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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)

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

Financial adviser to the Company

 **KINGSTON CORPORATE FINANCE**

THE ACQUISITION

The Board is pleased to announce that, on 19 September 2017 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Interest for a total cash consideration of RMB35,750,000 (equivalent to approximately HK\$42,453,125), which shall be payable by the Purchaser to the Vendor (or its nominee(s)) on Completion.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company, and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since no shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Sale and Purchase Agreement and the transactions contemplated thereunder, pursuant to Rule 14.44 of the Listing Rules, the Company has obtained a written approval dated 19 September 2017 for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder from Smart Paradise International Limited, being the Shareholder which held 599,100,000 Shares, representing approximately 53.55% of the issued share capital of the Company, carrying rights to vote at a general meeting. Therefore, no general meeting of the Company will be convened to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing, among other things, (i) further details of the Acquisition and the transactions contemplated thereunder; (ii) the financial information of the Target Company; and (iii) the unaudited pro forma financial information of the Enlarged Group upon Completion is expected to be despatched to the Shareholders on or before 12 October 2017.

As Completion is subject to and conditional upon fulfilment or waiver (where applicable) of the conditions precedent set out in the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.

Reference is made to the announcement of the Company dated 5 September 2017 in relation to the entering into of the MOU in respect of the Acquisition.

THE ACQUISITION

The Board is pleased to announce that, on 19 September 2017 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Interest.

The Sale and Purchase Agreement

The principal terms and conditions of the Sale and Purchase Agreement are as follows:

Date: 19 September 2017

Parties:

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

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

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Interest, representing 55% equity interest in the Target Company.

Consideration

The total Consideration for the Acquisition is RMB35,750,000 (equivalent to approximately HK\$42,453,125), which shall be payable by the Purchaser (or its nominee(s)) to the Vendor (or its nominee(s)) in cash on Completion.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor taking into account, amongst others, (i) the amount of paid-up capital of the Target Company; (ii) future business prospects of the Target Company; and (iii) the benefits to be derived by the Group from the Acquisition as described under the paragraph headed "Reasons for and benefits of the Acquisition" below.

The Consideration will be financed by internal resources of the Group.

Conditions precedent

Completion of the Sale and Purchase Agreement is 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);
- (2) all necessary consents approvals, permits and authorisations required to be obtained pursuant to any laws, regulations, the Listing Rules or other regulations on the part of the Vendor, in respect of the transactions contemplated under the Sale and Purchase Agreement having been obtained;

- (3) all necessary consents approvals, permits and authorisations required to be obtained pursuant to any laws, regulations, the Listing Rules or other regulations on the part of the Purchaser and the Company, in respect of the transactions contemplated under the Sale and Purchase Agreement having been obtained;
- (4) the representations and warranties made by the Vendor remaining true, accurate and not misleading in all respects;
- (5) the articles of association of the Target Company having been amended pursuant to the Sale and Purchase Agreement; and the registration of the transfer of the Sale Interest with the relevant industrial and commercial authorities of the PRC (including but not limited to, the Target Company having been amended to a sino-foreign equity joint venture) having been completed;
- (6) the obtaining of the legal opinion issued by a firm of PRC lawyers acceptable to the Purchaser covering such matters of the PRC laws relevant to the transactions contemplated under the Sale and Purchase Agreement in such form and substance to the satisfaction of the Purchaser;
- (7) the Vendor having obtained the confirmation of waiver of the first right of refusal with respect to the Acquisition from other shareholder(s) of the Target Company, if any; and
- (8) the passing of the necessary ordinary resolution(s) by the Shareholders at the extraordinary general meeting of the Company to be convened and held or by written approval of the majority of the Shareholders to approve the Sale and Purchase Agreement and the transactions contemplated thereunder, in accordance with the Listing Rules or applicable laws and regulations.

Save for conditions (1) and (4) which the Purchaser shall have the right to waive by notice in writing to the Vendor, all other conditions precedent above cannot be waived. If any of the above conditions is not fulfilled or waived (as the case may be) on or before the Long Stop Date (or such later date as the parties to the Sale and Purchase Agreement may agree in writing), the Sale and Purchase Agreement shall terminate. In any event, neither party shall have any obligations and liabilities to each other save for any antecedent breaches of the terms in the Sale and Purchase Agreement.

Completion

Completion shall take place within three Business Days following the date on which the last of the conditions precedent to the Sale and Purchase Agreement being fulfilled or waived (as the case may be) or such other date as the parties to the Sale and Purchase Agreement may agree in writing.

Upon Completion, the Target Company will be accounted as an indirect non wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the Group's accounts.

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.

Financial information of the Target Company

Set out below is a summary of the financial information of the Target Company for the period from 20 October 2016 (being the date of incorporation) to 31 December 2016 and the eight months ended 31 August 2017 (based on the unaudited management accounts) prepared in accordance with the PRC General Accepted Accounting Principles:

	For the period from the date of incorporation to 31 December 2016 (RMB'000) (unaudited)	For the eight months ended 31 August 2017 (RMB'000) (unaudited)
Turnover	–	–
Loss before tax	182	9,023
Loss after tax	182	9,023

The unaudited net assets of the Target Company as at 31 August 2017 was approximately RMB39.8 million.

INFORMATION ON THE PURCHASER AND THE VENDOR

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.

The Vendor

The Vendor is a company established in the PRC with limited liability. The Vendor is principally engaged in project investments. As at the date of this announcement, the Vendor 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 offer and response 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 the Vendor. 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.

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

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Since no shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Sale and Purchase Agreement and the transactions contemplated thereunder, pursuant to Rule 14.44 of the Listing Rules, the Company has obtained a written approval dated 19 September 2017 for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder from Smart Paradise International Limited, being the Shareholder which held 599,100,000 Shares, representing approximately 53.55% of the issued share capital of the Company, carrying rights to vote at a general meeting. Therefore, no general meeting of the Company will be convened to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

GENERAL

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As Completion is subject to and conditional upon fulfilment or waiver (where applicable) of the conditions precedent set out in the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.

DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Interest by the Purchaser, in accordance with the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of Directors
“Business Day(s)”	any day(s) (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
“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)
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date of the Completion, which shall be a day within three Business Days following the date on which the last of the conditions precedent to the Sale and Purchase Agreement being fulfilled or waived (as the case may be) or such other date as the parties to the Sale and Purchase Agreement may agree in writing
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration to be satisfied by the Purchaser to the Vendor (or its nominee(s)) for the sale and purchase of the Sale Interest
“Director(s)”	the director(s) of the Company
“Enlarged Group”	the Group as enlarged by the Target Company upon Completion
“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
“Long Stop Date”	31 December 2017 or such other date as the parties to the Sale and Purchase Agreement may agree in writing
“MOU”	the non-legally binding memorandum of understanding dated 5 September 2017 entered into between the Purchaser and the Vendor setting out the preliminary understanding in relation to the Acquisition
“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
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 19 September 2017 and entered into between the Purchaser and the Vendor in respect of the Acquisition
“Sale Interest”	the 55% equity interest in the Target Company as at the date of the Sale and Purchase Agreement
“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”	Jiangsu Longjia Investment Co., Ltd.* (江蘇龍佳投資有限公司), a company established in the PRC with limited liability
“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, 19 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*

In this announcement, translation of RMB into HK\$ based on the exchange rate of RMB1.00 to HK\$1.1875. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Renminbi have been, could have been or may be converted at such or any other rate or at all.

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.