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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)

DESPATCH OF CIRCULAR REGARDING MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF 55% EQUITY INTEREST IN THE TARGET COMPANY

References are made to the announcements of Yat Sing Holdings Limited (the “**Company**”) dated 5 September 2017, 19 September 2017, 12 October 2017, 26 October 2017, 17 November 2017, 24 November 2017 and 29 December 2017 (collectively the “**Announcements**”) respectively in relation to, among other things, the Acquisition and the transactions contemplated thereunder. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless defined otherwise herein.

On 29 December 2017, the Board announced that the Purchaser and the Vendor entered into a Supplemental Agreement to amend the terms of the Sale and Purchase Agreement and the further delay in despatch of the Circular.

The main reasons for the further delay in despatch of the Circular are attributable to (i) the prolonged discussion with the Vendor to amend the terms of the Sale and Purchase Agreement which was finally agreed on 29 December 2017; and (ii) the discussion of the accounting treatment on the impairment of the receivables. The Company considered that if the provision of impairment of asset was made, the net assets value would be materially affected. In prudent sake, the Company delays the despatch of the Circular as a result of taking time on preparation of the financial information for the Target Company.

In addition, the Company is making reference on the business valuation report for the preparation of the pro forma statements and to state the fair financial position after the Acquisition. The valuer has also taken reasonable time on data gathering relating to nano-materials and graphene industry over China and Hong Kong markets to prepare a business valuation report. The Company experienced that such market data is not easily accessed across available public information. The valuer is spending some extra time to conduct necessary steps for the preparation of the valuation.

As at the date of this announcement, the draft Circular has not been submitted to the Stock Exchange for vetting. As additional time is required for the preparation of (i) the financial information of the Target Company for the eleven months ended 30 November 2017; (ii) unaudited pro forma financial information of the Enlarged Group upon Completion; (iii) working capital sufficiency statements; (iv) property valuation report; (v) statement of indebtedness to be included in the Circular as well as a business valuation report preparing for the Company in respect of the unaudited pro forma statements, the Company has further applied to the Stock Exchange for, and the Stock Exchange has granted on 12 January 2018, a waiver from strict compliance with Rule 14.41(a) of the Listing Rules, and an extension of time for the despatch of the Circular to a date falling on or before 28 March 2018.

Based on the discussion and confirmation with the valuer, reporting accountant and financial adviser, it is expected that (i) the draft business valuation report would be available on or about 19 January 2018; (ii) the draft accountant report of the Target Company for the eleven months ended 30 November 2017 and the unaudited pro forma financial information would be available on or about 12 February 2018; (iii) the draft working capital sufficient statement would be available on or about 9 February 2018; and (iv) the preliminary statement of indebtedness as at 31 January 2018 would be ready on or about 12 February 2018. Hence, the Circular would be available for despatch to the Shareholders on or before 28 March 2018.

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

Hong Kong, 15 January 2018

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.