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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)

**(1) TERMINATION OF THE ORIGINAL ACQUISITION AGREEMENT;
AND
(2) MEMORANDUM OF UNDERSTANDING
IN RELATION TO THE
POSSIBLE ACQUISITION OF 55% EQUITY INTEREST IN
THE TARGET COMPANY**

(1) TERMINATION OF THE ORIGINAL ACQUISITION AGREEMENT

The Board announces that on 5 September 2017 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendors entered into the Deed of Termination, pursuant to which the Purchaser and the Vendors have mutually agreed to terminate the Original Acquisition Agreement with immediate effect. The Purchaser had not paid any consideration and the Vendors had not proceed with any transfer procedures pursuant to the Original Acquisition Agreement up to the date of this announcement.

(2) MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION

The Board is pleased to announce that, on 5 September 2017 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and Vendor 1 entered into the non-legally binding MOU in relation to the Possible Acquisition.

The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialised, it may constitute a notifiable transaction of the Company. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company.

Further announcement(s) in respect of the Possible Acquisition will be made by the Company in the event any Formal Agreement has been signed.

References are made to the announcements of the Company dated 7 March 2017 and 12 June 2017 respectively in relation to the entering into the Original Acquisition Agreement.

(1) TERMINATION OF THE ORIGINAL ACQUISITION AGREEMENT

The Board announces that on 5 September 2017 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendors entered into the Deed of Termination, pursuant to which the Purchaser and the Vendors have mutually agreed to terminate the Original Acquisition Agreement with immediate effect. All rights, obligations and liabilities of the parties to the Original Acquisition Agreement will be released and discharged from the date of the Deed of Termination. The Purchaser had not paid any consideration and the Vendors had not proceed with any transfer procedures pursuant to the Original Acquisition Agreement up to the date of this announcement.

The Directors consider that the Deed of Termination is on normal commercial terms, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board considers that the termination of the Original Acquisition Agreement will not have any material adverse effect on the existing business, operations and financial position of the Group.

(2) MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION

The Board is pleased to announce that, on 5 September 2017 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and Vendor 1 entered into the non-legally binding MOU in relation to the Possible Acquisition.

The MOU

The terms of the MOU are as follows:

Date: 5 September 2017

Parties:

- (1) Vendor: Jiangsu Longjia Investment Co., Ltd.*
(江蘇龍佳投資有限公司), being Vendor 1
- (2) Purchaser: Synergy Rise Investment Limited

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Vendor 1 and its ultimate beneficial owners are Independent Third Parties.

Assets to be acquired

Pursuant to the MOU, the Purchaser intends to purchase and Vendor 1 intends to sell 55% of the equity interest in the Target Company.

Consideration

Pursuant to the MOU, the exact amount, the manner and the method of payment of the consideration for the Possible Acquisition shall be subject to further negotiation between the Purchaser and Vendor 1.

Due diligence review

The Purchaser will commence due diligence review on the business, financial and operational aspects of the Target Company.

Exclusivity period

Under the MOU, in consideration of the expenses to be incurred by the Purchaser in the negotiation of the MOU and in conducting the due diligence review, Vendor 1 will not, and will procure directors, officers, employees, representatives and agents of Vendor 1 and/or the Target Company will not, directly or indirectly, for a period of 180 days commencing from the date of the MOU to (i) solicit, initiate or encourage inquiries or offers from, or (ii) initiate or continue negotiations or discussions with or furnish any information to, or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Purchaser with respect to the Possible Acquisition.

Non-legally binding

Save for the due diligence review, the exclusivity period, the confidentiality, the cost and expense, the governing law and jurisdiction clauses in the MOU, the MOU does not constitute any legally binding commitment in respect of the Possible Acquisition. The Possible Acquisition is subject to the execution and completion of the Formal Agreement.

Both the Purchaser and Vendor 1 will proceed to the negotiation for a legally binding Formal Agreement on or before 180 days from the date of the MOU (or such later date to be agreed by the Purchaser and Vendor 1).

Conditions precedent

It is expected that completion of the Possible Acquisition will be subject to and conditional upon, the fulfilment or waiver of, the following conditions precedent:

- (1) the Purchaser being satisfied with the results of the due diligence review to be conducted on the Target Company (including but not limited to finance and legal aspects); and
- (2) any other conditions which may be agreed by the parties to the MOU and included in the Formal Agreement.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability. 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.

INFORMATION ON THE PURCHASER AND VENDOR 1

The Purchaser

The Purchaser is a company incorporated in Hong Kong with limited liability, and an indirect wholly-owned subsidiary of the Company. The Purchaser is an investment holding company.

Vendor 1

Vendor 1 is a company established in the PRC with limited liability. Vendor 1 is principally engaged in project investments. As at the date of this announcement, Vendor 1 is owned as to 60% by Mr. Kong Lingfu* (孔令福) and as to 40% by Mr. Kong Zhiliang* (孔志良), both being Independent Third Parties.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company. The Group is 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 rationalisation, 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.

Mr. Kong Lingfu* (孔令福, “**Mr. Kong**”) is the legal representative of the Target Company, the general manager of each of the Target Company and Vendor 1. Mr. Kong has over 20 years of experience in the research and development, large scale production and sales of nano-materials and graphene.

Mr. Kong has created a unique non-liquid functional stripping process for two-dimensional materials* (二維材料獨特的非液相功能性剝分工藝) to achieve the industrial production of high-quality graphene sheets. He was also invited to provide advice on the establishment of the country’s “nano-technology application laboratory* (納米技術應用實驗室)”, which aims to the develop the commercial use of graphene.

Graphene is a two-dimensional sheet of carbon atom arranged in the form of a honeycomb lattice. It is thin and ultra-light, yet immensely tough and incredibly flexible.

In view of the above, the Company intends to increase its equity interest in the Target Company. Despite the fact that Vendor 1 intends to further sell its equity interest, Vendor 2 and Vendor 3 do not intend to further sell their equity interest in the Target Company to the Purchaser. To simplify the negotiation process and transfer process, the Purchaser and the Vendors mutually agreed to terminate the Original Acquisition Agreement; and subsequently, the Purchaser and Vendor 1 entered into the MOU for the Possible Acquisition.

The Board considers the Possible 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 Board is of the view that the terms of the Possible Acquisition are fair and reasonable and the Possible Acquisition is in the interests of the Company and the Shareholders as a whole.

The MOU does not constitute a legally binding commitment in respect of the Possible Acquisition. The Possible Acquisition is subject to the execution and completion of the Formal Agreement.

If the Formal Agreement is entered into, it is expected that the Possible Acquisition will constitute a notifiable transaction on the part of the Company pursuant to the Listing Rules and is subject to reporting requirements under the Listing Rules. In this regard, the Company will comply with the reporting, disclosure and/or Shareholder's approval requirements under the Listing Rules.

The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialised, it may constitute a notifiable transaction of the Company. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company.

Further announcement(s) in respect of the Possible Acquisition will be made by the Company in the event any Formal Agreement has been signed as and when appropriate in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“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 in the Listing Rules
“Deed of Termination”	a deed of termination dated 5 September 2017 and entered into among the Purchaser and the Vendors in respect of the termination of the Original Acquisition Agreement
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal sale and purchase agreement which may or may not be entered into in relation to the Possible Acquisition
“Group”	the Company and its subsidiaries
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the non-legally binding memorandum of understanding dated 5 September 2017 entered into between the Purchaser and Vendor 1 setting out the preliminary understanding in relation to the Possible Acquisition
“Original Acquisition Agreement”	the conditional sale and purchase agreement dated 7 March 2017 (as amended supplemented by the supplemental agreement dated 12 June 2017) and entered into among the Purchaser and the Vendors in respect of the proposed acquisition of in aggregate 51% of the equity interest in the Target Company by the Purchaser
“Possible Acquisition”	the possible acquisition by the Purchaser from Vendor 1 of 55% of the equity interest in the Target Company as contemplated under the MOU
“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
“Purchaser”	Synergy Rise Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Jiangyin Grabene Graphene Photocatalytic Technology Co., Ltd.* (江陰嘉潤石墨烯光催化技術有限公司), a company established in the PRC with limited liability
“Vendor 1”	Jiangsu Longjia Investment Co., Ltd.* (江蘇龍佳投資有限公司), a company established in the PRC with limited liability
“Vendor 2”	Jiangsu Kangrun Purify Technology Co., Ltd.* (江蘇康潤淨化科技有限公司), a company established in the PRC with limited liability
“Vendor 3”	Mr. Zheng Jian* (鄭堅), a PRC resident
“Vendors”	collectively, Vendor 1, Vendor 2 and Vendor 3
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By order of the Board
Yat Sing Holdings Limited
Dai Jian
Chairman

Hong Kong, 5 September 2017

** 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 or words*

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