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## **YAT SING HOLDINGS LIMITED**

### **日成控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3708)**

#### **VOLUNTARY ANNOUNCEMENT**

#### **LETTER OF INTENT IN RELATION TO A PROPOSED ACQUISITION OF 51% EQUITY INTEREST IN THE TARGET COMPANY**

This announcement is made by Yat Sing Holdings Limited on a voluntary basis. The purpose of this announcement is to keep the Shareholders and the potential investors informed of the latest business development of the Group.

#### **LETTER OF INTENT**

The Board is pleased to announce that on 3 February 2017, the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into a Letter of Intent with the Vendors, pursuant to which the Vendors proposed to sell and the Purchaser proposed to acquire, in aggregate, 51% equity interest in the Target Company.

#### **INFORMATION OF THE TARGET COMPANY**

The Target Company is a company established in the PRC and with registered capital of RMB100 million. The Target Company is principally engaged in, amongst other things, research and development, manufacturing, processing, sales, technical advisory and services of visible light photocatalysis products. The visible light photocatalysis products are developed based on the graphene products and can be used to decompose the toxic organic matter in the water, deodorant, increase the oxygen content of rivers, and have the strong compatibility of other treatment technology. The visible light photocatalysis materials are green and safe and can be recycled. The Target Company has submitted tenders for the municipal engineering projects in respect of the water purification treatment of rivers, sewage plants and odor water by using visible light photocatalysis products and technologies.

#### **INFORMATION OF THE VENDORS**

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendors and their respective ultimate beneficial owners (as the case may be) are Independent Third Parties.

## **MAJOR TERMS OF THE LETTER OF INTENT**

**Date:** 3 February 2017

### **Parties:**

- (1) Vendors: (i) Jiangsu Longjia Investment Co., Ltd\* 江蘇龍佳投資有限公司, being Vendor 1
- (ii) Jiangsu Kangrun Purify Technology Co., Ltd.\* 江蘇康潤淨化科技有限公司, being Vendor 2;
- (iii) Mr. Zheng Jian\* 鄭堅, being Vendor 3; and
- (2) Purchaser: Synergy Rise Investment Limited

### **Assets to be acquired**

Under the Letter of Intent, the Purchaser intends to acquire and the Vendors intend to dispose of, in aggregate, 51% equity interest in the Target Company, which shall be free from any encumbrances.

### **Due diligence review**

The Purchaser will commence due diligence review on the business, financial and operational aspects of the Target Company. The Purchaser is entitled to perform such due diligence review notwithstanding the signing of the formal agreement in respect of the Proposed Acquisition.

### **Exclusivity period**

Pursuant to the Letter of Intent, the Vendors agree that for a period of 90 days (or such later date as mutual agreed by the Vendors and the Purchaser) commencing from the first day after the signing of the Letter of Intent not to negotiate or discuss with any person or entity other than the Purchaser with respect to the Proposed Acquisition.

### **Consideration**

Pursuant to the Letter of Intent, the exact amount of the consideration for the Proposed Acquisition, the manner and the method of payment shall be subject to further negotiation between the Vendors and the Purchaser.

## **Non legal-binding effect**

Save for the exclusivity period, the due diligence review, the cost and expense, governing law and jurisdiction clauses in the Letter of Intent, the Letter of Intent does not constitute any legally binding commitment of the Vendors and the Purchaser in respect of the Proposed Acquisition.

The Proposed Acquisition is subject to the execution and completion of the formal agreement. The Vendors and the Purchaser will further negotiate for the conditions to the completion of the Proposed Acquisition to be included in the formal agreement.

## **REASONS FOR ENTERING INTO THE LETTER OF INTENT**

The Company is an investment holding company whose subsidiaries are principally engaged in the provision of building maintenance services and renovation services in Hong Kong.

As stated in the composite document of the Company dated 23 December 2016, Smart Paradise International Limited, the controlling shareholder of the Company, will conduct a review on the financial position and the operations of the Company and will formulate long-term business plans and strategies of the Company, explore other business opportunities and consider whether any asset disposals, asset acquisition, business rationalization, 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.

The Board considers the Proposed Acquisition could provide an opportunity for the Company to invest in the graphene photocatalytic technology and would enable the Group to submit tenders for the relevant engineering projects and therefore it is in the interest of the Company and the Shareholders as a whole.

The Letter of Intent is not legally binding on the parties in respect of the Proposed Acquisition and is subject the entering into of formal sale and purchase agreement(s). The Letter of Intent may or may not lead to the entering into of formal sale and purchase agreement(s) and the Proposed Acquisition contemplated thereunder may or may not be consummated.

**Shareholders and potential investors of the Company should note that the Proposed Acquisition contemplated under the Letter of Intent may or may not materialize. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

Further announcement(s) will be made by the Company in accordance with the Listing Rules to provide updates on the transactions contemplated under the Letter of Intent as and when appropriate.

## **DEFINITIONS**

In this announcement, the following definitions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	Yat Sing Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 3708)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best of the directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the company and are third parties independent of the company and its connected persons in accordance with the Listing Rules
“Letter of Intent”	a letter of intent entered into between the Purchaser and the Vendors on 3 February 2017 in relation to the Proposed Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Proposed Acquisition”	the proposed acquisition of, in aggregate, 51% equity interest in the Target Company by the Purchaser from the Vendors, subject to the signing of formal sale and purchase agreement(s)
“Purchaser”	Synergy Rise Investment Limited, a company incorporation in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the Shares
“Shares”	shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Jiangyang Grabene Graphene Photocatalytic Technology Co., Ltd.* 江陽嘉潤石墨烯光催化技術有限公司, a limited liability company established in the PRC
“Vendors”	collectively, Vendor 1, Vendor 2 and Vendor 3
“Vendor 1”	Jiangsu Longjia Investment Co., Ltd* 江蘇龍佳投資有限公司, a limited liability company established in the PRC
“Vendor 2”	Jiangsu Kangrun Purify Technology Co., Ltd.* 江蘇康潤淨化科技有限公司, a limited liability company established in the PRC
“Vendor 3”	Mr. Zheng Jian* 鄭堅, a PRC resident
“%”	per cent.

By Order of the Board  
**Yat Sing Holdings Limited**  
**Mr. Dai Jian**  
*Chairman*

Hong Kong, 3 February 2017

*As at the date of this joint announcement, the Board comprises two executive Directors, namely Mr. Dai Jian and Mr. Dai Jialong and three independent non-executive Directors, namely Mr. Chan Foon, Mr. Guo Biao and Ms. Song Dan.*

*\* The English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names and words.*