



Yat Sing Holdings Limited

日成控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code 3708)

Room 1402, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong

Tel 電話: (852) 2386 0066 Fax 傳真: (852) 2563 0813

23 December 2016

To the Independent Shareholders

Dear Sir or Madam,

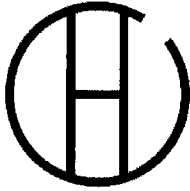
**UNCONDITIONAL MANDATORY CASH OFFER BY
KINGSTON SECURITIES LIMITED
FOR AND ON BEHALF OF
SMART PARADISE INTERNATIONAL LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
YAT SING HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY
SMART PARADISE INTERNATIONAL LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to the Composite Document dated 23 December 2016 jointly issued by the Offeror and the Company, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider the terms of the Offer and to advise you as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and to make a recommendation as to acceptance thereof.

Messis Capital has been appointed as the Independent Financial Adviser to advise us in these regards. Details of its advice and principal factors taken into consideration in arriving at its recommendation are set out in the "Letter from the Independent Financial Adviser" on pages 26 to 47 of the Composite Document and you are recommended to read the full text of the letter.



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We also wish to draw your attention to the “Letter from the Board”, “Letter from Kingston Securities” and the additional information set out in the appendices to this Composite Document.

RECOMMENDATION

Having taken into account the terms of the Offer and the advice from the Independent Financial Adviser and the principal factors taken into account in arriving at its recommendation, we are of the opinion that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and recommend the Independent Shareholders to accept the Offer.

However, Independent Shareholders who wish to realise their investments in the Company are reminded to monitor the trading price and liquidity of the Shares during the Offer Period and should, having regard to their own circumstances, consider selling their Shares in the open market instead of accepting the Offer if the net proceeds obtained from such disposal of the Shares (after deducting all transaction costs) would be higher than the net proceeds from accepting the Offer.

In any case, the Independent Shareholders are strongly advised that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for professional advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the procedures for accepting the Offer as detailed in the Composite Document and the Form of Acceptance.



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Yours faithfully,

Independent Board Committee

Yat Sing Holdings Limited

Ms. Tong Sze Wan

Independent non-executive

Director

Mr. Guo Biao

Independent non-executive

Director

Ms. Song Dan

Independent non-executive

Director



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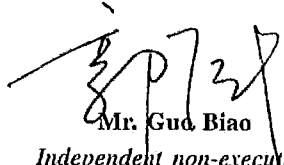
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Yours faithfully,

Independent Board Committee

Yat Sing Holdings Limited



Mr. Guo Biao

*Independent non-executive
Director*

Ms. Tong Sze Wan
*Independent non-executive
Director*

Ms. Song Dan
*Independent non-executive
Director*



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