

YORKSHINE HOLDINGS LIMITED

Registration No. 198902648H

Incorporated in the Republic of Singapore

REPLY TO SGX QUERIES

Unless otherwise defined herein, all capitalised terms used herein shall have the same meanings as given to them in the Company's announcement on 20 June 2019 "Disposal of subsidiaries and grant of conditional waiver from Rule 1014(2) of the Listing Manual of the SGX-ST" (the "Announcement").

The Board of Directors of Yorkshine Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in its email dated 24 June 2019 and wishes to respond as follows:-

SGX-ST's Queries:-

Query 1:

We refer to the announcement of 20 June 2019 titled: "Disposal of subsidiaries and grant of conditional waiver from Rule 1014(2)". Pursuant to Listing Rule 1002(3)(c), the net asset and net profit figures used for comparison with the transaction(s) under consideration will be taken from the latest announced consolidated accounts. Please disclose the information required under Listing Rules 1010(5), 1010(6), 1010(7) and 1010(13) based on the latest announced consolidated accounts.

The Company's responses to Query 1 are as follows:-

Rule	Company's reply
<i>1010 (5) The value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of, and in respect of the latest available valuation, the value placed on the assets, the party who commissioned the valuation and the basis and date of such valuation.</i>	There is no open market value for the shares in the Target Subsidiaries as they are not publicly traded. Based on the unaudited consolidated financial statements of the Group for the financial period ended 31 January 2019 (" 3QFY2019 "), the book value and the net tangible liability of the Target Subsidiaries was approximately US\$6.3 million.
<i>1010 (6) In the case of a disposal, the excess or deficit of the proceeds over the book value, and the intended use of the sale proceeds.</i>	Based on the unaudited consolidated financial statements of the Group for 3QFY2019, the Disposals are expected to result in an excess over the book value of the Disposal Shares of US\$6.3 million because the Target Subsidiaries are in a net capital deficit position. The use of proceeds arising from the Disposal was disclosed in the Announcement at paragraph 2.6.
<i>1010 (7) The net profits attributable to the assets being acquired or disposed of. In the case of a disposal, the amount of any gain or loss on the disposal.</i>	Based on the unaudited consolidated financial statements of the Group for 3QFY2019, the net loss before tax attributable to the Disposal Shares was US\$0.1 million, and the Disposals are expected to result in a gain on disposal of US\$6.3 million to the Group because the Target Subsidiaries are in a net capital deficit position.

1010(13)
The relative figures that were computed on the bases set out in Rule 1006.

The relative figures for the Disposals computed on the applicable bases set out in Rule 1006 of the Listing Manual of the SGX-ST, based on the unaudited consolidated financial statements of the Group for 3QFY2019 which was announced on 16 May 2019 are set out below:

Rule	Bases of computation	Disposals (US\$)	Group (US\$)	Relative figure
1006(a)	Net liability of value of assets being disposed of, compared with the Group's net liability value	(6,334,000)	(20,941,000)	30.2% ¹
1006(b)	Net loss attributable to the assets disposed of, compared with the Group's net loss	(100,000)	(7,885,000)	1.3% ²
1006(c)	Aggregate value of consideration received, compared with the Company's market capitalization based on the total number of issues shares excluding treasury shares	100	68,083,296	Not meaningful ³
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	-	-	Not applicable, as this is not an acquisition and there is no issuance of equity securities by the Company
1006(e)	Aggregate volume or amount of proved and probable reserves to the disposed of, compared with the aggregate of the Group's proved and probable reserves	-	-	Not applicable, as this is not a disposal of mineral, oil or gas assets by a mineral, oil and gas company.

Note:

1. This relative figure was 32.32% in the Announcement, based on the unaudited consolidated financial statements of the Group for the half year ended 31 October 2018 ("1HFY2019").
2. This relative figure was 1.46% in the Announcement, based on the unaudited consolidated financial statements of the Group for 1HFY2019.
3. Not meaningful, given the Consideration of US\$100, compared to the market capitalization of the Company of approximately US\$68,083,296 (determined by multiplying the 191,484,269 issued shares of the Company by S\$0.48, being the weighted average price of the Company's shares transacted on 31 July 2017, the last full market day preceding the suspension of trading of the shares of the Company on the SGX-ST, and using an exchange rate of US\$1 : S\$1.35).

Query 2:

In paragraph 4.1(a) of the 20 June 2019 Announcement, the Company disclosed that on 7 June 2019, the Company submitted an application to the SGX-ST, seeking confirmation from SGX-ST that: (a) although the Disposals will constitute an interested person transaction under Chapter 9 of the Listing Manual, the Disposals will be exempted from compliance with Rule 905 and Rule 906 of the Listing Manual as they are transactions below S\$100,000. We refer to the Application Letter (the "Letter") sent by the Company to the Exchange on 7 June 2019. There was no such request in the Letter. Please clarify via SGXNet announcement accordingly.

The Company's responses to Query 2 are as follows:-

The Company wishes to clarify that in its application to SGX-ST on 7 June 2019, the Company only sought confirmation from SGX-ST that the Disposals do not exceed the relevant thresholds under Chapter 10 of the Listing Manual (even though some of the comparative figures are negative) and therefore do not require the approval of Shareholders. Alternatively, if the SGX-ST is of the view that Chapter 10 is applicable, then a waiver in respect of Rule 1014 of the Listing Manual from the requirement to seek the approval of Shareholders in respect of the Disposals was sought.

BY ORDER OF THE BOARD

Zhu Jun
Executive Chairman and Executive Director
25 June 2019