THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Circular is issued by Yorkshine Holdings Limited (the "**Company**"). **If you are in any doubt** as to any aspect of this Circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser immediately.

If you have your Shares (as defined below) registered in the principal register of members of the Company in Singapore and if you have sold or transferred all your Shares held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should at once hand this Circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

If you have your Shares registered in the branch register of members of the Company in Hong Kong and if you have sold or transferred all your Shares, you should at once hand this Circular to the purchaser or transferee, or to the bank, licensed securities dealer or registered institution in securities in Hong Kong, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

YORKSHINE HOLDINGS LIMITED
煜新控股有限公司*

(Formerly known as NOVO GROUP LTD. 新源控股有限公司)*
(Incorporated in Singapore with limited liability)
(Company Registration No. 198902648H)

Hong Kong Stock Code: 1048
Singapore Stock Code: MR8

CIRCULAR TO SHAREHOLDERS IN RELATION TO PROPOSED ASSIGNMENT OF RECEIVABLES

(1) DISCLOSEABLE AND CONNECTED TRANSACTION UNDER THE LISTING RULES (HK)
(2) MAJOR TRANSACTION UNDER THE LISTING MANUAL (SG)

Hong Kong Independent Financial Adviser

TRINITY

Trinity Corporate Finance Limited

Singapore Independent Financial Adviser

CIMB

CIMB BANK BERHAD (13491-P)
Singapore Branch
(Incorporated in Malaysia)

A letter from the Board to Shareholders is set out on pages 6 to 20 of this Circular. A letter from the Independent Board Committee is set out on page 21 of this Circular.

A letter from Trinity Corporate Finance Limited, the HK IFA, containing its advice to the Independent Board Committee and the independent Shareholders is set out on pages 22 to 32 of this Circular.

A letter from CIMB Bank Berhad, Singapore Branch, the SG IFA, containing its advice to the Independent Directors in respect of the Proposed Assignment, is set out on pages 33 to 55 of this Circular.

A notice convening the Extraordinary General Meeting of the Company to be held at RELC International Hotel, 30 Orange Grove Road, Singapore 258352 on Friday, 28 April 2017 at 9:30 a.m. is set out on pages 59 to 61 of this Circular. A form of proxy for use at the Extraordinary General Meeting is also enclosed with this Circular.

If you are not able to attend the Extraordinary General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Singapore Principal Share Registrar and Transfer Office, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Singapore Shareholders) or the Company's Hong Kong Branch Share Registrar and Transfer Office, Boardroom Share Registrars (HK) Limited, at 31/F., 148 Electric Road, North Point, Hong Kong (for Hong Kong Shareholders) as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Extraordinary General Meeting if they so wish.

* *For identification purposes only*

5 April 2017

CONTENTS

In this Circular, unless otherwise defined, terms used herein shall have the following meaning:

"Act" or "Companies Act"	the Companies Act (Chapter 50) of Singapore as amended, supplemented or modified from time to time
"associates"	has the meaning ascribed thereto in the Listing Rules (HK) and the Listing Manual (SG) (as the case may be)
"Audit Committee"	the Company's audit committee, comprising Mr. Foo Teck Leong, Mr. Tang Chi Loong and Mr. William Robert Majcher, which will consider and provide an opinion on the Proposed Assignment based on the letters from the HK IFA and SG IFA
"Board"	the board of Directors of the Company as at the date of this Circular
"Business Day"	a day (other than a Saturday or Sunday) on which banks are open for general business in Hong Kong
"CCASS"	The Central Clearing and Settlement System established and operated by the HKSCC
"Circular"	this circular to Shareholders dated 5 April 2017 in respect of the Proposed Assignment
"Closing"	the closing of the Proposed Assignment pursuant to the Master Agreement
"Company"	Yorkshine Holdings Limited, a company incorporated in Singapore with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Hong Kong Stock Code: 1048) and the Mainboard of the SGX-ST (Singapore Stock Code: MR8)
"connected person"	has the meaning ascribed thereto in the Listing Rules (HK)
"Control"	the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company

"Controlling Shareholder"	a Shareholder who: (a) holds directly or indirectly 15% or more of the issued share capital of the Company; or (b) in fact exercises Control over the Company
"Depositors"	has the meaning ascribed to it in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
"Directors"	director(s) of the Company as at the date of this Circular
"Extraordinary General Meeting"	the extraordinary general meeting of the Company to be held at RELC International Hotel, 30 Orange Grove Road, Singapore 258352 on Friday, 28 April 2017 at 9:30 a.m., notice of which is set out on pages 59 to 61 of this Circular, for the purpose of approving the Proposed Assignment
"FY2016"	financial year ended 30 April 2016
"Group"	the Company and its subsidiaries
"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China
"HK IFA"	Trinity Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the independent Shareholders in relation to the Proposed Assignment under the Listing Rules (HK)
"HKSCC"	HKSCC Nominees Limited
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Independent Board Committee"	the independent committee of the Board comprising all the independent non-executive Directors, being Mr. Tang Chi Loong, Mr. Foo Teck Leong and Mr. William Robert Majcher, formed pursuant to the Listing Rules (HK) to make recommendation to the independent Shareholders in relation to the Proposed Assignment

"Independent Directors"	the Directors who are independent for the purpose of the Proposed Assignment, being Mr. Zhu Jun, Ms. Wang Jianqiao, Dr. Ouyang Qian, Mr. Tang Chi Loong, Mr. Foo Teck Leong and Mr. William Robert Majcher
"IPT"	interested person transaction as defined in Chapter 9 of the Listing Manual (SG)
"Latest Practicable Date"	28 March 2017, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained herein
"Listing Manual (SG)"	the listing manual of the Mainboard of the SGX-ST, as amended, supplemented or modified from time to time
"Listing Rules (HK)"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or modified from time to time
"Loan"	interest-free loans in an aggregate amount of HK$230 million advanced by New Page to the Group during the period from November 2015 to May 2016 which will be repayable on the second anniversary of 5 October 2015
"LPS"	loss per Share
"Master Agreement"	a master agreement entered into between the Company and New Page on 26 August 2016, pursuant to which the Company agreed to procure certain of its subsidiaries to assign to New Page and New Page has agreed to accept the relevant subsidiaries' rights, title and benefits in and to and arising from the Receivables
"New Page"	New Page Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is beneficially owned as to 30% by Mr. Chow Kin Wa, an executive Director
"NTA"	net tangible assets
"NTL"	net tangible liabilities
"Proposed Assignment"	the transactions contemplated under the Master Agreement

"Receivables"	trade and other receivables in the aggregate amount of US$12,600,521 (equivalent to approximately HK$98,032,053) due to certain subsidiaries of the Group from independent third parties which are overdue as at the Latest Practicable Date
"SFA"	the Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SG IFA"	CIMB Bank Berhad, Singapore Branch, being the independent financial adviser to the Independent Directors and the Audit Committee in relation to the Proposed Assignment under the Listing Manual (SG)
"SGX-ST"	Singapore Exchange Securities Trading Limited
"Share(s)"	ordinary share(s) in the share capital of the Company
"Shareholder(s)"	Registered holder(s) of the Share(s) in the register of members maintained by the Company in Singapore or Hong Kong (as the case may be), except that: (i) where the registered holder is CDP, the term "Shareholder(s)" shall, in relation to such Share(s), mean the Depositors whose Securities Accounts maintained with CDP are credited with Share(s); and (ii) where the registered holder is HKSCC, the term "Shareholder(s)" shall, in relation to such Share(s), mean the depositors whose securities account are maintained by HKSCC or other licensed securities dealers or registered institutions in securities, or custodian banks through CCASS
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Substantial Shareholders"	Shareholders who have an interest in not less than 5% of the issued Shares of the Company, pursuant to the Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"S$"	Singapore dollar, the lawful currency of the Republic of Singapore
"US$"	United States dollar, the lawful currency of the United States of America
"%" or "per cent"	per cent or percentage

* *For identification purposes only*

Depositors. The terms "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

References. Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Rounding. Any discrepancies in figures included in this Circular between the amounts listed and their actual values are due to rounding. Accordingly, figures may have been adjusted to ensure that totals or sub-totals shown, as the case may be, reflect an arithmetic aggregation of the figures that precede them.

Sections. Any reference in this Circular to a section is a reference to a section of this Circular, unless otherwise stated.

Shareholders. References to "you", "your" and "yours" in this Circular are, as the context so determines, to Shareholders (including persons whose Shares are deposited with CDP or HKSCC or who have purchased Shares on the SGX-ST or the Stock Exchange).

Statutes or ordinances. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended, supplemented or re-enacted. Any word defined under the SFA, SFO, Companies Act, Listing Rules (HK), Listing Manual (SG), or any statutory or regulatory modification thereof and not otherwise defined in this Circular shall, where applicable, have the meaning ascribed to it under the respective enactment, as the case may be, unless the context otherwise requires.

Time and date. Any reference to a time of day and date in this Circular is made by reference to Singapore and Hong Kong time and date, unless otherwise stated.

Statements which are reproduced in their entirety from the letters of the HK IFA and the SG IFA are set out in this Circular in italics and all capitalised terms and expressions used within these reproduced statements shall have the same meanings ascribed to them in the respective letters of the HK IFA and the SG IFA.

For the purposes of illustration only, any amount denominated in US$ in this Circular was translated into HK$ at the rate of US$1=HK$7.78 and S$ at the rate of US$1:S$1.35337. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.

YORKSHINE HOLDINGS LIMITED
煜新控股有限公司*

(Formerly known as NOVO GROUP LTD. 新源控股有限公司)*
(Incorporated in Singapore with limited liability)
(Company Registration No. 198902648H)
Hong Kong Stock Code: 1048
Singapore Stock Code: MR8

Executive Directors:
Mr. Zhu Jun
Mr. Chow Kin Wa
Ms. Wang Jianqiao

Non-executive Director:
Dr. Ouyang Qian

Independent non-executive Directors:
Mr. Tang Chi Loong
Mr. Foo Teck Leong
Mr. William Robert Majcher

Registered office:
24 Raffles Place
#10-05 Clifford Centre
Singapore 048621

Head office and principal place of business:
Rooms 1102-04, 11th Floor
Empire Centre
68 Mody Road
Kowloon, Hong Kong

5 April 2017

To all Shareholders

Dear Sir/Madam,

PROPOSED ASSIGNMENT OF RECEIVABLES

(1) DISCLOSEABLE AND CONNECTED TRANSACTION UNDER THE LISTING RULES (HK)
(2) MAJOR TRANSACTION UNDER THE LISTING MANUAL (SG)

1. INTRODUCTION

On 26 August 2016 (after trading hours), the Company announced that it had entered into the Master Agreement with New Page pursuant to which the Company agreed to procure certain of its subsidiaries to assign to New Page and New Page has agreed to accept the relevant subsidiaries' rights, title and benefits in and to and arising from the Receivables in the aggregate amount of US$12,600,521 (equivalent to approximately HK$98,032,053), which is the book value of the Receivables based on the Group's unaudited consolidated financial statements for the financial year ended 30 April 2016, on the terms and subject to the conditions set out in the Master Agreement (the "**Announcement**").

The Directors are convening an Extraordinary General Meeting to seek Shareholders' approval for the Proposed Assignment.

* *For identification purposes only*

The purpose of this Circular is to provide Shareholders with the relevant information pertaining to the Proposed Assignment to be tabled at the Extraordinary General Meeting and to seek Shareholders' approval for the ordinary resolution relating to the same. The notice convening the Extraordinary General Meeting is set out on pages 59 to 61 of this Circular.

2. THE PROPOSED ASSIGNMENT

2.1 The Master Agreement

On 26 August 2016 (after trading hours), the Company entered into the Master Agreement with New Page pursuant to which the Company agreed to procure certain of its subsidiaries to assign to New Page and New Page has agreed to accept the relevant subsidiaries' rights, title and benefits in and to and arising from the Receivables in the aggregate amount of US$12,600,521 (equivalent to approximately HK$98,032,053), which is the book value of the Receivables based on the Group's unaudited consolidated financial statements for the financial year ended 30 April 2016, on the terms and subject to the conditions set out in the Master Agreement. The audited amounts of the Receivables are the same as the unaudited amounts. As the audited accounts had not been published at the time of signing the Master Agreement, figures in the unaudited accounts were used. As at the Latest Practicable Date, no impairment has been made on the Receivables.

The Receivables involve 19 debtors and were selected based on, amongst others, the length of the overdue period. As at 30 April 2016, the Receivables comprise approximately 78% of the Group's receivables which have become overdue for more than 18 months, and are owing by customers of the Group which have long-standing business relationships with New page. Based on the latest management accounts of the Company as at 31 July 2016 the book value of the Receivables amounts to USD12,600,521 (equivalent to approximately HK$98,032,053). The balance of the Receivables was fixed and no adjustment will be made. The Receivables comprise the Company's trade receivables, purchase deposits, prepayments and other receivables, details as set out in the table below:

Nature	**Amount due as at the date of the Master Agreement** *(US$)*	**Consideration for the Proposed Assignment** *(US$)*
Trade receivables	3,606,486 (71% of the Group's trade receivables)[(1)]	3,606,486
Other receivables	1,577,634 (24% of the Group's other receivables)[(2)]	1,577,634
Prepayments	2,312,661 (67% of the Group's prepayments)[(3)]	2,312,661
Purchase deposits	5,103,740 (74% of the Group's purchase deposits)[(4)]	5,103,740
Total	**12,600,521**	**12,600,521**

Notes:

(1) Based on the Group's trade receivables as at 30 April 2016 as per its Annual Report 2016 (assuming the Receivables had not been deducted).

(2) Based on the Group's other receivables as at 30 April 2016 as per its Annual Report 2016 (assuming the Receivables had not been deducted).

(3) Based on the Group's prepayments as at 30 April 2016 as per its Annual Report 2016 (assuming the Receivables had not been deducted).

(4) Based on the Group's purchase deposits as at 30 April 2016 as per its Annual Report 2016 (assuming the Receivables had not been deducted).

2.2 Consideration

The Receivables will be off-set and deducted from the Loan on a dollar-for-dollar basis (i.e. approximately HK$98,032,053) at the foreign exchange rate expressed as the amount of HK$ per one US$ quoted by The Hongkong and Shanghai Banking Corporation Limited as at the date of the Master Agreement (i.e. US$1=HK$7.78). Subsequent to 30 April 2016 and up to the Latest Practicable Date, there has not been any settlement or impairment on the Receivables. As such, the Company does not expect to record any gain or loss from the Proposed Assignment. In the event there is any early settlement of the Receivables before Closing, the amount received from such settlement will be applied towards setting-off the Loan on a dollar-to-dollar basis together with the Proposed Assignment on the fixed amount of US$12,600,521 (equivalent to approximately HK$98,032,053).

2.3 Conditions Precedent

Closing is subject to the Company having obtained (i) the approval of its Audit Committee; (ii) the approval of the Board; (iii) independent Shareholders' approval; (iv) the opinions of the HK IFA and SG IFA that the Proposed Assignment is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders; and (v) the Company having complied with all applicable requirements under the Listing Rules (HK) and the Listing Manual (SG) in connection with the Proposed Assignment.

As at the Latest Practicable Date, conditions (i), (ii) and (iv) have been fulfilled.

2.4 Closing

Closing shall take place within 3 Business Days after the conditions have been fulfilled, at which time the Company shall procure each relevant subsidiary to execute an assignment deed with New Page to effect the Proposed Assignment.

2.5 Reasons for and benefits of the Proposed Assignment

As at the date of the Announcement on 26 August 2016, the Group recorded overdue Receivables in the amount of US$12,600,521 (equivalent to approximately HK$98,032,053). The Proposed Assignment would in effect eliminate the Group's inherent risk of non-recoverability associated with such amounts and enable the Group to save time and resources that will otherwise be utilized for recovering and collecting the Receivables. Besides, as the Receivables will be off-set and deducted from the Loan on a dollar-for-dollar basis, this would significantly reduce the outstanding Loan owing to New Page from the Group and in turn enhance the Group's loan-to-equity ratio. The Company will therefore benefit from a better capital structure and reduce its debt obligations which it would otherwise have been required to repay on maturity of the Loan. To date, the Loan has been used by the Group for repayment of bank loans as well as releasing of corporate guarantees.

As announced by the Company in the Announcement, on 26 August 2016 (after trading hours), the Company also entered into a memorandum of deed of waiver with New Page, pursuant to which the parties recorded an agreement made on 30 April 2016 where New Page had agreed to waive an aggregate of HK$5 million from the Loan ("**Partial Waiver**"). The Partial Waiver was based on an agreed waiver of 2.17% of the Loan by New Page, following a request made by the Group and negotiations between the parties for this purpose, which will enable the Group to enhance its financial position and reduce debt obligations accordingly. To the best of the Directors' knowledge, information and belief after having made due enquiries, following the sale by New Page of its entire shareholding interest in the Company to Golden Star Group Limited in 2015 ("**Share Transfer**"), New Page remains a creditor of the Group, it is beneficial to New Page that the operation of the Group to remain normal and stable and New Page is willing to assist in the Group's recovery from and getting through the tough business environment it had encountered. Further, in light of the increasing expenses (including legal and other professional fees) incurred in recent years and the impairment made in the financial year ended 30 April 2015, New Page agrees to waive the amount HK$5 million from the Loan as a gesture to support the Group's operation. The Partial Waiver and the Proposed Assignment are independent of each other.

As such, taking into account the Partial Waiver, the amount of the Loan repayable by the Group to New Page will be reduced to approximately HK$225 million. Subsequent to Closing, the amount of the Loan will be further reduced to HK$127 million.

In the reasonable opinion of the Directors, barring any unforeseen circumstances and after taking into consideration the Group's internal resources, operating cash flow and present bank facilities, the working capital available to the Group is sufficient for its present requirements and for at least 12 months after the Proposed Assignment takes effect.

2.6 Information of the parties involved

The Group

The Group is principally engaged in trading and distribution and tinplate manufacturing.

New Page

New Page Investments Limited, a company incorporated in the British Virgin Islands with limited liability, is principally engaged in investment holding. As at the Latest Practicable Date, it is beneficially owned as to 70% by Mr. Yu Wing Keung, Dicky and as to 30% by Mr. Chow Kin Wa. Subsequent to the Share Transfer and as at the Latest Practicable Date, New Page does not have any interest or shareholding in the Company.

3. THE PROPOSED ASSIGNMENT AS AN INTERESTED PERSON TRANSACTION REQUIRING SHAREHOLDERS' APPROVAL UNDER CHAPTER 9 OF THE LISTING MANUAL (SG)

3.1 Interested Person under Chapter 9 of the Listing Manual (SG)

As Mr. Chow Kin Wa is an executive Director and holds 30% of the shareholdings in New Page, New Page is an "interested person" for the purposes of Chapter 9 of the Listing Manual (SG) and the Proposed Assignment is an IPT as defined under Chapter 9 of the Listing Manual (SG).

3.2 Threshold for Shareholders' approval under Chapter 9 of the Listing Manual (SG)

Under Rule 906 of the Listing Manual (SG), the approval of the independent Shareholders is required for any IPT of a value equal to, or more than:

(a) 5% of the Group's latest audited NTA; or

(b) 5% of the Group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.

The Master Agreement was signed on 26 August 2016, at which time the Company's audited financial statements for FY2016 were not ready nor announced. As such, for the purpose of calculation of the 5% threshold under Rule 906 of the Listing Manual (SG), the Company used its latest audited NTA for FY2015 in its announcement on 26 August 2016.

3.3 Value of the Proposed Assignment as an IPT

The value of the Proposed Assignment (being the amount at risk to the Company) is the book value of the Receivables of US$12,600,521 (approximately HK$98,032,053). As disclosed in the Announcement, the Group's audited NTA as at 30 April 2015 is approximately US$10,827,476 (equivalent to approximately HK$84,237,763). As announced by the Company on 26 August 2016, as the value of the Proposed Assignment is more than 5% of the Group's audited NTA as at 30 April 2015, as at 26 August 2016 the approval of the independent Shareholders through ordinary resolution was required at the Extraordinary General Meeting for the Proposed Assignment.

On 30 August 2016, the Company announced its audited financial statements for FY2016. The Group's audited NTL as at 30 April 2016 is approximately US$2 million (equivalent to approximately HK$16 million). As the Group recorded net liabilities as at 30 April 2016 and the value of the Proposed Assignment exceeds S$100,000, the approval of the independent Shareholders through ordinary resolution is still required at the Extraordinary General Meeting for the Proposed Assignment.

The aggregate value of IPTs (excluding transactions which are less than S$100,000) entered into by the Group with New Page for FY2016 is approximately S$369,290, which represents approximately 2.52% of the Group's audited NTA as at 30 April 2015. As at the Latest Practicable Date, save for the Proposed Assignment, there are no IPTs (excluding transactions which are less than S$100,000) entered into by the Group with New Page for the current financial year ending 30 April 2017.

As at the Latest Practicable Date, there are no IPTs (excluding transactions which are less than S$100,000) entered into by the Group with interested persons other than New Page for FY2016 and the current financial year ending 30 April 2017. The Board confirms that the Company has complied, and is in compliance with, Rule 906 of the Listing Manual (SG).

4. THE PROPOSED ASSIGNMENT AS A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE LISTING MANUAL (SG)

The Proposed Assignment is governed by Chapter 10 of the Listing Manual (SG). The relative figures computed on the bases set out in Rule 1006 of the Listing Manual (SG) are as follows:

Rule	**Basis**	**Relative Figure**	
1006(a)	The book value of the assets to be disposed of, compared with the Group's net asset value	606%[(1)]	329%[(2)]
1006(b)	The net profits attributable to the assets disposed of, compared with the Group's net profits	Not meaningful	
1006(c)	The aggregate value of the consideration received, compared with the Company's market capitalization	17.99%[(3)]	
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities in issue	Not applicable	
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable	

Notes:

(1) Based on the unaudited book value of the Receivables of US$12,600,521 (equivalent to approximately HK$98,032,053) and the Group's unaudited net asset value of US$2,079,000 (equivalent to approximately HK$16,174,620) as at 30 April 2016. The figure of US$2,079,000 was based on the Group's unaudited consolidated financial statements for FY2016 announced on 29 June 2016 and are assets of the Group.

(2) Based on the unaudited book value of the Receivables of US$12,600,521 (equivalent to approximately HK$98,032,053) and the Group's unaudited net asset value of US$3,828,000 (equivalent to approximately HK$29,858,400) as at 31 October 2016.

(3) Based on the unaudited book value of the Receivables of US$12,600,521 (equivalent to approximately HK$98,032,053) and the Group's market capitalization of US$70,036,068 (equivalent to approximately HK$544,880,609) on its 191,484,269 issued Shares on 25 August 2016 (being the last market day preceding the date of the Master Agreement on which the Shares were traded on the SGX-ST).

Having regard to the above, the Proposed Assignment is a "Major Transaction" under Rule 1014 of the Listing Manual (SG). Accordingly, the approval of the independent Shareholders at the Extraordinary General Meeting is required for the Proposed Assignment.

5. THE PROPOSED ASSIGNMENT AS A DISCLOSEABLE AND CONNECTED TRANSACTION UNDER THE LISTING RULES (HK)

As one or more of the applicable percentage ratios in respect of the Proposed Assignment exceed 5% but are less than 25%, the Proposed Assignment constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules (HK). Besides, as at the Latest Practicable Date, New Page is beneficially owned as to 70% by Mr. Yu Wing Keung, Dicky and as to 30% by Mr. Chow Kin Wa. Mr. Chow Kin Wa is an executive Director and Mr. Yu Wing Keung, Dicky was an executive Director in the last twelve months. Mr. Yu Wing Keung, Dicky, Mr. Chow Kin Wa and New Page are connected persons at the issuer level under Rule 14A.06 of the Listing Rules (HK). Accordingly, the Proposed Assignment constitutes a discloseable and connected transaction of the Company and is therefore subject to the reporting, announcement and independent Shareholder's approval requirements under Chapter 14 and Chapter 14A of the Listing Rules (HK).

Mr. Chow Kin Wa, an executive Director, is deemed to have a material interest in the Proposed Assignment and had abstained from voting on the Board resolutions in respect of the Master Agreement. Apart from Mr. Chow Kin Wa, no Directors are required to abstain from voting at the Board meeting approving the Proposed Assignment.

6. FINANCIAL EFFECTS OF THE PROPOSED ASSIGNMENT

6.1 Financial effects based on the unaudited consolidated financial statements for FY2016

As disclosed in the Announcement on 26 August 2016, the financial effects of the Proposed Assignment, calculated based on the unaudited consolidated financial statements of the Group for FY2016, are set out below and are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after the completion of the Proposed Assignment.

NTL

Assuming that the Proposed Assignment had been effected at the end of FY2016, the financial effects to the NTL per Share are as follows:

	Before the Proposed Assignment	**After the Proposed Assignment**
NTL per Share *(US cents)*	0.014	0.014

Note : The above NTL per Share was based on the unaudited net assets less intangible assets as at 30 April 2016 as stated on the announcement released on 29 June 2016 and the Shares in issue as at 30 April 2016.

LPS

Assuming that the Proposed Assignment had been effected at the beginning of FY2016, the financial effects to the LPS are as follows:

	Before the Proposed Assignment	After the Proposed Assignment
LPS per Share *(US cents)*	12.94	12.94

Note : The above LPS per Share was based on the unaudited financial results announcement for the financial year ended 30 April 2016 released on 29 June 2016 and the Shares in issue as at 30 April 2016.

6.2 Financial effects based on the audited consolidated financial statements for FY2016

The financial effects of the Proposed Assignment, calculated based on the audited consolidated financial statements of the Group for FY2016, announced on 30 August 2016, are set out below and are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after the completion of the Proposed Assignment.

NTL

Assuming that the Proposed Assignment had been effected at the end of FY2016, the financial effects to the NTL per Share are as follows:

	Before the Proposed Assignment	After the Proposed Assignment
NTL per Share *(US cents)*	0.012	0.012

Note : The above NTL per Share was based on the audited net assets less intangible assets as at 30 April 2016 as stated on the annual report released on 30 August 2016 and the Shares in issue as at 30 April 2016. As announced by the Company on 30 August 2016, the difference between the Company's unaudited and audited NTL for FY2016 were mainly due to the reclassification of approximately US$5,000,000 from current borrowing to non-current borrowing and correction of foreign exchange translation difference. Please refer to the above-mentioned announcement for further details.

LPS

Assuming that the Proposed Assignment had been effected at the beginning of FY2016, the financial effects to the LPS are as follows:

	Before the Proposed Assignment	After the Proposed Assignment
LPS per Share *(US cents)*	12.94	12.94

Note : The above LPS per Share was based on the audited financial results announcement for the financial year ended 30 April 2016 released on 30 August 2016 and the Shares in issue as at 30 April 2016.

7. SHAREHOLDING INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and substantial shareholders of the Company in the Shares are as follows:

	Direct Interest		**Deemed Interest**	
	No. of Shares	*%*[2]	*No. of Shares*	*%*[2]
Directors				
Zhu Jun [1]	700,000	0.37	126,803,668	66.22
Chow Kin Wa	–	–	–	–
Wang Jianqiao	–	–	–	–
Ouyang Qian	–	–	–	–
Tang Chi Loong	–	–	–	–
Foo Teck Leong	–	–	–	–
William Robert Majcher	–	–	–	–
Substantial Shareholder (other than Directors)				
Golden Star Group Limited [1]	126,803,668	66.22	–	–

Notes:

(1) Mr. Zhu Jun is deemed to be interested in the 126,803,668 Shares held by Golden Star Group Limited as he is the legal and beneficial owner of 100% of the issued and paid-up share capital in Golden Star Group Limited. Mr. Zhu Jun and Golden Star Group Limited held their Shares directly and through their nominee securities accounts.

(2) Based on 191,484,269 issued Shares as at the Latest Practicable Date.

8. DIRECTORS', CONTROLLING SHAREHOLDERS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE PROPOSED ASSIGNMENT

Save as disclosed in this Circular, none of the Directors, Controlling Shareholders or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Assignment, save for their shareholdings (if any) in the Company.

9. OPINION OF THE SG IFA AND THE HK IFA

For independent Shareholders who have their Shares registered in the register of members of the Company in Singapore, you are advised to read the letter from the SG IFA and the opinion stated therein. For independent Shareholders who have their Shares registered in the register of members of the Company in Hong Kong, you are advised to read the letter from the HK IFA and the opinion stated therein. For independent Shareholders who have their Shares registered in the register of members of the Company in Singapore as well as Hong Kong, you are advised to read the letters from both the SG IFA and the HK IFA and the opinions stated therein respectively.

9.1 Opinion of the SG IFA

CIMB Bank Berhad, Singapore Branch has been appointed as the independent financial adviser to advise the Independent Directors and the Audit Committee on whether the Proposed Assignment is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholder. A copy of the letter issued by the SG IFA (the "**SG IFA Letter**"), containing the SG IFA's advice in full, is set out in Appendix 2 of this Circular.

Shareholders are advised to read the SG IFA Letter carefully.

Based on the evaluation undertaken by the SG IFA having considered, *inter alia*, the factors described in the SG IFA Letter and the information made available to the SG IFA as at the Latest Practicable Date, and subject to the qualifications and assumptions made in the SG IFA Letter, the SG IFA is of the opinion that the terms of the Proposed Assignment are based on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

9.2 Opinion of the HK IFA

Trinity Corporate Finance Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders in respect of the Proposed Assignment under Listing Rules (HK). Based on the HKIFA's analysis as set out in its letter to the Independent Board Committee and the independent Shareholders, and after having carefully considered the principal factors and reasons of the Proposed Assignment available to the HK IFA, the HK IFA is of the view that the terms of the Proposed Assignment are on normal commercial terms or better and are fair and reasonable as the independent Shareholders are concerned and the said terms are in the interests of the Company and the independent Shareholders as a whole. Shareholders are advised to read the letter from the HK IFA as set out in Appendix 1 on pages 22 to 32 of this Circular in full and consider its recommendations to the Independent Board Committee and the independent Shareholders.

10. AUDIT COMMITTEE'S STATEMENT

The members of the Audit Committee of the Company, namely Mr. Foo Teck Leong, Mr. Tang Chi Loong and Mr. William Robert Majcher, have reviewed the terms of the Proposed Assignment, the rationale for and financial effects of the Proposed Assignment and all other relevant information set out in this Circular, and having considered the advice of the SG IFA and the HK IFA, concur with them and are of the view that the Proposed Assignment as an IPT are on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders.

11. RECOMMENDATIONS

11.1 Recommendation of the Independent Board Committee

The text of a letter to the independent Shareholders from the Independent Board Committee containing its recommendation in relation to the Proposed Assignment is set out on page 21 of this Circular. Under the Listing Rules (HK), the Company is required to form an Independent Board Committee, comprising all the independent non-executive directors of the Company, for the purposes of advising the Shareholders on the Proposed Assignment. The members of the Independent Board Committee are the same directors who are considered independent under the Listing Manual (SG) for the purposes of giving a recommendation to Shareholders regarding the Proposed Assignment.

Having considered the advice from the HK IFA in relation to the Proposed Assignment, which is set out on pages 22 to 32 of this Circular, the Independent Board Committee is of the opinion that the Proposed Assignment is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the independent Shareholders to vote in favour of the ordinary resolution to be proposed at the Extraordinary General Meeting.

11.2 Recommendation of the Independent Directors

Having considered and reviewed, amongst other things, the reasons set out herein for the Proposed Assignment, the terms of the Master Agreement, the financial effects of the Proposed Assignment, the advice of the HK IFA and the SG IFA and all other relevant facts set out in this Circular, the Independent Directors are of the opinion that the Proposed Assignment is on normal commercial terms, fair and reasonable and is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Independent Directors recommend that the independent Shareholders vote in favour of the ordinary resolution in respect of the Proposed Assignment to be proposed at the Extraordinary General Meeting.

12. EXTRAORDINARY GENERAL MEETING

A notice convening the Extraordinary General Meeting to be held at RELC International Hotel, 30 Orange Grove Road, Singapore 258352 on Friday, 28 April 2017 at 9:30 a.m. for the purpose of considering, and if thought fit, the passing of the ordinary resolution set out on pages 59 to 61 of this Circular. Any shareholder with a material interest in the transaction will not vote.

In accordance with the requirements of the Listing Rules (HK) and the Listing Manual (SG), the Ordinary Resolution to be put forward at the Extraordinary General Meeting will be voted on by the independent Shareholders by way of poll.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

There is enclosed a form of proxy for use at the Extraordinary General Meeting. Whether or not the Shareholders intend to be present at the Extraordinary General Meeting, they are requested to complete the form of proxy and return it to the Company's principal share registrar and transfer office in Singapore, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Singapore Shareholders) or the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at 31/F., 148 Electric Road, North Point, Hong Kong (for Hong Kong Shareholders) in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding of the Extraordinary General Meeting or any adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not prevent the Shareholders from attending and voting at the Extraordinary General Meeting or adjourned meeting (as the case may be) if they so wish.

A Depositor shall not be regarded as a member of the Company entitled to attend the Extraordinary General Meeting and to speak and vote thereat unless his name appears in the Depository Register maintained by CDP as at 72 hours before the Extraordinary General Meeting.

14. ABSTENTION FROM VOTING

Under Rule 919 of the Listing Manual (SG), in a meeting to obtain Shareholder approval, the interested person and any associate of the interested person must not vote on the resolution in respect of the IPT, nor accept any appointment as proxies unless specific instructions as to voting are given.

New Page, Mr. Chow Kin Wa and the associates of New Page and Mr. Chow Kin Wa do not hold any Shares in the Company and will not be voting at the Extraordinary General Meeting and will not accept appointments as proxies unless specific instructions as to voting are given.

15. QUALIFICATION AND CONSENT OF EXPERTS

The following are the qualifications of the professional advisers who have given opinion or advice which are contained or referred to in this Circular:

Name	Qualification
Trinity Corporate Finance Limited (HK IFA)	A corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO
CIMB Bank Berhad, Singapore Branch (SG IFA)	Licensed under the Banking Act (Cap. 19) of Singapore and exempted under Section 99(1) of the Securities and Futures Act (Cap. 289) of Singapore from the requirement to hold a capital market services licence to carry on business in any regulated activity (including advising on corporate finance)

Each of the HK IFA and SG IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its letter and all reference to its name in the form and context in which they appear in this Circular.

As at the Latest Practicable Date, each of the HK IFA and SG IFA was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any interest, either direct or indirect, in any assets which have been, since the date to which the latest published audited consolidated financial statements of the Group were made up, acquired, disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

16. SERVICE CONTRACTS OF THE DIRECTORS

There are no directors proposed to be appointed to the Company in connection with the Proposed Assignment.

17. DIRECTORS' RESPONSIBILITY STATEMENTS

17.1 Responsibility statement pursuant to the Listing Rules (HK)

This Circular for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules (HK) for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

17.2 Responsibility statement pursuant to the Listing Manual (SG)

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Assignment, the Company and its subsidiaries, and the Directors are not aware of any fact the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (Saturdays and public holidays excepted) at the registered office of the Company at 24 Raffles Place, #10-05 Clifford Centre, Singapore 048621 and at the principal office of the Company in Hong Kong at Rooms 1102-04, 11th Floor, Empire Centre, 68 Mody Road, Tsim Sha Tsui, Hong Kong for a period of 3 months from the date of this Circular:

(a) the constitution of the Company;

(b) the Master Agreement;

(c) the annual report of the Company for the financial year ended 30 April 2016;

(d) the letter of recommendation from the Independent Board Committee, the text of which is set out on page 21 of this Circular;

(e) the letter from the HK IFA, the text of which is set out on pages 22 to 32 of this Circular;

(f) the letter from the SG IFA, the text of which is set out on pages 33 to 55 of this Circular; and

(g) the written consents from the HK IFA and SG IFA referred to in section 15 of this appendix.

19. ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Circular.

Yours faithfully,
For and on behalf of the Board
Yorkshine Holdings Limited
Zhu Jun
Executive Chairman and Executive Director

* *For identification purpose only*

YORKSHINE HOLDINGS LIMITED
煜新控股有限公司*

(Formerly known as NOVO GROUP LTD. 新源控股有限公司)*
(Incorporated in Singapore with limited liability)
(Company Registration No. 198902648H)
Hong Kong Stock Code: 1048
Singapore Stock Code: MR8

5 April 2017

To the independent Shareholders

Dear Sir or Madam,

PROPOSED ASSIGNMENT OF RECEIVABLES

(1) DISCLOSEABLE AND CONNECTED TRANSACTION UNDER THE LISTING RULES (HK)
(2) MAJOR TRANSACTION UNDER THE LISTING MANUAL (SG)

We have been appointed as the Independent Board Committee to advise you in connection with the Proposed Assignment, details of which are set out in the Letter from the Board in the circular to Shareholders dated 5 April 2017 (the "**Circular**"), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Having taken into account the Proposed Assignment, the principal factors and reasons considered by the HK IFA and its advice in relation thereto as set out on pages 22 to 32 of the Circular, we are of the opinion that the Proposed Assignment is on normal commercial terms or better (although not in the ordinary and usual course of business of the Group), in the interests of the Company and the Shareholders as a whole and that the Proposed Assignment is fair and reasonable so far as the Shareholders are concerned. We therefore recommend that you vote in favour of the ordinary resolution to be proposed at the Extraordinary General Meeting to approve the Proposed Assignment.

Yours faithfully,

Tang Chi Loong
Independent non-executive Director

Foo Teck Leong
Independent non-executive Director

William Robert Majcher
Independent non-executive Director

* *For identification purposes only*

The following is the text of a letter received from the HK IFA setting out its opinion to the Independent Board Committee and the independent Shareholders in respect of the Proposed Assignment for inclusion in this Circular.

TRINITY

Trinity Corporate Finance Limited
Suite 7B, 7th Floor,
Two Chinachem Plaza,
68 Connaught Road Central,
Hong Kong

5 April 2017

To the Independent Board Committee and the Independent Shareholders of
Yorkshine Holdings Limited

Dear Sirs,

PROPOSED ASSIGNMENT OF RECEIVABLES
DISCLOSEABLE AND CONNECTED TRANSACTION UNDER
THE LISTING RULES (HK)

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the independent Shareholders ("**Independent Shareholders**") in respect of the Proposed Assignment, details of which are set out in the letter from the Board (the "**Letter from the Board**") in the Company's circular dated 5 April 2017 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 26 August 2016, the Board announced, amongst other things, that the Company entered into the Master Agreement with New Page pursuant to which the Company agreed to procure certain of its subsidiaries to assign to New Page and New Page has agreed to accept the relevant subsidiaries' rights, title and benefits in and to and arising from the Receivables in the aggregate amount of US$12,600,521 (equivalent to approximately HK$98,032,053), which is the book value of the Receivables based on the Group's unaudited consolidated financial statements for the financial year ended 30 April 2016, on the terms and subject to the conditions set out in the Master Agreement. The audited amounts of the Receivables are the same as the unaudited amounts. As the audited accounts had not been published at the time of signing the Master Agreement, figures in the unaudited accounts were used. As at the Latest Practicable Date, no impairment has been made on the Receivables.

According to Letter from the Board, the Receivables involve 19 debtors and were selected based on, amongst others, the length of the overdue period. As at 30 April 2016, the Receivables comprise approximately 78% of the Group's receivables which have become overdue for more than 18 months, and are owing by customers of the Group which have long-standing business relationships with New Page. Based on the latest management accounts of the Company as at 31 July 2016 the book value of the Receivables amounts to US$12,600,521 (equivalent to approximately HK$98,032,053). The balance of the Receivables has been fixed and no adjustment will be made. Pursuant to the Master Agreement, the Receivables are the combination of the Company's trade receivables, purchase deposits, prepayments and other receivables, details as set out in the table below:

Nature	**Amount due as at the date of the Master Agreement** *(US$)*	**Consideration for the Proposed Assignment** *(US$)*
Trade receivables	3,606,486 (71% of the Group's trade receivables)(1)	3,606,486
Other receivables	1,577,634 (24% of the Group's other receivables)(2)	1,577,634
Prepayments	2,312,661 (67% of the Group's prepayments)(3)	2,312,661
Purchase deposits	5,103,740 (74% of the Group's purchase deposits)(4)	5,103,740
Total	**12,600,521**	**12,600,521**

Notes:

(1) Based on the Group's trade receivables as at 30 April 2016 as per its Annual Report 2016 (assuming the Receivables had not been deducted).

(2) Based on the Group's other receivables as at 30 April 2016 as per its Annual Report 2016 (assuming the Receivables had not been deducted).

(3) Based on the Group's prepayments as at 30 April 2016 as per its Annual Report 2016 (assuming the Receivables had not been deducted).

(4) Based on the Group's purchase deposits as at 30 April 2016 as per its Annual Report 2016 (assuming the Receivables had not been deducted).

As one or more of the applicable percentage ratios in respect of the Proposed Assignment exceed 5% but are less than 25%, the Proposed Assignment constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules (HK). Besides, as at the date of the above announcement, New Page is beneficially owned as to 70% by Mr. Yu Wing Keung, Dicky and as to 30% by Mr. Chow Kin Wa. Mr. Chow Kin Wa is an executive Director and Mr. Yu Wing Keung, Dicky was an executive Director in the last twelve months. Mr. Yu Wing Keung, Dicky, Mr. Chow Kin Wa and New Page are connected persons at the issuer level under Rule 14A.06 of the Listing Rules (HK). Accordingly, the Proposed Assignment constitutes a discloseable and connected transaction of the Company and is therefore subject to the reporting, announcement and Independent Shareholder's approval requirements under Chapter 14 and Chapter 14A of the Listing Rules (HK).

The Independent Board Committee, comprising Mr. Tang Chi Loong, Mr. Foo Teck Leong and Mr. William Robert Majcher, being the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Proposed Assignment after taking into account, amongst other things, the recommendation of the Hong Kong Independent Financial Adviser ("**HK IFA**"). Trinity Corporate Finance Limited has been appointed as the HK IFA to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, the Directors and the management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true as at the Latest Practicable Date and should there be any material changes to our opinion after the despatch of the Circular and up to the date of the Extraordinary General Meeting, Shareholders would be notified as soon as practicable.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We have not conducted any independent in-depth investigation into the business and affairs of the Group or any parties involved in the Proposed Assignment.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Proposed Assignment and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes other than our role as the HK IFA, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion regarding the Proposed Assignment, we have taken into account the following principal factors and reasons:

A. History and Background of the Company

The Company is a limited liability company incorporated in Singapore on 29 June 1989 under the Singapore Companies Act (Chapter 50) and its shares have been listed on the Main Board of the Singapore Exchange Securities Trading Limited since 28 April 2008 and dual-listed on the Main Board of The Stock Exchange of Hong Kong Limited since 6 December 2010.

During the financial year ended 30 April 2016, there are three business divisions under the Group, namely: (a) trading and distribution; (b) tinplate manufacturing; and (c) tinplate processing (discontinued operations).

Following the close of the mandatory unconditional cash offer by Golden Star Group Limited ("**Golden Star**") for all the shares in the capital of the Company on 27 November 2015 and the consequent change in ownership, the Company expects to strengthen its business scope, and actively explore and identify any investment and other business opportunities.

According to the offer document relating to the mandatory unconditional cash offer dated 30 October 2015, Golden Star considers that the principal business of the Company to be a strategic fit with the business of Golden Star and its affiliates. Golden Star intends to leverage the trading platform of the Company and its extensive experience and will, from time to time, conduct review on the operations of the Company, with a view to developing a comprehensive business strategy to achieve a sustainable competitive advantage and business growth. Subject to the result of the review and should suitable investment or business opportunities arise, Golden Star may consider whether any asset disposals, asset acquisitions, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Company.

We note that the Company issued an announcement on 6 September 2016 regarding receipt of demand letter from China CITIC Bank International Limited (the "**Bank**"), as lender, which has made available certain banking facilities ("**Banking Facilities**") to Novowell ETP Limited ("**Novowell ETP**"), an indirect subsidiary of the Company (in which the Group holds 95% shareholding) as borrower. The demand letter was received by the Group on 6 September 2016, pursuant to which the Bank is claiming for immediate repayment of an aggregate amount of US$14,308,991.72, which includes the outstanding principal and accrued interests, in respect of the Banking Facilities. Notice is also given in the demand letter that, unless the aggregate amount of US$14,308,991.72 is paid to the Bank by 12 September 2016, the Bank may take further legal actions as it deems necessary to safeguard its interests. As disclosed in the Company's announcement dated 29 June 2016 and the annual report of the Company for the financial year ended 30 April 2016, the Bank had executed a deed of release of the guarantee dated 8 December 2015 in favour of the

Company. Following the said release, the Bank Facilities are no longer secured by any corporate guarantee by the Company. Given that the Company and Novowell ETP are separate legal entities, and Novowell ETP does not have a material contribution to the operations of the Group, the Board believes that any potential default in payment by Novowell ETP will not have a direct material impact on the cash flow or in turn, operations of the Company. Notwithstanding the above, Novowell ETP and the Bank are in discussions to resolve the alleged default in relation to the Banking Facilities.

B. Financial Performance of the Company

The following table is a summary of the consolidated financial information of the Group for the years ended 30 April 2015 and 2016, as extracted from the annual report of the Company for the financial year ended 30 April 2016 ("**2016 Annual Report**").

	For the year ended 30 April 2016 *US$*	**For the year ended 30 April 2015** *US$*
Revenue	102,221,367	225,856,553
Loss for the financial year	(17,531,475)	(24,746,742)
Loss for the financial year attributable to equity holders of the Company	(16,173,121)	(22,103,599)

With reference to the above table, the revenue for the year ended 30 April 2016 of the Group amounted to approximately US$102.2 million, representing a decrease of approximately 54.7% as compared to the prior year. According to the 2016 Annual Report, revenue from international steel trade business, major business segment of the Group, accounted for approximately 98.3% or US$100.5 million and 85.5% or US$193.1 million of the Group's total revenue for the years ended 30 April 2016 and 30 April 2015, respectively.

On 28 April 2016, the Group has discontinued its tinplate processing business by disposing all its 50% equity interest for value of RMB9 million (approximately US$1.38 million) in Tianjin Shifa Novo Technology Development Limited ("**Tianjin Shifa**"). Tianjin Shifa was making loss for some time. For the period ended 28 April 2016, Tianjin Shifa recorded a total turnover of approximately US$23.3 million with a gross loss of approximately US$0.4 million. Distribution and selling expenses, administrative expenses and finance costs were approximately US$0.2 million, US$0.4 million and US$1.1 million respectively.

As disclosed in the 2016 Annual Report, the Company's auditor had issued their report on the financial statements of the Group for the year ended 30 April 2016 highlighting a qualified opinion and an emphasis of matters, one of which being the Group's and the Company's ability to continue as going concerns.

The Group incurred a net loss from continuing operations of US$16,019,142 (2015: US$20,338,181) and reported net cash outflows from operating activities of US$5,952,764 (2015: US$6,653,336), and the Company incurred net loss of US$1,202,737 (2015: US$810,411). As at 30 April 2016, the Group's and the Company's current liabilities exceeded current assets by US$23,498,828 (2015: US$55,920,042) and US$1,038,299 (2015: US$12,304,327) respectively.

It was disclosed that a subsidiary within the tinplate manufacturing segment has suspended its operations since the previous financial year ended 30 April 2015 and has not yet resumed its operations as of the date of the 2016 Anuual Report. The Group also breached the covenants clauses of certain borrowings and defaulted on the repayment of instalments of certain borrowings on their respective due dates during the financial year. The Group's management is in negotiations with the bank on the refinancing of the bank loan amounting to US$15,500,000 as at 30 April 2016. The Group also has several on-going litigations as at 30 April 2016 as disclosed in the 2016 Annual Report.

According to the Company's auditor, the above factors indicated 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, the Directors believed that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 30 April 2016 is appropriate after taking into consideration the following factors:

(i) the continuing financial support from the immediate and ultimate holding company to procure the necessary finance and support for a period of not less than twelve months from the date of the 2016 Annual Report;

(ii) the Company's management has prepared a cash flow forecast and is of the view that the Group will have sufficient cash resources to satisfy its working capital requirements and to meet its obligations as and when they fall due;

(iii) subsequent to 30 April 2016, (a) on 23 June 2016, the Company's wholly-owned subsidiary, Novo Commodities Limited has completed the disposal of a leasehold property in Hong Kong with net carrying value of US$4,888,738 as at 30 April 2016 at the consideration of approximately US$9,010,000 (HK$70,280,000). The expected gain on the disposal of the leasehold property is approximately US$4,121,262; and (b) on 1 August 2016, the Company has successfully completed the placing of an aggregate of 20,680,000 ordinary shares in the Company at HK$2.32 per ordinary share, with aggregate net proceeds of approximately US$6,008,000 (HK$46,860,000);

(iv) the banking facilities from the Company's bankers for their working capital requirements for the next twelve months will be available as and when required; and

(v) the Group and the Company are able to generate sufficient cash flows from their operations to meet their current and future obligations.

Furthermore, the Company's management has taken the following measures to improve the Group's operational performance and financial position:

(i) adopting a disciplined capital allocation and constantly review capital expenditure plans thoroughly so as to manage a balanced project portfolio to mitigate risks and optimise profitability for all existing projects;

(ii) strengthening the current customer base with a focus on high growth potential markets in food and beverage sector, and strengthening customer relationship by providing quality products and services and engineering solutions to customers;

(iii) continuously seeking improvements in the production efficiency of the Group's production facilities through technological enhancements and system re-engineering in order to further reduce the costs of production;

(iv) focusing on cost reduction while exploring all the opportunities to increase the sales volume of trading business and tinplate products, so as to achieve operational efficiency by fully utilising the capacity of the tinplate manufacturing plant; and

(v) enhancing the research and development capabilities with an aim to expand the expertise in tinplate production, improve tinplate quality and bolster manufacturing capabilities by adding high-margin products to the product portfolio.

After considering the measures taken described above, the Group and the Company believe that they have adequate resources and can cut cost to continue their operations as going concerns. For such reasons, the financial statements of the Group for the year ended 30 April 2016 have been prepared on the assumptions that the Group and the Company will continue as going concerns. If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities.

C. Background of the Transaction

As mentioned above, the Company entered into the Master Agreement with New Page on 26 August 2016, pursuant to which the Company agreed to procure certain of its subsidiaries to assign to New Page and New Page has agreed to accept the relevant subsidiaries' rights, title and benefits in and to and arising from the Receivables in the aggregate amount of US$12,600,521 (equivalent to approximately HK$98,032,053), which is the book value of the Receivables based on the Group's unaudited consolidated financial statements for the financial year ended 30 April 2016, on the terms and subject to the conditions set out in the Master Agreement.

D. Principal Terms of the Master Agreement

Date:	26 August 2016 (after trading hours)
Company:	the Company
Assignee:	New Page
Information of the parties involved:	The Group is principally engaged in trading and distribution and tinplate manufacturing. New Page is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at 26 August 2016, it is beneficially owned as to 70% by Mr. Yu Wing Keung, Dicky and as to 30% by Mr. Chow Kin Wa. Subsequent to the Share Transfer and as at the Latest Practicable Date, New Page does not have any interest or shareholding in the Company.
Consideration:	The Receivables will be off-set and deducted from the Loan on a dollar-for-dollar basis (i.e. approximately HK$98,032,053) at the foreign exchange rate expressed as the amount of HK$ per one US$ quoted by The Hongkong and Shanghai Banking Corporation Limited as at the date of the Master Agreement (i.e. US$1=HK$7.78). As such, the Company does not expect to record any gain or loss from the Proposed Assignment.
Conditions Precedent:	Closing is subject to the Company having obtained (i) the approval of its Audit Committee; (ii) the approval of the Board; (iii) Independent Shareholders' approval; (iv) the opinions of the HK IFA and SG IFA that the Proposed Assignment is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders; and (v) the Company having complied with all applicable requirements under the Listing Rules (HK) and the Listing Manual (SG) in connection with the Proposed Assignment. As at the Latest Practicable Date, conditions (i), (ii) and (iv) have been fulfilled.
Closing:	Closing shall take place within 3 Business Days after the conditions have been fulfilled, at which time the Company shall procure each relevant subsidiary to execute an assignment deed with New Page to effect the Proposed Assignment.

E. Reasons for and Benefits of the Proposed Assignment

According to the Letter from the Board, the Group recorded overdue Receivables in the amount of US$12,600,521 (equivalent to approximately HK$98,032,053). The Proposed Assignment would in effect eliminate the Group's inherent risk of non-recoverability associated with such amounts and enable the Group to save time and resources that will otherwise be utilized for recovering and collecting the Receivables. Besides, as the Receivables will be off-set and deducted from the Loan on a dollar-for-dollar basis, this would significantly reduce the outstanding Loan owing to New Page from the Group and in turn enhance the Group's loan-to-equity ratio. The Company will therefore benefit from a better capital structure and reduce its debt obligations which it would otherwise have been required to repay on maturity of the Loan. The outstanding Loan are loans in an aggregate amount of HK$230 million advanced by New Page to the Group during the period from November 2015 to May 2016 which will be repayable on the second anniversary of 5 October 2015. To date, the Loan has been used by the Group for repayment of bank loans as well as releasing of corporate guarantees. In the reasonable opinion of the Directors, barring any unforeseen circumstances and after taking into consideration the Group's internal resources, operating cash flow and present bank facilities, the working capital available to the Group is sufficient for its present requirements and for at least 12 months after the Proposed Assignment takes effect.

As disclosed on page 124 of the 2016 Annual Report (with auditor's qualified opinion), the Proposed Assignment is mainly in relation to those receivables which are past due for more than 12 months. The Proposed Assignment could in effect eliminate the Group's inherent risk of non-recoverability associated with such amounts and enable the Group to benefit from a better capital structure and reduce its debt obligation. The receivables will be off-set and deducted against the outstanding loan owing to New Page and in turn enhance the Group's loan-to-equity ratio. Therefore, the Company considers receiving cash instead of the Proposed Assignment, due to the nature of the balances of the Receivables, could have a risk of recoverability in the future. Hence, we concur with the Company that it is in the interest of the Company to off-set the Receivables against the Loan instead of receiving cash.

As the unaudited balances of the Receivables were the latest available accounting information upon the signing of the Master Agreement on 26 August 2016 (which was before the release of the audited financial statement on 30 August 2016), the book value of the Receivables was based on the Group's unaudited consolidated financial statement for the financial year ended 30 April 2016. We are informed by the Company that the balances of the Receivables of the Group's unaudited and audited consolidated financial statement for the financial year ended 30 April 2016 is the same.

We are informed by the Company that, pursuant to the Master Agreement, the balances of the Receivables assigned have been fixed and in any event no adjustment will be allowed. We are also informed that there is no subsequent settlement and impairment on the Receivables as of the Latest Practicable Date. If there is any early settlement of the Receivables before the Closing, the cash received from early settlement will still be off-set and deducted from the Loan on a dollar-for-dollar basis together with the Proposed Assignment on the fixed amount of US$12,600,521 (equivalent to approximately HK$98,032,053).

We consider that a third party financial institution will request a discount to the account receivables after taking into account of such factors as the days the receivables are past due, the identity and background of the debtors, and other costs and risks associated with recovery of the receivables. In contrast, under the Proposed Assignment, the Receivables will be off-set and deducted from the Loan on a dollar-for-dollar basis, without any discount which might be required by a third party financial institution. After carefully considering the above factors and reviewing the Group's financial performance as stated above, we consider the Proposed Assignment is on normal commercial terms or better, and that the terms of the Proposed Assignment are fair and reasonable and are in the interests of the Company and the Independent Shareholders as a whole.

PARTIAL WAIVER OF LOAN BY NEW PAGE

On 26 August 2016 (after trading hours), the Company also entered into the Partial Waiver.

As the Partial Waiver and the Proposed Assignment are not inter-conditional, the Partial Waiver does not affect our recommendation or opinion and Shareholders can refer to the Letter from the Board for further details.

RECOMMENDATION

Having considered the principal factors and reasons referred to above, in particular:-

(1) the continued loss-making financial position of the Company with net loss of approximately US$17.5 million for the financial year ended 30 April 2016;

(2) the qualified opinion of the Company's auditor and reasons above as extracted from the 2016 Annual Report;

(3) as at 30 April 2016, the Group's and the Company's current liabilities exceeded current assets by US$23,498,828 (2015: US$55,920,042) and US$1,038,299 (2015: US$12,304,327) respectively;

(4) the Proposed Assignment would in effect eliminate the Group's inherent risk of non-recoverability associated with such amounts and enable the Group to save time and resources that will otherwise be utilized for recovering and collecting the Receivables;

(5) the Receivables will be off-set and deducted from the Loan on a dollar-for-dollar basis and would significantly reduce the outstanding Loan owing to New Page from the Group and in turn enhance the Group's loan-to-equity ratio; and

(6) the Company will benefit from a better capital structure and reduce its debt obligations which it would otherwise have been required to repay on maturity of the Loan,

we are of the opinion that the terms of the Proposed Assignment are on normal commercial terms or better and are fair and reasonable so far as the Independent Shareholders are concerned, and the Proposed Assignment is in the ordinary and usual course of business of the Group, and the said terms are in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we would advise the Independent Shareholders and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution to approve the Proposed Assignment at the Extraordinary General Meeting.

Yours faithfully,
For and on behalf of
Trinity Corporate Finance Limited
Keith Jacobsen
Chairman

LETTER FROM CIMB TO THE INDEPENDENT DIRECTORS AND THE AUDIT COMMITTEE OF YORKSHINE HOLDINGS LIMITED

CIMB BANK BERHAD (13491-P)
Singapore Branch
(Incorporated in Malaysia)

50 Raffles Place #09-01
Singapore Land Tower
Singapore 048623

5 April 2017

To: **The Independent Directors and the Audit Committee**
Yorkshine Holdings Limited
24 Raffles Place
#10-05 Clifford Centre
Singapore 048621

Dear Sirs,

PROPOSED ASSIGNMENT OF RECEIVABLES

*Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter shall have the same meaning as ascribed in the circular to the Shareholders of Yorkshine Holdings Limited ("**Yorkshine**" or the "**Company**") dated 5 April 2017.*

1. INTRODUCTION

On 26 August 2016 (after trading hours), the Company announced that it had entered into a master agreement ("**Master Agreement**") with New Page Investments Limited ("**New Page**") pursuant to which the Company agreed to procure certain of its subsidiaries to assign to New Page and New Page has agreed to accept the relevant subsidiaries' rights, title and benefits in and to and arising from the trade and other receivables ("**Receivables**") due to certain subsidiaries of the Group from independent third parties which are overdue as at 28 March 2107 (the "**Latest Practicable Date**"), in the aggregate amount of US$12,600,521 (equivalent to approximately HK$98,032,053) ("**Proposed Assignment**"), which is the book value of the Receivables based on the Group's unaudited consolidated financial statements for the financial year ended 30 April 2016, on the terms and subject to the conditions set out in the Master Agreement ("**Announcement**").

The consideration for the Proposed Assignment is US$12,600,521, which will be off-set and deducted from interest-free loans in an aggregate amount of HK$230 million advanced by New Page to the Group during the period from November 2015 to May 2016 which will be repayable on the second anniversary of 5 October 2015 ("**Loan**"), on a dollar-for-dollar basis (i.e. approximately HK$98,032,053), at the foreign exchange rate of US$1 : HK$7.78 quoted by The Hongkong and Shanghai Banking Corporation Limited as at the date of the Master Agreement.

As Mr. Chow Kin Wa is an executive Director and holds 30% of the shareholdings in New Page, New Page is an "interested person" for the purposes of Chapter 9 of the Listing Manual of the SGX-ST (the "**Listing Manual**") and the Proposed Assignment is an interested person transaction as defined under Chapter 9 of the Listing Manual.

Under Rule 906 of the Listing Manual, the approval of the independent Shareholders is required for any interested person transaction of a value equal to, or more than: (a) 5% of the Group's latest audited net tangible assets ("**NTA**"); or (b) 5% of the Group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.

The Master Agreement was signed on 26 August 2016, at which time the Company's audited financial statements for FY2016 were not ready nor announced. As such, for the purpose of calculation of the 5% threshold under Rule 906 of the Listing Manual, the Company used its latest audited financial statements for FY2015 to calculate the NTA in its announcement on 26 August 2016.

The value of the Proposed Assignment (being the amount at risk to the Company) is the book value of the Receivables of US$12,600,521 (approximately HK$98,032,053). As disclosed in the Announcement, the Group's audited NTA as at 30 April 2015 is approximately US$10,827,476 (equivalent to approximately HK$84,237,763). As announced by the Company on 26 August 2016, given that the value of the Proposed Assignment is more than 5% of the Group's audited NTA as at 30 April 2015, on the date of the announcement the approval of the independent Shareholders by way of ordinary resolution was required at the extraordinary general meeting ("**EGM**") for the Proposed Assignment.

On 30 August 2016, the Company announced its audited financial statements for FY2016. The Group's audited net tangible liabilities ("**NTL**") as at 30 April 2016 was approximately US$2.1 million (equivalent to approximately HK$16.5 million). As the Group recorded net liabilities as at 30 April 2016 and the value of the Proposed Assignment exceeds S$100,000, the approval of the independent Shareholders by way of ordinary resolution is still required at the EGM for the Proposed Assignment.

As at the Latest Practicable Date, save for the Proposed Assignment, there are no interested person transactions (excluding transactions which are less than S$100,000) entered into by the Group with New Page for the current financial year ending 30 April 2017.

In this regard, CIMB Bank Berhad, Singapore Branch ("**CIMB**") has been appointed as the independent financial adviser to advise the Independent Directors and the Audit Committee on whether or not the Proposed Assignment is based on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

This letter sets out, *inter alia*, our opinion and our advice to the Independent Directors and the Audit Committee thereon. It forms part of the circular to Shareholders dated 5 April 2017 issued by the Company ("**Circular**") in connection with the Proposed Assignment. Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meanings herein. Any differences between the amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

To ensure that the advice we wish to put forth by means of this letter is comprehensive and yet remains concise, details contained in the Circular, where necessary or relevant in supporting or elaborating our advice, are not wholly reproduced, but instead, made reference to or summarised throughout the sections of this letter.

We recommend that the Independent Directors and the Audit Committee advise the Shareholders to read this letter carefully.

2. TERMS OF REFERENCE

We have been appointed to advise the Independent Directors and the Audit Committee on whether or not the Proposed Assignment is on normal commercial terms and is not prejudicial to the interests of the Company and the minority Shareholders pursuant to Chapter 9 of the Listing Manual.

For the purpose of arriving at our opinion, we have confined our evaluation to bases set out herein. We do not express any opinion on the commercial risks or merits of the Proposed Assignment or on the prospects of the Company and its subsidiaries (the "**Group**"). Such evaluation is the responsibility of the Company although we may draw upon the views of the Directors and/or the management of the Company (the "**Management**") or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this letter. We were not involved in the negotiations or deliberations leading up to the Proposed Assignment. We do not express any opinion on the relative merits of the Proposed Assignment as compared to any other alternative transaction. The Independent Directors and the Audit Committee's recommendations in respect of the Proposed Assignment are solely their responsibility.

In the course of our evaluation, we have held discussions with the Directors and the Management and have examined publicly available information collected by us as well as information, both written and verbal, provided to us by the Directors, the Management and the Company's other professional advisers and other information in the Circular. We have not independently verified such information, whether written or verbal, and accordingly we cannot and do not warrant or make any representation (whether express or implied) regarding, or accept any responsibility for, the accuracy, completeness or adequacy of such information. However, we have made such reasonable enquiries and exercised our judgment as we deem necessary on such information and have found no reason to doubt the accuracy or reliability of the information.

We have relied upon the assurances of the Directors (including those who may have delegated supervision of the Circular) that they have taken all reasonable care to ensure that the facts stated and opinions expressed in the Circular (except this letter) are fair and accurate in all material respects and have been stated after due and careful enquiry. The Directors have confirmed to us, that to the best of their knowledge and belief, all material information relating to Group and the Proposed Assignment have been disclosed to us, that such information is fair and accurate in all material respects and that there are no other facts and circumstances the omission of which would make any statement in the Circular inaccurate, incomplete or misleading in any material respect. The Directors have collectively and individually accepted such responsibility accordingly.

We have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, real property) of the Group. We have not been furnished with and have not relied on any such evaluation or appraisal for the purpose of our evaluation of the Proposed Assignment.

Our analysis and opinion is based upon market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date, as well as the information made available to us as at the Latest Practicable Date. Such conditions may change significantly over a short period of time. Accordingly, our evaluation and opinion do not take into account information, events or conditions arising after the Latest Practicable Date. Shareholders should take note of any announcement and/or documents relevant to their consideration of the Proposed Assignment which may be released or published by or on behalf of the Company after the Latest Practicable Date.

In rendering our advice, we have not had regard to the specific investment objectives, financial situation, tax position, risk profile or particular needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, any Shareholder who may require specific advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own advisers in relation to the preparation of the Circular (other than this letter). We were not involved in and have not provided any advice in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for, and express no views (express or implied) on, the contents of the Circular (other than this letter).

While a copy of this letter may be reproduced in the Circular relating to the Proposed Assignment, neither the Company, nor any of its directors or representatives may reproduce, disseminate or refer to this letter or any part thereof for any other purposes (unless for the purpose of any matter relating to the Proposed Assignment) at any time and in any manner without the prior written consent of CIMB in each specific case.

Our opinion in respect of the Proposed Assignment should be considered in the context of the entirety of this letter and the Circular.

3. THE PROPOSED ASSIGNMENT

The details of the Proposed Assignment are set out in paragraph 2 of the Circular. Shareholders are advised to read the information carefully.

3.1 The Master Agreement

On 26 August 2016 (after trading hours), the Company entered into the Master Agreement with New Page pursuant to which the Company agreed to procure certain of its subsidiaries to assign to New Page and New Page has agreed to accept the relevant subsidiaries' rights, title and benefits in and to and arising from the Receivables in the aggregate amount of US$12,600,521 (equivalent to approximately HK$98,032,053), which is the book value of the Receivables based on the Group's unaudited consolidated financial statements for the financial year ended 30 April 2016, on the terms and subject to the conditions set out in the Master Agreement. The audited amounts of the Receivables are the same as the unaudited amounts. As the audited accounts had not been published at the time of signing of the Master Agreement, figures in the unaudited accounts were used. As at the Latest Practicable Date, no impairment charge/expense has been made on the Receivables.

The Receivables involve 19 debtors and were selected based on, amongst others, the length of the overdue period. As at 30 April 2016, the Receivables comprise approximately 78% of the Group's receivables which have become overdue for more than 18 months, and are owing by customers of the Group which also have long-standing business relationships with New Page. Based on the latest management accounts of the Company as at 31 July 2016, the book value of the Receivables amounts to US$12,600,521 (equivalent to approximately HK$98,032,053). The balance of the Receivables was fixed and no adjustment will be made. The Receivables comprise the Company's trade receivables, purchase deposits, prepayments and other receivables, details which are set out in the table below:

Nature	**Amount due as at the date of the Master Agreement** *(US$)*	**Consideration for the Proposed Assignment** *(US$)*
Trade receivables	3,606,486 (71% of the Group's trade receivables)(1)	3,606,486
Other receivables	1,577,634 (24% of the Group's other receivables)(2)	1,577,634
Prepayments	2,312,661 (67% of the Group's prepayments)(3)	2,312,661
Purchase deposits	5,103,740 (74% of the Group's purchase deposits)(4)	5,103,740
Total	**12,600,521**	**12,600,521**

Notes:

(1) Based on the Group's trade receivables as at 30 April 2016 as per its Annual Report 2016 (before the Receivables had not been deducted).

(2) Based on the Group's other receivables as at 30 April 2016 as per its Annual Report 2016 (before the Receivables had not been deducted).

(3) Based on the Group's prepayments as at 30 April 2016 as per its Annual Report 2016 (before the Receivables had not been deducted).

(4) Based on the Group's purchase deposits as at 30 April 2016 as per its Annual Report 2016 (before the Receivables had not been deducted).

3.2 Consideration

The Receivables will be off-set and deducted from the Loan on a dollar-for-dollar basis (i.e. approximately HK$98,032,053) at the foreign exchange rate expressed as the amount of HK$ per one US$ quoted by The Hongkong and Shanghai Banking Corporation Limited as at the date of the Master Agreement (i.e. US$1 = HK$7.78). Subsequent to 30 April 2016 and up to the Latest Practicable Date, there has not been any settlement or impairment on the Receivables. As such, the Company does not expect to record any gain or loss from the Proposed Assignment. In the event there is any early settlement of the Receivables before Closing, the amount received from such settlement will be applied towards setting-off the Loan on a dollar-to-dollar basis together with the Proposed Assignment on the fixed amount of US$12,600,521 (equivalent to approximately HK$98,032,053).

3.3 Conditions Precedent

Closing is subject to the Company having obtained (i) the approval of its Audit Committee; (ii) the approval of the Board; (iii) independent Shareholders' approval; (iv) the opinions of the HK IFA and SG IFA that the Proposed Assignment is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders; and (v) the Company having complied with all applicable requirements under the Listing Rules (HK) and the Listing Manual in connection with the Proposed Assignment.

As at the Latest Practicable Date, conditions (i), (ii) and (iv) have been fulfilled.

3.4 Closing

Closing shall take place within 3 Business Days after the conditions have been fulfilled, at which time the Company shall procure each relevant subsidiary to execute an assignment deed with New Page to effect the Proposed Assignment.

3.5 Information on New Page

New Page, a company incorporated in the British Virgin Islands with limited liability, is principally engaged in investment holding. As at the Latest Practicable Date, it is beneficially owned as to 70% by Mr. Yu Wing Keung, Dicky and as to 30% by Mr. Chow Kin Wa. Subsequent to the Share Transfer and as at the Latest Practicable Date, New Page does not have any interest or shareholding in the Company.

4. EVALUATION OF THE PROPOSED ASSIGNMENT

In arriving at our opinion on whether the Proposed Assignment is based on normal commercial terms and is not prejudicial to the interests of the Company and the minority Shareholders, we have given due consideration to, *inter alia*, the following:

(i) reasons for and benefits of the Proposed Assignment;

(ii) terms of the Proposed Assignment;

(iii) proforma financial effects; and

(iv) other relevant considerations.

4.1 Reasons for and benefits of the proposed assignment

The text stating the reasons for and benefits of the Proposed Assignment has been extracted from paragraph 2.5 of the Circular and is set out in italics below. Shareholders are advised to read the extract below carefully.

"As at the date of the Announcement on 26 August 2016, the Group recorded overdue Receivables in the amount of US$12,600,521 (equivalent to approximately HK$98,032,053). The Proposed Assignment would in effect eliminate the Group's inherent risk of non-recoverability associated with such amounts and enable the Group to save time and resources that will otherwise be utilized for recovering and collecting the Receivables. Besides, as the Receivables will be off-set and deducted from the Loan on a dollar-for-dollar basis, this would significantly reduce the outstanding Loan owing to New Page from the Group and in turn enhance the Group's loan-to-equity ratio. The Company will therefore benefit from a better capital structure and reduce its debt obligations which it would otherwise have been required to repay on maturity of the Loan. To date, the Loan has been used by the Group for repayment of bank loans as well as releasing of corporate guarantees.

*As announced by the Company in the Announcement, on 26 August 2016 (after trading hours), the Company also entered into a memorandum of deed of waiver with New Page, pursuant to which the parties recorded an agreement made on 30 April 2016 where New Page had agreed to waive an aggregate of HK$5 million from the Loan ("**Partial Waiver**"). The Partial Waiver was based on an agreed waiver of 2.17% of the Loan by New Page, following a request made by the Group and negotiations between the parties for this purpose, which will enable the Group to enhance its financial position and reduce debt obligations accordingly. To the best of the Directors' knowledge, information and belief after having made due enquiries, following the sale by New Page of its entire shareholding interest in the Company to Golden Star Group Limited in 2015 ("**Share Transfer**"), New Page remains a creditor of the Group, it is beneficial to New Page that the operation of the Group to remain normal and stable and New Page is willing to assist in the Group's recovery from and getting through the tough business environment it had encountered. Further, in light of the increasing expenses (including legal and other professional fees) incurred in recent years and the impairment made in the financial year ended 30 April 2015, New Page agrees to waive the amount HK$5 million from the Loan as a gesture to support the Group's operation. The Partial Waiver and the Proposed Assignment are independent of each other.*

As such, taking into account the Partial Waiver, the amount of the Loan repayable by the Group to New Page will be reduced to approximately HK$225 million. Subsequent to Closing, the amount of the Loan will be further reduced to HK$127 million.

In the reasonable opinion of the Directors, barring any unforeseen circumstances and after taking into consideration the Group's internal resources, operating cash flow and present bank facilities, the working capital available to the Group is sufficient for its present requirements and for at least 12 months after the Proposed Assignment takes effect."

4.2 Terms of the proposed assignment

Methodology

In assessing the terms of the Proposed Assignment, we have considered the following:

(i) Historical financial performance and position of the Group;

(ii) Consideration for the Proposed Assignment;

(iii) the benchmarking comparison of the key liquidity and gearing ratios with public information available on companies which are broadly comparable to the Company (the "**Comparable Companies**"); and

(iv) other relevant considerations which have a bearing on our assessment.

We wish to highlight that unless specified otherwise, the underlying financial and market data used in our analysis, including securities prices and foreign exchange rates have been extracted from Bloomberg L.P., the Circular, SGXNET and/or other public filings as at the Latest Practicable Date or provided by the Company where relevant. CIMB makes no representation or warranties, express or implied, as to the accuracy or completeness of such information save that where applicable, we have made reasonable enquiries and exercised our judgment on the reasonable use of such information and found no reason to doubt the accuracy or reliability of the information.

Liquidity and Gearing Ratios

Liquidity ratios provide an indication of the company's ability to meet short-term obligations and focus more on current financial accounts. Gearing ratio is a measurement of the company's financial leverage, which demonstrates the degree to which a company's activities are funded by equity compared to borrowings.

We have applied the following ratios in our analysis:

Liquidity Ratios	General Description
Current ratio	Current ratio measures the ability of a company to meet its short-term obligations.
Quick ratio	Quick ratio, a more stringent measure of liquidity, measures a company's ability to meet its short-term obligations with its most liquid assets.
Operating cash flow ratio	Operating cash flow ratio measures the ability of a company to meet its short term liabilities with the cash it generates from its current operations.

Gearing Ratio	General Description
Net debt to equity ratio	Net debt to equity ratio measures a company's financial leverage, by comparing equity to funds borrowed by the company.

Note:

(1) Please refer to section 4.2.3 for formula used in computing the liquidity and gearing ratios.

4.2.1 Historical Financial Performance and Position of the Group

A summary of the financial results of the Group between FY2014 to FY2016 and 9 months ended 31 January 2017 ("**9MFY2017**") is set out below.

(US$'000)	**FY2014** (Audited)	**FY2015** (Audited)	**FY2016** (Audited)	**9MFY2017** (Unaudited)
Financial Results				
Revenue	272,998	225,857	102,221	100,730
Gross profit/(loss)	4,694	(2,975)	1,711	1,087
(Loss)/profit attributable to equity holders of the Company	(13,273)	(22,104)	(16,173)	(1,577)
Financial Position				
Total assets	182,802	158,598	146,494	121,698
Cash and cash equivalents	46,821	33,458	9,778	7,966
Total borrowings	68,480	77,266	89,010[(1)]	69,333[(1)]
Total equity	40,916	16,532	(2,129)	1,221
Financial Ratios				
Gross profit margin[(2)] (%)	1.7%	(1.3%)	1.7%	1.1%
Net debt to equity[(3)] (x)	0.53	2.65	(37.22)	50.26

Source: Company annual reports

Notes:

(1) Total borrowings include the Loan from New Page.

(2) Gross profit margin is calculated based on the gross profit/(loss) divided by the revenue for the respective financial year.

(3) Net debt to equity is calculated based on total borrowings less cash and cash equivalents, divided by total equity for the financial year.

The Group's revenue decreased by approximately 17.3% from approximately US$273.0 million in FY2014 to US$225.9 million in FY2015. From FY2015 to FY2016, overall revenue from continuing operations fell by approximately 54.7% to approximately US$102.2 million. Revenue from international steel trade business ("**Trading Segment**"), major business segment, accounted for approximately 98.3% or US$100.5 million and 85.5% or US$193.1 million of the Group's total revenue in FY2016 and FY2015 respectively. Revenue from tinplate manufacturing ("**Manufacturing Segment**") contributed approximately 1.7% or US$1.7 million in FY2016. On 28 April 2016, the Group discontinued its tinplate processing business by disposing all its 50% equity interest for value of RMB9 million (approximates to US$1.38 million) in Tianjin Shifa Novo Technology Development Limited ("**Tianjin Shifa**"). For the period ended 28 April 2016, Tianjin Shifa recorded a total turnover of approximately US$23.3 million with a gross loss of approximately US$0.4 million. Manufacturing Segment has suspended its operations since early 2016 for the purpose of obtaining additional funding as well as to consolidate the product mix for the metal packaging assembly line. As a result, the majority of the revenue for 9MFY2017 was derived from the Trading Segment.

Gross profit for FY2014 was approximately US$4.7 million. In FY2015, the Group incurred a gross loss of approximately US$3.0 million. The Group's gross profit margin from continuing operations increased from negative 1.3% in FY2015 to approximately 1.7% in FY2016. Such an increase was mainly due to the Group focusing on trading of tinplate, and the suspension of Manufacturing Segment. Gross profit decreased from approximately US$1.14 million in the 9 months ended 31 January 2016 ("**9MFY2016**") to approximately US$1.09 million in 9MFY2017 due to market fluctuation and keen competition during 9MFY2017.

The Group had been loss making in the last three completed financial years as reflected by its loss attributable to owners of the Company. Loss attributable to owners of the Company was US$13.3 million, US$22.1 million and US$16.2 million for FY2014, FY2015 and FY2016 respectively. In 9MFY2017, the Group recorded loss attributable to owners of the Company of approximately US$1.6 million.

Total assets decreased by approximately 7.6% from FY2015 to FY2016 primarily due to the decrease in property, plant and equipment, inventories and trade and other receivables. We note that inventories fell due to concentration on trading business which has shorter stock turnover day than manufacturing business. We also note that the decrease of trade and bills receivables as at 30 April 2016 was a result of decrease in turnover. Total assets decreased by approximately 16.9% from FY2016 to 9MFY2017 mainly due to disposal of leasehold property held for sale, lower balance of disposal group assets classified as held for sale, lower property, plant and equipment balance and lower cash balances.

The Group was in negative equity position as at 30 April 2016.

The Group's net gearing, as exhibited by its net debt to equity ratio, increased significantly from approximately 0.53 times in FY2014 to a negative ratio of approximately 37.22 times in FY2016 as the Group increased long term loan from New Page to release corporate guarantee and also reclassification of cash and cash equivalents of Tianjin Shifa to disposal group assets classified as held-for-sale. As at 31 July 2016, the Group has a net debt to equity ratio of approximately 16.95 times.

The Company made a commentary on its outlook in the announcement of its unaudited financial results for third quarter ended 31 January 2017 ("**3QFY2017**"). Please refer to section 4.4.2 of this letter for details.

4.2.2 Consideration for the Proposed Assignment

The Receivables consist of trade receivables, other receivables, prepayments and purchase deposits, details as set out in the table below:

Nature	**Amount due as at the date of the Master Agreement** *(US$)*	**Consideration for the Proposed Assignment** *(US$)*
Trade receivables	3,606,486	3,606,486
Other receivables	1,577,634	1,577,634
Prepayments	2,312,661	2,312,661
Purchase deposits	5,103,740	5,103,740
Total	**12,600,521**	**12,600,521**

The Receivables involve 19 debtors and are past due for more than 18 months. Trade receivables include sale of tinplate products. Other receivables include claims of freight charges and demurrage fees, and deposits for purchase of tinplate products. Prepayments include an amount placed with a customer as a performance pledge to supply products at an agreed price. Purchase deposits include deposit for purchase of mineral.

We note that the Receivables will be off-set and deducted from the Loan on a dollar-for-dollar basis at the foreign exchange rate expressed as the amount of HK$ per one US$ quoted by The Hongkong and Shanghai Banking Corporation Limited as at the date of the Master Agreement. Subsequent to 30 April 2016 and up to the Latest Practicable Date, there has not been any settlement or impairment on the Receivables. As such, the Company does not expect to record any gain or loss from the Proposed Assignment. In the event there is any early settlement of the Receivables before Closing, the amount received from such settlement will be applied towards setting-off the Loan on a dollar-to-dollar basis together with the Proposed Assignment on the fixed amount of US$12,600,521 (equivalent to approximately HK$98,032,053).

As such, the Proposed Assignment will eliminate the Group's risk of non-recoverability associated with such long overdue receivables and reduce the Group's debt obligation. This will in turn enhance the Group's gearing ratio.

For illustrative purposes only, assuming that the Proposed Assignment had been effected at the end of 9MFY2017, the net debt to equity ratio of the Company will improve from 50.26x to 39.94x.

4.2.3 Benchmarking key liquidity and gearing ratios of the Company against Comparable Companies

For the purpose of comparison and after discussion with the Directors and Management, we have also compared the key liquidity and gearing ratios with those of selected listed companies whose business activities are, in our view, broadly comparable or similar to the core business activities of the Company.

A brief description of the Comparable Companies is set out below:

Comparable Companies	Business description	Market capitalisation as at the Latest Practicable Date *(S$ million)*
Asia Enterprises Holding Limited ("**Asia Enterprises**")	Asia Enterprises distributes steel products. The company serves the shipbuilding, fabrication, engineering, and oil and natural gas industries.	65.8
HG Metal Manufacturing Ltd ("**HG Metal**")	HG Metal offers different types of steel products used in various industrial and engineering applications, including pipes, mild steel lip channels, plates, bars, tubes, and I-beams. The company also manufactures customized flat steel bars and mild steel lip channels commonly use as roofing support in commercial and industrial building.	47.8
HupSteel Limited ("**HupSteel**")	HupSteel is an investment holding company whose subsidiaries import and export hardware machinery and general merchandise as well as provide racking services. The company also develops and invests in properties.	84.8
Lee Metal Group Ltd ("**Lee Metal**")	Lee Metal supplies a range of reinforcement steel products. The company also imports reinforcement steel bars and steel plates as well as fabricates and manufactures cut-and-bend reinforcement steel bars and steel welded mesh. Lee Metal owns, operates, and charters vessels.	140.0

Source: Bloomberg L.P. and respective companies' financial statements

We wish to highlight that the Comparable Companies above are not exhaustive and they differ from the Company in terms of, *inter alia*, size of operations, composition of business activities, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. As such, any comparison made is necessarily limited and merely serves only as an illustrative guide.

The key financial ratios of the Company and the Comparable Companies set out below are based on their respective last announced financial statements at the Latest Practicable Date.

Comparable Companies	Current ratio(1) (x)	Quick ratio(2) (x)	Operating cash flow ratio(3) (x)	Net debt to equity(4) (x)
Asia Enterprises	23.20	19.44	2.37	Net cash
HG Metal	4.83	4.03	n.m.	Net cash
HupSteel	18.11	12.82	1.19	Net cash
Lee Metal	2.10	1.42	0.26	Net cash
Mean	**12.06**	**9.43**	**1.27**	**Net cash**
Median	**11.47**	**8.42**	**1.19**	**Net cash**
Company (before Proposed Assignment)	0.82	0.41	0.02	50.26

Source: *Bloomberg L.P., annual reports and latest publicly available financial information on the Company and Comparable Companies, and CIMB analysis*

Notes:

"n.m." – Not meaningful as the ratio is negative.

(1) Current ratio is computed based on current assets divided by current liabilities of the respective companies, as set out in their respective latest available financial statements.

(2) Quick ratio is computed based on summation of cash, marketable securities and accounts receivables, divided by current liabilities of the respective companies, as set out in their respective latest available financial statements.

(3) Operating cash flow ratio is computed based on operating cash flow, divided by current liabilities of the respective companies, as set out in their respective latest available financial statements.

(4) Net debt to equity is computed based on total borrowings less cash and cash equivalents, divided by total equity of the respective companies as set out in their respective latest available financial statements.

Based on the above, we note that:

(i) the liquidity ratios of the Company is below the range of ratios of the Comparable Companies; and

(ii) the Comparable Companies are in net cash position, while the Company is in a net debt position, with a net debt to equity ratio of 50.26x, which improves to 39.94x after the Proposed Assignment.

The above analysis highlights that the financial position of the Company is less favourable compared to the Comparable Companies.

4.3 Financial effects

Full text of the financial effects of the Proposed Assignment are set out in paragraph 6 of the Circular. Shareholders are advised to read paragraph 6 of the Circular carefully.

For convenience, we have extracted certain parts of the financial effects of the Proposed Assignment for ease of reference.

*"**6.1 Financial effects based on the unaudited consolidated financial statements for FY2016***

As disclosed in the Announcement on 26 August 2016, the financial effects of the Proposed Assignment, calculated based on the unaudited consolidated financial statements of the Group for FY2016, are set out below and are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after the completion of the Proposed Assignment.

NTL

Assuming that the Proposed Assignment had been effected at the end of FY2016, the financial effects to the NTL per Share are as follows:

	Before the Proposed Assignment	***After the Proposed Assignment***
***NTL per Share** (US cents)*	*0.014*	*0.014*

Note: The above NTL per Share was based on the unaudited net assets less intangible assets as at 30 April 2016 as stated on the announcement released on 29 June 2016 and the Shares in issue as at 30 April 2016.

LPS

Assuming that the Proposed Assignment had been effected at the beginning of FY2016, the financial effects to the LPS are as follows:

	Before the Proposed Assignment	***After the Proposed Assignment***
***LPS per Share** (US cents)*	*12.94*	*12.94*

Note: The above LPS per Share was based on the unaudited financial results announcement for the financial year ended 30 April 2016 released on 29 June 2016 and the Shares in issue as at 30 April 2016.

*6.2 **Financial effects based on the audited consolidated financial statements for FY2016***

The financial effects of the Proposed Assignment, calculated based on the audited consolidated financial statements of the Group for FY2016, announced on 30 August 2016, are set out below and are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after the completion of the Proposed Assignment.

NTL

Assuming that the Proposed Assignment had been effected at the end of FY2016, the financial effects to the NTL per Share are as follows:

	Before the Proposed Assignment	***After the Proposed Assignment***
***NTL per Share** (US cents)*	*0.012*	*0.012*

Note: The above NTL per Share was based on the audited net assets less intangible assets as at 30 April 2016 as stated on the annual report released on 30 August 2016 and the Shares in issue as at 30 April 2016. As announced by the Company on 30 August 2016, the difference between the Company's unaudited and audited NTL for FY2016 were mainly due to the reclassification of approximately US$5,000,000 from current borrowing to non-current borrowing and correction of foreign exchange translation difference. Please refer to the above-mentioned announcement for further details.

LPS

Assuming that the Proposed Assignment had been effected at the beginning of FY2016, the financial effects to the LPS are as follows:

	Before the Proposed Assignment	***After the Proposed Assignment***
***LPS per Share** (US cents)*	*12.94*	*12.94*

Note: The above LPS per Share was based on the audited financial results announcement for the financial year ended 30 April 2016 released on 30 August 2016 and the Shares in issue as at 30 April 2016."

4.4 Other relevant considerations

4.4.1 Partial Waiver of Loan by New Page

As set out in paragraph 2.5 of the Circular, on 26 August 2016 (after trading hours), the Company also entered into a memorandum of deed of waiver with New Page, pursuant to which the parties recorded an agreement made on 30 April 2016 where New Page had agreed to waive an aggregate of HK$5 million from the Loan. The Partial Waiver was based on an agreed waiver of 2.17% of the Loan by New Page, following a request made by the Group and negotiations between the parties for this purpose, which will enable the Group to enhance its financial position and reduce debt obligations accordingly. To the best of the Directors' knowledge, information and belief after having made due enquiries, following the sale by New Page of its entire shareholding interest in the Company to Golden Star Group Limited in 2015, New Page remains a creditor of the Group, it is beneficial to New Page that the operation of the Group to remain normal and stable and New Page is willing to assist in the Group's recovery from and getting through the tough business environment it had encountered. Further, in light of the increasing expenses (including legal and other professional fees) incurred in recent years and the impairment made in the financial year ended 30 April 2015, New Page agrees to waive the amount HK$5 million from the Loan as a gesture to support the Group's operation. The Partial Waiver and the Proposed Assignment are independent of each other.

As such, taking into account the Partial Waiver, the amount of the Loan repayable by the Group to New Page will be reduced to approximately HK$225 million. Subsequent to Closing, the amount of the Loan will be further reduced to HK$127 million.

4.4.2 Outlook of the Group

In its results announcement for 3QFY2017, the Company stated the following in relation to the outlook of the Group:

FUTURE PROSPECTS

Trading Business

The Group anticipates an improving operating environment for the year ending 30 April 2017. To maintain the competitiveness of the Group, the Group has focused on rigorous cost control and additional policies to retain dedicated management team and staff for operation.

Joint venture into the business of payment gateway services

As announced on 19 September 2016, the Company's wholly-owned subsidiary, Sunshine Star Group Limited ("SSGL") has entered into a subscription agreement (the "Subscription Agreement") with The Payment Cards Group Limited 交易寶有限公司 (the "JV Partner") and The Payment Cards Global Limited 交易寶環球支付結算有限公司 (formerly known as Sunshine Star (HK) Limited 耀星香港有限公司) ("TPCGL" or the "JV Company") as part of a joint venture to carry on the business of the provision of payment gateway services and investment holding. Pursuant to the Subscription Agreement, the JV Partner and SSGL shall subscribe for 13,500,000 and 16,490,000 new shares in the JV Company respectively at the subscription price of HK$1.00 per share. Since SSGL currently holds 10,000 shares (100% of the issued share capital) in TPCGL, upon completion of the transaction, SSGL shall hold an aggregate of 16,500,000 shares (representing 55% of the total enlarged share capital of the JV Company) and the JV Partner shall own 45% of the total enlarged share capital of the JV Company.

The directors are optimistic about the outlook of the payment gateway services business and believe that there are positive opportunities for new investments, particularly in the market of the Maritime Silk Road. Therefore, the directors believe that by leveraging on the experience and expertise of the JV Partner in the payment gateway services business, the collaboration in the development of the payment gateway services business will be beneficial to the Group and will help the Group work toward achieving positive operating cash flow, leading to long term sustainable benefits."

4.4.3 Qualified Opinion and Emphasis of Matters in the Independent Auditor's Report for FY2016

We wish to highlight to Shareholders that Baker Tilly TFW LLP ("**Independent Auditors**") had, on 30 August 2016 issued their report on the Group's FY2016 financial statements (the "**FY2016 Auditors Report**"). In their report, the Independent Auditors had expressed a qualified opinion on the FY2016 financial statements and had included an emphasis of matter in respect of certain matters in the FY2016 financial statements.

We set out in *italics* below an extract of the FY2016 Auditors Report in relation to the aforesaid qualified opinion and emphasis of matter for your reference.

"BASIS FOR QUALIFIED OPINION

1. Property, plant and equipment

As disclosed in Note 16 to the financial statements, the Group's property, plant and equipment as at 30 April 2016 amounted to US$63,154,213 (2015: US$73,131,079). Management determined that no impairment is required on the Group's property, plant and equipment as their recoverable amounts exceed the net carrying values as at 30 April 2016.

Based on the information available to us, we are unable to obtain sufficient appropriate audit evidence to satisfy ourselves 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. Consequently, we are 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 2016 are necessary.

This matter was similarly included in the Basis for Disclaimer of Opinion paragraphs in our independent auditor's report on the financial statements for the financial year ended 30 April 2015 where we rendered a disclaimer of opinion on the financial statements.

In addition, a subsidiary, incorporated in The People's Republic of China, did not translate its property, plant and equipment as at 30 April 2016 into the Group's presentation currency using the closing rate at the end of the reporting period as required by FRS 21 The Effects of Changes in Foreign Exchange Rates. Had the aforementioned property, plant and equipment been translated in accordance with FRS 21, the Group's property, plant and equipment, currency translation reserve, net assets as at 30 April 2016 would decrease by US$4,207,500 respectively. The currency translation differences arising from consolidation and the total comprehensive loss for the financial year will also decrease by US$4,207,500 and increase by US$4,207,500 respectively.

2. Investments in subsidiaries and amounts due from subsidiaries

As disclosed in Note 18 to the financial statements, the Company's investments in subsidiaries and amounts due from subsidiaries are carried at cost amounting to US$79,463,169 (2015: US$79,460,123) and US$31,496,647 (2015: US$43,968,458) respectively. Management determined that no impairment is required on the Company's investments in subsidiaries and amounts due from subsidiaries as their recoverable amounts exceed the net carrying values as at 30 April 2016.

Based on the information available to us, we are unable to obtain sufficient appropriate audit evidence about the recoverable amounts of the Company's investments in subsidiaries and amounts due from subsidiaries as at 30 April 2016. Consequently, we are unable to determine whether any adjustments in respect of the net carrying values of the Company's investments in subsidiaries and amounts due from subsidiaries as at 30 April 2016 are necessary.

This matter was similarly included in the Basis for Disclaimer of Opinion paragraphs in our independent auditor's report on the financial statements for the financial year ended 30 April 2015 where we rendered a disclaimer of opinion on the financial statements.

QUALIFIED OPINION

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and the Company as at 30 April 2016 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

EMPHASIS OF MATTERS

We draw your attention to the following disclosures in the notes to the financial statements:

Going concern

We draw attention to Note 2(a) to the financial statements with respect to the Group's and the Company's ability to continue as going concerns. The Group incurred a net loss from continuing operations of US$16,019,142 (2015: US$20,338,181) and reported net cash outflows from operating activities of US$5,952,764 (2015: US$6,653,336), and the Company incurred net loss of US$1,202,737 (2015: US$810,411). At 30 April 2016, the Group's and the Company's current liabilities exceeded the current assets by US$23,498,828 (2015: US$55,920,042) and US$1,038,299 (2015: US$12,304,327) respectively.

As disclosed in Note 16 to the financial statements, a subsidiary within the tinplate manufacturing segment has suspended its operations since the previous financial year ended 30 April 2015 and yet to resume its operations as of the date of this report. The Group also breached the covenants clauses of certain borrowings and defaulted on the repayment of instalments of certain borrowings on their respective due dates during the financial year as disclosed in Note 23 to the financial statements. Management is in negotiations with the bank on the refinancing of the bank loan amounting to US$15,500,000 as at 30 April 2016. The Group also has several on-going litigations as at 30 April 2016 as disclosed in Note 30(c) to the financial statements.

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, 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 2016 is appropriate after taking into consideration the following factors:

(i) The continuing financial support from the immediate and ultimate holding company to procure the necessary finance and support for a period of not less than twelve months from the date of this report;

(ii) Management has prepared a cash flow forecast and is of the view that the Group will have sufficient cash resources to satisfy its working capital requirements and to meet its obligations as and when they fall due; and

(iii) As disclosed in Note 37 to the financial statements, subsequent to 30 April 2016:

(a) On 23 June 2016, the Company's wholly-owned subsidiary, Novo Commodities Limited has completed the disposal of a leasehold property in Hong Kong with net carrying value of US$4,888,738 as at 30 April 2016 at the consideration of approximately US$9,010,000 (HK$70,280,000). The expected gain on the disposal of the leasehold property is approximately US$4,121,262; and

(b) On 1 August 2016, the Company has successfully completed the placing of an aggregate of 20,680,000 ordinary shares in the Company at HK$2.32 per ordinary share, with aggregate net proceeds of approximately US$6,008,000 (HK$46,860,000).

The financial statements have been prepared on the assumptions that the Group and the Company will continue as going concerns. If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made in these financial statements.

Disposal group assets classified as held-for-sale

We draw attention that a subsidiary made an advance of US$5,601,568 to a related party during the current financial year and the advance remained outstanding at the date of this report. As disclosed in Note 13 to the financial statements, this subsidiary has been classified as discontinued operations and disposal group classified as held-for-sale as at 30 April 2016. Accordingly, as at 30 April 2016, the outstanding non-trade advance of US$5,601,568 was included in trade and other receivables of the disposal group assets classified as held-for-sale as disclosed in Note 13(iii)(c) to the financial statements.

Our opinion is not further qualified in respect of the above matters."

We understand from the Company that the outstanding non-trade advance of US$5,601,568 to a related group as highlighted in the section entitled "Disposal group assets classified as held-for-sale" of the emphasis of matters in the FY2016 Auditors Report is not part of the Receivables.

Shareholders should note that the Group's FY2016 financial statements are subject to such qualifications as set out in the FY2016 Auditors Report.

4.4.4 Watch-List

We note that the Company has been on the watch-list by the SGX-ST pursuant to Rule 1311 of the Listing Manual since 3 September 2014. Accordingly, the Company will have to fulfil the requirements under Rule 1314 of the Listing Manual ("**Rule 1314 Requirements**") for its removal from the watch-list within 24 months from 3 September 2014 (the "**Cure Period**"), failing which the SGX-ST would delist the Company or suspend trading of the Company's shares with a view to delisting the Company.

The Company had on 2 August 2016 submitted an application to the SGX-ST for an extension of a further 12 months to the Cure Period to apply for its removal from the watch-list (the "**Application**"). The rationale of the Application is as follows:

(a) The Company's market capitalisation as at 1 August 2016 is approximately S$68,321,708 and the average daily market capitalisation has been at least S$40 million for the last 6 months, hence meeting one of the requirements under Rule 1314(1) of the Listing Manual; and

(b) Based on the unaudited consolidated financial statements for the financial year ended 30 April 2016, which was announced on 29 June 2016, the Group's net cash generated from operating activities of continuing operations was US$23,634,000 and the net cash used in operating activities of discontinuing operations was US$36,645,000.

On 31 October 2016, the Company received a notification from the SGX-ST that the Company will be granted a 12-month extension, till 1 September 2017, to meet the requirements to exit from the watch-List.

Shareholders should note that any potential allowance for impairment of the Receivables as a result of non-recoverability of the Receivables may adversely impact the Company's ability to meet the requirements to exit from the watch-list. With the Proposed Assignment, the risk of any potential allowance for impairment of the Receivables will be mitigated.

4.4.5 Working capital

We note from the circular that in the reasonable opinion of the Directors, barring any unforeseen circumstances and after taking into consideration the Group's internal resources, operating cash flow and present bank facilities, the working capital available to the Group is sufficient for its present requirements and for at least 12 months after the Proposed Assignment takes effect.

5. OUR OPINION

In arriving at our opinion on whether the terms of the Proposed Assignment are on normal commercial terms and whether they are prejudicial to the interest of the Company and the minority Shareholders, we have considered, *inter alia*, the following factors which should be read in the context of the full text of this letter:

(i) reasons for and benefits of the Proposed Assignment;

(ii) the Group's recent historical financial performance;

(iii) the Receivables will be off-set and deducted from the Loan on a dollar-for-dollar basis, without any discount to the book value of the Receivables;

(iv) the liquidity ratios of the Company is below the range of ratios of the Comparable Companies;

(v) Based on the respective financial statements available as at LPD, the Comparable Companies are in net cash position, while the Company is in a net debt position, with a net debt to equity ratio of 50.26x, which improves to a net debt to equity ratio of 39.94x assuming that the Proposed Assignment had been effected at the end of 9MFY2017;

(vi) financial effects of the Proposed Assignment; and

(vii) other relevant considerations as set out in section 4.4 of this letter.

After carefully considering the information available to us as at the Latest Practicable Date and based on the considerations above, we are of the opinion that the terms of the Proposed Assignment are on normal commercial terms and are not prejudicial to the interests of the Company and the minority Shareholders. Accordingly, we are of the view that the Independent Directors and the Audit Committee may recommend that Shareholders vote in favour of the resolution in connection with the Proposed Assignment to be proposed at the EGM.

In rendering the above opinion, we have not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately. Our evaluation and opinion in this letter do not take into account information, events or conditions arising after the Latest Practicable Date.

Yours faithfully
For and on behalf of
CIMB BANK BERHAD, SINGAPORE BRANCH

JASON CHIAN
MANAGING DIRECTOR
INVESTMENT BANKING

ERIC WONG
DIRECTOR
INVESTMENT BANKING

1. DISCLOSURE OF INTERESTS OF DIRECTORS IN EQUITY OR DEBT SECURITIES

As at the Latest Practicable Date, the interests and short positions of each Director, chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO to be entered into the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange, are set out below:

The Company

Name of Director	Nature of interest	Number and class of Shares	Approximate percentage of shareholding(1)
Zhu Jun	Personal interest	700,000	0.37%
	Interest in a controlled corporation	126,803,668(2)	66.22%

Notes:

(1) As at the Latest Practicable Date, the Company had 191,484,269 ordinary shares in issue.

(2) The 126,803,668 ordinary shares are held by Golden Star Group Limited, a holding company of the Company, which is wholly-owned by Mr. Zhu Jun, the executive Director and executive chairman of the Company. By virtue of Part XV of the SFO, Mr. Zhu Jun is deemed to be interested in all the shares held by Golden Star Group Limited.

Save as disclosed, as at the Latest Practicable Date, none of the Directors, chief executives and their respective associates had any interest or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO to be entered into the register referred to therein; or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

2. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as known to the Directors and chief executives of the Company, the following persons, other than a Director or chief executive of the Company had an interest or a short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in ten per cent or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of shareholding(1)
Golden Star Group Limited	Beneficial owner	126,803,668(2)	66.22

Notes:

(1) As at the Latest Practicable Date, the Company had 191,484,269 ordinary shares in issue.

(2) Golden Star Group Limited is a wholly owned by Mr. Zhu Jun, the executive Director and executive Chairman of the Company. By virtue of Part XV of the SFO, Mr. Zhu Jun is deemed to be interested in all the shares held by Golden Star Group Limited.

Save as disclosed herein, as at the Latest Practicable Date, there was no other person so far as is known to the Directors and chief executives of the Company, other than a Director or chief executive of the Company had an interest or a short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. DIRECTORS' INTEREST IN ASSETS AND/OR ARRANGEMENT

As at the Latest Practicable Date:

(a) save as disclosed in this Circular, there was no contract or arrangement entered into by any member of the Group subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

(b) save as disclosed in the Company's announcement dated 4 July 2016 and 15 August 2016, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to, or which were proposed to be acquired, disposed of by or leased to, the Company or any of its subsidiaries since 30 April 2016, the date to which the latest published audited consolidated financial statements of the Group were made up.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed contract of service with any member of the Group which is not expiring or terminable within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

None of the Directors and his associates is interested directly or indirectly in a business, apart from his interest in the Company, which competes or is likely to compete with the business of the Group.

6. DIRECTORSHIP AND EMPLOYMENT OF DIRECTORS AND CHIEF EXECUTIVE IN SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, save as disclosed below, none of the Directors were a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of company which had such discloseable interest or short position	Position within such company
Zhu Jun	Golden Star Group Limited	director
Wang Jianqiao	Golden Star Group Limited	director

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors have confirmed that there has not been any material adverse change in the financial or trading position of the Group since 30 April 2016, being the date to which the latest audited consolidated financial statements of the Group were made up.

8. MISCELLANEOUS

The English text of this Circular shall prevail over the Chinese text in case of any inconsistency.

YORKSHINE HOLDINGS LIMITED
煜新控股有限公司*

(Formerly known as NOVO GROUP LTD. 新源控股有限公司)*
(Incorporated in Singapore with limited liability)
(Company Registration No. 198902648H)
Hong Kong Stock Code: 1048
Singapore Stock Code: MR8

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Yorkshine Holdings Limited (the "**Company**") will be held at RELC International Hotel, 30 Orange Grove Road, Singapore 258352 on Friday, 28 April 2017 at 9:30 a.m., for the purposes of considering and, if thought fit, passing, with or without modification, the following resolution as ordinary resolution of the Company:

Capitalised terms which are not defined in this Notice shall have the same meanings ascribed to them in the circular to Shareholders dated 5 April 2017.

ORDINARY RESOLUTION: ASSIGNMENT OF RECEIVABLES

(1) DISCLOSEABLE AND CONNECTED TRANSACTION UNDER THE LISTING RULES (HK) (2) MAJOR TRANSACTION UNDER THE LISTING MANUAL (SG)

RESOLVED THAT:

(a) Pursuant to Chapters 9 and 10 of the Listing Manual (SG) respectively, approval be and is hereby given for the Proposed Assignment as an IPT and a major transaction; on the terms and subject to the conditions set out in the Master Agreement;

(b) The Directors (other than Mr. Chow Kin Wa) and each of them be and are hereby authorised, for and on behalf of the Company, to do all such things and exercise all powers which he or she considers necessary or desirable or expedient for the purposes of or in connection with completion of the Proposed Assignment and to give effect to this Resolution (including but not limited to the execution of other ancillary documents and making of amendments to such documents as may be required) as they shall think fit and in the interests of the Company; and

(c) Approval be and is hereby given to the Company to take necessary steps to facilitate its relevant subsidiaries to enter into the relevant deed of assignment with New Page to complete the Proposed Assignment.

By order of the Board
Yorkshine Holdings Limited
Srikanth Rayaprolu
Company Secretary

Singapore, 5 April 2017

* *For identification purpose only*

Registered office:
24 Raffles Place
#10-05 Clifford Centre
Singapore 048621

Head office and principal place of business:
Rooms 1102-04, 11th Floor
Empire Centre
68 Mody Road
Tsim Sha Tsui
Hong Kong

Notes:

(1) A member of the Company entitled to attend and vote at the Extraordinary General Meeting may appoint not more than two proxies to attend and vote in his/her stead. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

(2) Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each such proxy.

(3) Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the member. Where such member appoints more than two proxies, the number and class of shares to be represented by each proxy must be stated.

(4) The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.

(5) The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, must be deposited at the Company's Singapore Principal Share Registrar and Transfer Office, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Singapore Shareholders), or at the Company's Hong Kong Branch Share Registrar and Transfer Office, Boardroom Share Registrars (HK) Limited, at 31/F., 148 Electric Road, North Point, Hong Kong (for Hong Kong Shareholders), not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting or any adjournment thereof.

(6) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the Extraordinary General Meeting in order for the Depositor to be entitled to attend and vote at the Extraordinary General Meeting.

(7) Completion and return of a proxy form will not preclude a member from attending and voting in person at the above meeting or any adjournment of such meeting and in such event, the proxy form previously submitted shall be deemed to be revoked.

Personal Data Privacy:

"Personal data" in this notice has the same meaning as "personal data" in the Personal Data Protection Act 2012 ("**PDPA**"), which includes your and your proxy's and/or representative's name, address and NRIC/Passport No. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) undertakes that the member will only use the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Your and your proxy and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share register and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

* *For identification purpose only*