slightly increased by US\$0.3 million. During the 3QFY2018, the loans from a former immediate and ultimate holding company repayable on 1 August 2018 has been reclassified from non-current liabilities to current liabilities. Hence, the current ratio of the Group dropped to 0.11.

There was no material cash inflows from financing facilities for the 3 months ended 31 January 2018. US\$3 million was used in repayment of bank loan and other borrowings which led to a net cash used in financing activities of US\$2.6 million.

The net cash generated from operating activities for 3 months ended 31 January 2018 was US\$1.9 million (US\$5.6 million for the 3 months ended 31 January 2017). The changes was due to no major change in working capital for the 3 months ended 31 January 2017.

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 revitalization of the Tinplate Manufacturing factory in Taizhou, Jiangsu, the PRC (the “**Factory**”) has been on good track. Mr. Zhu, the Executive Chairman has visited the factories on-site to solve problems therein from the beginning of 2017. With a strong team of competent and experienced personnel, coupled with an indisputable technology, high-quality-level produces as well as comparatively new machines equipment, the Group is determined to fully resume the operation of the Factory. The Factory commenced production in May 2018, with a targeted maximum capacity of 130,000 tons per annum.

In spite of the temporarily suspension of operation of the Taizhou Factory, 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 and Distribution business, which has been under suspension, should market and economic conditions prevail.

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Whilst the Group remains focused on developing its existing business, the Board is currently exploring other business opportunities as it considers that it should be beneficial for the Group to seek suitable investment opportunities in other industry sectors.

Trading in the shares of the Company on The Stock Exchange of Hong Kong Limited and also on the Singapore Exchange Securities Trading Limited has been suspended since 1 August 2017. The Company has dedicated effort to resume the Listing status in both Exchanges.

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) 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.

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12. If no dividend has been declared or recommended, a statement to that effect

The Directors do not declare or recommend any dividend for the second quarter ended 31 October 2017.

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

The Company had raised net proceeds amounting to approximately US\$6 million or HK\$47 million from the placing of 20,680,000 ordinary shares in the capital of the Company completed on 1 August 2016 (the “**Placing**”).

The Company announced on 8 September 2017 it had utilised US\$4.88 million or HK\$38.10 million from the net proceeds of the Placing. The remaining of the proceeds of approximately US\$1.12 million or HK\$8.76 million has not been utilised.

The utilisation of proceeds announced on 8 September 2017 is in line with the Company’s intended uses as stated in the Company’s announcement released on 1 August 2016. The Company will continue to provide updates on the use of the net proceeds as and when such proceeds have been materially disbursed.

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 Jianguo, 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 second quarter ended 31 October 2017 to be false or misleading in any material aspect.

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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

4 October 2018